



**Sangamo BioSciences, Inc.**  
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## **SANGAMO BIOSCIENCES REPORTS 2001 FOURTH QUARTER AND YEAR-END FINANCIAL RESULTS**

**Richmond, California** – February 5, 2002 – Sangamo BioSciences, Inc. (Nasdaq: SGMO) today reported financial results for the fourth quarter ended December 31, 2001. The consolidated core net loss, which excludes non-cash charges, was \$1.9 million, or \$0.08 per share. In the comparable quarter of 2000, Sangamo reported a consolidated core net loss of \$1.2 million or \$0.05 per share. Including the non-cash charges, the net loss in the fourth quarter of 2001 was \$3.4 million, or \$0.14 per share, as compared to a net loss of \$2.8 million, or \$0.13 per share, in the same period in 2000.

Revenues for the fourth quarter of 2001 were \$2.2 million as compared to fourth quarter 2000 revenues of \$1.1 million. The principal components of fourth quarter 2001 revenues were revenues from the ZFP-Therapeutics collaboration with Edwards Lifesciences Corporation, Universal GeneTools™ revenues and revenues from Sangamo's partnerships in the areas of human therapeutics and plant agriculture.

Excluding the non-cash charges, total fourth quarter 2001 expenses were \$4.7 million as compared to \$3.3 million in the prior year period. The increase in expenses was primarily due to greater research and development activity, including expenses associated with Gendaq Ltd., which was acquired by Sangamo in July 2001. Research and development expenses were \$3.6 million for the three months ended December 31, 2001 as compared to \$2.4 million for the fourth quarter of 2000. General and administrative expenses were \$1.2 million for the fourth quarter of 2001 as compared to \$861,000 for the same period in 2000.

Net interest income for the fourth quarter of 2001 was \$608,000 as compared to \$1.1 million in the comparable period of 2000. At December 31, 2001, the company had cash, cash equivalents, and investments of \$62.6 million, compared with \$64.7 million at December 31, 2000.

### **Recent Highlights**

- **First therapeutics milestone:** Sangamo received a \$1.4 million milestone payment from partner Edwards Lifesciences upon the delivery of a lead zinc finger protein transcription factor (ZFP TF) therapeutic product candidate that activates the vascular endothelial growth factor (VEGF) gene. Sangamo's collaboration with Edwards is focused on the development of new treatments for coronary artery disease and peripheral vascular disease.
- **Antibody production agreement:** Medarex, Inc. and Sangamo entered into a collaboration to use Sangamo's ZFP technology to increase the expression of antibodies in cell lines. Medarex will provide research funding to Sangamo over a two year period and Medarex will have a non-exclusive license to use the ZFP-modified cell lines to manufacture antibody products. Sangamo will be entitled to milestone payments and royalties on product sales.
- **GeneTools™ agreement:** Sangamo signed an agreement with Wyeth-Ayerst Laboratories, the pharmaceutical division of American Home Products Corporation, to provide ZFP TFs to Wyeth for use in its internal research programs.
- **Patent issuance:** Sangamo was granted a new patent in the United Kingdom that covers methods for identifying target DNA sequences, within any gene, that will serve as preferred binding sites for ZFPs and methods for designing ZFP TFs that bind tightly and specifically to those sites. Related applications with similar claims are pending worldwide.

- **Scientific publication:** In collaboration with scientists from Pfizer Inc, Sangamo published results using ZFP TFs to repress the expression of a gene variant required for fat cell development. The paper, published in *Genes & Development*, received significant media coverage, including reports in The Wall Street Journal, Dow Jones, Reuters Health, New York Newsday, the BBC News and the Times of London, as well as several trade publications.

### **Twelve Month Results**

For the year ended December 31, 2001 the net loss attributable to common stockholders was \$25.2 million, or \$1.09 per share. Included in the year's net loss were non-cash charges totaling \$17.0 million; excluding these charges, the core operating loss was \$8.3 million, or \$0.36 per share. Revenues for the year ended December 31, 2001 were \$4.9 million as compared to \$3.4 million in 2000. Excluding non-cash charges and a deemed dividend upon issuance of convertible preferred stock, total expenses for the years ended December 31, 2001 and 2000 were \$16.4 million and \$10.0 million, respectively.

At December 31, 2001, the company had cash, cash equivalents, and investments of \$62.6 million as compared to \$64.7 million at December 31, 2000. Total shares outstanding at December 31, 2001 were 24.5 million as compared to 22.1 million at December 31, 2000. The company issued 2.2 million shares for the purchase of Gendaq.

### **Conference Call**

Sangamo will host a conference call today at 2:00 p.m. PST, which will be open to the public. During the conference call, the company will review these results, discuss other business matters, and provide forward-looking guidance with respect to 2002.

The conference call dial-in numbers are 800-730-7991 for domestic callers and 706-634-7552 for international callers. For those unable to listen in at the designated time, a conference call replay will be available for one week following the conference call, from approximately 5:00 p.m. PST on February 5, 2002 to 5:00 p.m. PST on February 12, 2002. The conference call replay numbers for domestic and international callers are 800-642-1687 and 706-645-9291 respectively. The conference ID number for the replay is 3038912.

### **About Sangamo**

Sangamo BioSciences, Inc., of Richmond, CA, is focused on the research and development of novel transcription factors for the regulation of gene expression. The company's most advanced therapeutic development program involves the use of transcription factors for the treatment of cardiovascular disease. Other therapeutics development programs are focused on cancer and infectious diseases. 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 (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 human therapeutics, pharmaceutical discovery, clinical diagnostics, agriculture and industrial biotechnology. Over twenty leading pharmaceutical and biotechnology companies have utilized ZFP TFs. For more information about Sangamo, visit the company's web site at [www.sangamo.com](http://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. Actual results may differ materially from these forward-looking statements. 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. Further, Sangamo assumes no obligation to update any guidance given on its upcoming conference call.*

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## SELECTED FINANCIAL INFORMATION

(In thousands, except per share amounts)

### CONSOLIDATED STATEMENT OF OPERATIONS DATA

	Three months ended December 31,		Twelve months ended December 31,	
	2001	2000	2001	2000
Revenues	\$ 2,164	\$ 1,056	\$ 4,885	\$ 3,433
Operating expenses:				
Research and development	3,563	2,435	12,713	7,381
General and administrative	1,153	861	3,638	2,602
Non-cash charges	1,422	1,638	16,975	5,933
Total operating expenses	6,138	4,934	33,326	15,916
Loss from operations	(3,974)	(3,878)	(28,441)	(12,483)
Net interest income	608	1,073	3,192	3,417
Net loss	\$ (3,366)	\$ (2,805)	\$ (25,249)	\$ (9,066)
Deemed dividend upon issuance of convertible preferred stock	-	-	-	1,500
Net loss attributable to common shareholders	\$ (3,366)	\$ (2,805)	\$ (25,249)	\$ (10,566)
Core operating loss*	\$ (1,944)	\$ (1,167)	\$ (8,274)	\$ (3,133)
Basic and diluted net loss per common share attributable to common stockholders	\$ (0.14)	\$ (0.13)	\$ (1.09)	\$ (0.61)
Less per share effect of deemed dividend	--	--	--	\$ (0.09)
Adjusted net loss per share	\$ (0.14)	\$ (0.13)	\$ (1.09)	\$ (0.52)
Less per share effect of non-cash charges	\$ (0.06)	\$ (0.08)	\$ (0.73)	\$ (0.34)
Adjusted net loss per share	\$ (0.08)	\$ (0.05)	\$ (0.36)	\$ (0.18)
Shares used in basic and diluted net loss per common share	24,306	21,690	23,120	17,383

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

### CONDENSED BALANCE SHEET DATA

	Dec 31, 2001	Dec 31, 2000
Cash, cash equivalents, and investments	\$ 62,560	\$ 64,681
Total assets	85,017	68,925
Total stockholders' equity	82,349	66,890

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