

GILEAD SCIENCES INC  
Form 424B2  
March 24, 2011  
Table of Contents

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities To Be Registered</b>	<b>Amount To be Registered</b>	<b>Proposed Maximum Offering Price Per Unit</b>	<b>Proposed Maximum Aggregate Offering Price</b>	<b>Amount Of Registration Fee (1)</b>
4.50% Senior Notes due 2021	\$1,000,000,000	99.142%	\$991,420,000	\$115,103.86

(1) Calculated in accordance with Rule 457(r) of the Securities Act of 1933, as amended.

**Table of Contents**

**Filed Pursuant to Rule 424(b)(2)  
Registration Statement No. 333-173006**

**Prospectus supplement**

(To prospectus dated March 23, 2011)

**Gilead Sciences, Inc.*****\$1,000,000,000******4.50% Senior Notes due 2021***

We are offering \$1,000,000,000 aggregate principal amount of 4.50% Senior Notes due 2021, which we refer to in this prospectus supplement as the notes. The notes will mature on April 1, 2021. We will pay interest on the notes on April 1 and October 1 of each year, commencing on October 1, 2011. We may redeem some or all of the notes at any time and from time to time at the redemption price described under Description of the notes Optional redemption. If a change of control triggering event as described in this prospectus supplement under the heading Description of the notes Change of control occurs, we will be required to offer to purchase the notes from the holders.

The notes will be our senior unsecured obligations and will rank equally with all our other senior unsecured obligations from time to time outstanding.

The notes will not be listed on any securities exchange. There is currently no public market for the notes.

See **Risk factors** on page S-6 of this prospectus supplement to read about certain risks you should consider before investing in the notes.

	<b>Public Offering Price(1)</b>	<b>Underwriting Discount</b>	<b>Proceeds to us, (before expenses)(1)</b>
Per Note	99.142%	0.450%	98.692%
Total	\$991,420,000	\$4,500,000	\$986,920,000

(1) Plus accrued interest, if any, from March 30, 2011, if settlement occurs after that date.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The notes will be delivered in book-entry form only through the facilities of The Depository Trust Company for the accounts of its participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System, and Clearstream Banking, société anonyme, on or about March 30, 2011.

*Joint Book-Running Managers*

**BofA Merrill Lynch****J.P. Morgan****Morgan Stanley**

Edgar Filing: GILEAD SCIENCES INC - Form 424B2

*Co-Managers*

**Barclays Capital**  
March 23, 2011.

**Credit Suisse**

**Deutsche Bank Securities**

**Leerink Swann**

**Table of Contents**

**Table of contents**

**Prospectus supplement**

	<b>Page</b>
<u>About this prospectus supplement</u>	S-i
<u>Where you can find more information</u>	S-i
<u>Summary</u>	S-1
<u>Risk factors</u>	S-6
<u>Forward-looking statements</u>	S-8
<u>Use of proceeds</u>	S-9
<u>Capitalization</u>	S-10
<u>Description of the notes</u>	S-11
<u>Certain United States federal income tax considerations</u>	S-25
<u>Underwriting</u>	S-27
<u>Legal matters</u>	S-30
<u>Experts</u>	S-30

**Prospectus**

	<b>Page</b>
<u>About this prospectus</u>	ii
<u>Where you can find more information</u>	ii
<u>Forward-looking statements</u>	iii
<u>Gilead Sciences, Inc.</u>	1
<u>Risk factors</u>	1
<u>Use of proceeds</u>	1
<u>Ratio of earnings to fixed charges</u>	1
<u>Description of securities</u>	2
<u>Description of debt securities</u>	2
<u>Description of capital stock</u>	12
<u>Description of warrants</u>	15
<u>Description of subscription rights</u>	16
<u>Description of stock purchase contracts and stock purchase units</u>	17
<u>Plan of distribution</u>	18
<u>Legal matters</u>	20
<u>Experts</u>	20

**Table of Contents**

## **About this prospectus supplement**

This prospectus supplement and the accompanying prospectus are part of a registration statement that we filed with the Securities and Exchange Commission (the "SEC") using a shelf registration process. Under the shelf registration process, we may offer from time to time (i) debt securities, (ii) preferred stock, (iii) common stock, (iv) warrants to purchase debt securities, preferred stock, common stock or other securities, (v) subscription rights to purchase debt securities, preferred stock, common stock or other securities, (vi) stock purchase contracts obligating holders to purchase from or sell to us common stock or preferred stock at a future date or dates, and (vii) stock purchase units. In the accompanying prospectus, we provide you with a general description of the securities we may offer from time to time under our shelf registration statement. In this prospectus supplement, we provide you with specific information about the notes that we are selling in this offering. Both this prospectus supplement and the accompanying prospectus include important information about us, our debt securities and other information you should know before investing. This prospectus supplement also adds, updates and changes information contained in the accompanying prospectus. You should read both this prospectus supplement and the accompanying prospectus as well as the additional information described under "Where You Can Find More Information" included elsewhere in this prospectus supplement before investing in the notes.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. Neither we nor the underwriters have authorized anyone to provide you with additional or different information. If anyone provided you with additional or different information, you should not rely on it. Neither we nor the underwriters are making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

In this prospectus, except as otherwise indicated, Gilead, the Company, we, our, and us and similar terms refer to Gilead Sciences, Inc. and its consolidated subsidiaries.

## **Where you can find more information**

We file annual, quarterly and current reports, proxy statements and other information with the SEC. These reports, proxy statements and other information can be read and copied at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. The SEC maintains an internet site at <http://www.sec.gov> that contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC, including us. These reports, proxy statements and other information can also be read on our internet site at <http://www.gilead.com>. Information on our website is not incorporated into this prospectus supplement or the accompanying prospectus.

**Table of Contents**

The SEC allows us to incorporate by reference information into this prospectus supplement, which means that we can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is deemed to be part of this prospectus supplement and the accompanying prospectus, except for any information superseded by information contained directly in this prospectus supplement or any subsequently filed document deemed incorporated by reference. This prospectus supplement incorporates by reference the documents set forth below that we have previously filed with the SEC:

Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (filed with the SEC on February 28, 2011);

Definitive Proxy Statement on Schedule 14A (filed with the SEC on March 22, 2011);

Current Reports on Form 8-K (filed with the SEC on January 25, 2011, February 7, 2011 and February 25, 2011);

the description of our common stock which is contained in the Registration Statement on Form 8-A filed December 16, 1991, under the Securities Exchange Act of 1934, as amended (the Exchange Act), including any amendment or report filed for the purpose of updating such description; and

the description of the shareholder rights plan which is contained in the Registration Statement on Form 8-A/A filed October 31, 2003, under the Exchange Act, including any amendment or report filed for the purpose of updating such description.

All documents filed by us pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this prospectus supplement and before the termination of the offering shall also be deemed to be incorporated herein by reference. The most recent information that we file with the SEC automatically updates and supersedes older information. The information contained in any such filing will be deemed to be a part of this prospectus supplement, commencing on the date on which the document is filed.

We are not, however, incorporating by reference any documents or portions thereof, whether specifically listed above or filed in the future, that are not deemed filed with the SEC, including our compensation committee report, performance graph and the certifications of our chief executive officer and chief financial officer required by Rule 13a-14(b) or Rule 15d-14(b) under the Exchange Act and Section 1350 of Chapter 63 of Title 18 of the United States Code (included in or accompanying our Annual Report on Form 10-K for the fiscal year ended December 31, 2010) or any information furnished pursuant to Items 2.02 or 7.01 of Form 8-K or certain exhibits furnished pursuant to Item 9.01 of Form 8-K.

We will provide without charge upon written or oral request to each person, including any beneficial owner, to whom a prospectus is delivered, a copy of any or all of the documents which are incorporated by reference into this prospectus supplement and accompanying prospectus but not delivered with this prospectus supplement and accompanying prospectus (other than exhibits to those documents unless such exhibits are specifically incorporated by reference as an exhibit in this prospectus). Requests should be directed to Gilead Sciences, Inc., Attention: Investor Relations, 333 Lakeside Drive, Foster City, California 94404, Telephone: (650) 574-3000.

**Table of Contents**

## Summary

*This summary highlights selected information more fully described elsewhere in this prospectus supplement and the accompanying prospectus. This summary does not contain all of the information you should consider before investing in the notes. You should read this prospectus supplement, the accompanying prospectus, any free writing prospectus and the documents incorporated by reference herein and therein carefully, especially the risks of investing in the notes discussed in *Risk factors* below and in the incorporated documents.*

### **Our company**

We are a biopharmaceutical company that discovers, develops and commercializes innovative therapeutics in areas of unmet medical need. Our mission is to advance the care of patients suffering from life threatening diseases worldwide. We have operations in North America, Europe and Asia Pacific. To date, we have focused our efforts on bringing novel therapeutics for the treatment of life threatening diseases to market. We continue to seek to add to our existing portfolio of products through our internal discovery and clinical development programs and through a product acquisition and in-licensing strategy.

We were incorporated in Delaware on June 22, 1987. Our principal executive offices are located at 333 Lakeside Drive, Foster City, California 94404. The telephone number of our principal executive offices is (650) 574-3000.

### ***The HIV market***

Our HIV products primarily compete with the fixed-dose combination products in the nucleotide/ nucleoside reverse transcriptase inhibitors ( NRTI ) class. Around the world, approximately 2.1 million individuals received one of our HIV medications.

### ***United States***

In the third quarter of 2010, in the United States, approximately 79% of treated HIV patients received one of our HIV products and approximately 88% of treatment-naive HIV patients started therapy on one of our products. During the same time period, an estimated 35% of all HIV patients on antiretroviral treatment in the United States received Atripla, making it the most prescribed regimen, and Truvada remained the most prescribed product in HIV treatment in the United States, with an estimated 40% of patients on antiretroviral treatment receiving it. In addition, as of the end of 2006, there were approximately 1.2 million people in the United States infected with HIV, of which approximately 948,000 (or 79%) were diagnosed with HIV. As of the third quarter of 2010, sources estimate that approximately 731,000 patients diagnosed with HIV were in care and approximately 605,000 (or 83% of those in care) were on antiretroviral treatment. For those patients receiving antiretroviral treatment, approximately 479,000 (or 79%) were on one of our HIV products.

### ***European Union***

In the third quarter of 2010, in the European Union, approximately 72% of treated HIV patients received one of our HIV products and approximately 77% of treatment naive HIV patients started

**Table of Contents**

therapy on one of our products. During the fourth quarter of 2010, Atripla and Truvada were the number one and two brands in terms of market share in Germany, Spain, the United Kingdom and Italy.

***Recent developments***

During 2010, we initiated a Phase III clinical study of elvitegravir, our investigational integrase inhibitor evaluated for the treatment of HIV-1 infection in treatment experienced patients. On March 23, 2011, we announced that this study met its primary objective of non-inferiority at week 48 of elvitegravir, dosed once daily, compared to raltegravir, dosed twice daily, each administered with a background regimen that includes a ritonavir-boosted protease inhibitor and a second antiretroviral agent. Elvitegravir is also being studied as part of our investigational fixed-dose, single-tablet Quad regimen, which combines elvitegravir, cobicistat, our boosting agent, and Truvada. Elvitegravir, cobicistat and the Quad are investigational products and have not yet been determined safe or efficacious in humans.



**Table of Contents**

## **The offering**

<b>Issuer</b>	Gilead Sciences, Inc., a Delaware corporation.
<b>Securities offered</b>	\$1,000,000,000 aggregate principal amount of 4.50% Senior Notes due April 1, 2021.
<b>Maturity</b>	The notes will mature on April 1, 2021.
<b>Interest payment dates</b>	We will pay interest on the notes on April 1 and October 1 of each year, commencing on October 1, 2011.
<b>Interest rate</b>	The notes will bear interest at 4.50% per year.
<b>Optional redemption</b>	We may redeem the notes, in whole or in part, at any time and from time to time at the redemption price described herein under Description of the notes Optional redemption.
<b>Change of control offer</b>	If we experience a Change of Control Triggering Event (as defined in Description of the notes Change of control ), we will be required, unless we have exercised our option to redeem the notes, to offer to purchase the notes at a purchase price equal to 101% of their principal amount, plus accrued and unpaid interest to the date of repurchase. See Description of the notes Change of control.
<b>Certain covenants</b>	The indenture governing the notes contains certain restrictions, including a limitation that restricts our ability and the ability of certain of our subsidiaries to create or incur secured indebtedness, enter into sale and leaseback transactions and consolidate, merge or transfer all or substantially all of our assets and the assets of our subsidiaries. See Description of notes Certain covenants.
<b>Events of default</b>	An Event of Default under the indenture in respect of the notes is:  default for 30 days in payment of interest on the notes;  default in payment of principal, or any premium on the notes;  failure by us for 90 days after notice to us to comply with any of our other agreements in the applicable indenture for the benefit of holders of the notes;  certain events of bankruptcy, insolvency or reorganization; and

## Edgar Filing: GILEAD SCIENCES INC - Form 424B2

the occurrence with respect to any debt of the Company individually or in the aggregate in excess of \$100,000,000 of (i) an event of default that results in such debt becoming due and payable prior to its scheduled maturity (after giving effect to any applicable grace period) or (ii) the failure to make any payment when due (including any applicable grace period), which results in the

S-3

**Table of Contents**

acceleration of the maturity of such debt, in each case without such acceleration having been rescinded, annulled or otherwise cured.

See Description of the notes Events of default.

**Ranking**

The notes will be our senior unsecured obligations and will rank equally with all our other senior unsecured obligations, including all other unsubordinated securities issued under the indenture, from time to time outstanding. The indenture provides for the issuance from time to time of senior unsecured indebtedness by us in an unlimited amount. See Description of the notes Ranking.

**Form and denomination**

The notes will be issued in fully registered form in denominations of \$2,000 and in integral multiples of \$1,000 in excess thereof.

**DTC eligibility**

The notes will be represented by global certificates deposited with, or on behalf of, The Depository Trust Company, which we refer to as DTC, or its nominee. See Description of the notes Book-entry; delivery and form of notes.

**Use of proceeds**

We expect to receive net proceeds, after deducting underwriting discounts and estimated offering expenses payable by us, of approximately \$985.2 million from this offering. We intend to use the net proceeds of this offering for general corporate purposes, which may include the repayment of certain of our indebtedness and the repurchase of our outstanding common stock pursuant to our authorized share repurchase program. See Use of proceeds.

**Risk factors**

You should carefully read and consider the information set forth in the section entitled Risk factors beginning on page S-6 of this prospectus supplement and the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2010, incorporated herein by reference, before investing in the notes.

**No listing of the notes**

We do not intend to apply to list the notes on any securities exchange or to have the notes quoted on any automated quotation system.

**Re-opening of the notes**

We may from time to time, without the consent of the holders of the notes, create and issue further notes having the same terms and conditions in all respects as the notes being offered hereby, except for the issue date, the issue price and, in some cases, the first payment of interest thereon. Additional notes issued in this manner will be consolidated with and will form a single series with the notes being offered hereby.

**Governing law**

The notes and the indenture will be governed by and construed in accordance with the laws of the State of New York.

**Trustee, registrar and paying agent** Wells Fargo Bank, National Association.



**Table of Contents****Summary consolidated financial data**

The following summary consolidated financial data for the years ended December 31, 2010, 2009 and 2008 are derived from our audited consolidated financial statements. The summary consolidated financial data should be read in conjunction with our consolidated financial statements, and the related notes thereto, and the sections entitled Management's Discussion and Analysis of Financial Condition and Results of Operations as provided in our Annual Report on Form 10-K for the year ended December 31, 2010, which is incorporated by reference into this prospectus supplement and the accompanying prospectus.

(in thousands)	2010	Year ended December 31,	
		2009	2008
<b>Consolidated statements of income data:</b>			
Total revenues	\$ 7,949,420	\$ 7,011,383	\$ 5,335,750
Total costs and expenses(1)	3,987,198	3,482,162	2,657,209
Income from operations	3,962,222	3,529,221	2,678,541
Provision for income taxes	1,023,799	876,364	702,363
Net income attributable to Gilead	2,901,257	2,635,755	1,978,899

(in thousands)

**Consolidated statements of cash flows data:**

Net cash provided by operating activities	\$ 2,833,913	\$ 3,080,054	\$ 2,143,384
Net cash used in investing activities	(1,937,751)	(2,215,900)	(178,819)
Net cash used in financing activities	(1,338,710)	(1,051,438)	(1,474,569)

(in thousands)	2010	2009	December 31, 2008
----------------	------	------	----------------------

**Consolidated balance sheet data:**

Cash, cash equivalents and marketable securities	\$ 5,318,071	\$ 3,904,846	\$ 3,239,639
Working capital	3,243,132	2,940,927	3,057,416
Total assets(2)	11,592,630	9,698,559	6,936,831
Other long-term obligations	27,401	35,918	21,462
Convertible senior notes, net(3)	3,477,564	1,155,443	1,098,025
Retained earnings	1,183,730	1,995,272	300,314
Total stockholders' equity	6,121,837	6,505,158	4,465,583

(1) During 2010, we recorded \$136.0 million of impairment charges in research and development expense, related to certain in-process research and development assets acquired from CV Therapeutics, Inc. See Item 8, Notes 5 and 9 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2010, which we have incorporated by reference into this prospectus supplement. During 2008, we completed the acquisition of all of the assets of Navitas Assets, LLC related to its cicletanine business for an aggregate purchase price of \$10.9 million which was allocated to purchased in-process research and development.

(2) During 2009, we completed the acquisition of CV Therapeutics, Inc. We recognized consideration transferred of \$1.39 billion which was primarily recorded in intangible assets. See Item 8, Note 5 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2010, which we have incorporated by reference into this prospectus supplement.

(3) During 2010, we issued \$2.50 billion principal amount of convertible senior notes in a private placement. See Item 8, Note 11 to our Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2010, which we have incorporated by reference into this prospectus supplement.



**Table of Contents**

## **Risk factors**

*Investing in the notes involves a high degree of risk. You should carefully consider the risks described below and all of the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus before deciding whether to purchase the notes. In addition, you should carefully consider, among other things, the matters discussed under Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2010, and in other documents that we subsequently file with the SEC, all of which are incorporated by reference into this prospectus supplement. The risks and uncertainties described below or in the documents incorporated by reference herein are not the only risks and uncertainties we face. Additional risks and uncertainties of which we are unaware, or that we currently deem immaterial, also may become material factors that affect us. If any of the following risks or those incorporated by reference herein occurs or intensifies, our business, financial condition or results of operations could be materially and adversely affected. If this were to happen, the value of the notes could decline significantly, and you may lose some or all of your investment. In connection with the forward-looking statements in this prospectus supplement, you should also carefully review the cautionary statements under Forward-Looking Statements.*

### **Risks related to this offering**

***The notes are obligations exclusively of the Company and not of its subsidiaries, and payment to holders of the notes will be structurally subordinated to the claims of our subsidiaries' creditors.***

The notes are obligations exclusively of Gilead Sciences, Inc., and are not guaranteed by any of its subsidiaries. As a result, our debt is structurally subordinated to all existing and future debt, trade creditors, and other liabilities of our subsidiaries. Our rights, and hence the rights of our creditors, to participate in any distribution of assets of any subsidiary upon its liquidation or reorganization or otherwise would be subject to the prior claims of that subsidiary's creditors, except to the extent that our claims as a creditor of such subsidiary may be recognized. The indenture governing the notes does not restrict our or our subsidiaries' ability to incur unsecured indebtedness, to pay dividends or make distributions on, or redeem or repurchase our equity securities, or to engage in highly leveraged transactions that would increase the level of our indebtedness. At December 31, 2010, our subsidiaries had approximately \$1.1 billion of outstanding indebtedness and other obligations (excluding intercompany liabilities).

***The notes will be effectively junior to secured indebtedness that we may issue in the future.***

The notes are unsecured. As of the date hereof, we had no secured debt outstanding. Holders of our secured debt that we may issue in the future may foreclose on the assets securing such debt, reducing the cash flow from the foreclosed property available for payment of unsecured debt, including the notes. Holders of our secured debt also would have priority over unsecured creditors in the event of our bankruptcy, liquidation or similar proceeding. As a result, the notes will be effectively junior to any secured debt that we may issue in the future.

***Redemption may adversely affect your return on the notes.***

The notes are redeemable at our option, and therefore we may choose to redeem the notes at times when prevailing interest rates are relatively low. As a result, you may not be able to reinvest the proceeds you receive from the redemption in a comparable security at an effective interest rate as high as the interest rate on your notes being redeemed.

## **Table of Contents**

### ***We may not be able to repurchase all of the notes upon a Change of Control Triggering Event.***

As described under Description of the notes Change of control, we will be required to offer to repurchase the notes upon the occurrence of a Change of Control Triggering Event. We may not have sufficient funds to repurchase the notes in cash at that time or have the ability to arrange financing on acceptable terms.

### ***An increase in interest rates could result in a decrease in the relative value of the notes.***

In general, as market interest rates rise, notes bearing interest at a fixed rate generally decline in value because the premium, if any, over market interest rates will decline. Consequently, if you purchase the notes and market interest rates increase, the market values of your notes may decline. We cannot predict the future level of market interest rates.

### ***There are limited covenants in the indenture and the terms of the notes do not prohibit us from taking other action that could negatively impact holders of the notes.***

We are not restricted under the terms of the notes or the indenture governing the notes from incurring additional indebtedness or issuing preferred equity. The terms of the indenture limit our ability to create, grant or incur liens or enter into sale and leaseback transactions. However, these limitations are subject to numerous exceptions. See Description of notes Certain covenants . In addition, the notes do not require us to achieve or maintain any minimum financial results relating to our financial position or results of operations. Our ability to recapitalize, incur additional debt, secure existing or future debt or take a number of other actions that are not limited by the terms of the indenture and the notes, including repurchasing indebtedness or capital stock or paying dividends, could have the effect of diminishing our ability to make payments on the notes when due.

### ***Our financial performance and other factors could adversely impact our ability to make payments on the notes.***

Our ability to make scheduled payments with respect to our indebtedness, including the notes, will depend on our financial and operating performance, which, in turn, are subject to prevailing economic conditions and to financial, business and other factors beyond our control.

### ***There is no public market for the notes.***

The notes are a new issue of securities for which there currently is no trading market. As a result, we can give no assurances that a market will develop for the notes or that you will be able to sell the notes. If any of the notes are traded after their initial issuance, they may trade at a discount from their initial offering price. Future trading prices of the notes will depend on many factors, including prevailing interest rates, the market for similar securities, general economic conditions, our financial condition and performance, as well as other factors. Accordingly, you may be required to bear the financial risk of an investment in the notes for an indefinite period of time. We do not intend to apply for listing or quotation of the notes on any securities exchange or automated quotation system, respectively.



Table of Contents

## Forward-looking statements

This prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein may include forward-looking statements made within the meaning of Section 27A of the Securities Act of 1933, as amended (the Securities Act ), and Section 21E of the Exchange Act. Words such as expect, anticipate, target, goal, project, intend, plan, believe, seek, estimate, continue, may, variations of such words, and similar expressions are intended to identify such forward-looking statements. Any statements other than statements of historical fact are forward-looking statements, including statements regarding overall trends, operating cost and revenue trends, liquidity and capital needs and other statements of expectations, beliefs, future plans and strategies, anticipated events or trends and similar expressions. In addition, any statements that refer to projections of our future financial performance, our anticipated trends in our businesses, and other characterizations of future events or circumstances are forward-looking statements. Forward-looking statements speak only as of the date on which they are made. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Our actual results may differ materially from those expressed in, or suggested or implied by, these forward-looking statements for various reasons, including those referenced above under Risk factors on page S-6 of this prospectus supplement and in our Annual Report on Form 10-K for the year ended December 31, 2010, incorporated herein by reference. Given these risks and uncertainties, you are cautioned not to place undue reliance on forward-looking statements. It is not possible to predict or identify all such factors and, therefore, you should not consider any of the above risks to be a complete statement of all the potential risks or uncertainties that we face. Except as required under federal securities laws and the rules and regulations of the SEC, we do not undertake, and specifically decline, any obligation to update any of these statements or to publicly announce the results of any revisions to any forward-looking statements, whether as a result of new information, future events, changes in assumptions or otherwise. You are advised, however, to consult any further disclosures we make on related subjects in reports we file with the SEC.

**Table of Contents**

## **Use of proceeds**

We estimate that the net proceeds from this offering, after deducting underwriters' discounts and estimated offering expenses payable by us, will be approximately \$985.2 million. We intend to use the net proceeds from this offering for general corporate purposes, which may include the repayment of certain of our indebtedness and the repurchase of our outstanding common stock pursuant to our authorized share repurchase program.

S-9

Table of Contents**Capitalization**

The following table sets forth our cash, cash equivalents and marketable securities and our capitalization as of December 31, 2010, and as adjusted to give effect to this offering and the application of the net proceeds (after giving effect to underwriters' discounts and commissions and the estimated offering expenses payable by us) of this offering as described under "Use of Proceeds." This table should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2010, which is incorporated by reference into this prospectus supplement.

(in thousands, except per share amounts)	As of December 31, 2010	
	Actual	As Adjusted
Cash, cash equivalents and marketable securities	\$ 5,318,071	\$ 6,303,238
Deferred tax assets	\$ 416,720	\$ 416,720
Other noncurrent assets	\$ 181,149	\$ 187,402
Long-term debt and other long-term obligations, current portion:		
0.50% Convertible Senior Notes due 2011	\$ 638,991	\$ 638,991
Other long-term obligations, current portion	7,354	7,354
Total long-term debt and other long-term obligations, current portion	646,345	646,345
Long-term debt and other long-term obligations, less current portion:		
0.625% Convertible Senior Notes due 2013	\$ 576,884	\$ 576,884
1.00% Convertible Senior Notes due 2014	1,153,805	1,153,805
1.625% Convertible Senior Notes due 2016	1,107,884	1,107,884
4.50% Senior Notes due 2021 offered hereby		991,420
Other long-term obligations	27,401	27,401
Total long-term debt and other long-term obligations, less current portion	2,865,974	3,857,394
Stockholders' equity:		
Preferred stock, \$0.001 par value; 5,000 shares authorized; none outstanding	\$	\$
Common stock, \$0.001 par value; 2,800,000 shares authorized; 801,998 shares issued and outstanding(1)	802	802
Additional paid-in capital	4,648,286	4,648,286
Accumulated other comprehensive income	30,911	30,911
Retained earnings	1,183,730	1,183,730
Total Gilead stockholders' equity	5,863,729	