



The Medicines Company Reports Full Year and Fourth Quarter 2008 Financial Results

18 Feb 2009

PARSIPPANY, NJ, Feb 18, 2009 (MARKET WIRE via COMTEX) -- The Medicines Company (NASDAQ: MDCO) today announced its financial results for the full year and fourth quarter of 2008.

Financial highlights for the full year of 2008:

-- Net revenue increased by 35% to \$348.2 million for 2008 from \$257.5

million for 2007.

- Angiomax(R) (bivalirudin) U.S. net revenue increased by 31% to

\$334.2 million for 2008 from \$255.0 million for 2007.

- Angiomax/Angiox ex-U.S. net revenue in 2008 increased by 444% to

\$13.6 million compared to \$2.5 million in 2007.

- Cleviprex(R) (clevidipine butyrate) net revenue for 2008 was \$0.4

million. Cleviprex was launched in the U.S. on September 15, 2008.

Initial gross orders from the sole source distributor totaled \$10.0

million and were recorded as deferred revenue.

-- Net loss for 2008, primarily related to the Curacyte Discovery acquisition in the third quarter of 2008, was \$8.5 million, or \$0.16

per share, compared to net loss of \$18.3 million, or \$0.35 per share,

for 2007 primarily due to the Nycomed transaction in the third quarter of 2007.

-- Non-GAAP net income for 2008 was \$37.2 million, or \$0.72 per share,

compared to non-GAAP net income of \$25.2 million, or \$0.49 per share,

for 2007. Non-GAAP net income excludes the Curacyte Discovery acquisition, the non-recurring Nycomed transaction charges, stock-based

compensation expense and non-cash income taxes.

Clive Meanwell, Chief Executive Officer, stated, "2008 was another important year of building a global organization with a substantial portfolio of hospital critical care products. Strong revenue growth year on year continues to provide cash flow for us to invest in our future and we believe we are poised for further sustainable growth."

Summary of 2008 Accomplishments

- Angiomax U.S. top-line growth of 31%
- Angiomax/Angiox ex-U.S. top-line growth of 444%; completed transition of distribution of all European countries previously serviced by Nycomed
- Publication of HORIZONS AMI 30-day results and presentation of one-year data follow-up
- Approval of Angiox ACS indication in Europe
- Cleviprex approval and launch in the United States
- Initial ex-US Cleviprex regulatory filings
- Enrollment of approximately 5,300 patients in cangrelor Phase 3 program
- Completed the acquisition of Curacyte Discovery
- Continued global expansion

John Kelley, President and Chief Operating Officer, stated, "Our operating results in 2008 once again demonstrate the dedication and excellence of our associates as they serve the needs of critical care providers and their patients. We look forward to more progress in 2009 as we continue to build our global organization."

Financial highlights for the fourth quarter of 2008:

- Net revenue increased by 30% to \$93.9 million for the fourth quarter of 2008 from \$72.3 million for the same period in 2007.
 - Angiomax U.S. net revenue increased by 21% to \$87.9 million for the fourth quarter of 2008 from \$72.8 million for the fourth quarter of 2007.
 - Angiomax/Angiox ex-U.S. net revenue in the fourth quarter of 2008 increased \$6.1 million to \$5.6 million compared to (\$0.5 million) in the fourth quarter 2007.
 - Cleviprex net revenue for the fourth quarter of 2008 was \$0.4 million.
- Net loss for the fourth quarter of 2008, was \$4.2 million, or \$0.08 per share, compared to net income of \$1.5 million, or \$0.03 per share for the fourth quarter of 2007.
- Non-GAAP net income for the fourth quarter of 2008 was \$1.8 million, or \$0.03 per share, compared to non-GAAP net income of \$5.6 million, or \$0.11 per share, for the fourth quarter of 2007. Non-GAAP net income excludes stock-based compensation expense and non-cash income taxes.

The following table provides reconciliations between GAAP and non-GAAP net (loss) income for the full year (FY) and fourth quarter (Q4) of 2008 and 2007. Non-GAAP net income excludes the Curacyte Discovery acquisition, non-recurring Nycomed transaction charges, stock-based compensation expense and the non-cash provision (benefit) for income taxes:

Non-GAAP (in millions) Net Income (1)	Reported	Curacyte		FAS 123R	Non-Cash
	GAAP Net (Loss) Income	Discovery Acquisition	Nycomed Transaction	Stock-Based Compensation Expense	Provision (Benefit) for Income Taxes
FY 2008 37.2	\$ (8.5)	\$ 13.2	-	\$ 22.8	\$ 9.7
FY 2007 25.2	\$ (18.3)	-	\$ 28.1	\$ 15.4	-
Q4 2008 1.8	\$ (4.2)	-	-	\$ 5.4	\$ 0.6
Q4 2007 5.6	\$ 1.5	-	-	\$ 4.1	-

Note: Amounts may not sum due to rounding.

(1) Excluding the Curacyte Discovery acquisition costs, non-recurring Nycomed transaction charges, stock-based compensation expense and the non-cash provision (benefit) for income taxes.

Reconciliations between GAAP and non-GAAP fully diluted (loss) earnings per share (EPS) for the full year (FY) and fourth quarter (Q4) of 2008 and 2007 are provided in the following table:

Non-GAAP (per share) EPS (1)	Reported	Curacyte		FAS 123R	Non-Cash
	GAAP EPS	Discovery Acquisition	Nycomed Transaction	Stock-Based Compensation Expense	Provision (Benefit) for Income Taxes
FY 2008 0.72	\$ (0.16)	\$ 0.25	-	\$ 0.44	\$ 0.19
FY 2007 0.49	\$ (0.35)	-	\$ 0.54	\$ 0.30	-
Q4 2008	\$ (0.08)	-	-	\$ 0.10	\$ 0.01

0.03					

Q4 2007	\$	0.03	-	-	\$ 0.08
0.11					- \$

Note: Amounts may not sum due to rounding.

(1) Excluding the Curacyte Discovery acquisition costs, non-recurring

Nycomed transaction charges, stock-based compensation expense and the

non-cash provision (benefit) 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 the Curacyte Discovery acquisition costs, non-recurring Nycomed transaction charges, 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)

Targanta

Acquisition

	2009 Guidance	Impact
(2)	-----	-----

Net Sales		
US Angiomax	\$ 395-\$ 405	
International Angiox	\$ 30-\$ 40	
US Cleviprex	\$ 10-\$ 19	
Total	\$ 435-\$ 464	
Cost of Revenue	28%	
R&D (GAAP)	\$ 79-\$ 84	\$ 15-\$
20 (3)	-----	-----

(w/o 123R)	\$ 75-\$ 80	

SG&A (GAAP)	\$ 186-\$ 193	\$ 10-\$
12 (3)	-----	-----

(w/o 123R)	\$ 170-\$ 175	

Stock Based Comp -123R (1)	\$ 20-\$ 22	
Investment Income	\$ 3-\$ 5	
Effective Tax Rate	45%-50%	
Net Income (loss) - GAAP	\$ 26-\$ 31	
(4)	-----	-----

	- Non GAAP	\$	66-\$ 78
(4)			

	EPS - GAAP	\$	0.47-\$ 0.57
(4)			

	EPS - Non GAAP	\$	1.22-\$ 1.44
(4)			

- (1) Note that GAAP reporting of R&D and SG&A include stock based compensation expense
- (2) Amounts contingent upon Targanta close in first quarter of 2009 presented on January 13, 2009 MDCO conference call
- (3) \$10 million to \$12 million in infrastructure costs including employees, one time transaction costs plus an additional \$15 million to \$20 million costs for a Phase 3 trial for oritavancin
- (4) Impact of Targanta acquisition to GAAP and non-GAAP net income and earnings per share will be provided subsequent to the close and completion of the valuation

There will be a conference call with management today at 8:30 a.m. Eastern Time to discuss full year and fourth quarter 2008 financial results, operational developments, guidance and outlook for 2009. 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>).

The dial in information is listed below:

Domestic dial in: 800-901-5226
 International dial in: 617-786-4513
 Passcode for both dial in numbers: 24685928

Replay is available from 11:30 a.m. Eastern Time following the conference call through March 4, 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 28543782.

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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. The Company's website is 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 Quarterly Report on Form 10-Q filed on November 10, 2008, 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)

(in thousands, except per share data)	Year to Date	
December 31,		
	2008	
2007		
Net revenue	\$ 348,157	\$
257,534		
Operating expenses:		
Cost of revenue	88,355	
66,502		
Research and development	105,720	
77,255		
Selling, general and administrative	164,903	
141,807		

Total operating expenses	358,978	
285,564		

Loss from operations	(10,821)	
(28,030)		
Other income	5,235	
10,653		

Loss before income taxes	(5,586)	
(17,377)		
Provision for income taxes	(2,918)	
(895)		

Net loss	\$ (8,504)	\$
(18,272)		
=====		
Basic loss per common share	\$ (0.16)	\$
(0.35)		
=====		

Shares used in computing basic loss per common share	51,904
51,624	
=====	
Diluted loss per common share (0.35)	\$ (0.16) \$
=====	
Shares used in computing diluted loss per common share	51,904
51,624	
=====	

The Medicines Company
Consolidated Statements of Operations
(unaudited)

Ended (in thousands, except per share data)	Three Months December 31, 2008
2007	
Net revenue	\$ 93,873 \$
72,297	
Operating expenses:	
Cost of revenue	25,234
17,471	
Research and development	23,202
23,307	
Selling, general and administrative	47,900
32,350	

Total operating expenses	96,336
73,128	

Loss from operations	(2,463)
(831)	
Other (loss) income	(22)
2,688	

(Loss) income before income taxes	(2,485)
1,857	
Provision for income taxes	(1,713)
(350)	

Net (loss) income	\$ (4,198) \$
1,507	
=====	
Basic (loss) income per common share	\$ (0.08) \$
0.03	
=====	
Shares used in computing basic (loss) income per common share	52,089
51,706	
=====	
Diluted (loss) income per common share	\$ (0.08) \$

0.03

=====
 Shares used in computing diluted (loss) income
 per common share 52,089
 52,182
 =====

The Medicines Company
 Condensed Consolidated Balance Sheets
 (unaudited)

December 31,
 (in thousands) 2007
 December 31,
 2008

 ASSETS
 Cash, cash equivalents and available for sales
 securities \$ 216,206 \$
 222,113
 Accrued interest receivable 1,336
 1,598
 Accounts receivable, net 33,657
 25,584
 Inventory 28,229
 35,468
 Prepaid expenses and other current assets 16,402
 7,425

 Total current assets 295,830
 292,188

 Fixed assets, net 27,331
 3,245
 Intangible assets, net 16,349
 14,929
 Restricted cash 5,000
 5,000
 Deferred tax assets 37,657
 46,018
 Other assets 5,237
 136

 Total assets \$ 387,404 \$
 361,516
 =====

LIABILITIES AND STOCKHOLDERS' EQUITY
 Current liabilities \$ 89,379 \$
 83,620
 Stockholders' equity 298,025
 277,896

Total liabilities and stockholders' equity \$ 387,404 \$
 361,516
 =====

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 The Medicines Company

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

	Year to Date December 31,			
	2008			
	GAAP			
Non-GAAP	Reported	Curacyte	SFAS 123R	Non-Cash
Adjusted	(1)	(2)	(3)	Taxes (4)
(5)				
Net revenue	\$ 348,157	\$ -	\$ -	\$ -
348,157				
Operating expenses:				
Cost of revenue	88,355	-	(803)	-
87,552				
Research and development	105,720	(21,373)	(3,750)	-
80,597				
Selling, general and administrative	164,903	-	(18,245)	-
146,658				
Total operating expenses	358,978	(21,373)	(22,798)	-
314,807				
(Loss) income from operations	(10,821)	21,373	22,798	-
33,350				
Other income	5,235	-	-	-
5,235				
(Loss) income before income taxes	(5,586)	21,373	22,798	-
38,585				
(Provision) benefit for income taxes	(2,918)	(8,154)	-	9,674
(1,398)				
Net (loss) income	(8,504)	13,219	22,798	9,674
37,187				
Basic and diluted (loss) earnings per common share	\$ (0.16)	\$ 0.25	\$ 0.44	\$ 0.19
0.72				
Shares used in computing basic				

and diluted (loss) earnings per common share	51,904	51,904	51,904	51,904
51,904	=====	=====	=====	=====

=====

- (1) GAAP results
- (2) Curacyte Discovery acquisition costs
- (3) Non-cash stock compensation expense
- (4) Non-cash tax provision
- (5) Non-GAAP results

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

Three Months Ended December 31,

	----- 2008 -----			
	----- GAAP -----			
Non-GAAP Adjusted (5)	Reported (1)	Curacyte (2)	SFAS 123R (3)	Non-Cash Taxes (4)
	-----	-----	-----	-----
Net revenue	\$ 93,873	\$ -	\$ -	\$ -
93,873				
Operating expenses:				
Cost of revenue	25,234	-	(226)	-
25,008				
Research and development	23,202	-	(883)	-
22,319				
Selling, general and administrative	47,900	-	(4,315)	-
43,585				
	-----	-----	-----	-----
Total operating expenses	96,336	-	(5,424)	-
90,912				
(Loss) income from operations	(2,463)	-	5,424	-
2,961				
Other (loss) income	(22)	-	-	-
(22)				
	-----	-----	-----	-----
(Loss) income before income taxes	(2,485)	-	5,424	-
2,939				
(Provision) benefit for income taxes	(1,713)	-	-	573
(1,140)				
	-----	-----	-----	-----

Net (loss) income	(4,198)	-	5,424	573
1,799				
	=====	=====	=====	=====
=====				
Basic and diluted				
(loss) earnings				
per common share	\$ (0.08)	\$ -	\$ 0.10	\$ 0.01
0.03				
	=====	=====	=====	=====
=====				
Shares used in				
computing basic				
and diluted (loss)				
earnings per common				
share	52,089	52,089	52,089	52,089
52,089				
	=====	=====	=====	=====
=====				
(1) GAAP results				
(2) Curacyte Discovery acquisition costs				
(3) Non-cash stock compensation expense				
(4) Non-cash tax provision				
(5) Non-GAAP results				

Contact:

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SOURCE: The Medicines Company

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