

**SANGAMO BIOSCIENCES REPORTS FOURTH-QUARTER
AND YEAR-END FINANCIAL RESULTS**

Richmond, California – February 1, 2001 – Sangamo BioSciences, Inc. (Nasdaq: SGMO) today reported financial results for its fourth fiscal quarter and 12 months ended December 31, 2000. The core net loss, which excludes certain non-cash charges, for the fourth quarter of 2000 was \$1.2 million, or \$0.05 per share. Revenues for the fourth quarter of 2000 increased 76 percent to \$1.1 million as compared to fourth-quarter 1999 revenues of \$601,000. Fourth-quarter revenues for 2000 were composed primarily of Universal GeneTools™ revenues.

Total fourth quarter 2000 expenses, excluding certain non-cash charges, were \$3.3 million as compared to \$1.9 million in the prior year period. Research and development expenses were \$2.4 million for the three months ended December 31, 2000, as compared to \$1.1 million for the fourth quarter of 1999. The increase in research and development costs resulted from growing the research staff to 64 in 2000 from 33 at the end of 1999 and from continued investments in the company's technology platform. General and administrative expenses were \$861,000 for the fourth quarter of 2000, slightly higher than the \$845,000 reported for the same period last year. Net interest income for the fourth quarter of 2000 was \$1.1 million as compared to \$68,000 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 therapeutics partnership with Edwards Lifesciences Corporation.

Including non-cash charges, the net loss for the fourth quarter of 2000 was \$2.8 million, or \$0.13 per share. Non-cash expenses of \$1.6 million in the fourth quarter of 2000 were due to stock-based compensation. During the same quarter of 1999 stock-based compensation charges were \$131,000.

Full-year Results

The core loss, which excludes certain non-cash charges, for the 12-month period ended December 31, 2000 was \$3.1 million, or \$0.18 per share. Including the non-cash charges, the net loss attributable to common shareholders in the same period was \$10.6 million, or \$0.61 per share. Revenues grew 57 percent to \$3.4 million in 2000 as compared to \$2.2 million in 1999. Excluding the non-cash charges, total expenses for the 12 months ended December 31, 2000 and 1999 were \$10.0 million and \$5.6 million respectively. Non-cash charges of \$7.4 million in 2000 included \$4.8 million in stock compensation expense, a \$1.1 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. Non-cash charges of \$5.0 million in 1999 included \$519,000 in stock-based compensation and a \$4.5 million deemed dividend.

At December 31, 2000, the company had cash, cash equivalents, investments, and investment interest receivable of \$64.7 million as compared to \$7.5 million at December 31, 1999. Total shares outstanding at December 31, 2000 were 22.1 million.

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Sangamo recognizes revenues in accordance with the Securities and Exchange Commission (SEC) Staff Accounting Bulletin No. 101, which summarizes the SEC's views on applying generally accepted accounting principles to revenue recognition, and specifically addresses revenue recognition for upfront, non-refundable fees earned in connection with research collaboration agreements. Upfront fees are required to be recognized over the term of the individual contract rather than at the time of receipt.

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 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. Over twenty leading pharmaceutical and biotechnology companies have utilized ZFPs. 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 uncertainties associated with the development of commercially viable products, market acceptance, competition and intellectual property issues. 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.

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-- Financials Attached --

SELECTED FINANCIAL INFORMATION

(In thousands, except per share amounts)

STATEMENT OF OPERATIONS DATA

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	2000	1999	2000	1999
Revenues	\$ 1,056	\$ 601	\$ 3,433	\$ 2,182
Operating expenses:				
Research and development	2,435	1,051	7,382	3,875
General and administrative	861	845	2,602	1,694
Non-cash charges	1,639	131	5,933	519
Total operating expenses	4,935	2,027	15,917	6,088
Loss from operations	(3,879)	(1,426)	(12,484)	(3,906)
Net interest income	1,074	68	3,418	131
Net loss	\$ (2,805)	\$ (1,358)	\$ (9,066)	\$ (3,775)
Deemed dividend upon issuance of convertible preferred stock	—	(4,500)	(1,500)	(4,500)
Net loss attributable to common shareholders	\$ (2,805)	\$ (5,858)	\$ (10,566)	\$ (8,275)
Core operating loss*	\$ (1,166)	\$ (1,227)	\$ (3,133)	\$ (3,256)
Basic and diluted net loss per common share attributable to common stockholders	\$ (0.13)	\$ (0.96)	\$ (0.61)	\$ (1.38)
Less per share effect of deemed dividend	—	\$ (0.74)	\$ (0.09)	\$ (0.75)
Adjusted net loss per share	\$ (0.13)	\$ (0.22)	\$ (0.52)	\$ (0.63)
Less per share effect of non-cash charges	\$ (0.08)	\$ (0.02)	\$ (0.34)	\$ (0.09)
Adjusted net loss per share	\$ (0.05)	\$ (0.20)	\$ (0.18)	\$ (0.54)
Shares used in basic and diluted net loss per common share	21,690	6,102	17,383	5,991

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

CONDENSED BALANCE SHEET DATA

	Dec 31, 2000	Dec 31, 1999
Cash, cash equivalents, and investments	\$ 63,510	\$ 7,503
Interest receivable	1,171	—
Total assets	68,925	9,162
Total stockholders' equity	66,890	7,882

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