Press Release, May 14, 2009

Diamyd Medical has treated half of the patients in European registration study

Diamyd Medical reported today that 166 out of a total of 320 patients, who are part of the European Phase III study of the Diamyd® diabetes vaccine, have now been included in the study. Discussions with regulatory agencies are ongoing regarding how the brisk rate of recruitment in Europe can best be utilized in Diamyd's global Phase III program. The company estimates that the program will be fully recruited during 2009.

The global Phase III program includes two studies with respectively 320 patients in Europe and 320 in the United States ages 10 to 20. The objective of the program is to evaluate the ability of the Diamyd® vaccine to halt or slow the autoimmune attack on insulin-producing beta cells, thereby preserving the body's own ability to produce insulin in children and adolescents with recent onset type 1 diabetes.

> "The rate of recruitment is now excellent. During a short period of time we have nearly doubled the recruitment of patients for our European Phase III study," says **Elisabeth Lindner, President and CEO** of Diamyd Medical. "This enables us to increase the proportion of European patients in the global Phase III program," **Lindner** continues.

Initially, the US study is only recruiting patients ages 16 to 20, an age group with a limited patient population. Diamyd Medical is pursuing discussions with the regulatory agencies about expanding the age range in the US to 10-20, and about altering the design of the Phase III program, so that countries with the fastest rate of patient recruitment can be utilized to the greatest extent.

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About Diamyd Medical
Diamyd Medical is a Swedish biopharmaceutical company focusing on the development of pharmaceuticals for the treatment of autoimmune diabetes and its complications. The company's most advanced project is the GAD-based drug Diamyd® for type 1 diabetes. Phase III trials for this drug are in progress in both Europe and the US. In addition, the Company has initiated clinical studies in the US in the area of chronic pain, using its Nerve Targeting Drug Delivery System (NTDDS). The Company has also out-licensed the use of GAD for the treatment of Parkinson's disease. The Company currently has three clinical-phase products.

Diamyd Medical has offices in Sweden and in the US. Shares are listed on the OMX First North (ticker: DIAM B) and on OTCQX in the US (ticker: DMYDY) administered by the Pink OTC Markets and the Bank of New York (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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