Gilead Sciences and EyeTech Pharmaceuticals Announce Exclusive License of Potential New Therapy for Age-Related Macular Degeneration

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Worldwide Agreement for Gilead's Proprietary Aptamer NX 1838

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Gilead Sciences, Inc. (Nasdaq: GILD) and EyeTech Pharmaceuticals, Inc. today announced an exclusive, worldwide license of an investigational therapy for the treatment of the wet form of Age-Related Macular Degeneration (AMD), the most common cause of adult-onset blindness, and Diabetic Retinopathy. EyeTech received worldwide rights to all therapeutic uses of Gilead's proprietary aptamer NX 1838, an inhibitor of vascular endothelial growth factor (VEGF). VEGF is known to play a role in the development of both ophthalmic diseases. Currently in early clinical trials, NX 1838 will require additional studies to determine its safety and efficacy for these treatment indications.

Under the terms of the deal, EyeTech has paid Gilead an up-front licensing fee of $7 million, and Gilead is entitled to additional cash payments of up to $25 million upon achievement of development milestones. EyeTech will be responsible for all research and development costs and will pay Gilead royalties on the worldwide sales of NX 1838. EyeTech also issued Gilead a warrant to purchase 833,333 shares of EyeTech Series B Convertible Preferred Stock, exercisable over a five year period at a per share price of $6.00, the price paid by the investors participating in EyeTech's recent round of venture capital financing.

"EyeTech is building a strong foundation for success," said John C. Martin, Ph.D., Chief Executive Officer and President, Gilead Sciences. "Their work in basic research on the causes of eye disease and clinical testing of new ophthalmic drugs provides the necessary experience to rapidly and successfully develop NX 1838."

A recently formed private company, EyeTech Pharmaceuticals engages in the development and commercialization of novel drugs to reduce and prevent serious vision loss caused by eye disease. NX 1838 will form the cornerstone of its ophthalmic portfolio. EyeTech's founding board members include Chairman of the Board, John McLaughlin, who has more than 20 years of leadership experience in the pharmaceutical and biotechnology industries. Formerly Executive Vice President of Genentech and President of Tularik, Mr. McLaughlin is currently President of Corgentech, a privately held pharmaceutical company. EyeTech's co-founder David Guyer, MD, who also is acting CEO and President of EyeTech, is considered one of the world's leading authorities on macular degeneration. Dr. Guyer is Director of Residency Training at Manhattan Eye, Ear & Throat Hospital and Clinical Associate Professor of Ophthalmology at Cornell University Medical Center in New York.

Co-founder Samir Patel, MD is the Chief Medical Officer of EyeTech and was most recently Director of the Retinal Service and Residency at the University of Chicago, where he also was an Associate Professor. Dr. Patel was the first surgeon to perform a retinal transplant in humans in the United States.

"We believe that NX 1838 has the potential to be a breakthrough drug for the treatment of neovascular AMD," said Dr. Guyer. "As the lead compound in our portfolio of ophthalmics, NX 1838 will receive the full attention of our company. We are very enthusiastic about the profile of NX 1838 and plan to commence additional clinical studies this year."

Mark Blumenkrantz, MD, Chairman and Professor of Ophthalmology at Stanford, commented, "EyeTech has assembled a world class team to develop and commercialize a very promising potential drug to treat AMD."

AMD May Result in Irreversible Blindness

AMD is the leading cause of vision loss and blindness in people aged 65 and older. The disease is characterized by the growth of blood vessels into the center of the retina. Over time, the leakage from these small blood vessels causes the formation of scar tissue on the retina. A patient's central vision gradually deteriorates as the disease destroys the retina, ultimately resulting in irreversible blindness. The two common types of AMD are atrophic ("dry") and neovascular ("wet"). Wet macular degeneration accounts for approximately 10 percent of all cases but is a more serious threat to complete vision loss than the dry form.

Growing Incidence of AMD

Each year, approximately 200,000 Americans are diagnosed with the wet form of AMD. The incidence is slightly higher in Europe with 220,000 new cases diagnosed annually and Japanese officials estimate 78,000 new cases this year. As the population ages, the incidence of AMD is expected to increase dramatically. In the United States alone, approximately 1.2 million individuals have been afflicted with this devastating disease, which is considered the leading cause of legal blindness in people aged 65 and older.

Currently, there is no effective therapeutic for the treatment of AMD. Recently approved by the U.S. Food and Drug Administration, photodynamic therapy (PDT) will soon be a commercially available treatment for the condition. An important first step in the care of patients with AMD, experts believe that PDT is not a cure and does not prevent recurring bleeding in the eye -- the underlying cause of wet AMD. Experts in the field believe that medical intervention with a drug to inhibit neovascularization would represent the next major breakthrough in this area and may be complementary to PDT.

NX 1838 Inhibits VEGF

Extensive preclinical and clinical research has attributed the sudden abnormal growth of ocular blood vessels to the over-production of vascular endothelial growth factor (VEGF), a protein that stimulates the growth of the endothelial cells that make new blood vessels (a process called angiogenesis). In animal and human models, NX 1838 has been shown to bind to VEGF and inhibit its function, thus preventing the abnormal growth of ocular blood vessels and vessel leakage in the eye.

NX 1838 is a compound from a class of drugs called aptamers. Made of chemically synthesized short strands of RNA (oligonucleotides), aptamers assume three-dimensional shapes that allow high affinity binding to the targets for which they are designed, a characteristic that may enhance therapeutic benefit.

Anthony Adamis, MD, Associate Professor of Ophthalmology at Harvard Medical School and Director of EyeTech's preclinical development program noted, "Given the requisite role of VEGF in ocular neovascularization and the aptamers' high specificity for VEGF, this aptamer is a logical choice for the inhibition of choroidal neovascularization secondary to AMD."

Following execution of the licensing agreement, EyeTech intends to initiate a multiple dose Phase I trial to further define the safety profile of NX 1838.

About Gilead Sciences and EyeTech

Gilead Sciences, Inc., headquartered in Foster City, CA, is an independent biopharmaceutical company that seeks to provide accelerated solutions for patients and the people who care for them. Gilead discovers, develops, manufactures and commercializes proprietary therapeutics for challenging infectious diseases (viral, fungal and bacterial infections) and cancer. Gilead maintains research, development or manufacturing facilities in Foster City, CA; Boulder, CO; San Dimas, CA; Cambridge, UK and Dublin, Ireland and sales and marketing organizations in the United States, Europe and Australia. For more information about Gilead, please visit www.gilead.com.

EyeTech Pharmaceuticals, Inc. is a private, Manhattan-based pharmaceutical company recently formed to develop and commercialize novel drugs to reduce and prevent serious vision loss caused by eye disease. The Company's primary goal is to develop and commercialize the first breakthrough antiangiogenic drug to reduce vision loss caused by neovascular age-related macular degeneration. The EyeTech team combines world-renowned thought-leaders in ophthalmology, strong relationships with leading academic institutions such as Harvard and Stanford, and extensive experience designing and implementing clinical trials to test drugs to treat diseases of the eye.

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