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A rewarding quarter for Diamyd Medical

In her Message from the CEO, contained in the Year End Report published today, Elisabeth Lindner, President and CEO of Diamyd Medical, announced that the most recent quarter has been a successful and intensive one for the Company.

During the last quarter of the fiscal year, Diamyd Medical has made considerable progress with its successful start of the Phase III studies of the Diamyd[®] diabetes vaccine. The Company also gained a great deal of exposure through various conferences, publications and meetings. Above all the publication in the world's most prestigious medical journal *New England Journal of Medicine* of the results from a previous Diamyd[®] study with children suffering from type 1 diabetes has proven to be an enormous success.

"In today's turbulent financial climate, I am even more convinced that the business model used by Diamyd, a flexible virtual company with low fixed costs, is a determinative factor for stable growth and the achievement of our objective of becoming a pharmaceutical company in the area of diabetes", comments **Elisabeth Lindner**, President and CEO of Diamyd.

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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 are ongoing 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

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