Q2 2016 Earnings Results

July 25, 2016

GILEAD

Advancing Therapeutics.
Improving Lives.

Forward-looking Statements

The projected financial results presented in the following slides represent management's estimates of Gilead's future financial results. Gilead cautions readers that forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially. These risks and uncertainties include: Gilead's ability to achieve its anticipated full year 2016 financial results; Gilead's ability to sustain growth in revenues for its antiviral and other programs; the risk that estimates of patients with HCV or anticipated patient demand may not be accurate; the risk that private and public payers may be reluctant to provide, or continue to provide, coverage or reimbursement for new products, including Epclusa, Genvoya, Sovaldi and Harvoni; the potential for increased pricing pressure and contracting pressure as well as decreased volume and market share from additional competitive HCV launches, austerity measures in European countries and Japan that may increase the amount of discount required on Gilead's products, additional negotiated discounts for patient access, shifts in payer mix to more deeply discounted government payer segments and geographic regions and decreases in treatment duration; availability of funding for state AIDS Drug Assistance Programs (ADAPs); continued fluctuations in ADAP purchases driven by federal and state grant cycles which may not mirror patient demand and may cause fluctuations in Gilead's earnings; the possibility of unfavorable results from clinical trials involving investigational compounds, including bictegravir and SOF/VEL/VOX; Gilead's ability to initiate clinical trials in its currently anticipated timeframes; the levels of inventory held by wholesalers and retailers which may cause fluctuations in Gilead's earnings; Gilead's ability to submit new drug applications for new product candidates in the timelines currently anticipated; Gilead's ability to receive regulatory approvals in a timely manner or at all, for new and current products; Gilead's ability to successfully commercialize its products, including Epclusa, Genvoya, Odefsey and Descovy; the risk that physicians and patients may not see advantages of these products over other therapies and may therefore be reluctant to prescribe the products; Gilead's ability to successfully develop its oncology, inflammation, cardiovascular and respiratory programs; safety and efficacy data from clinical studies may not warrant further development of Gilead's product candidates; Gilead's ability to complete its share repurchase program due to changes in its stock price, corporate or other market conditions; fluctuations in the foreign exchange rate of the U.S. dollar that may cause an unfavorable foreign currency exchange impact on Gilead's future revenues and pre-tax earnings; and other risks identified from time to time in Gilead's reports filed with the U.S. Securities and Exchange Commission (SEC). In addition, Gilead makes estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures. Gilead bases its estimates on historical experience and on various other market specific and other relevant assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ significantly from these estimates. You are urged to consider statements that include the words may, will, would, could, should, might, believes, estimates, projects, potential, expects, plans, anticipates, intends, continues, forecast, designed, goal, or the negative of those words or other comparable words to be uncertain and forward-looking. Gilead directs readers to its press releases, Quarterly Report on Form 10-Q for the quarter ended March 31, 2016 and other subsequent disclosure documents filed with the SEC. Gilead claims the protection of the Safe Harbor contained in the Private Securities Litigation Reform Act of 1995 for forward-looking statements. All forward-looking statements are based on information currently available to Gilead, and Gilead assumes no obligation to update any such forward-looking statements.

This presentation includes GAAP and non-GAAP financial measures, a complete reconciliation between these two measures is available on the Company's website at www.gilead.com within the investor section. Management believes this non-GAAP information is useful for investors, when considered 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 U.S. GAAP. Non-GAAP measures may be defined and calculated differently by other companies in the same industry.

Q2 2016 Earnings Call Agenda

Introduction	Sung Lee, VP, Investor Relations
Commentary	Robin Washington, EVP and CFO
	Kevin Young, COO
	John Milligan, President and CEO
Q&A	Also:
	Norbert Bischofberger, EVP, R&D and CSO

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Robin Washington

EVP and Chief Financial Officer

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Financial Highlights: Q2 2016

(in millions, except percentages and per share amounts)

	Q2 2015	Q2 2016	% Change
Net Product Sales	$8,126	$7,651	(6%)
Antiviral Products	7,631	7,126	(7%)
HCV	4,899	3,986	(19%)
HIV and Other Antiviral	2,732	3,140	15%
Other Products*	495	525	6%
Non-GAAP Costs and Expenses**	$2,251	$2,531	12%
COGS	788	653	(17%)
Product Gross Margin	*90%*	*92%*	
R&D	702	1,040	48%
SG&A	761	838	10%
Operating Margin	*73%*	*68%*	
Non-GAAP Net Income**	$4,845	$4,177	(14%)
Non-GAAP Diluted EPS**	$3.15	$3.08	(2%)

* Other Products comprised primarily of Letairis, Ranexa, AmBisome, Zydelig, Cayston and Lexiscan.
**Non-GAAP costs and expenses, net income and diluted EPS exclude acquisition-related, up-front collaboration, stock-based compensation and other expenses.

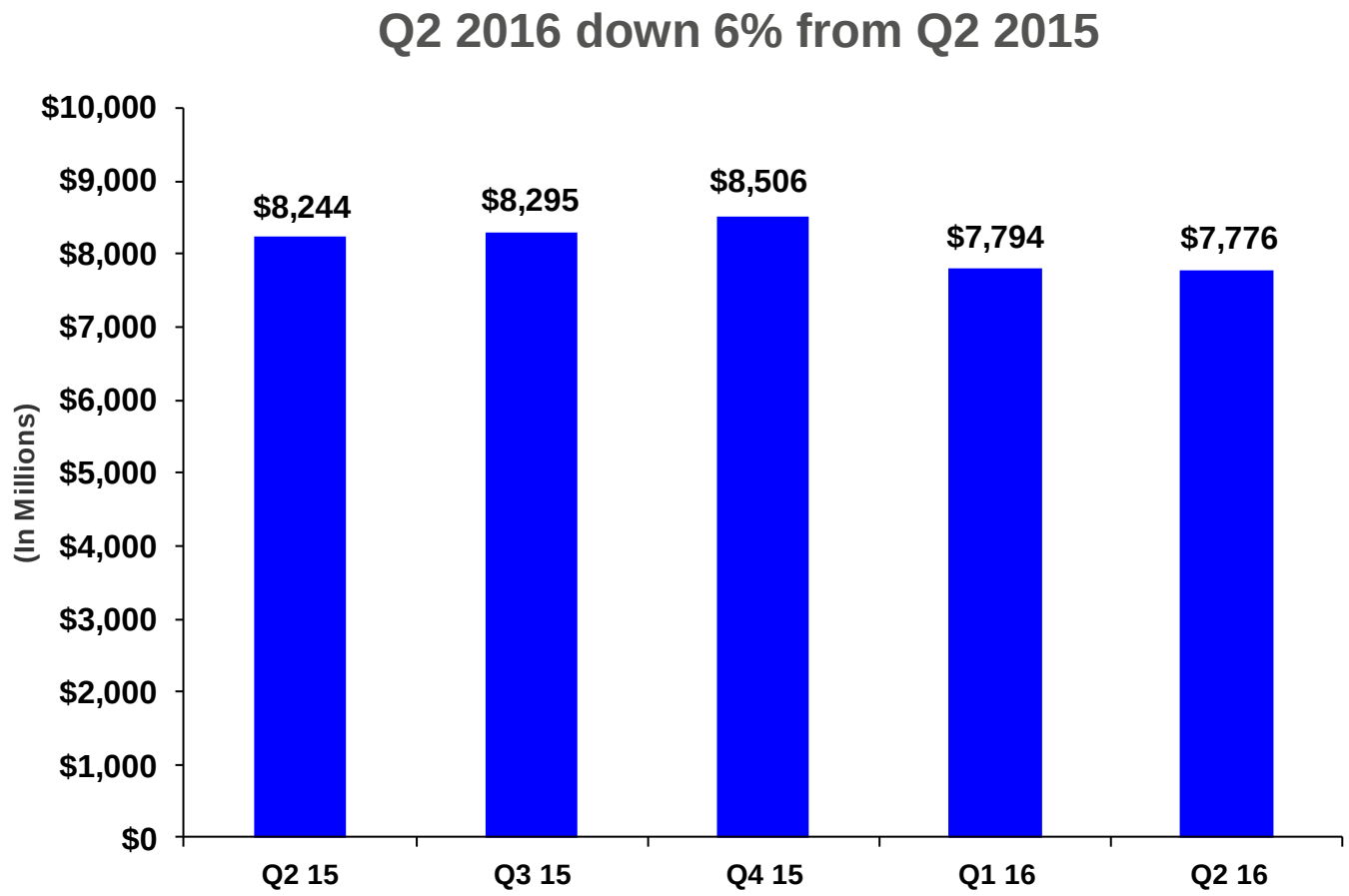
Financial Highlights: Six Months Ended June 30

(in millions, except percentages and per share amounts)

	2015	2016	% Change
Net Product Sales	$15,531	$15,332	(1%)
Antiviral Products	14,619	14,309	(2%)
HCV	9,450	8,280	(12%)
HIV and Other Antiviral	5,169	6,029	17%
Other Products*	912	1,023	12%
Non-GAAP Costs and Expenses**	$4,176	$4,921	18%
COGS	1,462	1,636	12%
Product Gross Margin	*91%*	*89%*	
R&D	1,353	1,809	34%
SG&A	1,361	1,476	8%
Operating Margin	*74%*	*68%*	
Non-GAAP Net Income**	$9,449	$8,451	(11%)
Non-GAAP Diluted EPS**	$6.08	$6.11	0%

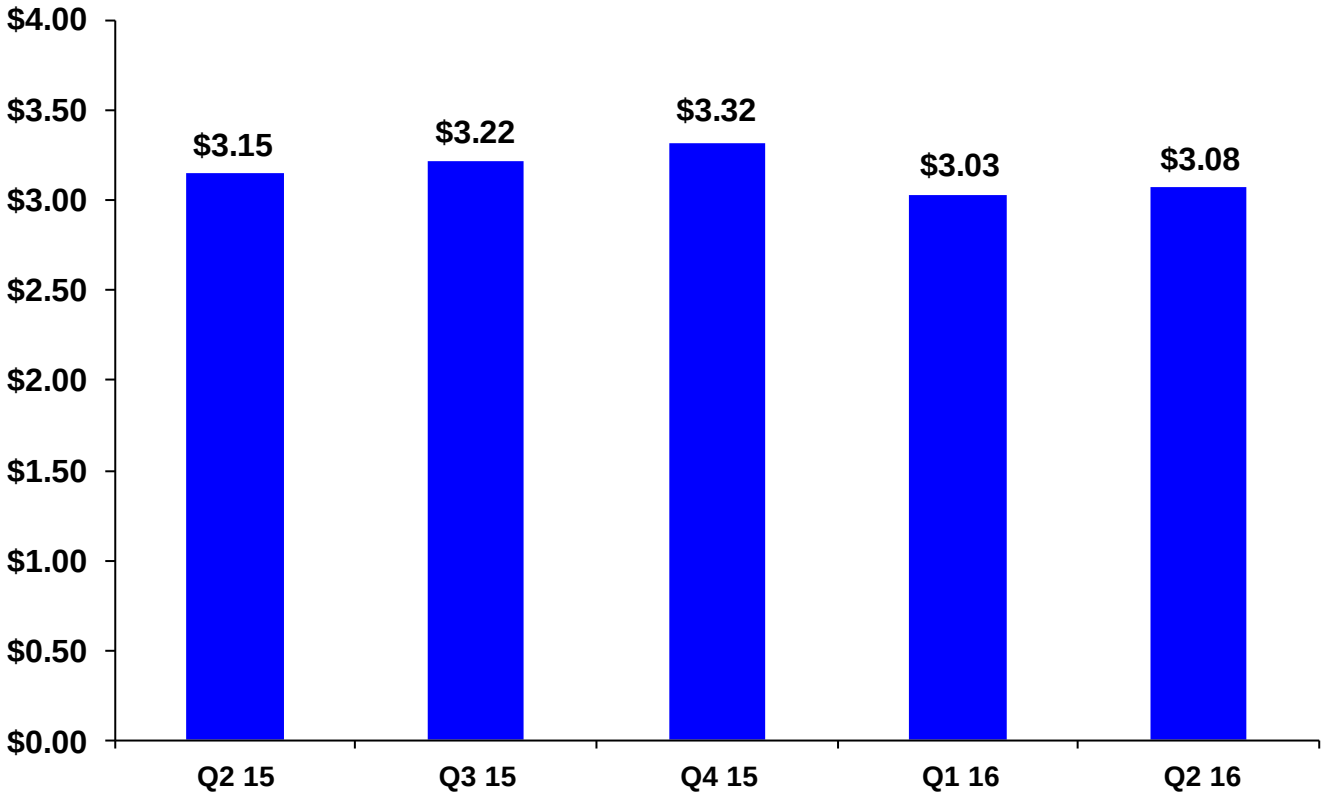
* Other Products comprised primarily of Letairis, Ranexa, AmBisome, Zydelig, Cayston and Lexiscan.
**Non-GAAP costs and expenses, net income and diluted EPS exclude acquisition-related, up-front collaboration, stock-based compensation and other expenses.

Total Revenues



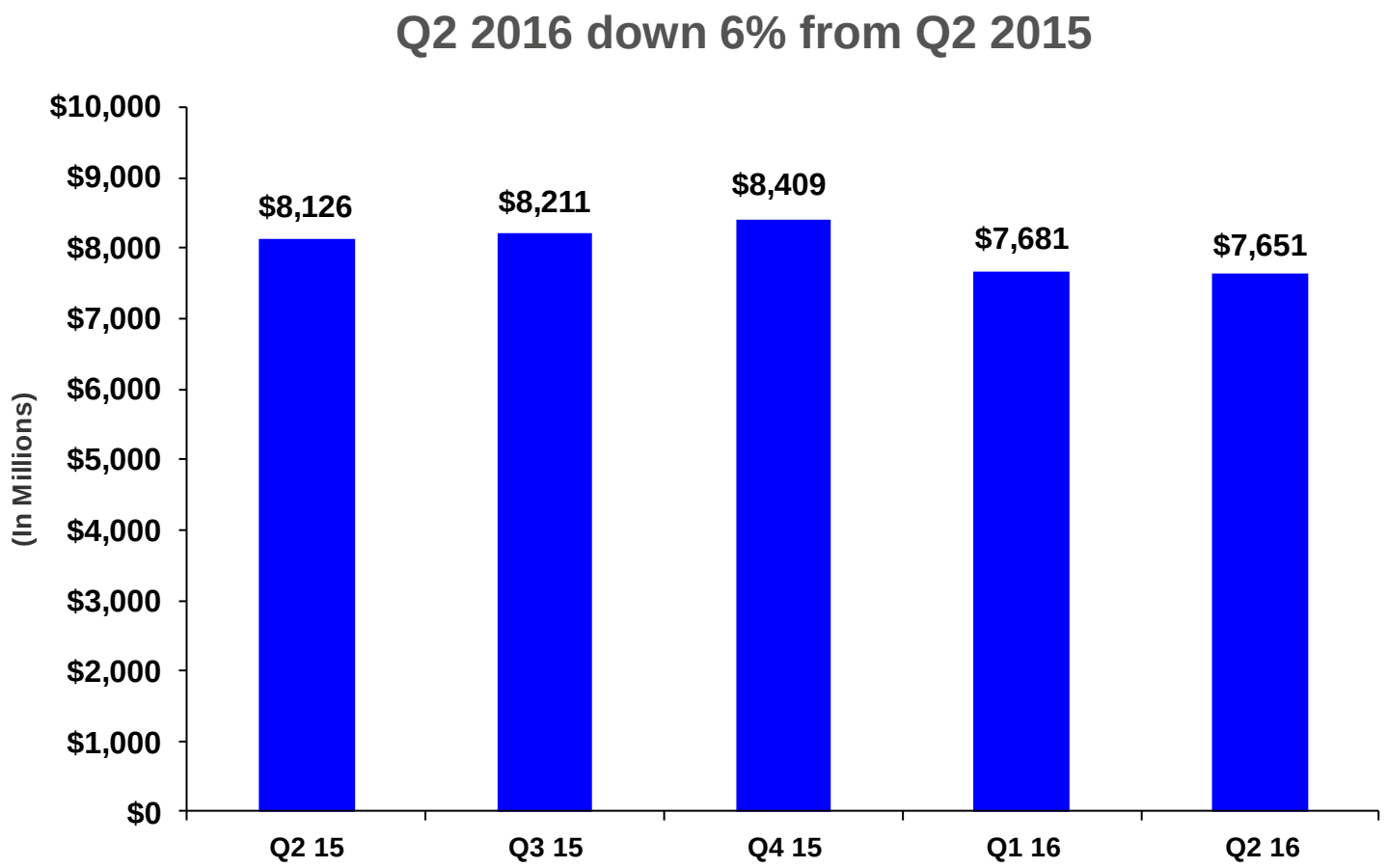
Non-GAAP Diluted EPS

Q2 2016 down 2% from Q2 2015



Note: Non-GAAP diluted EPS excludes acquisition-related, up-front collaboration, stock-based compensation and other expenses.

Total Product Sales

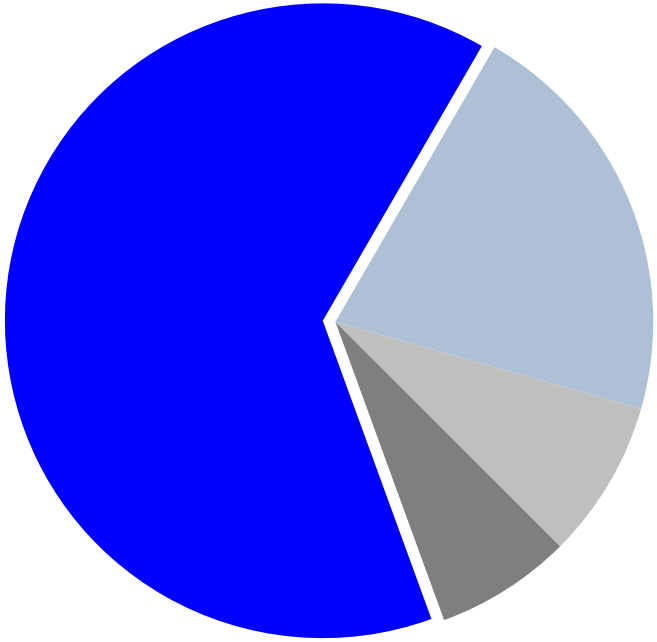


Product Sales by Geography

(in millions, except percentages)

Q2 2016: $7,651

(-6% YoY Growth)



U.S.: $4,889
(64% of Total)
(-12% YoY Growth)

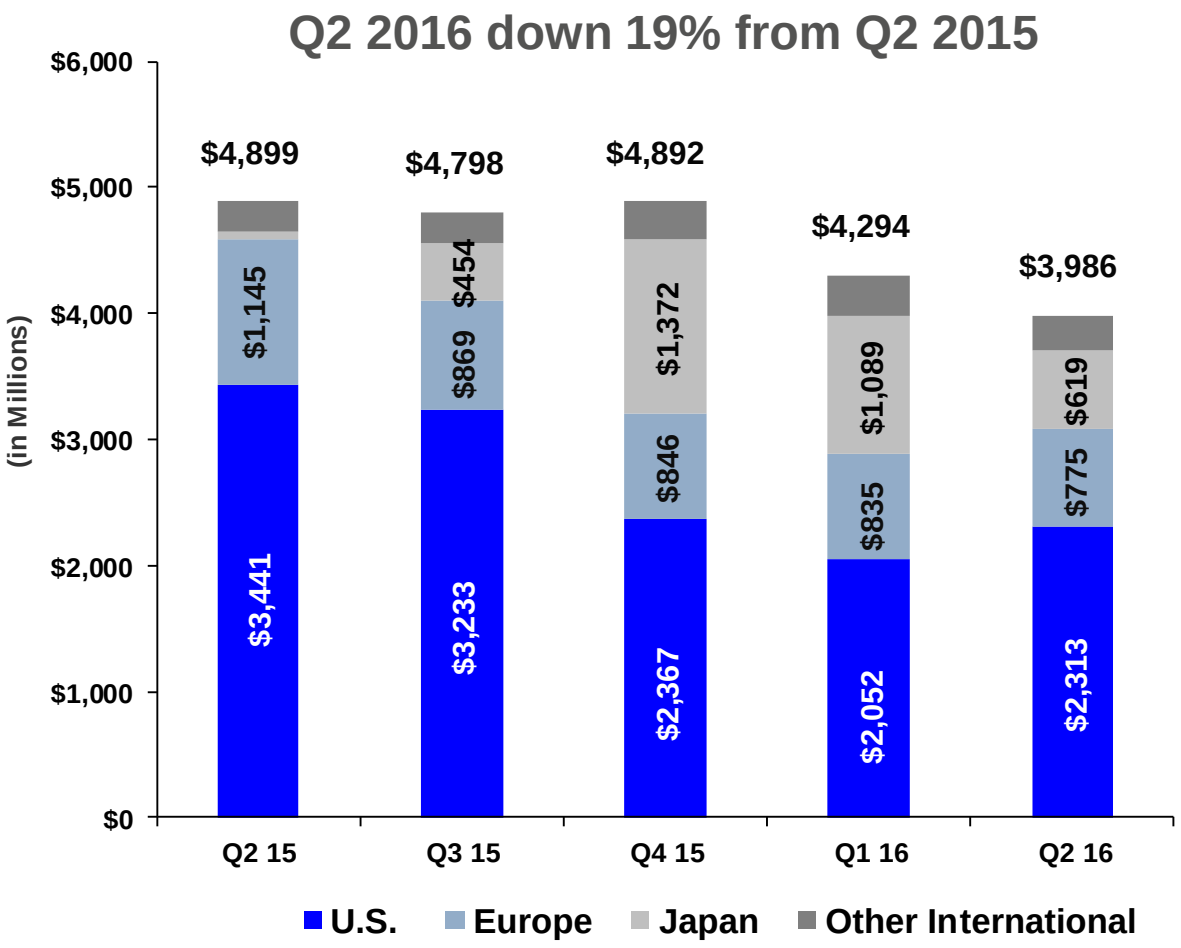
Europe: $1,612
(21% of Total)
(-18% YoY Growth)

Japan: $619
(8% of Total)

Other International: $531
(7% of Total)
(3% YoY Growth)

Note: Amounts may not sum due to rounding.

Total HCV Product Sales



Key Metrics

U.S.:

- YoY decrease from Q2 15 driven by lower Harvoni patient starts, incrementally higher rebates for opening access and lower revenue per patient from payer mix shift
- Sequential increase from Q1 16 driven by $279 million sales return reserve adjustment and initial Epclusa sales offset by higher gross-to-net due to payor mix shift

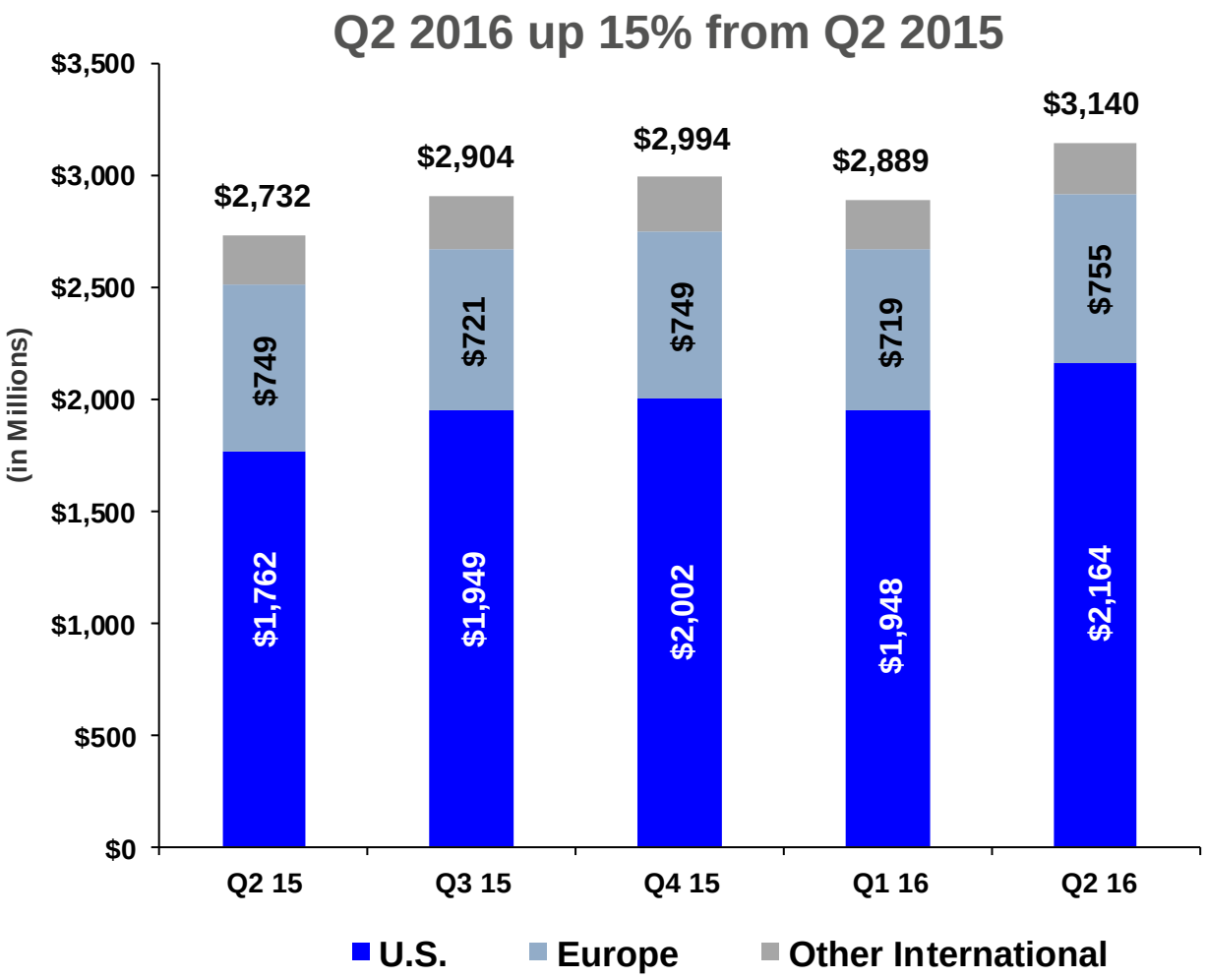
Europe:

- YoY and sequential decreases driven by lower patient starts and a higher proportion of patient starts from countries with a lower average net price

Japan:

- Sequential decrease driven by lower Harvoni patient starts following warehouse peak in Q1 16 and full quarter impact of mandatory price reductions for Sovaldi and Harvoni

Total HIV & Other Antiviral Product Sales



Key Metrics

U.S.:

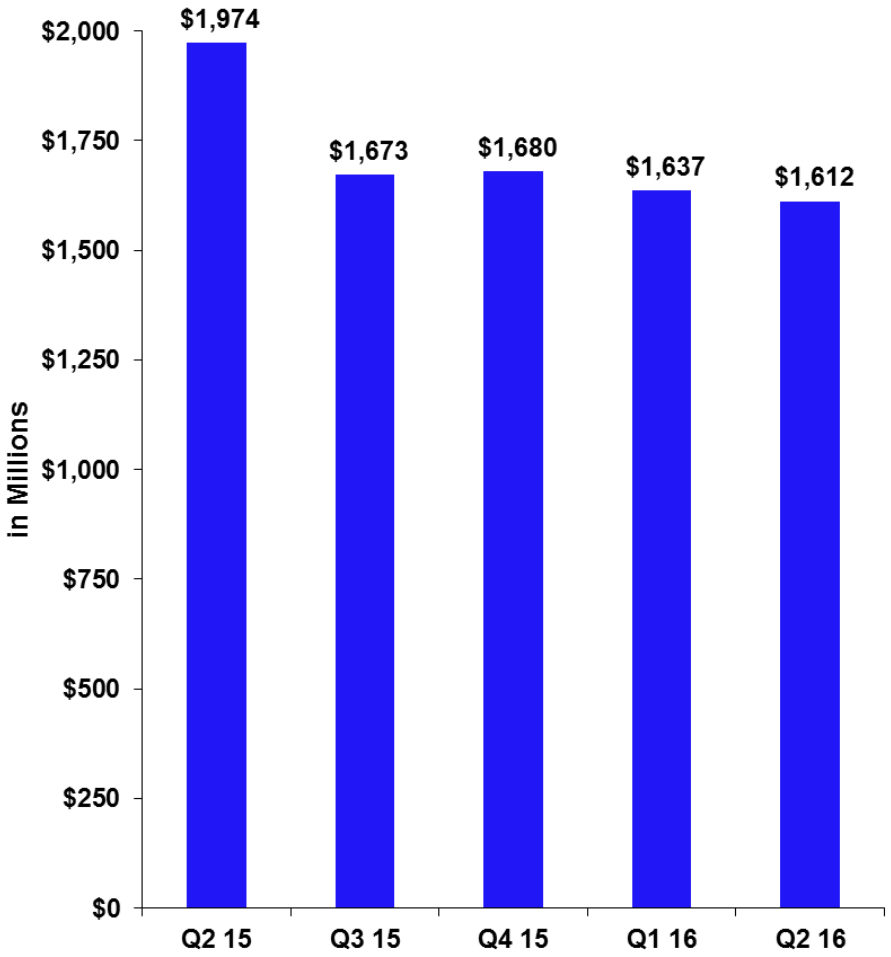
- Increase from Q2 15 driven by launches of Genvoya, Odefsey and Descovy and uptake of Truvada for PrEP
- Sequential increase from Q1 16 driven primarily by seasonal inventory patterns and sales ramp of TAF-based regimens

Europe:

- Sequential increase from Q1 16 driven primarily by launches of Genvoya and Descovy

European Product Sales

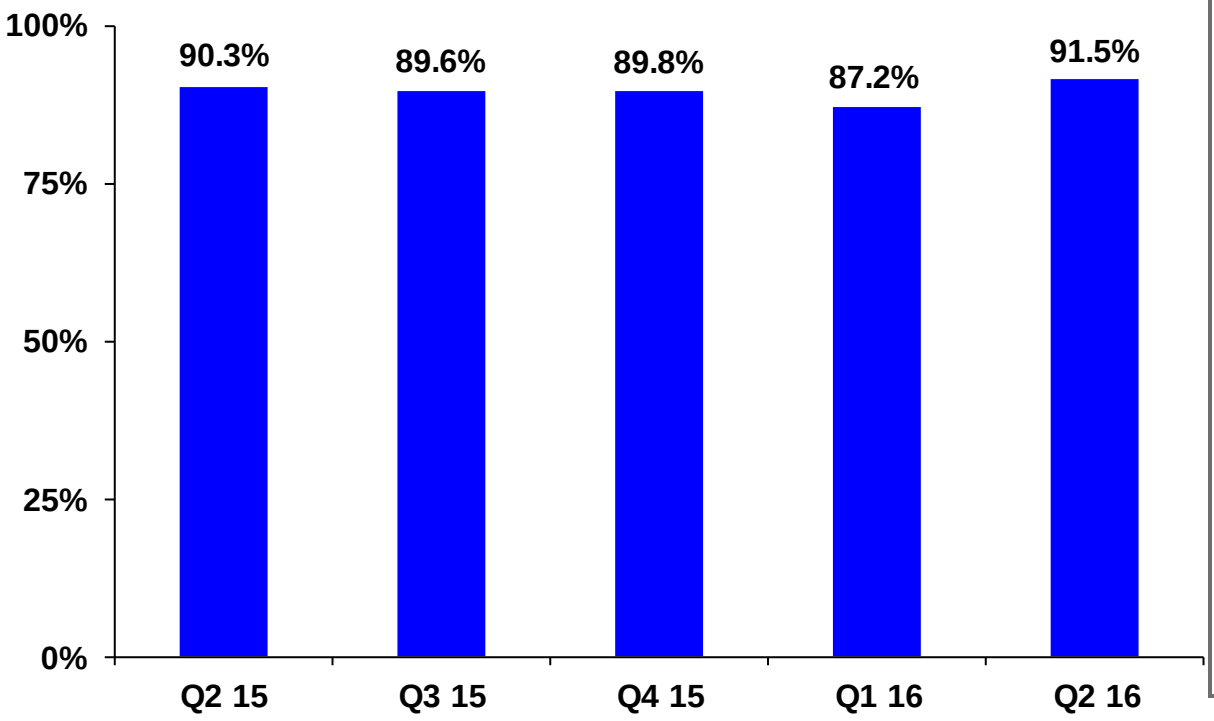
Q2 2016 down 18% (-13% excluding FX) from Q2 2015



- FX impact to European revenues was unfavorable $24 million QoQ and unfavorable $104 million YoY

	Q2 15	Q2 16	YoY	Excl Fx
Harvoni	$ 623	$ 512	(18%)	(13%)
Sovaldi	$ 522	$ 263	(50%)	(46%)
Truvada	$ 277	$ 245	(12%)	(6%)
Eviplera	$ 145	$ 156	8%	15%
Atripla	$ 178	$ 140	(21%)	(16%)
Stribild	$ 65	$ 84	29%	37%
Viread	$ 77	$ 81	5%	12%
Genvoya	$ 0	$ 30	NM	NM
Descovy	$ 0	$ 12	NM	NM
AmBisome	$ 56	$ 52	(7%)	(1%)
Other	$ 32	$ 37	16%	23%
Total	$ 1,974	$ 1,612	(18%)	(13%)

Non-GAAP Product Gross Margin

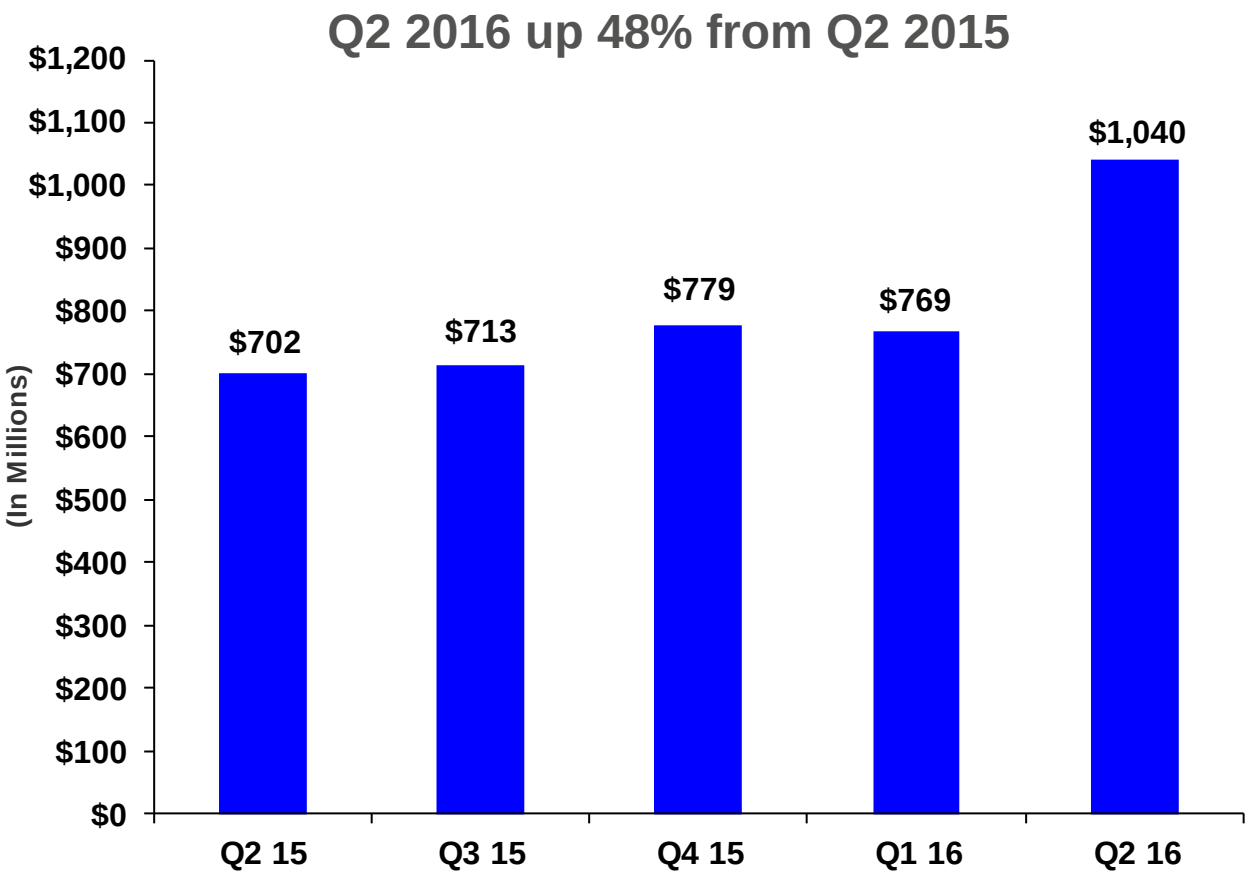


Note: Non-GAAP product gross margin excludes acquisition-related, up-front collaboration, stock-based compensation and other expenses.

Key Metrics

- Higher sequential Non-GAAP Product Gross Margin in Q2 16 compared to Q1 16 primarily due to the reversal of the $200 million litigation reserve recorded in the first quarter of 2016 following a favorable court decision

Non-GAAP R&D Expenses

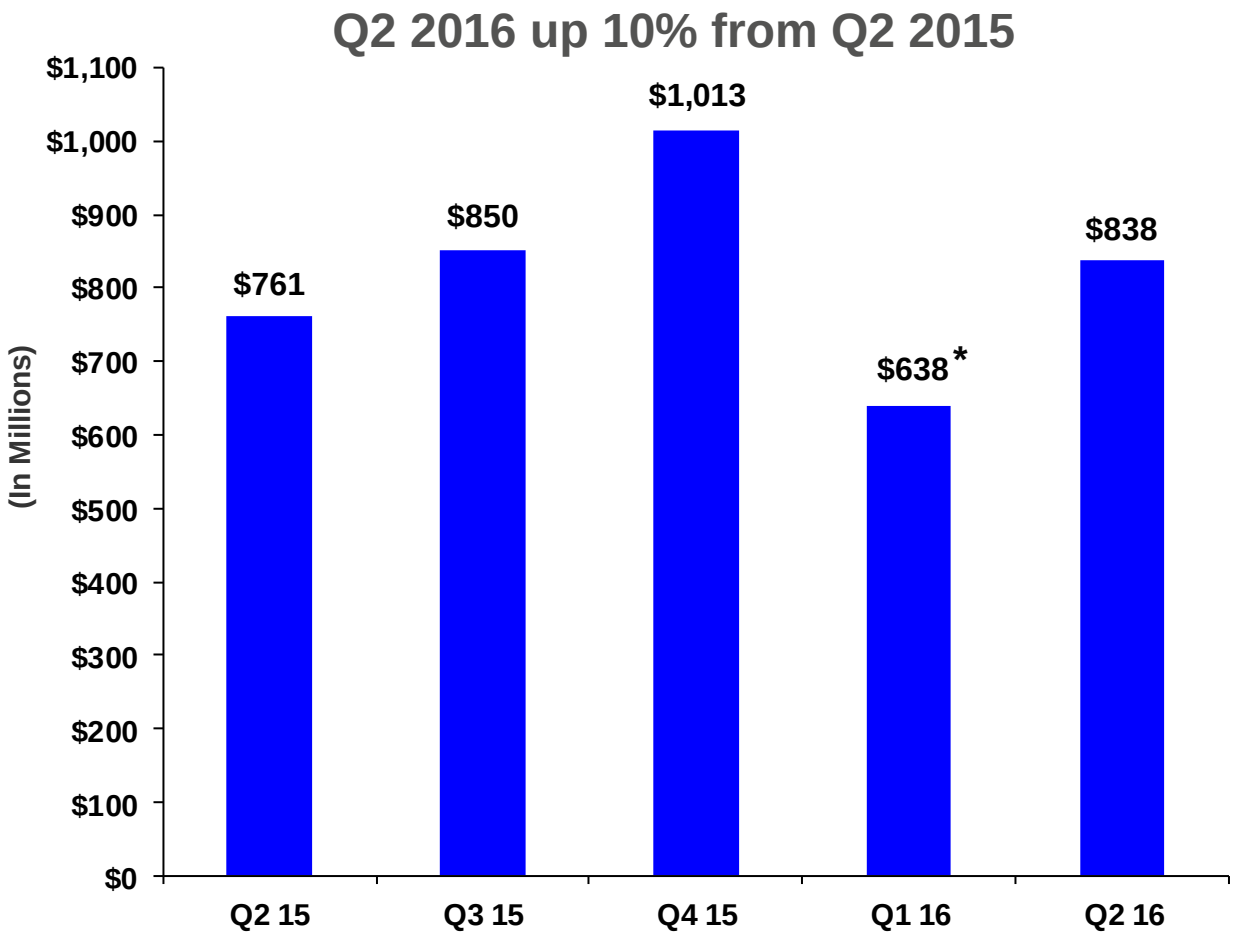


Key Metrics

- Higher R&D expenses in Q2 16 over Q2 15 primarily due to the purchase of a FDA priority review voucher and the overall progression of clinical studies

Note: Non-GAAP R&D expenses exclude acquisition-related, up-front collaboration, stock-based compensation and other expenses.

Non-GAAP SG&A Expenses



Note: Non-GAAP SG&A expenses exclude acquisition-related, up-front collaboration, stock-based compensation and other expenses.

* Q1 16 is favorably impacted by $191 million following the receipt of preliminary 2016 IRS invoice associated with the Branded Prescription Drug fee.

Key Metrics

- Higher SG&A expenses in Q2 16 over Q2 15 primarily due to higher costs to support new product launches and geographic expansion of the business
- FY 2016 Branded Prescription Drug fee is estimated to be in the range of $250-$350 million

Other Select Financial Information

(in millions, except days sales outstanding)

	Mar. 31, 2016	Jun. 30, 2016
Cash, Cash Equivalents & Marketable Securities	$21,322	$24,616
Operating Cash Flows	$3,913	$4,940
Inventories	$1,880	$1,862
Days Sales Outstanding (Accounts Receivable)	52	49
Share Repurchases During the Quarter	$8,000	$1,000
Interest Expense and Other Income (Expense), net	($149)	($139)
Diluted Shares Used in Per Share Calculation for the Quarter (Non-GAAP)	1,411	1,354
Diluted Shares Used in Per Share Calculation for the Quarter (GAAP)	1,412	1,355
Basic Shares Outstanding	1,383	1,335

Return of Capital to Shareholders

As of June 30, 2016, the amount of capital returned to shareholders year-to-date, consisting of dividends and share repurchases, exceeded the total amount of capital returned during the first three quarters of 2015 combined

- **Cash dividend program**
  - Paid quarterly dividend in Q2 16 of $0.47 per share, which represented an increase of 10% from the prior dividend of $0.43 per share.
  - Declared Q3 16 quarterly dividend of $0.47 per share. The Q3 16 quarterly dividend is payable September 29, 2016 to stockholders of record as of the close of business on September 16, 2016.
- **Share repurchase programs**
  - Repurchased $1 billion of stock and retired 10.5 million shares at an average price of $95.35 in open market repurchases.
  - $11 billion of the January 2016 share repurchase program ($12 billion authorization) remaining as of June 30, 2016.
  - Under the $15 billion January 2015 share repurchase program authorization, we repurchased a total of 99.2 million shares with an average purchase price of $100.85 for a total of $10 billion in an open market program. In addition, we received 46.1 million shares in Q1 16 and 8.1 million shares in Q2 16, for a total of 54.3 million shares with an average share price of $92.09 under a $5 billion accelerated share repurchase (ASR) program.
  - Since 2012, repurchased approximately 19% of shares outstanding (over 285 million shares).

Q2 2016 Share Activity

	Type of Activity	Dollar Amount (In Millions)	Shares	Average Purchase Price
Q1 2016	Open Market Share Repurchase*	$3,000	33,431,835	$89.73
Q1 2016	Accelerated Share Repurchase**	$5,000	46,146,746	$92.09
Q2 2016	Accelerated Share Repurchase**	$0	8,149,217	$92.09
Q2 2016	Open Market Share Repurchase*	$1,000	10,487,835	$95.35
2016 Total		**$9,000**	**98,215,633**	

- A $12 billion share repurchase program was authorized in January 2016, which we began in Q2 16. Under this program, we repurchased a total of 10.5 million shares with an average purchase price of $95.35 in open market repurchases. As of June 30, 2016, $11 billion remains outstanding under the January 2016 program.
- Under the $15 billion January 2015 share repurchase program authorization, we repurchased a total of 99.2 million shares with an average purchase price of $100.85 for a total of $10 billion in an open market program. In addition, we received 46.1 million shares in Q1 and 8.1 million shares in Q2 16, for a total of 54.3 million shares with an average share price of $92.09 under a $5 billion ASR program.

* Excludes commissions.
** Under the ASR, average price of $92.09 was determined in Q2 2016.

Full Year 2016 Guidance

(in millions, except percentages and per share amounts)

	Initially Provided 2/2/2016 Reiterated 4/28/2016	Updated 7/25/2016
Net Product Sales*	**$ 30,000 – $ 31,000**	***$ 29,500 – $ 30,500***
Non-GAAP**		
Product Gross Margin	**88% – 90%**	**88% – 90%**
R&D Expenses	**$ 3,200 – $ 3,500**	***$ 3,600 – $ 3,800***
SG&A Expenses	**$ 3,300 – $ 3,600**	***$ 3,100 – $ 3,300***
Effective Tax Rate	**18.0% – 20.0%**	**18.0% – 20.0%**
Diluted EPS Impact of GAAP to Non-GAAP Adjustments***	**$ 1.10 – $ 1.16**	***$ 1.47 – $ 1.53***

* This guidance is subject to a number of uncertainties including potential changes in the global macroeconomic environment; adoption of additional pricing measures to reduce HCV spending; volatility in foreign currency exchange rates; inaccuracy in our HCV patient estimates; additional competitive launches in HCV; an increase in discounts, chargebacks and rebates due to ongoing commercial payer contract negotiations and a larger than anticipated shift in payer mix to more highly discounted payer segments – such as PHS, FSS, Medicaid and the VA.

** Non-GAAP product gross margin, expenses and effective tax rate exclude amounts related to acquisition-related, up-front collaboration, stock-based compensation and other expenses.

*** Includes amounts related to acquisition-related, up-front collaboration, stock-based compensation and other expenses.

GAAP to Non-GAAP Reconciliation of Full Year 2016 Guidance

(in millions, except percentages and per share amounts)

	Updated 7/25/2016
Projected product gross margin GAAP to non-GAAP reconciliation:	
GAAP projected product gross margin	85% - 87%
Acquisition related-expenses	3% - 3%
Non-GAAP projected product gross margin*	88% - 90%
Projected research and development expenses GAAP to non-GAAP reconciliation:	
GAAP projected research and development expenses	$4,700 - $4,945
Acquisition related / up-front collaboration expenses	(915) - (945)
Stock-based compensation expenses	(185) - (200)
Non-GAAP projected research and development expenses	$3,600 - $3,800
Projected selling, general and administrative expenses GAAP to non-GAAP reconciliation:	
GAAP projected selling, general and administrative expenses	$3,305 - $3,515
Acquisition related-expenses	-
Stock-based compensation expenses	(205) - (215)
Non-GAAP projected selling, general and administrative expenses	$3,100 - $3,300
Projected diluted EPS impact of acquisition-related, up-front collaboration, stock-based compensation and other expenses:	
Acquisition-related / up-front collaboration expenses	$1.26 - $1.30
Stock-based compensation expense	0.21 - 0.23
Projected diluted EPS impact of acquisition-related, up-front collaboration, stock-based compensation and other	$1.47 - $1.53

*Stock-based compensation expenses have a less than one percent impact on non-GAAP projected product gross margin.

Kevin Young CBE

COO

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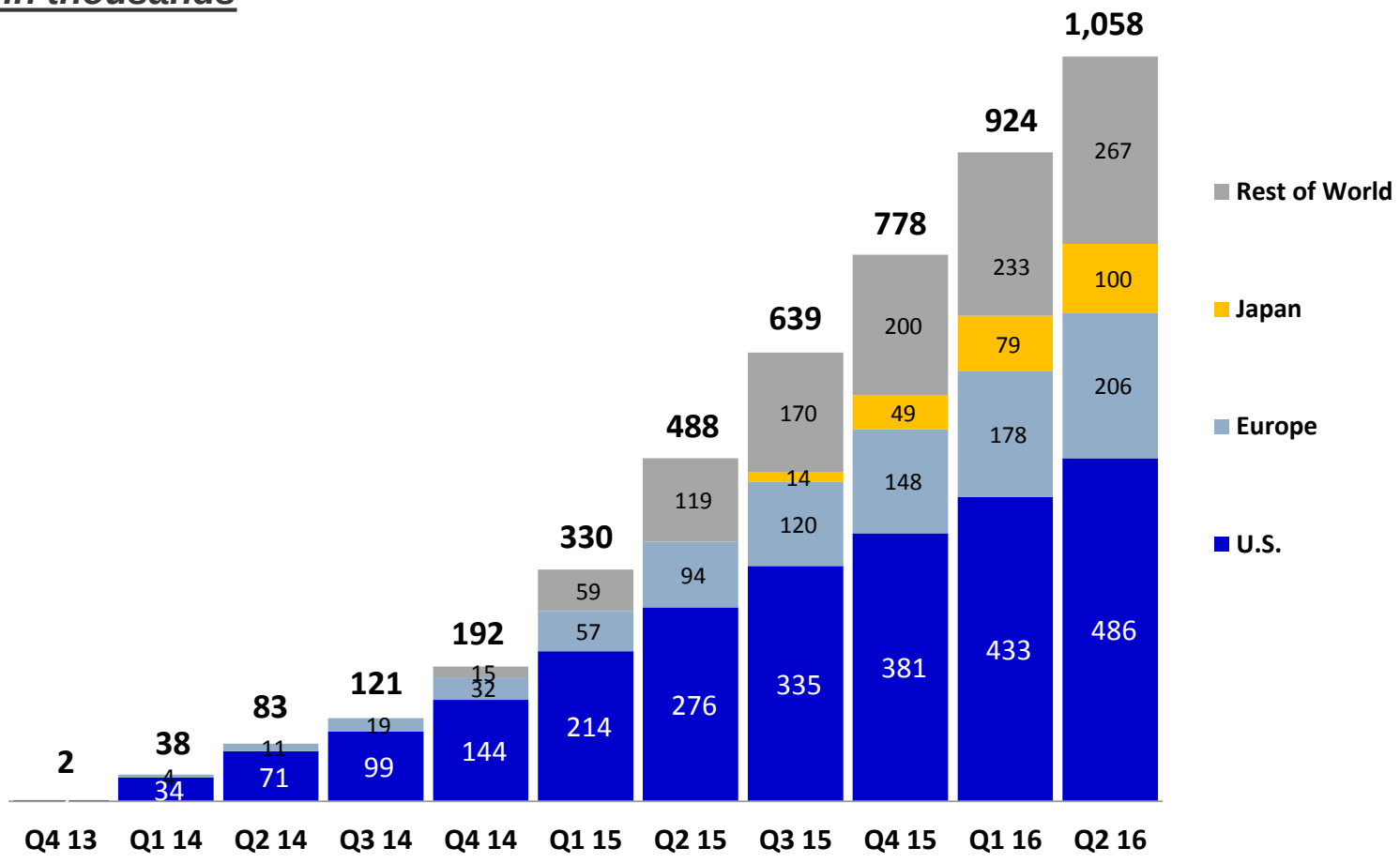
HCV

More than One Million Patients have been Treated with a Sofosbuvir-Based Regimen Since December 2013

Patients in thousands

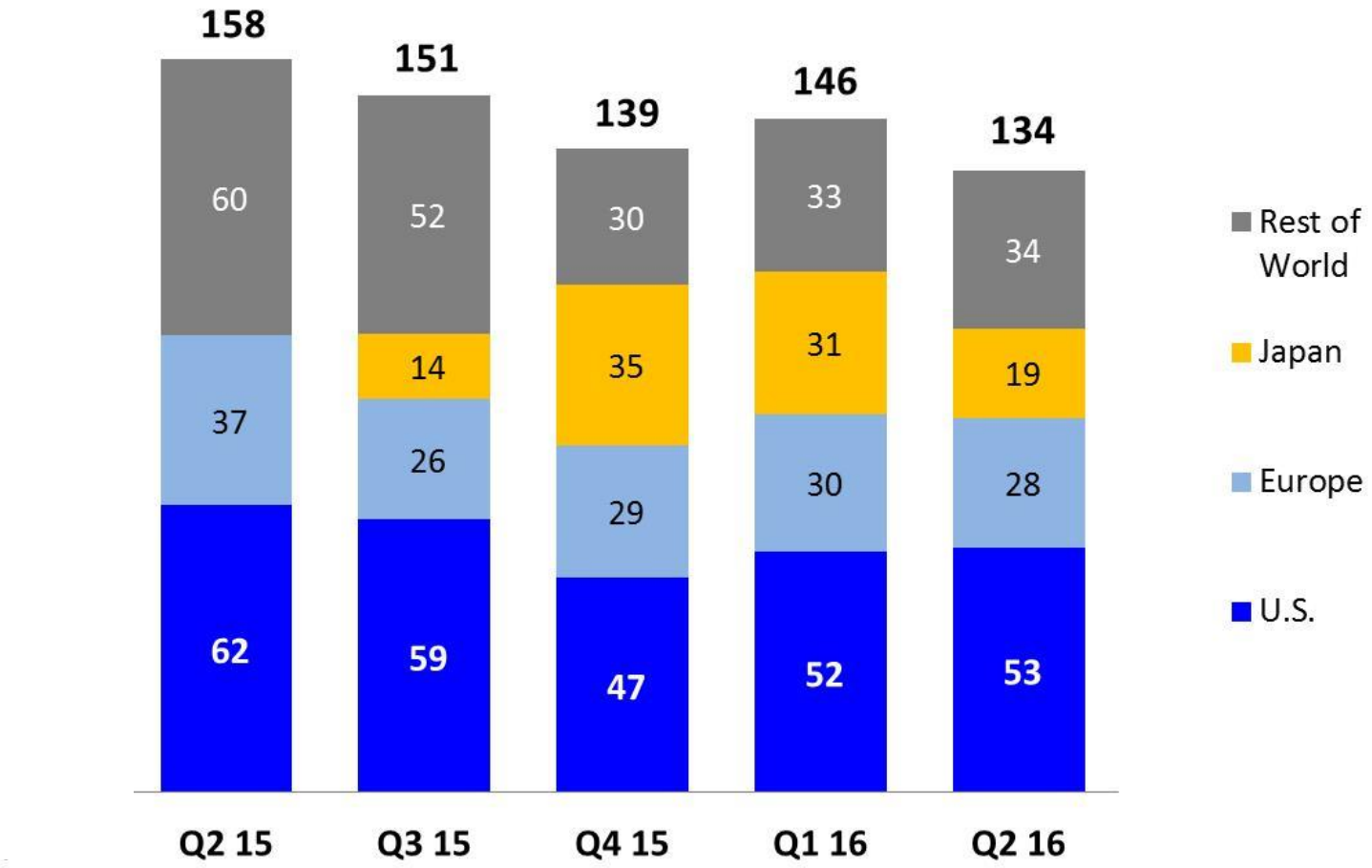


Note: Graph illustrates the estimated cumulative patients treated with a Gilead HCV drug since December 2013 through June 2016. Patient numbers are subject to adjustments. Rest of World is comprised primarily of Australia, Brazil, Egypt and Canada.

Sovaldi was approved in the U.S in December 2013 and in the EU in January 2014. Harvoni was approved in the U.S. in October 2014 and in the EU in November 2014. In Japan, Sovaldi launched in May 2015 and Harvoni launched in September 2015.

HCV Patient Initiations on Sofosbuvir-Based Regimens

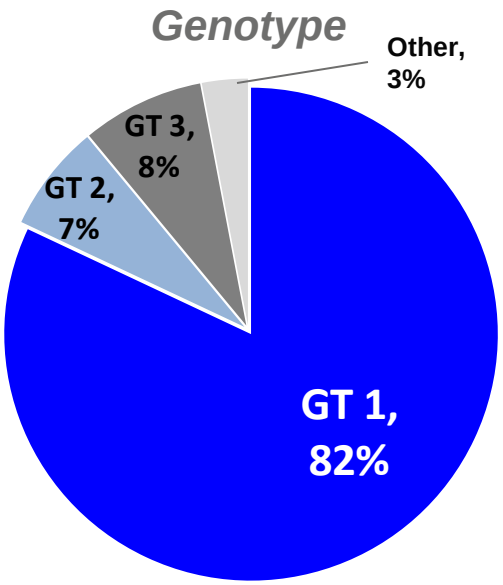
Patient Initiations in thousands

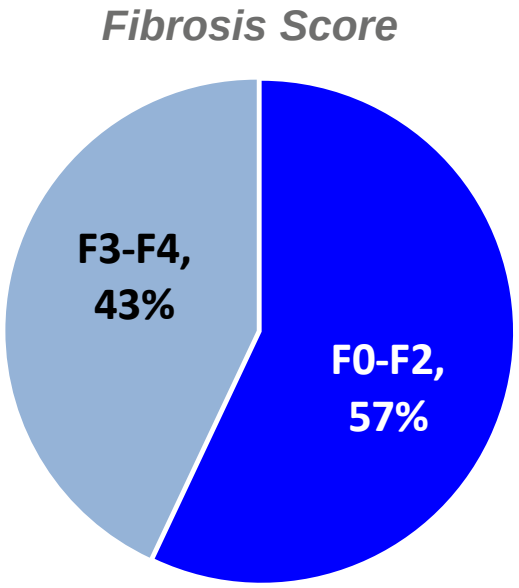


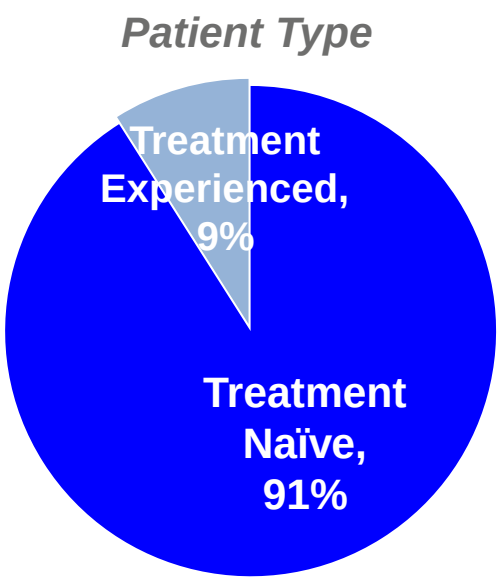
Note: Graph illustrates the estimated number of patients that started therapy with a Gilead HCV drug for each quarter. Patient numbers are subject to adjustments. Rest of World is comprised primarily of Australia, Brazil, Egypt and Canada.

Sovaldi was approved in the U.S in December 2013 and in the EU in January 2014. Harvoni was approved in the U.S. in October 2014 and in the EU in November 2014. In Japan, Sovaldi launched in May 2015 and Harvoni launched in September 2015.

Profile of U.S. HCV Patients that are Intended for Treatment with a Sofosbuvir-Based Regimen (April – June 2016*)







*Data Source: Gilead market research Apr 1 – Jun 19, 2016.

Note:
Fibrosis score is based on the METAVIR scoring system.
'Intended for treatment' is based on scripts written, not scripts filled.

Epclusa: The First Pan-Genotypic Single Tablet Regimen for HCV

U.S.

- Approved by the FDA on June 28, 2016
- First STR approved for the treatment of patients with HCV genotype 2 and 3, without the need for ribavirin
- $64 million in Q2 2016

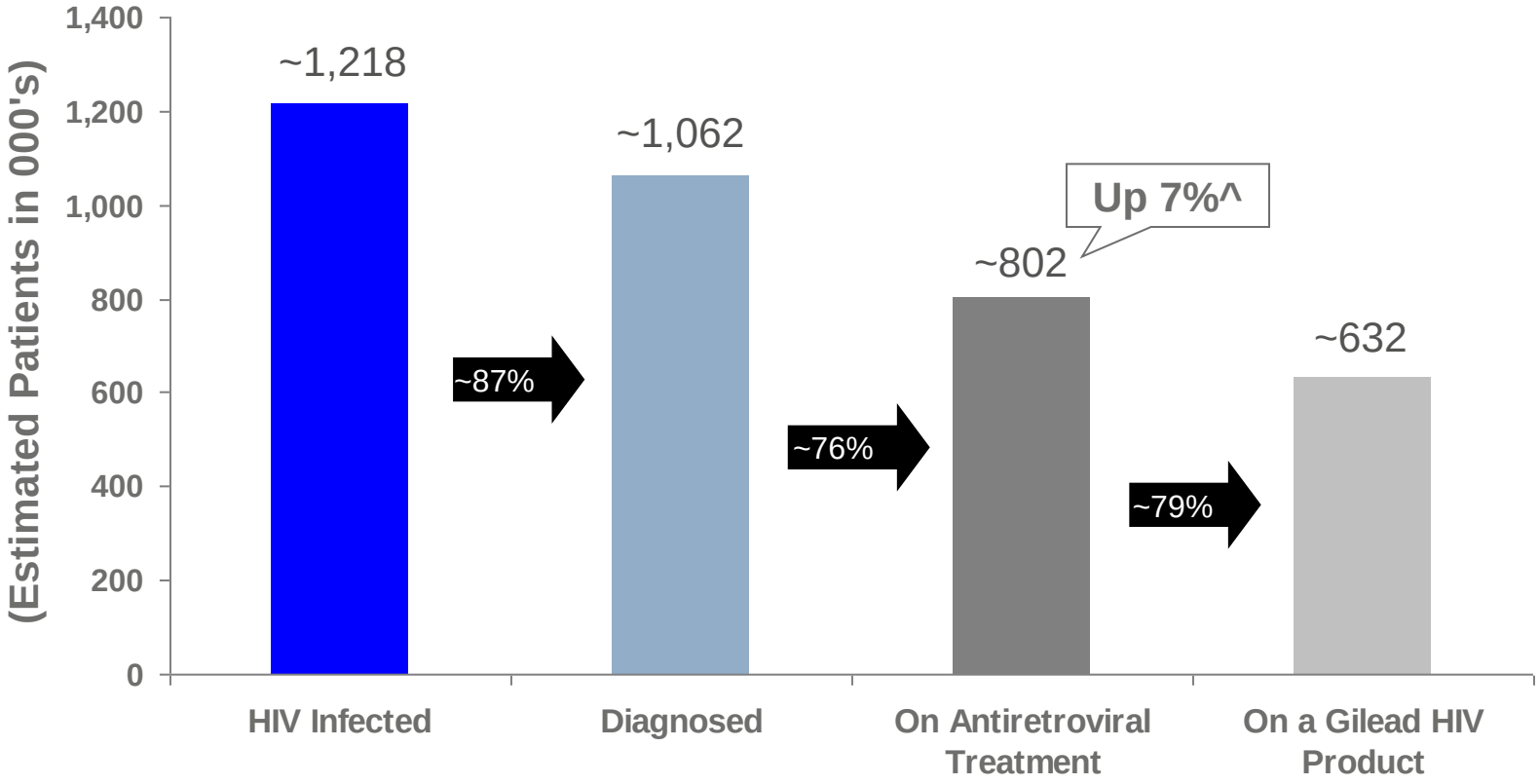
Europe

- Approved by the European Commission on July 8, 2016
- Pricing and reimbursement process is ongoing and could take up to 12 months to complete

EPCLUSA™
sofosbuvir/velpatasvir
400 mg/100 mg tablets

HIV

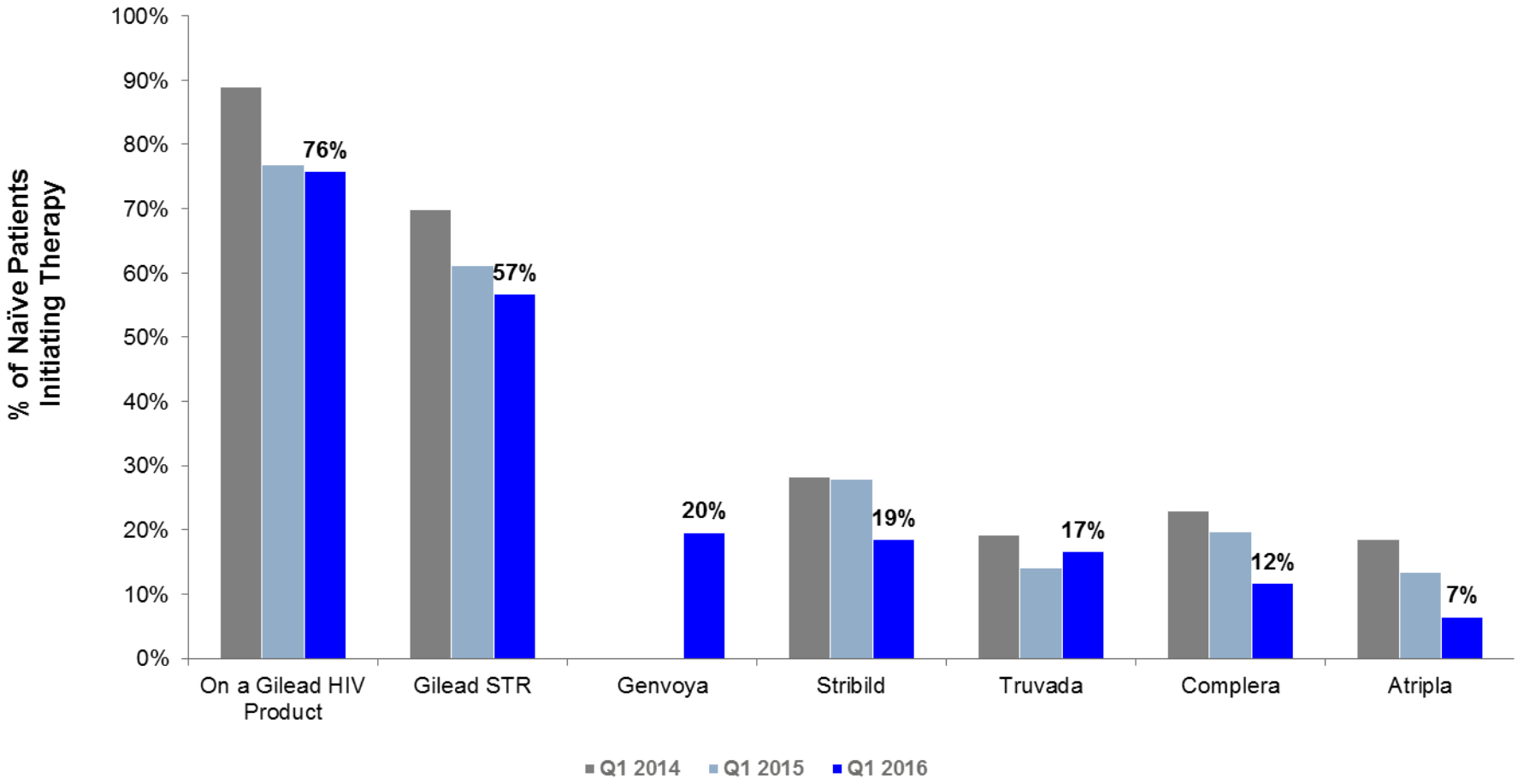
U.S. HIV Market Dynamics



Sources:

- CDC and Ipsos Healthcare U.S. HIV Monitor Q1 2016.
- ^Growth rate calculated as MAT (moving annual total).

Gilead U.S. Share in HIV Treatment Naïve Patients



Base: All initiations within each quarter.
Source: Ipsos Healthcare HIV U.S. Scope Q1 2016.

Top Prescribed HIV Regimens

U.S.

Rank	Naïve	All Patients
1	Other STR	Atripla
2	Genvoya	Stribild
3	Stribild	Other STR
4	Complera	Complera
5	Atripla	Genvoya

US Naïve Source: Ipsos Healthcare HIV U.S. Scope Q1 2016.
US All Patient Source: Ipsos Healthcare HIV U.S. Therapy Monitor Q1 2016.

Europe Big-5

Rank	Naïve	All Patients
1	Stribild	Atripla
2	Other STR	Eviplera
3	Eviplera	Other STR
4	Truvada + other 3rd Agent	Stribild
5	Atripla	Truvada + other 3rd Agent

EU Naïve Source: Ipsos Healthcare HIV EU Scope Q1 2016.
EU All Patient Source: Ipsos Healthcare HIV EU Therapy Monitor Q1 2016.

Gilead STR

Genvoya: The First TAF-Containing Single Tablet Regimen for HIV

U.S.

- Approved by the FDA on November 5, 2015
- Added to the “Recommended” category in the DHHS guidelines 13 days post-approval
- IAS-U.S. recently updated guidelines supporting the use of TAF-based regimens for initial therapy
- 78% of all Genvoya prescriptions have come from switches
- $268 million in sales in Q2 2016

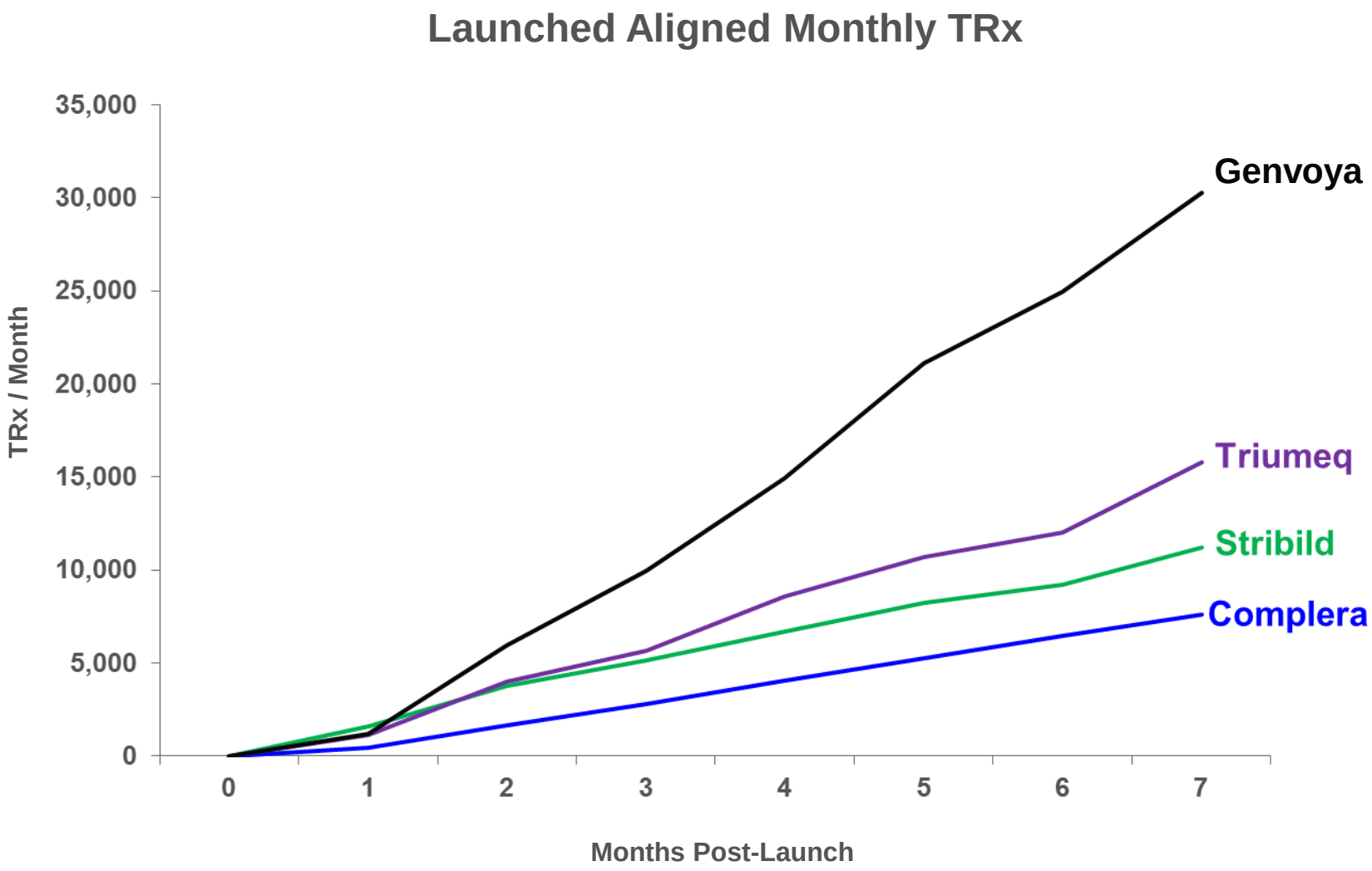
Europe

- Approved by the European Commission on November 23, 2015
- Preferred in the guidelines of Germany, Spain, Italy, Denmark and four additional countries
- Pricing and reimbursement achieved in Germany and Spain
- $30 million in sales in Q2 2016

Genvoya™

elvitegravir 150mg/cobicistat 150mg/emtricitabine 200mg/tenofovir alafenamide 10mg tablets

Genvoya U.S. Uptake



Source: Based on data derived from SHA PHAST Monthly.

Additional and Important TAF-Based Regimens

IAS-U.S. and DHHS recently adopted guidelines supporting the use of TAF-based regimens for initial therapy

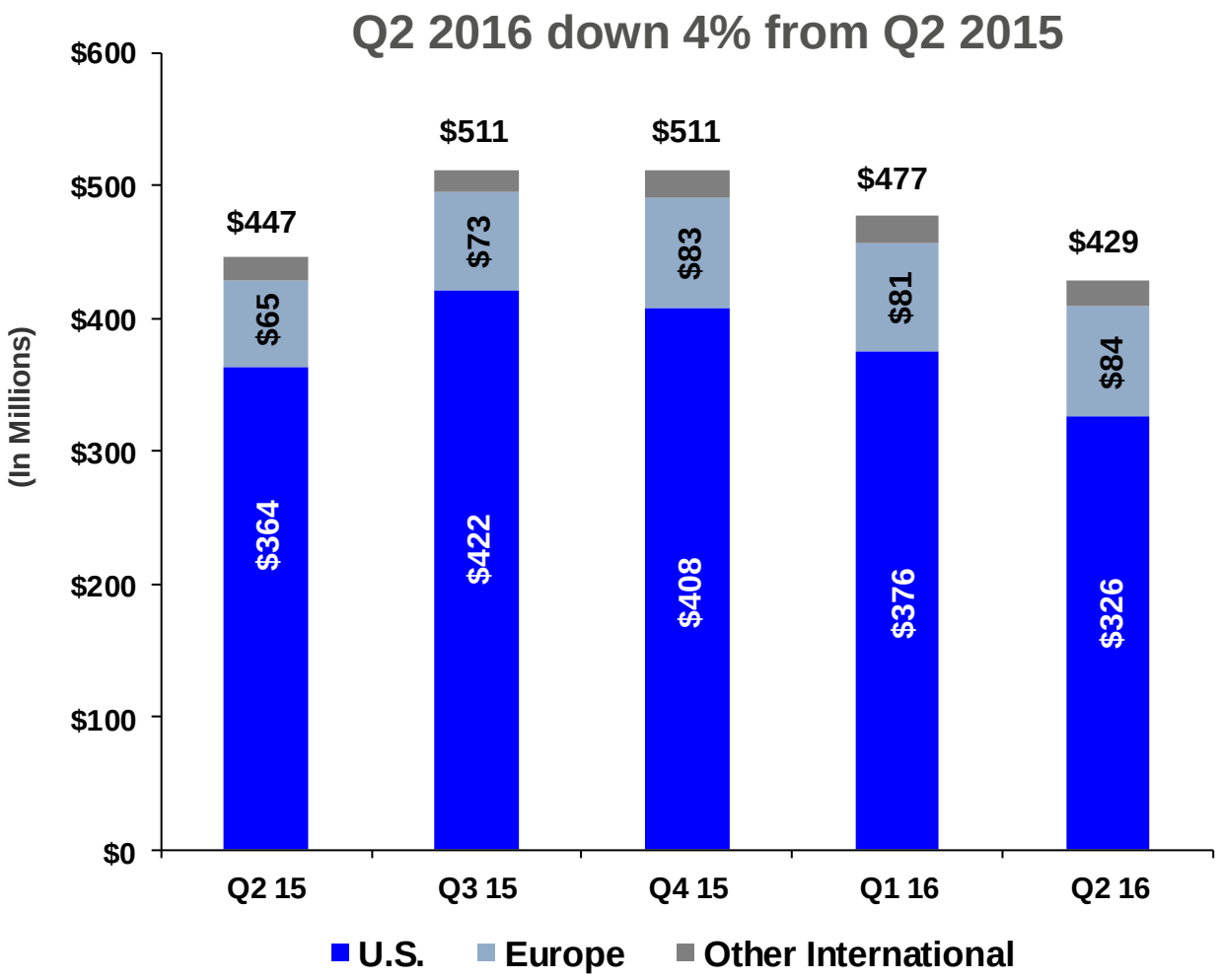
Odefsey™
emtricitabine 200mg/rilpivirine 25mg/
tenofovir alafenamide 25mg tablets

- Approved in U.S. and EU on March 1, 2016 and June 23, 2016, respectively
- $58 million in sales in Q2 2016

Descovy®
emtricitabine 200mg/
tenofovir alafenamide 25mg tablets

- Approved in U.S. and EU on April 4, 2016 and April 25, 2016, respectively
- First new HIV backbone approved in more than a decade
- $61 million in sales in Q2 2016

Stribild Product Sales



Key Metrics*

U.S.:

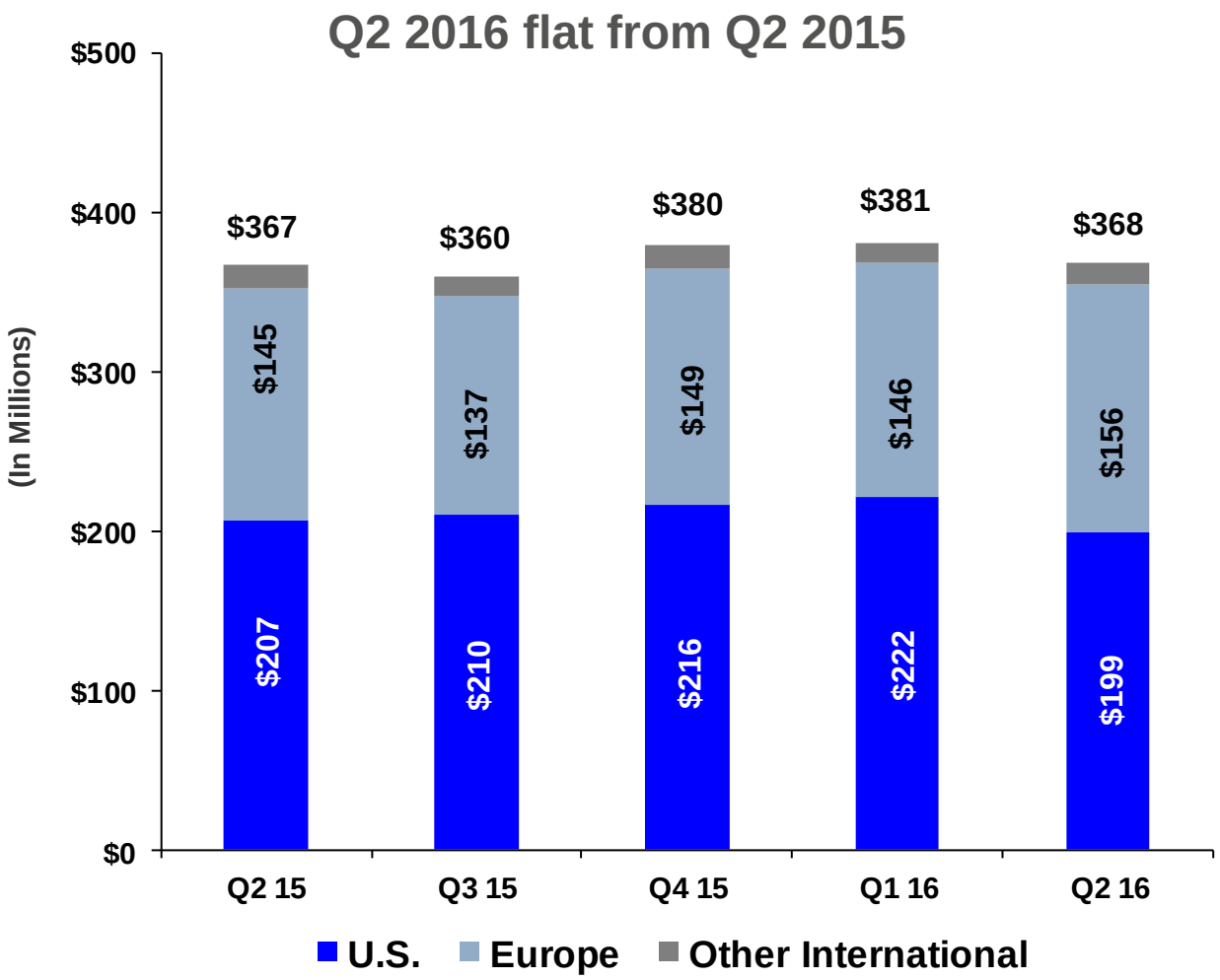
- Sequential and year-over-year decrease reflects switches to Genvoya
- Captured 20% of naïve HIV patient share
- Number two most prescribed HIV regimen across all treated patients

Europe:

- Captured 19% of naïve HIV patient share in Big-5
- Number one most prescribed HIV regimen in naïve patients

*Sources:
U.S. data from Ipsos Healthcare HIV U.S. Therapy Monitor Q1 2016 & Ipsos Healthcare HIV U.S. Scope Q1 2016.
EU data from Ipsos Healthcare HIV EU Scope Q1 2016.

Complera/Eviplera Product Sales



Key Metrics*

U.S. (Complera):

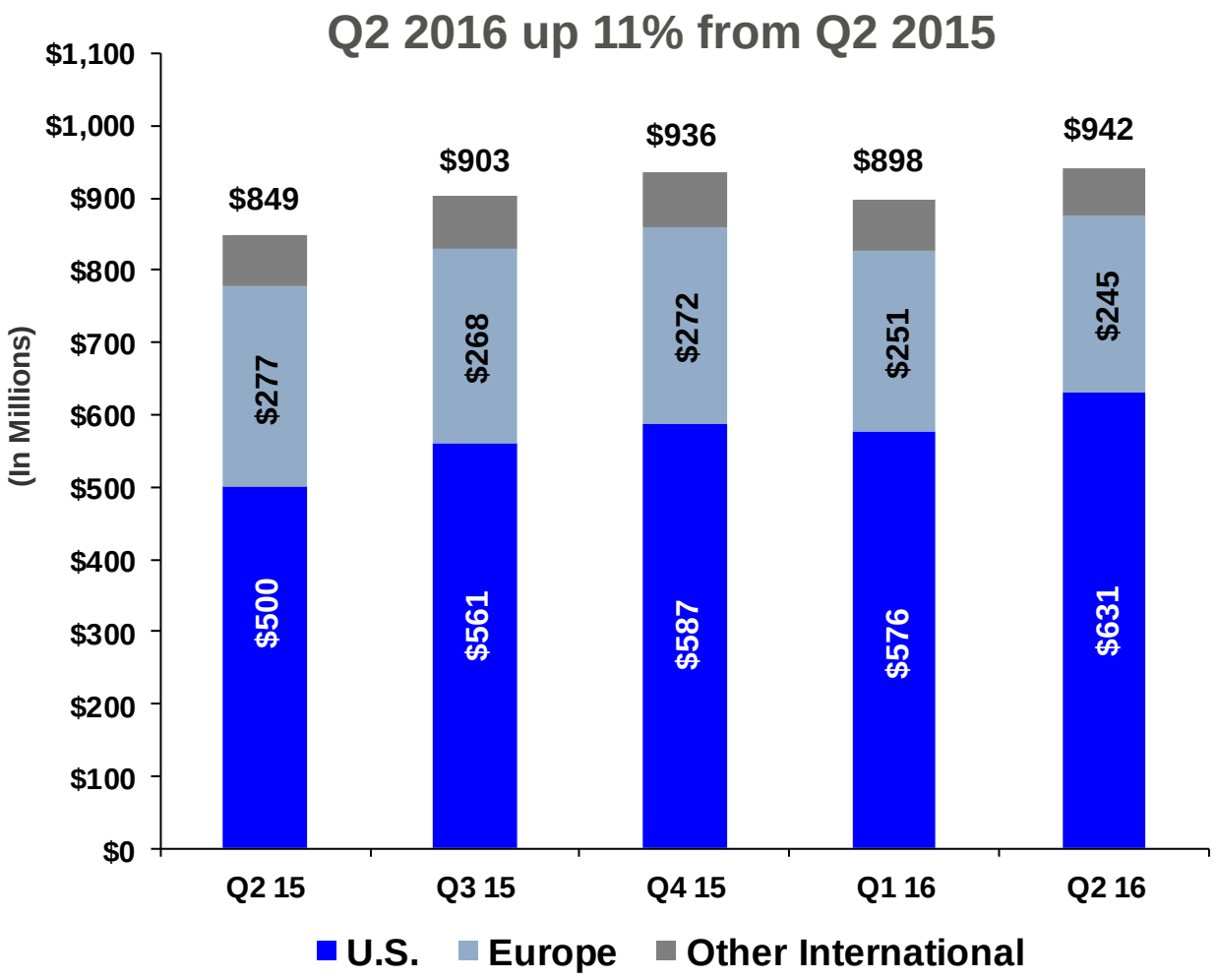
- Sequential and year-over-year decrease reflects switches to Odefsey
- Captured 12% of naïve HIV patient share
- Fourth most prescribed HIV regimen across all patients

Europe (Eviplera):

- Captured 15% of naïve HIV patient share in Big-5
- Number two most prescribed HIV regimen across all treated patients

*Sources:
U.S. data from Ipsos Healthcare HIV U.S. Therapy Monitor Q1 2016 & Ipsos Healthcare HIV U.S. Scope Q1 2016.
EU data from Ipsos Healthcare HIV EU Therapy Monitor Q1 2016 & Ipsos Healthcare HIV EU Scope Q1 2016.

Truvada Product Sales



Key Metrics*

U.S.:

- 17% of naïve HIV patient share
- Growing use for PrEP

Europe:

- Most prescribed HIV product with 26% of all treated patients
- Captured 26% of naïve HIV patient share

*Sources:
U.S. data from Ipsos Healthcare HIV U.S. Therapy Monitor Q1 2016 & Ipsos Healthcare HIV U.S. Scope Q1 2016.
EU data from Ipsos Healthcare HIV EU Therapy Monitor Q1 2016 & Ipsos Healthcare HIV EU Scope Q1 2016.

Select Product Sales

(in millions)

	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	% Change from Q2 2015
Viread	$271	$297	$306	$272	$287	6%
Letairis	$176	$181	$192	$175	$203	15%
Ranexa	$141	$161	$169	$144	$153	9%
AmBisome	$103	$88	$74	$86	$85	(17%)
Zydelig	$30	$36	$40	$49	$41	37%
Descovy	-	-	-	-	$61	NM
Odefsey	-	-	-	$11	$58	NM
Other*	$45	$43	$48	$44	$43	(4%)

*Other comprised primarily of Cayston and Lexiscan.

John F. Milligan, Ph.D.

President and CEO

GILEAD

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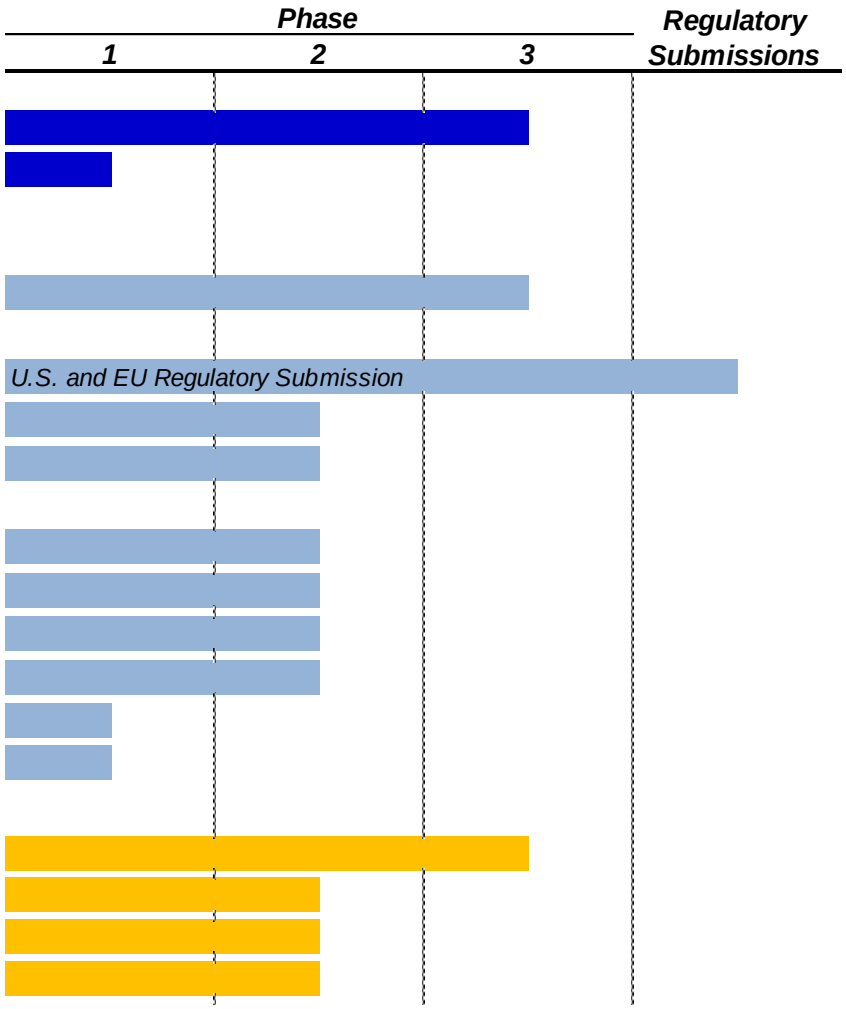
Improving Lives.

Key Accomplishments and Corporate Highlights

- **HIV**
  - Approval of Descovy in the U.S. and EU
  - Approval of Odefsey in the EU
  - Positive preclinical and Phase 1 data presented for bictegravir (GS-9883) at the recent American Society of Microbiology conference
- **Liver Disease**
  - Approval of the first pan-genotypic regimen, Epclusa, in the U.S. and EU
  - Completed acquisition of Nimbus Apollo, Inc. and its Acetyl-CoA Carboxylase (ACC) inhibitor program in NASH
  - Treated more than one million patients worldwide with sofosbuvir-containing regimens since Dec 2013

Pipeline Product Candidates



HIV

- B/F/TAF*
- GS-9620 (TLR-7 agonist)

Liver Diseases

HCV

- SOF/VEL/VOX** (pan-genotypic NS3 protease inhibitor)

HBV

- TAF (nucleotide reverse transcriptase inhibitor)
- GS-4774 (Tarmogen T cell immunity stimulator)
- GS-9620 (TLR-7 agonist)

NASH/Other Liver Diseases

- Simtuzumab (monoclonal antibody) - *Primary Sclerosing Cholangitis*
- Simtuzumab (monoclonal antibody) - *NASH*
- GS-4997 (ASK-1 inhibitor) - *NASH*
- Simtuzumab +/- GS-4997 - *NASH*
- GS-9674 (FXR agonist) - *NASH*
- GS-0976 (ACC inhibitor) - *NASH*

Cardiovascular

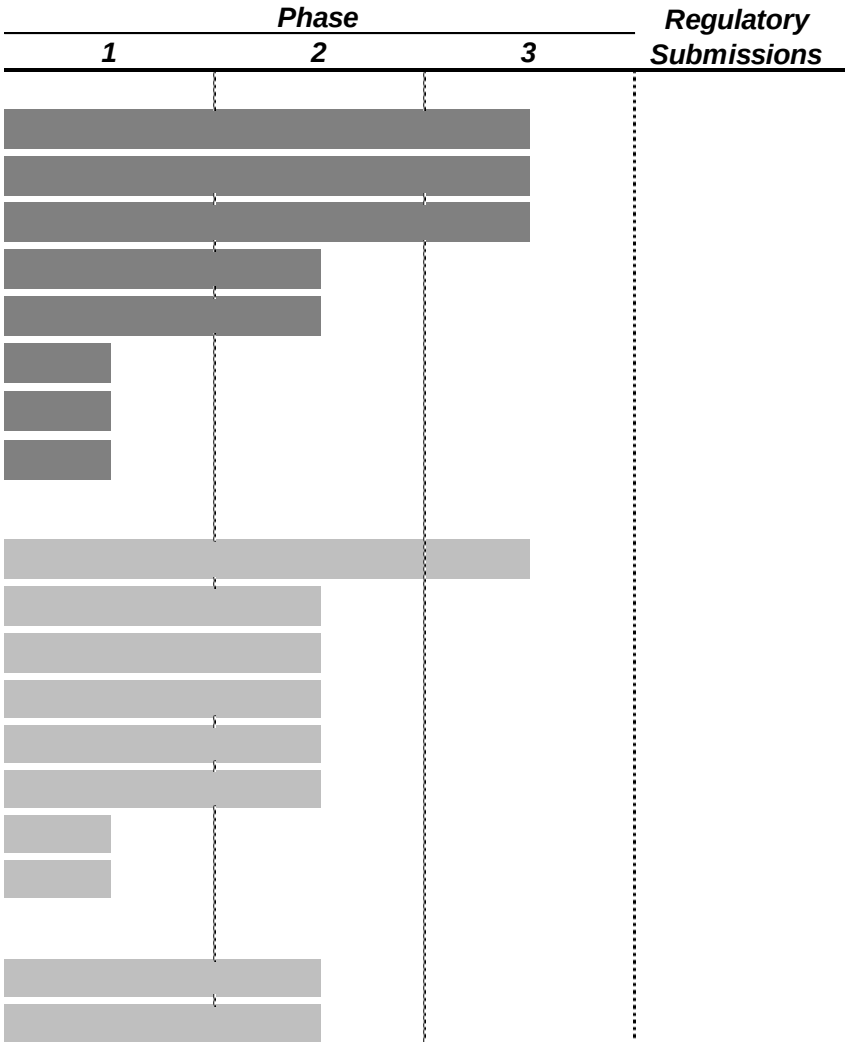
- Eleclazine*** (late sodium current inhibitor) - *LQT-3 Syndrome*
- GS-4997 (ASK-1 inhibitor) - *PAH*
- Eleclazine (late sodium current inhibitor) - *Hypertrophic Cardiomyopathy*
- Eleclazine (late sodium current inhibitor) - *Ventricular Tachycardia/Ventricular Fibrillation*

**Bictegravir is abbreviated B and was formerly called GS-9883.*

***Velpatisivir is abbreviated VEL and was formerly called GS-5816. Voxilaprevir is abbreviated VOX and was formerly called GS-9857.*

****Formerly called GS-6615.*

Pipeline Product Candidates (continued)



Hematology/Oncology

- Idelalisib (PI3K delta inhibitor) - *Relapsed/Refractory CLL*
- Momelotinib (JAK inhibitor) - *Myelofibrosis*
- GS-5745 (MMP9 mAb inhibitor) - *Gastric Cancer*
- Entospletinib (Syk inhibitor) - *Hematological Malignancies*
- Entospletinib (Syk inhibitor) - *AML*
- GS-4059 (BTK inhibitor) - *B-cell Malignancies*
- GS-5745 (MMP9 mAb inhibitor) - *Solid Tumors*
- GS-5829 (BET inhibitor) - *Solid Tumors*

Inflammation/Respiratory

- GS-5745 (MMP9 mAb inhibitor) - *Ulcerative Colitis*
- Presatovir* (fusion inhibitor) - *Respiratory Syncytial Virus*
- Filgotinib (JAK1 inhibitor) - *Rheumatoid Arthritis*
- Filgotinib (JAK1 inhibitor) - *Crohn's Disease*
- Entospletinib (Syk inhibitor) - cGVHD
- GS-5745 (MMP9 mAb inhibitor) - *Crohn's Disease*
- GS-5745 (MMP9 mAb inhibitor) - *Rheumatoid Arthritis*
- GS-9876 (Syk inhibitor) - *Rheumatoid Arthritis*

Other

- GS-4997 (ASK-1 inhibitor) - *Diabetic Nephropathy*
- GS-5734 (Nuc inhibitior) - *Ebola*

**Formerly called GS-5806.*

Significant Pipeline Milestones Anticipated in 2016 - 2017

HIV		
TAF	Q2 16 Q2 16 Q2 16	☑ Approval of F/TAF in the U.S. ☑ Approval of F/TAF in the EU ☑ Approval of R/F/TAF in the EU
B/F/TAF	Q2 17	❑ Achieve 48-week endpoint in Phase 3 studies in treatment-naïve and switch patients
GS-9620	Q4 16	❑ Complete Phase 1 study in HIV cure
Cardiovascular		
GS-4997	Q3 16	☑ Complete 24-week period of Phase 2 study in PAH
Eleclazine	Q2 16 Q3 16 Q4 16 Q3 17 Q2 17	☑ Complete enrollment of Phase 2 studies in VT/VF and HCM ❑ Complete enrollment of Phase 3 study in LQT-3 syndrome ❑ Complete Phase 2 study in VT/VF ❑ Complete Phase 2 study in HCM ❑ Complete Phase 3 study in LQT-3 syndrome
Other		
GS-4997	Q4 16	❑ Complete Phase 2 study in diabetic nephropathy
GS-5734	Q2 17	❑ Complete Phase 2 study in ebola virus disease (EVD)

Significant Pipeline Milestones Anticipated in 2016 - 2017
(Continued)

HBV		
TAF	Q4 16 Q1 17	❑ Approval in the U.S. (PDUFA November 11) ❑ Approval in the EU
GS-9620	Q2 16 Q4 16	☑ Complete Phase 2 study in virally suppressed patients ❑ Complete Phase 2 study in treatment-naïve patients
NASH, PBC and PSC		
Simtuzumab	Q4 16 Q4 16	❑ Complete Phase 2 study in NASH ❑ Complete Phase 2 study in PSC
GS-4997	Q3 16	❑ Complete Phase 2 study in NASH
GS-9674	Q3 16 Q4 16	❑ Initiate Phase 2 study in NASH ❑ Initiate Phase 2 study in PBC and PSC
GS-0976 *(ACC inhibitor)*	Q3 16	❑ Initiate Phase 2 study in NASH
HCV		
SOF/VEL/VOX	Q4 16	❑ Complete Phase 3 studies
SOF/VEL	Q2 16 Q3 16	☑ FDA approved Epclusa for all HCV genotypes ☑ Approval in the EU

Significant Pipeline Milestones Anticipated in 2016 - 2017
(Continued)

Hematology/Oncology		
Momelotinib	Q2 16 Q4 16 Q1 17	☑ Complete enrollment in Phase 3 studies vs ruxolitinib and best available treatment for myelofibrosis (MF) ❑ Complete Phase 3 studies for MF ❑ Submit U.S. NDA and EU MAA
Entospletinib	Q2 16 1H 17	☑ Initiate Phase 2 study in acute myeloid leukemia (AML) ❑ Initiate Phase 2 study with R-CHOP in diffuse large b-cell lymphoma (DLBCL)
GS-5745	Q2 17	❑ Interim analysis from Phase 3 study for gastric cancer
GS-4059	Q3 16 Q4 16	❑ Initiate Phase 2 with idelalisib in frontline CLL ❑ Initiate Phase 2 study with entospletinib in frontline CLL

Significant Pipeline Milestones Anticipated in 2016 - 2017
(Continued)

Inflammation/Respiratory		
Filgotinib	Q3 16 Q4 16 Q4 16	❑ Initiate Phase 3 studies in RA ❑ Initiate Phase 3 studies in Crohn's Disease ❑ Initiate Phase 2 study in UC
GS-5745	Q3 16 Q3 16 Q4 16 Q4 16	❑ Complete enrollment in Phase 2 study for Crohn's Disease ❑ Initiate Phase 2 studies in RA and CF ❑ Interim analysis of Phase 2/3 study for UC ❑ Complete Phase 2 study for Crohn's Disease
Presatovir *(formerly GS-5806)*	Q2 17 Q2 17	❑ Complete RSV Phase 2 study in adults with infection in lower respiratory tract ❑ Complete Phase 2 study in hospitalized adults
GS-9876	Q4 16	❑ Initiate Phase 2 study in RA
Entospletinib	Q2 16	☑ Initiate Phase 2 study in chronic graft versus host disease (cGVHD)

Appendix Slides

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Gilead's Efforts to Increase Global Access

- HIV and HCV Generic Licensing
  - Entered into licensing agreements for HIV with eight India-based generic manufacturers in 2006
  - Announced non-exclusive licensing agreements for HCV with eleven India-based generic manufacturers in 2014 and 2015
    - Includes Sovaldi and Harvoni
    - For distribution in 101 developing countries, where more than 100 million people estimated living with HCV
- Medicines Patent Pool (MPP)
  - Announced new agreement with MPP to expand access to the investigational drug TAF for HIV and HBV, contingent on U.S. regulatory approval
  - MPP can sub-license TAF to generic drug companies who may manufacture and distribute in 112 developing countries
- Gilead's Access Operations & Emerging Markets
  - Combined access efforts reached ~10 million HIV patients in low and middle-income countries

Innovation in HIV Continues with Bictegravir*

- **B/F/TAF STR**
  - Once daily unboosted integrase inhibitor (50mg), combined with F/TAF
  - Four registrational studies fully enrolled

Adult Tx-Naïve
B/F/TAF vs ABC/DTG/3TC
(n=600)

Adult Tx-Naïve
B/F/TAF vs DTG + F/TAF
(n=600)

Adult Switch from
ABC/DTG/3TC
(n=520)

Adult Switch from
Boosted PI (DRV or ATV)
(n=520)

Women's Switch from
Current Regimen
(n=400)

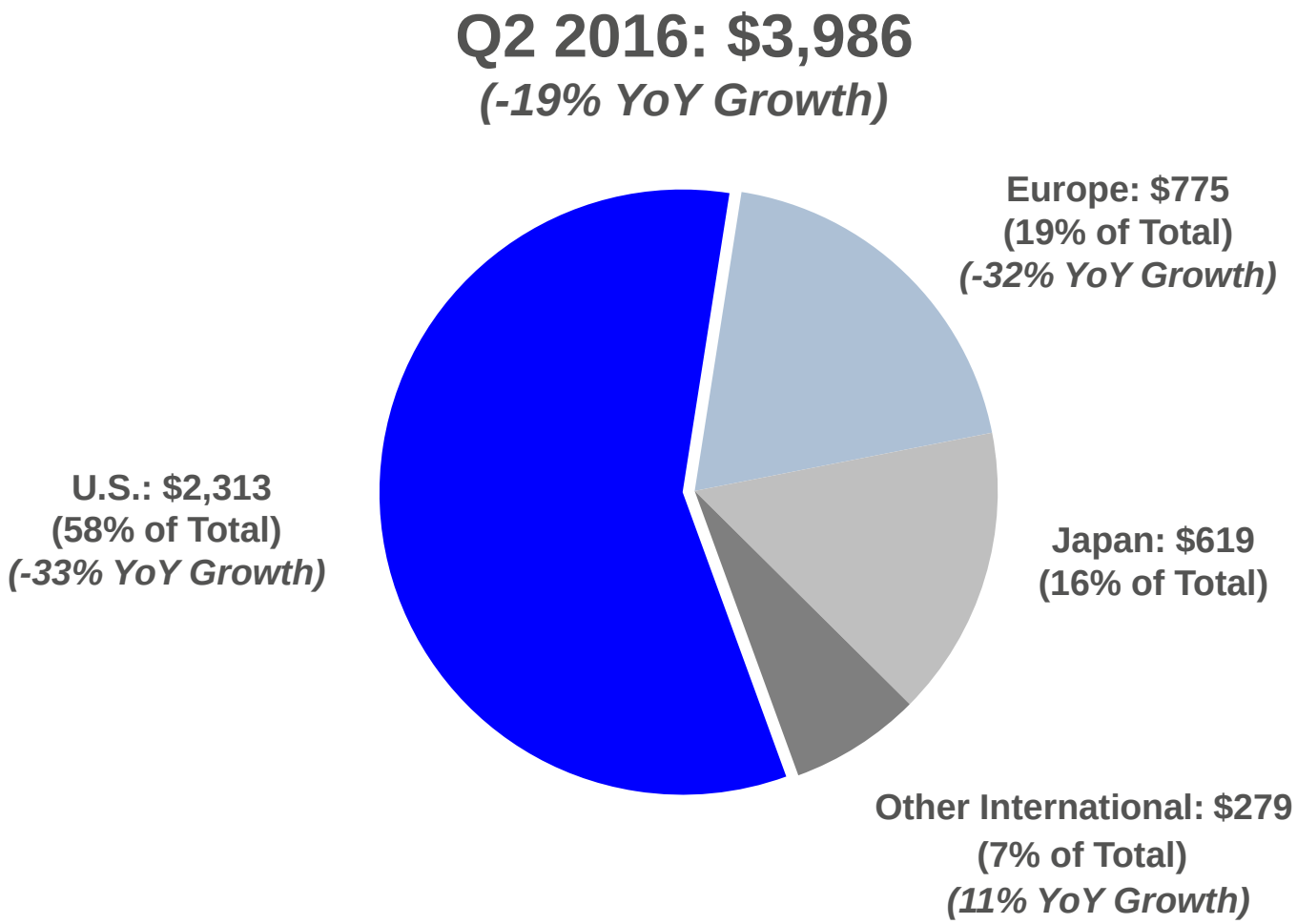
*Formerly called GS-9883.

TAF for HBV Top Line Results from Phase 3 Studies

- TAF is non-inferior to Viread
  - Study 108 (HBeAg-negative patients): **94.0%** of TAF patients compared to **92.9%** of Viread patients
  - Study 110 (HBeAg-positive patients): **63.9%** of TAF patients compared to **66.8%** of Viread patients
- Higher rates of ALT normalization
- The median change in estimated glomerular filtration rate (eGFR) from baseline to week 48 favored TAF in both studies ($p<0.01$)
- Statistically significant smaller mean percentage decrease from baseline in hip and spine bone mineral density compared to Viread patients
- U.S. NDA and EU MAA submitted in Q1 2016. U.S. PDUFA date November 11, 2016

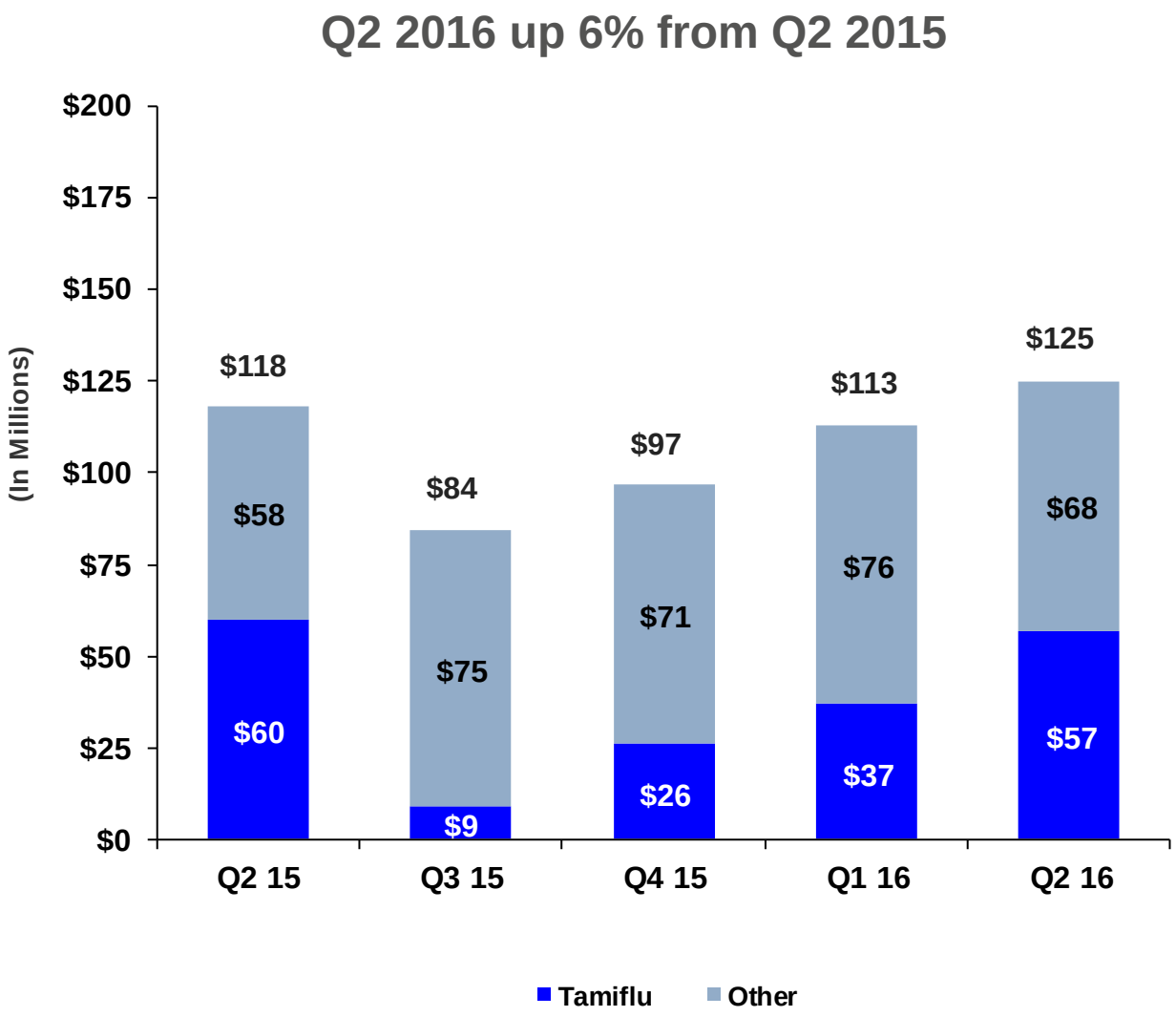
Total HCV Sales by Geography

(in millions, except percentages)

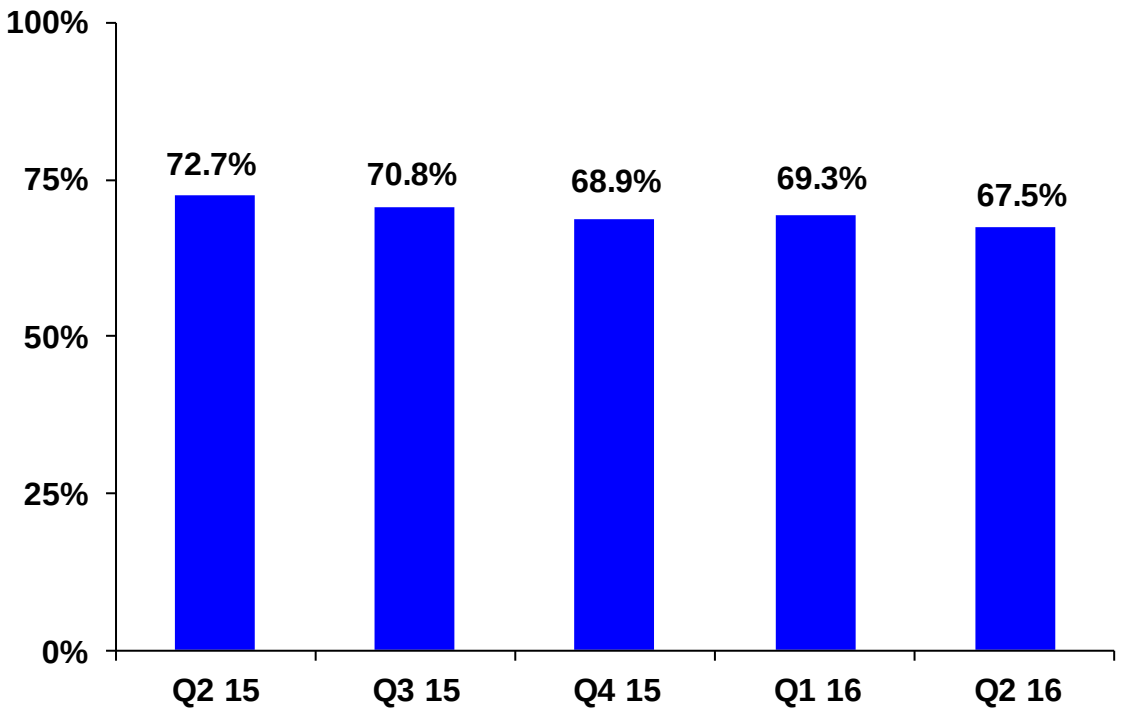


Note: Amounts may not sum due to rounding.

Total Royalty, Contract and Other Revenues



Non-GAAP Operating Margin



Note: Non-GAAP operating margin excludes acquisition-related, up-front collaboration, stock-based compensation and other expenses.

Key Metrics

- Lower Non-GAAP Operating Margin in Q2 16 over Q2 15 driven primarily by growth of operating expenses and lower revenues

Non-GAAP Effective Tax Rate

	Q2 2015	Q2 2016
Non-GAAP Effective Tax Rate	17.7%	18.3%

- The increase from Q2 2015 is primarily due to the decrease in HCV revenue.

Note: Non-GAAP Effective Tax Rate excludes acquisition-related, up-front collaboration, stock-based compensation and other expenses.

Outstanding Adjusted Debt

(in billions)

	Dec. 31, 2015	Mar. 31, 2016	Jun. 30, 2016
Senior Unsecured Notes and Floating Rate Borrowings*	$21.95	$21.95	$22.30
Convertible Notes*	$0.29	$0.25	-
Total Adjusted Debt*	$22.24	$22.20	$22.30
Adjusted Debt to Adjusted EBITDA**	~0.95x	~0.98x	~1.04x

*Adjusted debt amount shown at face value. For purposes of this calculation, Q1 2016 total adjusted debt excludes $792M conversion spread associated with our May 2016 Convertible Notes.

**Represents the last twelve months of adjusted EBITDA.

Total interest expense and amortization from all issued debt is expected to be approximately $217 million per quarter and $867 million for full year 2016.

Please refer to the GAAP to non-GAAP table in the appendix for a reconciliation of the non-GAAP measures presented above.

Dilution from 2016 Convertible Notes

	2016 Notes	Total Dilution
Average share price **Q2 2016 $88.75; YTD $89.45**		
Convertible Notes(1) **(Current Principal Outstanding)**	**$0M**	
Conversion Price(2)	**$22.33**	
Q2 2016 Share Dilution	**0.0M**	**0.0M**
YTD Share Dilution	**3.3M**	
Warrants (3) **(Current Outstanding)**	**9.1M**	
Warrant Exercise Price(2)	**$27.86**	
Q2 2016 Share Dilution	**6.2M**	**6.2M**
YTD Share Dilution	**6.2M**	
Total Q2 2016 Dilution from Convertible Notes and Warrants(4)		**6.2M**

(1) At issuance, the amount outstanding on the 2016 convertible notes was $1.25 billion.
(2) Warrant exercise price post-Q2 16 dividend was $27.86 ; pre-Q2 16 dividend prices were $22.33 (convertible notes) and $28.33 (warrants), respectively.
(3) At issuance, there were 55 million warrants outstanding. During Q2 15, 46 million warrants were redeemed early (55 million – 46 million = 9 million warrants).
(4) Represents 0.5% of diluted non-GAAP shares. Non-GAAP shares exclude impact of current stock-based compensation rules.

GAAP to Non-GAAP Reconciliation of Outstanding Adjusted Debt and Adjusted EBITDA

(in billions)

	Dec. 31, 2015	Mar. 31, 2016	Jun. 30, 2016
Convertible Notes	$0.28	$0.25	$0.00
Senior Unsecured Notes and Floating Rate Borrowings	21.77	21.78	22.13
Total debt, net	22.06	22.03	22.13
Debt discounts, premiums and issuance costs	0.18	0.17	0.17
Total Adjusted Debt*	$22.24	$22.20	$22.30

	Last Twelve Months Ended		
	Dec. 31, 2015	**Mar. 31, 2016**	**Jun. 30, 2016**
Net income attributable to Gilead	$18.11	$17.34	$16.35
Add: Interest expense & Other income (expense), net	0.53	0.55	0.59
Add: Tax	3.55	3.58	3.47
Add: Depreciation	0.16	0.17	0.17
Add: Amortization	0.94	0.95	0.95
Adjusted EBITDA	**$23.29**	**$22.59**	**$21.52**
Adjusted Debt to Adjusted EBITDA ratio	**~0.95x**	**~0.98x**	**~1.04x**

*Adjusted Debt amount shown at face value. For purposes of this calculation, Q1 2016 total adjusted debt excludes $792M conversion spread associated with our May 2016 Convertible Notes.

Q2 2016 Earnings Results

July 25, 2016

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