07-990821

State of California

Secretary of State

CORPORATE DISCLOSURE STATEMENT
(Domestic Stock and Foreign Corporations)

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There is no fee for filing the Corporate Disclosure Statement.

IMPORTANT — PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

FILED
in the office of the Secretary of State
of the State of California

JUL 17 2007

1. **CORPORATE NAME**

GENENTECH, INC.

C1195294

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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
See Attachment A

4. NAME OF THE INDEPENDENT AUDITOR EMPLOYED BY THE CORPORATION ON THE DATE OF THIS STATEMENT, IF DIFFERENT FROM ITEM 2
Ernst & Young LLP

DIRECTORS AND EXECUTIVE OFFICERS

5. NAMES OF DIRECTORS	COMPENSATION	SHARES	OPTIONS	BANKRUPTCY	FRAUD
1) Charles A. Sanders, M.D.	$74,750*	0	15,000***	☐YES ☑NO	☐YES ☑NO
2) Debra L. Reed	$71,625*	0	15,000***	☐YES ☑NO	☐YES ☑NO
3) Herbert W. Boyer, Ph.D.	$66,000*	0	15,000***	☐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-Hellmann, MD, MPH	$1,839,511*	0**	240,000***	☐YES ☑NO	☐YES ☑NO
2) Richard H. Scheller, Ph.D.	$1,379,747*	0**	135,000***	☐YES ☑NO	☐YES ☑NO
3) David A. Ebersman	$1,376,894*	0**	135,000***	☐YES ☑NO	☐YES ☑NO
4) Stephen G. Juelsgaard, DVM, JD	$1,283,308*	0**	135,000***	☐YES ☑NO	☐YES ☑NO
5) Ian T. Clark	$1,281,339*	0**	135,000***	☐YES ☑NO	☐YES ☑NO

6b. CHIEF EXECUTIVE OFFICER (if not named in 6a)	COMPENSATION	SHARES	OPTIONS	BANKRUPTCY	FRAUD
Arthur D. Levinson, Ph.D.	$4,163,535*	0*	500,000***	☐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 ☑NO

9. 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 ☐NO

10. 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.

JM Roy C. Hardiman		V.P. Corporate Law	7/16/07
TYPE OR PRINT NAME OF PERSON COMPLETING THE FORM	SIGNATURE	TITLE	DATE

SI-PT (REV 07/2006) APPROVED BY SECRETARY OF STATE

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07-990821

State of California
Secretary of State

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

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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)	Jonathan K.C. Knowles, Ph.D.	$0	0	0	☐ YES ☑ NO	☐ YES ☑ NO
5)	William M. Burns	$0	0	0	☐ YES ☑ NO	☐ YES ☑ NO
6)	Erich Hunziker, Ph.D.	$0	0	0	☐ YES ☑ NO	☐ YES ☑ NO
7)	Arthur D. Levinson, Ph.D.	$0****	0	0	☐ 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)		
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, Inc. during the fiscal year ended December 31, 2006.

**Officers may purchase shares of Genentech, Inc. common stock pursuant to an employee stock purchase plan available broadly to Genentech, Inc. employees during the year ended December 31, 2006.

***Options for the purchase of Genentech, Inc. common stock granted pursuant to a broad-based stock option plan during the fiscal year ended December 31, 2006.

In reference to Section B on form SI-PTA:
****Compensation for role as CEO listed in Section 6b of form SI-PT

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, accounting consultations, due diligence services, tax services such as transaction reviews, tax regulatory matters, tax return review and expatriate tax matters, and an audit of management's assessment of the effectiveness of internal control over financial reporting.

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Genentech, Inc.
California Corporate Disclosure Statement
Attachment B (Description to Items 9 and 10)

Description of legal proceedings from Genentech, Inc.'s Form 10-Q for the quarter ended March 31, 2007.

Description for Item 9

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 U.S. Department of Justice, requesting documents related to the promotion of Rituxan, a prescription treatment now approved for five indications: (1) the treatment of relapsed or refractory, low-grade or follicular, CD20-positive, B-cell non-Hodgkin's lymphoma, (2) the first-line treatment of diffuse large B-cell, CD20-positive, non-Hodgkin's lymphoma in combination with CHOP (cyclophosphamide, doxorubicin, vincristine and prednisone) or other anthracycline-based chemotherapy regimens, (3) the first-line treatment of previously untreated patients with follicular, CD20-positive, B-cell non-Hodgkin's lymphoma in combination with cyclophosphamide, vincristine, prednisone (or "CVP") chemotherapy, (4) the treatment of low-grade, CD20-positive, B-cell non-Hodgkin's lymphoma in patients with stable disease or who achieve a partial or complete response following first-line treatment with CVP chemotherapy, and (5) for use in combination with methotrexate to reduce signs and symptoms in adult patients with moderately- to severely- active rheumatoid arthritis who have had an inadequate response to one or more tumor necrosis factor antagonist therapies. We are cooperating with the associated investigation, which we have been advised is both civil and criminal in nature. The government has called, and may continue to call, former and current Genentech employees to appear before a grand jury in connection with this investigation. The outcome of this matter cannot be determined at this time.

On July 29, 2005, a former Genentech employee, whose employment ended in April 2005, filed a qui tam complaint under seal in the United States District Court for the District of Maine against Genentech and Biogen Idec, alleging violations of the False Claims Act and retaliatory discharge of employment. On December 20, 2005, the United States District Court filed notice of its election to decline intervention in the lawsuit. The complaint was subsequently unsealed and we were served on January 5, 2006. Genentech filed a motion to dismiss the complaint and on December 14, 2006, the Magistrate Judge assigned to the case issued a Recommended Decision on that motion, which is subject to review by the District Court Judge. The Magistrate Judge recommended that the False Claims Act portion of the complaint be dismissed, leaving as the only remaining claim against Genentech the plaintiff's retaliatory discharge claim. Plaintiff, Biogen Idec, and Genentech each subsequently filed objections with the District Court Judge concerning certain aspects of the Magistrate Judge's Recommended Decision. We are awaiting the District Court's decision on the Recommended Decision and the objections. The outcome of this matter cannot be determined at this time.

On April 11, 2003, MedImmune, Inc. (or "MedImmune") 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 (or "the '415 patent" or "Cabilly patent") that we co-own with COH and under which MedImmune and other companies have been licensed and are paying royalties to us. The lawsuit includes claims for violation of antitrust, patent, and unfair competition laws. MedImmune is seeking a ruling that the '415 patent is 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 us 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 our favor on all of MedImmune's antitrust and unfair competition claims. On April 23, 2004, the District Court granted our motion to dismiss all remaining claims in the case. On October 18, 2005, the U.S. Court of Appeals for the Federal Circuit affirmed the judgment of the District Court in all respects. MedImmune filed a petition for certiorari with the United States Supreme Court on November 10, 2005, seeking review

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of the decision to dismiss certain of its claims. The Supreme Court granted MedImmune's petition and the oral argument of this case before the Supreme Court occurred on October 4, 2006. On January 9, 2007, the Supreme Court issued a decision reversing the Federal Circuit's decision and remanding the case to the lower courts for further proceedings in connection with the patent and contract claims. The case is currently set for a status conference on June 4, 2007 in the District Court. The outcome of this matter cannot be determined at this time.

On May 13, 2005, a request was filed by a third party for reexamination of the '415 or Cabilly patent. The request sought reexamination on the basis of non-statutory double patenting over U.S. Patent No. 4,816,567. On July 7, 2005, the U.S. Patent Office ordered reexamination of the '415 patent. On September 13, 2005, the Patent Office mailed an initial non-final Office action rejecting the claims of the '415 patent. We filed our response to the Office action on November 25, 2005. On December 23, 2005, a second request for reexamination of the '415 patent was filed by another third party, and on January 23, 2006, the Patent Office granted that request. On June 6, 2006, the two reexaminations were merged into one proceeding. On August 16, 2006, the Patent Office mailed a non-final Office action in the merged proceeding, rejecting the claims of the '415 patent based on issues raised in the two reexamination requests. We filed our response to the Office action on October 30, 2006. On February 16, 2007, the Patent Office mailed a final Office action rejecting all thirty-six claims of the '415 patent. We intend to respond to the final Office action, to request continued reexamination, and, if necessary, to appeal the decision. The '415 patent, which expires in 2018, relates to methods we and others use to make certain antibodies or antibody fragments, as well as cells and DNA used in these methods. We have licensed the '415 patent to other companies and derive significant royalties from those licenses. The claims of the '415 patent remain valid and enforceable throughout the reexamination and appeals processes. Because the above-described proceeding is ongoing, the outcome of this matter cannot be determined at this time.

In 2006, we made development decisions involving our humanized anti-CD20 program, and our collaborator Biogen Idec disagrees with certain of our development decisions relating to humanized anti-CD20 products. Under our 2003 collaboration agreement with Biogen Idec, we believe that we are permitted under the agreement to proceed with further trials of certain humanized anti-CD20 antibodies, and Biogen Idec disagrees with our position. We continue to pursue a resolution of our differences, and the disputed issues have been submitted to arbitration. In the arbitration, Biogen Idec filed motions for a preliminary injunction and summary judgment seeking to stop us from proceeding with certain development activities, including planned clinical trials. On April 20, 2007, the arbitration panel denied both Biogen Idec's motion for a preliminary injunction and Biogen Idec's motion for summary judgment. Resolution of the arbitration could require that both parties agree to certain development decisions before moving forward with humanized anti-CD20 antibody clinical trials, and possibly clinical trials of other collaboration products, including Rituxan, in which case we may have to alter or cancel planned trials in order to obtain Biogen Idec's approval. The outcome of this matter cannot be determined at this time.

On March 24, 2004, Dr. Kourosh Dastgheib filed a lawsuit against Genentech in the U.S. District Court for the Eastern District of Pennsylvania. The lawsuit stems from Dastgheib's claim that, based on a purported relationship with Genentech in the mid-1990's, he is entitled to profits or proceeds from Genentech's Lucentis product. Dastgheib has asserted multiple claims for monetary damages, including a claim under an unjust enrichment theory that he is entitled to the entire net present value of projected Lucentis sales, which he claims is between approximately $1.4 billion and $4.1 billion. On November 8, 2006, a jury ruled unanimously against Dastgheib and in favor of Genentech on all claims, and final judgment was entered in Genentech's favor. On January 30, 2007, Dastgheib's motion for a new trial was denied in its entirety. Dastgheib did not appeal the judgment to the court of appeals, and accordingly the case is closed.

Description for Items 9 and 10

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, we have 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 are included in the accompanying Condensed Consolidated Balance Sheets in "litigation-related and other long-term liabilities" at March 31, 2007 and December 31, 2006. We 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, we filed a petition seeking review by the California Supreme Court. On February 2, 2005, the California Supreme Court granted that petition. The appeal to the California Supreme Court has been fully briefed and we are waiting to be assigned an oral argument date. 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. It may take longer than one year to resolve the matter.

We recorded $13 million of accrued interest and bond costs related to the COH trial judgment in the first quarters of 2007 and 2006. In conjunction with the COH judgment, we posted a surety bond and were required to pledge cash and investments of $788 million at March 31, 2007 and December 31, 2006 to secure the bond. These amounts are reflected in "restricted cash and investments" in the accompanying Condensed Consolidated Balance Sheets. We expect that we will continue to incur interest charges on the judgment and service fees on the surety bond each quarter through the process of appealing the COH trial results.

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