



Press release October 1, 2009

Diamyd makes investment in time-to-market

Diamyd Medical announces today that the company has signed an agreement with Inclinix Inc., North Carolina, for accelerated recruitment of children and adolescents recently diagnosed with type 1 diabetes in the US Phase III study of the diabetes vaccine Diamyd®.

Diamyd Medical is conducting a global Phase III program with the diabetes vaccine Diamyd®, including in total 640 children and adolescents with recent-onset type 1 diabetes. The program is composed of one study in the US and one parallel study in nine countries in Europe. The US recruitment effort will soon be launched together with Inclinix Inc., under the name DIAPREVENT.

– Our agreement with Inclinix is performance based and targets to enable filing for market approval in the US during 2011, which secures our time-to-market projections for the Diamyd® vaccine, says **Elisabeth Lindner**, President and CEO, Diamyd Medical.

The US Phase III study is rapidly expanding its number of sites from 13 to at least 43 sites. The new sites are pediatric diabetes clinics for enrollment of patients from 10 years of age. The highest incidence of type 1 diabetes is in the age range 10-15 years. Inclinix has an excellent track record in patient recruitment for type 1 diabetes in the US and is working through targeted internet advertising, social media networking, professional regional recruitment managers and regional referrals of patients to the study clinics.

– We are pleased that Diamyd Medical has chosen Inclinix as their enrollment partner for this important study. We look forward to the opportunity to contribute to the development of the Diamyd® vaccine and thereby make a truly global impact on the pediatric medical community, says **J. Tobin Geatz**, President and CEO, Inclinix.

The purpose of the study is to determine whether Diamyd® can preserve the body's own insulin producing capacity in persons recently diagnosed with type 1 diabetes. Maintaining the insulin producing capacity could result in simpler treatment and a better blood sugar balance, which in turn could reduce the risk of both short-term and long-term complications typically associated with diabetes.

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About Inclinix

Inclinix, Inc. is a global enrollment Contract Research Organization (CRO) specializing in customized Phase I - IV clinical trial enrollment solutions. Inclinix services deliver productive investigative sites and qualified patients for Sponsors, resulting in successfully completed clinical trials for the pharmaceutical, biotech and medical device industries. Comprehensive enrollment solutions include site recruitment, patient recruitment, clinical and medical marketing communications, patient compliance and education, and the

InSite Screener™ and InSite Patient Tracker™ for comprehensive patient qualification and retention. Since 1999, Inclinux (formerly PharmaTech Solutions, Inc.) has participated in over 400 clinical trials in over 130 indications. Inclinux corporate headquarters is located in Wilmington, North Carolina with additional offices in Annapolis, Maryland, and Gothenburg, Sweden.

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About Diamyd Medical

Diamyd Medical is a Swedish diabetes 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 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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