Company Announcement
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Additional positive Phase III results with Lyxumia® (lixisenatide) for the treatment of Type 2 diabetes

-- In the GetGoal-L study, Lyxumia® as an add-on to basal insulin, significantly reduced HbA1c without significantly increasing hypoglycaemia. Patients treated with Lyxumia® also had significant weight loss

-- Fifth out of nine GetGoal Phase III studies to report, all with positive results to support Lyxumia® as a novel treatment for diabetes patients

Copenhagen, 31 May 2011 – Zealand Pharma A/S (NASDAQ OMX: ZEAL), a biopharmaceutical company based in Denmark, announces that its partner, Sanofi has released additional positive results from the global GetGoal Phase III development program with Lyxumia® (lixisenatide) for the treatment of Type 2 diabetes. Lixisenatide was invented by Zealand Pharma and global rights are with Sanofi.

Top-line results from the GetGoal-L study showed that lixisenatide as an add-on therapy to basal insulin (with or without metformin), achieved its primary efficacy endpoint of significantly reducing HbA1c levels ($p=0.0002$) without significantly increasing the risk of hypoglycemia ($p=0.14$) versus placebo for patients with Type 2 diabetes. In addition, patients treated with lixisenatide had significantly improved postprandial plasma glucose after a test meal ($p<0.0001$). Patients in the lixisenatide arm of the study also reported a significant reduction in body weight ($p<0.0001$). The trial was a randomized (double-blind), placebo-controlled study with a 24-week main treatment period and comprising a total of 495 patients.

As expected with a GLP-1 drug, the most commonly reported adverse event with lixisenatide was nausea, which was associated with a low rate of discontinuation.

GetGoal-L is the fifth of nine studies to report positive data within the GetGoal Phase III clinical program, and the second study after GetGoal-L Asia to investigate the benefits of lixisenatide 20µg once-daily combined with basal insulin, including Lantus®. The results confirm those previously reported, and this time in a broader population including both Caucasian and Asian patients.

The full study results from GetGoal-L are planned to be presented at a future medical congress.

Commenting on today's announcement**, David Solomon, President and Chief Executive Officer of Zealand Pharma,** said**:**

"We are delighted that lixisenatide, now officially named Lyxumia®, has generated another set of positive Phase III results. The efficacy and safety data continues to be strong and supportive for the compound and the results from GetGoal-L represent a new important step for Zealand Pharma, further demonstrating the near-term value potential of Lyxumia® as an attractive new drug for Type 2 diabetes patients - as monotherapy or in combination with Lantus®."

In the press release from Sanofi, **Pierre Chancel, Senior Vice President, Global Diabetes Division at Sanofi**, said:

"These positive efficacy and safety results are another important milestone in the GetGoal clinical trial program and show the potential value of adding Lyxumia® - lixisenatide - to basal insulin to improve glycemic control. The findings from this and previous studies reinforce a continuing positive trend demonstrating the potential of lixisenatide to improve the lives of people with type 2 diabetes."

The agreement with Sanofi and financial outlook

Under the license agreement between Sanofi and Zealand Pharma, Sanofi is developing lixisenatide both as monotherapy in the Phase III GetGoal program and in a combination with Lantus®, its best selling global insulin product. Zealand Pharma is eligible to receive remaining milestone payments of up to EUR 235 million and double-digit royalties of worldwide sales of both lixisenatide as monotherapy and of combination products including lixisenatide.

The results of the GetGoal-L study do not change Zealand Pharma's financial guidance for 2011 of an operational expense of approximately DKK 170 million (EUR 22.8 million).

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 by Sanofi (EURONEXT: SAN and NYSE: SNY). Lyxumia® is the intended trademark for lixisenatide. 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 is 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 pipeline of novel peptide drugs. The company's lead product candidate is Lyxumia® (lixisenatide), a once-daily GLP-1 completing Phase III development for the treatment of type 2 Diabetes under collaboration with Sanofi. Zealand Pharma also has other collaboration and licensing partnerships, including a license agreement with Helsinn Healthcare on a clinical stage GLP-2 drug for the treatment of Chemotherapy and Radiotherapy Induced Diarrhea.

Zealand Pharma has unique expertise in peptide discovery and optimization and specializes in the development of novel peptide drug, targeting 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. All of Zealand Pharma's product candidates have been identified through the company's own drug discovery activities. For more information please visit www.zealandpharma.com.