

SANGAMO BIOSCIENCES ANNOUNCES FIRST MAJOR THERAPEUTICS MILESTONE

ACHIEVEMENT TRIGGERS \$1.4 MILLION PAYMENT TO SANGAMO

Richmond, California – October 18, 2001 – Sangamo BioSciences, Inc. (Nasdaq: SGMO) today announced that a significant milestone has been reached in the company's strategic alliance with Edwards Lifesciences Corporation (NYSE: EW) to use gene regulation to treat cardiovascular disease. Sangamo has delivered to Edwards a lead zinc finger DNA binding protein (ZFP) therapeutic product candidate that activates the vascular endothelial growth factor (VEGF) gene. This achievement results in a payment to Sangamo of \$1.4 million.

“This milestone in Sangamo's ZFP-Therapeutics™ program and in our collaboration with Edwards Lifesciences confirms our approach of using ZFP transcription factors (TFs) as drugs,” said Edward Lanphier, president and chief executive officer of Sangamo BioSciences. “The lead ZFP TF compound we have developed has been successfully evaluated in several therapeutically relevant angiogenesis animal models. We have now delivered our first lead drug candidate to a partner, and remain on schedule to initiate clinical development in the next 18 to 24 months.

“ZFP TFs are an entirely new class of drugs that can potentially be applied to the regulation of any therapeutically relevant gene,” Mr. Lanphier said. “Sangamo has the premier scientific and intellectual property position in this field, and we are utilizing our expertise to develop ZFP-Therapeutics™ for cardiovascular disease as well as cancer and infectious diseases.”

“We have been impressed with the quality of Sangamo's drug discovery and lead optimization capabilities, and with the timeliness with which they have delivered a lead drug candidate,” said Michael A. Mussallem, chairman and chief executive officer of Edwards Lifesciences. “We are enthusiastic about the potential for ZFP TFs to provide new treatments for patients who suffer from severe cardiovascular and peripheral vascular conditions.”

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.

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, or isoforms, that are involved in the normal physiological response. Sangamo's ZFP TFs stimulate the production of the major VEGF splice variants and in the same proportions normally observed when tissues are oxygen-deprived.

In animal models involving mice and rats, Sangamo's ZFP TFs have been shown to activate the naturally occurring VEGF gene, leading to a statistically significant increase in VEGF protein production and to a two times increase in new blood vessel formation. Certain of these studies were conducted under the direction of Frank Giordano, M.D., assistant professor of internal medicine and cardiology at Yale

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University School of Medicine, and were presented at the annual meeting of the American Society of Gene Therapy in May 2001.

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 is expected to have important 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 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 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 is developing novel ZFP-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 statements based on Sangamo's current expectations. These forward-looking statements include, without limitation, references to the research and development of ZFP TFs, the clinical development of drug candidates and the development of new treatments for cardiovascular and other diseases. Actual results may differ materially from these forward-looking statements due to a number of factors, including technological challenges, our ability to develop commercially viable products, technological developments by our competitors, and our ability to successfully integrate acquisitions. See the company's SEC filings, and in particular, 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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