



[Home](#) / [Investors](#) / [Press Releases](#)

## Insmmed Incorporated Reports Financial Results for First Quarter of 2004

RICHMOND, Va., May 5, 2004 (BUSINESS WIRE) -- Insmmed Incorporated (Nasdaq:INSM), a developer of pharmaceutical products for the treatment of metabolic and endocrine diseases with unmet medical needs, today announced results for the three-month period ended March 31, 2004.

### Discussion of Revenue and Expense Items

Revenues for the three months ending March 31, 2004 were \$61,000 as compared to \$62,000 for the equivalent period of 2003, and \$27,000 for the final quarter of 2003. The increase from the final quarter of 2003 was due to an annual royalty which is normally received in the first quarter of each year.

The net loss for the first quarter ending March 31, 2004 was \$4.8 million or \$0.12 per share, as compared to net losses of \$2.2 million or \$0.07 per share for the corresponding quarter of 2003 and \$2.5 million or \$0.06 per share for the fourth quarter of 2003. The increase in the net loss from prior periods is due primarily to the scale-up and development costs incurred during the first three months of 2004 to support the manufacture of our lead product, rhIGF-I/rhIGFBP-3, also known as SomatoKine(R).

General and administrative expenditures were also higher due to an increase in external accounting and legal services associated with compliance efforts required by the Sarbanes-Oxley Act of 2002, and new rules and regulations enacted by the Securities and Exchange Commission and Nasdaq. Interest income declined slightly as a result of reduced interest rates and a lower cash balance.

As of March 31, 2004, the Company had total cash and cash equivalents of \$24.9 million.

### Conference Call

The Company will host a conference call on May 6, 2004 at 11:00 a.m. Eastern Time (10:00 a.m. Central Time). Company management will conduct the call and will review the financial and operating results for the first quarter and the Company's current activities and expectations for the future. To participate in the conference call, dial 800-838-4403 (domestic) or 973-317-5319 (international). The call will be webcast live through Insmmed's corporate website: [www.insmed.com](http://www.insmed.com). A telephonic replay of the call will be available for one week at 800-428-6051 (domestic) or 973-709-2089 (international) Passcode: 353287 A web replay of the call will be available through the corporate website beginning at 1:00p.m.

### About Insmmed Incorporated

Insmmed Incorporated is a biopharmaceutical company focused on the discovery and development of drug candidates for the treatment of metabolic diseases and endocrine disorders. For further information about Insmmed and the rhIGF-I/rhIGFBP-3 complex, please visit the company's corporate website at [www.insmed.com](http://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. Although Insmmed believes that such statements are based on reasonable assumptions within the bounds of its knowledge of its business and operations, the forward-looking statements are neither promises nor guarantees and various factors may cause its actual results to differ materially from its expectations. 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.. For further information with respect to factors that could cause actual results to differ from expectations, reference is made to reports filed by Insmmed with the Securities and Exchange Commission under the Securities Exchange Act of 1934, as

amended. The forward-looking statements made in this release are made only as of the date hereof and Insmid disclaims any intention or responsibility for updating predictions or financial guidance contained in this release.

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