

Sangamo BioSciences, Inc.
Point Richmond Tech Center
501 Canal Blvd., Suite A100
Richmond, CA 94804
510-970-6000 • 510-236-8951(Fax)

SANGAMO BIOSCIENCES REPORTS SECOND-QUARTER FINANCIAL RESULTS

Richmond, California – August 9, 2000 – Sangamo BioSciences, Inc. (Nasdaq: SGMO) today reported financial results for its second fiscal quarter and six months ended June 30, 2000. Revenues for the second quarter of 2000 increased 53 percent to \$747,000 as compared to second quarter 1999 revenues of \$488,000. Second quarter revenues for this year were composed primarily of Universal GeneTools™ revenues and revenues from Sangamo's strategic partnership with Edwards Lifesciences Corporation. Excluding certain non-cash charges, the net loss for the second quarter of 2000 was \$599,000, or \$0.03 per share.

“During the quarter we completed our initial public offering raising net proceeds of \$48.8 million; at the same time we continued to build Sangamo's leadership in the area of gene regulation,” said Edward Lanphier, Sangamo's president and chief executive officer. “This included adding Bristol-Myers Squibb to our growing list of Universal GeneTools partners. We also completed a strategic transaction with The R. W. Johnson Pharmaceutical Research Institute (a Johnson & Johnson company) to apply our technologies jointly in the area of small molecule drug screening. This small molecule screening application represents a new and powerful use of our technology to accelerate the identification of new therapeutic compounds.”

Excluding the non-cash charges, total second quarter 2000 expenses were \$2.3 million as compared to \$1.2 million in the prior year period. Research and development expenses were \$1.7 million for the three months ended June 30, 2000, as compared to \$909,000 for the second quarter of 1999. General and administrative expenses were \$595,000 for the second quarter of 2000 as compared to \$301,000 for the same period last year. The increase in expenses was due to increased investment in the company's technology platform, as well as to costs associated with being a public company.

Including non-cash charges, the net loss for the period was \$1.7 million, or \$0.08 per share. Non-cash expenses of \$1.1 million in the second quarter of 2000 were due entirely to stock-based deferred compensation. During the same quarter of 1999 deferred compensation charges were \$131,000. Deferred compensation represents the difference between the exercise price of stock options and the fair value of the common stock at the date of the grant.

At June 30, 2000, the company had cash, cash equivalents, and investments of \$67.1 million as compared to \$7.5 million at December 31, 1999. Net interest income for the second quarter of 2000 was \$987,000 as compared to \$18,000 in the comparable period last year. The higher net interest income reflects the higher cash balances resulting from the company's initial public offering and its Edwards Lifesciences partnership. Total shares outstanding at June 30, 2000 were 22.0 million.

For the six-month period ended June 30, 2000 the net loss attributable to common stockholders was \$5.9 million, or \$0.43 per share. Included in the six-month net loss were non-cash charges and a deemed dividend totaling \$4.5 million; excluding these charges, the operating loss was \$1.4 million, or \$0.10 per share. Revenues for the first six months of 2000 were \$1.6 million as compared to \$951,000 in the same period of 1999. Excluding non-cash charges, total expenses for the six months ended June 30, 2000 and 1999 were \$4.0 million and \$2.6 million respectively. Non-cash charges in 2000 included \$2.0 million in stock compensation expense, a \$1.0 million charge related to the licensing of certain in-process technology, and a \$1.5 million deemed dividend related to the issuance of preferred stock prior to the company's initial public offering.

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About Sangamo

Sangamo is focused on the research and development of novel transcription factors for the regulation of genes. Sangamo's Universal Gene Recognition™ technology enables the engineering of transcription factors known as zinc finger DNA binding proteins, or ZFPs. By engineering ZFPs so that they can recognize a specific gene, Sangamo has created ZFP transcription factors that can control gene expression and, consequently, cell function. The company intends to establish Universal Gene Recognition as a widely used technology for commercial applications in pharmaceutical discovery, human therapeutics, clinical diagnostics, agriculture and industrial biotechnology.

Sangamo's ZFP transcription factors are currently being used in drug discovery applications in a number of different therapeutic areas. Leading pharmaceutical and biotechnology companies utilizing ZFPs include: AstraZeneca, Bayer Corporation, Bristol-Myers Squibb, DuPont Pharmaceuticals, Genset SA, Glaxo Wellcome, Hoffmann-LaRoche, Immunex, The R. W. Johnson Pharmaceutical Research Institute, Japan Tobacco, Merck KGaA, Millennium Pharmaceuticals, Pfizer, Pharmacia & Upjohn, Procter & Gamble Pharmaceuticals, Schering AG, SmithKline Beecham, Warner-Lambert, and Zaiya. In addition, Sangamo has a strategic alliance with Edwards Lifesciences Corporation to develop novel therapeutics for the treatment of cardiovascular disease. For more information about Sangamo, visit the company's web site at www.sangamo.com.

This press release contains forward-looking information within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, and is subject to the safe harbors created by those sections. Those forward-looking statements include statements related to the ability of Sangamo BioSciences, Inc. to continue to meet marketing, technology, and customer demands as it relates to its products within the gene regulation market. Actual results may differ materially due to a number of factors, including numerous technological, operational and financial challenges associated with the regulation of genes. The matters discussed in this press release also involve risks and uncertainties concerning Sangamo's products and services described in Sangamo's filing on Form S-1 with the Securities and Exchange Commission (SEC). In particular, see the risk factors described in the company's Prospectus on Form S-1 and its most recent 10-Q. Sangamo assumes no obligation to update the forward-looking information contained in this press release.

Contacts: Edward Lanphier
President and CEO
510-970-6000, x207
lanphier@sangamo.com

Julie Wood
Sr. Director, Corporate Communications
510-970-6000, x256
jwood@sangamo.com

-- Financials Attached --

SELECTED FINANCIAL INFORMATION

(In thousands, except per share amounts)

(Unaudited)

STATEMENT OF OPERATIONS DATA

	Three months ended		Six months ended	
	June 30,		June 30,	
	2000	1999	2000	1999
Revenues	\$ 747	\$ 488	\$ 1,554	\$ 951
Operating expenses:				
Research and development	1,738	909	3,081	1,968
General and administrative	595	301	965	603
Non-cash charges	1,126	131	3,007	261
Total operating expenses	3,459	1,341	7,053	2,832
Loss from operations	(2,712)	(853)	(5,499)	(1,881)
Net interest income	987	18	1,057	38
Net loss	\$ (1,725)	\$ (835)	\$ (4,442)	\$ (1,843)
Deemed dividend upon issuance of convertible preferred stock	--	--	1,500	--
Net loss attributable to common shareholders	\$ (1,725)	\$ (835)	\$ (5,942)	\$ (1,843)
Core operating loss*	\$ (599)	\$ (704)	\$ (1,435)	\$ (1,582)
Basic and diluted net loss per common share attributable to common stockholders	\$ (0.08)	\$(0.14)	\$ (0.43)	\$ (0.31)
Less per share effect of deemed dividend	--	--	\$ (0.11)	--
Adjusted net loss per share	\$ (0.08)	\$(0.14)	\$ (0.32)	\$ (0.31)
Less per share effect of non-cash charges	\$ (0.05)	\$(0.02)	\$ (0.22)	\$ (0.04)
Adjusted net loss per share	\$ (0.03)	\$(0.12)	\$ (0.10)	\$ (0.27)
Shares used in basic and diluted net loss per common share	20,764	5,966	13,791	5,918

* Excludes other income (loss) charges for stock-based compensation and acquisition of in-process technologies.

CONDENSED BALANCE SHEET DATA

	Jun 30, 2000	Dec 31, 1999
Cash, cash equivalents, and investments	\$ 67,080	\$ 7,503
Total assets	69,793	9,162
Total stockholders' equity	68,716	7,882
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