



The Medicines Company Reports Second Quarter 2010 Financial Results

28 Jul 2010

Top Line Growth, Development Portfolio Progress and Strong Net Operating Performance

PARSIPPANY, NJ, Jul 28, 2010 (MARKETWIRE via COMTEX) --

The Medicines Company (NASDAQ: MDCO) today announced its financial results for the second quarter of 2010.

Financial highlights for the second quarter of 2010:

- Net revenue increased to \$110.1 million for the second quarter from \$104.2 million for the second quarter 2009.
- Angiomax U.S. sales increased to \$104.4 million compared to \$98.8 million for the second quarter 2009.
- Angiomax/Angiox international net revenue increased to \$5.8 million compared to \$4.5 million for the second quarter 2009.
- Net income was \$15.4 million, or \$0.29 per share, compared to net income of \$3.8 million, or \$0.07 per share for the second quarter 2009.
- Non-GAAP net income was \$18.3 million, or \$0.35 per share, compared to non-GAAP net income of \$12.3 million, or \$0.24 per share for the same period 2009. Non-GAAP net income excludes the transaction charges related to the 2009 Targanta acquisition, stock-based compensation expense and non-cash income taxes.

Clive Meanwell, Chairman and Chief Executive Officer, stated, "In the second quarter revenues reached record levels globally with market share gains of the Angiomax/Angiox franchise in the U.S. and major European markets. We also made progress with our development portfolio of three Phase 3 and two earlier stage compounds. In addition, we continue to tighten expenditures with the result that our net income was robust and we improved our cash position substantially."

Financial highlights for the first six months of 2010:

- Net revenue increased to \$212.2 million for the first six months of

2010 from \$203.4 million for same period 2009.

-- Angiomax U.S. sales increased to \$200.8 million compared to \$195.7 million for same period 2009.

-- Angiomax/Angiox international net revenue increased to \$11.4 million compared to \$7.7 million for same period 2009.

-- Net income was \$24.9 million, or \$0.47 per share, compared to net income of \$0.5 million, or \$0.01 per share for same period 2009.

-- Non-GAAP net income was \$30.8 million, or \$0.58 per share, compared to non-GAAP net income of \$15.5 million, or \$0.29 per share for the same period 2009. Non-GAAP net income excludes the transaction charges related to the 2009 Targanta acquisition, stock-based compensation expense and non-cash income taxes.

The following table provides reconciliations between GAAP and non-GAAP net income (loss) for second quarter (Q2) and first six months (6M) of 2010 and 2009. Non-GAAP net income excludes the transaction charges related to the first quarter 2009 Targanta acquisition, stock-based compensation expense and non-cash income taxes:

(in millions)	Reported GAAP Net Income	Targanta Acquisition Costs	FAS 123R Stock-Based Compensation Expense	Non-cash Provision (Benefit) for Income Taxes	Non-GAAP Net Income (1)
Q2 2010	\$ 15.4	\$ -	\$ 2.3	\$ 0.5	\$ 18.3
Q2 2009	\$ 3.8	\$ 0.3	\$ 5.4	\$ 2.8	\$ 12.3
6M 2010	\$ 24.9	\$ -	\$ 5.1	\$ 0.9	\$ 30.8
6M 2009	\$ 0.5	\$ 4.3	\$ 10.9	\$ (0.2)	\$ 15.5

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 earnings per share (EPS) for the second quarter (Q2) and first six months (6M) of 2010 and 2009 are provided in the following table:

(per share)	Reported GAAP EPS	Targanta Acquisition Costs	FAS 123R Stock-Based Compensation Expense	Non-cash Provision (Benefit) for Income Taxes	Non-GAAP EPS (1)
Q2 2010	\$ 0.29	\$ -	\$ 0.04	\$ 0.01	\$ 0.35

Q2 2009	\$	0.07	\$	0.01	\$	0.10	\$	0.05	\$
0.24									
6M 2010	\$	0.47	\$	-	\$	0.10	\$	0.02	\$
0.58									
6M 2009	\$	0.01	\$	0.08	\$	0.21	\$	-	\$
0.29									

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 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:	866-362-5158
International Dial In:	617-597-5397
Passcode for both dial in numbers:	83135911

Replay is available from 11:30 a.m. Eastern Time following the conference call through August 11, 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 37130585.

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 May 10, 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)	Three months ended
June 30,	-----
-----	2010
2009	-----
-----	-----
Net revenue	\$ 110,135 \$
104,175	
Operating expenses:	
Cost of revenue	33,568
30,353	
Research and development	20,575
21,784	
Selling, general and administrative	39,409
45,910	
-----	-----
Total operating expenses	93,552
98,047	
-----	-----
Income from operations	16,583
6,128	
Other (expense) income	(117)
734	
-----	-----
Income before income taxes	16,466
6,862	
Provision for income taxes	(1,040)
(3,051)	
-----	-----
Net income	\$ 15,426 \$
3,811	
	=====

Basic earnings per common share	\$	0.29	\$
0.07			
Shares used in computing basic earnings per common share		52,819	
52,232			
Diluted earnings per common share	\$	0.29	\$
0.07			
Shares used in computing diluted earnings per common share		52,924	
52,532			
<p>The Medicines Company Condensed Consolidated Statements of Operations (unaudited)</p>			
(in thousands, except per share data)		Six months ended	
June 30,			
		2010	
2009			
Net revenue	\$	212,223	\$
203,392			
Operating expenses:			
Cost of revenue		62,337	
58,650			
Research and development		37,452	
46,221			
Selling, general and administrative		85,530	
99,504			
Total operating expenses		185,319	
204,375			
Income (loss) from operations		26,904	
(983)			
Other (expense) income		(428)	
1,903			
Income before income taxes		26,476	
920			
Provision for income taxes		(1,618)	
(458)			
Net income	\$	24,858	\$
462			
Basic earnings per common share	\$	0.47	\$
0.01			

=====		
Shares used in computing basic earnings per common share		52,658
52,187		
=====		
Diluted earnings per common share	\$	0.47 \$
0.01		
=====		
Shares used in computing diluted earnings per common share		52,823
52,534		
=====		
The Medicines Company Condensed Consolidated Balance Sheets		
		June 30,
December 31, (in thousands) 2009		2010
-----		-----
ASSETS		
Cash, cash equivalents and available for sales securities	\$	218,803 \$
176,191		
Accrued interest receivable		1,256
922		
Accounts receivable, net		20,719
29,789		
Inventory		28,423
25,836		
Prepaid expenses and other current assets		6,029
9,984		
-----		-----
Total current assets		275,230
242,722		
-----		-----
Fixed assets, net		22,166
25,072		
Intangible assets, net		83,802
84,678		
Restricted cash		7,049
7,049		
Goodwill		14,671
14,934		
Other assets		257
321		
-----		-----
Total assets	\$	403,175 \$
374,776		
=====		
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities	\$	80,130 \$
86,619		
Contingent purchase price		25,145

23,667		
Deferred tax liability		19,252
18,395		
Other long term liabilities		5,784
5,706		
Stockholders' equity		272,864
240,389		

	Total liabilities and stockholders' equity	\$ 403,175 \$
374,776		=====

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

Three Months Ended June 30,

	2010				
	Targanta Acquisition			Non-cash Tax	Non-
GAAP (5)	GAAP (1)	(2)	SFAS 123R	Provision	
As Adjusted					
Net revenue	\$ 110,135	\$ -	\$ -	\$ -	\$ -
Operating expenses:					
Cost of revenue	33,568	-	(72) (3)	-	-
33,496					
Research and development	20,575	-	(442) (3)	-	-
20,133					
Selling, general and administrative	39,409	-	(1,823) (3)	-	-
37,586					
	-----	-----	-----	-----	---
Total operating expenses	93,552	-	(2,337)	-	-
91,215					
Income from operations	16,583	-	2,337	-	-
18,920					
Other (loss) income	(117)	-	-	-	-
(117)					
	-----	-----	-----	-----	---

Income before income taxes	16,466	-	2,337	-	
18,803					
(Provision) benefit for income taxes	(1,040)	-	-	531	(4)
(509)					
-----	-----	-----	-----	-----	---
Net income	15,426	-	2,337	531	
18,294					
Basic earnings per common share	\$ 0.29	\$ -	\$ 0.04	\$ 0.01	\$
0.35					
=====	=====	=====	=====	=====	
Shares used in computing basic earnings per common share	52,819	52,819	52,819	52,819	
52,819					
=====	=====	=====	=====	=====	
Diluted earnings per common share	\$ 0.29	\$ -	\$ 0.04	\$ 0.01	\$
0.35					
=====	=====	=====	=====	=====	
Shares used in computing diluted earnings per common share	52,924	52,924	52,924	52,924	
52,924					
=====	=====	=====	=====	=====	

- (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)

Six Months Ended June 30,

2010

	Targanta			Non-cash	Non-
GAAP (5)	Acquisition			Tax	
As	GAAP (1)	(2)	SFAS 123R	Provision	
Adjusted	-----	-----	-----	-----	---
Net revenue	\$ 212,223	\$ -	\$ -	\$ -	\$
212,223					
Costs and expenses:					
Cost of revenue	62,337	-	(161) (3)	-	
62,176					
Research and development	37,452	-	(1,238) (3)	-	
36,214					
Selling, general and administrative	85,530	-	(3,681) (3)	-	
81,849	-----	-----	-----	-----	---
Total operating expenses	185,319	-	(5,080)	-	
180,239					
Income from operations	26,904	-	5,080	-	
31,984					
Other (loss) income	(428)	-	-	-	
(428)	-----	-----	-----	-----	---
Income before income taxes	26,476	-	5,080	-	
31,556					
(Provision) benefit for income taxes	(1,618)	-	-	857 (4)	
(761)	-----	-----	-----	-----	---
Net income	24,858	-	5,080	857	
30,795					
Basic earnings per common share	\$ 0.47	\$ -	\$ 0.10	\$ 0.02	\$
0.58	=====	=====	=====	=====	
	=====				

Shares used in computing basic earnings per common share	52,658	52,658	52,658	52,658	
52,658	=====	=====	=====	=====	
=====					
Diluted earnings per common share	\$ 0.47	\$ -	\$ 0.10	\$ 0.02	\$
0.58	=====	=====	=====	=====	
=====					
Shares used in computing diluted earnings per common share	52,823	52,823	52,823	52,823	
52,823	=====	=====	=====	=====	
=====					
(1) GAAP Results					
(2) Targanta Acquisition					
(3) Non-cash stock compensation expense					
(4) Non-cash income taxes					
(5) Non-GAAP Results					

Contact:
Michael Mitchell
The Medicines Company
973-290-6000
investor.relations@themedco.com

SOURCE: The Medicines Company

mailto:investor.relations@themedco.com