



Press Release August 11th, 2008

Diamyd® prevents insulin treatment in LADA patients

Diamyd Medical announces today that Diamyd® vaccination, still after five years, significantly lowers the risk that LADA patients (Latent Autoimmune Diabetes in Adult) need insulin treatment. No treatment related serious adverse events were seen in the study, further strengthening the safety profile of Diamyd®.

The study results will be presented at the European Association for the Study of Diabetes (EASD) Annual Meeting in Rome, September 7-10 by the Principal Investigator for the study, Professor **Carl-David Agardh**, University Hospital Malmö, Sweden, with colleagues.

“We saw a steep improvement in beta cell function already at six months after vaccination in patients treated with 20 µg of Diamyd®”, says Professor Agardh. “This improvement was largely maintained over the five years of the study.”

About 10 percent of all diabetes patients have LADA. This patient group normally requires insulin treatment within a few years after diagnosis.

“This is the first time that it is shown in man, that an autoimmune disease can be neutralized long term by the same autoantigen that drives the disease”, says Professor **Åke Lernmark**, University of Lund, co-investigator in the study.

“The fact that the Diamyd® vaccine shows significant positive long term effect in LADA patients is a first step towards prevention of autoimmune diabetes”, says **Elisabeth Lindner**, President and CEO of Diamyd Medical. “We have now fully positioned our vaccine into two separate products; one for type 1 diabetes and a separate product for LADA. This is a large step towards building a pharmaceutical company within diabetes”.

For more information, please contact:

Elisabeth Lindner, President and CEO Diamyd Medical AB (publ.), elisabeth.lindner@diamyd.com
Phone: +46-8-661 0026

For pictures and press material, please contact:

Sonja Catani, Chief Communications Officer Diamyd Medical AB, sonja.catani@diamyd.com
Phone: +46-8-661 00 26

This information is disclosed in accordance with the Securities Markets Act, the Financial Instruments Trading Act or demands made in the exchange rules.

Diamyd Medical is a Swedish biopharmaceutical company focusing on development of pharmaceuticals for treatment of autoimmune diabetes and its complications. The company's most advanced project is the GAD-based drug Diamyd® for type 1 diabetes and for which Phase III trials have been initiated in both the US and Europe. Furthermore the company has initiated clinical studies within 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.

Diamyd Medical has offices in Sweden and in the US. The share is quoted on the OMX Stockholm Nordic Exchange (ticker: DIAM B) and on OTCQX in the US (ticker: DMYDY) administered by the Pink Sheets and the Bank of New York (PAL). Further information is available on the company's web site: www.diamyd.com

Diamyd Medical AB (publ.)

Linnégatan 89 B, SE-115 23 Stockholm, Sverige. Tel: +46 8 661 00 26, Fax: +46 8 661 63 68

E-post: info@diamyd.com. VATno: SE556530-142001.