FINANCIAL STATEMENTS

DELTAGEN, INC.

CONSOLIDATED BALANCE SHEET
(UNAUDITED)

Consolidated Balance Sheet
As of 12/31/07

(In Thousands)	Unaudited 12/31/07 Consolidated
Assets	
Current assets:	
Cash and cash equivalents	3,065
Accounts receivable, net	2,625
Prepaids, Deposits and Tax Assets	762
Total current assets	6,451
Property and equipment, net	75
Non-current portion of deferred tax assets	1,000
Total assets	7,525
Liabilities and Stockholders' Equity	
Current liabilities:	
Accounts payable	355
Accrued expenses	511
Total liabilities	866
Stockholders' equity:	
Common stock	39
Treasury Stock	(867)
Additional paid-in capital	229,067
Retained Earnings	(222,033)
Foreign currency translation adjustment	454
Total stockholders' equity	6,660
Total liabilities and stockholders' equity	7,525

The accompanying notes are an integral part of these consolidated financial statements.

DELTAGEN, INC.

CONSOLIDATED INCOME STATEMENTS
(UNAUDITED)

Consolidated Income Statements and Statements of Retained Earnings
For Quarter ended 12/31/07 & Full Year 2007

(In Thousands)	Unaudited 12/31/07 Consolidated	Unaudited FY2007 Consolidated
Revenue	2,028	3,413
Royalty and Commission Costs	611	1,036
Other Operating Costs	516	2,630
Income From Operations	902	(253)
Interest Income	29	159
Loss on disposal of assets	-	-
Total Other Income	29	159
Income before provision for income taxes	931	(93)
Provision for income taxes		
Current income tax expense	-	-
Deferred income tax expense	347	2
Adjustment for valuation allowance	-	-
Total income tax expense	347	2
Net Income (Loss)	583	(95)
Retained earnings at beginning of period	(222,617)	(221,938)
Retained earnings at end of period	(222,033)	(222,033)

The accompanying notes are an integral part of these consolidated financial statements.

DELTAGEN, INC.

CONSOLIDATED CASH FLOWS
(UNAUDITED)

Consolidated Cash Flows **For Quarter ended 12/31/07 & Full Year 2007** **(Dollars In Thousands)**	Unaudited 12/31/07 Consolidated	Unaudited FY2007 Consolidated
Cash flows from operating activities:		
Net income	583	(95)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	5	20
Loss on disposal of fixed assets	-	-
Stock-based compensation expenses	-	(24)
(Increase)/Decrease in operating assets		
Accounts receivable	(1,072)	(964)
Prepaids, deposits and tax assets	366	28
Purchase of assets	-	(12)
Increase/(Decrease) in operating liabilities		
Accounts payable	130	9
Accrued expenses	403	17
Common stock dividends paid	(245)	(2,208)
Net Increase/(Decrease) in cash	170	(3,230)
Effect of foreign exchange rate changes on cash & cash equivalents	43	159
Cash and cash equivalents, at beginning of period	2,851	6,135
Cash and cash equivalents, at end of period	3,064	3,064

The accompanying notes are an integral part of these consolidated financial statements.

DELTAGEN, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR QUARTER ENDED DECEMBER 31, 2007 & FULL-YEAR 2007
December 31, 2007

1. Basis of Presentation

The accompanying consolidated financial statements of Deltagen, Inc. ("Deltagen" or the "Company") for the three-month period ended December 31, 2007 and for full year 2007 are unaudited, but have been prepared on an accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP") for financial information.

These consolidated financial statements have been prepared so that they present fairly, in the opinion of management, the Company's financial position and its results of operations and its cash flows for the periods presented. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included.

The preparation of consolidated financial statements in conformity with GAAP requires the Company to make estimates and assumptions that affect the amounts that are reported in the consolidated financial statements and accompanying disclosures. Although these estimates are based on the Company's best knowledge of current events and actions that the Company may undertake in the future, actual results may differ materially from the estimates.

Under our revenue recognition policy, revenues are recognized when a definitive agreement with a determinable price exists, product delivery and/or invoicing (in each case where there is reasonable assurance of meeting customer-specified criteria) have occurred, and collectibility is reasonably assured.

Cash and cash equivalents include cash in banks and money market mutual funds with a maturity of three months or less when purchased.

The Company has incurred expenditures relating to the pursuit of patent rights covering certain of its products and technologies. These expenditures have not been capitalized because, in the Company's opinion, the probability of future benefits from such patent rights cannot at present be reasonably assessed and/or the useful life of such assets cannot be reasonably estimated.

Property and equipment are recorded at cost less accumulated depreciation and amortization. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of assets ranging from three to seven years. Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expenses as incurred. When an asset is sold or retired, the related cost and accumulated depreciation are removed from the accounts and any resulting gain or loss on disposition is recognized in the current year.

The Company accounts for income taxes under the liability method. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amounts expected to be realized. In the calculation of the deferred tax assets, the Company established a 98% valuation allowance due to uncertainties relating to future income and the realization of such deferred tax assets. The Company currently intends to evaluate and adjust on an ongoing basis, based on expected income, the recoverability of the deferred tax assets and the level of the valuation allowance.

For further information, refer to the financial statements and related notes posted on the Company's website (www.deltagen.com).

2. Treatment of Subsidiaries

The consolidated financial statements include the accounts and activities of the Company's subsidiaries, Deltagen Research Laboratories, L.L.C., Deltagen Europe, S.A. and Xenopharm, Inc. Intercompany transactions and balances are eliminated in consolidation. The Company uses the U.S. dollar as the functional currency for its foreign subsidiary. Accordingly, gains and losses from the translation of foreign currency amounts reflected on the balance sheet into U.S. dollars are included in the results of operations.