

Company Announcement
No. 10/2011

Zealand Pharma and Boehringer Ingelheim enter into a licence and collaboration agreement to advance novel compounds to treat Type-2 diabetes and obesity

- ***Boehringer Ingelheim obtains global rights to glucagon/GLP-1 dual agonists, including ZP2929, Zealand Pharma's lead drug candidate in this class***
- ***Zealand Pharma is eligible to receive total projected milestone payments of up to €376 million for ZP2929***

Copenhagen, Denmark and Ingelheim, Germany, 16 June 2011 – Today, Zealand Pharma (NASDAQ OMX: ZEAL), a Copenhagen based biopharmaceutical company, and Boehringer Ingelheim, one of the world's leading pharmaceutical companies, jointly announced an exclusive global licence and collaboration agreement for dual-acting glucagon and GLP-1 receptor agonists for the treatment of patients with Type-2 diabetes and patients with obesity.

As part of the agreement, Boehringer Ingelheim obtains global development and commercialisation rights to ZP2929, Zealand Pharma's lead glucagon/GLP-1 dual agonist drug candidate. Zealand Pharma will be responsible for conducting the first Phase I study with ZP2929 and Boehringer Ingelheim will fund the research, development and commercialisation of products under the agreement.

Depending on the achievement of pre-defined development, regulatory and commercial milestones, Zealand Pharma is eligible to receive payments for ZP2929 and may also receive additional milestone payments if other products covered by the collaboration are advanced through development. Further, Zealand Pharma is entitled to tiered royalties that range from high single to low double digits on global sales of products under the agreement. Zealand Pharma retains co-promotion rights in Scandinavia.

During the first two years of collaboration, Zealand Pharma is eligible to receive signature, milestone, and other payments of up to €41 million including cost reimbursements and including research funding of up to €4 million. In their research collaboration, Zealand Pharma and Boehringer Ingelheim will focus on the characterization, identification and development of additional glucagon/GLP-1 dual agonists for the exploration of new indications, formulations and delivery systems.

Commenting on today's announcement, **David H. Solomon, President and Chief Executive Officer of Zealand Pharma**, said: *"We are extremely pleased to have signed this licence and collaboration agreement with Boehringer Ingelheim, which has recently strengthened its commitment to the important field of diabetes. ZP2929 is one of Zealand Pharma's most innovative peptide drug candidates, having*

shown significant pre-clinical promise for patients with Type-2 diabetes and obesity. Together with Boehringer Ingelheim, we look forward to advancing the development of ZP2929 into Phase I as part of our joint efforts to bring novel and better treatments to the market to help improve the lives of diabetes patients."

Boehringer Ingelheim's Corporate Senior Vice President Medicine, Prof Dr Klaus Dugi, commented: *"Our focus to develop innovative diabetes treatments is reinforced by the in-licensing of a very interesting compound from Zealand Pharma which complements Boehringer Ingelheim's pipeline in diabetes and metabolic diseases very well. With our first diabetes treatment linagliptin recently approved by the FDA, we have a manifest for Boehringer Ingelheim's own research strength and its capability to bring novel medication to the patients. We are therefore pleased to bundle our R&D experience with Zealand Pharma for further projects in diabetes and obesity."*

Zealand Pharma's financial outlook for 2011

The agreement with Boehringer Ingelheim is expected to positively affect Zealand Pharma's revenues and other income by a total of DKK 150 (€20) million in 2011 but will not change the guidance on total operating expenses of DKK 170 (€23) million. Since Zealand Pharma's revenues stem from activity and success related milestone payments from partners, Zealand Pharma does not provide full year guidance on total revenues.

Zealand Pharma Conference call

Today, at 11:00am CET/ 10:00am BST/ 5:00am EST, Zealand Pharma will host a conference call, where David H. Solomon, President and Chief Executive Officer, will present this announcement. Mats Blom, Chief Financial Officer, and Hanne Leth Hillman, Vice President and Head of IR and Corporate Communications, will also participate in the call which will include a Q&A session. The conference call will be conducted in English and the dial-in numbers are:

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Europe: +44 (0)20 7138 0825

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Confirmation Code: 4468737

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About ZP2929

The biological rationale for developing ZP2929 is based on the pharmacology of the gut peptide hormone oxyntomodulin. Oxyntomodulin is released by the L-cells of the small intestine after meals, and is believed to exert its biological effects by activating both the glucagon receptor and the GLP-1 receptor. In humans, this hormone is believed to have multiple beneficial effects on diabetes and obesity, improving glucose tolerance and causing substantial weight loss.

ZP2929, which acts on both the glucagon and GLP-1 receptors, has shown in preclinical studies the ability to achieve glycemic control while causing significant and sustained weight loss. ZP2929 is being developed for once-daily subcutaneous administration to improve glycemic control and induce weight loss in patients with Type 2 diabetes and patients with obesity..

ZP2929 is not part of Boehringer Ingelheim's strategic Diabetes alliance with Eli Lilly and Company. http://www.boehringer-ingelheim.com/news/news_releases/press_releases/2011/11_january_2011_diabetes_alliance.html

About Zealand Pharma

Zealand Pharma A/S is a public (NASDAQ OMX: ZEAL) biopharmaceutical company based in Copenhagen, Denmark with a mature and growing clinical pipeline of innovative peptide based drugs. The company's lead product is lixisenatide, a once-daily GLP-1 in late-stage Phase III development in collaboration with Sanofi for the treatment of Type-2 diabetes. Zealand Pharma also has a collaboration with Boehringer Ingelheim covering glucagon/GLP-1 dual agonists, including ZP2929 for the treatment of diabetes and obesity, and a license agreement with Helsinn Healthcare on a clinical stage GLP-2 drug for the treatment of chemotherapy and radiotherapy induced diarrhea.

Zealand Pharma specializes in the discovery, optimization and development of novel peptide drugs with favorable therapeutic attributes, and all drug candidates in its pipeline have been identified through the company's own drug discovery activities. Zealand Pharma's products target disease areas where existing treatments fail to adequately serve patient needs and where the market potential for improved treatments through the use of peptide drugs is high. For more information please visit www.zealandpharma.com

About Boehringer Ingelheim

The Boehringer Ingelheim group is one of the world's 20 leading pharmaceutical companies. Headquartered in Ingelheim, Germany, it operates globally with 145 affiliates and more than 42,000 employees. Since it was founded in 1885, the family-owned company has been committed to researching, developing, manufacturing and marketing novel products of high therapeutic value for human and veterinary medicine.

As a central element of its culture, Boehringer Ingelheim pledges to act socially responsible. Involvement in social projects, caring for employees and their families, and providing equal opportunities for all employees form the foundation of the global operations. Mutual cooperation and respect, as well as environmental protection and sustainability are intrinsic factors in all of Boehringer Ingelheim's endeavours.

In 2010, Boehringer Ingelheim posted net sales of about 12.6 billion euro while spending almost 24% of net sales in its largest business segment Prescription Medicines on research and development.
For more information please visit www.boehringer-ingelheim.com