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# Insmed Incorporated Reports Financial Results for First Quarter of 2005

RICHMOND, Va., May 10, 2005 /PRNewswire-FirstCall via COMTEX/ -- Insmed 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, 2005.

Revenues for the three months ending March 31, 2004 were \$57,000 as compared to \$61,000 for the equivalent period of 2004, and \$23,000 for the final quarter of 2004. The increase from the final quarter of 2004 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, 2005 was \$5.8 million or \$0.13 per share, as compared to net losses of \$4.8 million or \$0.12 per share for the corresponding quarter of 2004 and \$5.8 million or \$0.14 per share for the fourth quarter of 2004. The \$1.0 million or \$0.1 per share increase in the net loss for the first quarter of 2005 compared to the first quarter of 2004 arises from a \$0.7 million rise in Operating Expenses and a \$0.3 million increase in interest expense. The rise in operating expenses are due to a combination of additional research and development expenses and higher general and administration expenses in support of our lead product SomatoKine(R) in the Growth Hormone Insensitivity Syndrome indication. The \$0.3 million increase in interest expense is principally due to the accounting treatment associated with the previously announced convertible debt offering which occurred during the first quarter of 2005. Sequentially operating results for the current quarter remained consistent with the prior quarter.

As of March 31, 2005, the Company had total cash and cash equivalents of \$35.8 million.

## Conference Call

The Company will host a conference call on May 12, 2005 at 8:30 a.m. Eastern Time. Company management will conduct the call and will review the financial and operating results for the first quarter and provide a Corporate update. To participate in the conference call, dial 877-407-2035 (domestic) or 201-689-8035 (international). The call will be webcast live through Insmed's corporate website: <http://www.insmed.com> and will be archived until November 12, 2005.

## About Insmed Incorporated

Insmed Incorporated 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 further information about Insmed and SomatoKine(R), please visit the company's corporate website at <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. Forward-looking statements in this press release include, but are not limited to, statements regarding the expected results of litigation regarding the validity of our patents and our future ability to conduct our business as now conducted and as it is currently proposed to be conducted; clinical trials and goals, our regulatory and business strategies and growth opportunities for existing or proposed products. Such forward-looking statements are subject to numerous risks and uncertainties, including the uncertainty of the outcome of any litigation, the risk that product candidates may fail in the clinic or may not be successfully marketed or manufactured, the company may lack financial resources to complete development of product candidates, the FDA may interpret the results of our studies differently than we have. We can give no assurances that we would

be successful in any litigation or that such litigation would not have a material adverse effect on our business, financial condition and results of operation. Furthermore, we may not be able to afford the expense of defending against such a claim. As a result of these and other risks and uncertainties, actual results may differ materially from those described in this press release. For further information with respect to factors that could cause actual results to differ from expectations, reference is made to reports filed by the Company 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 Insméd disclaims any intention or responsibility for updating predictions or financial guidance contained in this release.

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