



Press Release, February 13, 2009

DIAMYD® APPROVED FOR GROUNDBREAKING STUDY IN NORWAY

Diamyd Medical reports today that a prevention study with the Diamyd® diabetes vaccine has been approved by the Norwegian Medicines Agency. As previously communicated on December 9, 2008, the objective of the study is to investigate the disease process before type 1 diabetes onset and if treatment with the Diamyd® diabetes vaccine stops the process.

In type 1 diabetes, the insulin-producing capacity is gradually destroyed by the immune system. Already before any symptoms of diabetes appear the disease can be detected through analysis of biomarkers in the blood. If Diamyd® treatment is initiated at this early stage it is likely that the onset of type 1 diabetes can be delayed or prevented.

A unique feature of the study is that tissue samples from the pancreas are taken. Analysis of these tissue samples can provide direct insight into how Diamyd® reduces the destruction of beta cells, i.e. the cells that produce insulin. This study includes 90 adults at high risk for developing type 1 diabetes and an additional 60 recent-onset type 1 diabetes patients.

“This is a major step in diabetes research. We have never previously studied what actually happens to the beta cells during onset of type 1 diabetes,” says Professor Knut Dahl-Jørgensen who will lead the study. “In addition to studying how the Diamyd® vaccine affects the insulin producing cells in people at high risk for developing type 1 diabetes, as well as how Diamyd® preserves the insulin producing capacity in recent-onset patients, we will specifically investigate whether type 1 diabetes may be caused by viral infection.”

“This study may be groundbreaking,” says Elisabeth Lindner, President and CEO of Diamyd Medical. “This is the first time our diabetes vaccine Diamyd® will be used in an attempt to prevent the disease progression in persons at risk for type 1 diabetes.”

The study will be conducted by a leading diabetes research group at Oslo University Hospital, Oslo Diabetes Research Centre in Norway, under the direction of Professor Knut Dahl-Jørgensen. The study is financed by Helse-SørØst, Oslo University Hospital and University of Oslo, Norway. The clinical study protocol is developed by the Norwegian research group in cooperation with Diamyd Medical and Professor Johnny Ludvigsson, Linköping University, Sweden.

The Diamyd® vaccine is being tested in the company’s own Phase III studies in Europe and the US for children and adolescents with recent-onset type 1 diabetes.

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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 for which Phase III trials are ongoing in both the US and Europe. Furthermore, the company has started 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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