Semi-Annual Report Stockholm April 29, 2009

Second quarter report for Diamyd Medical AB (publ), fiscal year 2008/2009
(www.omxgroup.com ticker: DIAM B; www.otcqx.com ticker: DMYDY)

December 1 – February 28, 2009

- The FDA approved a combination study of the Diamyd® vaccine with the purpose of restoring the ability to produce insulin in patients with type 1 diabetes
- A groundbreaking prevention study of the Diamyd® vaccine was approved by the Norwegian Medicines Agency
- Diamyd Medical received a new approval to follow Swedish children and confirm the long-term efficacy of Diamyd®
- Diamyd Medical's European Phase III trial was approved in all nine countries
- A pioneering study of the Diamyd® vaccine for the prevention of type 1 diabetes was approved by the Swedish Medical Products Agency (after reporting period)
- Diamyd Medical licensed a new pain product (after reporting period)
- Subscription of shares upon exercise of subscription warrant DIAM TO 2B from March 16 to April 17, which provided SEK 28 million in additional capital (after reporting period)
- Employee Options were granted to Diamyd Medical employees, on April 1 2009, according to the approval of a new option program (after reporting period)
- Diamyd Medical is discussing the possibility of combining its Phase III trials (after reporting period)

- Group net sales for the second quarter were kSEK 778 (682)
- The net loss for the second quarter was kSEK 15,399 (16,541)
- Group liquid assets amounted to kSEK 50,375 (39,253)
- Earnings per share after dilution for the second quarter are SEK -1.4 (-1.7)

September 1, 2008 – February 28, 2009

- Group Net sales for first half of the year were kSEK 866 (831)
- The net loss for the first half of the year was kSEK 25,805 (33,664)
- Earnings per share after dilution for the first half of the year were SEK -2.4 (-3.4)

CEO OVERVIEW

Treating, preventing and curing diabetes

In the last quarter Diamyd Medical was able to report significant progress in no less than five different simultaneous trials to evaluate the efficacy of the Diamyd® vaccine.

Our European Phase III trial has now been approved in all nine countries, an important milestone which has allowed us to sign up additional clinics in important countries such as Germany, France and Italy, which have all quickly begun treating children and adolescents with recent-onset type 1 diabetes. This means that the trial is fully under way and recruitment of new patients is proceeding even faster than before.

It's also of great importance to Diamyd Medical's future development that we received approval from the Swedish Medical Products Agency in mid-January to continue following the children with type 1 diabetes who were vaccinated with Diamyd® four years ago. This is a strategically important trial with the purpose of confirming the long-term efficacy of the Diamyd® vaccine, a trial we've already begun, and where recruitment is simplified by the fact that the patients are already identified.

In addition, there were three major news items during the period about new studies where the efficacy of the Diamyd® vaccine is evaluated by independent research groups, which removes the financial burden from us, while as a Company we are entitled to the study results. Two of these news items went worldwide, at nearly the same time.

On February 13 we were able to report that the Norwegian Medicines Agency had approved a completely unique prevention study for adults. The purpose of the study is to study the disease process before type 1 diabetes manifests, while at the same time the researchers are investigating how the Diamyd® vaccine reduces the destruction of beta cells and whether treatment with Diamyd® can prevent the disease. Ten days later, on March 4, we were able to report that the Swedish Medical Products Agency had approved an additional prevention study to evaluate the potential of the Diamyd® vaccine to prevent type 1 diabetes from manifesting in young children at a high risk of developing the disease. Both of these studies may produce significant and entirely new knowledge, not only about the Diamyd® vaccine, but also about type 1 diabetes in general. They may also lead to significantly improved understanding of the mechanisms that affect the progress of the disease.

We've been able to report positive news from the US, as the FDA approved a combination study of the Diamyd® vaccine with the purpose of restoring the ability to produce insulin in patients with type 1 diabetes. The Diamyd® vaccine is being tested in the study in combination with medication considered to stimulate the growth of new insulin-producing beta cells. The study is being financed and conducted by the respected National Institute of Diabetes and Digestive and Kidney Diseases (NIDDK). From a life cycle perspective, the study means that we are evaluating the vaccine's potential to cure, while simultaneously pursuing a treatment and prevention strategy.

In addition to the studies that we've reported, I also want to mention in closing that the TrialNet trial study of the Diamyd® vaccine financed by the National Institutes of Health has started in the US.

As in the past, our goal is to bring the Diamyd® vaccine to approval globally in the shortest time and at the lowest cost possible. Our recent successes demonstrate that we are on the right path, which motivates us to work even harder to reach the market.

Elisabeth Lindner, President and CEO, Diamyd Medical AB

SIGNIFICANT EVENTS DURING THE PERIOD

The FDA approved a combination study of the Diamyd® vaccine with the purpose of restoring the ability to produce insulin in patients with type 1 diabetes. The study means that the Diamyd® vaccine is being tested in combination with medication considered to stimulate the growth of new insulin-producing beta cells.

A groundbreaking prevention study of the Diamyd® vaccine was approved by the Norwegian Medicines Agency. The purpose of the study in Norway is to investigate the disease process before type 1 diabetes manifests, and whether treatment with the Diamyd® diabetes vaccine will halt the progress of the disease.

Diamyd Medical received a new approval to follow Swedish children and confirm the long-term efficacy of the Diamyd® vaccine. The study means that Diamyd Medical will continue to follow the 70 children with type 1 diabetes who were part of the Company's Phase II trial of the Diamyd® vaccine initiated four years ago for three more years.

Diamyd Medical's European Phase III trial was approved in all nine countries. The trial includes a total of 320 children in nine countries. Its purpose is to evaluate the efficacy of the Diamyd® vaccine in preserving the capacity to produce insulin in children and adolescents with recent-onset type 1 diabetes.

OTHER SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

A pioneering study of the Diamyd® vaccine for the prevention of childhood diabetes was aproved by the Swedish Medical Products Agency. The purpose of the study is to evaluate whether the Diamyd® vaccine successfully interrupts the course of the disease in Swedish children at high risk of developing type 1 diabetes, thus preventing the disease from manifesting.

Diamyd Medical licensed a new pain product. The agreement covers an exclusive license for a new endomorphin technology which is an important strategic complement to Diamyd Medical's pain portfolio, which now encompasses all three primary pain receptors.

Subscription of shares upon exercise of subscription warrant DIAM TO 2B from March 16 to April 17, 2009. The warrants that accompanied each newly issued share from the directed placement of spring 2008 were listed for trading on the market place First North as of June 10, 2008, and were traded through April 8, 2009. The subscription period was from March 16 until April 17, 2009. A total of 280,902 new shares were subscribed for, providing SEK 28,090,200 million in additional capital.

New employee option program. The new option program adopted by the annual meeting of shareholders means that employees of the Diamyd Group were granted new employee options as of April 1, 2009. A total of 158,400 options have been granted to the management team and other employees of Diamyd Medical AB. The program is running until 2011.

Diamyd Medical is discussing the possibility of combining its Phase III trials. Diamyd Medical is conducting two clinical Phase III trials of the Diamyd® diabetes vaccine in children and adolescents with recent-onset type 1 diabetes: one in the US and one in nine European countries. At the same time, the company is currently holding discussions with the regulatory agencies about combining the two trials into one global trial. In addition to reducing costs, consolidating the trials would mean that countries with the fastest rate of patient recruitment could be utilized to the greatest extent.

BUSINESS OVERVIEW

Diamyd Medical is a biopharmaceutical diabetes company that develops therapies from two independent technical platforms in the areas of diabetes and diabetes-related complications. One of the platforms originates from the GAD65 molecule and is the basis for the Diamyd® TYPE 1 and Diamyd® LADA (Latent Autoimmune Diabetes in Adults) diabetes vaccines, while the second platform, NTDDS (Nerve Targeting Drug Delivery System), utilizes gene therapy to deliver medication directly to nerve cells.

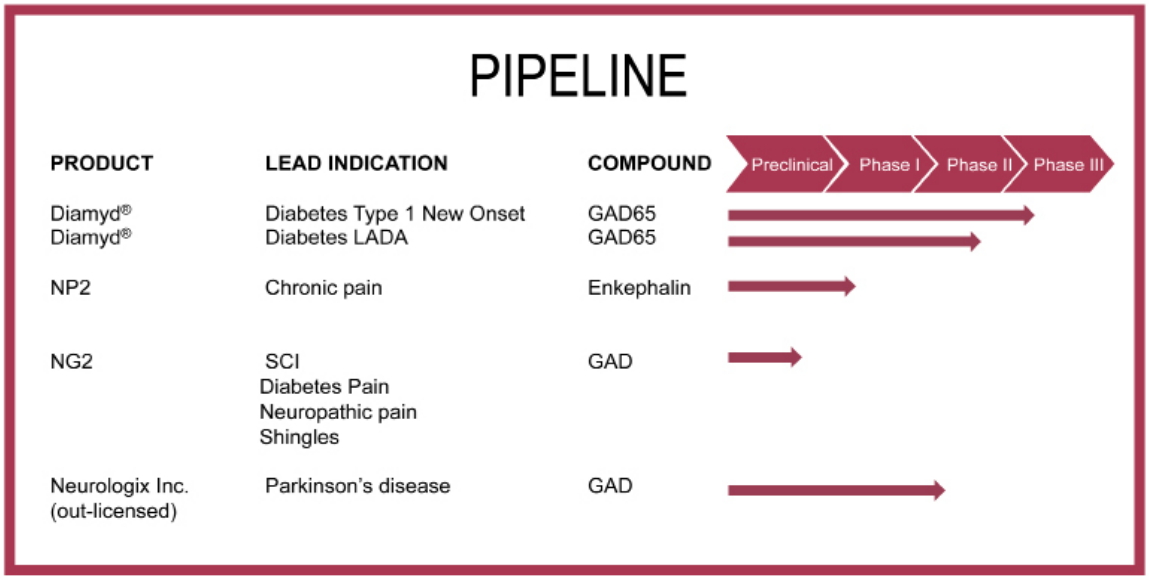
Platforms

DIAMYD MEDICAL PRODUCTS	
DIABETES	**DIABETESRELATED PRODUCTS**
DIAMYD® TYPE 1	NTDDS - NP2
DIAMYD® LADA	NTDDS - NG2

Business Model

Diamyd Medical is a virtual company with a focused in-house team that outsources operations to qualified partners that have expert qualifications. This model efficiently manages costs through resource flexibility while ensuring delivery of quality results as the Company's projects move forward.

Pipeline



Diamyd® for Type 1 Diabetes; Clinical Trials

Two parallel Phase III studies with the therapeutic diabetes vaccine Diamyd® have been initiated in Europe and the US. Patients have been screened and received injections on both continents. Both studies are randomized, double-blind and placebo controlled. Approximately 320 newly afflicted young type 1 diabetes patients will be included in each study. Each study includes three treatment arms in which a third of the patients are treated with two injections of Diamyd® 20µg (days 1 and 30), one third are treated with four injections of Diamyd® 20µg (days 1, 30, 90 and 270), and one third receive a placebo. The results from each study will be analyzed 15 months after all patients received their first injection. If the studies have a positive result, they will be used for market registration.

The company reported positive results from a similar completed 30-month randomized double-blind placebo controlled Phase II study of 70 children and adolescents with type 1 diabetes. Significant long–term efficacy was demonstrated in preserving beta cell function, i.e. endogenous insulin producing capacity. The treatment was well received by patients, their doctors, and family members. In addition, the results strongly support the safety of the drug. No serious side effects related to the Diamyd® treatment were reported in the study. The study was published in the prestigious journal The New England Journal of Medicine in the fall of 2008. The study has now been extended in order to follow the study participants for three more years, in order to confirm the long-term efficacy of the Diamyd® vaccine.

Diamyd® for LADA; Clinical Trials

The results from a five-year follow up of a Phase II study of 47 LADA patients demonstrated that Diamyd® significantly reduces the risk that LADA patients will need insulin treatment. 14 percent of the patients in the group that received 20 µg of Diamyd® needed insulin after five years, vs. 64 percent in the placebo group. The results were presented at the European EASD diabetes conference in September 2008.

No serious side effects related to Diamyd® treatment have been reported in any study, which additionally strengthens the safety profile of the Diamyd® therapeutic diabetes vaccine.

NTDDS

Diamyd Medical's patented Nerve Targeting Drug Delivery System (NTDDS) is a platform for specific delivery of protein to nerve cells. NTDDS has several advantages over other gene therapy strategies, as it is nerve specific and acts locally (the treatment does not enter the bloodstream), thus causing fewer side effects. NTDDS does not integrate into the host cells' chromosomes, which additionally reduces the risk of side effects. The NTDDS lead projects are drugs for the treatment of pain using Enkephalin (NP2) and GAD (NG2).

Diamyd has started a clinical Phase I study in the US to test the safety of NP2 in patients with acute chronic cancer pain. The study is designed as a dose-escalating study in which various doses will be tried. The intention is to test the safety of NP2 in cancer patients with chronic pain.

GAD and other neurological diseases

Apart from being a major antigen in autoimmune diabetes, GAD is also an enzyme that converts the excitatory neurotransmitter glutamate into the inhibitory neurotransmitter GABA. Several neurological and movement related disorders may be connected with disturbances in the glutamate-GABA balance, and GAD may come to play an important role in the treatment of such diseases.

Diamyd Medical has sublicensed rights to the GAD65 gene to Neurologix Inc. for the development of a GAD-based therapy to treat Parkinson's disease. Neurologix Inc. has initiated a Phase II study in Parkinson's disease.

RISK FACTORS

There are no guarantees that Diamyd Medical's research or clinical studies will result in required approvals from regulatory agencies, development of drugs, or commercial success.

There are no guarantees that the company will develop products that can be patented, nor that licensed patents can be retained, renewed, or granted, or provide sufficient protection for current or future discoveries. There are no guarantees that disputes may not arise concerning agreements and patents, or that disputes that arise can be resolved to the Company's advantage.

Nor can the company guarantee that there will not be a need in the future to approach the capital market for financing to ensure business development and research and development projects.

Generally a biopharmaceutical company such as Diamyd Medical is associated with high risk. There is a risk that forward-looking statements and information about the Company's present situation may have been misjudged. There is also a risk that deviations from the information submitted may affect the Company, both positively and adversely.

FINANCIAL PERFORMANCE

Net sales – Group net sales for the six-month period were kSEK 866 (831). Net sales for the second quarter were kSEK 778 (682). Sales fluctuate from quarter to quarter and consist primarily of Diamyd®-related products such as GAD protein sold to academic researchers.

Costs - Group costs for the six-month period were MSEK 36.0 (35.2). Costs were MSEK 20.6 (17.4) for the second quarter.

Result - The net loss for the six-month period amounted to MSEK 25.8 (33.7). The net loss for the second quarter was MSEK 15.4 (16.5).

Financial position and liquidity - Group cash and cash equivalents were MSEK 50.4 (39.3) as of February 28, 2009. The financing issue remains at the top of the agenda, and the executive team is working on several different options at the same time in order to secure continued financing. The redemption of subscription warrant DIAM TO 2B after the reporting period has provided a cash injection of MSEK 28.

Investments – Investments in tangible assets for the second quarter were kSEK 17 (4). Total investments in tangible assets for the six-month period were kSEK 96 (96).

Change in equity - As of February 28, 2009, Group equity amounted to MSEK 96.1 (79.5), resulting in an equity/assets ratio of 93.4 (90.9) percent.

Personnel - The Group had 14 (11) employees as of February 28, 2009, of whom 6 were men and 8 were women.

Parent company - The Parent Company's net sales amounted to SEK 0 (0) since all sales occur in subsidiaries. Investments for the period were MSEK 0 (0). The net loss for the Parent Company during the six-month period amounted to MSEK 27.1 (6.8). The net loss for the Parent Company for the second quarter amounted to MSEK 29.9 (3.1). The Parent Company's income statement has been charged with MSEK 28.1 in write-downs of shares in subsidiaries, which is attributable to the shareholders' contributions that the Parent Company provided to the subsidiaries in the second quarter for expenses concerning Research & Development.

Shares – The total number of shares in the Company as of February 28, 2009 was 10,901,570.

Group's Consolidated Income Statement

kSEK	Note	3 months Dec-Feb 2008/2009	3 months Dec-Feb 2007/2008	6 months Sept-Feb 2008/2009	6 months Sept-Feb 2007/2008	12 months Sep-Aug 2007/2008
OPERATING INCOME						
Net sales		778	682	866	831	1 092
Other operating income		1 106	-9	1 300	195	891
Total operating income	1	1 884	673	2 166	1 026	1 983
OPERATING EXPENSES						
Raw materials and consumables		-7	-8	-7	-14	-31
External research and development costs		-10 113	-11 390	-18 131	-24 053	-41 706
Patent and license expenses		-1 238	-493	-1 739	-527	-1 342
Personnel		-5 535	-3 054	-10 067	-6 931	-17 179
Other external expenses	4	-3 643	-2 319	-5 979	-3 476	-8 315
Depreciation, patents		-	-71	-	-141	-258
Depreciation, equipment		-50	-25	-94	-51	-104
Total operating expenses	1	-20 586	-17 360	-36 017	-35 193	-68 935
OPERATING LOSS		-18 702	-16 687	-33 851	-34 167	-66 952
Financial income and expenses						
Results from group participation		-	296	-	296	
Dividend from holdings		-	-	-	-	380
Financial income	3	3 287	430	8 296	977	2 636
Financial expenses		16	-580	-250	-770	-9
Total financial income and expenses		3 303	146	8 046	503	3 007
Loss before taxes		-15 399	-16 541	-25 805	-33 664	-63 945
Income taxes		-17	-	-65	-77	-22
NET LOSS FOR THE PERIOD		-15 416	-16 541	-25 870	-33 741	-63 967
Earnings per share before and after dilution, SEK		-1,4	-1,7	-2,4	-3,4	-6,3
Number of shares		10 901 570	9 910 570	10 901 570	9 910 570	10 901 570
Average number of shares		10 901 570	9 900 162	10 901 570	9 854 038	10 209 192
Number of shares after dilution		10 901 570	9 900 162	10 901 570	9 854 038	10 901 570

Group's Consolidated Balance Sheet

kSEK	Note	Feb 28 2009	Feb 29 2008	Aug 31 2008
ASSETS				
NON-CURRENT ASSETS				
Intangible assets		16 627	16 744	16 627
Tangible assets		502	429	390
Financial assets		21 418	21 418	21 418
Total non-current assets		38 547	38 591	38 435
CURRENT ASSETS				
Inventory		12	10	12
Trade receivables		168	118	123
Other receivables		2 393	1 257	750
Prepaid tax		699	894	911
Prepaid expenses and accrued income		1 723	1 128	2 214
Financial assets available for sale		9 053	6 165	6 402
Liquid assets		50 375	39 253	81 890
Total current assets		64 423	48 825	92 302
TOTAL ASSETS		102 970	87 416	130 737
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Issued capital		10 902	9 910	10 902
Other capital contributions		424 115	356 762	424 115
Other reserves		50	284	271
Accumulated losses		-338 942	-287 476	-314 512
Total shareholders' equity		96 125	79 480	120 776
CURRENT LIABILITIES				
Trade payables		3 744	3 915	6 101
Other payables		738	237	839
Prepaid income and accrued expenses		2 363	3 784	3 021
Total current liabilities		6 845	7 936	9 961
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2	102 970	87 416	130 737

Cash Flow Statement

kSEK	3 months Dec-Feb 2008/2009	3 months Dec-Feb 2007/2008	6 months Sept-Feb 2008/2009	6 months Sept-Feb 2007/2008	12 months Sep-Aug 2007/2008
Cash flow from operations before changes in working capital					
Operating loss	-18 702	-16 687	-33 851	-34 167	-66 952
Interest received	2 177	818	2 462	1 824	2 515
Interest paid	0	-766	-266	-770	-9
Dividend received	–	–	–	–	380
Non-cash flow items					
Depreciation	50	96	94	192	362
Other non-cash flow items	-251	635	576	635	3 899
Income tax paid	–	77	–	77	–
Net cash flow from operating activities before changes in working capital	-16 726	-15 827	-30 985	-32 209	-59 805
Increase (-) decrease (+) inventory	4	-4	4	–	–
Increase (-) decrease (+) receivables	-1 364	2 042	-2 124	3 392	2 855
Increase (+) decrease (-) liabilities	-3 335	929	-2 348	-1 185	846
Net cash flow from operating activities	-21 421	-12 860	-35 453	-30 002	-56 104
Cash flow from investing activities					
Purchase of intangible assets	–	–	–	–	–
Purchase of tangible assets	-17	-4	-96	-96	-63
Purchase of financial assets	–	–	–	-6 370	-6 445
Net cash flow from investing activities	-17	-4	-96	- 6 466	-6 508
Cash flow from financing activities					
Option premiums	–	2 155	–	6 905	6 767
New share issue	–	–	–	–	68 483
Cash flow from financing activities	–	2 155	–	6 905	75 250
Total cash flow for the period	**-21 438**	**-10 709**	**-35 549**	**-29 563**	**12 638**
Cash and cash equivalents at beginning of period	70 443	49 829	81 890	68 803	68 803
Net foreign exchange difference	1 370	133	4 034	13	449
Cash and cash equivalents at end of period	50 375	39 253	50 375	39 253	81 890

Change in Shareholder´s Equity (Group)

kSEK	Issued capital	Other capital contri-butions	Reserves	Accum-ulated losses	Total
2007-09-01—2008-08-31					
Opening balance, September 1, 2007	9 772	349 995	311	-254 944	105 134
Translation gain			-40		-40
Total revenues and costs posted directly to shareholders' equity			-40		-40
Net loss for the year				-63 967	-63 967
Total revenues and costs			-40	-63 967	-64 007
New share issue	1 130	67 353			68 483
Option premiums		6 767			6 767
Employee options				4 399	4 399
Closing balance, August 31, 2008	10 902	424 115	271	-314 512	120 776
2007-09-01—2008-02-29					
Opening balance, September 1, 2007	9 772	349 995	311	-254 944	105 134
Translation gain			-27		-27
Total revenues and costs posted directly to shareholders' equity			-27		-27
Net loss for the period				-33 741	-33 741
Total revenues and costs			-27	-33 741	-33 768
Option premiums	138	6 767			6 905
Employee options				1 209	1 209
Closing balance, February 29, 2008	9 910	356 762	284	-287 476	79 480
2008-09-01—2009-02-28					
Opening balance, September 1, 2008	10 902	424 115	271	-314 512	120 776
Translation gain			-221		-221
Total revenues and costs posted directly to shareholders' equity			-221		-221
Net loss for the period				-25 870	-25 870
Total revenues and costs			-221	-25 870	-26 091
Employee options				1 440	1 440
Closing balance, February 28, 2009	10 902	424 115	50	-338 942	96 125

Parent Company's Income Statement

kSEK	Note	3 months Dec-Feb 2008/2009	3 months Dec-Feb 2007/2008	6 months Sep-Feb 2008/2009	6 months Sep-Feb 2007/2008	12 months Sep-Aug 2007/2008
OPERATING INCOME						
Other operating income		568	–	1 129	–	–
Total income		568	–	1 129	–	–
OPERATING EXPENSES						
Personnel		-132	–	-133	–	-233
Other external expenses		-5 451	-3 142	-7 879	-7 093	-12 543
Other operating expenses		–	–	–	–	-12
Total operating expenses		-5 583	-3 142	-8 012	-7 093	-12 788
OPERATING LOSS		- 5 015	-3 142	-6 883	-7 093	-12 788
FINANCIAL INCOME AND EXPENSES						
Results from group participation		-28 054	172	-28 054	172	-55 334
Dividend from holdings		–	–	–	–	380
Interest income and similar items	3	3 170	369	8 065	830	2 795
Interest expense and similar items		–	-491	-244	-676	–
Total financial income and expenses		-24 884	50	-20 233	326	-52 159
Earnings before taxes		-29 899	-3 092	-27 116	-6 767	-64 947
Taxes		–	–	–	–	18
NET LOSS FOR THE PERIOD		-29 899	-3 092	-27 116	-6 767	- 64 929

Parent Company's Balance Sheet

kSEK	Not	28 feb 2009	29 feb 2008	31 aug 2008
ASSETS				
NON-CURRENT ASSETS				
Intangible assets				
Acquired research and development		16 627	16 627	16 627
Financial assets				
Shares in group companies		2 640	2 901	1 200
Receivables at group companies		10 299	29 488	12 267
Other long-term bond holdings		21 418	21 418	21 418
Total non-current assets		50 984	70 434	51 512
CURRENT ASSETS				
Other receivables		101	15	148
Prepaid expenses and accrued income		1 153	655	1 524
Financial instruments available for sale		9 053	6 165	6 403
TOTAL TRADE AND OTHER RECEIVABLES		10 307	6 835	8 075
Short-term investments		–	–	20 247
Liquid assets		35 189	31 098	47 731
TOTAL CURRENT ASSETS		45 496	37 933	76 053
TOTAL ASSETS		96 480	108 367	127 565
SHAREHOLDERS' EQUITY AND LIABILITIES				
SHAREHOLDERS' EQUITY				
Restricted equity				
Issued capital		10 902	9 910	10 902
Statutory reserve		96 609	148 440	96 609
Non-restricted equity				
Share premium reserve non-restricted		74 120	78 184	74 120
Loss brought forward		-59 045	-122 039	4 445
Net loss for the period		-27 116	-6 768	-64 929
Total shareholders' equity	2	95 470	107 727	121 147
Long-term liabilities to subsidiary		–	–	5 606
CURRENT LIABILITIES				
Trade payables		597	795	362
Other payables		–	229	9
Prepaid income and accrued expenses		413	74	441
Total current liabilities		1 010	640	812
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		96 480	108 367	127 565
Assets pledged		157	157	157
Contingent liabilities		–	–	–

Notes

Accounting principles

This interim report was prepared as per IAS 34, Interim Financial Reporting. For a more detailed description of the accounting principles used by the Group, reference is made to the most recent annual report.

Note 1 – Segment results

	Segment results for the period December 1, 2008 - February 28, 2009			Segment results for the period December 1, 2007 - February 28, 2008		
	GAD	NTDDS	Koncernen	GAD	NTDDS	Koncernen
Total segment income	697	81	778	682	-	682
Other income	1 066	40	1 106	-	-9	-9
Total income	1 763	121	1 884	682	-9	673
Segment result	-14 588	-4 114	-18 702	-13 016	-3 671	-16 687
Financial income			3 287			726
Financial expenses			16			-580
Total financial income and expenses			3 303			146
Dividends from holdings			-			-
Loss before tax			-15 399			-16 541
Income tax			-17			-
Net loss for the year			-15 416			-16 541

	Segment results for the period December 1, 2008 - February 28, 2009			Segment results for the period December 1, 2007 - February 28, 2008		
	GAD	NTDDS	Koncernen	GAD	NTDDS	Koncernen
Total segment income	785	81	866	831	-	831
Other income	1 066	234	1 300	-	195	195
Total income	1 851	315	2 166	831	195	1 026
Segment result	-26 404	-7 447	-33 851	-26 650	-7 517	-34 167
Financial income			8 296			1 273
Financial expenses			-250			-770
Total financial income and expenses			8 046			503
Dividends from holdings			-			-
Loss before tax			-25 805			-33 664
Income tax			-65			-77
Net loss for the year			-25 870			-33 741

Note 2 – Equity and liabilities

All of the Company´s debts are non-interest-bearing.

Note 3 – Finansiella intäkter

Group and Parent Company financial income includes foreign exchange gains on financial items of MSEK 7.4 (0.0).

Note 4 – Related-party transactions

During the period companies represented by immediate family members of the Chairman of the Board as well as immediate family members of a key executive were retained as consultants. Total compensation during the six-month period amounted to kSEK 399 (313) excluding VAT. Compensation was for IT services, a new web site and website maintenance and press release expenses. Pricing has been set by the arm's length principle.

kSEK	2008/2009 sep-feb	2007/2008 sep-feb	2007/2008 sep-aug
Consultant fees	399	313	604

Key Ratios

	3 months Dec-Feb 2008/2009	3 months Dec-Feb 2007/2008	6 months Sep-Feb 2008/2009	6 months Sep-Feb 2007/2008	12 months Sep-Aug 2007/2008
Return on equity, %	-14,9	-19,1	-23,9	-36,2	-54,6
Return on capital employed, %	-14,9	-18,4	-23,6	-35,6	-54,5
Return on assets, %	-13,7	-17,0	-21,9	-32,6	-50,4
Shareholders' equity per share, SEK	8,8	8,0	8,8	8,0	11,1
Shareholders' equity per share after dilution, SEK	8,8	8,0	8,8	8,1	11,1
Cash flow per share, SEK	-2,0	-1,1	-3,3	-3,0	1,2
Solidity, %	93,4	90,9	93,4	90,9	92,0
Number of shares	10 901 570	9 910 570	10 901 570	9 910 570	10 901 570
Average number of shares	10 901 570	9 900 162	10 901 570	9 854 038	10 209 192
Number of shares after dilution	10 901 570	9 900 162	10 901 570	9 854 038	10 901 570

Stockholm, April 29, 2009

The Board of Diamyd Medical AB

Anders Essen-Möller, Chairman

Lars Jonsson, Board member

Sam Lindgren, Board member

Henrik Bonde, Board Member

Elisabeth Lindner, CEO

This semi-annual report has not been reviewed by the Company's auditors.

Financial Calendar

Quarterly report (March-May)	July 1, 2009
Quarterly and year-end report (September-August)	October 23, 2009

About Diamyd Medical

Diamyd Medical is a Swedish biopharmaceutical 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 the US and Europe. In addition, the Company has initiated clinical studies 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. Diamyd Medical has offices in Sweden and the US. Its shares are listed on the Nasdaq OMX Stockholm First North (ticker: DIAM B) and on OTCQX in the US (ticker: DMYDY) administered by Pink OTC Markets and the Bank of New York (PAL). Further information is available on the Company's website at 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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