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## The Medicines Company Reports Third Quarter 2010 Financial Results

27 Oct 2010

PARSIPPANY, NJ, Oct 27, 2010 (MARKETWIRE via COMTEX) --

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

Financial highlights for the third quarter of 2010:

-- Net revenue increased to \$105.7 million for the third quarter from

\$98.8 million for the third quarter 2009.

-- Angiomax U.S. sales increased 9% to \$100.2 million compared to

\$92.2 million for the third quarter 2009.

-- Angiox European sales increased 38% to \$4.0 million compared to

\$2.9 million for the third quarter 2009.

-- Rest of world Angiomax/Angiox sales decreased 42% to \$1.5 million

compared to \$2.6 million for the third quarter 2009 on account of

ordering patterns by partners

-- Net income was \$21.2 million, or \$0.40 per share, compared to net loss

of (\$3.2) million, or (\$0.06) per share for the third quarter 2009.

-- Non-GAAP net income was \$22.8 million, or \$0.43 per share, compared to

non-GAAP net income of \$5.1 million, or \$0.10 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, MD, PhD, Chairman and Chief Executive Officer, stated, "In the third quarter we continued revenue and volume growth compared to 2009 in the U.S. and Europe. All of our development portfolio projects made advances. We continued to pursue tight cost control, resulting in strong earnings for the quarter. We expect to continue to run our business efficiently with an eye to top and bottom line results."

Financial highlights for the first nine months of 2010:

-- Net revenue increased to \$318 million for the first nine months of 2010 from \$302.2 million for same period 2009.

-- Angiomax U.S. sales increased to \$300.3 million compared to \$286.6 million for same period 2009.

-- Angiomax/Angiox international net revenue increased to \$16.9 million compared to \$13.1 million for same period 2009.

-- Net income was \$46.1 million, or \$0.87 per share, compared to net loss of (\$2.7) million, or (\$0.05) per share for same period 2009.

-- Non-GAAP net income was \$53.6 million, or \$1.02 per share, compared to non-GAAP net income of \$20.9 million, or \$0.40 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 third quarter (Q3) and first nine months (9M) of 2010. 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:

	Reported GAAP Net Income (in millions) Income (1)	Targanta Acquisition Costs	FAS 123R Stock-Based Compensation Expense	Non-cash Provision (Benefit) for Income Taxes
Q3 2010	\$ 21.2	\$ -	\$ 1.8	\$ (0.2)
22.8				
Q3 2009	\$ (3.2)	\$ -	\$ 4.4	\$ 3.8
5.1				
9M 2010	\$ 46.1	\$ -	\$ 6.8	\$ 0.7
53.6				
9M 2009	\$ (2.7)	\$ 4.3	\$ 15.3	\$ 4.0
20.9				

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 third quarter (Q3) and first nine months (9M) of 2010 and 2009 are provided in the following table:

	Reported GAAP EPS	Targanta Acquisition Costs	FAS 123R Stock-Based Compensation Expense	Non-cash Provision (Benefit) for Income Taxes
Q3 2010	\$ 0.40	\$ -	\$ 0.03	\$ -

0.43					
Q3 2009	\$	(0.06)	\$	-	\$ 0.09 \$ 0.07
0.10					
9M 2010	\$	0.87	\$	-	\$ 0.13 \$ 0.01
1.02					
9M 2009	\$	(0.05)	\$	0.08	\$ 0.29 \$ 0.08
0.40					

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) (<http://www.themedicinescompany.com>).

The dial in information is listed below:

Domestic Dial In:	866-700-6067
International Dial In:	617-213-8834
Passcode for both dial in numbers:	19125468

Replay is available from 11:30 a.m. Eastern Time following the conference call through November 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 61529947.

#### 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) (<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 August 9, 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)

ended (in thousands, except per share data) 30, ----- 2009 -----	Three months  September  ----- 2010 -----	-----
Net revenue	\$ 105,743	\$
98,789		
Operating expenses:		
Cost of revenue	31,568	
28,308		
Research and development	16,676	
22,464		
Selling, general and administrative	35,788	
47,358		
-----		
Total operating expenses	84,032	
98,130		
-----		
Income from operations	21,711	
659		
Other income	483	
151		
-----		
Income before income taxes	22,194	
810		
Provision for income taxes	(989)	
(4,007)		
-----		
Net income (loss)	\$ 21,205	\$

(3,197)		
=====		
Basic earnings (loss) per common share (0.06)	\$	0.40 \$
=====		
Shares used in computing basic earnings (loss) per common share 52,298		52,991
=====		
Diluted earnings (loss) per common share (0.06)	\$	0.40 \$
=====		
Shares used in computing diluted earnings (loss) per common share 52,298		53,359
=====		

The Medicines Company  
Condensed Consolidated Statements of Operations  
(unaudited)

(in thousands, except per share data)	Year to Date September 30,	
	-----	
	2010	
	-----	
2009	-----	
	-----	
Net revenue	\$	317,966 \$
302,181		
Operating expenses:		
Cost of revenue		93,905
86,958		
Research and development		54,128
68,685		
Selling, general and administrative		121,318
146,863		
Total operating expenses		269,351
302,506		
Income (loss) from operations		48,615
(325)		
Other income		55
2,055		
Income before income taxes		48,670
1,730		
Provision for income taxes		(2,607)
(4,465)		
Net income (loss)	\$	46,063 \$
(2,735)		
=====		

Basic earnings (loss) per common share (0.05)	\$ 0.87 \$
=====	
Shares used in computing basic earnings (loss) per common share 52,225	52,773
=====	
Diluted earnings (loss) per common share (0.05)	\$ 0.87 \$
=====	
Shares used in computing diluted earnings (loss) per common share 52,225	53,005
=====	
The Medicines Company Condensed Consolidated Balance Sheets	
December 31, (in thousands) 2009	September 30, 2010
-----	-----
ASSETS	
Cash, cash equivalents and available for sales securities 176,191	\$ 227,453 \$
Accrued interest receivable 922	922
Accounts receivable, net 29,789	34,070
Inventory 25,836	29,624
Prepaid expenses and other current assets 9,984	7,367
-----	-----
Total current assets 242,722	299,436
-----	-----
Fixed assets, net 25,072	21,387
Intangible assets, net 84,678	83,363
Restricted cash 7,049	5,764
Goodwill 14,934	14,671
Other assets 321	269
-----	-----
Total assets 374,776	\$ 424,890 \$
=====	
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities 86,619	\$ 77,767 \$

Contingent purchase price	25,932	
23,667		
Deferred tax liability	19,105	
18,395		
Other long term liabilities	5,829	
5,706		
Stockholders' equity	296,257	
240,389		
	-----	-----
Total liabilities and stockholders' equity	\$ 424,890	\$
374,776		
	=====	

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

Three Months Ended September 30,

	-----				
	2010				
	-----				
	GAAP (1)	Targanta		Non-cash	Non-
GAAP (5)	As	Acquisition	SFAS	Tax	
As	Reported	(2)	123R	Provision	
Adjusted	-----	-----	-----	-----	---
	-----				
Net revenue	\$ 105,743	\$ -	\$ -	\$ -	\$
105,743					
Operating expenses:					
Cost of revenue	31,568	-	(57)	(3)	-
31,511					
Research and development	16,676	-	(331)	(3)	-
16,345					
Selling, general and administrative	35,788	-	(1,387)	(3)	-
34,401					
	-----	-----	-----	-----	---
	-----				
Total operating expenses	84,032	-	(1,775)		-
82,257					
Income from operations	21,711	-	1,775		-
23,486					
Other (loss) income	483	-	-		-
483					
	-----	-----	-----	-----	---

Income before income taxes	22,194	-	1,775	-
23,969				
(Provision) benefit for income taxes	(989)	-	-	(148) (4)
(1,137)				
Net income	21,205	-	1,775	(148)
22,832				
Basic earnings per common share	\$ 0.40	\$ -	\$ 0.03	- \$
0.43				
Shares used in computing basic earnings per common share	52,991	52,991	52,991	52,991
52,991				
Diluted earnings per common share	\$ 0.40	\$ -	\$ 0.03	\$ - \$
0.43				
Shares used in computing diluted earnings per common share	53,359	53,359	53,359	53,359
53,359				

- (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)

Nine Months Ended September 30,

	----- 2010 -----			
GAAP (5)	Targanta	Non-cash	Non-	
As	Acquisition	Tax		
	GAAP (1)	(2)	SFAS 123R	Provision



Adjusted					
Net revenue	\$ 317,966	\$ -	\$ -	\$ -	\$ -
Costs and expenses:					
Cost of revenue	93,905	-	(218)	(3)	-
Research and development	54,128	-	(1,569)	(3)	-
Selling, general and administrative	121,318	-	(5,068)	(3)	-
Total operating expenses	269,351	-	(6,855)	-	-
Income from operations	48,615	-	6,855	-	-
Other (loss) income	55	-	-	-	-
Income before income taxes	48,670	-	6,855	-	-
(Provision) benefit for income taxes	(2,607)	-	-	710	(4)
Net income	46,063	-	6,855	710	-
Basic earnings per common share	\$ 0.87	\$ -	\$ 0.13	\$ 0.01	\$ -
Shares used in computing basic earnings per common share	52,773	52,773	52,773	52,773	
Diluted earnings per common share	\$ 0.87	\$ -	\$ 0.13	\$ 0.01	\$ -
Shares used in computing					

diluted				
earnings per				
common share	53,005	53,005	53,005	53,005
53,005				
	=====	=====	=====	=====

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

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