

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to rule 13a-16 or 15d-16 of the Securities Exchange Act of 1934
for the month of July 2004

Compugen Ltd.
(Translation of registrant's name in English)

72 Pinchas Rosen Street, Tel-Aviv 69512, Israel
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover
Form 20-F or Form 40-F.

Form 20-F X Form 40-F ____

On July 21st, 2004 Compugen Ltd. (the "Registrant") issued a Press Release, filed as
Exhibit 1 to this Report on Form 6-K, which is hereby incorporated by reference herein.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has
duly caused this report to be signed on its behalf by the undersigned, thereunto duly
authorized.

Compugen Ltd.
(Registrant)
By: /s/ Mor Amitai
Title: President & CEO
Date: July 21st, 2004

Exhibit 1



Compugen Reports Second Quarter 2004 Financial Results

TEL AVIV, ISRAEL, July 21st, 2004 - Compugen Ltd. (NASDAQ: CGEN) today reported financial results for the second quarter ended June 30, 2004.

“Compugen continues to implement its previously announced strategy of focusing its efforts on its unique discovery activities and the development of its therapeutic protein pipeline,” stated Mor Amitai, Ph.D., Compugen’s President and Chief Executive Officer. “The implementation of our strategy results in substantially reduced efforts with respect to certain of the Company’s tools and services and divestments of some of our software product lines. This is, and will continue to be, reflected in our short term financial results,” he continued.

Revenues for the second quarter of 2004 were \$984,000 (including \$277,000 from research and development grants), compared to \$2.9 million (including \$382,000 from research and development grants) for the second quarter of 2003. The net loss for the quarter was \$3.4 million (including a non-cash charge of \$131,000 for amortization of deferred compensation), or \$0.12 per share, compared with a net loss of \$2.4 million (including \$94,000 of deferred compensation), or \$0.09 per share, for the corresponding quarter of 2003.

Revenues for the six months ended June 30, 2004 were \$2.5 million (including \$678,000 from research and development grants), compared to \$5.5 million for the same period in 2003 (including \$837,000 from research and development grants). Net loss for the first six months of 2004 was \$6.4 million (including a non-cash charge of \$369,000 for amortization of deferred compensation), or \$0.23 per share, compared with a net loss of \$4.7 million (including \$188,000 of deferred compensation), or \$0.18 per share, for the same period in 2003.

As of June 30, 2004, Compugen had \$54.8 million in cash, cash equivalents, and marketable securities, a decrease of \$3.3 million from March 31, 2004.

“As announced earlier this week, using our unique predictive discovery capabilities, our scientists once again gained significant new knowledge regarding a key biological phenomenon with the discovery of more than 10,000 RNA editing sites in the human transcriptome,” stated Dr. Amitai. “This latest understanding builds on our earlier breakthroughs regarding the prevalence of both alternative splicing and naturally

occurring antisense in the human genome. These deeper understandings of important biological phenomena are now providing us with the ability to make putative therapeutic and diagnostic discoveries which we believe would not have been possible without our predictive models and discovery engines. Furthermore," he continued, "each of these discoveries significantly improves our proprietary models and engines, thereby increasing the probability of generating additional therapeutic and diagnostic discoveries on a continuing basis. With respect to our current pipeline of putative therapeutic proteins, during the past quarter we continued to increase our efforts in this area, and announced the addition of two molecules to our pipeline – CGEN M-3, a soluble kinase receptor with potential therapeutic applications in various types of cancer, and CGEN P-4, a peptide with potential therapeutic applications in obesity and various eating disorders," Dr. Amitai concluded.

Conference Call and Web Cast Information

Compugen will hold a conference call to discuss its second quarter results on July 21, 2004 at 10:00 am EST. To access the conference call, please dial 1-866-500-4953 or 1-866-500-4964 from the US or +972-3-925-5910 internationally. A replay of the conference call will also be available approximately two hours after the completion of the live conference call. To access the replay, please dial +972-3-925-5901. The replay will be available until 12 noon EST on July 23, 2004.

The call will also be available via live Web cast through Compugen's Website, located at www.cgen.com.

About Compugen

Compugen, a genomics-based drug and diagnostic discovery company, increases the probability of successful development of novel drug and diagnostic products by incorporating ideas and methods from mathematics, computer science, and physics into biology, chemistry and medicine. This unique capability results in powerful predictive models and discovery engines, which are both advancing the understanding of important biological phenomena and enabling the discovery of numerous potential therapeutic products and diagnostic markers. The Company has an early stage in-house pipeline consisting of selected therapeutic protein candidates discovered by the Company; additional discoveries have been out-licensed for development. Among Compugen's customers and partners are leading pharmaceutical and diagnostic companies, such as Abbott Laboratories, Diagnostic Products Corporation, Novartis, and Pfizer. Compugen has established a small-molecule drug discovery subsidiary – Keddem Bioscience, and an agricultural biotechnology subsidiary – Evogene. For additional information, please visit Compugen's corporate Website at www.cgen.com.

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include words like "may," "expects," "believes," and "intends," and describe opinions about future events. These forward-looking statements involve known and unknown risks and uncertainties that may cause the actual results, performance or achievements of Compugen to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Some of these risks are: changes in relationships with collaborators; the impact of competitive products and technological changes; risks relating to the development of new products; the ability to implement technological improvements; the ability of Compugen to obtain and retain customers. These and other factors are identified and more fully explained under the heading "Risk Factors" in Compugen's annual reports filed with the Securities and Exchange Commission.

(Tables to follow)

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COMPUGEN LTD.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(U.S. dollars in thousands, except for share and per-share amounts)

	Three Months Ended <u>June 30,</u>		Six Months Ended <u>June 30,</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
Revenues				
Products and services	707	2,556	1,826	4,676
Research and development grants	277	382	678	837
Total revenues	984	2,938	2,504	5,513
Cost and Expenses				
Cost of products and services	262	739	726	1,355
Research and development expenses	2,912	3,350	5,808	6,518
Sales and marketing expenses	741	1,078	1,419	2,103
General and administrative expenses	775	628	1,562	1,341
Amortization of deferred compensation	131	94	369	188
Total operating expenses	4,821	5,889	9,884	11,505
Operating loss	(3,837)	(2,951)	(7,380)	(5,992)
Financing income, net	370	585	830	1,288
Other income	100	-	193	-
Net loss	(3,367)	(2,366)	(6,357)	(4,704)
Basic and diluted net loss per ordinary share	(0.12)	(0.09)	(0.23)	(0.18)
Weighted average number of ordinary shares outstanding	27,456,588	26,215,721	27,327,674	26,189,484

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

	June 30, <u>2004</u> <u>Unaudited</u>	December 31, <u>2003</u> <u>Audited</u>
ASSETS		
Current assets		
Cash, cash equivalents, short-term cash deposits, and marketable securities	21,064	16,707
Receivables and prepaid expenses	1,796	1,401
Total current assets	22,860	18,108
Long-term investments		
Marketable securities	33,767	43,803
Other assets	1,692	1,678
Property and equipment, net	3,359	3,937
Total assets	61,678	67,526
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	2,533	3,629
Deferred revenues	489	1,566
Total current liabilities	3,022	5,195
Long-term liabilities		
Accrued severance pay	2,171	1,997
Other Long-term liabilities	60	60
Investment in Evogene	466	466
Total long-term liabilities	2,697	2,523
Total shareholders' equity	55,959	59,808
Total liabilities and shareholders' equity	61,678	67,526

