

Gilead Sciences Inc

S&P Recommendation BUY ★★★★★

Price
\$44.69 (as of Apr 17, 2009)

12-Mo. Target Price
\$58.00

Investment Style
Large-Cap Growth

GICS Sector Health Care
Sub-Industry Biotechnology

Summary This biopharmaceutical company is engaged in the discovery, development and commercialization of treatments to fight viral, bacterial and fungal infections.

Key Stock Statistics (Source S&P, Vickers, company reports)

52-Wk Range	\$57.63–35.60	S&P Oper. EPS 2009E	2.38	Market Capitalization(B)	\$40.711	Beta	0.65
Trailing 12-Month EPS	\$2.10	S&P Oper. EPS 2010E	2.78	Yield (%)	Nil	S&P 3-Yr. Proj. EPS CAGR(%)	20
Trailing 12-Month P/E	21.3	P/E on S&P Oper. EPS 2009E	18.8	Dividend Rate/Share	Nil	S&P Credit Rating	NA
\$10K Invested 5 Yrs Ago	\$31,186	Common Shares Outstg. (M)	911.0	Institutional Ownership (%)	94		

Price Performance



Options: ASE, CBOE, P, Ph

Analysis prepared by **Steven Silver** on April 06, 2009, when the stock traded at **\$46.98**.

Highlights

- ▶ We see 2009 product sales of \$6.1 billion, which would represent 20% growth over 2008, and total revenues 18% higher at \$6.3 billion. We view favorably GILD's expanding U.S. HIV drug market share, with 70% of HIV patients and 80% of all treatment-naïve HIV patients on a tenofovir (Viread)-based treatment. We think further share expansion is likely, given recent safety concerns with chief rival GlaxoSmithKline's abacavir. Further, we are encouraged by Atripla's European rollout, now available in 14 countries, including four of the top five markets.
- ▶ We forecast operating margins of around 49% in 2009, in line with 2008 levels. We have a favorable view of GILD's expanding R&D spending to support its pipeline, after trailing its sector peers in such spending as a percentage of sales in recent years. We believe GILD is well disciplined in managing expenses, as it has supported the launch of key new products such as Letairis, which requires a comprehensive risk management program.
- ▶ Our 2009 EPS estimate is \$2.38 and 2010's is \$2.78. We see GILD as well positioned to support EPS growth with existing share buyback programs.

Investment Rationale/Risk

- ▶ We view GILD as a core biotech holding with strong fundamentals. Operations generated \$2.2 billion of cash in 2008, and GILD had \$3.2 billion of cash at year end, despite repurchasing over \$2 billion of its shares. We believe GILD is well positioned to acquire new clinical assets such as the recently proposed \$1.4 billion purchase of CV Therapeutics for its cardiovascular products. While HIV drugs still account for most of GILD's product sales, we see diversification from an expanded cardiovascular franchise over the coming years. Further, we are encouraged by the pipeline's advancement, with next-generation anti-viral therapies nearing late-stage study.
- ▶ Risks to our recommendation and target price include any slowdown in GILD's HIV product sales from competition or a patent challenge, failure of pipeline candidates to gain FDA approval, and increased competition in the heart failure market.
- ▶ Our 12-month target price of \$58 applies a 24.4X multiple to our 2009 EPS estimate of \$2.38, a roughly 1.2X PEG to our long-term growth rate of 20%, a premium to peers, given GILD's dominant HIV market position and strong cash flows.

Qualitative Risk Assessment

LOW	MEDIUM	HIGH
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Our risk assessment reflects Gilead's dependence on the growth of its anti-HIV drug portfolio. Also, the company operates in a highly competitive market, and failure to successfully commercialize its pipeline candidates could diminish growth expectations in the future.

Quantitative Evaluations

S&P Quality Ranking B-

D	C	B-	B	B+	A-	A	A+
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Relative Strength Rank WEAK

23	
LOWEST = 1	HIGHEST = 99

Revenue/Earnings Data

Revenue (Million \$)	1Q	2Q	3Q	4Q	Year
2008	1,258	1,278	1,371	1,428	5,336
2007	1,028	1,048	1,059	1,095	4,230
2006	692.9	685.3	748.7	899.2	3,026
2005	430.4	495.3	493.5	609.3	2,028
2004	309.1	319.7	326.2	369.6	1,325
2003	165.1	238.9	200.4	263.5	867.9

Earnings Per Share (\$)

2008	0.51	0.46	0.53	0.60	2.10
2007	0.43	0.42	0.42	0.41	1.68
2006	0.28	0.28	-0.06	-1.81	-1.30
2005	0.17	0.21	0.19	0.29	0.86
2004	0.13	0.12	0.13	0.12	0.50
2003	-0.55	0.12	0.08	0.21	-0.09

Fiscal year ended Dec. 31. Next earnings report expected: NA. EPS Estimates based on S&P Operating Earnings; historical GAAP earnings are as reported.

Dividend Data

No cash dividends have been paid.

Gilead Sciences Inc**Business Summary** April 06, 2009

CORPORATE OVERVIEW. GILD focuses on the research, development and marketing of anti-infective medications, with a primary focus on treatments for HIV.

Truvada continues to be GILD's sales leader, with sales of \$2.11 billion in 2008, 33% above 2007's \$1.59 billion. Truvada, approved in 2004, is a once-daily combination tablet formulated with previous-generation drugs Viread and Emtriva. Emtriva was the lead product of Triangle Pharmaceuticals, acquired in 2003. Viread was approved in 2001 to treat HIV patients who had become resistant to other reverse transcriptase inhibitors, as well as naive patients in front-line treatment settings. Viread sales were \$621 million in 2008, up from \$613 million in 2007.

In late 2004, GILD and Bristol-Myers Squibb (BMY) formed a joint venture for a combination tablet with Truvada and BMY's Sustiva. The formulation, marketed as Atripla, was approved and launched in July 2006. GILD books Atripla sales and then pays BMY its 37% share for the Sustiva portion of the drug, which GILD counts as cost of goods on its financial statements. Atripla generated 2008 sales of \$1.57 billion, up 74% over 903 million in 2007. Atripla received EU approval in December 2007 and was being launched in 2008. As of year end 2008, Atripla was available in 14 countries, including four of the five largest European markets.

Hepsera was approved for treatment of Hepatitis B in the U.S. and EU in September 2002 and March 2003, respectively. GILD recorded \$341 million of Hepsera sales in 2008, up 13% from \$303 million in 2007. However, we expect sales declines for Hepsera, following the August 2008 FDA approval of GILD's Viread in treating chronic Hepatitis B.

AmBisome is a liposomal formulation of amphotericin B, an antifungal agent that attacks a broad variety of life-threatening fungal infections. AmBisome is co-marketed in the U.S. with Fujisawa Healthcare, and is also approved by the FDA to treat cryptococcal meningitis in AIDS patients. Sales were \$290 million in 2008, up 10% from \$263 million in 2007.

Tamiflu, an orally administered treatment for influenza A and B, was developed with Roche and was approved by the FDA for adults in October 1999 and for children aged 1-12 in December 2005. Roche markets the drug, paying a 21-22% royalty to GILD. After a period of stockpiling in 2006 into 2007, Roche began significantly decreasing near-term Tamiflu production, as capacity has surpassed demand.

IMPACT OF MAJOR DEVELOPMENTS. In October 2006, GILD purchased Myogen for about \$2.5 billion. Lead candidate Letairis, a once-daily treatment for pulmonary arterial hypertension (PAH), was approved in June 2007. Given the drug class's potential for liver toxicity, GILD launched the drug with a Risk Minimization Action Plan and Education program, which GILD stated was streamlined upon initial post-launch feedback. Letairis generated \$113 million in sales in 2008.

PIPELINE. GILD is developing Darusentan, an oral treatment of resistant hypertension, that was also acquired in the 2006 purchase of Myogen. The drug showed positive blood pressure lowering effects in a Phase III study in April 2009. Data from another Phase III study is expected later in 2009.

GILD is developing aztreonam lysine, an inhaled medicine for treating cystic fibrosis. Two Phase III studies yielded positive results in 2007, as both trials met the primary endpoint of change from baseline in respiratory symptoms by a patient-reported tool. FDA issued a complete response (approvable) letter in September 2008, requesting further study on the drug's formulation, delaying the drug's approval.

FINANCIAL TRENDS. In 2008, total revenues surpassed \$5 billion, up 26%, to \$5.34 billion. We estimate total 2009 revenues of about \$6.3 billion, an 18% increase. As of December 31, 2008, GILD had \$3.2 billion of cash and securities, having generated \$2.2 billion of cash from operations in 2008. In June 2007, GILD completed a \$1 billion share repurchase program, and initiated a new \$3 billion program in October 2007. In the fourth quarter of 2008, GILD repurchased roughly 18 million of its common shares under an accelerated \$750 million share repurchase program.

Corporate Information**Investor Contact**

S. Hubbard (650 522-5715)

Office

333 Lakeside Drive, Foster City, CA 94404.

Telephone

650-574-3000.

Fax

650-578-9264.

Email

investor_relations@gilead.com

Website<http://www.gilead.com>**Officers****Chrmn & CEO**

J.C. Martin

SVP, CFO & Chief**Acctg Officer**

R.L. Washington

Pres & COO

J.F. Milligan

SVP, Secy & General**Counsel**

G.H. Alton

EVP & CSO

N.W. Bischofberger

Board Members

P. Berg

J. F. Cogan

E. Davignon

J. M. Denny

C. Hills

J. W. Madigan

J. C. Martin

G. E. Moore

N. G. Moore

R. Whitley

G. E. Wilson

Domicile

Delaware

Founded

1987

Employees

3,441

Stockholders

486

Gilead Sciences Inc

Quantitative Evaluations

S&P Fair Value Rank	3+	1	2	3	4	5
		LOWEST				HIGHEST

Based on S&P's proprietary quantitative model, stocks are ranked from most overvalued (1) to most undervalued (5).

Fair Value Calculation	\$47.50	Analysis of the stock's current worth, based on S&P's proprietary quantitative model suggests that GILD is slightly undervalued by \$2.81 or 6.3%.
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Investability Quotient Percentile	97
	LOWEST = 1 HIGHEST = 100
	GILD scored higher than 97% of all companies for which an S&P Report is available.

Volatility	LOW	AVERAGE	HIGH
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Technical Evaluation	NEUTRAL	Since April, 2009, the technical indicators for GILD have been NEUTRAL.
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Insider Activity	UNFAVORABLE	NEUTRAL	FAVORABLE
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Expanded Ratio Analysis

	2008	2007	2006	2005
Price/Sales	9.19	10.49	9.85	12.29
Price/EBITDA	17.89	20.16	17.72	21.72
Price/Pretax Income	17.99	19.62	NM	21.53
P/E Ratio	24.38	27.47	NM	30.63
Avg. Diluted Shares Outstg (M)	958.8	964.4	918.2	948.6

Figures based on calendar year-end price

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	26.14	38.22	44.83	53.05
Net Income	24.51	NM	NM	NM

Ratio Analysis (Annual Avg.)

	2008	2007	2006	2005
Net Margin (%)	37.69	12.19	22.12	13.07
% LT Debt to Capitalization	NA	NA	18.91	28.71
Return on Equity (%)	52.84	21.63	25.88	14.87

Company Financials Fiscal Year Ended Dec. 31

Per Share Data (\$)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Tangible Book Value	4.56	3.71	1.97	3.30	2.09	1.17	0.72	0.58	0.47	0.42
Cash Flow	2.15	1.71	-1.24	0.90	0.51	-0.06	0.10	0.08	-0.04	-0.08
Earnings	1.98	1.68	-1.30	0.86	0.50	-0.09	0.09	0.06	-0.06	-0.10
S&P Core Earnings	2.10	1.67	-1.29	0.78	0.39	-0.17	0.01	-0.14	NA	NA
Dividends	Nil									
Payout Ratio	Nil									
Prices:High	57.63	47.90	35.00	28.26	19.55	17.65	10.00	9.21	7.38	5.97
Prices:Low	35.60	30.96	26.24	15.20	12.88	7.81	6.52	3.11	2.70	2.20
P/E Ratio:High	29	29	NM	33	39	NM	NM	NM	NM	NM
P/E Ratio:Low	18	18	NM	18	26	NM	NM	NM	NM	NM

Income Statement Analysis (Million \$)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Revenue	5,336	4,230	3,026	2,028	1,325	868	467	234	196	169
Operating Income	2,741	2,201	1,683	1,148	656	361	95.4	-106	-40.3	-39.2
Depreciation	51.7	36.9	47.3	36.8	24.4	20.9	14.4	14.7	12.0	12.6
Interest Expense	12.1	13.5	20.4	0.44	7.35	21.9	13.9	14.0	Nil	6.52
Pretax Income	2,726	2,261	-644	1,158	656	-168	73.4	55.3	-41.9	-65.6
Effective Tax Rate	26.5%	29.0%	NM	30.0%	31.5%	NM	1.77%	7.48%	NM	NM
Net Income	2,011	1,615	-1,190	814	449	-72.0	72.1	51.2	-43.1	-66.5
S&P Core Earnings	2,008	1,610	-1,188	737	354	-133	8.55	-108	NA	NA

Balance Sheet & Other Financial Data (Million \$)

	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
Cash	3,240	1,172	937	2,324	1,254	707	942	583	513	294
Current Assets	4,300	3,028	2,429	3,092	1,850	1,266	1,184	708	594	372
Total Assets	7,019	5,835	4,086	3,765	2,156	1,555	1,288	795	678	437
Current Liabilities	1,221	736	764	455	253	186	105	80.1	58.2	47.9
Long Term Debt	1,300	1,301	1,300	241	0.23	345	595	250	252	84.8
Common Equity	4,152	3,460	1,816	3,028	1,871	1,003	571	452	351	297
Total Capital	NA	4,772	3,169	3,277	1,871	1,348	1,166	703	603	382
Capital Expenditures	115	78.7	105	2,226	51.4	38.6	17.6	26.3	15.6	12.5
Cash Flow	2,063	1,652	-1,143	851	474	-51.1	86.5	65.9	-31.1	-53.9
Current Ratio	3.5	4.1	3.2	6.8	7.3	6.8	11.3	8.8	10.2	7.8
% Long Term Debt of Capitalization	28.4	27.2	41.0	7.3	NM	25.6	51.0	35.6	41.8	22.2
% Net Income of Revenue	37.7	38.2	NM	40.1	33.9	NM	15.4	21.9	NM	NM
% Return on Assets	31.3	32.6	NM	27.5	24.2	NM	6.9	6.9	NM	NM
% Return on Equity	52.8	61.2	NM	33.2	31.3	NM	14.1	12.7	NM	NM

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

Gilead Sciences Inc

Sub-Industry Outlook

Our positive fundamental outlook for the biotechnology sub-industry reflects our view that the sector is well positioned to outperform the broader market over the next 12 months, boosted by firm drug demand and more stable earnings visibility amid global economic challenges. Despite recent volatility, which we attribute to President Obama's 2010 budget proposal that sought to initiate major health care reform, we see modest impact on the biotech sector due to limited competition and lack of generics. While we view a regulatory pathway for biogeneric drugs and greater scrutiny of drug prices as likely, we expect debate on the issues, and we do not view such threats as imminent.

In our view, an FDA limited in staffing and resource capacity has been slow in meeting action deadlines and cautious in approving new drugs. We expect President Obama to expand resources to the agency to improve review timeliness and oversight capabilities. We maintain a positive outlook for drug partnering and acquisition activity as global credit markets stabilize, as we see big pharma as well as large biotech companies needing new products and technologies to bolster slowing pipelines, while pharma concerns face sizable patent expirations in coming years. We expect continued adoption of biomarker research and expansion of genetic-targeted clinical studies to aid in controlling health care-related costs.

Cancer therapeutics remains the primary growth impetus, in our view, and we see the prospects for autoimmune and inflammatory treatments remaining positive as well. All told, we see the competitive environment for most key diseases as intensifying.

We recommend that investors concentrate their core holdings on established, profitable companies with solid growth prospects on an absolute as well

as relative basis, as we see small cap biotechs showing particular weakness, due to unfavorable investor sentiment for those issues that may require capital amid such challenging economic conditions. Among small cap names, we would seek companies with at least two years of operating capital. Further, we would look for companies with diverse pipelines and multiple value drivers, as we have seen several companies that were relying on a key single catalyst or value driver, either a clinical program or FDA action, experience significant share price declines on an unfavorable outcome.

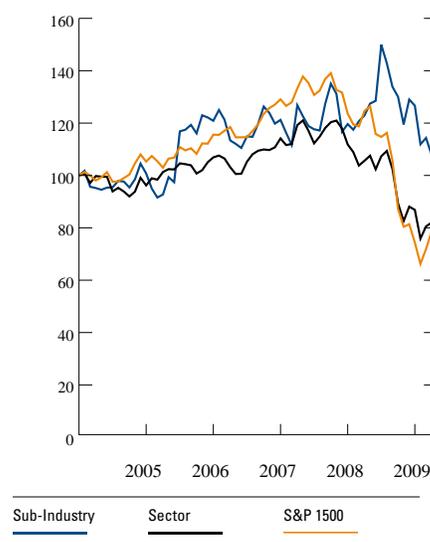
The S&P Biotech Index declined 8.7% year to date through April 9, versus a 4.9% drop for the S&P 1500 Composite Index. In 2008, the sub-industry index rose 10.6%, while the 1500 was down 38.2%.

--Steven Silver

Stock Performance

GICS Sector: Health Care
Sub-Industry: Biotechnology

Based on S&P 1500 Indexes
Month-end Price Performance as of 03/31/09



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Sub-Industry : Biotechnology Peer Group*: Biotech Therapeutics - Larger Capitalization

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Gilead Sciences	GILD	40,711	44.69	57.63/35.60	0.65	Nil	21	47.50	B-	97	37.7	28.4
Amgen Inc	AMGN	48,669	47.07	66.51/27.00	0.52	Nil	12	69.10	B+	98	28.0	30.8
Biogen Idec	BIIB	14,428	50.09	73.59/37.21	0.56	Nil	19	65.10	B	97	19.1	15.0
Celgene Corp	CELG	17,597	38.30	77.39/36.90	0.59	Nil	NM	40.60	C	98	NA	0.6
Genzyme Corp	GENZ	14,922	54.99	83.97/50.05	0.51	Nil	37	64.20	B-	100	9.1	NA

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

Gilead Sciences Inc**S&P Analyst Research Notes and other Company News****April 3, 2009**

GILD announces that DAR-311 (DORADO), a Phase III clinical trial evaluating co.'s endothelin receptor antagonist (ERA) darusentan for treatment of resistant hypertension, met its co-primary efficacy endpoints of change from baseline to week 14 in trough sitting systolic blood pressure (SBP) and trough sitting diastolic blood pressure (DBP).

April 3, 2009

03:01 pm ET ... GILEAD SCIENCES, INC. (GILD 47.05) UP 2.35, GILEAD (GILD) ANNOUNCES POSITIVE DARUSENTAN RESULTS. NEEDHAM REITERATES BUY... Analyst Alan Carr says GILD announced encouraging results from Ph. 3 trails of darusentan in resistant hypertension. Reported blood pressure reductions were clinically meaningful, and no surprises emerged with respect to safety; results are step toward validation of CV platform, recently enhanced by planned CV Therapeutics acquisition. Continues to view GILD as an attractive core holding. Says HIV program is a key driver, although darusentan progression, CVT acquisition allows for added growth, diversification. Has \$51 tgt./Trombino

April 3, 2009

09:56 am ET ... S&P REITERATES BUY OPINION ON SHARES OF GILEAD SCIENCES (GILD 46.39****): GILD reports data from a Phase III study on darusentan for resistant hypertension that met co-primary blood pressure lowering endpoints. The company expects completion of a second study of the drug by the end of '09. We are encouraged by results, and believe the efficacy and safety data demonstrated enhance the drug's prospects and validates GILD's plan to purchase CV Therapeutics (CVTX 19.92, NR) for its cardiovascular portfolio and commercial infrastructure. We see GILD as well funded for more strategic deals, and we raise our target price by \$4 to \$58 on revised PEG analysis. /SSilver

March 16, 2009

12:10 pm ET ... S&P REITERATES BUY OPINION ON SHARES OF GILEAD SCIENCES (GILD 43.95****): Japan's Astellas abandons its hostile bid to acquire CV Therapeutics (CVTX \$19.68 NR), following GILD's \$20 per share cash tender offer for CVTX announced last week. We now see a clearer path for GILD to secure the deal, which is subject to approvals, around mid-'09. We continue to view the proposed deal favorably, as we think it would position GILD to expand its cardiovascular franchise product roster and sales force using cash on hand. We trim our '09 EPS estimate by \$0.02 to \$2.38, and set our '10 view at \$2.75. We keep our P/E-based 12-month target price at \$54. /SSilver

March 12, 2009

DOWN 2.33 to 41.71... GILD agrees to acquire CV THERAPEUTICS for \$20 a share in cash.

March 12, 2009

12:14 pm ET ... S&P REITERATES BUY OPINION ON SHARES OF GILEAD SCIENCES (GILD 43.55****): GILD agrees to acquire CV Therapeutics (CVTX 20.46, NR) for \$1.4B, or \$20/share. With its over \$3B cash, GILD plans to fund the proposed deal internally. Pending approvals, we view the transaction as favorable, expanding GILD's cardiovascular franchise with CVTX's main drug Ranexa for chronic angina and providing an established sales force as a platform for future franchise launches. However, we see potential re-emergence of prior CVTX suitors impacting ability to close the deal on current terms. We are reducing our target price by \$4 to \$54 on lower peer multiples. /S.Silver

February 17, 2009

Gilead Sciences Inc. announced the promotion of Andrew Cheng, MD, PhD to the newly created role of Senior Vice President, Development Operations. In this role, Dr. Cheng will be responsible for Gilead's biometrics, clinical operations, drug safety and public health, project and portfolio management, and regulatory affairs activities, reporting to Norbert Bischofberger, PhD, Executive Vice President, Research and Development and Chief Scientific Officer. With his promotion, Dr. Cheng will join Gilead's Executive Committee. Dr. Cheng joined Gilead in 1999 and most recently served as Vice President, Clinical Research, overseeing clinical development activities for the company's development-stage programs in HIV/AIDS. Prior to joining Gilead, Dr. Cheng trained in internal medicine at the University of California, Los Angeles.

February 3, 2009

Gilead Sciences Inc. announced the promotion of Andrew Cheng, MD, PhD to the newly created role of Senior Vice President Development Operations. In this role, Dr. Cheng will be responsible for the company's biometrics, clinical operations, drug safety and public health, project and portfolio management, and regulatory affairs activities, reporting to Norbert Bischofberger, PhD, Executive Vice President, Research and Development and Chief Scientific Officer. With his promotion, Dr. Cheng will join Gilead's Executive Committee.

January 28, 2009

UP 2.54 to 50.77... GILD posts \$0.60 vs. \$0.41 Q4 GAAP EPS on 30% higher revenue. On non-GAAP basis, posts \$0.63 vs. \$0.44 EPS. S&P reiterates buy. Oppenheimer reiterates outperform....

Gilead Sciences Inc



Of the total 30 companies following GILD, 29 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	9	31	10	14
Buy/Hold	15	52	15	14
Hold	5	17	4	4
Weak Hold	0	0	0	0
Sell	0	0	0	0
No Opinion	0	0	0	0
Total	29	100	29	32



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2010	2.75	2.83	2.66	12	16.3
2009	2.44	2.54	2.23	12	18.3
2010 vs. 2009	▲ 13%	▲ 11%	▲ 19%	0%	▼ -11%
Q1'10	0.66	0.66	0.65	2	67.7
Q1'09	0.59	0.62	0.54	16	75.7
Q1'10 vs. Q1'09	▲ 12%	▲ 6%	▲ 20%	▼ -88%	▼ -11%

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

Wall Street Consensus Opinion

BUY/HOLD

Companies Offering Coverage

- Argus Research Corp.
- Atlantic Equities
- BWS Financial
- Barclays Capital
- Cowen & Co.
- Credit Suisse First Boston
- Deutsche Bank
- FTN Midwest Research
- First Global Stockbroking Ltd.
- Goldman Sachs & Co.
- Harris Nesbitt
- JP Morgan Securities
- Jefferies & Company
- Lazard Capital Markets
- Merriman Curhan Ford & Co.
- Morgan Joseph & Co Inc.
- Morgan Stanley & Company
- Needham & Co.
- Oppenheimer
- Piper Jaffray
- RBC Capital Markets (US)
- Robert W Baird & Co.
- Sanford C Bernstein & Co., Inc.
- Smith Barney
- Thinkequity Partners
- Thomas Weisel Partners
- UBS Warburg
- Wachovia Securities
- Wedbush Morgan
- William Blair & Company

Wall Street Consensus vs. Performance

For fiscal year 2009, analysts estimate that GILD will earn \$2.44. For fiscal year 2010, analysts estimate that GILD's earnings per share will grow by 13% to \$2.75.

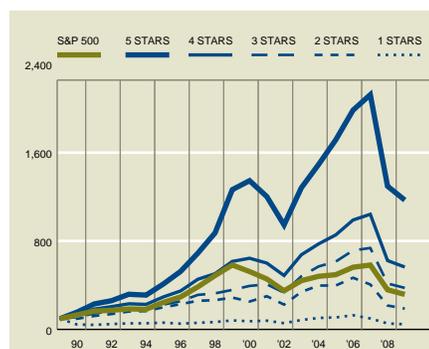
Gilead Sciences Inc

Glossary

S&P STARS

Since January 1, 1987, Standard and Poor's Equity Research Services has ranked a universe of common stocks based on a given stock's potential for future performance. Under proprietary STARS (Stock Appreciation Ranking System), S&P equity analysts rank stocks according to their individual forecast of a stock's future total return potential versus the expected total return of a relevant benchmark (e.g., a regional index (S&P Asia 50 Index, S&P Europe 350 Index or S&P 500 Index)), based on a 12-month time horizon. STARS was designed to meet the needs of investors looking to put their investment decisions in perspective.

STARS Average Annual Performance



S&P 12-Month Target Price

The S&P equity analyst's projection of the market price a given security will command 12 months hence, based on a combination of intrinsic, relative, and private market valuation metrics.

Investment Style Classification

Characterizes the stock as Growth or Value, and indicates its capitalization level. Growth is evaluated along three dimensions (earnings, sales and internal growth), while Value is evaluated along four dimensions (book-to-price, cash flow-to-price, dividend yield and sale-to-price). Growth stocks score higher than the market average on growth dimensions and lower on value dimensions. The reverse is true for Value stocks. Certain stocks are classified as Blend, indicating a mixture of growth and value characteristics and cannot be classified as purely growth or value.

Qualitative Risk Assessment

The S&P equity analyst's view of a given company's operational risk, or the risk of a firm's ability to continue as an ongoing concern. The Qualitative Risk Assessment is a relative ranking to the S&P U.S. STARS universe, and should be reflective of risk factors related to a company's operations, as opposed to risk and volatility measures associated with share prices.

Quantitative Evaluations

In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

S&P Quality Ranking

Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to capsize the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

S&P Fair Value Rank

Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

S&P Fair Value Calculation

The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

Insider Activity

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

Funds From Operations FFO

FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

Investability Quotient (IQ)

The IQ is a measure of investment desirability. It serves as an indicator of potential medium-to-long term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

S&P's IQ Rationale:

Gilead Sciences

	Raw Score	Max Value
Proprietary S&P Measures	42	115
Technical Indicators	36	40
Liquidity/Volatility Measures	18	20
Quantitative Measures	68	75
IQ Total	164	250

Volatility

Rates the volatility of the stock's price over the past year.

Technical Evaluation

In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS)

An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 68 Industries, and 154 Sub-Industries.

S&P Issuer Credit Rating

A Standard & Poor's Issuer Credit Rating is a current opinion of an obligor's overall financial capacity (its creditworthiness) to pay its financial obligations. This opinion focuses on the obligor's capacity and willingness to meet its financial commitments as they come due. It does not apply to any specific financial obligation, as it does not take into account the nature of and provisions of the obligation, its standing in bankruptcy or liquidation, statutory preferences, or the legality and enforceability of the obligation. In addition, it does not take into account the creditworthiness of the guarantors, insurers, or other forms of credit enhancement on the obligation. The Issuer Credit Rating is not a recommendation to purchase, sell, or hold a financial obligation issued by an obligor, as it does not comment on market price or suitability for a particular investor. Issuer Credit Ratings are based on current information furnished by obligors or obtained by Standard & Poor's from other sources it considers reliable. Standard & Poor's does not perform an audit in connection with any Issuer Credit Rating and may, on occasion, rely on unaudited financial information. Issuer Credit Ratings may be changed, suspended, or withdrawn as a result of changes in, or unavailability of, such information, or based on other circumstances.

Exchange Type

ASE - American Stock Exchange; NNM - Nasdaq National Market; NSC - Nasdaq SmallCap; NYSE - New York Stock Exchange; BB - OTC Bulletin Board; OT - Over-the-Counter; TO - Toronto Stock Exchange.

S&P Equity Research Services

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Abbreviations Used in S&P Equity Research Reports

CAGR- Compound Annual Growth Rate; **CAPEX**- Capital Expenditures; **CY**- Calendar Year; **DCF**- Discounted Cash Flow; **EBIT**- Earnings Before Interest and Taxes; **EBITDA**- Earnings Before Interest, Taxes, Depreciation and Amortization; **EPS**- Earnings Per Share; **EV**- Enterprise Value; **FCF**- Free Cash Flow; **FFO**- Funds From Operations; **FY**- Fiscal Year; **P/E**- Price/Earnings; **PEG Ratio**- P/E-to-Growth Ratio; **PV**- Present Value; **R&D**- Research & Development; **ROE**- Return on Equity; **ROI**- Return on Investment; **ROIC**- Return on Invested Capital; **ROA**- Return on Assets; **SG&A**- Selling, General & Administrative Expenses; **WACC**- Weighted Average Cost of Capital

Dividends on American Depository Receipts (ADRs) and American Depository Shares (ADSs) are net of taxes (paid in the country of origin).

Gilead Sciences Inc

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In North America: As of March 31, 2009, research analysts at Standard & Poor's Equity Research Services U.S. have recommended 24.4% of issuers with buy recommendations, 61.0% with hold recommendations and 14.6% with sell recommendations.

In Europe: As of March 31, 2009, research analysts at Standard & Poor's Equity Research Services Europe have recommended 30.2% of issuers with buy recommendations, 42.5% with hold recommendations and 27.3% with sell recommendations.

In Asia: As of March 31, 2009, research analysts at Standard & Poor's Equity Research Services Asia have recommended 28.0% of issuers with buy recommendations, 51.7% with hold recommendations and 20.3% with sell recommendations.

Globally: As of March 31, 2009, research analysts at Standard & Poor's Equity Research Services globally have recommended 25.6% of issuers with buy recommendations, 57.4% with hold recommendations and 17.0% with sell recommendations.

★★★★★ **5-STARS (Strong Buy):** Total return is expected to outperform the total return of a relevant benchmark, by a wide margin over the coming 12 months, with shares rising in price on an absolute basis.

★★★★☆ **4-STARS (Buy):** Total return is expected to outperform the total return of a relevant benchmark over the coming 12 months, with shares rising in price on an absolute basis.

★★★☆☆ **3-STARS (Hold):** Total return is expected to closely approximate the total return of a relevant benchmark over the coming 12 months, with shares generally rising in price on an absolute basis.

★★☆☆☆ **2-STARS (Sell):** Total return is expected to underperform the total return of a relevant benchmark over the coming 12 months, and the share price not anticipated to show a gain.

★☆☆☆☆ **1-STARS (Strong Sell):** Total return is expected to underperform the total return of a relevant benchmark by a wide margin over the coming 12 months, with shares falling in price on an absolute basis.

Relevant benchmarks: In North America the relevant benchmark is the S&P 500 Index, in Europe and in Asia, the relevant benchmarks are generally the S&P Europe 350 Index and the S&P Asia 50 Index.

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