

Company Announcement
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Zealand Pharma receives milestone payments from Helsinn Healthcare

- EUR 3 million received under the license agreement for elsiglutide, a peptide drug in development for the treatment of chemotherapy induced diarrhea

Copenhagen, 30 December 2011 – Zealand Pharma A/S (NASDAQ OMX Copenhagen: ZEAL), a Danish biopharmaceutical company dedicated to the discovery and development of innovative peptide drugs, has received EUR 3 (DKK 22.3) million in milestone payments under a license agreement with Helsinn Healthcare for the development of elsiglutide (ZP1846). Elsiglutide is a novel GLP-2 peptide agonist, discovered by Zealand Pharma and licensed to Helsinn Healthcare for the treatment of diarrhea induced by chemotherapy in cancer patients.

Helsinn Healthcare is completing a Phase Ib study with elsiglutide in Europe to evaluate its safety and tolerability and find the maximum tolerated dose in colorectal cancer patients. The Phase Ib study is conducted under an Investigational New Drug application with the US Food and Drug Administration (FDA) and final study completion is expected in Q1 2012. In parallel, Helsinn is preparing a Phase IIa study to evaluate the efficacy of elsiglutide in the primary prevention of diarrhea in colorectal cancer patients receiving chemotherapy.

David Solomon, President and Chief Executive Officer of Zealand Pharma, commented: *“We are pleased with the progress of the elsiglutide program by our partner Helsinn Healthcare and with the data so far indicating that elsiglutide is safe and well tolerated. Peptides make excellent drugs, and we look forward to Helsinn’s continued development of this novel Zealand-discovered GLP-2 peptide agonist for the treatment of cancer patients suffering from severe diarrhea.”*

In November 2008, Zealand Pharma out-licensed worldwide exclusive rights to elsiglutide (ZP1846) to Helsinn Healthcare, a global cancer supportive care company. Under the agreement between Zealand Pharma and Helsinn, Helsinn is responsible for all further development, regulatory activities, manufacturing, marketing and sales of elsiglutide. Zealand Pharma is eligible to receive milestone payments of up to EUR 140 million, of which EUR 13 (DKK 97) million has been received (including the payments announced today). and to royalties on Helsinn Healthcare’s global sales of elsiglutide. Zealand Pharma also holds an option to obtain sales and marketing rights for the Nordic countries.

The milestone payments of EUR 3 million (DKK 22.3 million) do not change Zealand Pharma's financial guidance for 2011 of DKK 170 (EUR 23) million in revenues and other income and total operating expenses of DKK 170 (EUR 23) million.

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About Elsiglutide (ZP1846)

Elsiglutide is a novel, potent and selective glucagon-like-peptide-2 (GLP-2) receptor agonist. GLP-2 is a naturally occurring peptide hormone produced primarily by the small intestine. It is secreted in response to food ingestion and acts by binding to the GLP-2 receptor, which is predominantly found in the gastrointestinal tract. GLP-2 plays a key role in intestinal growth and formation and has shown the ability to promote the regeneration of the epithelial surface damaged by chemotherapy, the underlying cause of chemotherapy-induced diarrhea.

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 (Lyxumia[®] 1), a once-daily GLP-1 agonist for the treatment of Type 2 diabetes, discovered by Zealand Pharma and licensed to Sanofi. In November, Sanofi filed for marketing authorization for lixisenatide (Lyxumia[®]) in Europe. Submission for regulatory approval of lixisenatide 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, 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