

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>December 31,</u>		<u>December 31,</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Revenues	134	-	242	-
Cost of revenues	168	-	201	-
Gross profit (loss) *	(34)	-	41	-
Research and development expenses, net	2,608	1,854	9,442	6,778
Marketing and business development expenses	186	114	684	610
General and administrative expenses	1,013	1,102	3,457	4,591
Total operating expenses **	3,807	3,070	13,583	11,979
Operating loss	(3,841)	(3,070)	(13,542)	(11,979)
Financing loss, net **	(1,532)	(1,323)	(86)	(306)
Other income	-	41	-	281
Net loss	(5,373)	(4,352)	(13,628)	(12,004)
Basic and diluted net loss per ordinary share	(0.15)	(0.13)	(0.38)	(0.35)
Weighted average number of Ordinary shares used in computing basic net loss per share	36,125,109	34,446,993	35,844,496	34,276,697
Weighted average number of Ordinary shares used in computing diluted net loss per share	36,125,109	34,446,993	36,249,262	34,276,697

* Reflect an adjustment from prior quarter as well as non-cash stock based compensation

** Includes non-cash stock based compensation

** Includes non-cash loss due to change in fair value of exchange option and embedded derivatives within research and development arrangements of approximately \$1,843 and \$588 for the most recent quarter and for the year ended December 31, 2012, respectively, and \$906 and \$113 for the comparable periods of 2011

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

	December 31,	December 31,
	<u>2012</u>	<u>2011</u>
ASSETS		
Current assets		
Cash, cash equivalents and short-term bank deposits	19,589	22,371
Restricted cash	96	92
Investment in Evogene	5,196	-
Accounts receivables and prepaid expenses	690	546
Total current assets	25,571	23,009
Non-current investments		
Investment in Evogene	-	4,093
Long-term lease deposits	59	17
Severance pay fund	1,728	1,465
Total non-current investments	1,787	5,575
Long-term prepaid expenses	301	-
Property and equipment, net	1,250	497
Total assets	28,909	29,081
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	1,384	1,423
Total current liabilities	1,384	1,423
Non-current liabilities		
Research and development funding arrangements and others*	7,872	6,434
Accrued severance pay	1,981	1,643
Total non-current liabilities	9,853	8,077
Total shareholders' equity	17,672	19,581
Total liabilities and shareholders' equity	28,909	29,081

* 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