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July 6, 2006

# SUPL

## VIA FEDEX

U.S. Securities and Exchange Commission  
Division of Corporation Finance  
Office of International Corporate Finance  
100 F Street N.E., Mail Stop 3628  
Washington, D.C. 20549



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RECEIVED  
2006 JUL 10 P 4: 25  
OFFICE OF INTERNATIONAL  
CORPORATE FINANCE

Re: Diamyd Medical AB  
File No. 82-34956  
Document Furnished Pursuant to Rule 12g3-2(b)

PROCESSED

JUL 13 2006

Ladies and Gentlemen:

THOMSON  
FINANCIAL

We hereby submit, pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934, as Amended, the enclosed press release of Diamyd Medical AB dated July 6, 2006.

Kindly acknowledge receipt of the enclosed material by stamping the copy of this letter and returning it in the self-addressed stamped envelope provided.

Very truly yours,

Victoria A. Rudtke

VAR:var  
Enclosure

cc: Erika Hillborg

**Press Release**

RECEIVED

**U.S. analyst coverage of Diamyd Medical**

2006 JUL 10 P 4:25

*Stockholm, Sweden – 6 July 2006 – Diamyd Medical with its lead drug candidate for diabetes in Phase IIb trials, announced today that a contract analysis is completed from Khandaker Partners & Co, an independent research and advisory firm. Diamyd is currently listed on the Stockholm Stock Exchange (OMXS: DIAMB) and its shares are also traded in dollar denominated ADRs in the United States through Bank of New York (OTCBB: DMYDY).*

A contract analysis of Diamyd Medical from Khandaker Partners has today been completed and will be distributed to Khandaker's contacts in the U.S. Khandaker Partners is planning to continue analyst coverage of the company.

The analysis is to be found on Diamyd Medical's website at [www.diamyd.com](http://www.diamyd.com).

Diamyd Medical is also covered by analysts at Kaupthing Bank, ABG Sundal Collier and Stockpicker.

**About Diamyd Medical** – Diamyd Medical's furthest developed project is Diamyd™ which is currently being evaluated in three ongoing clinical trials in Type 2 and Type 1 Diabetes patients. With the recent acquisition of Nurel Therapeutics in Pittsburgh, several preclinical gene therapy projects for diabetic neuropathy (nerve damage), chronic pain and cancer have also been added to the development portfolio.

**About Khandaker Partners** – The Company is dedicated to the emerging growth sectors of the Healthcare, Information Technology and Energy. Khandaker Partners identifies firms with significant near term and long term opportunities that demonstrate substantial growth and are positioned to outperform both their peers and the markets at large.

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