

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

	Three Months Ended		Six Months Ended	
	<u>June 30,</u>		<u>June 30,</u>	
	2011	2010	2011	2010
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
Revenues	-	800	-	925
Cost of revenues	-	198	-	198
Gross profit	-	602	-	727
Research and development expenses	1,624	1,339	3,315	2,974
Less: governmental and other grants	(455)	(524)	(503)	(524)
Research and development expenses, net	1,169	815	2,812	2,450
Marketing and business development expenses	150	179	298	367
General and administrative expenses*	2,049	545	2,692	1,565
Total operating expenses **	3,368	1,539	5,802	4,382
Operating loss	(3,368)	(937)	(5,802)	(3,655)
Financing income, net	1,218	41	1,512	40
Other income, net	-	-	240	-
Net loss	(2,150)	(896)	(4,050)	(3,615)
Basic and diluted net loss per ordinary share	(0.06)	(0.03)	(0.12)	(0.11)
Weighted average number of ordinary shares outstanding	34,246,190	33,272,718	34,169,391	33,142,182

* Includes non-cash expenses related to stock based compensation (\$1.4 million for the most recent quarter and \$130,000 for the corresponding quarter of 2010; \$1.6 million for the first six months of 2011 and \$739,000 for the same period of 2010)

** Includes non-cash expenses related to stock based compensation (\$1.7 million for the most recent quarter and \$412,000 for the corresponding quarter of 2010; \$2.0 million for the first six months of 2011 and \$1.3 million for the same period of 2010)

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

	June 30, <u>2011</u> <u>Unaudited</u>	December 31, <u>2010</u> <u>Audited</u>
ASSETS		
Current assets		
Cash, cash equivalents and short-term bank deposits	23,720	21,824
Restricted cash	102	684
Trade receivables	-	21
Accounts receivable and prepaid expenses	1,260	548
Receivables from funding arrangement	-	5,000
Total current assets	25,082	28,077
Long-term investments		
Investment in Evogene	4,885	6,227
Long-term prepaid expenses	73	64
Severance pay fund	1,615	1,510
Total long-term investments	6,573	7,801
Property and equipment, net	522	580
Total assets	32,177	36,458
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	1,255	2,441
Total current liabilities	1,255	2,441
Long-term liabilities		
Research and development funding arrangement	3,304	4,037
Accrued severance pay	1,802	1,695
Total long-term liabilities	5,106	5,732
Total shareholders' equity	25,816	28,285
Total liabilities and shareholders' equity	32,177	36,458