Second Quarter 2000 Highlights

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Gilead Sciences is an independent biopharmaceutical company that seeks to provide accelerated solutions for patients and the people who care for them. During the second quarter of 2000, the Company received product and royalty revenues from the sale of AmBisome® (amphotericin B) liposome for injection for the treatment of life-threatening fungal infections, Tamiflu™ (oseltamivir phosphate) for the treatment of influenza A and B in adults, DaunoXome® (daunorubicin citrate liposome injection) for AIDS-related Kaposi's Sarcoma and VISTIDE® (cidofovir injection) for the treatment of CMV retinitis, as well as from collaborative agreements with its pharmaceutical partners.

Total Revenues	$ 50.0 mm
Net Loss	$ 4.2 mm
Net Product Sales	$ 38.0 mm
Net Loss per Share	,$ 0.09
Operating Expenses	$ 47.1 mm
Cash, Cash Equivalents and Marketable Securities	$ 295.5 mm

Exclusive License Agreement for NX 1838 Announced – In April, Gilead and EyeTech Pharmaceuticals announced an exclusive, worldwide licensing agreement for NX 1838, Gilead's proprietary aptamer for the potential treatment of age-related macular degeneration. Under this agreement, EyeTech has paid Gilead an up-front licensing fee of $7 million, and Gilead will receive additional cash payments of up to $25 million upon achievement of certain development milestones, as well as royalties on any future product sales.

AmBisome Receives FDA Approval for the Treatment of Cryptococcal Meningitis – Gilead and its U.S. marketing partner Fujisawa Healthcare, Inc. announced that the U.S. Food and Drug Administration (FDA) approved the supplemental New Drug Application (sNDA) for the use of AmBisome for the treatment of cryptococcal meningitis in HIV-infected patients.

New Applications for Tamiflu for Influenza Filed – In May, Hoffmann-La Roche and Gilead Sciences announced that Roche submitted a sNDA to the U.S. FDA for Tamiflu for the prevention of naturally occurring influenza in adults and adolescents 13 years and older. The FDA has granted this sNDA an expedited (six month) review. In June, Roche also submitted a sNDA to the FDA for Tamiflu for the treatment of acute illness due to influenza in children 1 year and older. Roche presented data supporting these applications at the 10th European Congress of Clinical Microbiology and Infectious Diseases in Stockholm, Sweden in late May. Also in May, Roche and Gilead announced that Roche withdrew its European application for Tamiflu for the treatment of influenza in order to generate further data to submit to European regulatory authorities.

Positive Tenofovir DF Preliminary 48-Week Data Released – In April, at the 13th International Conference on Antiviral Research, Gilead presented preliminary 48-week results from a dose-ranging clinical trial (Study 902) evaluating the safety and efficacy of once-daily tenofovir disoproxil fumarate (tenofovir DF) when used to intensify a stable background antiretroviral regimen in 189 treatment-experienced HIV patients. Treatment with the highest dose of tenofovir DF (300 mg) in antiretroviral-experienced patients was associated with a mean change from baseline in HIV RNA of 0.68 $\log_{10}$ copies/mL at 48 weeks.

Gilead Begins Tenofovir DF Phase III Trial in Treatment-Naïve Patients– In June, Gilead began enrolling patients in a second multinational Phase III clinical trial (Study 903) of tenofovir DF 300 mg, its investigational agent for the treatment of HIV infection. Designed to enroll approximately 600 patients at sites in the United States, Europe and South America, this trial will evaluate the safety and efficacy of tenofovir DF as part of a simplified treatment regimen in antiretroviral-naïve patients with HIV infection. Gilead also completed enrollment (552 patients) in Study 907, a large intensification study of tenofovir DF in treatment-

experienced patients.

Data Describing Adefovir Dipivoxil Activity Against Lamivudine-Resistant HBV Presented – In April, at the 10th International Symposium on Viral Hepatitis and Liver Disease in Atlanta, Marion Peters, MD, of the University of California, San Francisco Medical Center presented clinical data from an open-label study evaluating adefovir dipivoxil in 23 patients with chronic hepatitis B infection who have failed treatment with the antiviral agent lamivudine (3TC) due to viral resistance. Treatment with adefovir dipivoxil was associated with suppression of HBV DNA to undetectable levels in 80 percent of patients who had 12 to 15 months of treatment.

Glaxo Wellcome Waives Development and Commercialization Rights to NX 211 As part of the original licensing agreement between Gilead and Glaxo Wellcome for NX 211 (liposomal lurtotecan), Glaxo had the right to elect to participate with Gilead in the development and commercialization of NX 211 in any territory throughout the world, after reviewing Phase II data. In connection with its pending merger with SmithKline Beecham, Glaxo has permanently waived this option.

Upcoming Milestones

AmBisome (Fungal Inf.) Publish head-to-head data comparing AmBisome to Abelcet® (amphotericin B lipid) in a peer-reviewed journal.

Tamiflu (Influenza) Receive approvals for sNDA for prophylaxis and pediatric indications.

Tenofovir DF (HIV) Present 48-week resistance data from Study 902; complete enrollment in Study 903.

NX 211 (Cancer) Initiate Phase II trials.

SAFE HARBOR DISCLAIMER: The Upcoming Milestones listed above contain "forward-looking" information (within the meaning of the Private Securities Litigation Reform Act of 1995) that involves substantial risk and uncertainty. Actual results may differ materially based on a variety of factors, particularly those relating to the development, approval and marketing of pharmaceutical products as described in the "Risk Factors" section of Gilead's SEC reports, including the report on Form 10-K for the year ended December 31, 1999.