

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

	Three Months Ended		Nine Months Ended	
	<u>September 30,</u>		<u>September 30,</u>	
	2012	2011	2012	2011
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
Revenues	108	-	108	-
Cost of revenues	33	-	33	-
Gross profit	75	-	75	-
Operating expenses				
Research and development expenses, net	2,787	2,112	6,834	4,924
Marketing and business development expenses	147	198	498	496
General and administrative expenses	765	797	2,444	3,849
Total operating expenses *	3,699	3,107	9,776	8,909
Operating loss	(3,624)	(3,107)	(9,701)	(8,909)
Financing income (loss), net **	114	(495)	1,446	1,017
Other income	-	-	-	240
Net loss	(3,510)	(3,602)	(8,255)	(7,652)
Basic net loss per ordinary share	(0.10)	(0.10)	(0.23)	(0.22)
Weighted average number of Ordinary shares used in computing basic net loss per share	35,991,398	34,317,515	35,750,276	34,219,308
Diluted net loss per ordinary share	(0.10)	(0.10)	(0.30)	(0.25)
Weighted average number of Ordinary shares used in computing diluted net loss per share	36,797,405	34,317,515	36,406,301	34,491,398

* Includes non-cash stock based compensation.

** Includes non-cash income (loss) due to change in fair value of exchange option and embedded derivatives within research and development arrangements of approximately \$(58) and \$1,255 for the most recent quarter and for the nine month of 2012, respectively, and \$60 and \$793 for the comparable periods of 2011.

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

	September 30,	December 31,
	<u>2012</u>	<u>2011</u>
	<u>Unaudited</u>	<u>Audited</u>
ASSETS		
Current assets		
Cash, cash equivalents and short-term bank deposits	20,061	22,371
Restricted cash	91	92
Other accounts receivable and prepaid expenses	607	546
Total current assets	20,759	23,009
Long-term investments		
Investment in Evogene	4,254	4,093
Long-term lease deposits	60	17
Severance pay fund	1,578	1,465
Total long-term investments	5,892	5,575
Long-term prepaid expenses	350	-
Property and equipment, net	1,066	497
Total assets	28,067	29,081
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	1,753	1,707
Total current liabilities	1,753	1,707
Long-term liabilities		
Research and development funding arrangements	5,811	6,150
Accrued severance pay	1,812	1,643
Total long-term liabilities	7,623	7,793
Total shareholders' equity	18,691	19,581
Total liabilities and shareholders' equity	28,067	29,081