

COMPUGEN LTD.
CONDENSED CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME

(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> | |
| | 2012 | 2011 | 2012 | 2011 |
| | <u>Unaudited</u> | <u>Unaudited</u> | <u>Unaudited</u> | <u>Unaudited</u> |
| Operating expenses | | | | |
| Research and development expenses, net | 1,947 | 1,169 | 4,047 | 2,812 |
| Marketing and business development expenses | 156 | 150 | 351 | 298 |
| General and administrative expenses* | 855 | 2,049 | 1,679 | 2,692 |
| Total operating expenses * | 2,958 | 3,368 | 6,077 | 5,802 |
| Operating loss | (2,958) | (3,368) | (6,077) | (5,802) |
| Financing income, net ** | 2,332 | 1,218 | 1,332 | 1,512 |
| Other income | - | - | - | 240 |
| Net loss | (626) | (2,150) | (4,745) | (4,050) |
| Basic and diluted net loss per ordinary share | (0.02) | (0.06) | (0.13) | (0.12) |
| Weighted average number of ordinary shares outstanding | 35,965,615 | 34,246,190 | 35,628,390 | 34,169,391 |
| Unrealized gain (loss) for the period on Investment in Evogene | (20) | (909) | 569 | (1,349) |
| Total comprehensive loss | (646) | (3,059) | (4,176) | (5,399) |

* Includes non-cash stock based compensation.

** Includes non-cash income due to change in fair value of exchange option and embedded derivatives within research and development arrangements of approximately \$2,560 and \$1,313 for the most recent quarter and for the first six months of 2012, respectively, and \$909 and \$733 for the comparable periods of 2011.

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

| | June 30, <u>2012</u> <u>Unaudited</u> | December 31, <u>2011</u> <u>Audited</u> |
|---|--|--|
| ASSETS | | |
| Current assets | | |
| Cash, cash equivalents and short-term bank deposits | 21,894 | 22,371 |
| Restricted cash | 91 | 92 |
| Other accounts receivable and prepaid expenses | 650 | 546 |
| Total current assets | 22,635 | 23,009 |
| Long-term investments | | |
| Investment in Evogene | 4,662 | 4,093 |
| Long-term lease deposits | 68 | 17 |
| Severance pay fund | 1,527 | 1,465 |
| Total long-term investments | 6,257 | 5,575 |
| Long-term prepaid expenses | 400 | - |
| Property and equipment, net | 696 | 497 |
| Total assets | 29,988 | 29,081 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable and accrued expenses | 1,542 | 1,707 |
| Total current liabilities | 1,542 | 1,707 |
| Long-term liabilities | | |
| Research and development funding arrangements | 4,793 | 6,150 |
| Accrued severance pay | 1,766 | 1,643 |
| Total long-term liabilities | 6,559 | 7,793 |
| Total shareholders' equity | 21,887 | 19,581 |
| Total liabilities and shareholders' equity | 29,988 | 29,081 |