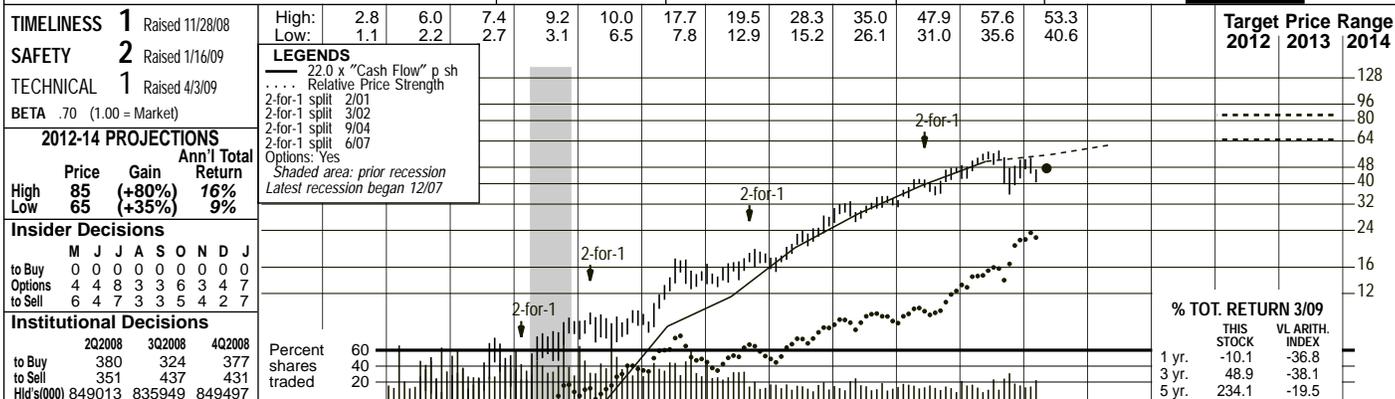


GILEAD SCIENCES NDQ-GILD

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



TIMELINESS 1 Raised 11/28/08
SAFETY 2 Raised 1/16/09
TECHNICAL 1 Raised 4/3/09
BETA .70 (1.00 = Market)

2012-14 PROJECTIONS

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

Insider Decisions

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

Institutional Decisions

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

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	1.15
.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	23.4	Bold figures are Value Line estimates		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
--	--	--	--	--	--	--	--	--	--			Avg Ann'l Div'd Yield	Nil

Gilead Sciences was incorporated in the state of Delaware in June of 1987. The company completed its initial public offering in January of 1992, issuing 11.5 million shares of common stock for total proceeds of \$86.25 million. Two more stock offerings followed, one of 3.34 million shares raising \$50 million in December of 1992, and another of 4 million shares in August of 1995, which raised \$94.2 million in proceeds.

CAPITAL STRUCTURE as of 12/31/08
Total Debt \$1305.5 mill. **Due in 5 Yrs** \$1305 mill.
LT Debt 1299.9 mill. **LT Interest** \$44.9 mill.

(Includes \$650 mill. .5% convertible note due 2011, convertible at \$38.75 per share, and \$650 mill. 6.25% conv. note due 2013, conv. at \$38.10.)
Leases, Uncapitalized: \$23.6 mill.
No Defined Benefit Pension Plan

Common Stock 909,823,730 shs. as of 1/26/09

MARKET CAP: \$43.2 billion (Large Cap)

1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	© VALUE LINE PUB., INC.	12-14
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
NMF	NMF	NMF	20.4%	41.6%	49.5%	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%	26.5%	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%
324.1	535.6	627.7	1078.9	1080.0	1596.2	2636.9	1664.9	2292.0	3079.3	3040	3040	Working Cap'l (\$mill)	3975
5.3	2.2	.4	.3	345.3	.2	240.7	1300.0	1300.0	1374.0	1300	1300	Long-Term Debt (\$mill)	Nil
297.3	351.1	452.4	571.3	1003.0	1870.9	3027.8	1815.7	3460.0	4152.5	5375	6400	Shr. Equity (\$mill)	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%	30.3%	24.0%	26.2%	64.0%	46.7%	48.4%	40.0%	36.5%	Return on Shr. Equity	25.0%
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%
--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

CURRENT POSITION (\$MILL.)

	2006	2007	12/31/08
Cash Assets	936.9	1172.0	1790.1
Receivables	609.3	795.1	1023.4
Inventory (Avg Cst)	564.1	600.0	927.9
Other	318.9	461.2	558.9
Current Assets	2429.2	3028.3	4300.3
Accts Payable	367.0	290.3	601.2
Debt Due	18.7	.3	5.6
Other	378.6	445.7	614.2
Current Liab.	764.3	736.3	1221.0

ANNUAL RATES of change (per sh)

Past 10 Yrs.	Past 5 Yrs.	Est'd '06-'08 to '12-'14
Sales 51.0%	48.0%	14.5%
"Cash Flow" --	70.0%	12.0%
Earnings --	73.5%	12.0%
Dividends --	--	Nil
Book Value 18.5%	33.0%	26.0%

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 *AmBisome* (an antifungal agent), *Atripla*, *Truvada*, *Viread*, *Emtriva* (for the treatment of HIV), *Tamiflu* (influenza), *Vistide* (for CMV retinitis in patients with AIDS), and *Hepsera* (for hepatitis B). 2008 depr. rate:

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.

Gilead Sciences looks to be on track 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 charged in as 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 subsequently 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

Quarterly Sales (\$mill.)

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	692.9	685.3	748.7	899.2	3026.1
2007	1028	1048	1058	1094	4230.0
2008	1258	1278	1371	1428	5335.8
2009	1480	1520	1560	1620	6180
2010	1660	1700	1740	1800	6900

Earnings per Share^A

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.28	.28	.32	.39	1.27
2007	.43	.42	.42	.41	1.68
2008	.51	.46	.52	.61	2.10
2009	.58	.59	.60	.63	2.40
2010	.65	.65	.67	.68	2.65

Quarterly Dividends Paid

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005					
2006					
2007					
2008					
2009					

Ranexa (chronic Angina), *Lexiscan*, and yet-to-be-approved *Darusentan* (a receptor antagonist in Phase III trials for resistant hypertension) should bolster and complement Gilead's existing cardio stable. It would also alleviate dependence on its core HIV franchise. Gilead would have preferred to have waited until *Darusentan* 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 *Viread* and *Emtriva*), and *Atripla*, share net should rise 14% and 10% in 2009 and 2010, respectively. (*Viread* is now approved to treat hHepatitis B.) Share buybacks, and a potential kicker from *Tamiflu* royalties in the flu season, should also aid profit growth. **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. *Jeremy J. Butler* April 17, 2009

(A) Diluted earnings. Excludes nonrecurring gains/(charges): '98, (\$0.22); '99, \$0.75; '02, (4¢); '03, (\$0.89); '05, \$0.03; '06, (\$2.56); '08, (1¢). Next earnings report due late April.
 (B) In millions. Adjusted for splits.

Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	100
Earnings Predictability	50

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