

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	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	\$ 712,459
Acquisition-related amortization of inventory mark-up	-	-	-	-	-	-	(3,711)	(3,711)
Acquisition-related amortization of purchased intangibles	-	-	-	-	-	-	(12,066)	(12,066)
Stock-based compensation expenses	(1,694)	(2,848)	(2,592)	(3,178)	(10,312)	(3,254)	(2,771)	(2,771)
Non-GAAP cost of goods sold	\$ 238,154	\$ 262,836	\$ 297,591	\$ 318,353	\$ 1,116,934	\$ 326,160	\$ 364,497	\$ 690,657
Product gross margin reconciliation:								
GAAP product gross margin	79.4 %	78.6 %	77.9 %	77.2 %	78.2 %	77.4 %	75.7 %	76.5 %
Acquisition-related amortization of inventory mark-up	-	-	-	-	-	-	0.2 %	0.1 %
Acquisition-related amortization of purchased intangibles	-	-	-	-	-	-	0.8 %	0.4 %
Stock-based compensation expenses	0.1 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %	0.2 %
Non-GAAP product gross margin	79.5 %	78.8 %	78.1 %	77.4 %	78.4 %	77.6 %	76.9 %	77.2 %
Research and development expenses reconciliation:								
GAAP research and development expenses	\$ 155,301	\$ 176,542	\$ 188,062	\$ 201,863	\$ 721,768	\$ 188,779	\$ 241,638	\$ 430,417
Restructuring expenses	-	-	-	-	-	-	(11,251)	(11,251)
Stock-based compensation expenses	(16,895)	(15,370)	(17,680)	(16,578)	(66,523)	(16,955)	(24,321)	(41,276)
Non-GAAP research and development expenses	\$ 138,406	\$ 161,172	\$ 170,382	\$ 185,285	\$ 655,245	\$ 171,824	\$ 206,066	\$ 377,890
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	\$ 465,362
Acquisition-related transaction costs	-	-	-	-	-	-	(8,165)	(8,165)
Restructuring expenses	-	-	-	-	-	-	(12,855)	(12,855)
Stock-based compensation expenses	(17,547)	(18,657)	(21,322)	(19,003)	(76,529)	(20,836)	(27,189)	(48,025)
Non-GAAP selling, general and administrative expenses	\$ 177,410	\$ 200,876	\$ 167,867	\$ 174,662	\$ 720,815	\$ 183,115	\$ 213,202	\$ 396,317
Operating margin reconciliation:								
GAAP operating margin	53.1 %	47.4 %	50.6 %	49.8 %	50.2 %	52.8 %	46.2 %	49.4 %
Acquisition-related transaction costs	-	-	-	-	-	-	0.5 %	0.3 %
Acquisition-related amortization of inventory mark-up	-	-	-	-	-	-	0.2 %	0.1 %
Acquisition-related amortization of purchased intangibles	-	-	-	-	-	-	0.7 %	0.4 %
Restructuring expenses	-	-	-	-	-	-	1.5 %	0.8 %
Stock-based compensation expenses	2.9 %	2.9 %	3.0 %	2.7 %	2.9 %	2.7 %	3.3 %	3.0 %
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 %
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	\$ 1,160,510
Acquisition-related transaction costs	-	-	-	-	-	-	8,165	8,165
Acquisition-related amortization of inventory mark-up	-	-	-	-	-	-	2,659	2,659
Acquisition-related amortization of purchased intangibles	-	-	-	-	-	-	8,909	8,909
Restructuring expenses	-	-	-	-	-	-	17,792	17,792
Stock-based compensation expenses	26,001	26,409	30,081	30,308	112,799	30,288	39,961	70,249
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	\$ 1,268,284
Diluted earnings per share reconciliation:								
GAAP diluted earnings per share	\$ 0.51	\$ 0.45	\$ 0.52	\$ 0.59	\$ 2.06	\$ 0.63	\$ 0.61	\$ 1.24
Acquisition-related transaction costs	-	-	-	-	-	-	0.01	0.01
Acquisition-related amortization of inventory mark-up	-	-	-	-	-	-	0.00	0.00
Acquisition-related amortization of purchased intangibles	-	-	-	-	-	-	0.01	0.01
Restructuring expenses	-	-	-	-	-	-	0.02	0.02
Stock-based compensation expenses	0.03	0.03	0.03	0.03	0.12	0.03	0.04	0.07
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	\$ 1.35
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	938,500
Effect of SFAS 123R	2,121	2,403	1,924	683	1,686	799	28	397
Non-GAAP shares used in per share calculation (diluted)	968,675	968,066	962,509	943,520	960,511	943,278	934,506	938,897

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	YTD 2009
Cost of goods sold:								
Acquisition-related amortization of inventory mark-up	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,711	\$ 3,711
Acquisition-related amortization of purchased intangibles	-	-	-	-	-	-	12,066	12,066
Stock-based compensation expenses	1,694	2,848	2,592	3,178	10,312	3,254	2,771	6,025
	1,694	2,848	2,592	3,178	10,312	3,254	18,548	21,802
Research and development expenses:								
Restructuring expenses	-	-	-	-	-	-	11,251	11,251
Stock-based compensation expenses	16,895	15,370	17,680	16,578	66,523	16,955	24,321	41,276
	16,895	15,370	17,680	16,578	66,523	16,955	35,572	52,527
Selling, general and administrative expenses:								
Acquisition-related transaction costs	-	-	-	-	-	-	8,165	8,165
Restructuring expenses	-	-	-	-	-	-	12,855	12,855
Stock-based compensation expenses	17,547	18,657	21,322	19,003	76,529	20,836	27,189	48,025
	17,547	18,657	21,322	19,003	76,529	20,836	48,209	69,045
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	143,374
Income tax effect	(10,135)	(13,548)	(11,513)	(8,451)	(43,647)	(10,757)	(24,843)	(35,600)
Total non-GAAP adjustments after tax	\$ 26,001	\$ 34,178	\$ 30,081	\$ 30,308	\$ 120,568	\$ 30,288	\$ 77,486	\$ 107,774