Press Release, December 14, 2009

Diamyd® vaccine approved for studies in children down to 3 years of age in the US

Diamyd Medical reports today that the United States Food and Drug Administration (FDA) has approved the experimental use of Diamyd® vaccine in children as young as 3 years of age in the TrialNet GAD study, enrolling 126 new onset type 1 diabetes patients in North America.

The TrialNet GAD study, conducted by an international network of leading pediatric and adult endocrinologists and immunologists, has previously enrolled new onset type 1 diabetes patients from 16 to 45 years of age but is now allowed by the FDA to enroll and administer the Diamyd® vaccine to children as young as 3 years of age.

"This is very encouraging news," says **Elisabeth Lindner**, CEO and President at Diamyd Medical. "The approval to enroll small children in the TrialNet study is based on an FDA review of safety data from our ongoing Phase III trials and further supports that the Diamyd® vaccine's safety profile is strong."

The TrialNet study is a double-blind, randomized, placebo-controlled trial, which aims to enroll a total of 126 new onset type 1 diabetes patients at 16 TrialNet sites in the US and Canada. One third of the participants will receive 3 injections with the Diamyd® vaccine, one third will receive 2 injections with the Diamyd® vaccine and one third will receive placebo (inactive drug). The purpose of the study is to determine whether the Diamyd® vaccine will preserve the body's ability to make its own insulin to help control blood sugar.

The trial also includes extensive immunological studies to clarify the mechanism of action of Diamyd® and to evaluate the correlation between the clinical and immunological outcomes of Diamyd® treatment in new onset type 1 diabetes patients.

Diamyd Medical has approved the protocol and has executed a Clinical Trial Agreement with the National Institute of Diabetes and Digestive and Kidney Diseases, part of the US National Institutes of Health, to supply clinical-grade material (i.e. Diamyd® and placebo) for this trial. TrialNet is sponsored by the National Institutes of Health and supported by Juvenile Diabetes Research Foundation International and the American Diabetes Association.

For more information, please contact:
Elisabeth Lindner, President and CEO Diamyd Medical AB (publ.)
Phone: +46 8 661 0026

For pictures and press material, please contact:
Andreas Ericsson, Diamyd Medical AB (publ.)
andreas.ericsson@diamyd.com
Phone: +46 8 661 0026

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.

Diamyd Medical AB (publ.)
Linnégatan 89 B, SE-115 23 Stockholm, Sweden. Tel: +46 (0)8 6610026, Fax: +46 (0)8 661 63 68
E-mail: info@diamyd.com. VAT no: SE556530-142001.