

Deltagen Reports 2010 Third Quarter Financial Results

SAN MATEO, California, December 6, 2010 - 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 September 30, 2010.

Revenues: The Company's consolidated revenues for the three months ended September 30, 2010 totaled \$0.577 million. The revenues in the third quarter 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 \$0.003 million for the three months ended September 30, 2010.

Expenses: Total consolidated expenses for the three months ended September 30, 2010 were \$0.703 million. The expenses in the third quarter were attributable primarily to labor costs and other general and administrative expenses, including \$0.193 million in royalty and commission expenses. The total expenses included about \$0.228 million and \$0.025 million relating to the operation of the Company's wholly-owned subsidiaries, Benten BioServices, Inc. ("Benten Expenses") and Xenopharm, Inc., respectively.

Net Losses: Consolidated net losses before provision for income taxes for the three months ended September 30, 2010 were \$0.123 million. Excluding Benten Expenses, the Company had a net profit of about \$0.105 million before provision for income taxes for the three months ended September 30, 2010.

Cash, Cash Equivalents and Accounts Receivable: As of September 30, 2010, the Company had \$3.937 million in consolidated cash and cash equivalents, compared to \$4.816 million as of June 30, 2010, and had \$0.282 million in accounts receivable. The change in cash and cash equivalents was due primarily to property and equipment expenditures of \$0.847 million, including an expenditure of \$0.736 million relating to a down-payment for capital equipment to be used at the Company's Malvern, Pennsylvania facility.

The unaudited consolidated financial statements for the third quarter of 2010, 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. Benten BioServices, Inc. ("Benten"), a wholly-owned subsidiary of Deltagen based in Malvern, Pennsylvania, will provide regulatory-compliant services to support the development and commercialization of

biopharmaceutical products. Bente's services are designed to address specific requirements for critical stages in product development, including biosafety testing, raw materials testing, assay and process validation services, cell banking and characterization services, and technology platform-specific R&D support and consulting services. 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, third-party royalty obligations and third-party licenses and intellectual property, Bente's business plans, 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

As of 09/30/10

	Unaudited 9/30/10 <u>Consolidated</u>
(Dollars In Thousands)	
Assets	
Current assets:	
Cash and cash equivalents	3,937
Accounts receivable, net	282
Prepaid expenses, deposits and deferred tax assets	<u>572</u>
Total current assets	4,791
Property and equipment, net	847
Goodwill	224
Non-current portion of deferred tax assets	1,586
Total assets	<u><u>7,447</u></u>
Liabilities and Stockholders' Equity	
Current liabilities:	
Accounts payable	239
Accrued expenses	<u>115</u>
Total liabilities	354
Stockholders' equity:	
Common stock	39
Treasury Stock	(867)
Additional paid-in capital	230,618
Retained Earnings	(223,099)
Foreign currency translation adjustment	<u>402</u>
Total stockholders' equity	7,094
Total liabilities and stockholders' equity	<u><u>7,447</u></u>

DELTAGEN, INC.

CONSOLIDATED INCOME STATEMENT
(UNAUDITED)

**Consolidated Income Statement and
Statement of Retained Earnings
For Quarter Ended 09/30/10**

	Unaudited 9/30/10 <u>Consolidated</u>
	(Dollars In Thousands)
Revenue	577
Royalty and commission expenses	193
Operating expenses	<u>510</u>
Income from operations	(126)
Interest income	3
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Income (loss) before provision for income taxes	(123)
Provision for income taxes	
Current income tax expense	-
Deferred income tax expense	-
Adjustment for valuation allowance	<u>-</u>
Total income tax expense/(income)	0
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Net income (loss)	(123)
Retained earnings (deficit) at beginning of period	<u>(222,975)</u>
Retained earnings (deficit) at end of period	<u><u>(223,099)</u></u>

DELTAGEN, INC.
CONSOLIDATED CASH FLOWS
(UNAUDITED)

Consolidated Cash Flows
For Quarter Ended 09/30/10
(Dollars In Thousands)

Unaudited
9/30/10
Consolidated

Cash flows from operating activities:

Net income (loss)	(123)
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	3
Stock-based compensation expense	1
Loss on disposal of fixed assets	-
(Increase)/decrease in operating assets	
Accounts receivable	63
Prepaid expenses, deposits and deferred tax assets	(18)
Purchase of assets	(793)
Deferred tax assets	-
Increase/(decrease) in operating liabilities	
Accounts payable	(6)
Accrued expenses	(5)
Change in goodwill	-
Dividends paid	-
Net Increase/(decrease) in cash	(878)
Effect of foreign exchange rate change on cash and cash equivalents	-
Cash and cash equivalents, at beginning of period	4,816
Cash and cash equivalents, at end of period	3,937