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## Gilead Sciences Inc., Q1 2009 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

(Operator Instructions). Our first question comes from the line of Mark Schoenebaum - Deutsche Bank.

#### Mark Schoenebaum - Deutsche Bank

Was the French reimbursement approval embedded into your prior product sales guidance and can you repeat what percent of EU that is?

#### Kevin Young

Yes, Mark it was embedded into our guidance. We did hope to have it planned for the middle of the year. It looks like we're going to get the publication in June. We can't fully sell until we get the publication in the official government gazette and of the big five European countries, the French market is about 28% of the HIV business of those markets. So, obviously it's incredibly important; it's the number two market outside the US. It is somewhat biased towards the protease inhibitors, but bearing in mind how cost conscious Europe has become and it did take us a long time to get there with this pricing in France, we think Atripla will be very appealing as a single-tablet regimen in that marketplace because of its cost efficiency. So, we're really fired up for this. We've been waiting for this and already representatives are able to actually communicate that we've got the price approval. So, in actual front, they are preparing for that June availability of the product.

#### Mark Schoenebaum - Deutsche Bank

And should we assume pricing as the same and that there is no material use now in France, on a name patient basis, and I'll jump back in the queue.

#### Kevin Young

No, there is no name patient availability of Atripla at this time.

#### Operator

Our next question comes from the line of May-Kin Ho - Goldman Sachs.

#### May-Kin Ho - Goldman Sachs

I know that you discussed the ADAP program a little bit, but in view of a lot of concerns of investors about the potential impact of the economy on usage of drugs in general, can you talk a little bit more about the percentage of people who might be under various reimbursement and also in some states they are facing some problems with Medicaid; how do you think that might affect the usage of Atripla and related products?

**Kevin Young**

I'll try to cover as much as I can, May-Kin, and maybe John can chip in with what I miss. Basically, of our US business about 35% go through Federal payers, 23% is through the ADAP program, and approximately 12% is the FSS, that's the Federal Supply Schedule like VA and the public health systems. As a reminder we have frozen our pricing to about 35% of our US business. We felt that was the right thing to do to ensure that patients are able to receive their HIV therapies. We've always been very leading in our efforts with the HIV community. In terms of non-retail purchases a reminder that the financial year for ADAP is basically April 1 through April 1. We didn't see the big bolus in the first quarter this year that we saw last year. It was a much smoother fourth quarter to first quarter. That's because that is supplemental funds in addition to the federal; largely they receive their money at a federal level, but in certain states they get a top-up from the state. They came much earlier last year, they actually came in April, and so I think that encouraged the ADAP programs to be purchasing more in the third and fourth quarters than in the first quarter this year, and as a reminder, in 2007 those supplementals came very late in September which made them do the large orders. So, right now we see I think a fairly consistent situation. There was no difference in the ADAP total ordering for the year of 2008 versus 2007, and our intelligence says that the ADAP programs are continuing to support putting patients on therapy, both using the federal as well as the state funds. I think the key question for us will be of course the reauthorization of the Ryan White Tax which comes along in September of this year.

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