



Press Release, October 7, 2009

## **Extra shareholders' meeting at Diamyd Medical AB approves a new share issue of 220 MSEK**

*The extra shareholders' meeting at Diamyd Medical AB (publ) held today decided, in accordance with the proposal put forward by the Board of Directors, to implement a new share issue of just under 220 MSEK with preferential rights for existing shareholders. The rights issue is 100% underwritten through subscription undertakings and underwriting guarantees.*

The additional capital is required to cover with margin the costs that the Company anticipates incurring up to spring 2011, when data from the current Phase III program is expected to be available, and to strengthen the Company's bargaining position in current partnership negotiations.

The new issue gives an increase in the share capital of up to 3,131,091 SEK and an increase in the number of shares of up to 3,131,091 shares, whereof up to 157,267 are A shares and up to 2,973,824 are B shares. If the shares are fully subscribed for, this gives an increase in the share capital from 11,182,472 SEK to 14,313,563 SEK and an increase in the number of shares from a total of 11,182,472 shares to a total of 14,313,563 shares.

The issue price is 70 SEK per share, which means that the company receives up to 219,176,370 SEK before issue and guarantee costs.

Holders of A and B shares have preferential rights to subscribe for new shares in the same class of shares in proportion to the amount of owned shares. Holding of twenty-five (25) A and B shares gives a preferential right to subscribe for seven (7) new A and B shares (primary preferential right). In case all shares are not subscribed for with a primary preferential right, a subsidiary preferential right applies. The record day for establishing who is entitled to subscribe for the new shares with a preferential right is Wednesday October 14, 2009.

Preliminary time plan for the issue:

- Last day of trading including preferential rights      October 9, 2009
- Record day      October 14, 2009
- Publication of prospectus      October 14, 2009
- Subscription period      October 16 – 30, 2009
- Trading with preferential rights      October 16 – 27, 2009

For more information, please refer to the prospectus produced by the Board of Directors of Diamyd Medical for the preferential rights issue. It is estimated that the prospectus will be available on the Company's website at [www.diamyd.com](http://www.diamyd.com) from Wednesday October 14, 2009.

### **For more information, please contact:**

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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](http://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.*

**Diamyd Medical AB (publ.)**

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