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## The Medicines Company Reports Third Quarter 2011 Results

26 Oct 2011

### Quarterly Net Revenues Rise 14% to \$121 Million

PARSIPPANY, NJ, Oct 26, 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 third quarter of 2011. Highlights include:

- A 14% increase in net revenues in the third quarter of 2011 to \$120.8 million from \$105.7 million in the comparable 2010 period.
  
- The Company reinstated approximately \$66 million of deferred tax assets during the quarter, as the Company expects sustained profits on an ongoing basis. Net income for the third quarter of 2011 was \$72.6 million, or \$1.34 per share, compared with net income of \$21.2 million, or \$0.40 per share, for the third quarter of 2010.
  
- The Company increased its cash and available for sale securities balance by \$24 million during the quarter, bringing its cash balance to \$308 million at September 30, 2011, compared with \$284 million at June 30, 2011.
  
- During the quarter, the Company settled lawsuits it had filed in the U.S. District Court for the District of Delaware relating to the Abbreviated New Drug Applications (ANDAs) filed by Teva Parenteral Medicines, Inc. and its affiliate, Pliva Hrvatska d.o.o., for generic versions of Angiomax(R) (bivalirudin for injection).

Clive Meanwell, Chairman and Chief Executive Officer, stated, "Third quarter 2011 results again show that we can grow revenue organically, invest in our R&D portfolio and generate significant positive cash flow at the same time."

R&D portfolio highlights for the third quarter included presentation of detailed data from a positive Phase IIa clinical trial of MDCO-210 at the ANESTHESIOLOGY 2011 conference. Upcoming presentations at major medical conferences for the portfolio in the fourth quarter include:

- Cangrelor: BRIDGE trial studying a prolonged infusion
- Angiomax: BRAVO program, first data of Angiomax use in structural heart disease
- MDCO-216: pre-clinical results from key mode-of-action and toxicology studies

The Company also continued enrollment in Phase III trials of oritavancin and cangrelor and continued technology transfer of MDCO-157, an intravenous formulation of clopidogrel.

#### Revenue highlights for the third quarter of 2011:

-- Net revenue increased by 14% to \$120.8 million for the third quarter of 2011 from \$105.7 million in the third quarter of 2010.

-- Angiomax U.S. sales increased by 11% to \$111.1 million in the third quarter of 2011 compared with \$100.2 million in the third quarter of 2010.

-- Angiomax/Angiox international net revenue in the third quarter of 2011 increased by 67% to \$9.2 million compared with \$5.5 million in the third quarter of 2010.

#### Revenue highlights for the first nine months of 2011:

-- Net revenue increased by 11% to \$352.5 million for the first nine months of 2011 from \$318.0 million for same period of 2010.

-- Angiomax U.S. sales increased by 9% to \$328.1 million in the first nine months of 2011 compared with \$300.3 million for same period of 2010.

-- Angiomax/Angiox international net revenue in the first nine months of 2011 increased by 40% to \$23.7 million compared with \$16.9 million for same period of 2010.

The following table provides reconciliations between GAAP and non-GAAP net income for third quarter (Q3) and nine months (9M) of 2011 and 2010. Non-GAAP net income excludes the transaction charges related to stock-based compensation expense and non-cash income taxes:

GAAP Net (in millions) Income (1)	Reported	GAAP	Stock-Based	Non-cash	Non-		
	Net	Net	Compensation	Provision for			
	Income	Income	Expense	Income Taxes			
	-----	-----	-----	-----	-----		
Q3 2011 9.2	\$	72.6	\$	2.9	\$	(66.3)	\$
Q3 2010 22.8	\$	21.2	\$	1.8	\$	(0.2)	\$
9M 2011 56.9	\$	108.3	\$	8.4	\$	(59.8)	\$
9M 2010 53.6	\$	46.1	\$	6.8	\$	0.7	\$

Note: Amounts may not sum due to rounding.

(1) Excluding stock-based compensation expense and the non-cash (benefit) provision for income taxes.

Reconciliations between GAAP and non-GAAP fully diluted earnings per share (EPS) for the third quarter and nine months of 2011 and 2010 are provided in the following table:

GAAP EPS (per share) (1)	Reported	GAAP	Stock-Based	Non-cash	Non-		
	EPS	EPS	Compensation	Provision for			
	EPS	EPS	Expense	Income Taxes			
	-----	-----	-----	-----	-----		
Q3 2011 0.17	\$	1.34	\$	0.05	\$	(1.22)	\$
Q3 2010 0.43	\$	0.40	\$	0.03	\$	-	\$
9M 2011 1.05	\$	2.00	\$	0.15	\$	(1.10)	\$
9M 2010 1.01	\$	0.87	\$	0.13	\$	0.01	\$

Note: Amounts may not sum due to rounding.

(1) Excluding stock-based compensation expense and the non-cash (benefit)

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, 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: 866-700-7101 International Dial In: 617-213-8837 Passcode for both dial in numbers: 25392199

Replay is available from 11:30 a.m. Eastern Time following the conference call through November 11, 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 31428239.

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 2, 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)	
	Three months
ended	September
(in thousands, except per share data)	30,
-----	-----
2010	2011

	-----
Net revenue	\$ 120,773 \$
105,743	
Operating expenses:	
Cost of revenue	39,459
31,568	
Research and development	26,550
16,676	
Selling, general and administrative	45,353
35,788	
	-----
Total operating expenses	111,362
84,032	
	-----
Income from operations	9,411
21,711	
Other income	578
483	
	-----
Income before income taxes	9,989
22,194	
Benefit (provision) for income taxes	62,625
(989)	
	-----
Net income	\$ 72,614 \$
21,205	
	=====
Basic earnings per common share	\$ 1.36 \$
0.40	
	=====
Shares used in computing basic earnings per common share	53,534
52,991	
	=====
Diluted earnings per common share	\$ 1.34 \$
0.40	
	=====
Shares used in computing diluted earnings per common share	54,260
53,359	
	=====

The Medicines Company  
Condensed Consolidated Statements of Operations  
(unaudited)

Year to

Date (in thousands, except per share data) 30, ----- 2010	September ----- 2011 -----
Net revenue 317,966	\$ 352,501 \$
Operating expenses:	
Cost of revenue 93,905	112,859
Research and development 54,128	76,878
Selling, general and administrative 121,318	124,701
-----	-----
Total operating expenses 269,351	314,438
-----	-----
Income from operations 48,615	38,063
Legal settlement -	17,984
Other income 55	1,450
-----	-----
Income before income taxes 48,670	57,497
Benefit (provision) for income taxes (2,607)	50,798
-----	-----
Net income 46,063	\$ 108,295 \$
=====	=====
Basic earnings per common share 0.87	\$ 2.03 \$
=====	=====
Shares used in computing basic earnings per common share 52,773	53,414
=====	=====
Diluted earnings per common share 0.87	\$ 2.00 \$
=====	=====
Shares used in computing diluted earnings per common share 53,005	54,242
=====	=====

=====

The Medicines Company  
Condensed Consolidated Balance Sheets

December 31, (in thousands) 2010	September 30, 2011
-----	-----
	(unaudited)
ASSETS	
Cash, cash equivalents and available for sales securities	\$ 307,774 \$
246,644	
Accrued interest receivable	443
1,279	
Accounts receivable, net	72,725
46,551	
Inventory	30,426
25,343	
Prepaid expenses and other current assets	7,452
4,804	
-----	-----
Total current assets	418,820
324,621	
Fixed assets, net	18,528
20,662	
Intangible assets, net	86,147
82,925	
Restricted cash	4,626
5,778	
Deferred tax assets	93,582
25,197	
Goodwill	14,671
14,671	
Other assets	289
270	
-----	-----
Total assets	\$ 636,663 \$
474,124	
=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY	
Current liabilities	\$ 125,270 \$
85,370	
Contingent purchase price	28,204
25,387	
Other long term liabilities	5,896
5,769	
Stockholders' equity	477,293
357,598	
-----	-----
Total liabilities and stockholders' equity	\$ 636,663 \$
474,124	

The Medicines Company				
Reconciliation of GAAP to non-GAAP Measures				
(All amounts in thousands, except per share amounts)				
(Unaudited)				
Three Months Ended September 30,				
2011				
Non-	Stock-Based		Non-cash	
GAAP (4)				
As	GAAP (1)	Compensation	Tax	
Adjusted			Provision	
Net revenue	\$ 120,773	\$ -	\$ -	\$ -
120,773				
Operating expenses:				
Cost of revenue	39,459	(21)	(2)	-
39,438				
Research and development	26,550	(527)	(2)	-
26,023				
Selling, general and administrative	45,353	(2,353)	(2)	-
43,000				
Total operating expenses	111,362	(2,901)	-	-
108,461				
Income from operations	9,411	2,901	-	-
12,312				
Legal settlement	-	-	-	-
-				
Other income	578	-	-	-
578				
Income before income taxes	9,989	2,901	-	-
12,890				
Benefit (provision) for income taxes	62,625	-	(66,296)	(3)
(3,671)				
Net income	\$ 72,614	\$ 2,901	\$ (66,296)	\$ -



9,219				
=====				
Basic earnings per common share	\$ 1.36	\$ 0.05	\$ (1.24)	\$
0.17				
=====				
Shares used in computing basic earnings per common share	53,534	53,534	53,534	
53,534				
=====				
Diluted earnings per common share	\$ 1.34	\$ 0.05	\$ (1.22)	\$
0.17				
=====				
Shares used in computing diluted earnings per common share	54,260	54,260	54,260	
54,260				
=====				

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 September 30,			
	-----			
	2010			
	-----			
Non-GAAP			Non-cash	
(4)		Stock-Based	Tax	
As	GAAP (1)	Compensation	Provision	
Adjusted	-----	-----	-----	---
-----				
Net revenue	\$ 105,743	\$ -	\$ -	\$
105,743				

Operating expenses:				
Cost of revenue	31,568	(57)	(2)	-
31,511				
Research and development	16,676	(331)	(2)	-
16,345				
Selling, general and administrative	35,788	(1,387)	(2)	-
34,401				
-----	-----	-----	-----	---
Total operating expenses	84,032	(1,775)		-
82,257				
-----	-----	-----	-----	---
Income from operations	21,711	1,775		-
23,486				
Other income	483	-		-
483				
-----	-----	-----	-----	---
Income before income taxes	22,194	1,775		-
23,969				
(Provision) benefit for income taxes	(989)	-	(148)	(3)
(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				
=====	=====	=====	=====	
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				

	Nine Months Ended September 30,		
	2011		
	GAAP (1)	Stock-Based Compensation	Non-cash Tax Provision
As Adjusted			
Net revenue	\$ 352,501	\$ -	\$ -
Operating expenses:			
Cost of revenue	112,859	(98)	(2)
Research and development	76,878	(1,486)	(2)
Selling, general and administrative	124,701	(6,792)	(2)
Total operating expenses	314,438	(8,376)	-
Income from operations	38,063	8,376	-
Legal settlement	17,984	-	-
Other income	1,450	-	-
Income before income taxes	57,497	8,376	-
Benefit (provision)			

for income taxes	50,798	-	(59,743)	(3)
(8,945)				
-----	-----	-----	-----	---
Net income	\$ 108,295	\$ 8,376	\$ (59,743)	\$
56,928				
=====	=====	=====	=====	
Basic earnings per common share	\$ 2.03	\$ 0.16	\$ (1.12)	\$
1.07				
=====	=====	=====	=====	
Shares used in computing basic earnings per common share	53,414	53,414	53,414	
53,414				
=====	=====	=====	=====	
Diluted earnings per common share	\$ 2.00	\$ 0.15	\$ (1.10)	\$
1.05				
=====	=====	=====	=====	
Shares used in computing diluted earnings per common share	54,242	54,242	54,242	
54,242				
=====	=====	=====	=====	

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)

Nine Months Ended September 30,

-----	-----	-----	-----
			2010
-----	-----	-----	-----
Non-GAAP			Non-cash
(4)			
As		Stock-Based	Tax
Adjusted	GAAP (1)	Compensation	Provision

-----	-----	-----	-----	---
Net revenue 317,966	\$ 317,966	\$ -	\$ -	\$ -
Costs and expenses:				
Cost of revenue 93,687	93,905	(218)	(2)	-
Research and development 52,559	54,128	(1,569)	(2)	-
Selling, general and administrative 116,250	121,318	(5,068)	(2)	-
-----	-----	-----	-----	---
Total operating expenses 262,496	269,351	(6,855)		-
-----	-----	-----	-----	---
Income from operations 55,470	48,615	6,855		-
Other income 55	55	-		-
-----	-----	-----	-----	---
Income before income taxes 55,525	48,670	6,855		-
(Provision) benefit for income taxes (1,897)	\$ (2,607)	-		710 (3)
-----	-----	-----	-----	---
Net income 53,628	\$ 46,063	\$ 6,855	\$ 710	\$ -
=====	=====	=====	=====	
Basic earnings per common share 1.02	\$ 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 1.01	\$ 0.87	\$ 0.13	\$ 0.01	\$ -
=====	=====	=====	=====	
Shares used in				

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

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