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University of Rochester, designated by the National Institutes of Health (NIH) and the Muscular Dystrophy Association (MDA) as one of the "centers of excellence" for muscular dystrophy research, will receive up to $1 million in federal funding through NIH per year for five years and up to $500,000 per year from MDA for three years, for a total of up to $6.5 million, to research a potential therapy for MMD.

Richard T. Moxley, III, M.D., Professor of Neurology and Pediatrics , who will lead the University of Rochester Center stated, "I believe Insmed's IGF-I therapy could be the first therapeutic that could truly be beneficial in this patient population. We are very pleased to be collaborating with Insmed. The existing clinical data demonstrating SomatoKine's® ability to restore or preserve muscle strength as well as improve glucose control provides us with a strong motivation to study this medicine in our patients. We are optimistic that SomatoKine will be well tolerated and effective in MMD."

Previous preclinical and human studies have demonstrated that IGF-I therapy may be an effective treatment for myotonic muscular dystrophy1,2.

Geoffrey Allan, Ph.D., President and chief executive officer of Insmed added, "We are very pleased that the NIH and MDA have supported the selection of SomatoKine as a potential treatment of MMD and have provided the funds necessary to validate this therapeutic approach."

More on rhIGF-I/rhIGFBP-3 (SomatoKine®)

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.

About Myotonic Muscular Dystrophy

Myotonic Dystrophy (MMD), the most common type of adult muscular dystrophy,which affects some 38,000 people in the United States. MMD patients develop progressive muscle wasting and weakness in the hands, forearms, legs, neck and face and eventually become totally disabled, dying usually from respiratory failure. At present, there is no treatment to reverse or ameliorate these symptoms. For more information about MMD please visit, www.mdausa.org.

About The Muscular Dystrophy Association

MDA is a voluntary health agency -- a dedicated partnership between scientists and concerned citizens aimed at conquering neuromuscular diseases that affect more than a million Americans. MDA combats neuromuscular diseases through programs of worldwide research, comprehensive medical and community services, and far-reaching professional and public health education.

1. Furlin D, Marette A, Puymirat J. Insulin-Like Growth Factor I Circumvents Defective Insulin Action in Human Myotonic Dystrophy Skeletal Muscle Cells. Endocrinology. 1999; 140:4244-4250.

2. Vlachopapadopoulou E, Zachwieja JJ, Gertner JM, Manzione D, Bier DM, Matthew DE, Slonim AE. Metabolic and Clinical Response to Recombinant Human Insulin-Like Growth Factor I in Myotonic Dystrophy-A Clinical Research Center Study. J Clin Endocrinol Metab. 1995; 80:3715-3723.

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.