Company Announcement
No. 3/2012

Zealand Pharma to receive USD 20 million milestone payment following Sanofi's completion of the global GetGoal Phase III program for lixisenatide (Lyxumia®[1)]) in Type 2 diabetes

Copenhagen, 9 February 2012 - Zealand Pharma A/S (NASDAQ OMX Copenhagen: ZEAL), a Danish biopharmaceutical company dedicated to the discovery and development of innovative peptide drugs, announces a milestone payment of USD 20 million to be received from Sanofi following the successful completion of the global GetGoal Phase III clinical trial program for lixisenatide (Lyxumia®[1)]).

Lixisenatide is a once-daily investigational GLP-1 agonist for the treatment of Type 2 diabetes, invented by Zealand Pharma and licensed to Sanofi. The drug candidate has been assessed by Sanofi in the GetGoal program, which involved more than 4,500 patients with Type 2 diabetes.

On 8 February 2012, Zealand Pharma announced positive top-line results reported by Sanofi from the GetGoal-P Phase III study, showing that lixisenatide significantly improved blood glucose levels (HbA1c) (Company Announcement no. 02/2012). Further studies are expected to report in 2012.

Throughout the GetGoal Phase III program, lixisenatide has delivered positive results, supporting the efficacy and safety of the drug as a monotherapy, in combination with oral anti-diabetes drugs and in combination with basal insulin.

Commenting on today's announcement**, David Solomon, President and Chief Executive Officer of Zealand Pharma,** said**:** *"The successful completion by Sanofi of the extensive GetGoal Phase III program for lixisenatide in Type 2 diabetes marks a major milestone for Zealand Pharma – both operationally and financially. We are pleased to see that this innovative peptide drug, invented by Zealand Pharma, has advanced so successfully through to the final phase of development. The GetGoal program results have consistently demonstrated a promising profile for lixisenatide, and we look forward to the feedback from the European authorities and to the expected filing for registration in the US later this year. These events are pivotal in bringing us closer to our goal of durable profitability for Zealand Pharma, while we continue to apply our internationally renowned expertise in peptide drug innovation and development to advance other drugs through the pipeline."*

The agreement with Sanofi and financial outlook

The USD 20 million milestone payment to Zealand Pharma following completion of the GetGoal Phase III program for lixisenatide will have a positive effect on the company's revenue and results for 2012. Financial guidance for the year 2012 will be announced on 15 March 2012 when Zealand Pharma reports its Full Year 2011 results.

Under the license agreement between Sanofi and Zealand Pharma, Zealand Pharma is eligible to receive additional development and sales milestone payments of up to USD 215 million, excluding the USD 20

million milestone payment just announced, and low double-digit percentage royalties on global net sales of lixisenatide and any combination product that includes lixisenatide.

# # #

For further information, please contact:

David H. Solomon, President & CEO, Tel: +45 2220 6300

Hanne Leth Hillman, Vice President for IR & Corporate Communication,
Tel: +45 5060 3689, email: hlh@zealandpharma.com

About lixisenatide (Lyxumia®)
Lixisenatide, a glucagon-like peptide-1 (GLP-1) agonist for once-daily dosing, is in development for the treatment of patients with Type 2 diabetes mellitus. Lixisenatide was invented by Zealand Pharma and has been licensed to Sanofi. Lyxumia® is the intended trademark of lixisenatide. Lixisenatide is not currently approved or licensed anywhere in the world.

GLP-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 stimulate insulin secretion by pancreatic beta cells. GLP-1 agonists are in development as an add-on treatment for Type 2 diabetes and their use is endorsed by the European Association for the Study of Diabetes (EASD), the American Diabetes Association (ADA), the American Association of Clinical Endocrinologists and the American College of Endocrinology.

About the GetGoal Phase III clinical program
The GetGoal Phase III clinical program provided data for lixisenatide in adults with Type 2 diabetes treated in monotherapy, with various oral anti-diabetic agents or in combination with basal insulin. The GetGoal program started in May 2008 and enrolled more than 4,500 patients. To date, top-line results have been reported from the GetGoal-X, GetGoal-L, GetGoal-L Asia, GetGoal-Mono, GetGoal-S, GetGoal-F1, GetGoal-M and Get-Goal-P studies, all supporting potential efficacy and safety for lixisenatide. Further, positive top-line results have been reported from the Phase III GetGoal Duo 1 study (also known as EFC10781*) supporting in particular the efficacy and safety of lixisenatide for use in combination with Lantus® (insulin glargine). Further results are expected in 2012.

* NCT00975286 on www.clinicaltrials.gov

About Zealand Pharma
Zealand Pharma A/S is a public (NASDAQ OMX: ZEAL) biopharmaceutical company based in Copenhagen, Denmark with a mature clinical pipeline of innovative peptide based drugs. The company's lead product is lixisenatide (Lyxumia® [1)]), a once-daily GLP-1 agonist for the treatment of Type 2 diabetes, invented by Zealand Pharma and licensed to Sanofi. In November, Sanofi submitted a marketing authorization application (MAA) for lixisenatide in Europe and submission for regulatory approval in the United States is expected in Q4 2012. 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 elsiglutide, a clinical stage GLP-2 drug for the treatment of chemotherapy-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 further information: www.zealandpharma.com.

Note 1) Lyxumia® is the intended trademark for lixisenatide. Lixisenatide is not currently approved or licensed anywhere in the world.