





Item 3.02 Unregistered Sales of Equity Securities

Between May 18, 2009 and June 1, 2009, Insmmed Incorporated received notices from holders of its 5.5% Convertible Notes due 2008 - 2010 electing to voluntarily convert \$486,801 principal amount of Convertible Notes into 375,908 shares of common stock at the conversion rate of one share of common stock for each \$1.295 in principal amount of the Convertible Notes. The Company also received \$1,310,446 from warrant exercises that resulted in 1,083,013 shares of common stock being issued at an exercise price of \$1.21.

Following the conversions described above, \$1,491,667 principal amount of the Convertible Notes remained outstanding. In addition, because this portion of the Convertible Notes were converted prior to the June 1, 2009 quarterly interest payment, the Company issued an additional 4,696 shares of common stock for the forfeited cash interest payment at a conversion price of \$1.295.

The Company also received \$247,500 from warrant exercises related to the May 2007 offering that resulted in 225,000 shares of common stock being issued at an exercise price of \$1.10.

The number of shares issued pursuant to the conversion of the Convertible Notes and exercise of warrants and options since May 13, 2009, the date of Insmmed's last periodic report, exceeded 1% of Insmmed's outstanding common stock on May 29, 2009. As of June 3, 2009 the total issued and outstanding shares of Insmmed Incorporated Common Stock was 126,888,163.

The common stock issued upon the conversion of the Convertible Notes and warrants was issued in reliance upon the exemptions from the registration requirements of the Securities Act of 1933, as amended, provided for in Section 3(a)(9) and Section 4(2) thereof and is all currently registered for resale by the holders pursuant to Insmmed's Registration Statement on Form S-3 filed with the Securities and Exchange Commission on August 8, 2005 (the "Registration Statement").

A summary of the terms of the Convertible Notes and the warrants, including the conversion features and interest payments of the Convertible Notes was previously provided in the Registration Statement and Insmmed's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 16, 2005 (the "Current Report"). The forms of the Convertible Notes and the warrants were filed on the Current Report. The Registration Statement, the Current Report, the forms of the Convertible Notes and warrants are each incorporated herein by reference.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Insmmed Incorporated

Date: June 3, 2009

By: /s/ Kevin P. Tully  
Name: Kevin P. Tully C.G.A.,  
Title: Executive Vice President &  
Chief Financial Officer