

Gilead Sciences Acquires Rights To Novel Oncology Compound From Southern Research Institute

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Gilead Sciences, Inc. (Nasdaq: GILD) and Southern Research Institute (SRI) today announced that they have entered into a licensing agreement granting Gilead exclusive, worldwide development and marketing rights to 4'-thio-araC (GS 7836), a nucleoside analogue for the potential treatment of cancer. Gilead plans to begin preclinical testing during 2001 with the goal of initiating Phase I clinical trials in early 2002.

Under the terms of the agreement, Gilead paid SRI an upfront license fee and will make additional payments upon the achievement of certain development and regulatory milestones. Gilead is responsible for all costs associated with research and development and will pay SRI royalties on any product sales.

"As we build our oncology business, this licensing agreement marks another important accomplishment. GS 7836 is the third novel anti-cancer agent in-licensed since 1998," said John C. Martin, Ph.D., President and Chief Executive Officer, Gilead Sciences. "It is our goal to rapidly advance this compound into Phase I clinical trials."

GS 7836 belongs to the same class of compounds as the anti-cancer agents AraC and gemcitabine (Gemzar®, Eli Lilly). AraC is approved for the treatment of patients with acute leukemia. Gemcitabine is approved as first-line therapy for patients with pancreatic and non-small cell lung cancers. Unlike AraC, but similar to gemcitabine, GS 7836 has demonstrated potent activity against a variety of solid tumors in preclinical experiments performed by Gilead and SRI. Nucleoside analogues are believed to inhibit tumor growth by preventing the replication of DNA in rapidly growing cancer cells.

"We are very pleased to have our product developed and commercialized by Gilead Sciences," said Jack Secrist, Ph.D., Vice President, Drug Discovery and Development, Southern Research Institute. "The Gilead organization is demonstrating a substantial commitment to developing oncology products and has the commercial capacity and international presence to bring this product to market."

Gilead's Oncology Portfolio

In addition to infectious diseases, oncology is a key area of therapeutic focus at Gilead Sciences. To help address unmet medical needs of cancer patients, the company is committed to building its portfolio of anti-cancer compounds by accelerating the development of programs currently in the clinic, using Gilead's proprietary liposomal drug delivery technology to improve the therapeutic index of investigational agents, supporting research efforts aimed at new molecular targets and seeking opportunities to in-license promising compounds.

Gilead's most advanced product candidate in oncology, NX 211, is a proprietary liposomal formulation of the anti-cancer agent lurtotecan and is currently in Phase II clinical trials. Recently, Gilead in-licensed GS 7904L, a liposomal thymidylate synthase inhibitor for the potential treatment of cancer, and plans to initiate Phase I clinical trials of this compound in 2001. Gilead is also pursuing several discovery programs aimed at developing novel cancer therapies.

About Gilead and Southern Research Institute

Gilead Sciences, Inc., headquartered in Foster City, CA, is an independent biopharmaceutical company that seeks to provide accelerated solutions for patients and the people who care for them. Gilead discovers, develops, manufactures and commercializes proprietary therapeutics for challenging infectious diseases (viral, fungal and bacterial infections) and cancer. Gilead maintains research, development or manufacturing facilities in Foster City, CA; Boulder, CO; San Dimas, CA; Cambridge, UK and Dublin, Ireland and sales and marketing organizations in the United States, Europe and Australia. For more information about Gilead, please visit www.gilead.com.

Southern Research Institute is a not-for-profit research organization headquartered in Birmingham, Alabama. Chartered in 1941, the Institute has long had a reputation for leadership and excellence in scientific research. Through its programs in drug discovery and development, energy and environment, chemical and biological defense, and engineering, SRI has made widely recognized contributions in the application of science and engineering to improved quality of life. Southern Research also has facilities at Research Triangle Park, North Carolina, and Frederick, Maryland. In 1999 the Institute was reconstituted as an affiliate of the

University of Alabama at Birmingham.

This press release includes forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, that are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those referred to in the forward-looking statements, particularly the risks associated with safety, efficacy and development timelines for an investigational compound. Actual results could differ materially from those projected in this release. The reader is cautioned not to rely on these forward-looking statements. These and other risks are described in detail in the Gilead Annual Report on Form 10-K for the year ended December 31, 1999 and in Gilead's Quarterly Reports on Form 10-Q, all of which are on file with the U.S. Securities and Exchange Commission.

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For more information on Gilead Sciences, please call the Gilead Corporate Communications Department at 1-800-GILEAD-5 (1-800-445-3235) or visit the corporate Web site at www.gilead.com.