Insmed Obtains Patent Rights for Extreme Insulin Resistance From Fujisawa

RICHMOND, Va., Jan 26, 2004 (BUSINESS WIRE) -- Insmed Incorporated (Insmed) (NASDAQ: INSM) announced today that Insmed has been granted a non-exclusive license to patent rights pertaining to the use of an Insulin-Like Growth Factor -I (IGF-I) therapy for the treatment of extreme or severe insulin resistant diabetes from Fujisawa Pharmaceutical Co., Ltd. (Fujisawa). Under the terms of the agreement, Insmed will obtain worldwide rights in territories (excluding Japan) where a valid patent claim exists, including the United States and Europe. Financial terms were not disclosed.

Seiji Hashimoto, Ph.D., Director, Product Planning, Global Corporate Strategic Planning of Fujisawa stated, "Severe Insulin Resistance can be a life threatening and severely debilitating condition. We are pleased to be working with Insmed in their pursuit to address this worldwide unmet medical need. "

Geoffrey Allan, Ph.D., President and chief executive officer of Insmed commented, "Severe Insulin Resistance is a very important indication for Insmed. This licence is a significant strategic achievement for our company in our pursuit for an effective treatment of these severe diseases."

On December 15, 2003, Insmed announced it had received Orphan Drug Designation for SomatoKine(R), an IGF-I therapy, for the treatment of extreme insulin resistance. In human clinical studies in patients with extreme insulin resistance syndromes, IGF-I therapy effectively reduced blood glucose and enhanced insulin sensitivity (1, 2, 3).

Insmed's rhIGF-I/rhIGFBP-3 is a proprietary delivery composition of insulin-like growth factor-I (IGF-I). The novel compound is administered as a once-daily subcutaneous injection, which can restore IGF levels to physiological relevant levels. In diabetic subjects, administration of rhIGF-I/rhIGFBP-3 demonstrated a significant improvement in blood sugar control and a significant reduction in daily insulin use. Following severe burn injury, in both children and adults, administration of rhIGF-I/rhIGFBP-3 demonstrated a significant improvement in muscle protein synthesis and a significant reduction in the inflammatory response associated with the trauma. In recovery from hip fractures, administration of rhIGF-I/rhIGFBP-3 has demonstrated a significant improvement in functional recovery and bone mineral density. rhIGF-I/rhIGFBP-3 is currently in a pivotal Phase III clinical trial for the treatment of Growth Hormone Insensitivity Syndrome (GHIS), a severe growth disorder.

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 with unmet medical needs. For more information, please visit www.insmed.com.

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.