



The Medicines Company Reports Full Year and Fourth Quarter 2011 Financial Results

22 Feb 2012

Full Year EPS Is \$2.35 per Share vs Year Ago \$1.97, Revenues of \$484.7 Million vs Year Ago \$437.6 Million

PARSIPPANY, NJ, Feb 22, 2012 (MARKETWIRE via COMTEX) --The Medicines Company (NASDAQ: MDCO) today announced its financial results for the fourth quarter and full year of 2011.

Financial highlights for the fourth quarter of 2011:

-- Net revenue increased by 10.5% to \$132.2 million for the fourth quarter of 2011 from \$119.7 million in the fourth quarter of 2010.

-- Angiomax U.S. sales increased by 10.9% to \$124.2 million in the fourth quarter of 2011 compared to \$112.0 million in the fourth quarter of 2010.

-- Angiomax/Angiox international net revenue in the fourth quarter of 2011 was \$7.9 million compared with \$7.7 million in the fourth quarter of 2010.

-- Net income for the fourth quarter of 2011 was \$19.6 million, or \$0.36 per share, compared to \$58.6 million, or \$1.09 per share, for the fourth quarter of 2010.

-- Non-GAAP net income for the fourth quarter of 2011 was \$28.7 million, or \$0.52 per share, compared to non-GAAP net income of \$16.0 million, or \$0.30 per share, for 2010.

Financial highlights for the full year of 2011:

-- Net revenue increased by 10.8% to \$484.7 million in 2011 from \$437.6 million in 2010.

-- Angiomax U.S. sales increased by 9.7% to \$452.3 million in 2011 compared with \$412.3 million in 2010.

-- Angiomax/Angiox international net revenue in 2011 increased by

28.3% with \$31.6 million compared with \$24.6 million in 2010.

-- Net income for 2011 was \$127.9 million, or \$2.35 per share, compared

with net income of \$104.6 million, or \$1.97 per share, for 2010.

-- Non-GAAP net income for 2011 was \$85.7 million, or \$1.57 per share,

compared to non-GAAP net income of \$69.7 million, or \$1.31 per share,

for 2010.

Glenn Sblendorio, Executive Vice President and Chief Financial Officer, stated, "We sustained consistent growth in the fourth quarter 2011, both on the revenue and profit target, and met all of our significant financial objectives in 2011. Our uniquely positioned business model is realizing significant progress in helping deliver acute intensive care in hospitals worldwide. We are also consistently delivering the operating and financial results that build value. We plan continued focus on optimizing R&D and SG&A to provide operating and geographic leverage and further expand the opportunities available to us."

The following table provides reconciliations between GAAP and non-GAAP net income for the full year (FY) and fourth quarter (Q4) of 2011 and 2010.

Non-GAAP Net (in millions) Income (1)	Reported	Stock-Based	Non-cash	
	GAAP Net Income	Compensation Expense	Provision for Income Taxes	
	-----	-----	-----	-----
FY 2011 85.7	\$ 127.9	\$ 11.0	\$ (53.2)	\$
FY 2010 69.7	\$ 104.6	\$ 8.3	\$ (43.3)	\$
Q4 2011 28.7	\$ 19.6	\$ 2.6	\$ 6.5	\$
Q4 2010 16.0	\$ 58.6	\$ 1.5	\$ (44.0)	\$

Note: Amounts may not sum due to rounding.

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

Reconciliations between GAAP and non-GAAP fully diluted earnings per share (EPS) for the full year (FY) and fourth quarter (Q4) of 2011 and 2010 are provided in the following table:

Non-GAAP	Reported	Stock-Based	Non-cash	
		Compensation	Provision	
			for Income	

(per share) EPS (1)	GAAP EPS	Expense	Taxes
-----	-----	-----	-----
FY 2011 1.57	\$ 2.35	\$ 0.20	\$ (0.98)
FY 2010 1.31	\$ 1.97	\$ 0.16	\$ (0.81)
Q4 2011 0.52	\$ 0.36	\$ 0.05	\$ 0.12
Q4 2010 0.30	\$ 1.09	\$ 0.03	\$ (0.82)

Note: Amounts may not sum due to rounding.

(1) Excluding stock-based compensation expense and non-cash (benefit) 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 full year and fourth quarter 2011 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: 866-510-0705 International Dial In: 617-597-5363 Passcode for both dial in numbers: 54805335

Replay is available from 10:30 a.m. Eastern Time following the conference call through March 7, 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 95010339.

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>).

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, 2011, 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) December 31,	Three months ended	

	2011	

2010		-----

Net revenue	\$	132,231
119,679		\$
Operating expenses:		
Cost of revenue		44,007
35,394		
Research and development		33,302
31,113		
Selling, general and administrative		34,916
37,372		

Total operating expenses		112,225
103,879		-----

Income from operations		20,006
15,800		
Other income		340
(322)		

Income before income taxes		20,346
15,478		
(Provision) benefit for income taxes		(764)
43,094		-----

Net income	\$	19,582	\$
58,572			
=====			
Basic earnings per common share	\$	0.36	\$
1.10			
=====			
Shares used in computing basic earnings per common share		53,739	
53,041			
=====			
Diluted earnings per common share	\$	0.36	\$
1.09			
=====			
Shares used in computing diluted earnings per common share		54,899	
53,714			
=====			

The Medicines Company
Condensed Consolidated Statements of Operations

(in thousands, except per share data)	Year Ended December		
31,	-----		
-----	2011		
2010	-----		
-----	-----		
Net revenue	\$	484,732	\$
437,645			
Operating expenses:			
Cost of revenue		156,866	
129,299			
Research and development		110,180	
85,241			
Selling, general and administrative		159,617	
158,690			

Total operating expenses		426,663	
373,230			

Income from operations		58,069	
64,415			
Legal settlement		17,984	
-			
Other income		1,790	
(267)			

Income before income taxes		77,843	
64,148			
Benefit from income taxes		50,034	
40,487			
		-----	-----
Net income	\$	127,877	\$
104,635			
		=====	
Basic earnings per common share	\$	2.39	\$
1.98			
		=====	
Shares used in computing basic earnings per common share		53,496	
52,842			
		=====	
Diluted earnings per common share	\$	2.35	\$
1.97			
		=====	
Shares used in computing diluted earnings per common share		54,407	
53,184			
		=====	

The Medicines Company
Condensed Consolidated Balance Sheets

December 31, (in thousands) 2010	December 31, 2011

ASSETS	
Cash, cash equivalents and available for sales securities	\$ 340,512 \$
246,644	
Accrued interest receivable	374
1,279	
Accounts receivable, net	74,559
46,551	
Inventory	45,145
25,343	
Deferred tax assets	9,395
-	
Prepaid expenses and other current assets	11,738
4,804	

Total current assets	481,723
324,621	

Fixed assets, net		17,979	
20,662			
Intangible assets, net		87,329	
82,925			
Restricted cash		4,714	
5,778			
Deferred tax assets		78,441	
25,197			
Goodwill		14,671	
14,671			
Other assets		7,790	
270			
		-----	-----
	Total assets	\$ 692,647	\$
474,124			
		=====	
	LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		\$ 154,635	\$
85,370			
Contingent purchase price		20,431	
25,387			
Other Long Term Liabilities		5,939	
5,769			
Stockholders' equity		511,642	
357,598			
		-----	-----
	Total liabilities and stockholders'		
	equity	\$ 692,647	\$
474,124			
		=====	

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

	Three Months Ended December 31			
	2011			
		Stock-Based	Non-cash	
Non-GAAP (4)	GAAP (1)	Compensation	Tax	As
Adjusted			Provision	
Net revenue	\$ 132,231	\$ -	\$ -	\$
132,231				
Operating expenses:				
Cost of revenue	44,007	(27)	(2)	-
43,980				

Research and development	33,302	(385)	(2)	-
32,917				
Selling, general and administrative	34,916	(2,230)	(2)	-
32,686				
-----	-----	-----	-----	---
Total operating expenses	112,225	(2,642)		-
109,583				
-----	-----	-----	-----	---
Income from operations	20,006	2,642		-
22,648				
Legal settlement	-	-		-
-				
Other income	340	-		-
340				
-----	-----	-----	-----	---
Income before income taxes	20,346	2,642		-
22,988				
(Provision) benefit for income taxes	(764)	-		6,507 (3)
5,743				
-----	-----	-----	-----	---
Net income	\$ 19,582	\$ 2,642	\$ 6,507	\$
28,731				
=====	=====	=====	=====	
Basic earnings per common share	\$ 0.36	\$ 0.05	\$ 0.12	\$
0.53				
=====	=====	=====	=====	
Shares used in computing basic earnings per common share	53,739	53,739	53,739	
53,739				
=====	=====	=====	=====	
Diluted earnings per common share	\$ 0.36	\$ 0.05	\$ 0.12	\$
0.52				
=====	=====	=====	=====	
Shares used in computing diluted earnings per common share	54,899	54,899	54,899	
54,899				
=====	=====	=====	=====	

=====

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)

	Year Ended December 31			
	2011			
	GAAP (1)	Stock-Based Compensation	Non-cash Tax Provision	Non- As
GAAP (4) Adjusted				
Net revenue	\$ 484,732	\$ -	\$ -	\$ 484,732
Operating expenses:				
Cost of revenue	156,866	(125)	(2)	156,741
Research and development	110,180	(1,870)	(2)	108,310
Selling, general and administrative	159,617	(9,022)	(2)	150,595
Total operating expenses	426,663	(11,017)	-	415,646
Income from operations	58,069	11,017	-	69,086
Legal settlement	17,984	-	-	17,984
Other income	1,790	-	-	1,790
Income before income taxes	77,843	11,017	-	88,860

Benefit (provision) for income taxes	50,034	-	(53,236)	(3)
(3,202)				

Net income	\$ 127,877	\$ 11,017	\$ (53,236)	\$
85,658				
=====				
Basic earnings per common share	\$ 2.39	\$ 0.21	\$ (1.00)	\$
1.60				
=====				
Shares used in computing basic earnings per common share	53,496	53,496	53,496	
53,496				
=====				
Diluted earnings per common share	\$ 2.35	\$ 0.20	\$ (0.98)	\$
1.57				
=====				
Shares used in computing diluted earnings per common share	54,407	54,407	54,407	
54,407				
=====				

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 December 31,			

	2010			

GAAP (4)	GAAP (1)	Stock-Based Compensation	Non-cash Tax Provision	Non- As

Adjusted				
-----	-----	-----	-----	-----
Net revenue	\$ 119,679	\$ -	\$ -	\$ -
119,679				
Operating expenses:				
Cost of revenue	35,394	(33)	(2)	-
35,361				
Research and development	31,113	(231)	(2)	-
30,882				
Selling, general and administrative	37,372	(1,217)	(2)	-
36,155				
-----	-----	-----	-----	-----
Total operating expenses	103,879	(1,481)		-
102,398				
Income from operations	15,800	1,481		-
17,281				
Other (loss)/income	(322)	-		-
(322)				
-----	-----	-----	-----	-----
Income before income taxes	15,478	1,481		-
16,959				
Benefit (provision) for income taxes	43,094	-	(44,010)	(3)
(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				
=====	=====	=====	=====	=====
Diluted earnings per common share	\$ 1.09	\$ 0.03	\$ (0.82)	\$ -
0.30				
=====	=====	=====	=====	=====

Shares used in computing diluted earnings per common share	53,714	53,714	53,714
53,714	=====	=====	=====

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- (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)

	Twelve Months Ended December 31,			

	2010			

	GAAP (1)	Stock-Based	Non-cash	Non-
GAAP (4)	As Reported	Compensation	Tax	As
Adjusted	-----	-----	-----	-----
Net revenue	\$ 437,645	\$ -	\$ -	\$ -
437,645				
Costs and expenses:				
Cost of revenue	129,299	(250)	(2)	-
129,049				
Research and development	85,241	(1,801)	(2)	-
83,440				
Selling, general and administrative	158,690	(6,285)	(2)	-
152,405				
Total operating expenses	373,230	(8,336)		-
364,894				
Income from operations	64,415	8,336		-
72,751				
Other (loss)/income	(267)	-		-
(267)				

Income before income taxes	64,148	8,336	-	
72,484				
Benefit (provision) for income taxes	40,487	-	(43,300)	(3)
(2,813)				
-----	-----	-----	-----	-----
Net income	104,635	8,336	(43,300)	
69,671				
Basic earnings per common share\$	1.98	\$ 0.16	\$ (0.82)	\$
1.32				
=====	=====	=====	=====	=====
Shares used in computing basic earnings per common share	52,842	52,842	52,842	
52,842				
=====	=====	=====	=====	=====
Diluted earnings per common share\$	1.97	\$ 0.16	\$ (0.81)	\$
1.31				
=====	=====	=====	=====	=====
Shares used in computing diluted earnings per common share	53,184	53,184	53,184	
53,184				
=====	=====	=====	=====	=====

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

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