

GILEAD SCIENCES, INC.
RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL INFORMATION
(unaudited)
(in thousands except percentages and per share amounts)

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009	Q3 2009	YTD 2009
Cost of goods sold reconciliation:									
GAAP cost of goods sold	\$ 239,848	\$ 265,684	\$ 300,183	\$ 321,531	\$ 1,127,246	\$ 329,414	\$ 383,045	\$ 409,700	\$ 1,122,159
Acquisition-related amortization of inventory mark-up	-	-	-	-	-	-	(3,711)	(4,922)	(8,633)
Acquisition-related amortization of purchased intangibles	-	-	-	-	-	-	(12,066)	(14,585)	(26,651)
Stock-based compensation expenses	(1,694)	(2,848)	(2,592)	(3,178)	(10,312)	(3,254)	(2,771)	(2,461)	(8,486)
Non-GAAP cost of goods sold	\$ 238,154	\$ 262,836	\$ 297,591	\$ 318,353	\$ 1,116,934	\$ 326,160	\$ 364,497	\$ 387,732	\$ 1,078,389
Product gross margin reconciliation:									
GAAP product gross margin	79.4 %	78.6 %	77.9 %	77.2 %	78.2 %	77.4 %	75.7 %	75.2 %	76.0 %
Acquisition-related amortization of inventory mark-up	-	-	-	-	-	-	0.2 %	0.3 %	0.2 %
Acquisition-related amortization of purchased intangibles	-	-	-	-	-	-	0.8 %	0.9 %	0.6 %
Stock-based compensation expenses	0.1 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.1 %	0.2 %
Non-GAAP product gross margin	79.5 %	78.8 %	78.1 %	77.4 %	78.4 %	77.6 %	76.9 %	76.5 %	77.0 %
Research and development expenses reconciliation:									
GAAP research and development expenses	\$ 155,301	\$ 176,542	\$ 188,062	\$ 201,863	\$ 721,768	\$ 188,779	\$ 241,638	\$ 269,856	\$ 700,273
Restructuring expenses	-	-	-	-	-	-	(11,251)	(5,780)	(17,031)
Stock-based compensation expenses	(16,895)	(15,370)	(17,680)	(16,578)	(66,523)	(16,955)	(24,321)	(21,916)	(63,192)
Non-GAAP research and development expenses	\$ 138,406	\$ 161,172	\$ 170,382	\$ 185,285	\$ 655,245	\$ 171,824	\$ 206,066	\$ 242,160	\$ 620,050
Selling, general and administrative expenses reconciliation:									
GAAP selling, general and administrative expenses	\$ 194,957	\$ 219,533	\$ 189,189	\$ 193,665	\$ 797,344	\$ 203,951	\$ 261,411	\$ 227,427	\$ 692,789
Acquisition-related transaction costs	-	-	-	-	-	-	(8,165)	(239)	(8,404)
Restructuring expenses	-	-	-	-	-	-	(12,855)	(2,623)	(15,478)
Stock-based compensation expenses	(17,547)	(18,657)	(21,322)	(19,003)	(76,529)	(20,836)	(27,189)	(24,230)	(72,255)
Non-GAAP selling, general and administrative expenses	\$ 177,410	\$ 200,876	\$ 167,867	\$ 174,662	\$ 720,815	\$ 183,115	\$ 213,202	\$ 200,335	\$ 596,652
Operating margin reconciliation:									
GAAP operating margin	53.1 %	47.4 %	50.6 %	49.8 %	50.2 %	52.8 %	46.2 %	49.7 %	49.5 %
Acquisition-related transaction costs	-	-	-	-	-	-	0.5 %	0.0 %	0.2 %
Acquisition-related amortization of inventory mark-up	-	-	-	-	-	-	0.2 %	0.3 %	0.2 %
Acquisition-related amortization of purchased intangibles	-	-	-	-	-	-	0.7 %	0.8 %	0.5 %
Restructuring expenses	-	-	-	-	-	-	1.5 %	0.5 %	0.7 %
Stock-based compensation expenses	2.9 %	2.9 %	3.0 %	2.7 %	2.9 %	2.7 %	3.3 %	2.7 %	2.9 %
Purchased in-process research and development expense	-	0.8 %	-	-	0.2 %	-	-	-	0.0 %
Non-GAAP operating margin	56.0 %	51.1 %	53.6 %	52.5 %	53.3 %	55.5 %	52.4 %	53.9 %	53.9 %
Net Income attributable to Gilead reconciliation:									
GAAP net income attributable to Gilead	\$ 488,300	\$ 434,783	\$ 495,853	\$ 559,963	\$ 1,978,899	\$ 589,112	\$ 571,398	\$ 673,033	\$ 1,833,543
Acquisition-related transaction costs	-	-	-	-	-	-	8,165	239	8,404
Acquisition-related amortization of inventory mark-up	-	-	-	-	-	-	2,659	3,667	6,326
Acquisition-related amortization of purchased intangibles	-	-	-	-	-	-	8,909	10,866	19,775
Restructuring expenses	-	-	-	-	-	-	17,792	6,280	24,052
Stock-based compensation expenses	26,001	26,409	30,081	30,308	112,799	30,288	39,961	36,218	106,467
Purchased in-process research and development expense	-	7,769	-	-	7,769	-	-	-	-
Non-GAAP net income attributable to Gilead	\$ 514,301	\$ 468,961	\$ 525,934	\$ 590,271	\$ 2,099,467	\$ 619,400	\$ 648,884	\$ 730,283	\$ 1,998,567
Diluted earnings per share reconciliation:									
GAAP diluted earnings per share	\$ 0.51	\$ 0.45	\$ 0.52	\$ 0.59	\$ 2.06	\$ 0.63	\$ 0.61	\$ 0.72	\$ 1.96
Acquisition-related transaction costs	-	-	-	-	-	-	0.01	0.00	0.01
Acquisition-related amortization of inventory mark-up	-	-	-	-	-	-	0.00	0.00	0.01
Acquisition-related amortization of purchased intangibles	-	-	-	-	-	-	0.01	0.01	0.02
Restructuring expenses	-	-	-	-	-	-	0.02	0.01	0.03
Stock-based compensation expenses	0.03	0.03	0.03	0.03	0.12	0.03	0.04	0.04	0.11
Purchased in-process research and development expense	-	0.01	-	-	0.01	-	-	-	-
Non-GAAP diluted earnings per share	\$ 0.53	\$ 0.48	\$ 0.55	\$ 0.63	\$ 2.19	\$ 0.66	\$ 0.69	\$ 0.78	\$ 2.13
Shares used in per share calculation (diluted) reconciliation:									
GAAP shares used in per share calculation (diluted)	966,554	965,663	960,585	942,837	958,825	942,479	934,478	932,424	936,530
Effect of SFAS 123R	2,121	2,403	1,924	683	1,686	799	28	(119)	245
Non-GAAP shares used in per share calculation (diluted)	968,675	968,066	962,509	943,520	960,511	943,278	934,506	932,305	936,775

Note : Amounts may not sum due to rounding

Management believes the non-GAAP information presented above is useful for investors, taken in conjunction with Gilead's GAAP financial statements, because management uses such information internally for its operating, budgeting and financial planning purposes. Non-GAAP information is not prepared under a comprehensive set of accounting rules and should only be used to supplement an understanding of Gilead's operating results as reported under United States generally accepted accounting principles.

GILEAD SCIENCES, INC.
Non-GAAP Adjustments
(unaudited)
(in thousands)

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	FY 2008	Q1 2009	Q2 2009	Q3 2009	YTD 2009
Cost of goods sold:									
Acquisition-related amortization of inventory mark-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,711	\$ 4,922	\$ 8,633
Acquisition-related amortization of purchased intangibles	-	-	-	-	-	-	12,066	14,585	26,651
Stock-based compensation expenses	1,694	2,848	2,592	3,178	10,312	3,254	2,771	2,461	8,486
	1,694	2,848	2,592	3,178	10,312	3,254	18,548	21,968	43,770
Research and development expenses:									
Restructuring expenses	-	-	-	-	-	-	11,251	5,780	17,031
Stock-based compensation expenses	16,895	15,370	17,680	16,578	66,523	16,955	24,321	21,916	63,192
	16,895	15,370	17,680	16,578	66,523	16,955	35,572	27,696	80,223
Selling, general and administrative expenses:									
Acquisition-related transaction costs	-	-	-	-	-	-	8,165	239	8,404
Restructuring expenses	-	-	-	-	-	-	12,855	2,623	15,478
Stock-based compensation expenses	17,547	18,657	21,322	19,003	76,529	20,836	27,189	24,230	72,255
	17,547	18,657	21,322	19,003	76,529	20,836	48,209	27,032	96,137
Purchased in-process research and development expense									
	-	10,851	-	-	10,851	-	-	-	-
Total non-GAAP adjustments before tax	36,136	47,726	41,594	38,759	164,215	41,045	102,329	76,756	220,130
Income tax effect	(10,135)	(13,548)	(11,513)	(8,451)	(43,647)	(10,757)	(24,843)	(19,506)	(55,106)
Total non-GAAP adjustments after tax	\$ 26,001	\$ 34,178	\$ 30,081	\$ 30,308	\$ 120,568	\$ 30,288	\$ 77,486	\$ 57,250	\$ 165,024