edicines Company Reports Second-Quarter 2016 Business and Financial s

l potential blockbuster R&D programs —

d divestiture of non-core cardiovascular assets —

ed substantial portion of near-term debt obligations —

ons significantly strengthen balance sheet and provide valuable strategic and operational flexibility —

Y, N.J.--(BUSINESS WIRE)--Jul. 27, 2016-- The Medicines Company (NASDAQ:MDCO) today announced its business and financial results for quarter ended June 30, 2016.

econd quarter of 2016, the Company delivered strong execution against its strategic objectives by driving further advancement of its four ckbuster development programs and taking actions that generated non-dilutive capital and strategic and operational flexibility to enable it to unlock the value of these programs.

ts included:

DEVELOPMENT

CE® (meropenem-vaborbactam): Announced that Carbavance met both FDA and EMA pre-specified primary endpoints in the Phase 3 nical trial in patients with complicated urinary tract infections. Carbavance also demonstrated statistical superiority over piperacillin- with overall success in 98.4% of patients treated with Carbavance, using the FDA primary endpoint. Carbavance was well-tolerated in the lows the granting of Fast Track status for Carbavance by the Food and Drug Administration (FDA) in April 2016 and the designation of as a Qualified Infectious Disease Product, as authorized under the GAIN Act, in 2013. Enrollment is continuing in the Phase 3 TANGO 2 comparing Carbavance's safety, tolerability, and efficacy with best available therapy in patients with serious infections due to confirmed or CRE. The Company expects to submit a New Drug Application to the FDA in early 2017.

CSK9 synthesis inhibitor): Announced completion of patient enrollment ahead of schedule in the Phase 2 ORION-1 clinical trial of PCSK9si, an ıal first-in-class RNA interference proprotein convertase subtilisin/kexin type 9 synthesis inhibitor. Interim three-month and six-month efficacy ata from patients in ORION-1 are expected to be available, analyzed and presented before the end of 2016.

Completed enrollment of more than 100 of 120 total planned patients in the MILANO-PILOT study evaluating MDCO-216's effects on tic plaque burden. Pursuant to the Interim Statistical Analysis Plan governing monitoring by the Independent Data Monitoring Committee nterim safety and efficacy analysis is currently being performed for the first 40 patients who have completed the end of treatment. The rsis will be reviewed by the IDMC in August. The Company is blinded and firewalled from all clinical data during the IDMC's evaluation. If there y concerns that require further evaluation and if pre-defined efficacy criteria are met, the IDMC will provide efficacy data from the first 40 he Company. In any event, the Company expects to provide an update on the MILANO-PILOT trial in August.

ompleted Phase 1 clinical pharmacology, dosing and safety studies in more than 300 subjects, including ABP-700's use with pre- and co- routinely given as part of procedural sedation and induction of general anesthesia. In June, the Company dosed the first patient in a Phase 2 or procedural sedation. The trial is expected to enroll 75 patients undergoing elective colonoscopies at three sites in The Netherlands. In with the FDA, the Company will perform an additional animal study to support the submission of an Investigational New Drug Application in tates. We expect to report results from the Phase 2 trial before the end of 2016.

ACTIONS

ed non-dilutive capital by completing the sale of the Company's non-core cardiovascular products (Cleviprex (clevidipine) injection emulsion, al (cangrelor), and rights to Argatroban for injection) to Chiesi for an initial payment of $264 million in cash plus the potential to receive up to illion in sales-based milestone payments.

ed to implement the previously announced restructuring plan designed to reduce operating expenses and R&D by $65 million to $80 million /.

ted the offering and sale of $402.5 million aggregate principal amount of 2.75% convertible notes due 2023 and repurchased $220 million imately 80%) of the Company's 2017 convertible notes.

ed to build senior management depth with the addition of Tony Kingsley, President and Chief Operating Officer, to help oversee the day-to- rations and lead the Company's commercial activities.

e our focus on saving lives, alleviating suffering, and improving the economic efficiency of healthcare, but our purpose has magnified with the problems we are addressing with our programs and the numbers of patients we can potentially touch," said Clive Meanwell, M.D., Ph.D., Chief fficer of The Medicines Company. "Through our execution over the last three quarters we have put ourselves in a position to focus on these s with our four core clinical development projects. We expect the pace of our progress to continue through the rest of 2016 with important stones for PCSK9si, MDCO-216, Carbavance and ABP-700."

arter 2016 Financial Summary from Continuing Operations

et revenue was $54.7 million in the second quarter of 2016 compared to $74.5 million in the second quarter of 2015. Included in total net the second quarter of 2016 was $24.4 million of royalty revenues derived from the gross profit of authorized generic sales of Angiomax® by Sandoz, Inc. Worldwide Angiomax®/Angiox® (bivalirudin) net product sales were $15.8 million in the second quarter of 2016 compared to n in the second quarter of 2015, with net product sales in the United States decreasing to $12.8 million in the second quarter of 2016 from n in the second quarter of 2015, driven by the loss of Angiomax exclusivity in July 2015. Other products, including Ionsys, Minocin for Injection, v, along with the recently-divested non-core cardiovascular products, recorded sales of $14.5 million in the second quarter of 2016 compared on in the second quarter of 2015.

he Company's non-core cardiovascular products resulted in a gain of $288.3 million, which was recorded in the second quarter of 2016.

from continuing operations in the second quarter of 2016 was $181.8 million, or $2.51 per share, compared to net loss from continuing f $67.4 million, or $1.02 per share, in the second quarter of 2015. Adjusted net loss[(1)] from continuing operations in the second quarter of 43.0 million, or $0.62[(1)] per share, compared to $45.2 million, or $0.69[(1)] per share, in the second quarter of 2015.

arter 2016 Financial Summary from Discontinued Operations

uarter of 2016, the Company completed the sale of its hemostasis products. Net income from discontinued operations in the second quarter $0.6 million, or $0.01 per share, compared to $20.9 million, or $0.31 per share, in the second quarter of 2015.

016 Financial Summary from Continuing Operations

et revenue was $105.0 million in the first half of 2016 compared to $184.6 million in the first half of 2015. Included in total net revenue in the 2016 was $43.3 million of royalty revenues derived from the gross profit of authorized generic sales of Angiomax (bivalirudin) by Sandoz, Inc. ngiomax/Angiox(bivalirudin) net product sales were $32.7 million in the first half of 2016 compared to $166.3 million in the first half of 2015, duct sales in the United States decreasing to $26.0 million in the first half of 2016 from $155.6 million in the first half of 2015, driven by the omax exclusivity in July 2015. Other products, including Ionsys, Minocin for Injection, and Orbactiv, along with the recently-divested non-core lar products, recorded sales of $29.0 million in the first half of 2016 compared to $18.3 million in the first half of 2015.

he Company's non-core cardiovascular products resulted in a gain of $288.3 million, which was recorded in the second quarter of 2016.

from continuing operations in the first half of 2016 was $91.5 million, or $1.27 per share, compared to net loss from continuing operations of , or $0.96 per share, in the first half of 2015. Adjusted net loss[(1)] from continuing operations in the first half of 2016 was $114.1 million, or share, compared to $44.8 million, or $0.68[(1)] per share in the first half of 2015.

)16 Financial Summary from Discontinued Operations

n discontinued operations in the first half of 2016 was $1.5 million, or $0.02 per share, compared to net income from discontinued operations on, or $0.33 per share, in the first half of 2015.

djusted net loss and adjusted loss per share from continuing operations are non-GAAP financial performance measures with no standardized definitions under U.S. GAAP. For further information and a detailed reconciliation, refer to the Non-GAAP Financial Performance Measures and onciliations of GAAP to Adjusted Net Loss and Adjusted Loss per Share sections of this release for explanations of the amounts excluded and included to arrive at adjusted net loss and adjusted loss per share amounts.

2016, the Company had $644 million in cash and investments compared to $373 million at the end of 2015.

arter 2016 Conference Call and Webcast Information

ny will host a conference call and webcast at 8:30 a.m., Eastern Daylight Time, on July 27, 2016 to discuss its business and financial results. nformation to access the call is:

t: (877) 359-9508

l: (224) 357-2393

ID: 50951007

ay of the conference call will also be available beginning at approximately 11:30 a.m., Eastern Daylight Time, following the call and continuing ust 3, 2016. To access the replay, dial (855) 859-2056 (U.S./Canada) or (404) 537-3406 (international). The passcode for both dial-in 50951007.

eing webcast and 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=51389399&newsitemid=20160727005475&lan=en-=The+Medicines+Company&index=1&md5=896cf98b65365fdede619a40d414c879) website. A replay of the webcast will also be available.

Medicines Company

es Company's purpose is to save lives, alleviate suffering and contribute to the economics of healthcare by focusing on leading sive care hospitals worldwide. Its vision is to be a leading provider of solutions in three areas: serious infectious disease care, acute lar care and surgery and perioperative care. The Company operates in the Americas, Europe and the Middle East and Asia Pacific regions enters in Parsippany, N.J. and Zurich.

FINANCIAL PERFORMANCE MEASURES

o financial information prepared in accordance with U.S. GAAP, this press release also contains adjusted net loss and adjusted loss per share uing operations attributable to The Medicines Company. We believe these measures provide investors and management with supplemental elating to operating performance and trends that facilitate comparisons between periods and with respect to projected information.

t loss from continuing operations excludes stock-based compensation expense, amortization of acquired intangible assets, restructuring estone payments, changes in contingent purchase price, expenses incurred for certain transactions, non-cash interest expense, gain on sale nt, gain on remeasurement of equity investment, gain on sale of business, loss on extinguishment of debt and net income tax adjustments. ny believes these non-GAAP financial measures help indicate underlying trends in the Company’s business and are important in comparing lts with prior period results and understanding projected operating performance. Non-GAAP financial measures provide the Company and its h an indication of the Company’s baseline performance before items that are considered by the Company not to be reflective of the ongoing results. See the attached Reconciliations of GAAP to Adjusted Net Loss and Adjusted Loss per Share for explanations of the cluded and included to arrive at adjusted net loss and adjusted loss per share amounts for the three- and six-month periods ended June 30, 15.

ted 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.

oking Statements

contained in this press release that are not purely historical may be deemed to be forward-looking statements for purposes of the safe sions under The Private Securities Litigation Reform Act of 1995. Without limiting the foregoing, the words "believes," "anticipates" and id similar expressions, including the Company's preliminary financial results, are intended to identify forward-looking statements. These king statements involve important known and unknown risks and uncertainties that may cause the Company's actual results, levels of activity, e or achievements to be materially different from those expressed or implied by these forward-looking statements. Important factors that may ntribute to such differences include the extent of the commercial success of our products; the Company's ability to develop its global nd penetrate foreign markets; whether the Company's product candidates will advance in the clinical trials process on a timely basis or at all; Company will make regulatory submissions for product candidates on a timely basis; whether its regulatory submissions will receive om regulatory agencies on a timely basis or at all; whether the Company's ongoing and planned commercial launches will be successful; sicians, patients and other key decision makers will accept clinical trial results; whether the Company can protect its intellectual property; Company will be able to raise additional capital on favorable terms or at all when needed; and such other factors as are set forth in the risk iled from time to time in the Company's periodic reports and registration statements filed with the Securities and Exchange Commission, thout limitation, the risk factors detailed in the Company's Quarterly Report on Form 10-Q filed with the SEC on May 9, 2016, which are d 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 amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
revenues	$ 30,324	$ 74,519	$ 61,699	$ 184,634
nues	24,407	–	43,338	–
venues	54,731	74,519	105,037	184,634
xpenses:				
nue	15,230	24,756	34,027	45,294
nd development	37,567	33,035	71,058	56,318
eral and administrative	94,158	93,309	173,456	174,094
ing expenses	146,955	151,100	278,541	275,706
perations	(92,224)	(76,581)	(173,504)	(91,072)

on and license income	1,341	638	2,316	9,026
easurement of equity investment	–	–	–	22,597
of investment	–	19,773	–	19,773
of business	288,301	–	288,301	–
nguishment of debt	(5,380)	–	(5,380)	–
ense	(10,363)	(9,348)	(20,109)	(17,963)
ne (loss)	138	231	(124)	698
s) from continuing operations before income taxes	181,813	(65,287)	91,500	(56,941)
income taxes	(11)	(2,105)	(57)	(6,106)
(loss) from continuing operations	181,802	(67,392)	91,443	(63,047)
s) from discontinued operations, net of tax	619	20,853	(1,486)	21,514
(loss)	182,421	(46,539)	89,957	(41,533)
come) attributable to non-controlling interest	21	(53)	37	(25)
(loss) attributable to The Medicines Company	$ 182,442	$ (46,592)	$ 89,994	$ (41,558)
ributable to The Medicines Company:				
(loss) from continuing operations	$ 181,823	$ (67,445)	$ 91,480	$ (63,072)
s) from discontinued operations, net of tax	619	20,853	(1,486)	21,514
(loss) attributable to The Medicines Company	$ 182,442	$ (46,592)	$ 89,994	$ (41,558)
gs (loss) per common share attributable to The Medicines Company:				
ss) from continuing operations	$ 2.61	$ (1.02)	$ 1.32	$ (0.96)
ss) from discontinued operations	$ 0.01	$ 0.31	(0.02)	0.33
gs (loss) per share	$ 2.62	$ (0.71)	$ 1.30	$ (0.63)
ings (loss) per common share attributable to The Medicines Company:				
ss) from continuing operations	$ 2.51	$ (1.02)	$ 1.27	$ (0.96)
ss) from discontinued operations	$ 0.01	$ 0.31	(0.02)	0.33
ings (loss) per share	$ 2.52	$ (0.71)	$ 1.25	$ (0.63)

erage number of common shares outstanding:

69,711	65,903	69,464	65,541
72,509	65,903	72,312	65,541

THE MEDICINES COMPANY

BALANCE SHEET ITEMS

UNAUDITED

(In thousands)

	June 30, 2016	December 31, 2015
ash equivalents	$ 644,196	$ 373,173
*	$ 1,852,435	$ 1,795,516
senior notes (due 2017, 2022 and	$ 663,922	$ 567,580
es Company stockholders' equity	$ 828,964	$ 732,238

d debt issuance costs of $2.4 million and $9.0 million as of December 31, 2015 from Total assets

ible senior notes (due 2017 and due 2022) in connection with the adoption of ASU 2015-03.

THE MEDICINES COMPANY

RECONCILIATIONS OF GAAP TO ADJUSTED NET LOSS AND ADJUSTED LOSS PER SHARE

UNAUDITED

(In thousands, except per share amounts)

		Three Months Ended June 30,		Six Months Ended June 30,	
		2016	2015	2016	2015
(loss) from continuing operations attributable to The Medicines					
GAAP		$ 181,823	$ (67,445)	$ 91,480	$ (63,072)
djustments:					
nue:					
d compensation expense	(1)	281	194	496	368
n of acquired intangible assets	(2)	6,566	5,293	12,851	7,420
ıg charges	(3)	275	–	275	–
nd development:					
d compensation expense	(1)	1,157	1,080	2,007	1,959
ıg charges	(3)	1,360	–	1,360	–
ayments	(4)	10,000	5,352	11,000	5,352
eral and administrative:					
d compensation expense	(1)	7,768	7,365	13,706	13,770
n of acquired intangible assets	(2)	–	–	–	123
ıg charges	(3)	12,998	–	12,998	–
ontingent purchase price	(5)	3,381	11,188	1,953	14,146
curred for certain transactions	(6)	7,887	–	7,887	–
terest expense	(7)	6,470	5,920	12,770	11,436
of investment	(8)	–	(19,773)	–	(19,773)
easurement of equity investment	(9)	–	–	–	(22,597)
of business	(10)	(288,301)	–	(288,301)	–
nguishment of debt	(11)	5,380	–	5,380	–
tax adjustments	(12)	(10)	5,613	(1)	6,050
ibutable to The Medicines Company - Adjusted		$ (42,965)	$ (45,213)	$ (114,139)	$ (44,818)
share attributable to The Medicines Company – Adjusted		$ (0.62)	$ (0.69)	$ (1.64)	$ (0.68)

	$ (0.62)	$ (0.69)	$ (1.64)	$ (0.68)
erage number of common shares outstanding:				
	69,711	65,903	69,464	65,541
	69,711	65,903	69,464	65,541

of Adjustments:

udes share-based compensation of $9,206 and $8,639 for the three months ended June 30, 2016 and 2015 and $16,209 and $16,097 for the six months ended June 30, 2016 and 2015.

Excludes amortization of intangible assets resulting from transactions with CSL, Teva, Targanta, Incline Therapeutics and Rempex.

Excludes restructuring charges for the workforce reorganization related to the sale of the Non-Core ACC Products.

ludes upfront and milestone payments for research and development collaboration arrangements and manufacturing scale up for MDCO-216.

Excludes changes in contingent purchase price due to shareholders of Targanta, Incline Therapeutics, Rempex and Annovation.

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

Excludes non-cash interest expense related to convertible senior notes.

Excludes gain on sale of investment.

Excludes gain on remeasurement of our equity investment in Annovation.

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

Excludes loss on the repurchase of $220,000 of 2017 Notes.

Net income tax adjustments reflect the estimated tax effect of the above adjustments and the impact of certain other non-operating tax adjustments.

› the financial information prepared in accordance with U.S. GAAP, this press release also contains adjusted financial measures that we believe ıstors and management with supplemental information relating to operating performance and trends that facilitate comparisons between with respect to projected information. These adjusted measures should be considered in addition to, but not as a substitute for, the information ıccordance with U.S. GAAP. The Company strongly encourages investors to review its consolidated financial statements and publically filed eir entirety and cautions investors that the non-GAAP measures used by the Company may differ from similar measures used by other even when similar terms are used to identify such measures.

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