

Deltagen Reports 2007 First Quarter Financial Results

SAN MATEO, California, May 15, 2007 - Deltagen, Inc. (Pink Sheets: DGEN), a leading provider of drug discovery tools to the biopharmaceutical industry, today reported unaudited, unreviewed consolidated financial results for the three months ended March 31, 2007.

Revenues: The Company's consolidated revenues for the three months ended March 31, 2007 totaled \$0.358 million. The revenues were attributable primarily to license fees associated with the provision of knockout mice and related phenotypic data under the Company's DeltaOne™ program.

Interest Income: The Company had interest income of \$0.057 million for the three months ended March 31, 2007.

Expenses: Total consolidated expenses for the three months ended March 31, 2007 were \$1.325 million. The operating expenses were attributable primarily to labor costs and other general and administrative expenses, including expenses relating to bonuses paid in the first quarter of 2007 to the Company's directors (\$0.330 million) and executive officers (\$0.291 million), as well as third-party royalty and commission expenses (\$0.137 million). The directors' bonuses were one-time bonuses paid in exchange for the termination of all stock options that had been awarded to the directors in March 2006. The executive officers' bonuses were similarly paid in connection with the termination of all stock options that had been awarded to the officers in March 2006. The expenses associated with the officers' bonuses consist primarily of the first of three installment payments relating to the Company's December 28, 2006 dividend that are to be made under the Company's Management Retention and Incentive Bonus Plan. The bonuses awarded to the directors and executive officers are discussed in greater detail in the "Subsequent Events" section of Management's Discussion and Analysis of Financial Conditions and Results of Operations for the year ended December 31, 2006, which is posted on Deltagen's website (www.deltagen.com). The total expenses amount also reflects a credit of \$0.024 million attributable to non-cash, stock-based compensation expenses relating to the stock options granted by the Company in March 2006 in accordance with Statement of Financial Standards (SFAS 123R). Because these stock options were terminated in March 2007, no further expenses under SFAS 123R will be required following the first quarter of 2007.

Net Loss: Net loss before provision for income taxes for the three months ended March 31, 2007 was \$0.910 million. Net loss after provision for income taxes for the three months ended March 31, 2007 was \$0.547 million, due to a current income tax credit of \$0.362 million.

Cash, Cash Equivalents and Accounts Receivable: As of March 31, 2007, the Company had \$5.073 million in consolidated cash and cash equivalents and \$1.392 million in accounts receivable. This accounts receivable amount includes approximately \$1.1 million relating to tax credits expected to be received from the French government by the Company's wholly-owned subsidiary, Deltagen Europe, S.A.

Subsequent Events:

Dividend Declaration: The Company announced on May 10, 2007 that it will distribute on or about May 31, 2007 a dividend of \$0.05 per share to the Company's shareholders of record as of the close of business on May 21, 2007. This dividend will reduce cash holdings of the Company by approximately \$1.94 million.

The unaudited, unreviewed consolidated financial statements for the first quarter of 2007, accompanying notes, and Management's Discussion and Analysis of Financial Conditions and Results of Operations for such period will be posted on Deltagen's website (www.deltagen.com).

About Deltagen

Deltagen, Inc. is a leading provider of drug discovery tools to the biopharmaceutical industry. Deltagen offers access to its extensive inventory of knockout mouse lines and related phenotypic data, which enhance the efficiency of target validation and drug discovery. In addition, Deltagen offers target validation data in the areas of immunology and metabolic diseases. Deltagen's products and programs have been validated by customers and partners such as Eli Lilly & Co., GlaxoSmithKline, Merck & Co., Inc. and Pfizer Inc. For more information on Deltagen, visit the Company's website at www.deltagen.com.

Safe Harbor Statement

This press release contains "forward-looking statements," including statements about Deltagen's future revenues and operating results, any possible future dividend declarations, and third-party licenses and intellectual property, as well as other matters that are not historical facts or information. These forward-looking statements are based on management's current assumptions and expectations and involve risks, uncertainties and other important factors, specifically including those relating to Deltagen's ability to achieve its operational objectives and revenue projections, that may cause Deltagen's actual results to be materially different from any future results expressed or implied by such forward-looking statements. There are no assurances that the Company will declare any future dividends. Information identifying such important risk factors is contained in "Management's Discussion and Analysis of Financial Conditions and Results of Operations", which can be found at Deltagen's website at www.deltagen.com. Deltagen undertakes no obligation to update or revise any such forward-looking statements, whether as a result of new information, future events or otherwise.

Contact:

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DELTAGEN, INC.
CONSOLIDATED BALANCE SHEET
(UNAUDITED)

Consolidated Balance Sheet
For Quarter Ended 3/31/07

(Dollars In Thousands)

Unaudited
3/31/07
Consolidated

Assets

Current assets:

Cash and cash equivalents	5,037
Accounts receivable, net	1,392
Prepays, Deposits and Tax Assets	<u>1,151</u>
Total current assets	7,616

Property and equipment, net 85

Non-current portion of deferred tax assets 1,000

Total assets 8,702

Liabilities and Stockholders' Equity

Current liabilities:

Accounts payable	436
Accrued expenses	<u>9</u>
Total liabilities	445

Stockholders' equity:

Common stock	39
Treasury Stock	(867)
Additional paid-in capital	231,275
Retained Earnings	(222,486)
Foreign currency translation adjustment	<u>295</u>
Total stockholders' equity	8,256

Total liabilities and stockholders' equity 8,702

DELTAGEN, INC.

CONSOLIDATED INCOME STATEMENT
(UNAUDITED)

**Consolidated Income Statement and
Statement of Retained Earnings
For Quarter Ended 3/31/07**

	Unaudited 3/31/07 <u>Consolidated</u>
	(Dollars In Thousands)
Revenue	358
Royalty and Commission Costs	137
Stock-Based Compensation Expense/(Credit)	(24)
Other Operating Costs	<u>1,212</u>
Income From Operations	(967)
Interest Income	57
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Income before provision for income taxes	(910)
Provision for income taxes	
Current income tax expense/(income)	(362)
Deferred income tax expense	-
Adjustment for valuation allowance	<u>-</u>
Total income tax expense/(income)	(362)
Net Income (Loss)	<u>(547)</u>
Retained earnings at beginning of period	<u>(221,938)</u>
Retained earnings at end of period	<u><u>(222,486)</u></u>

DELTAGEN, INC.

CONSOLIDATED CASH FLOW
(UNAUDITED)

**Consolidated Cash Flow
For Quarter Ended 3/31/07**

Unaudited
3/31/07
Consolidated

(Dollars In Thousands)

Cash flows from operating activities:

Net income	(547)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	9
Loss on disposal of fixed assets	-
Stock-based compensation	(24)
(Increase)/Decrease in operating assets	
Accounts receivable	268
Prepays, deposits and tax assets	(362)
Purchase of assets	(12)
Deferred tax assets	-
Increase/(Decrease) in operating liabilities	
Accounts payable	(71)
Accrued expenses	(323)
Net Increase/(Decrease) in cash	(1,063)
Effect of foreign exchange rate change on cash and cash equivalents	-
Cash and cash equivalents, at beginning of period	<u>6,135</u>
Cash and cash equivalents, at end of period	<u><u>5,072</u></u>