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RICHMOND, Va. & MANCHESTER, U.K., Jul 29, 2002 (BW HealthWire) -- Insmed Incorporated (NASDAQ: INSM) and Avecia, Europe's largest privately held specialty chemical company, today announced an agreement for the manufacture of one of Insmed's drug candidates SomatoKine® and its component proteins, insulin-like growth factor-1 (IGF-1) and insulin-like growth factor binding protein-3 (IGFBP-3). Insmed and Avecia scientists have collaborated on the manufacturing project in Avecia's microbial biotechnology facility in Billingham, UK drawing on Avecia's expertise in innovative recombinant protein expression technology and process development. The efforts of the two companies have resulted in a substantial increase in productivity that provides Insmed a commercially scalable drug product for many potential indications of Insmed's SomatoKine®. These indications include type 1 and type 2 diabetes and growth hormone insensitivity syndrome (GHIS).

Insmed CEO Dr. Geoffrey Allan commented: "As a result of our development program with Avecia, we have demonstrated that SomatoKine® can be manufactured with a cost of goods well within an acceptable range and at a scale for commercialization. This is a tremendous achievement and we are looking forward to aggressively pursuing development of SomatoKine® towards the market place.

Avecia's Biologics Business General Manager Dr. Stephen Taylor said: "We think Insmed is an exciting company with a broad pipeline of product opportunities. We are very pleased to be chosen as a manufacturer of SomatoKine® and its component proteins, which have exciting healthcare potential. Our involvement in playing such a key and growing role in the creation and development of a cost-competitive drug product for Insmed again establishes Avecia as a leader in protein manufacturing."

cGMP clinical production is being done in Avecia's Advanced Biologics Centre (ABC) at Billingham, which produces recombinant protein-based medicines and vaccines at scales up to 1,000 litres. Manufacture of SomatoKine® is planned to move to the first phase of Avecia's new large-scale facility in 2003, when 10,000 litres of new capacity comes on stream.

In February, Avecia announced a US $100M expansion programme at Billingham to commission one of the world's most advanced production facilities for biologics medicines, aimed at products in Phase III clinical trials moving to license. The expansion - to 40,000-litre capacity by 2005 - will provide integrated capacity on a single site for process development, clinical trial and large-scale cGMP manufacturing.

About Avecia Biotechnology

Avecia Biotechnology is one of the world's leading manufacturers of advanced medicines, bringing together a distinctive range of technologies for producing biologics, DNA medicines and peptide therapeutics. Capabilities in Biologics include development services in microbial biotechnology and "fast track" cGMP contract manufacture of protein-based pharmaceuticals. Avecia is the world's leading producer of DNA medicines and also operates the UK's largest dedicated cGMP production suite for peptide therapeutics.

Avecia Biotechnology, and its sister business Avecia Pharmaceuticals, are key businesses in the company's Fine Chemicals segment. Europe's largest privately-owned specialty chemical company, Avecia recorded 2001 sales of 803.6m pounds and operating profit of 90.2m pounds. Visit www.avecia.com.

About Insmed Incorporated

Insmed is a biopharmaceutical company focused on the discovery and development of drug candidates for the treatment of metabolic diseases and endocrine disorders. For more information, please visit www.insmed.com.

About SomatoKine®

The company's product candidate, SomatoKine®, is being developed as an insulin sensitizer and growth promoting/anabolic agent. The drug is the recombinant form of human insulin-like growth factor-I (IGF-I) and its regulatory binding protein, IGFBP-3. SomatoKine® is currently in clinical development for type 1 and type 2 diabetes, and growth hormone insensitivity syndrome (GHIS). Statements included within this press release, which are not historical in nature, may constitute forward-looking statements for purposes of the safe harbor provided by the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements regarding expected financial position, results of operations, cash flows, dividends, financing plans, business strategies, operating efficiencies or synergies, budgets, capital and other expenditures, competitive positions, growth opportunities for existing or proposed products or services, plans and objectives of management, demand for new pharmaceutical products, market trends in the pharmaceutical business, inflation and various economic and business trends. Such forward-looking statements are subject to numerous risks and uncertainties, including risks that product candidates may fail in the clinic or may not be successfully marketed, the company may lack financial resources to complete development of product candidates, competing products may be more successful, demand for new pharmaceutical products may decrease, the biopharmaceutical industry may experience negative market trends and other risks detailed from time to time in the company's filings with the Securities and Exchange Commission. As a result of these and other risks and uncertainties, actual results may differ materially from those described in this press release.

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