



Press Release, February 11, 2011

University of Florida Research Foundation initiates court case

The University of Florida Research Foundation Inc. (UFRF) has filed a lawsuit in United States federal district court in Florida against Diamyd Medical claiming that UFRF is entitled to a percentage of the license fee paid to Diamyd Medical by Ortho-McNeil-Janssen Pharmaceuticals, Inc. (OMJPI). Diamyd Medical has licensed certain rights from UFRF, and these rights were among the rights that Diamyd Medical sublicensed to OMJPI. Diamyd Medical is working with its U.S. legal counsel to settle this matter.

The outcome of this matter is deemed not to have a material impact on Diamyd Medical.

For more information, please contact:

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About Diamyd Medical

Diamyd Medical is a Swedish pharmaceutical company focusing on the development of pharmaceuticals for the treatment of autoimmune diabetes and pain. The Diabetes business area consists of the antigen-based drug candidate Diamyd[®] for the treatment and prevention of autoimmune diabetes. Phase III studies of Diamyd[®] are currently in progress in Europe and the US. In 2010 the Company signed an agreement with Ortho-McNeil-Janssen Pharmaceuticals, Inc., for the development and commercialization of Diamyd[®]. The Pain business area consists of development projects that use the Company's proprietary NTDDS (Nerve Targeting Drug Delivery System) platform to administer drugs directly to the nervous system to treat chronic pain. A Phase II study of the candidate drug NP2 Enkephalin for cancer pain is ongoing in the US.

Diamyd Medical has offices in Sweden and in the US. Shares are listed on Nasdaq OMX in Stockholm (ticker: DIAM B) and on OTCQX in the US (ticker: DMYDY) administered by the Pink OTC Markets and the Bank of New York Mellon (PAL). Further information is available on the company's website: www.diamyd.com.

This information is disclosed in accordance with the Swedish Securities Markets Act, the Swedish Financial Instruments Trading Act, or the requirements stated in the listing agreements.

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