

**COMPUGEN LTD.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(U.S. dollars in thousands, except for share and per-share amounts)

|  | <b>Three Months Ended</b>  |                    | <b>Year Ended</b>          |                    |
|--|----------------------------|--------------------|----------------------------|--------------------|
|  | <b><u>December 31,</u></b> |                    | <b><u>December 31,</u></b> |                    |
|  | <b><u>2010</u></b>         | <b><u>2009</u></b> | <b><u>2010</u></b>         | <b><u>2009</u></b> |
| Revenues   | 190                        | 25                 | 1,115                      | 250                |
| Cost of revenues   | 26                         | -                  | 224                        | -                  |
| <b>Gross profit</b>  | <b>164</b>                 | <b>25</b>          | <b>891</b>                 | <b>250</b>         |
| Research and development expenses                                      | 1,757                      | 1,625              | 6,237                      | 5,995              |
| Less: governmental and other grants                                    | (205)                      | (247)              | (1,010)                    | (944)              |
| Research and development expenses, net                                 | 1,552                      | 1,378              | 5,227                      | 5,051              |
| Marketing and business development expenses                            | 98                         | 21                 | 633                        | 681                |
| General and administrative expenses                                    | 814                        | 577                | 2,909                      | 2,147              |
| <b>Total operating expenses *</b>                                      | <b>2,464</b>               | <b>1,976</b>       | <b>8,769</b>               | <b>7,879</b>       |
| <b>Operating loss</b>  | <b>(2,300)</b>             | <b>(1,951)</b>     | <b>(7,878)</b>             | <b>(7,629)</b>     |
| Financing income (loss), net   | (111)                      | (152)              | 241                        | 65                 |
| Other income   | 397                        | 64                 | 434                        | 3,721              |
| <b>Net loss from continuing operations</b>                             | <b>(2,014)</b>             | <b>(2,039)</b>     | <b>(7,203)</b>             | <b>(3,843)</b>     |
| <b>Gain (loss) from discontinued operations</b>                        | <b>-</b>                   | <b>(2)</b>         | <b>-</b>                   | <b>12</b>          |
| <b>Net loss</b>  | <b>(2,014)</b>             | <b>(2,041)</b>     | <b>(7,203)</b>             | <b>(3,831)</b>     |
| Basic and diluted loss per ordinary share from continuing operations   | (0.06)                     | (0.07)             | (0.22)                     | (0.13)             |
| Basic and diluted loss per ordinary share from discontinued operations | -                          | -                  | -                          | -                  |
| Basic and diluted net loss per ordinary share                          | (0.06)                     | (0.07)             | (0.22)                     | (0.13)             |
| Weighted average number of ordinary shares outstanding                 | 33,536,120                 | 28,852,335         | 33,284,017                 | 28,608,317         |

\* Includes stock based compensation

**COMPUGEN LTD.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS DATA**  
(U.S. dollars, in thousands)

|   | <b>December 31,</b><br><b><u>2010</u></b> | <b>December 31,</b><br><b><u>2009</u></b> |
|---|---|---|
| <b>ASSETS</b>                                       |   |   |
| <b>Current assets</b>                               |   |   |
| Cash, cash equivalents and short-term bank deposits | 21,824                                    | 15,639                                    |
| Restricted cash                                     | 684                                       | 161                                       |
| Trade receivables                                   | 21  | -   |
| Accounts receivables and prepaid expenses           | 548                                       | 720                                       |
| Receivables from financing arrangements             | 5,000                                     | 7,790                                     |
| <b>Total current assets</b>                         | <b>28,077</b>                             | <b>24,310</b>                             |
| <b>Long-term investments</b>                        |   |   |
| Investment in Evogene                               | 6,227                                     | 3,898                                     |
| Long-term prepaid expenses                          | 64  | 18  |
| Severance pay fund                                  | 1,510                                     | 1,224                                     |
| <b>Total long-term investments</b>                  | <b>7,801</b>                              | <b>5,140</b>                              |
| <b>Property and equipment, net</b>                  | <b>580</b>                                | <b>735</b>                                |
| <b>Total assets</b>                                 | <b>36,458</b>                             | <b>30,185</b>                             |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>         |   |   |
| <b>Current liabilities</b>                          |   |   |
| Accounts payable and accrued expenses               | 2,441                                     | 1,357                                     |
| Deferred revenues                                   | -   | 113                                       |
| <b>Total current liabilities</b>                    | <b>2,441</b>                              | <b>1,470</b>                              |
| <b>Long-term liabilities</b>                        |   |   |
| Research and development funding arrangement        | 4,037                                     | -   |
| Accrued severance pay                               | 1,695                                     | 1,317                                     |
| <b>Total long-term liabilities</b>                  | <b>5,732</b>                              | <b>1,317</b>                              |
| <b>Total shareholders' equity</b>                   | <b>28,285</b>                             | <b>27,398</b>                             |
| <b>Total liabilities and shareholders' equity</b>   | <b>36,458</b>                             | <b>30,185</b>                             |

