

RECENT PRICE **47.43** P/E RATIO **19.9** (Trailing: 22.6 Median: 43.0) RELATIVE P/E RATIO **1.59** DIV'D YLD **Nil** **VALUE LINE**

2012-14 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	85	(+80%)	16%
Low	65	(+35%)	9%

Options: Yes
Shaded area: prior recession
Latest recession began 12/07

Insider Decisions

	M	J	J	A	S	O	N	D	J
to Buy	0	0	0	0	0	0	0	0	0
Options	4	4	8	3	3	6	3	4	7
to Sell	6	4	7	3	3	5	4	2	7

Institutional Decisions

	2Q2008	3Q2008	4Q2008
to Buy	380	324	377
to Sell	351	437	431
Hld's(000)	849013	835949	849497

Percent shares traded

% TOT. RETURN 3/09

	THIS STOCK	VL ARITH. INDEX
1 yr.	-10.1	-36.8
3 yr.	48.9	-38.1
5 yr.	234.1	-19.5

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	© VALUE LINE PUB., INC.	12-14
.24	.26	.30	.59	1.02	1.48	2.12	3.28	4.54	5.86	6.95	7.85	Sales per sh	10.40
d.05	d.04	d.13	.13	.38	.53	.90	1.31	1.79	2.32	2.50	2.80	"Cash Flow" per sh	3.60
d.07	d.06	d.14	.11	.35	.50	.84	1.27	1.68	2.10	2.40	2.65	Earnings per sh ^A	3.35
--	--	--	--	--	--	--	--	--	--	Nil	Nil	Div'ds Decl'd per sh	Nil
.02	.02	.03	.02	.05	.06	.05	.11	.08	.13	.13	.13	Cap'l Spending per sh	.15
.42	.47	.59	.72	1.18	2.08	3.29	1.97	3.71	4.56	6.05	7.25	Book Value per sh	13.80
705.48	754.30	772.16	790.38	853.01	897.64	919.45	922.25	932.48	909.82	890.00	880.00	Common Shs Outst'g ^B	860.00
--	--	--	79.5	36.6	32.6	25.3	24.5	23.6	24.3	Bold figures are Value Line		Avg Ann'l P/E Ratio	22.0
--	--	--	4.34	2.09	1.72	1.35	1.32	1.25	1.43			Relative P/E Ratio	1.45

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169.0	195.6	233.8	466.8	867.9	1324.6	1947.7	3026.1	4230.0	5335.8	6180	6900	Sales (\$mill)	8950
NME	NME	NME	20.4%	41.6%	40.5%	54.7%	55.6%	52.4%	52.1%	50.0%	49.0%	Operating Margin	44.5%

12.6	12.0	14.7	14.4	20.9	24.4	35.8	47.3	51.3	102.5	105	110	Depreciation (\$mill)	125
d48.2	d43.1	d114.3	88.1	303.5	449.4	792.1	1161.5	1615.3	2011.2	2135	2330	Net Profit (\$mill)	2965
--	--	--	1.5%	5.2%	31.5%	26.7%	33.8%	28.9%	26.5%	28.0%	29.0%	Income Tax Rate	30.0%
NMF	NMF	NMF	18.9%	35.0%	33.9%	40.7%	38.4%	38.2%	37.7%	34.5%	33.8%	Net Profit Margin	33.7%
234.1	595.6	627.7	1078.0	1080.0	1506.2	2626.0	1664.0	2393.0	2703.2	2040	2040	Working Cap/(\$mill)	2075

324.1	333.6	627.7	1078.9	1060.0	1396.2	2636.9	1664.9	2292.0	3073.3	3040	3040	Working Cap (\$mil)	3975
5.3	2.2	.4	3.3	345.3	.2	240.7	1300.0	1300.0	1374.0	1300	1300	Long-Term Debt (\$mill)	<i>Nil</i>
297.3	351.1	452.4	571.3	1003.0	1870.9	3027.8	1815.7	3460.0	4152.5	5375	6400	Shr. Equity (\$mil)	11875

NMF	NMF	NMF	16.6%	23.3%	24.2%	24.2%	37.6%	34.1%	36.5%	33.0%	28.5%	Return on Total Cap'l	25.0%
NMF	NMF	NMF	15.4%	20.3%	24.0%	26.3%	64.0%	46.7%	48.4%	40.0%	26.5%	Return on Shr. Equity	25.0%

NMF	NMF	NMF	13.4%	30.3%	24.0%	20.2%	64.0%	40.7%	40.4%	40.0%	30.3%	return on Sini. Equity	23.0%
NMF	NMF	NMF	15.4%	30.3%	24.0%	26.2%	64.0%	46.7%	48.4%	40.0%	36.5%	Retained to Com Eq	25.0%
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<p>BUSINESS: Gilead Sciences discovers, develops, and commercializes proprietary treatments for viral diseases, marketing them in the U.S. and abroad. Drugs currently on the market include <i>AmBisome</i> (an antifungal agent), <i>Atripla</i>, <i>Truvada</i>, <i>Viread</i>, <i>Emtriva</i> (for the treatment of HIV), <i>Tamiflu</i> (influenza), <i>Vistide</i> (for CMV retinitis in patients with AIDS), and <i>Hepsera</i> (for hepatitis B). 2008 depr. rate:</p>	<p>8.1%; R&D expense: 14.2% of sales. Acq. NeXstar Pharm.; 7/99, Triangle Pharm.; 1/03. Has about 2,860 employees. Officers and directors own 2.2% of common stock; FMR Corp., 5.4%; Axa Fin., 5.7% (4/09 proxy). Chrmn.: James M. Denny. Pres. & CEO: John C. Martin, Ph.D. Inc.: CA. Address: 333 Lakeside Drive, Foster City, CA, 94404. Tel.: 650-574-3000. Web: www.gilead.com.</p>
<p>Gilead Sciences looks to be on track</p>	<p><i>Ranexa</i> (chronic Angina), <i>Lexiscan</i>, and</p>

to acquire CV Therapeutics (CVTX). In February, the Japanese drugmaker Astellas launched a \$16-a-share bid (\$1.1 billion) for CVTX. This was a 76% premium to CVTX's stock price of the previous day. On March 13th, Gilead changed in as the "white knight," offering CVTX \$30 a

the white knight offering CVTX \$20 a share (\$1.4 billion), a 25% premium to Astellas' bid. CVTX had repeatedly been rebuffing Astellas' efforts to buy it. Astellas and CV Therapeutics are in partnership to market *Lexiscan*, a cardiovascular imaging agent. Astellas has sub-

preferred to have waited until *Darusselman* had been approved for marketing before acquiring CVTX, but its hand was forced. **Earnings should continue rising through 2010.** Spearheaded by the flagship HIV business consisting of *Viread*, *Emtriva*, *Truvada* (a reformulation of

sequently dropped its hostile bid to acquire CVTX, leaving GILD as the only interested party. CVTX's board of directors has encouraged investors to approve the deal. The bid fairly values assets at 6.1x estimated 2009 sales, compared to Gilead's 6.3x estimated sales. If all goes according

to plan, Gilead will acquire CVTX in the second quarter. We think this is a good move for Gilead. Although the buy would be dilutive to 2009 share earnings by about six cents, it should be accretive by 2011. Long term, CVTX's cardiovascular drugs	This top-ranked and good-quality stock offers investors a safe haven in a year that promises to be very trying. The company's recession-resistant business portfolio should support 12% average annual share-net growth to 2012-2014. <i>Jeremy J. Butler</i> <i>April 17, 2009</i>
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Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	100
Earnings Predictability	50

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