edicines Company Reports Fourth-Quarter and Full-Year 2017 Business and ;ial Results

IY, N.J.--(BUSINESS WIRE)--Feb. 21, 2018-- The Medicines Company (NASDAQ:MDCO) today reported its financial results for the fourth full year ended December 31, 2017.

iccessfully executed our strategic action plan for 2017 by divesting our non-core assets, restructuring our business to focus on inclisiran, and inclisiran Phase 3 ORION program – recently completing target enrollment ahead of schedule in both ORION 11 and ORION 9 trials," said vell, M.D., Ph.D., Chief Executive Officer of The Medicines Company.

ll continued, "We expect momentum to continue throughout 2018, including rapid accrual of clinical safety information on inclisiran and ng development. Based on this accelerated and efficient progress, we believe an NDA and MAA submission will be feasible as soon as the of 2019."

irter 2017 Financial Summary from Continuing Operations

iet revenue was $8.6 million in the fourth-quarter of 2017 compared to $17.4 million in the fourth-quarter of 2016, primarily from Angiomax, th royalty revenues derived from the gross profit on authorized generic sales of Angiomax® (bivalirudin) by Sandoz, Inc. and worldwide /Angiox® (bivalirudin) net product sales. The fourth quarter of 2016 also included $0.4 million of sales related to the divested non-core ilar products.

basis, loss from continuing operations in the fourth quarter of 2017 was $159.4 million, or $2.19 per share, compared to $82.8 million, or $1.17 the fourth quarter of 2016. Included in loss from continuing operations for the fourth quarter of 2017 were charges of approximately $63.0 ie impairment of the contingent purchase price for Raplixa, $20.0 million milestone for the first dosing in phase III inclisiran study and $15.0 nnection with an obsolescence inventory reserve for Angiomax. On a non-GAAP basis, adjusted loss(1) from continuing operations in the er of 2017 was $44.4 million, or $0.61(1) per share, compared to $54.9 million, or $0.78(1) per share, in the fourth quarter of 2016.

irter 2017 Financial Summary from Discontinued Operations

i quarter of 2017 the Company entered into a definitive agreement to sell its infectious disease business unit to Melinta Therapeutics, Inc. for i in upfront consideration and guaranteed payments ($215 million of guaranteed cash and $55 million of Melinta common stock), tiered royalty f 5% to 25% on worldwide net sales of Vabomere™, Orbactiv® and Minocin® IV, and the assumption by Melinta of all royalty, milestone and ent obligations relating to those products.

uarter of 2016, the Company completed the divestiture of its hemostasis products for an upfront payment of $174.1 million, and potential ayments of up to an additional $235.0 million, in the aggregate, following the achievement of certain specified net sales milestones.

m discontinued operations in the fourth quarter of 2017 was $18.8 million compared to $40.1 million in 2016.

)17 Financial Summary from Continuing Operations

iet revenue was $44.8 million for the full year 2017 compared to $143.2 million in 2016. Included in total net revenue for the full year 2017 and 44.6 million and $104.9 million, respectively, of Angiomax revenue, including both royalty revenues derived from the gross profit on authorized es of Angiomax (bivalirudin) by Sandoz, Inc. and worldwide Angiomax/Angiox (bivalirudin) net product sales.

basis, loss from continuing operations for the full year 2017 was $607.7 million, or $8.40 per share, compared to income from continuing of $20.5 million, or $0.28 per share, for the full year 2016. Included in net loss from continuing operations for 2017 were net charges of ely $277.0 million associated with the discontinuation and market withdrawal of Ionsys (fentanyl iontophoretic transdermal system) in the U.S. .0 million for the impairment of the contingent purchase price of Raplixa, $27.3 million associated with the discontinuation of the clinical t program for MDCO-700, our investigational anesthetic agent, and $20.0 million milestone for the first dosing in the phase III inclisiran study. AAP basis, adjusted loss(1) from continuing operations for the full year 2017 was $142.4 million, or $1.97(1) per share, compared to $169.0 2.42(1) per share, for the full year 2016.

djusted net loss and adjusted loss per share from continuing operations are non-GAAP financial performance measures with no standardized finitions under U.S. GAAP. For further information and a detailed reconciliation, refer to the “Non-GAAP Financial Performance Measures” and “Reconciliations of GAAP to Adjusted Loss From Continuing Operations and Adjusted Loss per Share” sections of this press release.

17 Financial Summary from Discontinued Operations

m discontinued operations for the full year 2017 was $100.7 million or $1.39 per share, compared to $139.7 million, or $1.91 per share in 2016.

r 31, 2017, the Company had a total of $151.4 million in cash and cash equivalents.

rter 2017 Conference Call and Webcast Information

ny will host a conference call and webcast today, February 21, 2018, at 8:30 a.m., Eastern Daylight Time, to discuss its fourth-quarter 2017 ults and provide clinical and operational updates. The dial-in information to access the call is as follows:

a: (877) 359-9508
l: (224) 357-2393
ID: 3592738

lay of the conference call will be available from 11:30 a.m., Eastern Daylight Time, today until 11:30 a.m., Eastern Daylight Time, on February e replay may be accessed as follows:

a: (855) 859-2056
l: (404) 537-3406
ID: 3592738

t can be accessed in the Investors section of The Medicines Company (http://cts.businesswire.com/ct/CT?
&url=http%3A%2F%2Fwww.themedicinescompany.com%2Finvestors%2Fevents&esheet=51761908&newsitemid=20180221005468&lan=en-
=The+Medicines+Company&index=1&md5=e7c5a07cacdec8ba4a21626654f76594) website. A replay of the webcast will also be available.

siran

rmerly known as PCSK9si and ALN-PCSsc) is an investigational GalNAc-conjugated RNAi therapeutic targeting PCSK9 - a genetically otein regulator of LDL receptor metabolism - being developed for the treatment of hypercholesterolemia. In contrast to anti-PCSK9 antibodies (MAbs) that bind to PCSK9 in blood, inclisiran is a first-in-class investigational medicine that acts by turning off PCSK9 synthesis

es Company and Alnylam Pharmaceuticals, Inc. are collaborating in the advancement of inclisiran pursuant to their 2013 agreement. Under f the agreement, Alnylam completed certain pre-clinical studies and the Phase I clinical study, with The Medicines Company leading and development of inclisiran from Phase II forward, as well as potential commercialization.

Medicines Company

es Company is a biopharmaceutical company driven by an overriding purpose - to save lives, alleviate suffering and contribute to the of healthcare. The Company’s mission is to create transformational solutions to address the most pressing healthcare needs facing patients, nd providers in cardiovascular care. The Company is headquartered in Parsippany, New Jersey.

oking Statements

contained in this press release about The Medicines Company that are not purely historical, and all other statements that are not purely ıay be deemed to be forward-looking statements for purposes of the safe harbor provisions under The Private Securities Litigation Reform Without limiting the foregoing, the words "believes," "anticipates," "plans," "expects" and "potential' and similar expressions are intended to vard-looking statements. These forward-looking statements involve known and unknown risks and uncertainties that may cause the actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by these forward-ements. Important factors that may cause or contribute to such differences include the ability of the Company to effectively develop hether inclisiran will advance in the clinical trials process on a timely basis or at all, or succeed in achieving its specified endpoints; whether ıy will make regulatory submissions for inclisiran on a timely basis; whether its regulatory submissions will receive approvals from regulatory ı a timely basis or at all; and such other factors as are set forth in the risk factors detailed from time to time in the Company's periodic reports tion statements filed with the Securities and Exchange Commission, including, without limitation, the risk factors detailed in the Company's eport on Form 10-Q filed with the SEC on November 9, 2017, which are incorporated herein by reference. The Company specifically disclaims on to update these forward-looking statements.

FINANCIAL PERFORMANCE MEASURES

o financial information prepared in accordance with U.S. GAAP, this press release also contains adjusted loss from continuing operations and s per share from continuing operations attributable to The Medicines Company. The Company believes these measures provide investors ement with supplemental information relating to operating performance and trends that facilitate comparisons between periods and with rojected information.

s from continuing operations excludes share-based compensation expense, amortization of acquired intangible assets, asset impairment entory adjustments, restructuring charges, charges associated with product discontinuance, milestone payments, changes in contingent ice, expenses incurred for certain transactions, non-cash interest expense, gain on sale of assets, loss on repurchase of debt and net loss ents. The Company believes these non-GAAP financial measures help indicate underlying trends in the Company's business and are comparing current results with prior period results and understanding projected operating performance. Non-GAAP financial measures Company and its investors with an indication of the Company's baseline performance before items that are considered by the Company not tive of the Company's ongoing results. See the attached Reconciliations of GAAP to Adjusted Loss From Continuing Operations and Adjusted are for explanations of the amounts excluded and included to arrive at adjusted net loss and adjusted loss per share amounts for the three-month periods ended December 31, 2017 and 2016.

sted measures are non-GAAP and should be considered in addition to, but not as a substitute for, the information prepared in accordance with The Company strongly encourages investors to review its consolidated financial statements and publicly-filed reports in their entirety and estors that the non-GAAP measures used by the Company may differ from similar measures used by other companies, even when similar sed to identify such measures.

THE MEDICINES COMPANY

CONSOLIDATED STATEMENTS OF OPERATIONS

UNAUDITED

(In thousands, except per share amounts)

	Three Months Ended December 31,		Year Ended December 31,	
	2017	**2016**	**2017**	**2016**
t revenues	$ 4,480	$ 8,319	$ 18,980	$ 71,956
enues	4,115	9,110	25,809	71,205
venues	8,595	17,429	44,789	143,161
xpenses:				
duct revenues	20,438	14,337	47,193	60,653

rment charges	63,000	–	392,097	–
nd development	55,600	24,425	138,370	92,107
eral and administrative	29,644	49,534	132,225	212,482
ting expenses	168,682	88,296	709,885	365,242
perations	(160,087)	(70,867)	(665,096)	(222,081)
on and license income	5,266	781	7,549	3,854
e of assets	–	–	–	288,301
inguishment of debt	–	–	–	(5,380)
ense	(11,811)	(12,265)	(48,564)	(44,463)
ne (loss)	248	(542)	1,840	346
ne from continuing operations before income taxes	(166,384)	(82,893)	(704,271)	20,577
vision) for income taxes	6,968	110	96,576	(67)
ne from continuing operations	(159,416)	(82,783)	(607,695)	20,510
liscontinued operations, net of tax	(18,846)	(40,073)	(100,678)	(139,682)
	(178,262)	(122,856)	(708,373)	(119,172)
ributable to non-controlling interest	–	4	–	54
ributable to The Medicines Company	$ (178,262)	$ (122,852)	$ (708,373)	$ (119,118)
tributable to The Medicines Company:				
ne from continuing operations	$ (159,416)	$ (82,779)	$ (607,695)	$ 20,564
liscontinued operations, net of tax	(18,846)	(40,073)	(100,678)	(139,682)
ributable to The Medicines Company	$ (178,262)	$ (122,852)	$ (708,373)	$ (119,118)
earnings per common share attributable to The Medicines Company:				
ings from continuing operations	$ (2.19)	$ (1.17)	$ (8.40)	$ 0.29
liscontinued operations	(0.26)	(0.57)	(1.39)	(1.91)
er share	$ (2.45)	$ (1.74)	$ (9.79)	$ (1.62)
s) earnings per common share attributable to The Medicines Company:				
ings from continuing operations	$ (2.19)	$ (1.17)	$ (8.40)	$ 0.28
liscontinued operations	(0.26)	(0.57)	(1.39)	(1.91)

per share	$ (2.45)	$ (1.74)	$ (9.79)	$ (1.63)
verage number of common shares outstanding:				
	72,950	70,492	72,356	69,909
	72,950	70,492	72,356	73,022

THE MEDICINES COMPANY

BALANCE SHEET ITEMS

UNAUDITED

(In thousands)

	December 31, 2017	December 31, 2016
ash equivalents	$ 151,359	$ 541,835
;	$ 872,983	$ 1,705,211
senior notes (due 2017, 2022 and 2023)	$ 649,198	$ 677,333
nes Company stockholders' equity	$ 24,914	$ 652,501

THE MEDICINES COMPANY

RECONCILIATIONS OF GAAP TO ADJUSTED LOSS FROM CONTINUING OPERATIONS AND ADJUSTED LOSS PER SHARE

UNAUDITED

(In thousands, except per share amounts)

	Three Months Ended December 31,		Year Ended December 31,	
	2017	2016	2017	2016
ne from continuing operations attributable to The Medicines Company -	$ (159,416)	$ (82,779)	$ (607,695)	$ 20,564

adjustments:					
duct revenues:					
d compensation expense	(1)	110	247	722	938
n of acquired intangible assets	(2)	–	4,486	4,486	17,858
djustments	(3)	14,661	606	11,348	2,599
ng charges	(4)	(7)	383	(55)	767
drawal of Ionsys	(5)	–	–	8,458	–
rment charges					
drawal of Ionsys	(5)	–	–	264,097	–
nce of MDCO 700	(6)	–	–	65,000	–
of contingent purchase price	(7)	63,000	–	63,000	–
nd development:					
d compensation expense	(1)	556	472	2,906	2,412
ng charges	(4)	1,435	4	1,794	1,455
harges	(8)	20,000	2,924	20,000	13,924
drawal of Ionsys	(5)	–	–	1,032	–
eral and administrative:					
d compensation expense	(1)	6,332	5,432	25,886	25,936
ng charges	(4)	2,341	750	3,348	15,194
contingent purchase price	(9)	–	(1,718)	692	(29,268)
drawal of Ionsys	(5)	–	–	3,434	–
nce of MDCO 700	(6)	–	–	(14,701)	–
ncurred for certain transactions	(10)	–	7,500	–	15,387
nterest expense	(11)	6,543	6,789	26,868	26,182
e of assets	(12)	–	–	–	(288,301)
inguishment of debt	(13)	–	–	–	5,380
adjustments	(14)	–	–	(22,988)	–
ontinuing operations attributable to The Medicines Company - Adjusted		$ (44,445)	$ (54,904)	$ (142,368)	$ (168,973)
r share attributable to The Medicines Company - Adjusted					
		$ (0.61)	$ (0.78)	$ (1.97)	$ (2.42)

	$ (0.61)	$ (0.78)	$ (1.97)	$ (2.42)
verage number of common shares outstanding:				
	72,950	70,492	72,356	69,909
	72,950	70,492	72,356	69,909

of Adjustments:

udes share-based compensation of $6,998 and $6,151 for the three months ended December 31, 2017 and 2016 and $29,514 and $29,286 for the year ended December 31, 2017 and 2016 because these expenses are substantially dependent on changes in the market price of the Company's common stock.

Excludes amortization of intangible assets resulting from the Incline Therapeutics transaction.

ludes all non-cash inventory adjustments. Prior year balances revised to reflect all non-cash inventory adjustments for the respective periods.

cludes restructuring charges related to workforce reorganization initiated in the fourth quarter 2017, discontinuation and withdrawal of Ionsys and the sale of the non-core cardiovascular products.

cludes charges associated with the voluntary discontinuation and withdrawal of Ionsys from the market in the United States and cessation of related commercial activities.

Excludes costs associated with the decision to discontinue the MDCO-700 program.

Excludes impairment of fair value of the contingent purchase price related to the discontinuation of Raplixa by Mallinckrodt.

cludes upfront and milestone payments for the first patient dosing in a pivotal study of Inclisiran, and research and development collaboration arrangements and manufacturing scale up for MDCO-216.

Excludes changes in fair value of the contingent price related to the acquisitions of Incline Therapeutics and Annovation.

Excludes transaction costs related to the sale of the Non-Core ACC Products.

Excludes non-cash interest expense which is in excess of the actual interest expense paid on the Convertible Senior Notes.

Excludes gain on the sale of the Non-Core ACC Products.

Excludes loss on the repurchase of $220.0 million in aggregate principal amount of the 2017 Notes.

Net loss tax adjustments reflect the estimated tax effect of the costs associated with the decision to discontinue the MDCO-700 program.

o the financial information prepared in accordance with U.S. GAAP, this press release also contains adjusted financial measures that the elieves provide investors and management with supplemental information relating to operating performance and trends that facilitate s between periods and with respect to projected information. These adjusted measures should be considered in addition to, but not as a or, the information prepared in accordance with U.S. GAAP. The Company strongly encourages investors to review its consolidated financial and publicly filed reports in their entirety and cautions investors that the non-GAAP measures used by the Company may differ from similar sed by other companies, even when similar terms are used to identify such measures.

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