

Gilead Sciences Calls for Redemption of Convertible Subordinated Notes

October 6, 2004 8:31 AM ET

FOSTER CITY, Calif.--(BUSINESS WIRE)--Oct. 6, 2004--Gilead Sciences, Inc. (Nasdaq:GILD) announced today that it is calling for redemption on November 20, 2004 all (or 100%) of its outstanding 2% Convertible Subordinated Notes due December 15, 2007 (the "Notes"). The Notes are being called as a provisional redemption based upon the market price of Gilead common stock exceeding certain thresholds. The aggregate principal amount outstanding of the Notes is \$345,000,000. The CUSIP numbers for these notes are 375558AC7 and 375558AD5.

On November 20, 2004, the Notes will be redeemed at a redemption price equal to 100% of the principal amount of the Notes, plus a cash payment equal to accrued and unpaid interest to the redemption date and a cash make-whole payment equal to \$60 per \$1,000 principal value of the Notes less interest actually paid or accrued and unpaid from the date of issuance of the Notes to the redemption date. Interest on the Notes will cease to accrue on the redemption date, and the only remaining right of the holders thereafter will be to receive the redemption payment, including accrued and unpaid interest to the redemption date and the make-whole payment.

Alternatively, Note holders may elect to convert their Notes into shares of Gilead common stock at a price of \$23.50 per share, or 42.55 shares of Gilead common stock per \$1,000 principal amount of the Notes. Cash will be paid in lieu of fractional shares. On the redemption date, holders who have converted their notes will become entitled to receive a cash make-whole payment equal to \$60 per \$1,000 principal amount of converted Notes less interest actually paid. The right to convert Notes into shares of Gilead common stock will expire at the close of business on November 18, 2004, and after that date, no further conversions of the Notes can be made. On October 5, 2004, the closing price of Gilead common stock on the Nasdaq National Market was \$38.34 per share. So long as the market price of Gilead common stock is greater than \$23.50 per share, a holder of the Notes who converts will receive Gilead common stock with a market value (together with cash in lieu of any fractional shares and the make-whole payment) greater than the amount of cash (including the make-whole payment) the holder would otherwise be entitled to receive upon redemption. The Company expects payments in respect of the redemption to be made on November 22, 2004.

The Company expects to record a non-operating charge of approximately \$7.4 million during the fourth quarter of 2004 associated with this redemption.

A Notice of Redemption is being mailed by J.P. Morgan Trust Company, National Association, the trustee for the Notes, to all registered holders of the Notes. Copies of the Notice of Redemption and additional information relating to the procedure for redemption may be obtained from J.P. Morgan Trust Company, National Association, by calling 800-275-2048.

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 seven 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.

For more information on Gilead Sciences, please visit www.gilead.com or call the Gilead Public Affairs Department at 800-GILEAD-5 (800-445-3235).

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SOURCE: Gilead Sciences, Inc.