

Deltagen Reports 2009 Second Quarter Financial Results

SAN MATEO, California, September 18, 2009 - Deltagen, Inc. (Pink Sheets: DGEN), a leading provider of drug discovery tools to the biopharmaceutical industry, today reported unaudited consolidated financial results for the three months ended June 30, 2009.

Revenues: The Company's consolidated revenues for the three months ended June 30, 2009 totaled \$0.282 million. The revenues were attributable primarily to license fees associated with the provision of knockout mice and related phenotypic data pursuant to orders placed by customers under the Company's DeltaOne™ program.

Interest Income: The Company had interest income of \$0.004 million for the three months ended June 30, 2009.

Expenses: Total consolidated expenses for the three months ended June 30, 2009 were \$0.435 million. The operating expenses were attributable primarily to labor costs and other general and administrative expenses, including \$0.078 million in royalty and commission expenses. The labor costs included a cumulative total of \$0.052 million paid to the Company's management team in May 2009, which payment was the last of three installment payments relating to the Company's May 31, 2007 dividend that were made under the Company's Management Retention and Incentive Bonus Plan, which is 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 the Company's website (www.deltagen.com).

Net Loss: Net loss before provision for income taxes for the three months ended June 30, 2009 was \$0.149 million.

Cash, Cash Equivalents and Accounts Receivable: As of June 30, 2009, the Company had \$4.702 million in consolidated cash and cash equivalents and \$0.221 million in accounts receivable.

Subsequent Events: In July 2009, the Company's wholly-owned subsidiary, Deltagen Europe, S.A., was dissolved and its cash holdings (\$1.392 million) were transferred to the Company's U.S.-based bank.

The unaudited consolidated financial statements for the second quarter of 2009, 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, cash flows and operating results, any possible future dividend declarations, third-party royalty obligations and third-party licenses and intellectual property, the impact of Deltagen's restructuring efforts, 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.

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DELTAGEN, INC.
CONSOLIDATED BALANCE SHEET
(UNAUDITED)

Consolidated Balance Sheet
For Quarter Ended 6/30/09

(Dollars In Thousands)

Unaudited
6/30/09
Consolidated

Assets

Current assets:

Cash and cash equivalents	4,702
Accounts receivable, net	221
Prepays, Deposits and Tax Assets	<u>45</u>
Total current assets	4,968

Property and equipment, net 49

Non-current portion of deferred tax assets 1,586

Total assets 6,603

Liabilities and Stockholders' Equity

Current liabilities:

Accounts payable	109
Accrued expenses	<u>62</u>
Total liabilities	172

Stockholders' equity:

Common stock	39
Treasury Stock	(867)
Additional paid-in capital	229,061
Retained Earnings	(222,213)
Foreign currency translation adjustment	<u>411</u>
Total stockholders' equity	6,431

Total liabilities and stockholders' equity 6,603

DELTAGEN, INC.

CONSOLIDATED INCOME STATEMENT
(UNAUDITED)

**Consolidated Income Statement and
Statement of Retained Earnings
For Quarter Ended 6/30/09**

	Unaudited 6/30/09 <u>Consolidated</u>
(Dollars In Thousands)	
Revenue	282
Royalty and Commission Expenses	78
Operating Expenses	<u>357</u>
Income From Operations	(153)
Interest Income	4
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Income before provision for income taxes	(149)
Provision for income taxes	
Current income tax expense	-
Deferred income tax expense	-
Adjustment for valuation allowance	<u>-</u>
Total income tax expense/(income)	0
Net Income (Loss)	<u>(149)</u>
Retained earnings at beginning of period	<u>(222,064)</u>
Retained earnings at end of period	<u><u>(222,213)</u></u>

DELTAGEN, INC.

CONSOLIDATED CASH FLOW
(UNAUDITED)

**Consolidated Cash Flow
For Quarter Ended 6/30/09**

Unaudited
6/30/09
Consolidated

(Dollars In Thousands)

Cash flows from operating activities:

Net Income (Loss)	(149)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	4
Loss on disposal of fixed assets	-
(Increase)/Decrease in operating assets	
Accounts receivable	(92)
Prepays, deposits and tax assets	(9)
Purchase of assets	-
Deferred tax assets	-
Increase/(Decrease) in operating liabilities	
Accounts payable	(129)
Accrued expenses	25
Dividends Paid	-
Net Increase/(Decrease) in cash	(350)
Effect of foreign exchange rate change on cash and cash equivalents	84
Cash and cash equivalents, at beginning of period	4,968
Cash and cash equivalents, at end of period	4,702