



The Medicines Company Reports Second Quarter and First Half 2011 Results

27 Jul 2011

Quarterly Net Revenues Rise 9% to \$119.6 Million vs 2010

PARSIPPANY, NJ, Jul 27, 2011 (MARKETWIRE via COMTEX) --

The Medicines Company (NASDAQ: MDCO), a global pharmaceutical company focused on advancing the treatment of critical care patients through the delivery of innovative, cost-effective medicines, today announced results for the second quarter and first half of 2011. Highlights include:

- A 9% increase in net revenues in the second quarter of 2011 to \$119.6 million from \$110.1 million in the comparable 2010 period.
- Increased investments in R&D as Phase III trials for cangrelor and oritavancin accelerated
- As a result, net income for the second quarter of 2011 was \$11.4 million, or \$0.21 per share, compared with net income of \$15.4 million, or \$0.29 per share, for the second quarter of 2010; net income for the first half of 2011 was \$35.7 million, or \$0.66 per share, compared with net income of \$24.9 million, or \$0.47 per share, for the first half of 2010.

R&D portfolio highlights for the second quarter included positive Phase IIa clinical trial results from MDCO-2010 in cardiac surgery patients and pre-clinical results from key mode-of-action and toxicology studies for MDCO-216. Detailed data from these Phase IIa and preclinical studies are expected to be presented at major medical meetings in the fourth quarter of 2011. The Company also continued enrollment in Phase III trials of oritavancin and cangrelor. For cangrelor, the BRIDGE trial studying a prolonged infusion was completed with data also expected to be presented in 4Q 2011.

Clive Meanwell, Chairman and Chief Executive Officer, stated, "Second quarter and first half year 2011 results reaffirm our ability to execute our strategy of growing net revenue, investing aggressively in our R&D portfolio; and making stepwise investments to extend our geographic reach while still generating significant positive cash flow. Our second quarter and first half year 2011 results evidence real growth consistent with our short and medium-term goals. Looking ahead, we expect continued revenue growth led by Angiomax(R) | Angiox(R) (bivalirudin) for years to come, and robust progress in R&D and geographic reach."

Dr. Meanwell added, "We were very excited by multiple R&D developments in the second quarter that show the vibrancy and longer term commercial promise of our R&D programs -- all of which are expected to generate products which serve the same customer channel we are building for Angiomax and Cleviprex -- namely, acute and intensive care hospitals worldwide. We expect continuous news flow because of the breadth and depth of our technologies."

Financial highlights for the second quarter of 2011:

-- Net revenue increased by 9% to \$119.6 million for the second quarter of 2011 from \$110.1 million in the second quarter of 2010.

-- Angiomax U.S. sales increased by 7% to \$112.0 million in the second quarter of 2011 compared with \$104.4 million in the second quarter of 2010.

-- Angiomax/Angiox international net revenue in the second quarter of 2011 increased by 27% to \$7.3 million compared with \$5.8 million in the second quarter of 2010.

-- Net income for the second quarter of 2011 was \$11.4 million, or \$0.21 per share, compared with net income of \$15.4 million, or \$0.29 per share, for the second quarter of 2010.

-- Non-GAAP net income for the second quarter of 2011 was \$13.2 million, or \$0.24 per share, compared with non-GAAP net income of \$18.3 million, or \$0.35 per share for the second quarter 2010. Non-GAAP net income excludes stock-based compensation expense and non-cash income taxes.

Financial highlights for the half of 2011:

-- Net revenue increased by 9% to \$231.7 million for the first half of 2011 from \$212.2 million in the first half of 2010.

-- Angiomax U.S. sales increased by 8% to \$217.0 million in the first half of 2011 compared with \$200.0 million in the first half of 2010.

-- Angiomax/Angiox international net revenue in the first half of 2011 increased by 27% to \$14.4 million compared with \$11.4 million in the first half of 2010.

-- Net income for the first half of 2011 was \$35.7 million, or \$0.66 per share, compared with net income of \$24.9 million, or \$0.47 per share, for the first half of 2010.

-- Non-GAAP net income for the first half of 2011 was \$47.7 million, or \$0.88 per share, compared with non-GAAP net income of \$30.8 million, or \$0.58 per share for the first half of 2010. Non-GAAP net income excludes stock-based compensation expense and non-cash income

taxes.

The following table provides reconciliations between GAAP and non-GAAP net income for second quarter (Q2) and first half of 2011 and 2010. Non-GAAP net income excludes stock-based compensation expense and non-cash income taxes:

Non-GAAP Net (in millions) Income (1)	Reported	Stock-Based	Non-cash
	GAAP Net Income	Compensation Expense	(Provision) Benefit for Income Taxes
-----	-----		
Q2 2011 13.2	\$ 11.4	\$ 3.2	\$ (1.4) \$
Q2 2010 18.3	\$ 15.4	\$ 2.3	\$ 0.5 \$
1H 2011 47.7	\$ 35.7	\$ 5.4	\$ 6.6 \$
1H 2010 30.8	\$ 24.9	\$ 5.1	\$ 0.9 \$

Note: Amounts may not sum due to rounding.

(1) Excluding 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 half of 2011 and 2010 are provided in the following table:

Non-GAAP (per share) EPS (1)	Reported	Stock-Based	Non-cash
	GAAP EPS	Compensation Expense	(Provision) Benefit for Income Taxes
-----	-----		
Q2 2011 0.24	\$ 0.21	\$ 0.06	\$ (0.03) \$
Q2 2010 0.35	\$ 0.29	\$ 0.04	\$ 0.01 \$
1H 2011 0.88	\$ 0.66	\$ 0.10	\$ 0.12 \$
1H 2010 0.58	\$ 0.47	\$ 0.10	\$ 0.02 \$

Note: Amounts may not sum due to rounding.

(1) Excluding stock-based compensation expense and the non-cash (provision) benefit 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, 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: 800-638-4930 International Dial In: 617-614-3944 Passcode for both dial in numbers: 15988273

Replay is available from 11:30 a.m. Eastern Time following the conference call through August 10, 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 84976700.

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 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, 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)

Three months ended

June 30,	-----	2011	-----

2010	-----		-----

Net revenue	\$	119,591	\$
110,135			
Operating expenses:			
Cost of revenue		37,830	
33,568			
Research and development		26,536	
20,575			
Selling, general and administrative		41,420	
39,409			
	-----		-----
Total operating expenses		105,786	
93,552			
	-----		-----
Income from operations		13,805	
16,583			
Other income (loss)		61	
(117)			
	-----		-----
Income before income taxes		13,866	
16,466			
Provision for income taxes		(2,426)	
(1,040)			
	-----		-----
Net income	\$	11,440	\$
15,426			
	=====		
Basic earnings per common share	\$	0.21	\$
0.29			
	=====		
Shares used in computing basic earnings per common share		53,441	
52,819			
	=====		
Diluted earnings per common share	\$	0.21	\$
0.29			
	=====		
Shares used in computing diluted earnings per common share		54,314	
52,924			
	=====		
	=====		

The Medicines Company
Condensed Consolidated Statements of Operations
(unaudited)

(in thousands, except per share data)	Year to Date June
30,	-----
-----	2011
2010	-----
-----	-----
Net revenue	\$ 231,728 \$
212,223	
Operating expenses:	
Cost of revenue	73,400
62,337	
Research and development	50,328
37,452	
Selling, general and administrative	79,348
85,530	
-----	-----
Total operating expenses	203,076
185,319	
-----	-----
Income from operations	28,652
26,904	
Legal settlement	17,984
-	
Other income (loss)	872
(428)	
-----	-----
Income before income taxes	47,508
26,476	
Provision for income taxes	(11,827)
(1,618)	
-----	-----
Net income	\$ 35,681 \$
24,858	
=====	=====
Basic earnings per common share	\$ 0.67 \$
0.47	
=====	=====
Shares used in computing basic earnings per common share	53,343
52,658	
=====	=====
Diluted earnings per common share	\$ 0.66 \$
0.47	

Shares used in computing diluted earnings per common share	54,223
52,823	

The Medicines Company
Condensed Consolidated Balance Sheets

December 31, (in thousands) 2010	June 30, 2011
	(unaudited)
ASSETS	
Cash, cash equivalents and available for sales securities	\$ 283,629 \$
246,644	
Accrued interest receivable	895
1,279	
Accounts receivable, net	67,008
46,551	
Inventory	29,161
25,343	
Prepaid expenses and other current assets	8,908
4,804	
Total current assets	389,601
324,621	
Fixed assets, net	19,298
20,662	
Intangible assets, net	81,740
82,925	
Restricted cash	5,783
5,778	
Deferred tax assets	27,286
25,197	
Goodwill	14,671
14,671	
Other assets	296
270	
Total assets	\$ 538,675 \$
474,124	
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities	\$ 103,841 \$
85,370	

Contingent purchase price	27,416
25,387	
Other Long Term Liabilities	5,854
5,769	
Stockholders' equity	401,564
357,598	

Total liabilities and stockholders' equity	\$ 538,675 \$
474,124	
=====	
=====	

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

	Three Months Ended June 30,			
	2011			
Non-GAAP			Non-cash	
(4)				
		Stock-Based	Tax	
As	GAAP(1)	Compensation	Provision	
Adjusted				
Net revenue	\$ 119,591	\$ -	\$ -	\$
119,591				
Operating expenses:				
Cost of revenue	37,830	(35) (2)	-	
37,795				
Research and development	26,536	(531) (2)	-	
26,005				
Selling, general and administrative	41,420	(2,648) (2)	-	
38,772				
Total operating expenses	105,786	(3,214)	-	
102,572				
Income from operations	13,805	3,214	-	
17,019				
Legal settlement	-	-	-	
-				
Other income	61	-	-	
61				

Income before income taxes	13,866	3,214	-		
17,080					
Provision for income taxes	(2,426)	-	(1,437)	(3)	
(3,863)					

Net income	11,440	3,214	(1,437)		
13,217					

Basic earnings per common share	\$ 0.21	\$ 0.06	\$ (0.03)	\$	
0.25					
=====					

Shares used in computing basic earnings per common share	53,441	53,441	53,441		
53,441					
=====					

Diluted earnings per common share	\$ 0.21	\$ 0.06	\$ (0.03)	\$	
0.24					
=====					

Shares used in computing diluted earnings per common share	54,314	54,314	54,314		
54,314					
=====					

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 June 30,

			2010	

Non-GAAP				Non-cash
(4)				
		Stock-Based		Tax

As	GAAP (1)	Compensation	Provision	
Adjusted				
-----	-----	-----	-----	---
Net revenue 110,135	\$ 110,135	\$ -	\$ -	\$
Operating expenses:				
Cost of revenue 33,496	33,568	(72) (2)	-	
Research and development 20,133	20,575	(442) (2)	-	
Selling, general and administrative 37,586	39,409	(1,823) (2)	-	
-----	-----	-----	-----	---
Total operating expenses 91,215	93,552	(2,337)	-	
Income from operations 18,920	16,583	2,337	-	
Other (loss)/income (117)	(117)	-	-	
-----	-----	-----	-----	---
Income before income taxes 18,803	16,466	2,337	-	
(Provision for) Benefit from income taxes (509)	(1,040)	-	531 (3)	
-----	-----	-----	-----	---
Net income 18,294	15,426	2,337	531	
Basic earnings per common share 0.35	\$ 0.29	\$ 0.04	\$ 0.01	\$
=====	=====	=====	=====	
Shares used in computing basic earnings per common share 52,819	52,819	52,819	52,819	
=====	=====	=====	=====	
Diluted earnings per common share 0.35	\$ 0.29	\$ 0.04	\$ 0.01	\$
=====	=====	=====	=====	
Shares used in computing diluted earnings per				

common share	52,924	52,924	52,924
52,924			
=====	=====	=====	=====
=====			

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)

	Six Months Ended June 30,			

	2011			

Non-GAAP			Non-cash	
(4)			Tax	
As		Stock-Based		
Adjusted	GAAP (1)	Compensation	Provision	
	-----	-----	-----	---
Net revenue	\$ 231,728	\$ -	\$ -	\$
231,728				
Operating expenses:				
Cost of revenue	73,400	(78) (2)	-	
73,322				
Research and development	50,328	(959) (2)	-	
49,369				
Selling, general and administrative	79,348	(4,438) (2)	-	
74,910				
	-----	-----	-----	---
Total operating expenses	203,076	(5,475)	-	
197,601				
Income from operations	28,652	5,475	-	
34,127				
Legal settlement	17,984	-	-	
17,984				
Other income	872	-	-	
872				
	-----	-----	-----	---

Income before income taxes	47,508	5,475	-	
52,983				
(Provision for) Benefit from income taxes	(11,827)	-	6,554 (3)	
(5,273)				

Net income	35,681	5,475	6,554	
47,710				
Basic earnings per common share	\$ 0.67	\$ 0.10	\$ 0.12	\$
0.89				
=====				
Shares used in computing basic earnings per common share	53,343	53,343	53,343	
53,343				
=====				
Diluted earnings per common share	\$ 0.66	\$ 0.10	\$ 0.12	\$
0.88				
=====				
Shares used in computing diluted earnings per common share	54,223	54,223	54,223	
54,223				
=====				

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)

Six Months Ended June 30,

2010

Non-GAAP

Non-cash

(4)

As	GAAP (1)	Stock-Based Compensation	Tax Provision	
Adjusted				
-----	-----	-----	-----	---
Net revenue 212,223	\$ 212,223	\$ -	\$ -	\$
Operating expenses:				
Cost of revenue 62,176	62,337	(161) (2)	-	
Research and development 36,214	37,452	(1,238) (2)	-	
Selling, general and administrative 81,849	85,530	(3,681) (2)	-	
Total operating expenses 180,239	185,319	(5,080)	-	
Income from operations 31,984	26,904	5,080	-	
Other (loss)/income (428)	(428)	-	-	
Income before income taxes 31,556	26,476	5,080	-	
(Provision for) Benefit from income taxes (761)	(1,618)	-	857 (3)	
Net income 30,795	24,858	5,080	857	
Basic earnings per common share 0.58	\$ 0.47	\$ 0.10	\$ 0.02	\$
=====	=====	=====	=====	
Shares used in computing basic earnings per common share 52,658	52,658	52,658	52,658	
=====	=====	=====	=====	
Diluted earnings per common share 0.58	\$ 0.47	\$ 0.10	\$ 0.02	\$
=====	=====	=====	=====	
Shares used in computing				

diluted earnings per common share	52,823	52,823	52,823
52,823	=====	=====	=====
=====			

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

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