



Gilead Signs Inventory Management Agreements with the Three Major U.S. Wholesalers

July 12, 2004

FOSTER CITY, Calif.--(BUSINESS WIRE)--July 12, 2004--Gilead Sciences, Inc. (Nasdaq:GILD) today announced that it has entered into inventory management agreements (IMAs) with AmerisourceBergen Drug Corporation, Cardinal Health, Inc. and McKesson Corporation, three major pharmaceutical wholesalers that distribute more than 90 percent of the portfolio of products Gilead sells in the United States. These agreements have been implemented to limit speculative buying and to help ensure that wholesaler purchasing is consistent with customer demand. Under these agreements, Gilead has agreed to pay the wholesalers a fee in exchange for product distribution and inventory management services, market research information, return goods processing assistance and counterfeit product detection services. Additionally, under the terms of the agreements, each wholesaler has agreed not to exceed specified maximum levels of inventory on hand.

"We are pleased to have completed agreements with AmerisourceBergen, Cardinal Health and McKesson," said John C. Martin, PhD, Gilead's President and Chief Executive Officer. "We believe that these mutually beneficial agreements will be an important component of long-term value to Gilead and our shareholders, while providing fair terms to our wholesalers, with whom we value our strong relationships."

Over the course of the first half of 2004, Gilead limited fulfillment of orders of Viread(R) (tenofovir disoproxil fumarate) to each of the major wholesalers to levels consistent with estimated end-user demand to prevent the build-up of excess inventory. Gilead anticipates that these IMAs will reduce fluctuations in sales caused by wholesaler buying patterns and will provide more transparency on end-user demand.

Gilead will provide financial results and more details about these IMAs on its second quarter 2004 conference call scheduled for 4:30 p.m. Eastern time on Thursday, July 29, 2004.

About Gilead Sciences

Gilead Sciences is a biopharmaceutical company that discovers, develops and commercializes therapeutics to advance the care of patients suffering from life-threatening diseases worldwide. The company has six marketed products, and focuses its research and clinical programs on anti-infectives. Headquartered in Foster City, CA, Gilead has operations in North America, Europe and Australia.

Statements included in this press release that are not historical in nature are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include those relating to effect of the IMAs on speculative buying, wholesaler purchasing, sales fluctuations and the transparency of end-user demand and to the importance and long term value of the IMAs. Gilead cautions readers that forward-looking statements are subject to certain risks and uncertainties, which could cause actual results to differ materially. In particular, Gilead cannot be certain that the IMAs will be effective in limiting speculative purchasing activity in the future, that there will not be a future drawdown of inventory, or that inventory levels will match end-user demand since ultimate inventory decisions will be made by the wholesalers, and the company estimates of end-user demand may not be accurate. If speculative purchasing occurs or if purchases do not match actual end-user demand, quarter to quarter fluctuations in revenues could occur. These and other risks are described in detail in Gilead's Annual Report on Form 10-K for the year ended December 31, 2003 and subsequent Quarterly Reports on Form 10-Q, all of which are on file with the U.S. Securities and Exchange Commission. 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.

Viread is a registered trademark of Gilead Sciences, Inc.

For more information on Gilead Sciences, please visit the company's website at www.gilead.com or call Gilead Public Affairs at 1-800-GILEAD-5 or 1-650-574-3000.

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