

GILEAD SCIENCES INC
Form 424B7
June 29, 2007

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File No. 333-138979

SUPPLEMENT NO. 3

(To Prospectus Dated November 28, 2006)

\$650,000,000 0.50% Convertible Senior Notes due 2011

\$650,000,000 0.625% Convertible Senior Notes due 2013

This supplement no. 3 supplements our prospectus dated November 28, 2006 relating to the resale from time to time by certain selling securityholders of up to \$650,000,000 principal amount of 0.50% Convertible Senior Notes due 2011 (the 2011 notes) and \$650,000,000 principal amount of 0.625% Convertible Senior Notes due 2013 (the 2013 notes and, together with the 2011 notes, the notes) and the shares of common stock issuable upon conversion of the notes. You should read this supplement no. 3 in conjunction with the prospectus. This supplement no. 3 is qualified by reference to the prospectus, except to the extent that the information in this supplement no. 3 supersedes that information.

The information appearing under the heading Selling Securityholders in the prospectus is hereby amended by the addition or substitution, as applicable, of the following:

| Name | Principal Amount of 2011 Notes | Number of Shares of Common Stock | |
|--|--------------------------------|---|--------------------|
| | | Beneficially Owned and Offered Hereby (1) | Offered Hereby (2) |
| Lehman Brothers Inc.(3) | \$ 1,000,000.00 | 25,804.80 | 25,804.80 |
| PBGC Maintenance(4) | 1,202,000.00 | 31,017.37 | 31,017.37 |
| Premier Investment Funds Ltd. Global Yield Plus Fund | 470,000.00 | 12,128.26 | 12,128.26 |

- (1) Assumes for each \$1,000 in principal amount of the 2011 notes a maximum of 25.8048 shares of common stock could be issued upon conversion. This conversion rate reflects a two-for-one stock split of our outstanding common stock declared on May 8, 2007 by our board of directors and effected through a stock dividend for stockholders of record as of the close of business on May 24, 2007. This conversion rate is subject to further adjustment, however, as described in the prospectus under Description of Notes Adjustment to Conversion Rate. As a result, the maximum number of shares of our common stock issuable upon conversion of the notes may increase or decrease in the future. Except as provided below, excludes the shares of common stock underlying any 2013 notes held by the selling securityholder, which are referred to in the table below.
- (2) Represents the maximum number of shares of our common stock issuable upon conversion of all of the holder's notes, based on a conversion rate of 25.8048 shares of our common stock per \$1,000 principal amount at maturity of the 2011 notes. This conversion rate reflects a two-for-one stock split of our outstanding common stock declared on May 8, 2007 by our board of directors and effected through a stock dividend for stockholders of record as of the close of business on May 24, 2007. This conversion rate is subject to further adjustment, however, as described in the prospectus under Description of Notes Adjustment to Conversion Rate. As a result, the maximum number of shares of our common stock issuable upon conversion of the notes may increase or decrease in the future. Excludes the shares of common stock underlying any 2013 notes held by the selling securityholder, which are referred to in the table below.

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- (3) The selling securityholder is a broker-dealer.

- (4) Chris Dialynas is the natural person who may exercise voting power and investment control over this selling securityholder's notes and common stock issuable upon the conversion of the notes.

| Name | Principal | Number of Shares of | |
|--|---|---------------------------|------------|
| | Amount of 2013 Notes | Common Stock | Offered |
| | Beneficially Owned and Offered Hereby | Beneficially Owned (1) | Hereby (2) |
| Delta Airlines Master Trust(5) | \$ 1,620,000.00 | 42,518.52 | 42,518.52 |
| Goldman Sachs & Co.(3) | 5,000,000.00 | 131,230.00 | 131,230.00 |
| Independence Blue Cross | 519,000.00 | 13,621.67 | 13,621.67 |
| KBC Financial Products USA Inc.(3)(6) | 8,000,000.00 | 209,968.00 | 209,968.00 |
| PBGC Maintenance(7) | 500,000.00 | 13,123.00 | 13,123.00 |
| Police & Fire Retirement System of the City of Detroit | 381,000.00 | 9,999.73 | 9,999.73 |
| RCG Halifax Fund, Ltd.(4)(8) | 165,000.00 | 4,330.59 | 4,330.59 |
| RCG Latitude Master Fund, Ltd.(4)(8) | 8,710,000.00 | 228,602.66 | 228,602.66 |
| RCG PB Ltd.(4)(8) | 2,550,000.00 | 66,927.30 | 66,927.30 |
| Topaz Fund(4) | 1,000,000.00 | 26,246.00 | 26,246.00 |
| Trustmark Insurance Company | 244,000.00 | 6,404.02 | 6,404.02 |
| Xavex Convertible Arbitrage 5(4)(8) | 975,000.00 | 25,589.85 | 25,589.85 |

- (1) Assumes for each \$1,000 in principal amount of the 2013 notes a maximum of 26.2460 shares of common stock could be issued upon conversion. This conversion rate reflects a two-for-one stock split of our outstanding common stock declared on May 8, 2007 by our board of directors and effected through a stock dividend for stockholders of record as of the close of business on May 24, 2007. This conversion rate is subject to further adjustment, however, as described in the prospectus under Description of Notes Adjustment to Conversion Rate. As a result, the maximum number of shares of our common stock issuable upon conversion of the notes may increase or decrease in the future. Except as provided below, excludes the shares of common stock underlying any 2011 notes held by the selling securityholder, which are referred to in the table above.
- (2) Represents the maximum number of shares of our common stock issuable upon conversion of all of the holder's notes, based on a conversion rate of 26.2460 shares of our common stock per \$1,000 principal amount at maturity of the 2013 notes. This conversion rate reflects a two-for-one stock split of our outstanding common stock declared on May 8, 2007 by our board of directors and effected through a stock dividend for stockholders of record as of the close of business on May 24, 2007. This conversion rate is subject to further adjustment, however, as described in the prospectus under Description of Notes Adjustment to Conversion Rate. As a result, the maximum number of shares of our common stock issuable upon conversion of the notes may increase or decrease in the future. Excludes the shares of common stock underlying any 2011 notes held by the selling securityholder, which are referred to in the table above.
- (3) The selling securityholder is a broker-dealer.
- (4) The selling securityholder is an affiliate of a broker-dealer.
- (5) Nick Calamos is the natural person who may exercise voting power and investment control over this selling securityholder's notes and common stock issuable upon the conversion of the notes.
- (6) KBC Financial Products USA Inc. is a direct wholly-owned subsidiary of KBC Financial Holdings, Inc., which in turn is a direct wholly-owned subsidiary of KBC Bank N.V., which in turn is a direct wholly-owned subsidiary of KBC Group N.V., a publicly traded entity.
- (7) Chris Dialynas is the natural person who may exercise voting power and investment control over this selling securityholder's notes and common stock issuable upon the conversion of the notes.

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- (8) Ramius Capital Group, L.L.C. (Ramius Capital) is the investment adviser of this selling securityholder and consequently has voting control and investment discretion over securities held by this selling securityholder. Ramius Capital disclaims beneficial ownership of the shares held by this selling securityholder. Peter A. Cohen, Morgan B. Stark, Thomas W. Strauss and Jeffrey M. Solomon are the sole managing members of C4S & Co., L.L.C., the sole managing member of Ramius Capital. As a result, Messrs. Cohen, Stark, Strauss and Solomon may be considered beneficial owners of any shares deemed to be beneficially owned by Ramius Capital. Messrs. Cohen, Stark, Strauss and Solomon disclaim beneficial ownership of these shares.

To the extent that any of the selling securityholders identified above are broker-dealers, they may be deemed to be, under interpretations of the SEC, underwriters within the meaning of the Securities Act.

With respect to selling securityholders that are affiliates of broker-dealers, based on information provided by the selling securityholders, we believe that such entities acquired their notes or shares of common stock issuable upon

conversion of the notes in the ordinary course of business and, at the time of the purchase of the notes or shares of common stock issuable upon conversion of the notes, such selling securityholders had no agreements, understandings or arrangements, directly or indirectly, with any person to distribute the notes or shares of common stock issuable upon conversion of the notes.

Based upon information provided by the selling securityholders, none of the selling securityholders nor any of their affiliates, officers, directors or principal equity holders has held any position or office or has had any material relationship with us within the past three years. None of the selling securityholders listed above owned 1% or more of our outstanding common stock either before or after this offering.

Information concerning the selling securityholders may change from time to time and any changed information will be set forth in additional supplements to the prospectus if and when necessary. In addition, the conversion rate and, therefore, the number of shares of common stock issuable upon conversion of the notes, is subject to adjustment under certain circumstances.

See RISK FACTORS beginning on page 5 of the prospectus for information you should consider before buying any securities hereunder.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this supplement, the prospectus supplement or the prospectus. Any representation to the contrary is a criminal offense.

The date of this supplement is June 29, 2007.