Company Announcement
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Zealand Pharma announces that Sanofi confirms development plans for lixisenatide as monotherapy and in combination with Lantus® to treat Type-2 diabetes

-- Lyxumia® (lixisenatide monotherapy) on track towards regulatory filing in Europe later this year and expectedly in the US in H2 2012

-- Phase III studies of lixisenatide in combination with Lantus® expected to start in early 2013 with the device intended for commercial use

Copenhagen, 28 July 2011 – Zealand Pharma A/S (NASDAQ OMX: ZEAL), a biopharmaceutical company based in Denmark, announces that its partner Sanofi today in its Q2 release has confirmed plans for the development of lixisenatide for the treatment of Type-2 diabetes. Lixisenatide is a once-daily GLP-1 agonist discovered by Zealand and licensed to Sanofi, which is developing the drug as both monotherapy, under the brand name Lyxumia®, and in combination with Lantus®, its world leading basal insulin product.

The global GetGoal Phase III program for the evaluation of Lyxumia® in more than 4,300 patients with Type-2 diabetes is nearing completion. Consistently positive results have been reported from five of the nine GetGoal studies to date showing an attractive efficacy and safety profile for the drug. Following the recent publication of additional supportive data from the GetGoal studies at the American Diabetes Association (ADA)'s 71st Scientific Sessions, and with the remaining four GetGoal studies expected to complete and report in 2011, Lyxumia® remains on track for a regulatory filing in Europe later this year and expectedly in the US in the second half of 2012.

Sanofi today announced that it expects to be in a position to start Phase III studies of lixisenatide in combination with Lantus® in early 2013 with the device intended for commercial use. As part of the GetGoal programme, two studies, GetGoal-L and GetGoal-L-Asia, have already assessed the efficacy and safety of lixisenatide as an add-on to basal insulin, including Lantus®, and the results have demonstrated that the combination significantly reduces HbA1c (a measure of long term blood glucose levels) while confirming a strong safety profile.

Commenting on today's announcement**, David Solomon, President and Chief Executive Officer of Zealand Pharma,** said**:** *"We are excited by the continued progress of Lyxumia® and delighted that Sanofi remains fully committed also to the development of the drug in combination with Lantus® - a therapeutic approach with the potential to offer incremental benefits to patients with Type-2 diabetes."*

Under the licence agreement with Sanofi, Zealand Pharma is eligible to receive total remaining milestone payments of up to EUR 235 million and low double-digit royalties on worldwide sales of both Lyxumia® (lixisenatide as monotherapy) and combination products including lixisenatide.

Zealand Pharma will announce its H1 2011 interim report on 18 August 2011. Details of the related conference call and webcast will be issued in due course.

For further information, please contact:

Zealand Pharma A/S

David Solomon, President and Chief Executive Officer
Tel: +45 4328 1200

Hanne Leth Hillman, Vice President for IR & Corporate Communications
Mobile: +45 5060 3689

About Lyxumia® (lixisenatide)
Lyxumia® (lixisenatide), a once-daily GLP-1 receptor agonist, is completing Phase III development for the treatment of patients with Type 2 diabetes. Lixisenatide was invented by Zealand Pharma and global rights are licensed to Sanofi (EURONEXT: SAN and NYSE: SNY). Lyxumia® is the intended trademark for lixisenatide in monotherapy. Lixisenatide is not currently approved or licensed anywhere in the world.

About GLP-1 receptor agonists
GLP-1 (Glucagon-like peptide-1) is a naturally-occurring peptide that is released within minutes of eating a meal. It is known to suppress glucagon secretion from pancreatic alpha cells and to stimulate insulin secretion by pancreatic beta cells. GLP-1 receptor agonists comprise an established class of diabetes drugs approved by regulatory authorities and marketed globally as an add-on treatment for patients with Type 2 diabetes. Their use is endorsed by the European Association for the Study of Diabetes, the American Diabetes Association, the American Association of Clinical Endocrinologists and the American College of Endocrinology. Several novel GLP-1 receptor agonists are in development.

About the GetGoal Phase III clinical program
The GetGoal Phase III clinical program will provide data for the efficacy and safety of lixisenatide in adults with Type 2 diabetes treated with various oral anti-diabetic agents or insulin. With nine trials in the program, GetGoal started in May 2008 and has enrolled more than 4300 patients. To date GetGoal-X, GetGoal-Mono, GetGoal-L Asia, GetGoal-S and GetGoal-L have reported and all with positive top-line results, offering clinical support for the efficacy and safety profile of lixisenatide. Further results from the GetGoal Phase III program are expected during 2011.

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 Lyxumia® (lixisenatide), a once-daily GLP-1 agonist licensed to Sanofi, who has Lyxumia® in late-stage Phase III development 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