

Gilead Q3 profit rises over 4-fold

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Reuters

GILEAD Sciences on Tuesday said it is offering steeper-than-expected discounts on its hepatitis C drugs to health insurers and other group payers who had complained about the price, and the drugmaker's shares slid more than 5 per cent.

Gilead executives disclosed the discounts on a conference call after the company said strong sales of the drugs, Harvoni and Sovaldi, helped boost net profit more than four-fold in the latest quarter, beating Wall Street forecasts.

The executives of the company said the gross to net adjustment for the company's hepatitis C drug sales will average 46 per cent in 2015, up sharply from 22 per cent at the end of 2014.

Many Wall Street ana-

lysts had projected hepatitis C sales based on discounts of 25 per cent to 30 per cent.

Foster City, California-based Gilead also said it would start paying a quarterly dividend and devote \$15 billion more to a share buyback plan.

In late 2013, Gilead prompted howls of protests about prescription drug prices when it launched Sovaldi at a sky-high price of \$1,000 a pill. But since AbbVie launched a rival hepatitis C treatment late last year, both companies have fought for market share by offering rebates to group payers.

Chief operating officer John Milligan said Gilead will continue taking all the steps necessary to provide wide access to its hepatitis C drugs, which have been shown to cure nearly all treated patients.

Company