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## The Medicines Company Reports First Quarter 2012 Financial Results

25 Apr 2012

### Quarterly Net Revenues Rise 12.9% to \$126.6 Million

PARSIPPANY, NJ, Apr 25, 2012 (MARKETWIRE via COMTEX) --The Medicines Company (NASDAQ: MDCO), a global pharmaceutical company focused on advancing the treatment of critical care patients through the delivery of innovative, cost-effective medicines, today announced first quarter financial results for 2012.

Financial highlights for the first quarter of 2012:

-- Net revenue increased by 12.9% to \$126.6 million for the first quarter of 2012 from \$112.1 million in the first quarter of 2011.

-- Angiomax U.S. sales increased by 10% to \$115.5 million in the first quarter of 2012 compared to \$105.0 million in the first quarter of 2011.

-- Angiomax/Angiox international net revenue in the first quarter of 2012 increased by 49% to \$10.6 million compared with \$7.1 million in the first quarter of 2011.

-- Net income for the first quarter of 2012 was \$7.6 million, or \$0.14 per share, compared with net income of \$24.2 million, or \$0.45 per share, for the first quarter of 2011. Net income in the first quarter of 2011 included \$15 million, net of taxes, from the Company's settlement with the law firm, WilmerHale.

-- Non-GAAP net income for the first quarter of 2012 was \$15.2 million, or \$0.27 per share, compared to non-GAAP net income of \$34.5 million, or \$0.64 per share for the first quarter 2011. Non-GAAP net income

excludes stock-based compensation expense and non-cash income taxes.

Clive Meanwell, Chairman and Chief Executive Officer, stated, "First quarter 2012 results again indicated that we are on a strong trajectory of growth and are focused on executing our business plan reliably. Sales in all three global regions -- the U.S., Europe, and Asia Pacific -- finished ahead of targets. Our earnings were also ahead of goal."

The following table provides reconciliations between GAAP and non-GAAP net income for the first quarter (Q1) of 2012 and 2011. Non-GAAP net income excludes the transaction charges related to stock-based compensation expense and non-cash income taxes:

Non-GAAP Net (in millions) Income (1)	Reported GAAP Net Income	Stock-Based Compensation Expense	Non-cash Provision for Income Taxes	-----
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Q1 2012 15.2	\$ 7.6	\$ 3.1	\$ 4.5	\$ 15.2
Q1 2011 34.5	\$ 24.2	\$ 2.3	\$ 8.0	\$ 34.5

Note: Amounts may not sum due to rounding.

(1) Excluding stock-based compensation expense and the non-cash provision for income taxes

Reconciliations between GAAP and non-GAAP fully diluted earnings per share (EPS) for the first quarter (Q1) of 2012 and 2011 are provided in the following table:

Non-GAAP (per share) EPS (1)	Reported GAAP EPS	Stock-Based Compensation Expense	Non-cash Provision for Income Taxes	-----
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Q1 2012 0.27	\$ 0.14	\$ 0.06	\$ 0.08	\$ 0.27
Q1 2011 0.64	\$ 0.45	\$ 0.04	\$ 0.15	\$ 0.64

Note: Amounts may not sum due to rounding.

(1) Excluding stock-based compensation expense and non-cash provision for 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 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.

There will be a conference call with management today at 8:30 a.m. Eastern Time to discuss first quarter 2012 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: 800-299-6183 International Dial In: 617-801-9713 Passcode for both dial in numbers: 34052627

Replay is available from 10:30 a.m. Eastern Time following the conference call through May 9, 2012. To hear a replay of the call dial 888-286-8010 (domestic) and 617-801-6888 (international). Passcode for both dial in numbers is 83438358.

About The Medicines Company The Medicines Company (NASDAQ: MDCO) provides medical solutions to improve health outcomes for patients in acute and intensive care hospitals worldwide. These solutions comprise medicines and knowledge that directly impact the survival and well being of critically ill patients. 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 the Company's preliminary revenue results, 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, the Company's ability to develop its global operations and penetrate foreign markets, 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, whether the Company is able to obtain or maintain patent protection for the intellectual property relating to the Company's products; 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 February 29, 2012, which are incorporated herein by reference. The Company specifically disclaims any obligation to update these forward-looking statements.

The Medicines Company  
Condensed Consolidated Statements of Operations  
(unaudited)

(in thousands, except per share data) Three months ended  
March 31, -----

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2012

2011			
Net revenue	\$	126,610	\$
112,137			
Operating expenses:			
Cost of revenue		38,663	
35,570			
Research and development		32,778	
23,792			
Selling, general and administrative		43,186	
37,928			
Total operating expenses		114,627	
97,290			
Income from operations		11,983	
14,847			
Legal settlement		-	
17,984			
Other income		62	
811			
Income before income taxes		12,045	
33,642			
Provision for income taxes		(4,474)	
(9,401)			
Net income	\$	7,571	\$
24,241			
Basic earnings per common share	\$	0.14	\$
0.46			
Shares used in computing basic earnings per common share		54,037	
53,224			
Diluted earnings per common share	\$	0.14	\$
0.45			
Shares used in computing diluted earnings per common share		55,672	
54,109			

The Medicines Company  
Condensed Consolidated Balance Sheets

December 31, (in thousands) 2011	March 31, 2012
-----	-----
	(unaudited)
ASSETS	
Cash, cash equivalents and available for sales securities	\$ 295,655 \$
340,512	
Accrued interest receivable	173
374	
Accounts receivable, net	67,717
74,559	
Inventory	49,973
45,145	
Deferred tax assets	9,395
9,395	
Prepaid expenses and other current assets	12,209
11,738	
-----	-----
Total current assets	435,122
481,723	
Fixed assets, net	17,402
17,979	
Intangible assets, net	122,967
87,329	
Restricted cash	2,687
4,714	
Deferred tax assets	78,441
78,441	
Goodwill	14,671
14,671	
Other assets	7,760
7,790	
-----	-----
Total assets	\$ 679,050 \$
692,647	
=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities	\$ 125,280 \$
154,635	
Contingent purchase price	20,995
20,431	
Other Long Term Liabilities	5,982
5,939	
Stockholders' equity	526,793
511,642	
-----	-----
Total liabilities and stockholders' equity	\$ 679,050 \$
692,647	
=====	=====

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

Three Months Ended March 31

	2012			
	GAAP (1)	Stock-Based Compensation	Non-cash Tax Provision	Non- As
GAAP (4) Adjusted				
Net revenue	\$126,610	\$ -	\$ -	\$ -
Operating expenses:				
Cost of revenue	38,663	(35)	(2)	-
Research and development	32,778	(545)	(2)	-
Selling, general and administrative	43,186	(2,534)	(2)	-
Total operating expenses	114,627	(3,114)	-	-
Income from operations	11,983	3,114	-	-
Other income	62	-	-	-
Income before income taxes	12,045	3,114	-	-
(Provision) benefit for income taxes	(4,474)	-	4,474	(3)
Net income	\$ 7,571	\$ 3,114	\$ 4,474	\$ -

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Basic earnings per common share	\$ 0.14	\$ 0.06	\$ 0.08	\$
0.28				
=====				
Shares used in computing basic earnings per common share	54,037	54,037	54,037	
54,037				
=====				
Diluted earnings per common share	\$ 0.14	\$ 0.06	\$ 0.08	\$
0.27				
=====				
Shares used in computing diluted earnings per common share	55,672	55,672	55,672	
55,672				
=====				

Note: Amounts may not sum due to rounding.

- (1) GAAP Results
- (2) Non-cash stock compensation expense
- (3) Non-cash income taxes
- (4) Non-GAAP Results

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

	Three Months Ended March 31,			
	-----			
	2011			
	-----			
		Stock-Based	Non-cash	Non-
GAAP (4)	GAAP (1)	Compensation	Tax	As
Adjusted	-----	-----	-----	----
Net revenue	\$112,137	\$ -	\$ -	\$
112,137				
Operating expenses:				
Cost of revenue	35,570	(43)	(2)	-
35,527				
Research and development	23,792	(427)	(2)	-
23,365				

Selling, general and administrative 36,138	37,928	(1,790) (2)	-	
-----	-----	-----	-----	-----
Total operating expenses 95,030	97,290	(2,260)	-	
-----	-----	-----	-----	-----
Income from operations 17,107	14,847	2,260	-	
Legal settlement 17,984	17,984	-	-	
Other income 811	811	-	-	
-----	-----	-----	-----	-----
Income before income taxes 35,902	33,642	2,260	-	
(Provision) benefit for income taxes (1,410)	(9,401)	-	7,991 (3)	
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Net income 34,492	\$ 24,241	\$ 2,260	\$ 7,991	\$
=====	=====	=====	=====	=====
Basic earnings per common share 0.65	\$ 0.46	\$ 0.04	\$ 0.15	\$
=====	=====	=====	=====	=====
Shares used in computing basic earnings per common share 53,224	53,224	53,224	53,224	
=====	=====	=====	=====	=====
Diluted earnings per common share 0.64	\$ 0.45	\$ 0.04	\$ 0.15	\$
=====	=====	=====	=====	=====
Shares used in computing diluted earnings per common share 54,109	54,109	54,109	54,109	
=====	=====	=====	=====	=====

(1) GAAP Results



- (2) Non-cash stock compensation expense
- (3) Non-cash income taxes
- (4) Non-GAAP Results

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**SOURCE: The Medicines Company**

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