



May 27, 2008

Dear Michael,

Thank you for your letter and for the discussions we have had regarding the impact of ARV price increases on available funding for medications for individuals with HIV. We greatly value your input, perspective and concerns – and those of other groups, such as the Fair Pricing Coalition, who have raised a similar concern. As I mentioned, we have a number of ongoing activities and plans that we believe address your concerns.

Historically, Gilead has worked closely with the ADAP Crisis Task Force to provide supplemental rebates and full bottle rebates on co-pay, insurance premiums and Part D assistance. We have also worked with the Veterans' Administration and other Federal Supply Service payers to make Truvada[®] the most affordable DHHS-preferred backbone for patients. Additionally, for the U.S. Public Health System, Atripla[®] and Truvada are priced at parity to the components, rather than positioned at the higher price point allowed.

Today, we share your concern regarding antiretroviral cost pressures faced by government payers, particularly during times of limited budget increases and flat funding. In keeping with our commitment to fair pricing and broad access, and to further enhance our price protections for ADAP, FSS and PHS payers, we will suspend price increases to these government payers through December 31, 2010.

Gilead is also concerned about individuals living with HIV who experience the added financial burden of high prescription drug co-payments. While this does not impact a large number of patients today, we recognize there is a discernible trend in this direction. To help alleviate this burden, we will implement a new co-payment assistance program for these patients that will cap co-pay liability at \$50 per month. Gilead would cover co-payment costs beyond this level up to a maximum of \$200 per month.

I believe that the steps outlined above address the concerns raised in your letter by suspending price increases on the most fragile U.S. payers through 2010 and by addressing the increasing burden of high co-pays. Moving forward, as we discussed, we look forward to working with AHF to ensure that, as efforts to increase screening and diagnosis bring more patients in to care, appropriate funding will continue to be available for treatment.

Please feel free to contact me directly with any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Gregg H. Alton", with a long horizontal line extending to the right.

Gregg H. Alton
Senior Vice President and General Counsel
Gilead Sciences, Inc.