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## The Medicines Company Reports Fourth Quarter Revenue Rises 17.2% to \$119.7 Million

16 Feb 2011

**Full Year EPS Is \$1.97 per Share vs Year Ago Loss; Revenues of \$437.6 Million vs Year Ago \$404.2 Million**

PARSIPPANY, NJ, Feb 16, 2011 (MARKETWIRE via COMTEX) --

The Medicines Company (NASDAQ: MDCO) today announced its financial results for the fourth quarter and full year of 2010.

Financial highlights for the fourth quarter of 2010:

-- Net revenue increased by 17.2% to \$119.7 million for the fourth quarter of 2010 from \$102.1 million in the fourth quarter of 2009.

-- Angiomax U.S. sales increased by 16.3% to \$112 million in the fourth quarter of 2010 compared to \$96.3 million in the fourth quarter of 2009.

-- Angiomax/Angiox international net revenue in the fourth quarter of 2010 increased by 48% to \$7.7 million compared with \$5.2 million in the fourth quarter of 2009.

-- Net income for the fourth quarter of 2010 was \$58.6 million, or \$1.09 per share, compared with a net loss of (\$73.5) million, or (\$1.40) per share, for the fourth quarter of 2009.

-- Net income impacted by the company's decision to reinstate a portion of its deferred tax assets in the amount of \$44 million.

-- Non-GAAP net income for the fourth quarter of 2010 was \$16.0 million, or \$0.30 per share, compared to non-GAAP net loss of (\$25.6 million), or (\$0.49) per share for 2009. Non-GAAP net income excludes costs associated with the Targanta acquisition, stock-based compensation expense and non-cash income taxes.

Financial highlights for the full year of 2010:

-- Net revenue increased by 8.3% to \$437.6 million for 2010 from \$404.2

million in 2009.

-- Angiomax U.S. sales increased by 7.7% to \$412.3 million in 2010

compared with \$382.9 million in 2009.

-- Angiomax/Angiox international net revenue in 2010 increased by

34.4% with \$24.6 million compared with \$18.3 million in 2009.

-- Net income for 2010 was \$104.6 million, or \$1.97 per share, compared

with a net loss of (\$76.2) million, or (\$1.46) per share, for 2009.

-- Net income impacted by the company's decision to reinstate a portion of its deferred tax assets in the amount of \$44 million.

-- Non-GAAP net income for 2010 was \$69.7 million, or \$1.31 per share,

compared to non-GAAP net loss of (\$4.8 million), or (\$0.09) per share,

for 2009. 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, "This past quarter and past year our main products, Angiomax and Angiox, grew briskly through relentless innovation with our hospital customers. We believe our late-stage pipeline products progressed through perhaps the most efficient and intelligent R&D efforts in this industry. And throughout it all we created -- and continue to create -- enormous operating leverage to meet our global ambitions."

The following table provides reconciliations between GAAP and non-GAAP net (loss) income for the full year (FY) and fourth quarter (Q4) of 2010 and 2009. Non-GAAP net income excludes the transaction charges related to the Targanta acquisition, stock-based compensation expense and non-cash income taxes:

Non-GAAP Income (in millions) (1)	Reported GAAP Net Income	Targanta Acquisition Costs	FAS 123R Stock-Based Compensation Expense	Non-cash (Benefit) Provision for	Net
				Income Taxes	
FY 2010 69.7	\$ 104.6	\$ -	\$ 8.3	\$ (43.3)	\$
FY 2009 (4.8)	\$ (76.2)	\$ 4.3	\$ 19.4	\$ 47.7	\$
Q4 2010 16.0	\$ 58.6	\$ -	\$ 1.5	\$ (44.0)	\$
Q4 2009 (25.6)	\$ (73.5)	\$ -	\$ 4.1	\$ 43.8	\$

Note: Amounts may not sum due to rounding.

(1) Excluding the Targanta 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 FY and Q4 of 2010 and 2009 are provided in the following table:

Non-GAAP (per share) EPS (1)	Reported GAAP EPS	Targanta Acquisition Costs	FAS 123R Stock-Based Compensation Expense	Non-cash (Benefit) Provision for Income Taxes	
-----	-----	-----	-----	-----	---
FY 2010 1.31	\$ 1.97	\$ -	\$ 0.16	\$ (0.81)	\$
FY 2009 (0.09)	\$ (1.46)	\$ 0.08	\$ 0.37	\$ 0.91	\$
Q4 2010 0.30	\$ 1.09	\$ -	\$ 0.03	\$ (0.82)	\$
Q4 2009 (0.49)	\$ (1.40)	\$ -	\$ 0.08	\$ 0.84	\$

Note: Amounts may not sum due to rounding.

(1) Excluding the Targanta acquisition costs, stock-based compensation expense and the 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 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 2010 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: 800.561.2601  
International Dial In: 617.614.3518

Passcode for both dial in numbers: 37185392

Replay is available from 11:30 a.m. Eastern Time following the conference call through March 2, 2011. To hear a replay of the call dial 888-286-8010 (domestic) and 617-801-6888 (international). Passcode for both dial in numbers is 41479697.

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 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 Quarterly Report on Form 10-Q filed on November 9, 2010, 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) ended	Three months ended	
	December 31,	
	-----	
	2010	
	-----	
Net revenue	\$	119,679
102,060	\$	-----
Operating expenses:		
Cost of revenue		35,394
31,190		-----
Research and development		31,113
48,925		-----
Selling, general and administrative		37,372
46,969		-----
		-----

Total operating expenses	103,879	
127,084		
-----	-----	-----
Income (loss) from operations	15,800	
(25,024)		
Other loss	(322)	
(4,873)		
-----	-----	-----
Income (loss) before income taxes	15,478	
(29,897)		
Benefit (provision) for income taxes	43,094	
(43,597)		
-----	-----	-----
Net income (loss)	\$ 58,572	\$
(73,494)		
=====	=====	
Basic earnings (loss) per common share	\$ 1.10	\$
(1.40)		
=====	=====	
Shares used in computing basic earnings (loss)		
per common share	53,041	
52,395		
=====	=====	
Diluted earnings (loss) per common share	\$ 1.09	\$
(1.40)		
=====	=====	
Shares used in computing diluted earnings		
(loss) per common share	53,714	
52,395		
=====	=====	

The Medicines Company  
Condensed Consolidated Statements of Operations

(unaudited)

(in thousands, except per share data)	Year Ended	
December 31,		
-----	-----	-----
	2010	
2009		
-----	-----	-----
Net revenue	\$ 437,645	\$
404,241		

Operating expenses:			
Cost of revenue		129,299	
118,148			
Research and development		85,241	
117,610			
Selling, general and administrative		158,690	
193,832			
		-----	-----
Total operating expenses		373,230	
429,590			
		-----	-----
Income (loss) from operations		64,415	
(25,349)			
Other loss		(267)	
(2,818)			
		-----	-----
Income (loss) before income taxes		64,148	
(28,167)			
Benefit (provision) for income taxes		40,487	
(48,062)			
		-----	-----
Net income (loss)		\$ 104,635	\$
(76,229)			
Basic earnings (loss) per common share		\$ 1.98	\$
(1.46)			
		=====	
Shares used in computing basic earnings (loss)			
per common share		52,842	
52,269			
		=====	
		=====	
Diluted earnings (loss) per common share		\$ 1.97	\$
(1.46)			
		=====	
		=====	
Shares used in computing diluted earnings			
(loss) per common share		53,184	
52,269			
		=====	
		=====	

The Medicines Company  
Condensed Consolidated Balance Sheets

(unaudited)

December 31,	December 31,
(in thousands)	2010
2009	
	-----
-----	-----

ASSETS		
Cash, cash equivalents and available for sales securities	\$ 246,644	\$
176,191		
Accrued interest receivable	1,279	
922		
Accounts receivable, net	46,551	
29,789		
Inventory	25,343	
25,836		
Prepaid expenses and other current assets	4,804	
9,984		
	-----	-----
Total current assets	324,621	
242,722		
	-----	-----
Fixed assets, net	20,662	
25,072		
Intangible assets, net	82,925	
84,678		
Restricted cash	5,777	
7,049		
Deferred tax assets	25,197	
-		
Goodwill	14,671	
14,934		
Other assets	270	
321		
	-----	-----
Total assets	\$ 474,124	\$
374,776		
	=====	
	=====	
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities	\$ 85,370	\$
86,619		
Contingent purchase price	25,387	
23,667		
Deferred tax liability	--	
18,395		
Other long term liabilities	5,769	
5,706		
Stockholders' equity	357,598	
240,389		
	-----	-----
Total liabilities and stockholders' equity	\$ 474,124	\$
374,776		
	=====	
	=====	

The Medicines Company  
Reconciliation of GAAP to non-GAAP Measures

(All amounts in thousands, except per share amounts)  
(Unaudited)

	Three Months Ended December 31,			
	2010			
Non-GAAP		Targanta	SFAS	Non-cash
(5)		Acquisition	123R	Tax
As	GAAP (1)			Provision
Adjusted				
Net revenue	\$119,679	\$ -	\$ -	\$ -
\$119,679				
Operating expenses:				
Cost of revenue	35,394	-	(33) (3)	-
35,361				
Research and development	31,113	-	(231) (3)	-
30,882				
Selling, general and administrative	37,372	-(2)	(1,217) (3)	-
36,155				
Total operating expenses	103,879	-	(1,481)	-
102,398				
Income from operations	15,800	-	1,481	-
17,281				
Other loss	(322)	-	-	-
(322)				
Income before income taxes	15,478	-	1,481	-
16,959				
Benefit (provision) for income taxes	43,094	-(2)	-	(44,010) (4)
(916)				
Net income	58,572	-	1,481	(44,010)
16,043				
Basic earnings per common share	\$ 1.10	\$ -	\$ 0.03	\$ (0.83)
0.30				



Shares used in computing basic earnings per common share 53,041	53,041	53,041	53,041	53,041	
=====	=====	=====	=====	=====	
Diluted earnings per common share 0.30	\$ 1.09	\$ -	\$ 0.03	\$ (0.82)	\$
=====	=====	=====	=====	=====	
Shares used in computing diluted earnings per common share 53,714	53,714	53,714	53,714	53,714	
=====	=====	=====	=====	=====	
(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,			
	-----			
	2010			
	-----			
Non-GAAP	GAAP (1)			Non-cash
(5)	As	Targanta	SFAS	Tax
As	Reported	Acquisition	123R	Provision
Adjusted	-----	-----	-----	-----
Net revenue \$437,645	\$437,645	\$ -	\$ -	\$ -
Costs and expenses:				
Cost of revenue 129,049	129,299	-	(250) (3)	-
Research and development 83,440	85,241	-	(1,801) (3)	-
Selling, general				

and administrative 152,405	158,690		(2)	(6,285)	(3)		-
-----	-----	-----	-----	-----	-----	-----	-
Total operating expenses 364,894	373,230		-	(8,336)			-
Income from operations 72,751	64,415		-	8,336			-
Other loss (267)	(267)		-	-			-
-----	-----	-----	-----	-----	-----	-----	-
Income before income taxes 72,484	64,148		-	8,336			-
Benefit (provision) for income taxes (2,813)	40,487		(2)	-		(43,300)	(4)
-----	-----	-----	-----	-----	-----	-----	-
Net income 69,671	104,635		-	8,336		(43,300)	
Basic earnings per common share 1.32	\$ 1.98	\$ -		\$ 0.16		\$ (0.82)	\$
=====	=====	=====	=====	=====	=====	=====	=====
Shares used in computing basic earnings per common share 52,842	52,842	52,842		52,842		52,842	
=====	=====	=====	=====	=====	=====	=====	=====
Diluted earnings per common share 1.31	\$ 1.97	\$ -		\$ 0.16		\$ (0.81)	\$
=====	=====	=====	=====	=====	=====	=====	=====
Shares used in computing diluted earnings per common share 53,184	53,184	53,184		53,184		53,184	
=====	=====	=====	=====	=====	=====	=====	=====

- (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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**SOURCE:** The Medicines Company

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