

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

| | Three Months Ended | | Year Ended | |
|--|--------------------|----------------|-----------------|----------------|
| | <u>Dec 31,</u> | | <u>Dec 31,</u> | |
| | <u>2011</u> | <u>2010</u> | <u>2011</u> | <u>2010</u> |
| Revenues | - | 190 | - | 1,115 |
| Cost of revenues | - | 26 | - | 224 |
| Gross profit | - | 164 | - | 891 |
| Research and development expenses, net | 1,854 | 1,552 | 6,778 | 5,227 |
| Marketing and business development expenses | 114 | 98 | 610 | 633 |
| General and administrative expenses | 1,102 | 814 | 4,591 | 2,909 |
| Total operating expenses | 3,070 | 2,464 | 11,979 | 8,769 |
| Operating loss | (3,070) | (2,300) | (11,979) | (7,878) |
| Financing income (loss), net | (1,323) | (111) | (306) | 241 |
| Other income | 41 | 397 | 281 | 434 |
| Net loss | (4,352) | (2,014) | (12,004) | (7,203) |
| Basic and diluted net loss per ordinary share | (0.13) | (0.06) | (0.35) | (0.22) |
| Weighted average number of ordinary shares outstanding | 34,446,993 | 33,536,120 | 34,276,697 | 33,284,017 |

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

| | December 31, <u>2011</u> | December 31, <u>2010</u> |
|---|---|---|
| ASSETS | | |
| Current assets | | |
| Cash, cash equivalents and short-term bank deposits | 22,371 | 21,824 |
| Restricted cash | 92 | 684 |
| Trade receivables | - | 21 |
| Accounts receivables and prepaid expenses | 546 | 548 |
| Receivables from financing arrangement | - | 5,000 |
| Total current assets | 23,009 | 28,077 |
| Long-term investments | | |
| Investment in Evogene | 4,093 | 6,227 |
| Long-term prepaid expenses | 17 | 64 |
| Severance pay fund | 1,465 | 1,510 |
| Total long-term investments | 5,575 | 7,801 |
| Property and equipment, net | 497 | 580 |
| Total assets | 29,081 | 36,458 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable and accrued expenses | 1,707 | 2,441 |
| Total current liabilities | 1,707 | 2,441 |
| Long-term liabilities | | |
| Research and development funding arrangements * | 6,150 | 4,037 |
| Accrued severance pay | 1,643 | 1,695 |
| Total long-term liabilities | 7,793 | 5,732 |
| Total shareholders' equity | 19,581 | 28,285 |
| Total liabilities and shareholders' equity | 29,081 | 36,458 |

* Re-measurement required for each accounting period based on market value of ordinary shares due to the embedded derivatives and exchange options components under existing research and development funding arrangements