



State of California

D

Secretary of State

CORPORATE DISCLOSURE STATEMENT
(Domestic Stock and Foreign Corporations)

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FILED
IN THE OFFICE OF THE
SECRETARY OF STATE OF
THE STATE OF CALIFORNIA.

There is no fee for filing the Corporate Disclosure Statement.

IMPORTANT — PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

JUL 10 2006.

1. CORPORATE NAME

C 1195294

Genentech, Inc.

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INDEPENDENT AUDITOR

2. NAME OF THE INDEPENDENT AUDITOR THAT PREPARED THE MOST RECENT AUDITOR'S REPORT

Ernst & Young LLP

3. DESCRIPTION OF OTHER SERVICES, IF ANY, PERFORMED BY THE INDEPENDENT AUDITOR NAMED IN ITEM 2

Please see Attachment A.

4. NAME OF THE INDEPENDENT AUDITOR EMPLOYED BY THE CORPORATION ON THE DATE OF THIS STATEMENT, IF DIFFERENT FROM ITEM 2
Same as item 2

DIRECTORS AND EXECUTIVE OFFICERS

5. NAMES OF DIRECTORS

COMPENSATION

SHARES

OPTIONS

BANKRUPTCY

FRAUD

1) Herbert W. Boyer

65,000*

0

20,000***

☐ YES ☒ NO☐ YES ☒ NO

2) Debra L. Reed ****

32,750*

0

30,000***

☐ YES ☒ NO☐ YES ☒ NO

3) Charles A. Sanders

78,000*

0

20,000***

☐ YES ☒ NO☐ YES ☒ NO

IF THE CORPORATION HAS ADDITIONAL DIRECTORS, COMPLETE ITEM B OF THE ATTACHMENT (FORM SI-PTA).

6a. NAMES OF EXECUTIVE OFFICERS

COMPENSATION

SHARES

OPTIONS

BANKRUPTCY

FRAUD

1) Susan D. Desmond-Hellman

1,491,751*

0**

300,000***

☐ YES ☒ NO☐ YES ☒ NO

2) Richard H. Scheller

1,114,502*

0**

165,000***

☐ YES ☒ NO☐ YES ☒ NO

3) Stephen G. Juelsgaard

1,043,743*

0**

165,000***

☐ YES ☒ NO☐ YES ☒ NO

4) Ian T. Clark

1,037,886*

0**

125,000***

☐ YES ☒ NO☐ YES ☒ NO

5) Myrtle S. Potter *****

2,542,606*

0**

0***

☐ YES ☒ NO☐ YES ☒ NO

6b. CHIEF EXECUTIVE OFFICER (if not named in 6a)

COMPENSATION

SHARES

OPTIONS

BANKRUPTCY

FRAUD

Arthur D. Levinson

3,227,336*

0**

705,000***

☐ YES ☒ NO☐ YES ☒ NO

6c. ADDITIONAL EXECUTIVE OFFICERS (if not named in 6a or 6b)

1)

☐ BANKRUPTCY☐ FRAUD

2)

☐ BANKRUPTCY☐ FRAUD

3)

☐ BANKRUPTCY☐ FRAUD

IF MORE SPACE IS NEEDED, ENTER ADDITIONAL INFORMATION IN ITEM D OF THE ATTACHMENT (FORM SI-PTA).

LOANS TO MEMBERS OF THE BOARD OF DIRECTORS

7. NAMES OF DIRECTORS

DESCRIPTION OF LOAN (INCLUDING AMOUNT AND TERMS)

1) None

2)

3)

IF THE CORPORATION HAS MADE ADDITIONAL LOANS TO DIRECTORS, COMPLETE ITEM C OF THE ATTACHMENT (FORM SI-PTA).

ADDITIONAL STATUTORY DISCLOSURES

8. Has an order for relief been entered in a bankruptcy case with respect to the corporation during the preceding 10 years? ☐ YES ☒ NO9. Has the corporation or any of its subsidiaries been a party to, or any of their property been subject to, any material pending legal proceedings, as specified by Item 103, Part 229 of SEC Regulation S-K? If yes, attach a description. ☒ YES ☐ NO10. Has the corporation been found legally liable in any material legal proceeding during the preceding five years? If yes, attach a description. ☐ YES ☒ NO

11. By submitting this Corporate Disclosure Statement to the Secretary of State, the corporation certifies the information contained herein, including any attachments, is true and correct.

VP Corporate Law
& Asst. Secretary

6/16/06

Roy C. Hardiman

TYPE OR PRINT NAME OF PERSON COMPLETING THE FORM

SIGNATURE

TITLE

DATE

1075



State of California

Secretary of State

ATTACHMENT TO CORPORATE DISCLOSURE STATEMENT (Domestic Stock and Foreign Corporations)

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IMPORTANT — READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

A. CORPORATE NAME

Genentech, Inc.

B. ADDITIONAL DIRECTORS (Continued from Item 5 on Form SI-PT)

NAMES OF DIRECTORS	COMPENSATION	SHARES	OPTIONS	BANKRUPTCY	FRAUD
4) <u>Arthur D. Levinson</u>	<u>3,227,336*</u>	<u>0</u>	<u>705,000***</u>	☐ YES ☒ NO	☐ YES ☒ NO
5) <u>William M. Burns</u>	<u>0*</u>	<u>0</u>	<u>0***</u>	☐ YES ☒ NO	☐ YES ☒ NO
6) <u>Erich Hunziker</u>	<u>0*</u>	<u>0</u>	<u>0***</u>	☐ YES ☒ NO	☐ YES ☒ NO
7) <u>Jonathan K.C. Knowles</u>	<u>0*</u>	<u>0</u>	<u>0***</u>	☐ YES ☒ NO	☐ YES ☒ NO
8) _____	_____	_____	_____	☐ YES ☐ NO	☐ YES ☐ NO
9) _____	_____	_____	_____	☐ YES ☐ NO	☐ YES ☐ NO
10) _____	_____	_____	_____	☐ YES ☐ NO	☐ YES ☐ NO
11) _____	_____	_____	_____	☐ YES ☐ NO	☐ YES ☐ NO
12) _____	_____	_____	_____	☐ YES ☐ NO	☐ YES ☐ NO
13) _____	_____	_____	_____	☐ YES ☐ NO	☐ YES ☐ NO
14) _____	_____	_____	_____	☐ YES ☐ NO	☐ YES ☐ NO
15) _____	_____	_____	_____	☐ YES ☐ NO	☐ YES ☐ NO
16) _____	_____	_____	_____	☐ YES ☐ NO	☐ YES ☐ NO
17) _____	_____	_____	_____	☐ YES ☐ NO	☐ YES ☐ NO
18) _____	_____	_____	_____	☐ YES ☐ NO	☐ YES ☐ NO

IF THE CORPORATION HAS ADDITIONAL DIRECTORS, ATTACH ADDITIONAL PAGES AS NEEDED.

C. ADDITIONAL LOANS TO MEMBERS OF THE BOARD OF DIRECTORS (Continued from Item 7 on Form SI-PT)

NAMES OF DIRECTORS	DESCRIPTION OF LOAN (INCLUDING AMOUNT AND TERMS)
4) <u>None</u>	_____
5) _____	_____
6) _____	_____
7) _____	_____
8) _____	_____

IF THE CORPORATION HAS MADE ADDITIONAL LOANS TO DIRECTORS, ATTACH ADDITIONAL PAGES AS NEEDED.

D. ADDITIONAL INFORMATION (Please reference item number from Form SI-PT or Form SI-PTA, as applicable)

(In reference to items 5 and 6 of SI-PT)

*Annual compensation received from Genentech during the fiscal year ended Dec. 31, 2005.

**Officers may purchase shares of Genentech common stock pursuant to an employee stock purchase plan available broadly to Genentech employees during the year ended Dec. 31, 2005.

***Options for the purchase of Genentech common stock granted pursuant to a broad-based stock option plan during the fiscal year ended Dec. 31, 2005.

****Ms. Reed was appointed to the Board in Aug. 2005.

*****Ms. Potter no longer served as an executive officer as of Aug. 10, 2005.

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Genentech, Inc.
California Corporate Disclosure Statement
Attachment A
Description to Item 3

In addition to audit services, Ernst & Young also provides audit-related services such as quarterly review of financial statements and audit of our employee benefit plan, tax services such as transaction reviews, tax regulatory and return review matters and expatriate tax matters and an audit of management's assessment of the effectiveness of internal control over financial reporting.

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**California Corporate Disclosure Statement
Attachment B
Description to Item 9**

Description of legal proceedings from Genentech's Form 10-Q for the quarter ended March 31, 2005:

We are a party to various legal proceedings, including patent infringement litigation and licensing and contract disputes, and other matters.

On October 4, 2004, we received a subpoena from the United States (or "U.S.") Department of Justice, requesting documents related to the promotion of Rituxan, a prescription treatment approved for the treatment of relapsed or refractory, low-grade or follicular, CD20 positive, B-cell non-Hodgkin's lymphoma. We are cooperating with the associated investigation, which we have been advised is both civil and criminal in nature. The outcome of this matter cannot be determined at this time.

We and the City of Hope National Medical Center (or "COH") are parties to a 1976 agreement relating to work conducted by two COH employees, Arthur Riggs and Keiichi Itakura, and patents that resulted from that work, which are referred to as the "Riggs/Itakura Patents." Since that time, Genentech has entered into license agreements with various companies to make, use and sell the products covered by the Riggs/Itakura Patents. On August 13, 1999, the COH filed a complaint against us in the Superior Court in Los Angeles County, California, alleging that we owe royalties to the COH in connection with these license agreements, as well as product license agreements that involve the grant of licenses under the Riggs/Itakura Patents. On June 10, 2002, a jury voted to award the COH approximately \$300 million in compensatory damages. On June 24, 2002, a jury voted to award the COH an additional \$200 million in punitive damages. Such amounts were accrued as an expense in the second quarter of 2002 and were included in the condensed consolidated balance sheets in "litigation-related and other long-term liabilities" at March 31, 2005 and December 31, 2004. Genentech filed a notice of appeal of the verdict and damages awards with the California Court of Appeal. On October 21, 2004, the California Court of Appeal affirmed the verdict and damages awards in all respects. On November 22, 2004, the California Court of Appeal modified its opinion without changing the verdict and denied Genentech's request for rehearing. On November 24, 2004, Genentech filed a petition seeking review by the California Supreme Court. On February 2, 2005, the California Supreme Court granted that petition. The amount of cash paid, if any, or the timing of such payment in connection with the COH matter will depend on the outcome of the California Supreme Court's review of the matter; however, we expect that it will take longer than one year to further resolve the matter.

On August 12, 2002, the U.S. Patent and Trademark Office (or "Patent Office") declared an interference between U.S. Patent No. 6,054,561, owned by Chiron Corporation (or "Chiron"), and a patent application exclusively licensed by Genentech from a university relating to anti-HER2 antibodies. On October 24, 2002, the Patent Office redeclared the interference to include, in addition to the above-referenced Chiron patent and university patent application, a number of patents and patent applications owned by either Chiron or Genentech, including Chiron's U.S. Patent No. 4,753,894 that is also at issue in the separate patent infringement lawsuit described below. On November 30, 2004, the Patent Office's Board of Patent Appeals and Interferences issued rulings on several preliminary motions. These rulings terminated both interferences involving the patent application referenced above that Genentech licensed from a university, redeclared interferences between the Genentech and Chiron patents and patent applications, and made several determinations which could affect the validity of the Genentech and Chiron patents and patent applications involved in the remaining interferences. On January 28, 2005, Genentech filed a notice of appeal with the U.S. Court of Appeals for the Federal Circuit. Because the appeal process and further interference proceedings are ongoing, the outcome of this matter cannot be determined at this time.

On March 13, 2001, Chiron filed a patent infringement lawsuit against us in the U.S. District Court in the Eastern District of California, alleging that the manufacture, use, sale and/or offer for sale of our Herceptin antibody product infringes Chiron's U.S. Patent No. 4,753,894. Chiron is seeking compensatory damages for the alleged infringement, additional damages, and attorneys' fees and costs. Genentech filed a motion to

dismiss this lawsuit, which was denied. On November 1, 2002, the parties filed a proposed stipulation to stay all proceedings in this lawsuit until (1) the interference involving U.S. Patent No. 4,753,894 is resolved or two years from entry of the proposed stipulation, whichever is sooner. On or about November 13, 2002, the Court entered the stipulation, staying the proceedings as requested by the parties. On November 10, 2004, the Court extended the stay until the resolution of all proceedings before the United States Supreme Court in a separate Chiron suit that has now been concluded. This lawsuit is separate from and in addition to the Chiron interference mentioned above. The final outcome of this matter cannot be determined at this time.

On April 11, 2003, MedImmune, Inc. filed a lawsuit against Genentech, COH, and Celltech R & D Ltd. in the U.S. District Court for the Central District of California (Los Angeles). The lawsuit relates to U.S. Patent No. 6,331,415 ("the '415 patent") that is co-owned by Genentech and COH and under which MedImmune and other companies have been licensed and are paying royalties to Genentech. The lawsuit includes claims for violation of antitrust, patent, and unfair competition laws. MedImmune is seeking to have the '415 patent declared invalid and/or unenforceable, a determination that MedImmune does not owe royalties under the '415 patent on sales of its Synagis® antibody product, an injunction to prevent Genentech from enforcing the '415 patent, an award of actual and exemplary damages, and other relief. On January 14, 2004 (amending a December 23, 2003 Order), the U.S. District Court granted summary judgment in Genentech's favor on all of MedImmune's antitrust and unfair competition claims. MedImmune sought to amend its complaint to reallege certain claims for antitrust and unfair competition. On February 19, 2004, the Court denied this motion in its entirety and final judgment was entered in favor of Genentech and Celltech and against MedImmune on March 15, 2004 on all antitrust and unfair competition claims. MedImmune filed a notice of appeal of this judgment with the U.S. Court of Appeals for the Federal Circuit.

Concurrently, in the District Court litigation, Genentech filed a motion to dismiss all remaining claims in the case. On April 23, 2004, the District Court granted Genentech's motion and dismissed all remaining claims. Final judgment was entered in Genentech's favor on May 3, 2004, thus concluding proceedings in the District Court. MedImmune filed a notice of appeal with the U.S. Court of Appeals for the Federal Circuit. Oral argument of MedImmune's appeal was held on February 10, 2005. Because the appeal process is ongoing, the final outcome of this matter cannot be determined at this time.