

# FINANCIAL HIGHLIGHTS

2017 was a transformational year for Gilead, marked by operational excellence and innovation across all aspects of our business.

Strong growth in HIV was driven by widespread physician acceptance and uptake of our tenofovir alafenamide (TAF)-based regimens. We continued to maximize the opportunity in HCV in a changing competitive landscape. We also made two strategic acquisitions, Kite and Cell Design Labs, positioning Gilead as an industry leader in cell therapy.

We were operationally and financially efficient with high operating margins, and we continued to deliver strong operating cash flows, ending 2017 with \$36.7 billion in cash and investments. We returned approximately 33 percent of free cash flow to shareholders through dividends and share repurchases.

With the recent enactment of the Tax Cuts and Jobs Act (Tax Reform), we recorded an estimated net charge of \$5.5 billion in 2017. Tax Reform will have a positive impact on Gilead's earnings, lower our global effective tax rate and increase our financial flexibility.

Looking ahead, our strong balance sheet will enable us to expand our pipeline through mergers and acquisitions and partnerships, de-lever our capital structure, support our dividend and make share repurchases.

For more information about Gilead's 2017 financial performance, refer to the company's 2017 Annual Report on Form 10-K on the Shareholder Center section of our website.

\*Non-GAAP research and development expenses exclude acquisition-related, up-front collaboration, stock-based compensation and other expenses.

