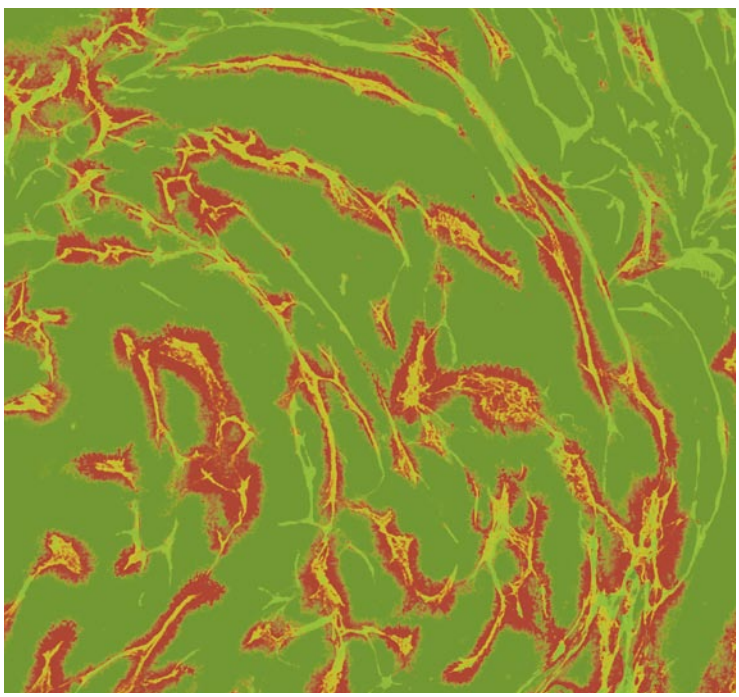
30 years of transforming science into medicine.

Genentech
2005 Annual Report

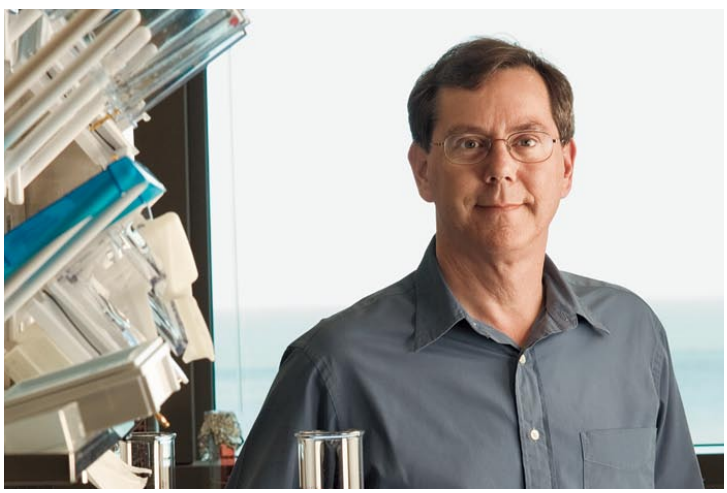


Cover: A microscopic image of Herceptin (in red) binding to tumor cells (left) and Darlene, Herceptin® clinical trial patient (right).

Genentech's mission is to be the leading biotechnology company using human genetic information to discover, develop, manufacture and commercialize biotherapeutics that address significant unmet medical needs. We commit ourselves to high standards of integrity in contributing to the best interests of patients, the medical profession, our employees and communities, and to seeking significant returns to our stockholders, based on the continual pursuit of scientific and operational excellence.

Letter to Stockholders

"Over the course of the 5X5 program, Genentech has undergone unprecedented growth and transformation."



Arthur D. Levinson, Ph.D.
Chairman and Chief Executive Officer

2005 Milestone

March 14: Interim analysis of Phase III trial showed Avastin® (bevacizumab) plus chemotherapy extended survival of patients with first-line non-squamous, non-small cell lung cancer.

"Our goal at Genentech is to discover and develop drugs that dramatically improve the treatment options for patients with life-threatening and serious diseases. We are not looking for an incremental change in existing therapies; we aim to develop genuine breakthroughs."

2005 was an outstanding year for Genentech. Highlights included eight consecutive positive Phase III trial results, record product sales and earnings, a new manufacturing facility acquisition, three new molecular entities moved into clinical development, five submissions for new approvals filed with the U.S. Food and Drug Administration (FDA), and three FDA line-extension approvals.

At the end of 2005, we completed our 5X5 program, a set of strategic goals we introduced in 1999. We are pleased with our performance against these ambitious goals, and the results can be viewed on page 8 of this report. Over the course of the 5X5 program, Genentech has undergone unprecedented growth and transformation:

- Total operating revenues increased more than five-fold from $1.3 billion in 1999 to $6.6 billion in 2005;
- Our market capitalization grew from less than $10 billion in 1999 to approximately $100 billion at the end of 2005;
- Our average annual non-GAAP[1] earnings per share (EPS) growth rate was 33 percent for the years 1999 through 2005 (using 1998 as the base year), exceeding our goal of 25 percent average annual non-GAAP[1] EPS growth;
- Our non-GAAP[1] net income increased from under $250 million to $1.4 billion;
- The number of employees nearly tripled, from 3,400 to more than 9,500;
- We added two new manufacturing sites in Porriño, Spain, and Oceanside, California;
- We sold more than 2,400 kilograms of product in 2005, up from approximately 220 kilograms in 1999;
- Our product pipeline grew from approximately 18 projects to more than 30;
- Our portfolio of marketed products grew from seven to 12 and expanded into the field of immunology;
- The number of patients treated annually in the United States with Genentech medicines in 1999 was 230,000, and in 2005 the number nearly quadrupled to 860,000.

In looking at the performance of the company over this period, we view our growth and success as the result of a commitment to four guiding principles: strong science, long-term planning, excellent execution, and the importance of our people and culture.

[1] Non-GAAP amounts exclude the after-tax effects of recurring charges related to the June 30, 1999 redemption of our Special Common Stock by Roche Holdings, Inc. and litigation-related special items, and the cumulative effect of accounting changes. The compound annual GAAP earnings per share growth rate was 31 percent from 1999 through 2005. (Given negative GAAP earnings in 1999 and 2000, a directly comparable calculation of the average annual growth rate for 1999 through 2005 is not available and compound annual growth rate instead of average annual growth rate is provided.) Our GAAP net (loss) income was ($1.2) billion in 1999 and $1.3 billion in 2005. See pages 20-23 for the full reconciliation between our non-GAAP and GAAP numbers.

Our goal at Genentech is to discover and develop drugs that dramatically improve the treatment options for patients with life-threatening and serious diseases. We are not looking for an incremental change in existing therapies; we aim to develop genuine breakthroughs. To accomplish this objective, we focus on basic scientific research that is rooted in our ever-increasing understanding of the biological and genetic basis of disease. We believe that rigorous basic research is the key for identifying breakthrough drug candidates for development in the clinic, and we have a strong track record of making sound research and development investments. We base our decisions on science and plan to continue to do so, as that approach has allowed us to consistently deliver novel therapies to the market.

We also focus the business on the future, and we avoid sacrificing long-term growth for short-term gains. We will continue to manage the business with an eye towards the long term. We know that we will best satisfy our investors if they enjoy returns over many years and not just for a few months or a few years.

Excellent execution is critical to the delivery of long-term growth, so we emphasize its importance throughout the company. We set ambitious goals for ourselves and recognize that to attain them requires exceptional performance in every area of the business.

Finally, we believe our people are our most important asset, and we spend a lot of time thinking about how best to recruit and retain talented employees as well as how to preserve our distinctive culture so that Genentech remains a great place to work. In hiring new employees, we continually stress the importance of finding the right person for each position. As a company, we take scientific and financial risk to be an innovator and develop first-in-class therapies, and we look for people who bring a rigorous and entrepreneurial spirit to their jobs. As of December 31, 2005, we had more than 9,500 employees, an increase of approximately 25 percent over 2004, and we anticipate approximately 15 percent growth in 2006. The significant increase in new employees is challenging to a company whose culture has been so critical to its success. We are dedicated to protecting and nurturing our unique culture, which is characterized by a commitment to science, a dedication to patients and a respect for the individual and individual initiative.

"We believe our people are our most important asset."

2005 Milestone

April 5: Phase III study showed Rituxan® (Rituximab) significantly improved symptoms in patients with rheumatoid arthritis who inadequately responded to anti-TNF therapies.

We were honored when, in January 2006, FORTUNE ranked Genentech number one on its list of the "100 Best Companies to Work for" in America. We have earned a place on the FORTUNE list for eight consecutive years. We were also recognized as a top employer by several other publications in 2005: Science magazine named Genentech "the top employer and most admired company in the biotechnology and pharmaceutical industries" for the fourth year in a row; Working Mother magazine named Genentech one of the "100 Best Companies for Working Mothers" for the 13th time; and ESSENCE magazine recognized Genentech as one of 17 "Great Places to Work" for women of color for the third year in a row. We are very happy about all of this recognition, and we will continue to elicit feedback from employees and ask how we can do better, especially as we grow and integrate new employees.

In addition to remaining a great place to work, we are committed to ensuring patient access to our products and to playing a positive role in our communities. In 2005, we donated drugs with a total market value of approximately $200 million to more than 18,000 uninsured patients as part of our Access to Care Foundation. To further support patient access to therapies for various diseases, we donated more than $21 million to various independent public charities that offer co-pay assistance to eligible patients. In addition, we provided approximately $15 million in financial support to a variety of nonprofit organizations in our local communities. Through philanthropic support, as well as through Genentech employee volunteerism, we worked to help improve health science education and strengthen many other educational, civic and community-based groups located in South San Francisco, Vacaville, and Oceanside, California, as well as Porriño, Spain. Finally, given the magnitude of Hurricane Katrina, Genentech and the Genentech Foundation donated in excess of $2.5 million toward relief and long-term recovery efforts.

In terms of our financial performance in 2005, we continued to deliver strong top- and bottom-line growth over 2004, including: a 44 percent increase in total operating revenues, a 55 percent increase in non-GAAP[1] net income, and a 54 percent increase in non-GAAP[1] earnings per share compared to 2004. We also set record sales across our product portfolio in 2005, with all of our products showing an increase in sales and total U.S. product sales growing to more than $5 billion. In particular, we are very pleased with the performance of Avastin® (bevacizumab)—sales topped $1 billion in 2005—and with its future potential.

On the research and development front, we announced positive results from eight Phase III clinical trials, many of which are the result of research efforts that originated internally some years ago. As you probably know, it is typically the case in drug development that about half of Phase III trials are successful, so this performance is quite remarkable. Most important, this string of positive results may provide potential new treatment options for several significant unmet medical needs, including certain forms of breast cancer, lung cancer, age-related macular degeneration, and rheumatoid arthritis. In 2005 and early 2006, we also received four FDA approvals extending our labels for Cathflo® Activase® (Alteplase), Nutropin® [somatropin (rDNA origin) for injection]/Nutropin AQ® [somatropin (rDNA origin) injection], Tarceva® (erlotinib) and Rituxan® (Rituximab).

One highlight of 2005 was the joint analysis from two Phase III trials that showed that adding Herceptin® (Trastuzumab) to chemotherapy reduced the risk of breast cancer recurrence by 52 percent in HER2-positive early-stage breast cancer patients. The results of the joint interim analysis provide additional hope for women with HER2-positive breast cancer. Running these kinds of multi-year studies is resource-intensive, but these trials showed that patient benefit may occur when we test a therapy that has worked in the metastatic setting on patients in the early-stage setting. We are very excited about the potential clinical benefit demonstrated by these trials, and we submitted the supplemental Biologics License Application (sBLA) for Herceptin in the adjuvant treatment of operable breast cancer in February 2006.

We were also very pleased with the Phase III data for Lucentis™ (ranibizumab) in patients with wet age-related macular degeneration

[1] Non-GAAP amounts exclude the after-tax effects of recurring charges related to the June 30, 1999 redemption of our Special Common Stock by Roche and litigation-related special items, and the cumulative effect of accounting changes. Our GAAP net income increased 63 percent and GAAP earnings per share increased 62 percent in 2005, compared to 2004. See pages 20-23 for the full reconciliation between our non-GAAP and GAAP numbers.

that showed that Lucentis improved vision in the majority of patients. We submitted a BLA for Lucentis in December 2005. In addition to Lucentis and the potential new adjuvant indication for Herceptin, we are expecting to submit sBLAs for additional indications for Rituxan, Avastin and Herceptin in 2006. We believe these potential approvals and the remaining projects in our late-stage pipeline position us well for short- and medium-term growth.

In the intellectual property arena, we are committed to protecting the significant investments we make in novel research and development technologies, and our efforts continue to serve us well. Our patents relate to all aspects of our technologies, including products and product candidates, therapeutic targets, methods of making products and methods of treatment. We currently have approximately 5,500 non-expired patents worldwide and approximately the same number of patent applications pending. Our '415 Cabilly patent, which covers an important technology related to antibodies, will be undergoing re-examination by the United States Patent and Trademark Office this year. We are confident in the strength of our intellectual property position and look forward to the outcome of the Cabilly re-examinations.

While we are very pleased with our progress as a company in 2005, we remain focused on the future to ensure we have a strong plan in place to take us through 2006 and beyond. We are aware of the many challenges that we face as a business, including: addressing product pricing and reimbursement concerns; enhancing our early-stage pipeline; meeting manufacturing capacity demands; successfully scaling our culture; and addressing the high expectations that are being set for us in terms of both research and development and our financial performance. While we are mindful of these challenges, we are looking forward to the future with a great sense of the possibilities that still exist in biotechnology. We believe the scientific potential today is more exciting than it has ever been, and that if we continue to invest wisely and appropriately in research and development, we will have the opportunity to continue to deliver novel targeted therapies for significant unmet medical needs.

One of our most important business priorities is to strengthen the early-stage pipeline by adding and advancing innovative new molecules. We believe that we have a rigorous and effective approach to selecting projects for development, and we are committed to

2005 Milestone

April 14: Interim analysis of a Phase III trial showed Avastin® (bevacizumab) plus chemotherapy improved progression-free survival in patients with first-line metastatic breast cancer.

maintaining our high standards. In 2005, the development organization entered three new molecular entities into the development pipeline and initiated work on multiple new indications for our existing products. We currently have 11 new molecular entities in the early development pipeline and approximately 10 additional projects in late-stage developmental research with the potential to enter clinical trials over the next several years.

Another important business priority is to continue to increase manufacturing capacity to meet our growing product demand, especially in light of all of our recent clinical successes. Our acquisition of a biologics plant in Oceanside, California in June 2005 was an important piece of our overall effort to increase capacity. Other milestones in 2005 included receiving commercial licensure for 20,000 liters of capacity at our Porriño, Spain plant to manufacture Avastin; receiving licensure for Lonza to manufacture Rituxan at its Portsmouth, New Hampshire plant; filing for approval to manufacture Xolair® (Omalizumab) at Novartis' facility in Huningue, France (the facility received approval in January 2006); and managing successful production campaigns across our existing facilities. While we are pleased with our progress in 2005 and early 2006, manufacturing remains a key challenge for the business over the next few years. In order to maintain adequate supply, we will need to continue to implement all our priority capacity expansion projects and achieve licensure on schedule; successfully adhere to an aggressive production plan that will utilize nearly 100 percent of our capacity in the near term; and maintain a state of regulatory compliance at all production sites. We are focused on these efforts.

In April 2006, we will celebrate our 30th anniversary as a company. Herb Boyer and Bob Swanson founded the company three decades ago with little more than some exciting new science and a vision of how this science could change the course of medicine. We have realized much of their original vision in the last 30 years, but the science is still evolving rapidly and there are many more insights yet to be discovered. We remain inspired by our far-sighted, courageous founders and dedicated to their mission of transforming the science of biotechnology into medicines that help patients suffering from serious illnesses. I thank all the employees, stockholders, business collaborators, community members and, most of all, patients and their families who have believed in Genentech and helped build it into the company that it is today. We will do everything in our power to continue to deliver on the promise of biotechnology for the next 30 years and beyond.

Arthur D. Levinson, Ph.D.
Chairman and Chief Executive Officer
March 2006

This Annual Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to our research and development pipeline, the expected timeline for regulatory filings for Rituxan, Avastin and Herceptin, potential indications for Herceptin, Avastin, Lucentis and Rituxan, the future potential of Avastin, the Cabilly re-examinations and growth in the short, medium and long-term. Such statements are just predictions and involve risks and uncertainties such that actual results may differ materially. Among other things, our research and development pipeline and the expected timeline for regulatory filings could be impacted by unexpected safety, efficacy or manufacturing issues, additional time requirements for data analysis, decision making and BLA preparation, or FDA actions or delays; potential indications for our products could be affected by all of the foregoing and failure to receive FDA approval; the potential of Avastin could be affected by all of the foregoing and by a number of other factors, including competition, pricing, reimbursement, the ability to supply product, product withdrawals, new product approvals and launches; the Cabilly re-examinations could be affected by the actions of the PTO; and our growth could be affected by all of the foregoing and by a number of other factors, including, achieving product sales revenue consistent with internal forecasts, unanticipated expenses such as litigation or legal settlement expenses or equity securities write-downs, costs of sales, R&D expenses, fluctuations in royalty and contract revenues, and fluctuations in tax and interest rates. Please also refer to Genentech's periodic reports filed with the Securities and Exchange Commission. Genentech disclaims, and does not undertake, any obligation to update or revise the forward-looking statements in this Annual Report.

Our 5X5 goals were conceived in 1999 and continued through 2005.

"We believe the scientific potential today is more exciting than it has ever been, and that if we continue to invest wisely and appropriately in research and development, we will have the opportunity to continue to deliver novel targeted therapies for significant unmet medical needs."

Arthur D. Levinson, Ph.D
Chairman and CEO

1

25% average annual non-GAAP[1] EPS growth

The first goal was the most important of the 5X5 goals. We exceeded this goal, with an average earnings per share annual non-GAAP[1] (EPS) growth of 33 percent between 1999 and 2005 (using 1998 as the base year).

2

5 new products/ indications approved

With seven new products approved and multiple new indications, we have exceeded our 5X5 goal of five new products or indications approved by 2005.

3

5 significant products in late-stage clinical trials

We ended the 5X5 period with six products for 21 potential indications in our late-stage development pipeline, exceeding our goal of five late-stage products in clinical development.

4

$500 million in new revenues from strategic alliances or acquisitions

In 2005, we achieved more than $300 million in revenues associated with strategic alliances or acquisitions, missing our goal of $500 million.

5

25 percent non-GAAP[1] net income as a percentage of operating revenues

Our 2005 non-GAAP[1] net income as a percentage of operating revenues was 21 percent. We did not meet this final productivity goal, primarily due to the success of Rituxan® (Rituximab) and the effect of the associated profit sharing arrangement.

[1] Non-GAAP amounts exclude the after-tax effects of recurring charges related to the June 30, 1999 redemption of our Special Common Stock by Roche and litigation-related special items, and the cumulative effect of accounting changes. The compound annual GAAP earnings per share growth rate was 31 percent from 1999 through 2005. (Given negative GAAP earnings in 1999 and 2000, a directly comparable calculation of the average annual growth rate for 1999 through 2005 is not available and compound annual growth rate instead of average annual growth rate is provided.) For 2005, our GAAP net income as a percentage of operating revenues was 19 percent. See pages 20-23 for the full reconciliation between our non-GAAP and GAAP numbers.

2005 Milestone

May 23: Preliminary Phase III data showed Lucentis™ (ranibizumab) maintained or improved vision in nearly 95 percent of patients with minimally classic/occult wet age-related macular degeneration.

Development Pipeline

For nearly 30 years, Genentech has excelled at transforming scientific discoveries into breakthrough therapies for patients. Today, Genentech's development pipeline focuses on oncology, immunology, and disorders of tissue growth and repair.

Pre-IND/Phase 1

Oncology	4 New Molecular Entities (TBA)[1]	Cancer Therapies
	Apo2L/TRAIL	Cancer Therapy
	Topical Hedgehog Antagonist	Basal Cell Carcinoma
Immunology	New Molecular Entity (TBA)[1]	Immunology
	BR3-Fc	Rheumatoid Arthritis

Phase 2

Oncology	Avastin®	Glioblastoma Multiforme[1]
	Avastin® +/- Tarceva®	Second-Line Non-Small Cell Lung Cancer
	Omnitarg™	Ovarian Cancer
Immunology	2nd Generation Anti-CD20	Rheumatoid Arthritis
	Rituxan®	Relapsing Remitting Multiple Sclerosis
	Xolair®	Peanut Allergy
Tissue Growth & Repair	Topical VEGF	Diabetic Foot Ulcers[1]

Development Pipeline

Phase 3

Oncology	Avastin®	Adjuvant Breast Cancer[1] First-Line Metastatic Breast Cancer* Second-Line Metastatic Breast Cancer[1] Adjuvant Colorectal Cancer Adjuvant Non-Small Cell Lung Cancer[1] First-Line Ovarian Cancer First-Line Pancreatic Cancer First-Line Renal Cell Carcinoma Hormone Refractory Prostate Cancer
	Rituxan®	Relapsed Chronic Lymphocytic Leukemia
	Tarceva®	Adjuvant Non-Small Cell Lung Cancer[1]
	Tarceva® +/- Avastin®	Second-Line Non-Small Cell Lung Cancer
Immunology	Rituxan®	ANCA-Associated Vasculitis Lupus Nephritis Rheumatoid Arthritis (DMARD Inadequate Responders) Primary Progressive Multiple Sclerosis Systemic Lupus Erythematosus
	Xolair®	Pediatric Asthma

FDA Filing Prep

Oncology	Avastin®	First-Line Metastatic Breast Cancer First-Line Non-Small Cell Lung Cancer
	Herceptin®	First-Line Metastatic Breast Cancer in Combination With Taxotere
	Rituxan®	Indolent Front-Line Non-Hodgkin's Lymphoma

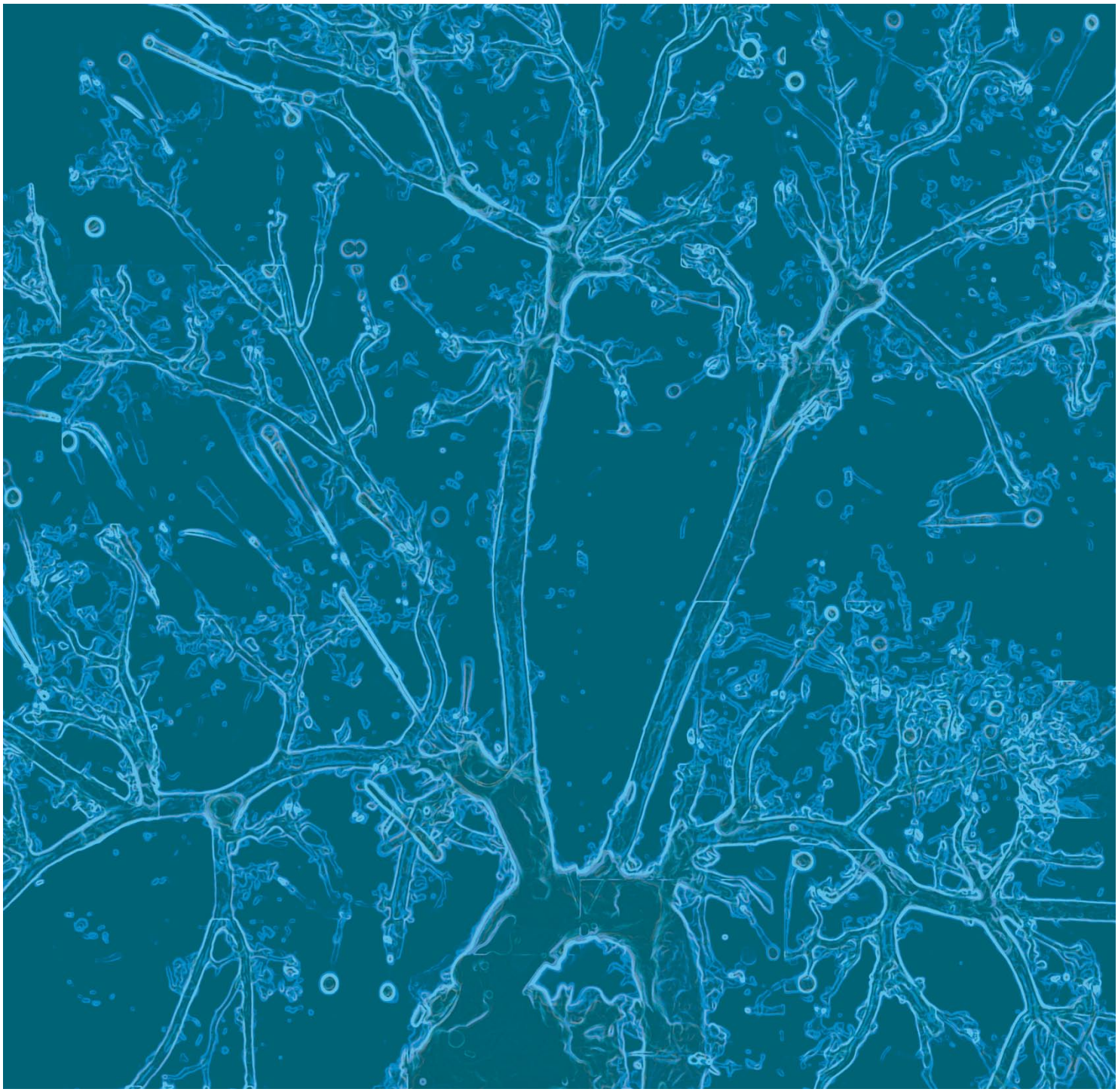
Awaiting FDA Action

Oncology	Avastin®	Relapsed Metastatic Colorectal Cancer
Immunology	Herceptin®	HER2-Positive Breast Cancer in the Adjuvant Setting
Tissue Growth & Repair	Rituxan®	Rheumatoid Arthritis (Anti-TNF Inadequate Responders)
	Lucentis™	Wet Form of Age-Related Macular Degeneration

As of February 17, 2006

[1]Preparing for phase

* In combination with several chemotherapy regimens



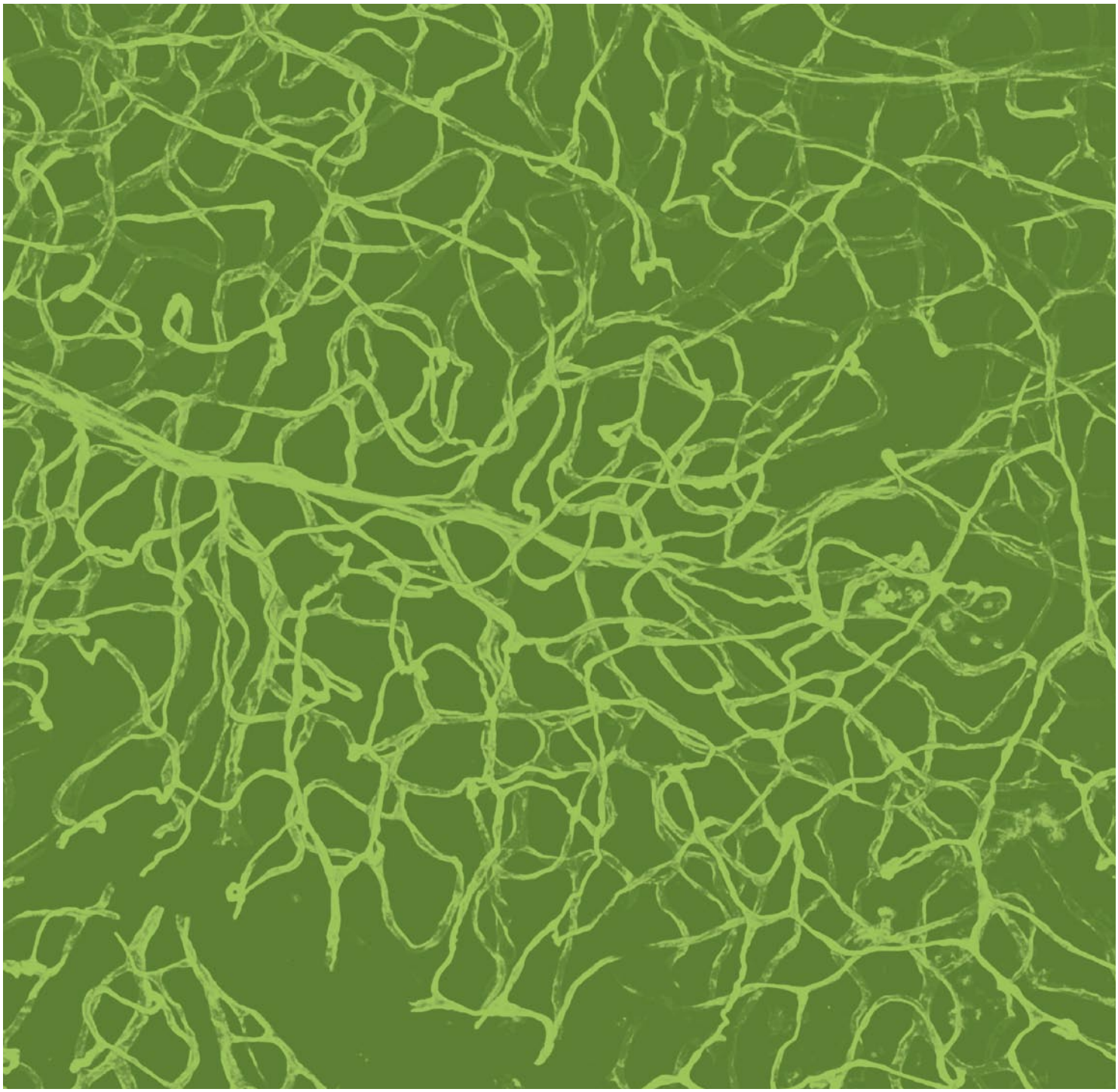
An image of the vascular system taken with light microscopy.

2005 Milestone

April 25: A joint interim analysis of two Phase III studies showed Herceptin® (Trastuzumab) plus chemotherapy improved disease-free survival in the adjuvant setting for early-stage HER2-positive breast cancer patients.

Avastin® patient Kay with husband, Tom

Kay, a nurse who works in Genentech's Commercial group, makes it a priority to spend time with her four grandchildren. She and her husband also love to garden and make fresh jam for friends and family.



A microscopic image of retinal vasculature from our ongoing research in angiogenesis.

2005 Milestone

June 23: Genentech purchased a biologics manufacturing facility in Oceanside, California.

Norma, Lucentis™ Clinical Trial Patient

Norma and her husband of 48 years live next door to their children and several grandchildren, who they visit with almost daily.

(In millions, except per share and employee data)

Financial Highlights (Unaudited)

Years Ended December 31,	2005	2004	2003	% Change from Preceding Year 2005/2004	2004/2003
Product Sales	**$ 5,488**	$ 3,749	$ 2,621	46%	43%
Total operating revenues	**6,633**	4,621	3,300	44	40
Cost of sales	**1,011**	673	480	50	40
COS as a % of sales	**18%**	18%	18%		
Research and development expenses	**1,262**	948	722	33	31
R&D as a % of revenues	**19%**	21%	22%		
Marketing, general and administrative expenses	**1,435**	1,088	795	32	37
MG&A as a % of revenues	**22%**	24%	24%		
Collaboration profit sharing	**823**	594	458	39	30
Recurring charges related to redemption[1]	**123**	146	154	(16)	(6)
Special items: litigation-related[2]	**58**	37	(113)	56	*
Pretax operating income	**1,922**	1,137	805	69	41
Pretax operating margin	**29%**	25%	24%		
Net income	**1,279**	785	563	63	40
Diluted earnings per share	**1.18**	0.73	0.53	62	38
Non-GAAP net income[3]	**$ 1,387**	$ 894	$ 635	55%	41%
Non-GAAP net income as a % of revenues[3]	**21%**	19%	19%		
Non-GAAP diluted EPS[3]	**1.28**	0.83	0.60	54	38
Shares used to compute diluted earnings per share	**1,081**	1,079	1,058	0	2
Actual shares at year-end	**1,054**	1,047	1,049	1	(0)
Stock price at year-end	**$ 92.50**	$ 54.44	$ 46.78	70	16
No cash dividends were paid					
Cash, cash equivalents, short-term investments, long-term marketable debt and equity securities, and equity hedge instruments	**$ 3,887**	$ 2,802	$ 3,057	39	(8)
Property, plant and equipment, net	**3,349**	2,091	1,618	60	29
Total assets	**12,147**	9,403	8,736	29	8
Total stockholders' equity	**7,470**	6,782	6,520	10	4
Capital expenditures[4]	**1,400**	650	322	115	102
Number of employees at year-end	**9,563**	7,646	6,226	25	23

(1) Represents the amortization of other intangible assets in 2005, 2004 and 2003, related to the June 30, 1999 redemption of our Special Common Stock (Redemption) and the effects of push-down accounting.

(2) Amount in 2005 includes accrued interest and bond costs related to the City of Hope (COH) trial judgment and net amount paid related to other litigation settlements. Amount in 2004 includes accrued interest and bond costs related to the COH trial judgment, net of a released accrual on a separate litigation matter. Amount in 2003 is comprised of Amgen and Bayer litigation settlements, net of COH litigation-related charges in 2003. For further information on these items, see the "Results of Operations" section of Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of Part II of our 2005 Form 10-K on file with the Securities and Exchange Commission (SEC).

(3) Non-GAAP amounts exclude the recurring charges related to the Redemption and litigation-related special items and all related tax effects, and the cumulative effect of an accounting change in 2003. GAAP net income as a percentage of total operating revenues was 19 percent in 2005 and 17 percent in 2004 and 2003. See pages 20-23 for the full reconciliation between our non-GAAP and GAAP numbers. For further information on these items, see the "Results of Operations" section of Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of Part II of our 2005 Form 10-K on file with the SEC.

(4) Excludes approximately $94 million in 2005 of capitalized costs related to our accounting for a construction project of which we are considered to be the owner during the construction period. We have recognized a corresponding amount as a construction financing obligation in long-term debt.

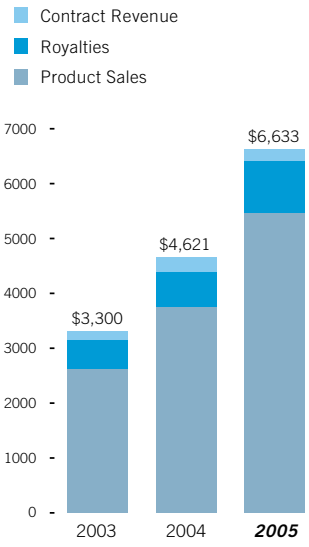
The values and percent change from preceding year shown above are exact, which may lead to the appearance of rounding errors.

*Calculation not meaningful.

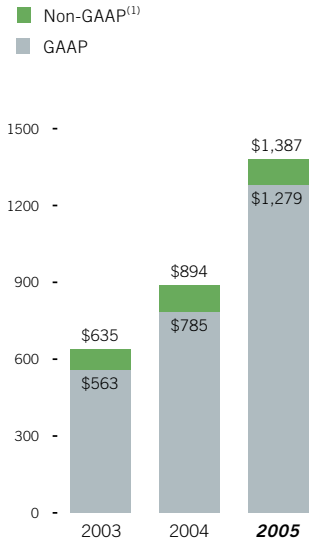
Financial Highlights (Unaudited)

(In millions, except per share)

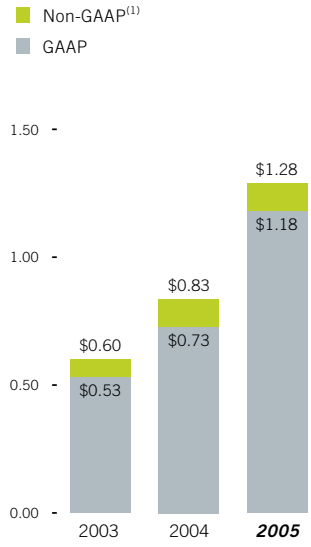
Total Operating Revenues



Net Income



Diluted Earnings Per Share



(1) Non-GAAP diluted earnings per share and non-GAAP net income exclude recurring charges related to the 1999 Redemption and litigation-related special items, and all related tax effects, and the cumulative effect of the change in an accounting principle in 2003. See pages 20-23 for the full reconciliation between our non-GAAP and GAAP numbers. All share and per share amounts reflect the May 2004 two-for-one split of Genentech Common Stock.

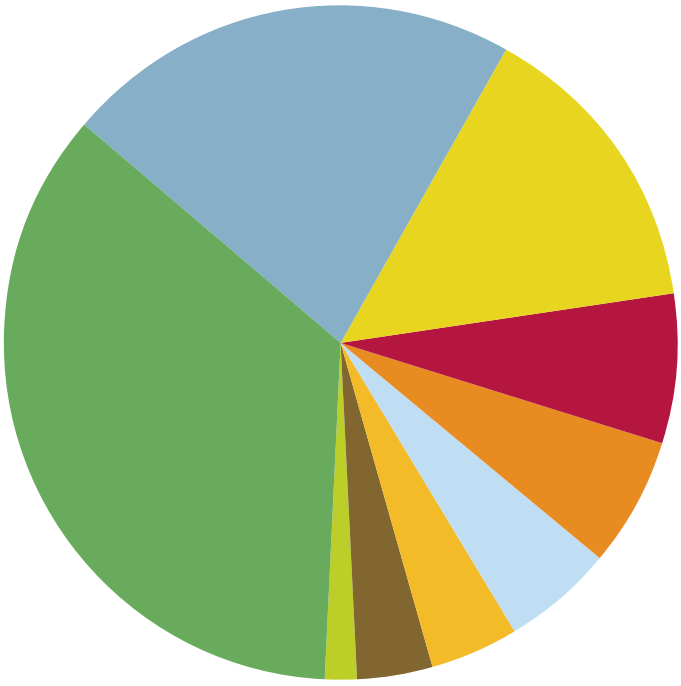
2005 Milestone

October 25: The FDA granted Priority Review for the Rituxan® (Rituximab) supplemental Biologics License Application for front-line treatment of intermediate-grade or aggressive non-Hodgkin's lymphoma.

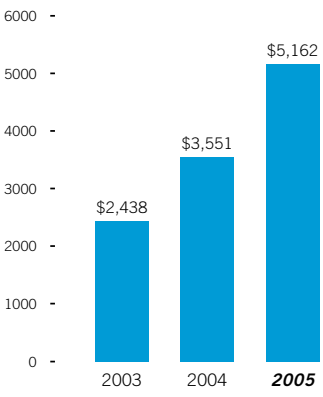
Marketed Products (Unaudited)

U.S. Product Sales (in millions)

Rituxan	$1,831
Avastin	1,133
Herceptin	747
Nutropin Products	370
Xolair	321
Tarceva	275
Thrombolytics	219
Pulmozyme	187
RAPTIVA	79



Total U.S. Product Sales (in millions)



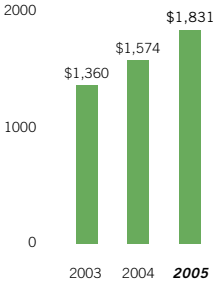
2005 Milestone

October 31: Genentech and Biogen Idec announced the FDA acceptance and Priority Review designation for the supplemental Biologics License Application of Rituxan® (Rituximab) in rheumatoid arthritis.

Marketed Products (Unaudited)

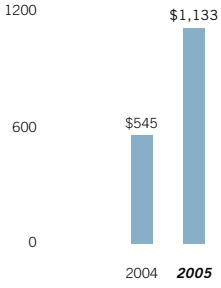
U.S. Product Sales (in millions)

Rituxan



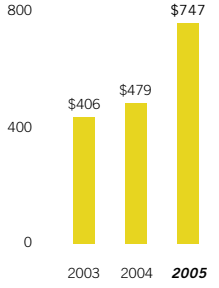
Rituxan® (Rituximab) is indicated for the treatment of patients with relapsed or refractory, low-grade or follicular, CD20-positive, B-cell non-Hodgkin's lymphoma. Rituxan is also indicated for the first-line treatment of diffuse large B-cell, CD20-positive, non-Hodgkin's lymphoma in combination with CHOP or other anthracycline-based chemotherapy regimens.

Avastin



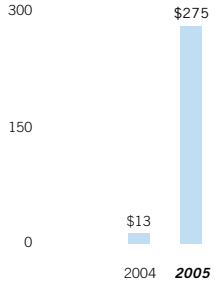
Avastin® (bevacizumab), used in combination with intravenous 5-fluorouracil-based chemotherapy, is indicated for first-line treatment of patients with metastatic carcinoma of the colon or rectum.

Herceptin



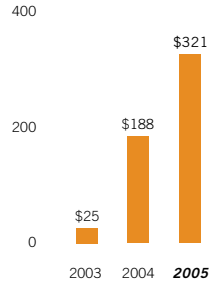
Herceptin® (Trastuzumab) is indicated for the treatment of patients with HER2-positive metastatic breast cancer who have received one or more chemotherapy regimens for their metastatic disease. Herceptin in combination with paclitaxel is indicated for first-line treatment of patients with HER2-positive metastatic breast cancer.

Tarceva



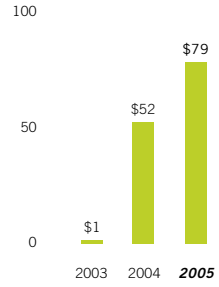
Tarceva® (erlotinib) monotherapy is indicated for the treatment of patients with locally advanced or metastatic non-small cell lung cancer after failure of at least one prior chemotherapy regimen. Tarceva in combination with gemcitabine is indicated for the first-line treatment of patients with locally advanced, unresectable or metastatic pancreatic cancer.

Xolair



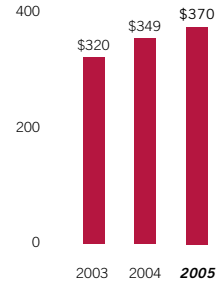
Xolair® (Omalizumab) is indicated for adults and adolescents (12 years of age and above) with moderate-to-severe persistent asthma who have a positive skin test or in vitro reactivity to a perennial aeroallergen and whose symptoms are inadequately controlled with inhaled corticosteroids.

RAPTIVA



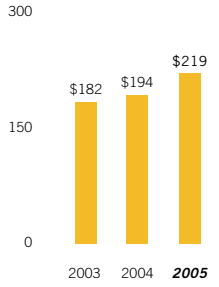
RAPTIVA® (efalizumab) is indicated for the treatment of adult patients (18 years or older) with chronic moderate-to-severe plaque psoriasis who are candidates for systemic therapy or phototherapy.

Nutropin Products



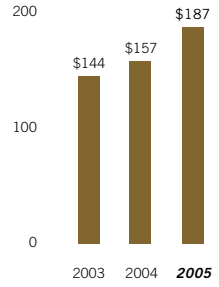
Nutropin® [somatropin (rDNA origin) for injection] and Nutropin AQ® [somatropin (rDNA origin) injection] are indicated for the long-term treatment of growth failure due to a lack of adequate endogenous growth hormone (GH) secretion, for the treatment of growth failure associated with chronic renal insufficiency up to the time of renal transplantation, for the long-term treatment of short stature associated with Turner syndrome, and for the long-term treatment of idiopathic short stature. Nutropin is also indicated for the replacement of endogenous GH in patients with adult GH deficiency.

Thrombolytics



Activase® (Alteplase, recombinant) is indicated for acute myocardial infarction (AMI), acute ischemic stroke and acute massive pulmonary embolism. Cathflo® Activase® (Alteplase) is indicated for the restoration of function to central venous access devices as assessed by the ability to withdraw blood. TNKase™ (Tenecteplase) is indicated for use in the reduction of mortality associated with AMI. Treatment should be initiated as soon as possible after the onset of AMI symptoms.

Pulmozyme



Daily administration of Pulmozyme® (dornase alpha) Inhalation Solution in conjunction with standard therapies is indicated in the management of cystic fibrosis patients to improve pulmonary function.

(In millions, except per share and employee data)

11-Year Financial Summary (Unaudited)

	2005		
	GAAP	Differences	Non-GAAP
TOTAL OPERATING REVENUES	$ 6,633		$6,633
Product sales	5,488		5,488
Royalties	935		935
Contract revenue	210		210
TOTAL COSTS AND EXPENSES	$ 4,712	$(181)	$4,531
Cost of sales	1,011		1,011
Research and development	1,262		1,262
Marketing, general and administrative	1,435		1,435
Collaboration profit sharing	823		823
Recurring charges related to redemption[3]	123	(123)	—
Special items	58	(58)	—
Other income, net	$ 91	—	$ 91
INCOME (LOSS) DATA			
Income (loss) before taxes and cumulative effect of accounting change	$ 2,013	$ 181	$2,193
Income tax (benefit) provision	734	72	806
Income (loss) before cumulative effect of accounting change	1,279	108	1,387
Cumulative effect of accounting change, net of tax	—	—	—
Net income (loss)	1,279	108	1,387
EARNINGS (LOSS) PER SHARE:			
Basic: Earnings before cumulative effect of accounting change	$ 1.21	$0.11	$ 1.32
Cumulative effect of accounting change, net of tax	—	—	—
Net earnings per share	$ 1.21	$0.11	$ 1.32
Diluted: Earnings before cumulative effect of accounting change	$ 1.18	$0.10	$ 1.28
Cumulative effect of accounting change, net of tax	—	—	—
Net earnings per share	$ 1.18	$0.10	$ 1.28
SELECTED BALANCE SHEET DATA			
Cash, cash equivalents, short-term investments, and long-term marketable debt and equity securities	$ 3,814		—
Accounts receivable	1,083		—
Inventories	703		—
Property, plant and equipment, net	3,349		—
Goodwill	1,315		—
Other intangible assets	574		—
Other long-term assets	1,041[12]		—
Total assets	12,147		—
Total current liabilities	1,660		—
Long-term debt	2,083[14],[15]		—
Total liabilities	4,677		—
Total stockholders' equity	7,470		—
OTHER DATA			
Depreciation and amortization expense	$ 370		—
Capital expenditures	1,400[15]		—
SHARE INFORMATION			
Shares used to compute basic EPS	1,055		1,055
Shares used to compute diluted EPS	1,081		1,081
Actual year-end	1,054		—
PER SHARE DATA			
Market price:			
High	$100.20		—
Low	$ 43.90		—
Book value	$ 7.09		—
NUMBER OF EMPLOYEES AT YEAR-END	9,563		

The values shown above are exact, which may lead to the appearance of rounding errors.

2004			2003			2002			2001		
GAAP	Differences	Non-GAAP	GAAP	Differences	Non-GAAP	GAAP	Differences	Non-GAAP	GAAP	Differences	Non-GAAP
$4,621		$4,621	$3,300		$3,300	$2,584		$2,584	$2,044		$2,044
3,749		3,749	2,621		2,621	2,164		2,164	1,743		1,743
641		641	501		501	366		366	265		265
231		231	178		178	55		55	37		37
$3,484	$ (183)	$3,302	$2,496	$ (41)	$2,454	$2,662	$(700)	$1,962	$1,896	$(322)	$1,574
673		673	480		480	442		442	355		355
948		948	722		722	624		624	526		526
1,088		1,088	795		795	546		546	447		447
594		594	458		458	351		351	247		247
146	(146)	—	154	(154)	—	156[11]	(156)	—	322	(322)	—
37	(37)	—	(113)	113	—	544[10]	(544)	—	—	—	—
$ 83	—	$ 83	$ 93	—	$ 93	$ 108	—	$ 108	$ 135[8]	$ (10)	$ 125
$1,219	$ 183	$1,402	$ 897	$ 41	$ 939	$ 30	$ 700	$ 729	$ 283	$ 312	$ 595
435	73	508	287	16	304	(34)	280	246	127	63	190
785	110	894	610	25	635	64	420	484	156	249	405
—	—	—	(48)[1]	48	—	—	—	—	(6)[8]	6	—
785	110	894	563	72	635	64[11]	420	484	150	254	405
$ 0.74	$ 0.11	$ 0.85	$ 0.59	$0.02	$ 0.61	$ 0.06	$0.41	$ 0.47	$ 0.15	$0.23	$ 0.38
—	—	—	(0.05)	0.05	—	—	—	—	(0.01)	0.01	—
$ 0.74	$ 0.11	$ 0.85	$ 0.54	$0.07	$ 0.61	$ 0.06	$0.41	$ 0.47	$ 0.14	$0.24	$ 0.38
$ 0.73	$ 0.10	$ 0.83	$ 0.58	$0.02	$ 0.60	$ 0.06	$0.40	$ 0.46	$ 0.15	$0.23	$ 0.38
	—	—	(0.05)	0.05	—	—	—	—	(0.01)	0.01	—
$ 0.73	$ 0.10	$ 0.83	$ 0.53	$0.07	$ 0.60	$ 0.06	$0.40	$ 0.46	$ 0.14	$0.24	$ 0.38
$2,780		—	$2,935		—	$1,602		—	$2,865		—
960		—	599		—	443		—	330		—
590		—	470		—	394		—	357		—
2,091[1]		—	1,618[1]		—	1,069		—	866		—
1,315		—	1,315		—	1,315		—	1,303		—
668		—	811		—	928		—	1,113		—
788[12]		—	811[12]		—	790[12]		—	127		—
9,403		—	8,759		—	6,776		—	7,162		—
1,238		—	893		—	661		—	677[9]		—
412[1]		—	412[1]		—	—		—	—		—
2,621		—	2,239		—	1,437		—	1,242		—
6,782		—	6,520		—	5,339		—	5,920		—
$ 353		—	$ 295		—	$ 275[11]		—	$ 428		—
650		—	322		—	323		—	213		—
1,055		1,055	1,035		1,035	1,038		1,038	1,054		1,054
1,079		1,079	1,058		1,058	1,049		1,049	1,071		1,071
1,047		—	1,049		—	1,026		—	1,057		—
$68.25		—	$47.68		—	$27.58		—	$42.00		—
$41.00		—	$15.77		—	$12.55		—	$19.00		—
$ 6.48		—	$ 6.21		—	$ 5.21		—	$ 5.60		—
7,646			6,226			5,252			4,950		

2000			1999						
GAAP	Differences	Non-GAAP	GAAP[6]	Differences	Non-GAAP	1998	1997	1996	1995
$1,514		$1,514	$ 1,292		$1,292	$1,053	$ 936	$ 904	$ 851
1,278		1,278	1,039		1,039	718	585	583	635
207		207	189		189	230	241	215	191
29[5]		29	64		64	106	110	107	25
$1,726	$(468)	$1,258	$ 2,730	$(1,729)	$1,001	$ 874	$ 839	$ 816	$ 731
365[7]	(93)	272	286[7]	(93)	192	139	103	105	98
490		490	367		367	396	471	471	363
367		367	367		367	299	266	240	245
129		129	74		74	40	—	—	—
375	(375)	—	198	(198)	—	—	—	—	—
—	—	—	1,438[2]	(1,438)	—	—	—	—	25[13]
$ 216	—	$ 216	$ 77	—	$ 77	$ 73	$ 73	$ 59	$ 52
$ 4	$ 468	$ 472	$(1,361)	$ 1,729	$ 368	$ 253	$ 170	$ 148	$ 172
20	127	147	(203)	325	122	71	41	30	26
(16)	342	325	(1,158)	1,404	247	182	129	118	146
(58)[5]	58	—	—	—	—	—	—	—	—
(74)	399	325	(1,158)	1,404	247	182	129	118	146
$ (0.02)	$0.33	$ 0.31	$ (1.13)	$ 1.37	$ 0.24	$ 0.18	$ 0.13	$ 0.12	$ 0.15
(0.05)	0.05	—	—	—	—	—	—	—	—
$ (0.07)	$0.38	$ 0.31	$ (1.13)	$ 1.37	$ 0.24	$ 0.18	$ 0.13	$ 0.12	$ 0.15
$ (0.02)	$0.32	$ 0.30	$ (1.13)	$ 1.36	$ 0.23	$ 0.18	$ 0.13	$ 0.12	$ 0.15
(0.05)	0.05	—	—	—	—	—	—	—	—
$ (0.07)	$0.37	$ 0.30	$ (1.13)	$ 1.36	$ 0.23	$ 0.18	$ 0.13	$ 0.12	$ 0.15
$2,459		—	$ 1,957		—	$1,605	$1,287	$1,159	$1,097
284		—	238		—	162	189	198	172
266		—	275		—	149	116	92	94
753		—	730		—	700	683	586	504
1,456		—	1,609		—	—	—	—	—
1,280		—	1,453		—	65	55	40	42
169		—	201		—	131	123	109	63
6,739		—	6,561		—	2,868	2,507	2,226	2,011
475		—	503		—	303	289	250	233
150		—	150		—	150	150	150	150
1,065		—	1,291		—	524	476	425	409
5,674		—	5,270[4]		—	2,344	2,031	1,801	1,602
$ 463		—	$ 281		—	$ 78	$ 66	$ 62	$ 58
113		—	95		—	88	155	142	70
1,044		1,044	1,026		1,026	1,007	984	965	946
1,044	28	1,072	1,026	33	1,059	1,039	1,011	992	974
1,051		—	1,032		—	1,017	994	971	954
$61.25		—	$ 11.25		—	$ 9.97	$ 7.58	$ 6.92	$ 6.63*
			$ 35.75**						
$21.13		—	$ 9.32		—	$ 7.41	$ 6.66	$ 6.42	$ 5.56*
			$ 12.13**						
$ 5.40		—	$ 5.10		—	$ 2.30	$ 2.04	$ 1.85	$ 1.68
4,459			3,883			3,389	3,242	3,071	2,842

11-Year Financial Summary Footnotes

The preceding 11-year Financial Summary reflects adoption of Financial Accounting Standards Board Interpretation No. 46 (FIN 46), as revised by FIN 46R, in 2003, Statement of Financial Accounting Standards (FAS) No. 141, 142, 144 and 148 in 2002, FAS 133 in 2001, the Securities and Exchange Commission's Staff Accounting Bulletin No. 101 (SAB 101) in 2000, FAS 130 and 131 in 1998, FAS 128 and 129 in 1997, FAS 121 in 1996, FAS 115 in 1994.

We have paid no dividends. We currently intend to retain all future income for use in the operation of our business and for future stock repurchases and, therefore, do not anticipate paying any cash dividends in the foreseeable future.

All share and per share amounts reflect two-for-one stock splits of our Common Stock that were effected in 2004, 2000 and 1999.

* Special Common Stock began trading October 26, 1995. On October 25, 1995, pursuant to the 1995 Agreement with Roche Holdings, Inc. (Roche), each share of our Common Stock not held by Roche or its affiliates automatically converted to one share of Special Common Stock.

** Common Stock began trading July 20, 1999; prior to that date, shares were Special Common Stock. On June 30, 1999, we redeemed all of our outstanding Special Common Stock held by stockholders other than Roche (also known as the Redemption). Roche's percentage ownership of our outstanding equity increased from 65 percent to 100 percent. On July 23, 1999, October 26, 1999, and March 29, 2000, Roche completed public offerings of our Common Stock. Roche also publicly offered zero-coupon notes in January 2000 which were exchangeable for our common stock held by Roche. Roche called these notes in March 2004. Through April 5, 2004, the expiration date for investors to tender these notes, approximately 26 million shares were issued in exchange for the notes, thereby reducing Roche's ownership of Genentech common stock to 587,189,380 shares. At December 31, 2005, Roche's ownership percentage was 55.7 percent.

Non-GAAP amounts exclude: (i) recurring charges related to the Redemption; (ii) litigation-related special items in 2005 was comprised of accrued interest and bond costs related to the City of Hope (COH) judgment and net amounts paid related to other litigation settlements, in 2004 it was comprised of accrued interest and bond costs related to the COH judgment (net of a released accrual on a separate litigation matter), in 2003 it was comprised of Amgen and Bayer litigation settlements (net of accrued interest and bond costs related to the COH litigation), and in 2002 it was comprised of special charges for the COH judgment in the second quarter of 2002, including accrued interest and bond costs, and certain other litigation-related matters, (iii) special charges in 1999 related to the Redemption and the effects of "push-down" accounting as required by U.S. generally accepted accounting principles, and legal settlements, (iv) costs in 2000 and 1999 related to the sale of inventory that was written up at the Redemption, (v) the cumulative effect of accounting changes, (vi) the changes in fair value of certain derivatives recorded in "other income, net" in 2001, and (vii) all related tax effects. For further information on these items, see the "Results of Operations" section of Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of Part II of our Form 10-K for the respective years on file with the Securities and Exchange Commission (SEC).

(1) Reflects the impact of the adoption of FIN 46, "Consolidation of Variable Interest Entities."

(2) Charges related to Redemption and push-down accounting ($1,208 million) and legal settlements ($230 million).

(3) Primarily reflects amortization of other intangible assets in 2005, 2004, 2003, 2002, 2001, 2000, and 1999, and goodwill amortization in 2001, 2000 and 1999 related to the Redemption and push-down accounting.

(4) Reflects the effect of the Redemption and related push-down accounting of $5,202 million of excess purchase price over net book value, net of charges and accumulated amortization of goodwill and other intangible assets.

(5) Reflects the impact of the adoption of SAB 101 on revenue recognition effective January 1, 2000.

(6) GAAP 1999 results reflect the June 30, 1999 redemption and push-down accounting and include the combined New Basis and Old Basis periods presented in the 1999 Consolidated Statements of Operations and Consolidated Statements of Cash Flows. Refer to our 2001 Form 10-K (Part II, Item 8) on file with the SEC.

(7) Includes costs related to the sale of inventory that was written up at the Redemption due to push-down accounting.

(8) Reflects the effect of the adoption of FAS 133 on Accounting for Derivative Instruments and Hedging Activities.

(9) The $150 million long-term debt was reclassified to current liabilities to reflect the March 27, 2002 maturity.

(10) Amount includes litigation-related special charges comprised of the COH judgment in the second quarter of 2002, including accrued interest and costs related to obtaining a surety bond, and certain other litigation-related matters. For further information on these charges, see the "Results of Operations" section of Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations," of Part II of our 2002 Form 10-K on file with the SEC.

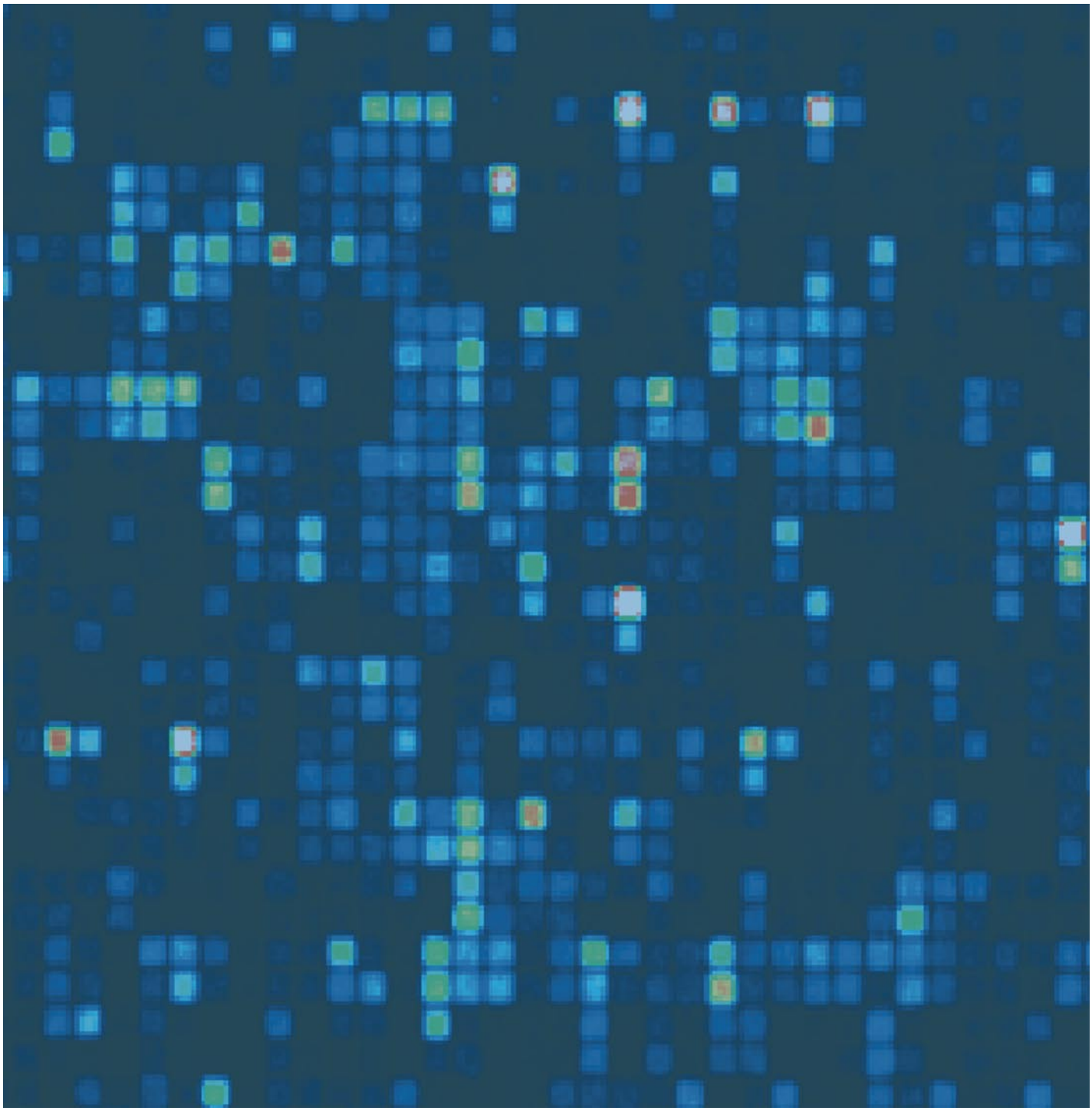
(11) We adopted FAS 141 on Business Combinations and FAS 142 on Goodwill and other Intangible Assets on January 1, 2002. In accordance with FAS 141 and 142, we discontinued the amortization of goodwill and our trained and assembled workforce intangible asset, which resulted in an increase in reported net income by approximately $158 million (or $0.15 per share) in 2002, as compared to the accounting prior to the adoption of FAS 141 and 142.

(12) Includes approximately $735 million at December 31, 2005, $682 million at December 31, 2004 and $630 million at December 31, 2003 and 2002 of restricted cash pledged to secure a bond for the COH judgment. For further information on the COH judgment, see Note 7, "Leases, Commitments and Contingencies" in Part II, Item 8 of our 2005 Form 10-K on file with the SEC.

(13) Primarily includes charges related to 1995 merger and the 1995 Agreement with Roche ($21 million).

(14) Includes approximately $2 billion related to our debt issuance in July 2005, net of the repayment of $425 million in the third quarter of 2005 to extinguish the debt and noncontrolling interest related to a synthetic lease obligation. For further information, see Note 7, "Leases, Commitments and Contingencies" in Part II, Item 8 of our 2005 10-K on file with the SEC.

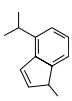
(15) In 2005, we capitalized costs of approximately $94 million related to our accounting for a construction project of which we are considered to be the owner during the construction period. These costs have been excluded from 2005 capital expenditures, and have been recognized as a construction financing obligation in long-term debt.



An image of gene expression profiling by microarrays taken as part of our ongoing research on Rituxan.

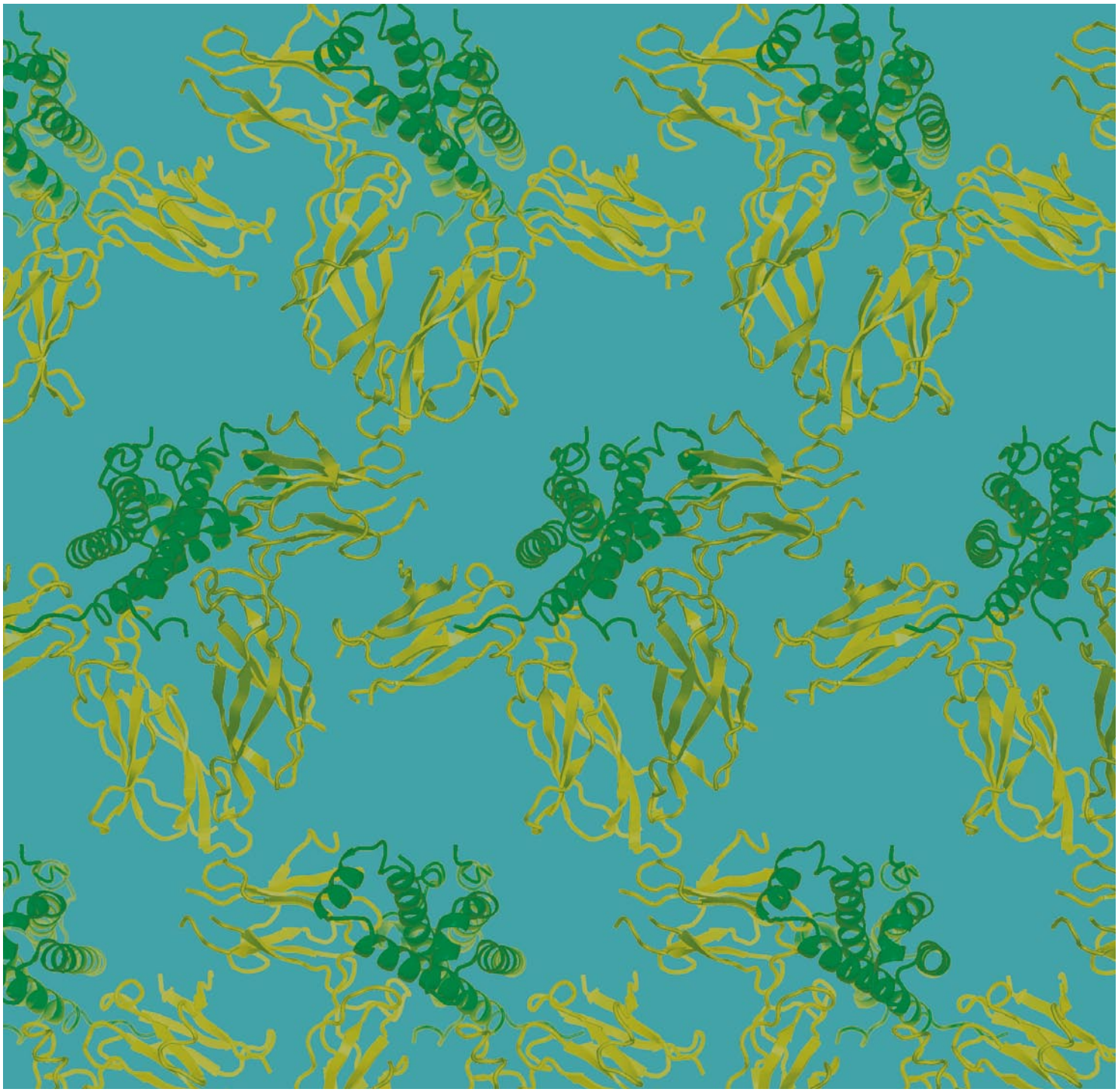
2005 Milestone

November 2: The FDA approved Tarceva® (erlotinib) in combination with gemcitabine chemotherapy for the treatment of locally advanced, inoperable or metastatic pancreatic cancer.



Michael, Rituxan® Clinical Trial Patient

A medical device salesman by trade, Michael recently ran a triathlon in honor of a fellow cancer patient who had passed away. In his free time he enjoys the company of his wife and their four children.



A crystal structure of the growth hormone receptor complex.

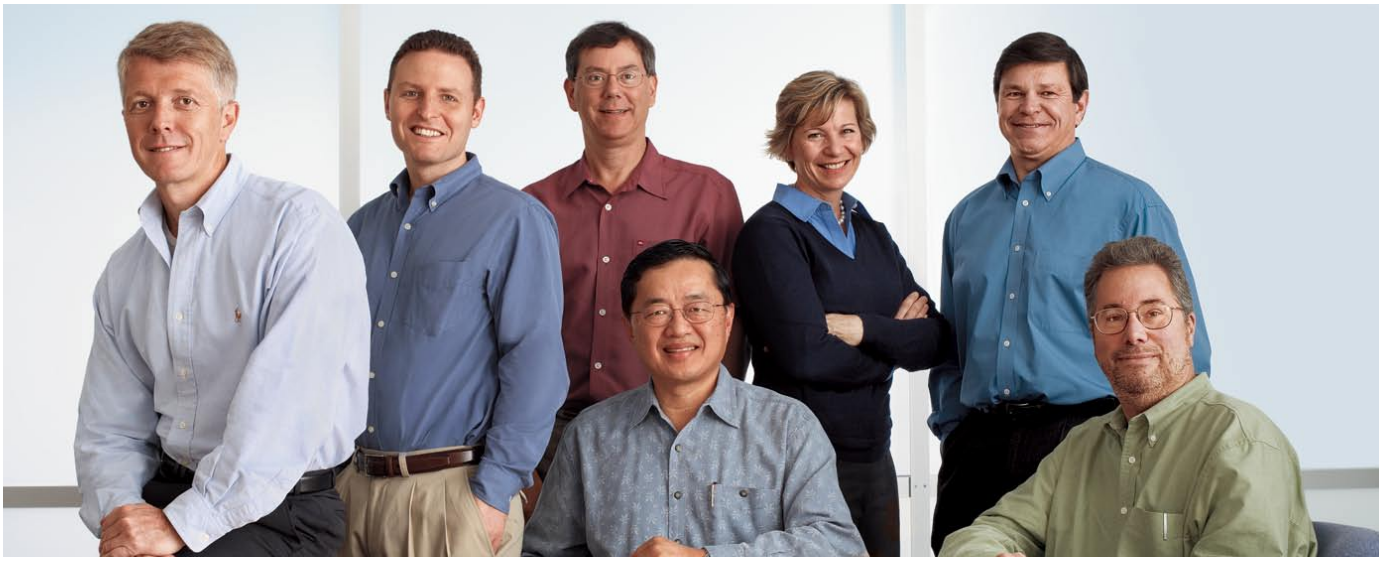
2005 Milestone

December 30: Genentech submitted a Biologics License Application for FDA review of Lucentis™ (ranibizumab) in wet age-related macular degeneration.

Nutropin® Patient Paulo with mother, Agnes

Paulo, a high school senior, is a varsity track and field athlete who works as a volunteer at the American Red Cross. He is looking forward to starting college in the fall of 2006.

Executive Committee



From left to right: Ian T. Clark; David A. Ebersman; Arthur D. Levinson; Patrick Y. Yang; Susan D. Desmond-Hellmann; Stephen G. Juelsgaard; Richard H. Scheller

ARTHUR D. LEVINSON, PH.D.

Chairman and Chief Executive Officer

Dr. Levinson became chief executive officer of Genentech and joined the board of directors in July 1995. He was named chairman of the board in 1999. Levinson joined the company in 1980 as a senior scientist and subsequently held the position of staff scientist. He was named senior vice president of Research and Development in 1993 and president in 1995. He has been a member of Genentech's executive management team since 1990. Prior to his employment with Genentech, Levinson was a postdoctoral fellow in the department of microbiology at the University of California, San Francisco.

IAN T. CLARK

Executive Vice President, Commercial Operations

Mr. Clark joined Genentech's executive committee in August 2005 as senior vice president, Commercial Operations and was promoted to executive vice president, Commercial Operations in December 2005. Clark first came to Genentech in January 2003 as senior vice president and general manager, BioOncology. He led the company's commercial efforts in BioOncology, including overseeing sales, marketing and planning for the hematology and oncology businesses. Prior to joining Genentech, Clark served as president of Novartis Canada. Before assuming his post in Canada, Clark served as chief operating officer for Novartis United Kingdom.

SUSAN D. DESMOND-HELLMANN, M.D., M.P.H.

President, Product Development

Dr. Hellmann was named president of Product Development in 2004. She joined Genentech in 1995 as a clinical scientist and was named executive vice president, Development and Product Operations in 1999. Prior to joining Genentech, Hellmann was associate director of clinical cancer research at Bristol-Myers Squibb's Pharmaceutical Research Institute. Trained as an oncologist, Hellmann spent several years treating patients in the clinical setting.

DAVID A. EBERSMAN

Executive Vice President and Chief Financial Officer

Mr. Ebersman assumed the Chief Financial Officer position in March 2005. He was promoted to executive vice president in December 2005. Ebersman joined Genentech in 1994 as a business development analyst. During the next several years, he was promoted to positions of increasing responsibility in Business Development, Product Development and Product Operations. Ebersman served as senior vice president, Product Operations and most recently, served as senior vice president, Finance.

STEPHEN G. JUELSGAARD, D.V.M., J.D.

Executive Vice President, General Counsel, Secretary and Chief Compliance Officer

Mr. Juelsgaard joined Genentech in 1985 as corporate counsel. In 1993 he became vice president, Corporate Law, and in 1994 he was named vice president and general counsel. He was named secretary in 1997 and senior vice president in 1998. He was promoted to executive vice president in September 2002 and named chief compliance officer in 2005.

RICHARD H. SCHELLER, PH.D.

Executive Vice President, Research

Dr. Scheller was promoted to executive vice president, Research in September 2003 after joining Genentech in 2001 as senior vice president, Research. In addition to his work at Genentech, Scheller is an Adjunct Professor in the Department of Biochemistry and Biophysics, School of Medicine, University of California, San Francisco. Scheller has published more than 200 papers in peer-reviewed scientific journals Prior to joining Genentech, Scheller served as professor of Molecular and Cellular Physiology and of Biological Sciences at the Stanford University Medical Center and as an investigator with the Howard Hughes Medical Institute.

PATRICK Y. YANG, PH.D.

Executive Vice President, Product Operations

Dr. Yang was promoted to executive vice president in December 2005. He joined Genentech in 2003 as vice president, South San Francisco Manufacturing and Engineering and was named senior vice president, Product Operations in January 2005. He became a member of the Executive Committee in July 2005. Prior to joining Genentech, Yang spent 11 years at Merck & Company in various leadership positions, including vice president, Supply Chain Management and vice president, Asia/Pacific Manufacturing Operations. Prior to Merck, Yang worked for General Electric for 12 years in engineering and manufacturing.

Directors and Officers

Board of Directors

Arthur D. Levinson, Ph.D.
Chairman and Chief Executive Officer, Genentech

Herbert W. Boyer, Ph.D.
Co-founder of Genentech and Professor Emeritus of Biochemistry and Biophysics, University of California, San Francisco

William M. Burns
Chief Executive Officer of the Pharmaceuticals Division and Member of the Corporate Executive Committee, The Roche Group

Erich Hunziker, Ph.D.
Chief Financial Officer and Member of the Corporate Executive Committee, The Roche Group

Jonathan K. C. Knowles, Ph.D.
Head of Global Research and Member of the Corporate Executive Committee, The Roche Group

Debra L. Reed
President and Chief Operating Officer, San Diego Gas & Electric and Southern California Gas Company

Charles A. Sanders, M.D.
Former Chairman and Chief Executive Officer, Glaxo, Inc.

Officers

Arthur D. Levinson, Ph.D.*
Chairman and Chief Executive Officer

Susan D. Desmond-Hellmann, M.D., M.P.H.*
President, Product Development

Ian T. Clark*
Executive Vice President, Commercial Operations

David A. Ebersman*
Executive Vice President and Chief Financial Officer

Stephen G. Juelsgaard, D.V.M., J.D.*
Executive Vice President, General Counsel, Secretary and Chief Compliance Officer

Richard H. Scheller, Ph.D.*
Executive Vice President, Research

Patrick Y. Yang, Ph.D.*
Executive Vice President, Product Operations

Hal Barron, M.D.
Senior Vice President, Development and Chief Medical Officer

Robert L. Garnick, Ph.D.
Senior Vice President, Regulatory, Quality and Compliance

Marc Tessier-Lavigne, Ph.D.
Senior Vice President, Research Drug Discovery

Vince Anicetti
Vice President, Product Portfolio Management

Martin Babler
Vice President, Xolair Sales and Marketing

J. Joseph Barta
Vice President, Compliance

Ronald C. Branning
Vice President, Commercial Quality

David F. Broad, Ph.D.
Vice President and General Manager, Oceanside Product Operations

Charles Calderaro III
Vice President, Corporate Engineering

Peter A. Carberry, M.D., M.B.A.
Vice President, Clinical Operations

Scott P. Carmer,
Vice President, Sales and Marketing, Rituxan

Andrew C. Chan, M.D., Ph.D.
Vice President, Immunology and Antibody Engineering

Jennifer E. Cook
Vice President, Market Development

Vishva Dixit, M.D.
Vice President, Early Discovery Research

Claudia M. Estrin
Vice President, Commercial Operations

Gwendolyn Fyfe, M.D.
Vice President, Clinical Oncology, Avastin

Markus Gemuend
Vice President, Manufacturing Collaborations

Ashraf Hanna, M.D., Ph.D.
Vice President, Alliance Management and Pipeline Strategy Support

Roy C. Hardiman, J.D.
Vice President, Corporate Law and Assistant Secretary

Kenneth J. Hillan, M.B. Ch.B.
Vice President, Development Sciences

Francis A. Jackson
Vice President and General Manager, Vacaville Product Operations

Charles A. Johnson, M.B., Ch.B.
Vice President, Clinical, Immunology, Tissue Growth and Repair

Sean A. Johnston, J.D., Ph.D.
Vice President, Intellectual Property and Assistant Secretary

Pamela M. Klein, M.D.
Vice President, Clinical Oncology, Hematology and HER Family

Ann L. Lee, Ph.D.
Vice President, Process Development

Kent E. Lieginger, Pharm.D.
Vice President, Managed Care and Customer Operations

Karen N. McCormick
Vice President, Sales and Marketing, Lucentis

Joseph S. McCracken, D.V.M.
Vice President, Business Development

Kevin McRaith
Vice President, Sales and Marketing, Hematology

James P. Miller
Vice President, South San Francisco Biochemical Manufacturing

Timothy L. Moore
Vice President, South San Francisco Manufacturing

Walter K. Moore
Vice President, Government Affairs

Genesio Murano, Ph.D.
Vice President, Regulatory Operations

Varun Nanda, Ph.D.
Vice President, Sales and Marketing, Avastin

Philippa Norman
Vice President, Global Supply Chain

John Orwin
Vice President, Sales and Marketing, BioOncology

Quinton C. Oswald
Vice President, Sales and Marketing, Tissue Growth and Repair

Todd Pierce
Vice President, Corporate Information Technology

John R. Pinion
Vice President, External Quality

Robert S. Quinn
Vice President, CIT Business and Science Applications

Todd W. Rich, M.D.
Vice President, Regulatory Affairs, Clinical and Commercial

Corsee D. Sanders, Ph.D.
Vice President, Design, Analysis, Technology and Administration (DATA) for Development Organization

Mary B. Sliwkowski, Ph.D.
Vice President, Regulatory Affairs, Chemistry Manufacturing and Controls

Denise Smith-Hams
Vice President, Human Resources

Thomas T. Thomas II
Treasurer

Michael D. Varney, Ph.D.
Vice President, Small Molecule Drug Discovery

John M. Whiting
Vice President, Controller and Chief Accounting Officer

* Member of Executive Committee

Staff Scientists

Avi J. Ashkenazi, Ph.D.
Research

Thomas A. Bewley, Ph.D.
Process Development

Stuart Bunting, Ph.D.
Research

Genentech Fellow

Napoleone Ferrara, M.D.
Research

Frederic de Sauvage, Ph.D.
Research

Vishva Dixit, M.D.
Research

David Giltinan, Ph.D.
Development

Distinguished Engineers

Chung Hsu, Ph.D., P.E.
Process Development

Robert van Reis
Process Development

Bradley Wolk
Process Development

Paul Godowski, Ph.D.
Research

Peter Jackson, Ph.D.
Research

Paul Polakis, Ph.D.
Research

Distinguished Programmer Analyst

Colin Watanabe
Corporate Information Technology

Steve Shire, Ph.D.
Process Development

Mark Sliwkowski, Ph.D.
Research

Richard Vandlen, Ph.D.
Research

Stockholder Information

Headquarters

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(650) 225-1000
www.gene.com

Investor Relations

Genentech invites stockholders, securities analysts, representatives of portfolio management firms and other interested parties to contact:

Katherine A. Littrell, Ph.D., R.N.
Senior Director, Investor Relations
Phone: (650) 225-1034
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Stock Listing

Genentech is listed on the New York Stock Exchange under the symbol DNA.

Available Information

You may obtain a free copy of our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and amendments to those reports on the day of filing with the Securities and Exchange Commission on our website at www.gene.com, by calling the Genentech Investor Relations Department at (650) 225-4150, or by sending an email message to investor.relations@gene.com. You may also direct requests for literature to our literature request line at (800) 488-6519.

Transfer Agent

Communications concerning transfer requirements, lost certificates and change of address should be directed to Genentech's stock transfer agent:
Computershare Trust Company, N.A.
c/o Computershare Investor Services
P.O. Box 43010
Providence, RI 02940-3010 USA
Attention: Shareholder Inquiries
(800) 733-5001
www.computershare.com/equiserve

Independent Registered Public Accounting Firm

Ernst & Young LLP
Palo Alto, California

ANNUAL MEETING

The annual meeting of stockholders will be held at 10:00 a.m. Pacific Daylight Time on April 20, 2006, at the Westin San Francisco Airport Hotel, 1 Old Bayshore Highway, Millbrae, California. Detailed information about the meeting is contained in the Notice of Annual Meeting and Proxy Statement sent to each stockholder of record as of February 22, 2006.

Visit us on the World Wide Web: www.gene.com.

OTHER INFORMATION

Genentech has included as Exhibit 31 to its 2005 Annual Report on Form 10-K filed with the Securities and Exchange Commission certifications of the chief executive officer and chief financial officer of Genentech pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, and Genentech filed with the New York Stock Exchange the Annual CEO Certification as required by Section 303.12(a) of the New York Stock Exchange Listed Company Manual.

And still (a bit) crazy after all these years...

Genentech
IN BUSINESS FOR LIFE

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SKU# 0724-AR-05