



For U.S. Audiences Only: The Medicines Company Reports Full Year and Fourth Quarter 2009 Financial Results

17 Feb 2010

Revenue Growth Driven by Angiomax(R) (bivalirudin) Market Share Gains Product Portfolio Expanded From Existing Cash Flow

PARSIPPANY, NJ, Feb 17, 2010 (MARKETWIRE via COMTEX) -- The Medicines Company (NASDAQ: MDCO) today announced its financial results for the full year and the fourth quarter of 2009.

Financial highlights for the full year of 2009:

-- Net revenue increased by \$56 million or 16.1% to \$404.2 million for 2009 from \$348.2 million in 2008.

-- Angiomax U.S. sales increased by 14.6% to \$382.9 million in 2009 compared to \$334.2 million in 2008.

-- Angiomax/Angiox international net revenue in 2009 increased by 34.6% to \$18.3 million compared to \$13.6 million in 2008.

-- Cleviprex(R) (clevipidine butyrate) has now been accepted by more than 425 hospital formularies and has been purchased by 454 hospitals in the United States. Net revenue in the first full commercial year of 2009 was \$3.0 million.

-- Net loss for 2009 was (\$76.2) million, or (\$1.46) per share, compared to a net loss of (\$8.5) million, or (\$0.16) per share, for 2008.

This loss was driven mainly by four items totaling \$90.5 million: 1) the

Company's decision to fully reserve against its deferred tax assets

(\$48.1 million), 2) the acquisition of ApoA-1 Milano asset (\$17.5 million), 3) milestone payments, license payments, and other

costs, for three products (totaling \$21.3 million), and 4) charges related to the Cleviprex recall (\$3.6 million).

-- Non-GAAP net loss for 2009 was (\$4.8 million), or (\$0.09) per share,

compared to non-GAAP net income of \$37.2 million, or \$0.72 per

share

for 2008. Non-GAAP net income excludes costs associated with the Targanta acquisition, stock-based compensation expense and non-cash income taxes.

Clive Meanwell, Chairman and Chief Executive Officer, stated, "In 2009 we added oritavancin, argatroban and ApoA-1 Milano to create a sector-leading portfolio in intensive and critical care that is diversified by stage and indication. These assets were financed by existing cash flow. In addition, we were able to grow Angiomax/Angiox market share and revenues in a hospital PCI market that was significantly depressed by the global economic crisis."

Financial highlights for the fourth quarter of 2009:

-- Net revenue increased by 8.7% to \$ 102.1 million for the fourth quarter

of 2009 from \$ 93.9 million in the fourth quarter of 2008.

-- Angiomax U.S. sales increased by 9.6% to \$96.3 million in the

fourth quarter of 2009 compared to \$87.9 million in the fourth

quarter of 2008.

-- Angiomax/Angiox international net revenue in the fourth quarter of

2009 decreased by 7.1% to \$5.2 million compared to \$5.6 million in

the fourth quarter of 2008.

-- Cleviprex U.S. sales in the fourth quarter of 2009 amounted to

\$ 0.6 million.

-- Net loss for the fourth quarter of 2009 was (\$73.5) million, or (\$1.40)

per share, compared to a net loss of (\$4.2) million, or (\$0.08) per

share, for the fourth quarter of 2008. This loss was driven mainly by

four items totaling \$79.0 million: 1) the Company's decision to fully

reserve against its deferred tax assets (\$43.6 million), 2) the acquisition of ApoA-1 Milano asset (\$17.5 million), 3) milestone payments, license payments, and other costs for three products (totaling \$14.3 million), and 4) charges related to the

Cleviprex

recall (\$3.6 million).

-- Non-GAAP net loss for the fourth quarter of 2009 was (\$25.6 million),

or (\$0.49) per share, compared to non-GAAP net income of \$ 1.8 million,

or \$ 0.03 per share for the fourth quarter of 2008. Non-GAAP net

income excludes costs associated with the Targanta acquisition, 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 2009 and 2008. Non-GAAP net income excludes the transaction charges related to the Targanta and Curacyte acquisitions, stock-based compensation expense and non-cash income taxes:

FAS 123R

Stock- Non-cash

Non-GAAP (Loss) Income (in millions) (1)	Reported	Targanta	Curacyte	Based	Provision	Net
	GAAP Net (Loss) Income	Acqui- sition Costs	Acqui- sition Costs	Compen- sation Expense	(Benefit) for Income Taxes	
FY 2009 4.8)	(\$ 76.2)	\$ 4.3	-	\$ 19.4	\$ 47.7	(\$ 4.8)
FY 2008 37.2	(\$ 8.5)	-	\$ 13.2	\$ 22.8	\$ 9.7	\$ 37.2
Q4 2009 25.6)	(\$ 73.5)	-	-	\$ 4.1	\$ 43.8	(\$ 25.6)
Q4 2008 1.8	(\$ 4.2)	-	-	\$ 5.4	\$ 0.6	\$ 1.8

Note: Amounts may not sum due to rounding.

(1) Excluding the Targanta acquisition costs, Curacyte Discovery acquisition costs, 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 2009 and 2008 are provided in the following table:

Non-GAAP (per share) EPS (1)	Reported GAAP EPS	Targanta	Curacyte	FAS 123R	Non-Cash	for Income Taxes
		Acquisi- tion Costs	Acquisition Costs	Stock- based Compen- sation Expense	Provision (Benefit)	
FY 2009 (\$0.09)	(\$ 1.46)	\$ 0.08	-	\$ 0.37	\$ 0.91	(\$0.09)
FY 2008 \$0.72	(\$ 0.16)	-	\$ 0.25	\$ 0.44	\$ 0.19	\$0.72
Q4 2009 (\$0.49)	(\$ 1.40)	-	-	\$ 0.08	\$ 0.84	(\$0.49)
Q4 2008 \$0.03	(\$ 0.08)	-	-	\$ 0.10	\$ 0.01	\$0.03

Note: Amounts may not sum due to rounding.

(1) Excluding the Targanta acquisition costs, Curacyte Discovery acquisition costs, 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 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.

There will be a conference call with management today at 8:30 a.m. Eastern Time to discuss full year and fourth 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>).

The dial in information is listed below:

Domestic Dial In	800.599.9829
International Dial In:	617.847.8703
Passcode for both dial in numbers:	95981334

Replay is available from 11:30 a.m. Eastern Time following the conference call through February 24, 2010. To hear a replay of the call, dial 888-286-8010 (domestic) and 617-801-6888 (international). Passcode for both dial in numbers is 99158077.

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'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 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, 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 9, 2009, 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

December 31,	-----	
-----	2009	
2008	-----	-----

Net revenue	\$	102,060
93,873		\$
Operating expenses:		
Cost of revenue		31,190
25,234		
Research and development		48,925
23,202		
Selling, general and administrative		46,969
47,900		
	-----	-----
Total operating expenses		127,084
96,336		
	-----	-----
Income (loss) from operations		(25,024)
(2,463)		
Other income (loss)		(4,873)
(22)		
	-----	-----
Income (loss) before income taxes		(29,897)
(2,485)		
Provision for income taxes		(43,597)
(1,713)		
	-----	-----
Net income (loss)	\$	(73,494)
(4,198)		\$
	=====	
Basic earnings (loss) per common share	\$	(1.40)
(0.08)		\$
	=====	
Shares used in computing basic earnings		
(loss) per common share		52,395
52,089		
	=====	
Diluted earnings (loss) per common share	\$	(1.40)
(0.08)		\$
	=====	
Shares used in computing diluted earnings		
(loss) per common share		52,395
52,089		
	=====	
	=====	

The Medicines Company
 Condensed Consolidated Statements of Operations
 (unaudited)

(in thousands, except per share data) Year to Date December 31,

	2009	
2008		
Net revenue	\$	404,241 \$
348,157		
Operating expenses:		
Cost of revenue		118,148
88,355		
Research and development		117,610
105,720		
Selling, general and administrative		193,832
164,903		
Total operating expenses		429,590
358,978		
Income (loss) from operations		(25,349)
(10,821)		
Other income (loss)		(2,818)
5,235		
Income (loss) before income taxes		(28,167)
(5,586)		
Provision for income taxes		(48,062)
(2,918)		
Net income (loss)	\$	(76,229) \$
(8,504)		
Basic earnings (loss) per common share	\$	(1.46) \$
(0.16)		
Shares used in computing basic earnings (loss) per common share		52,269
51,904		
Diluted earnings (loss) per common share	\$	(1.46) \$
(0.16)		
Shares used in computing diluted earnings (loss) per common share		52,269
51,904		

The Medicines Company
Condensed Consolidated Balance Sheets
December 31,
2009

December 31,
(in thousands)
2008

ASSETS	
Cash, cash equivalents and available for sales securities	\$ 176,191 \$
216,206	
Accrued interest receivable	922
1,336	
Accounts receivable, net	29,789
33,657	
Inventory	25,836
28,229	
Prepaid expenses and other current assets	9,984
16,402	

Total current assets	242,722
295,830	

Fixed assets, net	25,072
27,331	
Intangible assets, net	15,178
16,349	
Restricted cash	7,049
5,000	
Deferred tax assets	-
37,657	
In Process Research & Development	69,500
-	
Goodwill	14,934
-	
Other assets	321
5,237	

Total assets	\$ 374,776 \$
387,404	
	=====
=====	
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities	\$ 86,619 \$
83,608	
Contingent purchase price	23,667
-	
Other Long Term Liabilities	24,101
5,771	
Stockholders' equity	240,389
298,025	

Total liabilities and stockholders' equity	\$ 374,776 \$
387,404	
	=====
	=====

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

Three Months Ended December 31,

2009

	GAAP (1)	Targanta Acquisition	SFAS 123R	Non-cash Tax Provision	Non- As
GAAP (5) Adjusted					
Net revenue	\$ 102,060	\$ -	\$ -	\$ -	\$ -
Operating expenses:					
Cost of revenue	31,190	-	(187)	(3)	-
Research and development	48,925		(672)	(3)	-
Selling, general and administrative	46,969	- (2)	(3,250)	(3)	-
Total operating expenses	127,084	-	(4,109)	-	-
(Loss) income from operations	(25,024)	-	4,109	-	-
Other (loss)/income	(4,873)	-	-	-	-
(Loss) income before income taxes	(29,897)	-	4,109	-	-
Benefit (Provision) for income taxes	(43,597)	- (2)	-	43,764	(4)
Net (loss) income	(73,494)	-	4,109	43,764	
Basic (loss) earnings per common share	\$ (1.40)	\$ -	\$ 0.08	\$ 0.84	\$ (0.49)
Shares used in computing basic earnings (loss) per common share	52,395	52,395	52,395	52,395	
Diluted (loss) earnings per common share	\$ (1.40)	\$ -	\$ 0.08	\$ 0.84	\$ (0.49)

(0.49)	=====	=====	=====	=====
=====				
Shares used in computing diluted (loss) earnings per common share	52,395	52,395	52,395	52,395
52,395	=====	=====	=====	=====

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

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

	Twelve Months Ended December 31,				

	2009				

	GAAP (1)	Targanta	SFAS	Non-cash	Non-
GAAP (5)	As	Acquisition	123R	Tax	As
Adjusted	Reported			Provision	

Net revenue	\$ 404,241	\$ -	\$ -	\$ -	\$ -
404,241					
Costs and expenses:					
Cost of revenue	118,148	-	(884)	(3)	-
117,264					
Research and development	117,610		(3,438)	(3)	-
114,172					
Selling, general and administrative	193,832	(4,281)	(2)	(15,115)	(3)
174,436					
	-----	-----	-----	-----	---
Total operating expenses	429,590	(4,281)	(19,437)	-	-
405,872					
Income (loss) from operations	(25,349)	4,281	19,437	-	-
(1,631)					
Other (loss)/income	(2,818)	-	-	-	-
(2,818)					
	-----	-----	-----	-----	---
Income before					

income taxes	(28,167)	4,281	19,437	-	
(4,449)					
(Provision)					
benefit for					
income taxes	(48,062)	(2)	-	47,736	(4)
(326)					
-----	-----	-----	-----	-----	---

Net income					
(loss)	(76,229)	4,281	19,437	47,736	
(4,775)					
Basic (loss)					
earnings per					
common share	\$ (1.46)	\$ 0.08	\$ 0.37	\$ 0.91	\$
(0.09)					
=====	=====	=====	=====	=====	
=====					
Shares used in					
computing					
basic earnings					
(loss) per					
common share	52,269	52,269	52,269	52,269	
52,269					
=====	=====	=====	=====	=====	
=====					
Diluted					
earnings per					
common share	\$ (1.46)	\$ 0.08	\$ 0.37	\$ 0.91	\$
(0.09)					
=====	=====	=====	=====	=====	
=====					
Shares used in					
computing					
diluted					
earnings					
(loss) per					
common share	52,269	52,269	52,269	52,269	
52,269					
=====	=====	=====	=====	=====	
=====					

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

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