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## The Medicines Company Reports Second Quarter 2009 Financial Results

29 Jul 2009

### Achieves First Quarter of Net Sales in Excess of \$100 Million

PARSIPPANY, NJ, Jul 29, 2009 (MARKETWIRE via COMTEX) -- The Medicines Company (NASDAQ: MDCO) today announced its financial results for the second quarter of 2009. Highlights for the second quarter of 2009:

- Net revenue increased by 20% to \$104.2 million for the second quarter of 2009 from \$86.7 million for the second quarter of 2008.
  - Angiomax U.S. sales increased by 17% to \$98.8 million in the second quarter of 2009 compared to \$84.5 million in the second quarter of 2008.
  - Angiomax/Angiox international net revenue in the second quarter of 2009 increased by 96% to \$4.5 million compared to \$2.3 million in the second quarter of 2008.
  - Cleviprex has now been accepted by more than 240 hospital formularies and has been purchased by more than 300 hospitals in the United States. Net revenue in the second quarter of 2009 was \$0.9M, up from \$0.5M in the first quarter.
- Net income for the second quarter of 2009 was \$3.8 million, or \$0.07 per share, compared to net income of \$4.1 million, or \$0.08 per share, for the second quarter of 2008.
- Non-GAAP net income for the second quarter of 2009 was \$12.3 million, or \$0.24 per share, compared to non-GAAP net income of \$14.5 million, or \$0.28 per share, for the second quarter of 2008. Non-GAAP net income excludes the transaction costs associated with the Targanta acquisition, stock-based compensation expense and non-cash income taxes.

John Kelley, President and Chief Operating Officer, stated, "The core business, Angiomax and Angiox, is strong and growing. Cleviprex is becoming accepted by more and more hospitals, initial use has been in a wide range of patients, and we continue to view this product as an important and substantial opportunity."

#### Financial highlights for the first six months of 2009:

- Net revenue increased by 22% to \$203.4 million for the first six months of 2009 from \$166.2 million for the same period in 2008.
  - Angiomax U.S. sales increased by 21% to \$194.3 million for the first six months of 2009 from \$161.3 million for the first six months of 2008.
  - Angiomax/Angiox international net revenue in the first six months of 2009 increased by 83% to \$7.7 million compared to \$4.2 million in the first six months of 2008.
  - Cleviprex net revenue in the first six months of 2009 was \$1.4M.
- Net income for the first six months of 2009 was \$0.5 million, or \$0.01 per share, and includes costs for Targanta acquisition, compared to net income of \$8.9 million, or \$0.17 per share, in the first six months of 2008.
- The Company reported non-GAAP net income of \$15.5 million, or \$0.29 per share, for the first six months of 2009, compared to non-GAAP net income of \$26.9 million, or \$0.51 per share, for the first six months of 2008. Non-GAAP net income excludes 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 second quarter (Q2) and first six months (6M) of 2009 and 2008. Non-GAAP net income excludes the transaction charges related to the Targanta acquisition, stock-based compensation expense and non-cash income taxes:

(in millions) GAAP Net Income (1)	Reported GAAP Net (Loss) Income	Targanta Transaction Costs	FAS 123R Stock-Based Compensation Expense	Non-Cash (Benefit) Provision for Income Taxes	Non-
Q2 2009 12.3	\$ 3.8	\$ 0.3	\$ 5.4	\$ 2.8	\$
Q2 2008 14.5	\$ 4.1	-	\$ 6.9	\$ 3.6	\$
6M 2009 15.5	\$ 0.5	\$ 4.3	\$ 10.9	\$ (0.2)	\$

6M 2008	\$	8.9	- \$	11.4 \$	6.6 \$
26.9					

Note: Amounts may not sum due to rounding.

(1) Excluding the transaction charges related to the Targanta acquisition, stock-based compensation expense and non-cash income taxes.

Reconciliations between GAAP and non-GAAP fully diluted (loss) earnings per share (EPS) for the second quarter (Q2) and first six months (6M) of 2009 and 2008 are provided in the following table:

Non-GAAP (per share) EPS (1)	Reported GAAP (Loss) Earnings Per Share	Targanta Transaction Costs	FAS 123R Stock-Based Compensation Expense	Non-Cash Provision for Income Taxes
Q2 2009 0.24	\$ 0.07	\$ 0.01	\$ 0.10	\$ 0.05
Q2 2008 0.28	\$ 0.08	- \$	\$ 0.13	\$ 0.07
6M 2009 0.29	\$ 0.01	\$ 0.08	\$ 0.21	- \$
6M 2008 0.51	\$ 0.17	- \$	\$ 0.22	\$ 0.13

Note: Amounts may not sum due to rounding.

(1) Excluding the transaction charges related to the Targanta acquisition, stock-based compensation expense and non-cash 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 second 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) (<http://www.themedicinescompany.com>).

The dial in information is listed below:

Domestic Dial In: 800-884-5695  
 International Dial In: 617-786-2960  
 Passcode for both dial in numbers: 64853162

Replay is available from 11:30 a.m. Eastern Time following the conference call through August 12, 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 37428278.

#### 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 two products in late stage development, cangrelor, an investigational antiplatelet agent and oritavancin, a semi-synthetic lipoglycopeptide antibiotic currently under review by the EU regulatory agency. The Company's pipeline also includes a serine protease inhibitor, CU2010, in early-stage development. 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 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, our ability to develop our 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 May 11, 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
June 30,	June 30,
2008	2009
Net revenue	\$ 104,175
86,731	\$
Operating expenses:	
Cost of revenue	30,353
21,939	
Research and development	21,784
19,781	
Selling, general and administrative	45,910

38,789			
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Total operating expenses		98,047	
80,509			
-----			
Income (loss) from operations		6,128	
6,222			
Other income		734	
1,805			
-----			
Income (loss) before income taxes		6,862	
8,027			
Benefit (provision) for income taxes		(3,051)	
(3,971)			
-----			
Net income (loss)		\$ 3,811	\$
4,056			
=====			
Basic earnings (loss) per common share		\$ 0.07	\$
0.08			
=====			
Shares used in computing basic earnings			
(loss) per common share		52,232	
51,834			
=====			
Diluted earnings (loss) per common share		\$ 0.07	\$
0.08			
=====			
Shares used in computing diluted earnings			
(loss) per common share		52,533	
52,441			
=====			

The Medicines Company  
Condensed Consolidated Statements of Operations  
(unaudited)

(in thousands, except per share data)	Six Months Ended
June 30,	-----
	2009
	-----
2008	
-----	
Net revenue	\$ 203,392
166,159	
Operating expenses:	
Cost of revenue	58,650
41,032	
Research and development	46,221
38,443	
Selling, general and administrative	99,504
74,139	
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Total operating expenses	204,375	
153,614		
-----		
Income (loss) from operations	(983)	
12,545		
Other income	1,903	
4,186		
-----		
Income (loss) before income taxes	920	
16,731		
Provision for income taxes	(458)	
(7,821)		
-----		
Net income (loss)	\$ 462	\$
8,910		
Basic earnings (loss) per common share	\$ 0.01	\$
0.17		
=====		
Shares used in computing basic earnings		
(loss) per common share	52,187	
51,792		
=====		
Diluted earnings (loss) per common share	\$ 0.01	\$
0.17		
=====		
Shares used in computing diluted earnings		
(loss) per common share	52,534	
52,361		
=====		
The Medicines Company		
Condensed Consolidated Balance Sheets		
	June 30,	
December 31,		
(in thousands)		2009
2008		
-----		
ASSETS		
Cash, cash equivalents and available		
for sales securities	\$ 185,774	\$
216,206		
Accrued interest receivable	932	
1,336		
Accounts receivable, net	30,590	
33,657		
Inventory	25,578	
28,229		
Prepaid expenses and other current assets	17,969	
16,402		
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Total current assets	260,843	
295,830		
-----		
Fixed assets, net	27,200	



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Total operating expenses	98,047	(286)	(5,445)	-	
92,316					
Income from operations	6,128	286	5,445	-	
11,859					
Other income	734	-	-	-	
734					
-----	-----	-----	-----	-----	---
Income before income taxes	6,882	286	5,445	-	
12,593					
Benefit (provision) for income taxes	(3,051)	-(2)	-	2,795	(4)
(256)					
-----	-----	-----	-----	-----	---
Net income	3,811	286	5,445	2,795	
12,337					
Basic earnings per common share	\$ 0.07	\$ 0.01	\$ 0.10	\$ 0.05	\$
0.24					
=====	=====	=====	=====	=====	
Shares used in computing basic earnings per common share	52,232	52,232	52,232	52,232	
52,232					
=====	=====	=====	=====	=====	
Diluted earnings per common share	\$ 0.07	\$ 0.01	\$ 0.10	\$ 0.05	\$
0.24					
=====	=====	=====	=====	=====	
Shares used in computing diluted earnings per common share	52,533	52,496	52,496	52,496	
52,496					
=====	=====	=====	=====	=====	

(1) GAAP results

(2) Targanta aquisition

(3) Non-cash 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)

Six Months Ended June 30, 2009



	Non-cash			
Non-GAAP		Targanta	SFAS	Tax
(5) As	GAAP (1)	Acquisition	123R	Provision
Adjusted	-----	-----	-----	-----
Net revenue	\$203,392	\$ -	\$ -	\$ -
\$203,392				
Operating expenses:				
Cost of revenue	58,650	-	(474) (3)	-
58,176				
Research and development	46,221		(1,939) (3)	-
44,282				
Selling, general and administrative	99,504	(4,281) (2)	(8,494) (3)	-
86,730				
Total operating expenses	204,375	(4,281)	(10,906)	-
189,188				
(Loss) income from operations	(983)	4,281	10,906	-
14,204				
Other income	1,903	-	-	-
1,903				
Income before income taxes	920	4,281	10,906	-
16,107				
(Provision) benefit for income taxes	(458)	-(2)	-	(162) (4)
(620)				
Net income (loss)	462	4,281	10,906	(162)
15,487				
Basic earnings (loss) per common share	\$ 0.01	\$ 0.08	\$ 0.21	\$ (0.00)
0.30				
Shares used in computing basic earnings (loss) per common share	52,187	52,187	52,187	52,187
52,187				
Diluted earnings (loss) per				

common share	\$ 0.01	\$ 0.08	\$ 0.21	\$ (0.00)	\$
0.29					
	=====	=====	=====	=====	
=====					
Shares used					
in computing					
diluted (loss)					
earnings per					
common share	52,534	52,534	52,534	52,534	
52,534					
	=====	=====	=====	=====	
=====					
(1) GAAP results					
(2) Targanta aquisition					
(3) Non-cash compensation expense					
(4) Non-cash income taxes					
(5) Non-GAAP results					

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