1999 Third Quarter Highlights

October 27, 1999 10:34 AM ET

Foster City, CA -- October 27, 1999

Gilead Sciences is an independent biopharmaceutical company that seeks to provide accelerated solutions for patients and the people who care for them. During the third quarter of 1999, the Company received product and royalty revenue from the sale of AmBisome® (liposomal amphotericin B) for the treatment of severe fungal infections, 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	$38.4 mm	Net Loss per Share	$0.70 per share
Net Product Sales	$34.6 mm	Net Loss per Share Before Merger Charges	$0.35 per share
Total Expenses	$62.1 mm		
Net Loss	$30.4 mm	Cash and Equivalents	$307.4 per share

Gilead Sciences and NeXstar Merger Completed – In July, Gilead and NeXstar Pharmaceuticals announced that each company's stockholder approval for the merger transaction between the two companies. Gilead acquired all of NeXstar's outstanding stock in a tax-free, stock-for-stock transaction. NeXstar stockholders received 0.3786 of a share of Gilead common stock for each share of NeXstar common stock. The exchange ratio of 0.3786 was based on the average closing price of Gilead Sciences common stock from June 28 to July 26, 1999. Valued at $550 million in Gilead Sciences stock at the time of announcement in March, the transaction will be accounted for as a pooling of interests and has created a biopharmaceutical company with worldwide presence focused on infectious disease and oncology. The combined company operates under the name Gilead Sciences, with NeXstar subsidiaries operating at existing sites in the U.S., Europe and Australia. In the third quarter of 1999, Gilead recorded one-time expenses associated with the merger of $15.1 million, or $0.35 per share.

Tamiflu™ (oseltamivir phosphate) Receives First Approval for the Treatment of Influenza – In September, Tamiflu was approved by the Swiss Regulatory Authority (Interkantonale Kontrollstelle für Heilmittel) for the treatment of influenza. Tamiflu was made available in Switzerland on October 1st. U.S. and Canadian regulatory authorities have granted Tamiflu priority review status and a decision is expected in the U.S. in time for this year's flu season.

Safety and Efficacy of Tamiflu in Elderly and High Risk Populations Presented – In September at the 39th Annual Interscience Conference on Antimicrobial Agents and Chemotherapy (ICAAC), Frederick Hayden, MD, Professor of Internal Medicine and Pathology at the University of Virginia Medical Center, presented preliminary study results demonstrating the safety and tolerability of Tamiflu in 469 elderly and high-risk patients. Dr. Hayden also presented prevention data indicating that when used once daily for six weeks, Tamiflu provided a 92 percent protection rate against the development of influenza among frail elderly patients in residential home care.

Tenofovir Disoproxil Fumarate Preliminary Phase II Clinical Results Presented – In September at ICAAC Gilead presented preliminary 24 week results from a double-blind, placebo-controlled, Phase II clinical trial (Study 902) evaluating the safety and efficacy of three doses of once-daily tenofovir DF (300 mg, 150 mg or 75 mg) when added to a stable background antiretroviral regimen in 189 heavily-pretreated patients. The results indicate tenofovir DF is associated with a dose dependent and significant reduction in viral load as compared to placebo. The response in the highest dose group represented an 80 percent reduction in circulating virus after 24 weeks of dosing (-0.75 log10 copies/mL vs. -0.05 log10 copies/mL in the placebo arm). Tenofovir DF was well tolerated at all dose and adverse events were similar among all study arms, including the placebo group.

Adefovir Dipivoxil Virology and Safety Data Presented – In September, also at ICAAC, several study analyses were presented that further define the virology and safety profile of adefovir dipivoxil for HIV. The virology data confirm findings from Gilead's pivotal 408 study, suggesting that adefovir dipivoxil has antiviral activity against viruses which are high level AZT and 3TC resistant. Safety analyses from a dose-comparison trial (Study 417) and an expanded access program indicate that adefovir dipivoxil 60 mg is associated with a significant reduction in the incidence and severity of nephrotoxicity when compared to the 120 mg dose.

AmBisome® Phase III Results for Treatment of Cryptococcal Meningitis in AIDS Patients Released – In September, also at ICAAC, Gilead's partner Fujisawa Healthcare Inc. presented results from a Phase III trial of 267 AIDS patients with cryptococcal meningitis that compared two doses of AmBisome (3 and 6 mg/kg) to amphotericin B (0.7 mg/kg). The data indicate that AmBisome is as effective as amphotericin B, with significantly less toxicity.

Upcoming Milestones

Adefovir dipivoxil (HIV): FDA Antiviral Drugs Advisory Committee Meeting on November 1.

Tenofovir DF (HIV): Initiate Phase III clinical program and compassionate use program.

Tamiflu (Influenza): Receive marketing clearance in the U.S. Adefovir dipivoxil (HBV): Begin additional Phase III studies; execute partner agreement.

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, 1998.

Printed October 27, 1999