

**SANGAMO BIOSCIENCES ANNOUNCES PRESENTATION OF FIRST
PRECLINICAL DATA USING ZFP TRANSCRIPTION FACTORS**

First Evidence of Physiologic Response with Potential New Therapeutic Paradigm

Seattle, Washington – May 31, 2001 – Sangamo BioSciences, Inc. (NASDAQ: SGMO) today announced the presentation of data at the fourth annual meeting of the American Society of Gene Therapy. The data demonstrate that Sangamo's engineered zinc finger DNA-binding protein transcription factors (ZFP TFs), designed to activate the VEGF gene, induced blood vessel growth, or angiogenesis, in animal models. These initial data support the potential use of ZFP TFs in the treatment of certain cardiovascular and peripheral vascular diseases. Such treatments are the focus of a collaboration between Sangamo and Edwards Lifesciences Corporation (NYSE: EW), which funded the research.

"This is the first time an engineered ZFP TF has been used to regulate an endogenous gene in a living organism," said Frank Giordano, M.D., assistant professor of internal medicine and cardiology at Yale University School of Medicine. "The preclinical research showed that using ZFP TFs engineered to activate the naturally occurring vascular endothelial growth factor (VEGF) gene led to increased production of the VEGF protein and to a statistically significant increase in new blood vessel formation. In animal models involving both mice and rats, vascularity (as measured by vessel count) was increased at least two-fold."

Dr. Giordano continued, "In our studies, we saw a clinically relevant physiologic response in three model systems. These findings have significant implications for the development of novel therapeutics and suggest that this approach may enable the creation of new drugs capable of regulating disease-related genes and complex biological processes."

"This is a major scientific and corporate achievement as these data provide confirmation that ZFP TFs can induce a physiologically relevant response in living organisms," said Edward Lanphier, Sangamo's president and chief executive officer. "Pharmaceutical and biotechnology companies, which search for new and better ways to treat diseases, have successfully developed completely new classes of drugs, such as recombinant proteins and monoclonal antibodies. We believe that ZFP TFs, which mimic the way the human body regulates genes, may represent a new paradigm for therapeutic product development."

The collaboration between Sangamo and Edwards Lifesciences, which began in 2000, was undertaken to develop new treatments for coronary artery disease and peripheral vascular disease. By activating the naturally occurring VEGF gene, the companies intend to stimulate the growth of new blood vessels in patients afflicted with heart disease. Such new vessels would have the potential to bypass blocked arteries thereby improving blood flow to oxygen-starved tissues. Such a ZFP-Therapeutic™ is currently being evaluated in preclinical models that mimic human heart disease.

"Ultimately, this research in ZFP TFs could help pave the way for the development of novel therapeutics for patients who suffer from certain cardiovascular and peripheral vascular conditions," said Michael A. Mussallem, chairman and chief executive officer of Edwards Lifesciences. "We are fortunate to have a scientist of Frank Giordano's caliber collaborating with us and are very encouraged by these initial data."

Other researchers are also exploring the therapeutic use of VEGF. However, in these approaches only a single form of VEGF is administered -- either directly as a protein or as a DNA clone. This may be a critical limitation as VEGF, in its natural state, has multiple variants that are involved in the normal physiological response. Sangamo's ZFP TFs stimulate the production of all of the major VEGF splice variants and in the same proportions normally observed when tissues are oxygen deprived.

Zinc Finger DNA-binding Proteins and Heart Disease

Transcription factors, which are found in the nucleus of every cell, bind to specific DNA sequences to regulate gene expression. Zinc finger DNA-binding proteins are the dominant class of naturally occurring transcription factors in organisms from yeast to humans. Though there are many kinds of transcription factors, only zinc finger DNA-binding proteins are amenable to engineering and precise targeting to a particular gene or genes of interest. Since the over-expression or under-expression of individual genes is the basis of many diseases, the ability to regulate genes with Sangamo's engineered ZFP TFs has enormous potential therapeutic benefit.

For example, coronary artery disease, the leading cause of death in the U.S., is caused by the progressive narrowing of the coronary arteries, the blood vessels that nourish the heart. This diminishes blood flow to the heart muscle, depriving it of adequate oxygen and nutrients. Human vascular endothelial growth factor (VEGF) is a gene that plays a critical role in the formation of new blood vessels. A treatment that stimulates the natural production of VEGF could have utility as a completely novel treatment approach for certain forms of cardiovascular disease.

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 a particular class of transcription factors known as zinc finger DNA-binding proteins, or ZFP TFs. By engineering ZFP TFs so that they can recognize a specific gene, Sangamo has created ZFP TFs 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 ZFP TFs. In addition, Sangamo is developing novel ZFP TF-based 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 develop and commercialize therapeutic 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 described in Sangamo's filings with the Securities and Exchange Commission (SEC). In particular, see the risk factors described in the company's Annual Report on Form 10-K 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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