



Press Release, June 30, 2011

Diamyd increases shareholding in Protein Sciences Corporation

Diamyd Medical AB announced today that the Company's convertible promissory note in the US vaccine company Protein Sciences Corporation has been converted into shares.

In fiscal year 2007/2008, Diamyd Medical invested in a convertible promissory note in the vaccine company Protein Sciences Corporation, USA. The promissory note was accounted for as an investment of SEK 6.4 million as of November 30, 2007, and has passed with an interest of 5%. After conversion of the shares, Diamyd Medical now holds about 8% of the Protein Sciences Corporation shares.

Protein Sciences Corporation, founded in 1983, is a privately held biotech company located in Meriden, Connecticut, USA. The company focuses on development and commercialization of recombinant vaccines and biological drugs based on its patented manufacturing platform BEVS (Baculovirus Expression Vector System). Protein Sciences Corporation's lead product candidates are recombinant vaccines to protect against seasonal and pandemic influenza. The influenza vaccine FluBlok[®] is the company's furthest developed drug candidate. The company also manufactures the active substance for Diamyd Medical's antigen based drug candidate Diamyd[®].

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About Diamyd Medical

Diamyd Medical is a Swedish pharmaceutical company focusing on the development of pharmaceuticals for the treatment of autoimmune diabetes and pain. The Diabetes business area consists of the antigen-based drug candidate Diamyd[®] for the treatment and prevention of autoimmune diabetes. The Pain business area consists of development projects that use the Company's proprietary NTDDS (Nerve Targeting Drug Delivery System) platform to administer drugs directly to the nervous system to treat chronic pain. A Phase II study of the candidate drug NP2 Enkephalin for cancer pain is ongoing in the US.

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.

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