

Sangamo BioSciences, Inc.
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SANGAMO BIOSCIENCES AND ROSETTA INPHARMATICS ANNOUNCE PLANS TO JOINTLY STUDY NEW THERAPEUTIC DRUG TARGETS

Richmond, California and Kirkland, Washington –September 26, 2000 – Sangamo BioSciences, Inc. (Nasdaq: SGMO) and Rosetta Inpharmatics, Inc. (Nasdaq: RSTA) today announced that they intend to apply their complementary technologies in gene regulation and informational genomics to perform functional genomic studies on potential therapeutic targets. The research is intended to better understand the role of certain genes or proteins that may be promising candidates for therapeutic drug development. Each company will fund their respective efforts.

Using its proprietary Rosetta Resolver™ software platform, Rosetta has been able to identify particular genes as functioning within specific biological pathways. Sangamo expects to use this information to design and build engineered transcription factors able to regulate the expression of specific genes. Utilizing Sangamo's Universal GeneTools™ reagents targeted to these genes, Rosetta may be able to directly assess the role that specific proteins play in a disease process. The combination of these technologies can potentially help determine whether these proteins are good "targets" for drug development.

"Our relationship with Rosetta is a great example of how two unique yet complementary technologies may be combined to streamline the process of drug development," said Edward Lanphier, Sangamo's president and chief executive officer. "Once these targets are identified, we are one important step closer to developing effective new therapeutics."

"The ability to regulate the function of specific genes using Sangamo's technology can provide important reference points to understand disease pathways and the effects of specific compounds," noted Stephen Friend, M.D., Ph.D., president and chief executive officer of Rosetta Inpharmatics.

About Sangamo

Sangamo is focused on the research and development of novel transcription factors for the regulation of gene expression. 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 site on 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.

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, 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.

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About Rosetta Inpharmatics

Rosetta Inpharmatics offers informational genomics solutions. By combining the power of informatics and genomics, Rosetta has created a proprietary platform that accelerates and enhances the drug discovery process for pharmaceutical and biotechnology companies, and improves agricultural products. Rosetta Inpharmatics' approach converts the rapidly growing amount of gene expression data, or information about gene activity, into organized, statistically driven, information-based results.

Rosetta Inpharmatics provides a proprietary gene expression profiling platform, consisting of hardware and software products, that uses gene expression profiles to provide seamless solutions for efficient, cost-effective and powerful discovery programs. Rosetta Inpharmatics' technology builds a critical mass of coherent gene expression data collected from DNA microarrays, which are comprised of DNA fragments attached to glass slides in a grid-like formation. This platform provides comprehensive, simultaneous descriptions of a compound's effect on all relevant targets within a cell. Information about Rosetta Inpharmatics can be found on the web at www.rii.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 and Rosetta Inpharmatics to continue to meet marketing, technology, and customer demands as it relates to their products. Actual results may differ materially due to a number of factors, including numerous technological, operational and financial challenges associated with the regulation of genes and identification of new therapeutic targets. The matters discussed in this press release also involve risks and uncertainties concerning the companies' products and services described in their respective filings with the Securities and Exchange Commission (SEC). In particular, see the risk factors described in the companies' respective Prospectuses filed with the SEC and the companies' most recent filings on Form 10-Q. Sangamo and Rosetta assume no obligation to update the forward-looking information contained in this press release.

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