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## The Medicines Company Reports First Quarter 2009 Financial Results

29 Apr 2009

### **Operations Continue to Enable Aggressive Investment in New Products and Global Capabilities**

PARSIPPANY, NJ, Apr 29, 2009 (MARKET WIRE via COMTEX) -- The Medicines Company (NASDAQ: MDCO) today announced its financial results for the first quarter of 2009.

Financial highlights for the first quarter of 2009:

-- Net revenue increased by 25% to \$99.2 million for the first quarter of 2009 from \$79.4 million for the first quarter of 2008.

-- Including one-time transaction costs of \$4.0 million related to the Targanta Therapeutics Corporation ("Targanta") acquisition, net loss for the first quarter of 2009, was \$3.3 million, or \$0.06 per share, compared to net income of \$4.9 million, or \$0.09 per share, for the first quarter of 2008.

-- Non-GAAP net income for the first quarter of 2009 was \$3.5 million, or \$0.07 per share, compared to non-GAAP net income of \$12.4 million, or \$0.24 per share, for the first quarter of 2008. Non-GAAP net income excludes the transaction costs associated with the Targanta acquisition, stock-based compensation expense and non-cash income taxes.

Clive Meanwell, Chief Executive Officer, stated, "We continue to invest aggressively in the acquisition of new products such as oritavancin, and in the development of our global capabilities as evidenced by our European expansion. These investments will help us deliver sustainable growth far into the future."

Operating highlights for the first quarter of 2009:

- Achieved 24% growth in Angiomax demand versus first quarter of 2008;  
market share in STEMI patients at an all time high of 22%
- Exceeded 170 cumulative formulary wins for Cleviprex; now growing at a  
rate of approximately 1 per day; submitted Cleviprex Marketing Authorization Application in Europe
- Deployed fully staffed teams of medical science, sales and marketing  
associates in the United Kingdom, France, and Scandinavia
- Continued to enroll patients in the Phase 3 cangrelor trials;  
projected to complete planned enrollment over the summer
- Completed the acquisition and integration of Targanta

John Kelley, President and Chief Operating Officer, stated, "Angiomax continues to grow in both volume and market share and we are making progress with Angiox in Europe. The Cleviprex launch is progressing, winning formularies, and beginning to see pull through from customers. This is a solid start to 2009 and we are on track to achieve our 2009 top line guidance."

The following table provides reconciliations between GAAP and non-GAAP net (loss) income for the first quarter (Q1) of 2009 and 2008. Non-GAAP net income excludes the transaction charges related to the Targanta acquisition, stock-based compensation expense and non-cash income taxes:

Non-GAAP (in Net millions) Income (1)	Reported GAAP Net (Loss) Income	Targanta Transaction Costs	FAS 123R Stock-Based Compensation Expense	Non-Cash (Benefit) Provision for Income Taxes
Q1 2009 3.5	\$ (3.3)	\$ 4.0	\$ 5.5	\$ (2.6)
Q1 2008 12.4	\$ 4.9	\$ -	\$ 4.6	\$ 3.0

Note: Amounts may not sum due to rounding.

(1) Excluding the transaction charges related to the Targanta acquisition,  
stock-based compensation expense and non-cash income taxes.

Reconciliations between GAAP and non-GAAP fully diluted (loss) earnings per share (EPS) for the first quarter (Q1) of 2009 and 2008 are provided in the following table:

Non-GAAP (per share)	Reported GAAP (Loss) Earnings Per Share	Targanta Transaction Costs	FAS 123R Stock-Based Compensation Expense	Non-Cash Provision for Income Taxes
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EPS (1)	February 18, 2009		April 28, 2009	
Q1 2009	\$ (0.06)	\$ 0.08	\$ 0.10	\$ (0.05)
0.07				
Q1 2008	\$ 0.09	- \$	\$ 0.09	\$ 0.06
0.24				

Note: Amounts may not sum due to rounding.

(1) Excluding the transaction charges related to the Targanta acquisition, stock-based compensation expense and non-cash income taxes.

The Company believes that presenting the non-GAAP information contained in the financial tables and in this press release assists investors and others in gaining a better understanding of the Company's core operating results and future prospects, expected growth rates or forecasted guidance, particularly as related to transaction charges associated with the Targanta acquisition, stock-based compensation expense and non-cash income taxes. Management uses this non-GAAP information, in addition to the GAAP information, as the basis for measuring the Company's core operating performance and comparing such performance to that of prior periods and to the performance of its competitors. Such measures are also used by management in its financial and operating decision-making. Non-GAAP information is not meant to be considered superior to or a substitute for the Company's results of operations prepared in accordance with GAAP. A reconciliation of GAAP results with non-GAAP results may also be found in the attached financial tables.

2009 Guidance (in millions, except percentages and per share data)

Following the completion of the Targanta acquisition, The Medicines Company is reissuing guidance as follows:

	February 18, 2009		April 28, 2009	
2009	Guidance		Targanta Acquisition Impact	
Net Sales				
US Angiomax	\$ 395 - \$	405		
International Angiox	\$ 30 - \$	40		
US Cleviprex	\$ 10 - \$	19		
Total Net Sales	\$ 435 - \$	464		
Cost of Revenue	28%			
R&D (GAAP)	\$ 79 - \$	84	\$ 15 - \$	20
102				
(w/o 123R)	\$ 75 - \$	80	\$ 93 - \$	98
SG&A (GAAP)	\$ 186 - \$	193	\$ 10 - \$	12
201				

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(w/o 123R)	\$ 170 - \$ 175		\$ 178 - \$
183			
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Stock Based Comp			
- 123R (1)	\$ 20 - \$ 22		
Investment Income	\$ 3 - \$ 5		
Effective Tax Rate	45% - 50%		
Net Income (loss)			
- GAAP	\$ 26 - \$ 31		\$ 13 - \$
18			
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- Non GAAP	\$ 66 - \$ 78		\$ 47 - \$
59			
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EPS - GAAP	\$ 0.47 - \$ 0.57		\$ 0.24 - \$
0.34			
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EPS - Non GAAP	\$ 1.22 - \$ 1.44		\$ 0.88 - \$
1.10			
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(1) Note that GAAP reporting of R&D and SG&A include stock based compensation expense

There will be a conference call with management today at 8:30 a.m. Eastern Time to discuss first quarter 2009 financial results and operational developments. The conference call will be available via phone and webcast. The webcast can be accessed at The Medicines Company website at [www.themedicinescompany.com](http://www.themedicinescompany.com) (<http://www.themedicinescompany.com>).

The dial in information is listed below:

Domestic Dial In: 800-706-7745  
 International Dial In: 617-614-3472  
 Passcode for both dial in numbers: 34239136

Replay is available from 11:30 a.m. Eastern Time following the conference call through May 13, 2009. To hear a replay of the call dial 888-286-8010 (domestic) and 617-801-6888 (international). Passcode for both dial in numbers is 33236910.

About The Medicines Company: The Medicines Company (NASDAQ: MDCO) is focused on advancing the treatment of critical care patients through the delivery of innovative, cost-effective medicines to the worldwide hospital marketplace. The Company markets Angiomax(R) (bivalirudin) in the United States and other countries for use in patients undergoing coronary angioplasty, and Cleviprex(R) (clevidipine butyrate) injectable emulsion in the United States for the reduction of blood pressure when oral therapy is not feasible or not desirable. The Company also has an investigational antiplatelet agent, cangrelor, in late-stage development and a serine protease inhibitor, CU-2010, in early-stage development. Through the acquisition of Targanta, The Medicines Company's pipeline also includes oritavancin, a semi-synthetic lipoglycopeptide antibiotic currently awaiting EU regulatory approval. The Medicines Company's website is [www.themedicinescompany.com](http://www.themedicinescompany.com) (<http://www.themedicinescompany.com>).

Statements contained in this press release about The Medicines Company that are not purely historical, and all other statements that are not purely historical, may be deemed to be forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Without limiting the foregoing, the words "believes," "anticipates" and "expects" and similar expressions, including our 2009 guidance, are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks and uncertainties that may cause the Company's actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by these forward-looking statements. Important factors that may cause or contribute to such differences include the extent of the commercial success of Angiomax, whether the Company's products will advance in the clinical trials process on a timely basis or at all, whether the Company will make regulatory submissions for product candidates on a timely basis, whether its regulatory submissions will receive approvals from regulatory agencies on a timely basis or at all, whether physicians, patients and other key decision makers will accept clinical trial results, risks associated with the establishment of international operations, and such other factors as are set forth in the risk factors detailed from time to time in the Company's periodic reports and registration statements filed with the Securities and Exchange Commission including, without limitation, the risk factors detailed in the Company's Annual Report on Form 10-K filed on March 2, 2009, which are incorporated herein by reference. The Company specifically disclaims any obligation to update these forward-looking statements.

The Medicines Company  
Consolidated Statements of Operations  
(unaudited)

Ended (in thousands, except per share data)	Three Months March 31, 2009	
2008		
Net revenue	\$ 99,217	\$
79,427		
Operating expenses:		
Cost of revenue	28,297	
19,092		
Research and development	24,436	
18,663		
Selling, general and administrative	53,595	
35,350		
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Total operating expenses	106,328	
73,105		
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(Loss) income from operations	(7,111)	
6,322		
Other income	1,170	
2,381		
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(Loss) income before income taxes	(5,941)	
8,703		
Benefit (provision) for income taxes	2,593	
(3,850)		
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Net (loss) income	\$ (3,348)	\$
4,853		
=====		
Basic (loss) income per common share	\$ (0.06)	\$
0.09		
	=====	

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Shares used in computing basic (loss)		
income per common share		52,141
51,749		
		=====
=====		
Diluted (loss) income per common share	\$	(0.06) \$
0.09		
		=====
=====		
Shares used in computing diluted (loss)		
income per common share		52,141
52,274		
		=====

The Medicines Company  
Condensed Consolidated Balance Sheets  
(unaudited)

	March 31,	
December 31,		2009
(in thousands)		
2008		
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	ASSETS	
Cash, cash equivalents and available for sales		
securities	\$	164,312 \$
216,206		
Accrued interest receivable		1,241
1,336		
Accounts receivable, net		34,976
33,657		
Inventory		24,225
28,229		
Prepaid expenses and other current assets		16,423
16,402		
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Total current assets		241,177
295,830		
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Fixed assets, net		27,537
27,331		
Intangible assets, net		16,056
16,349		
In-process research and development		67,200
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Goodwill		27,154
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Restricted cash		8,004
5,000		
Deferred tax assets		12,428
37,657		
Other assets		5,328
5,237		
		-----
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Total assets	\$	404,884 \$
387,404		
		=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities	\$	77,214	\$
83,608			
Contingent purchase price		22,000	
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Other long-term liabilities		5,627	
5,771			
Stockholders' equity		300,043	
298,025			
		-----	-----
Total liabilities and stockholders' equity	\$	404,884	\$
387,404			
		=====	

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The Medicines Company  
Reconciliation of GAAP to non-GAAP Measures  
(Amounts in thousands, except per share data)  
(Unaudited)

	Three Months Ended March 31,			
	2009			
	GAAP	Targanta		Non-
GAAP	Reported	Transaction	SFAS 123R	Non-Cash
Adjusted	(1)	Costs (2)	(3)	Taxes (4)
(5)				
Net revenue	\$ 99,217	\$ -	\$ -	\$ -
99,217				
Operating expenses:				
Cost of revenue	28,297	-	(221)	-
28,076				
Research and development	24,436	-	(986)	-
23,450				
Selling, general and administrative	53,595	(3,995)	(4,254)	-
45,346				
Total operating expenses	106,328	(3,995)	(5,461)	-
96,872				
(Loss) income from operations	(7,111)	3,995	5,461	-
2,345				
Other income	1,170	-	-	-
1,170				
(Loss) income before income				

taxes	(5,941)	3,995	5,461	-
3,515				
(Provision)				
benefit for				
income taxes	2,593	-	-	(2,633)
(40)				
-----				
Net (loss)				
income	(3,348)	3,995	5,461	(2,633)
3,475				
=====				
Basic (loss)				
earnings				
per common				
share	\$ (0.06)	\$ 0.08	\$ 0.10	\$ (0.05)
0.07				
=====				
Shares used in				
computing				
basic				
(loss)				
earnings per				
common share	52,141	52,141	52,141	52,141
52,141				
=====				
Diluted (loss)				
earnings				
per common				
share	\$ (0.06)	\$ 0.08	\$ 0.10	\$ (0.05)
0.07				
=====				
Shares used in				
computing				
diluted (loss)				
earnings per				
common share	52,141	52,496	52,496	52,496
52,496				
=====				

- (1) GAAP results
- (2) Transaction charges associated with the Targanta acquisition
- (3) Non-cash stock compensation expense
- (4) Non-cash tax benefit
- (5) Non-GAAP results

Contact:  
 Robyn Brown  
 Vice President, Investor Relations  
 The Medicines Company  
 973-290-6000  
 Email Contact

SOURCE: The Medicines Company

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