



Press Release April 21st, 2008

Diamyd strengthens financial position and executes a fully subscribed direct placement

Diamyd Medical AB (publ) (ticker DIAM B) has decided on and successfully executed a direct placement of in total 991,000 B shares. The shares have been placed with a limited group of professional investors at a price of 73 SEK per share. The issue raises gross proceeds of 72.3 MSEK (\$12.3 million) in total for the Company, before issue costs. For each issued and paid new share an equal number of warrants is received free of charge, which gives its holder the right to purchase additional B shares at a price of 100 SEK during April 2009. At full use of the issued warrants an additional 99.1 MSEK (\$16.8 million) in gross proceeds, will be available to the company.

After the executed new issue the share capital will increase with 991,000 SEK to 10,901,570 SEK, corresponding to 561,671 A shares and 10,339,899 B shares. After the issue the new shares represent 9.1 % of the capital and 6.2% of the votes. With a full subscription of the warrants the share capital will increase with another 991,000 SEK and the number of shares will increase with another 991,000 B-shares. The Board of Diamyd decided on the new issue in line with the authorization given on the General Shareholder's meeting on December 11, 2007, and on the Extra Shareholder's meeting on March 10, 2008.

"This issue takes us a further step towards the commercialization of our therapeutic diabetes vaccine Diamyd[®]", says **Elisabeth Lindner**, President and CEO of Diamyd Medical. "At the same time as resources are secured for financing of the clinical Phase III studies, which are needed for market approval, we will continue our partnership discussions for our Diamyd[®] and NTDDS platforms, from a strong bargaining position. I am warmly welcoming our new shareholders."

Stockholm Corporate Finance has been financial advisor to Diamyd regarding the issue.
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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[®] against type 1- diabetes for which Phase III trials have been initiated in both 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 US. The share is quoted on the OMX Stockholm Nordic Exchange (ticker: DIAM B) and on OTCQXt in the United States (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

Stockholm Corporate Finance AB is a securities company surveyed under the Swedish Financial Supervisory Authority and offers services in qualified business advising and capital raising predominantly to small and middle size public companies and their owners. More information can be found on the Company's website: www.stockholmcorp.se

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