ROSETTAGENOMICS™
Revealing Genomic Answers

News Release

Rosetta Genomics Reports 2015 Full Year Financial Results

Revenues reach a record $3.6 million for the fourth quarter, $10.2 million (pro forma) for the year
Conference call begins today at 5:00 p.m. Eastern time

PHILADELPHIA and REHOVOT, Israel (March 23, 2016) – Rosetta Genomics Ltd. (NASDAQ: ROSG), a leading developer and provider of microRNA-based and other molecular diagnostics, today reported financial results for the 12 months ended December 31, 2015.

Recent developments include:

- Launched RosettaGX Reveal™, a first-of-its-kind, microRNA-based indeterminate thyroid nodule classification assay, at the International Thyroid Congress and Annual Meeting of the American Thyroid Association;
- Received conditional approval from New York State to offer RosettaGX Reveal Thyroid microRNA Classifier to patients in New York, which now makes the assay available in all 50 U.S. states;
- Expanded the Company's molecular diagnostics test menu in oncology with the launch of HEME FISH, BRAF Lung and NRAS Colon assays;
- Granted European patent allowance for the use of microRNAs for the treatment of liver cancer;
- Advanced the collaboration with Biocept to proof-of-concept studies for microRNA profiling of circulating tumor cells to enhance the diagnosis of lung cancer;
- Sublicensed certain microRNA-related patents for the development of oncology therapeutics to Mirna Therapeutics for an upfront payment of $1.6 million, low-single-digit royalties on product sales and potential milestone payments and sublicense fees;
- Presented positive performance data from a multicenter validation study of RosettaGX Reveal; and
- Strengthened the Company's balance sheet through a private placement that raised net proceeds of $7.3 million.

Management Commentary

"2015 was transformational for Rosetta Genomics. A year ago we put forth a three-pronged strategic approach and we have made excellent progress across all three areas. We set out to broaden our differentiated and proprietary content for use in personalized medicine, and while we entered 2015 with nearly all our revenue coming from a single commercial assay, we exited

2015 with more than 20 individual test offerings contributing to our top line. We also set out to accelerate revenue growth to achieve scale, and today we are reporting pro forma 2015 revenues of $10.2 million, up from $1.3 million in 2014, reflecting our acquisition of PersonalizeDx," stated Kenneth A. Berlin, President and Chief Executive Officer of Rosetta Genomics. "While our third imperative, improving our efficiency in delivering and distributing novel content, is work in process, we are extremely focused on increasing demand for our broad portfolio and improving collections. If successful, we expect these improvements, along with increased traction from higher margin assays like RosettaGX Reveal, to increase our overall margins and create a foundation to get to breakeven and beyond.

"During the fourth quarter and recent weeks we made significant progress in growing our revenue, optimizing our sales force, fortifying our patent portfolio, strengthening our balance sheet and advancing our collaborations. We also continued to expand our oncology test menu with three product launches and upgraded our sales and reimbursement infrastructure to drive clinical testing service revenue in our solid tumor and urology segments, and to prepare for our larger-scale commercial launch of RosettaGX Reveal. We expect our clinical testing revenues for the first quarter of 2016 will be at or near the previous high of $2.4 million reached in the third quarter of 2015, reflecting traction with our newly revamped sales team and success with collection efforts.

"We remain focused on the commercial launch of RosettaGX Reveal and aim to have the positive performance data from our blinded validation study published in a peer-reviewed journal in the coming months. These data demonstrate exceptional and competitive clinical performance and we anticipate that a journal publication would strongly support our reimbursement and sales efforts. We have already begun to receive and process commercial samples for RosettaGX Reveal at our Philadelphia laboratory and have reported our results on these early orders with positive clinician feedback. In addition, reimbursement for claims relating to these orders has generally been positive with several claims being paid at list price for this assay. Moving forward, we plan to continue to leverage our entire sales force to call on endocrinologists and cytopathologists. Given its high negative predictive value, health economic benefit and added convenience of working on existing cytology slides, we believe RosettaGX Reveal has the potential to be a strong competitor for share in a market valued at $350 million annually in the U.S.

"We are pleased to have started 2016 on strong footing as we drive clinical testing services of our high-value molecular diagnostics and advance our clinical development pipeline. As a result, we believe we are well-positioned to achieve a series of value-creating milestones throughout the balance of 2016 and beyond," concluded Mr. Berlin.

Fourth Quarter Financial Results

- The Company recorded revenues for the fourth quarter of 2015 of $3.6 million, including $1.6 million of license revenue, up 410% from revenues of $698,000 for the fourth quarter of 2014, which included $228,000 of licensing revenues.
- Revenues from solid tumor testing services in the fourth quarter of 2015 increased 112% to $726,000 from $343,000 in the fourth quarter of 2014.

- Revenues from urologic cancer testing services in the fourth quarter of 2015 were $1.2 million. There is no comparison with the 2014 fourth quarter as Rosetta Genomics did not offer urologic cancer testing services prior to the PersonalizeDx acquisition in April 2015.
- For the fourth quarter of 2015 cost of revenues were $1.8 million, research and development expenses were $1.0 million, sales, marketing and business development expenses were $1.6 million and general and administrative expenses were $2.0 million. The Company does not believe that prior-year comparisons are meaningful as they do not reflect the PersonalizeDx operations.
- The operating loss for the fourth quarter of 2015 was $5.1 million, including $261,000 of non-cash stock-based compensation expense as well as a $2.2 million adjustment to the gain on bargain purchase related to the acquisition of PersonalizeDx.
- The net loss for the fourth quarter of 2015 was $6.7 million, or $0.37 per ordinary share on 18.4 million weighted average shares outstanding. The $6.7 million net loss for the fourth quarter of 2015 includes $1.6 million in expenses related to revaluation of warrants for share purchase agreements.
- On a non-GAAP basis, excluding the $261,000 of non-cash stock-based compensation expense, the $2.2 million adjustment to the gain on bargain purchase related to the acquisition of PersonalizeDx, and the $1.6 million in expenses related to revaluation of warrants for share purchase agreements, the net loss for the fourth quarter of 2015 was $2.7 million, or $0.14 per ordinary share on 18.4 million weighted average shares outstanding.

2015 Financial Results

- For 2015, the Company recorded revenues from continuing operations of $8.3 million, an increase of 523% compared with $1.3 million for 2014.
- Pro forma consolidated revenues for 2015, assuming a full year of PersonalizeDx operations, were $10.2 million.
- Revenues from solid tumor testing services in 2015 increased 227% to $3.2 million. On a pro forma basis, revenues from solid tumor testing services in 2015 were $3.6 million.
- Revenues from urologic cancer testing services in 2015 were $3.5 million. On a pro forma basis, revenues from urologic cancer testing services in 2015 were $4.9 million.
- Cost of revenues for 2015 increased to $6.3 million from $1.3 million for 2014**,** primarily due to the acquisition of PersonalizeDx, which led to a higher volume of processed samples, as well as to increases in personnel and infrastructure.
- Research and development expenses in 2015 increased to $3.0 million from $1.9 million in 2014, primarily due to activities related to the development of the Company's thyroid assay.
- Sales, marketing and business development expenses in 2015 increased to $7.4 million from $6.8 million in 2014 due to a larger commercial footprint as a result of the acquisition of PersonalizeDx.
- General and administrative expenses for 2015 were $7.6 million compared with $5.5 million for 2014, with the increase primarily due to costs related to the acquisition of the PersonalizeDx business.
- The operating loss for 2015 was $15.7 million, including $1.0 million of non-cash stock-based compensation expense as well as a $155,000 gain from a bargain purchase related

to the acquisition of PersonalizeDx. This compares with an operating loss for 2014 of $14.3 million, including $943,000 of non-cash stock-based compensation expense.

- The net loss for 2015 was $17.3 million, or $1.15 per ordinary share on 15.1 million weighted average shares outstanding, compared with a net loss for 2014 of $14.5 million, or $1.29 per ordinary share on 11.2 million weighted average shares outstanding. The $17.3 million net loss for 2015 includes $1.6 million in financial expenses primarily related to revaluation of warrants for share purchase agreements.
- On a non-GAAP basis, excluding the $1.0 million of non-cash stock-based compensation expense, the $155,000 gain on bargain purchase related to the acquisition of PersonalizeDx, and the $1.6 million in expenses related to revaluation of warrants for share purchase agreements, the net loss for 2015 was $14.9 million, or $0.99 per ordinary share on 15.1 million weighted average shares outstanding. For 2014, on a non-GAAP basis, excluding the $943,000 of non-cash stock-based compensation expense and a $79,000 gain on revaluation of warrants related to share purchase agreements, the net loss for 2014 was $13.7 million, or $1.22 per ordinary share on 11.2 million weighted average shares outstanding.

Balance Sheet Highlights

As of December 31, 2015, Rosetta Genomics had cash, cash equivalents, restricted cash and short-term bank deposits of $13.5 million, which does not include the $1.6 million cash receipts from licensing revenues received in January 2016 related to an agreement signed in December 2015. This compared with $15.6 million as of December 31, 2014. The Company used approximately $17 million in cash to fund operations in 2015, including $2.1 million associated with the acquisition of PersonalizeDx. During 2015, the Company raised net proceeds of $10 million from the sale of approximately 2.4 million ordinary shares through a Sales Agreement with Cantor Fitzgerald. In addition, in October of 2015, Rosetta Genomics raised net proceeds of $7.3 million in a private placement of units that consisted of ordinary shares and warrants. Based on the Company's current operations and plans, which include a cost-reduction plan should it be unable to raise sufficient additional capital, Rosetta Genomics expects its current cash position will fund operations for at least the next 12 months.

Conference Call

Rosetta Genomics management will host a conference call today beginning at 5:00 p.m. Eastern time to provide an update on the Company's business and respond to questions. Individuals interested in listening to the conference call may do so by dialing (866) 239-5859, or for international callers (702) 495-1913. The conference ID number is 72929451. The call is also being webcast, and can be accessed on the investor relations section of the Company's website at www.rosettagx.com.

A telephone replay will be available through March 29, 2016 by dialing (855) 859-2056 or for international callers (404) 537-3406, and entering the conference ID number 72929451. The webcast will be available on the Company's website for 30 days.

Use of Non-GAAP Financial Measures
This press release contains certain non-GAAP financial measures. A "non-GAAP financial measure" refers to a numerical measure of historical or future financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP in the financial statements. In this news release, Rosetta provides non-GAAP pro forma revenues as additional information relating to its operating results. The presentation of this additional information is not meant to be considered in isolation or as a substitute for revenues, net loss or net loss per share prepared in accordance with GAAP.

Pursuant to the requirements of Regulation G promulgated by the Securities and Exchange Commission, the Company has provided a reconciliation of each non-GAAP financial measure used in this earnings release and related conference call or webcast to the most directly comparable financial measure prepared in accordance with GAAP. This reconciliation is presented in the tables below under the heading "Reconciliation of GAAP to Non-GAAP Consolidated Statement of Operation." Investors are encouraged to review these reconciliations to ensure they have a thorough understanding of the reported non-GAAP financial measures and their most directly comparable GAAP financial measures.

Management uses these non-GAAP measures for internal reporting and forecasting purposes. The Company has provided these non-GAAP financial measures in addition to GAAP financial results because it believes that these non-GAAP financial measures provide useful information to certain investors and financial analysts for comparison across accounting periods not influenced by certain non-cash items that are not used by management when evaluating the Company's historical and prospective financial performance.

About Rosetta Genomics
Rosetta develops and commercializes a full range of microRNA-based and other molecular diagnostics. Rosetta's integrative research platform combining bioinformatics and state-of-the-art laboratory processes has led to the discovery of hundreds of biologically validated novel human microRNAs. Building on its strong patent position and proprietary platform technologies, Rosetta is working on the application of these technologies in the development and commercialization of a full range of microRNA-based diagnostic tools. Through the acquisition of PersonalizeDx, the Company now offers core FISH, IHC and PCR-based testing capabilities and partnerships in Pathology, Oncology and Urology that provide additional content and platforms that complement Rosetta's microRNA and Next-Gen Sequencing offerings. RosettaGX Reveal™, a Thyroid microRNA Classifier for the diagnosis of indeterminate thyroid FNA smears, as well as the full RosettaGX™ portfolio of cancer testing services are commercially available through the Company's Philadelphia, PA- and Lake Forest, CA-based CAP-accredited, CLIA-certified labs,. For more information visit www.rosettagx.com.

Forward-Looking Statement Disclaimer
Various statements in this release concerning Rosetta's future expectations, plans and prospects including, but not limited to statements relating to Rosetta Genomics our estimates regarding anticipated revenues, future performance, operating losses and projected expenses; clinical development of our tests; our ability to achieve value-creating milestones; our ability to market our diagnostic tests and having a leadership position in the diagnostics market constitute

forward-looking statements for the purposes of the safe harbor provisions under The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by these forward-looking statements as a result of various important factors, including those risks more fully discussed in the "Risk Factors" section of Rosetta's most recently filed Annual Report on Form 20-F, as filed with the SEC. In addition, any forward-looking statements represent Rosetta's views only as of the date of this release and should not be relied upon as representing its views as of any subsequent date. Rosetta does not assume any obligation to update any forward-looking statements unless required by law.

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CONSOLIDATED BALANCE SHEETS
U.S. dollars in thousands

	December 31,	
	2015	**2014**
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 12,447	$ 7,929
Short-term bank deposits and restricted cash	1,098	7,702
Trade receivables	3,633	338
Other accounts receivable and prepaid expenses	2,192	483
Total current assets	19,370	16,452
LONG TERM ASSETS:		
Property and equipment, net	2,975	822
Long-term bank deposits and other long-term receivables	78	4
Total long term assets	3,053	826
Total assets	$ 22,423	$ 17,278

CONSOLIDATED BALANCE SHEETS

U.S. dollars in thousands (except share and per share data)

	December 31,	
	2015	**2014**
LIABILITIES AND SHAREHOLDERS EQUITY		
CURRENT LIABILITIES:		
Trade payables	$ 1,070	$ 563
Other accounts payables and accruals	1,733	1,648
Total current liabilities	2,803	2,211
LONG-TERM LIABILITIES:		
Warrants related to share purchase agreements	-	2
Total long-term liabilities	-	2
COMMITMENTS AND CONTINGENT LIABILITIES		
SHAREHOLDERS EQUITY:		
Share capital:		
Ordinary Shares of NIS 0.6 par value: 60,000,000 and 40,000,000 shares authorized at December 31, 2015 and 2014, respectively; 20,518,794 and 11,765,678 shares issued at December 31, 2015 and 2014, respectively; 20,515,536 and 11,762,420 shares outstanding at December 31, 2015 and 2014, respectively	3,194	1,830
Additional paid-in capital	156,696	136,160
Accumulated deficit	(140,270)	(122,925)
Total shareholders' equity	19,620	15,065
Total liabilities and shareholders' equity	$ 22,423	$ 17,278

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

U.S. dollars in thousands (except share and per share data)

	Year ended December 31,		
	2015	**2014**	**2013**
Clinical testing revenues	$ 6,668	$ 1,099	$ 405
Licensing revenues	1,600	228	-
Total revenues	$ 8,268	$ 1,327	$ 405
Cost of clinical testing revenues	6,192	1,310	709
Cost of licensing revenues	80	-	-
Total cost of revenues	6,272	1,310	709
Gross profit (loss)	1,996	17	(304)
Operating expenses:			
Research and development, net	2,956	1,927	1,744
Sales, marketing and business development	7,350	6,848	7,002
General and administrative	7,566	5,494	4,297
Gain from bargain purchase related to acquisition of CynoGen, Inc.	(155)	-	-
Total operating expenses	17,717	14,269	13,043
Operating loss	15,721	14,252	13,347
Financial expense (income), net	1,605	259	(177)
Loss before taxes	17,326	14,511	13,170
Income tax expense	19	15	-
Loss from continuing operations	17,345	14,526	13,170
Net comprehensive (income) from discontinued operations	-	-	(273)
Net comprehensive loss after discontinued operations	$ 17,345	$ 14,526	$ 12,897
Basic and diluted net loss per Ordinary Share from continuing operations	$ 1.15	$ 1.29	$ 1.37
Basic and diluted net (income) per Ordinary Share from discontinued operations	$ -	$ -	$ (0.03)
Basic and diluted net loss per Ordinary Share	$ 1.15	$ 1.29	$ 1.34
Weighted average number of Ordinary Shares used to compute basic and diluted net loss per Ordinary Share	15,092,679	11,239,892	9,593,952

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended December 31,		
	2015	**2014**	**2013**
Cash flows from operating activities:			
Net loss	$ (17,345)	$ (14,526)	$ (12,897)
Income from discontinued operations	-	-	273
Loss from continuing operations	(17,345)	(14,526)	(13,170)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	748	299	298
Gain from bargain purchase related to acquisition of CynoGen, Inc.	(155)	-	-
Foreign currency adjustments	-	-	6
Share-based compensation relating to options, RSUs, shares and warrants granted to employees, non-employees and directors	1,016	943	893
Issuance expenses of warrants classified as liabilities related to share purchase agreement	561	-	-
Revaluation of warrants related to share purchase agreements	1,051	(79)	(55)
Increase in trade receivables	(1,256)	(114)	(136)
Decrease (increase) in other accounts receivable and prepaid expenses	(1,705)	(170)	259
Increase (decrease) in trade payables	101	(343)	152
Decrease in deferred revenue	-	(228)	-
Increase in other accounts payables and accruals	51	616	520
Net cash used in operating activities from continuing operations	(16,933)	(13,602)	(11,233)
Net cash provided by operating activities from discontinued operations	-	-	625
Net cash used in operating activities	(16,933)	(13,602)	(10,608)
Cash flows from investing activities:			
Purchase of property and equipment	(273)	(247)	(626)
Acquisition of CynoGen, Inc. (a)	(2,122)	-	-
Decrease (increase) in bank deposits and restricted cash	6,526	(11)	(7,527)
Net cash provided by (used in) investing activities	4,131	(258)	(8,153)

CONSOLIDATED STATEMENTS OF CASH FLOWS

U.S. dollars in thousands

	Year ended December 31,		
	2015	**2014**	**2013**
Cash flows from financing activities:			
Issuance of shares and warrants and proceed from exercise of warrants, net	17,320	5,015	4,737
Net cash provided by financing activities	17,320	5,015	4,737
Increase (decrease) in cash and cash equivalents	4,518	(8,845)	(14,024)
Cash and cash equivalents at beginning of year	7,929	16,774	30,798
Cash and cash equivalents at end of year	$ 12,447	$ 7,929	$ 16,774

Supplemental disclosure:

(a) Acquisition of CynoGen, Inc.

Fair value of assets acquired and liabilities assumed at the date of acquisition:	
Working capital, net (excluding cash and cash equivalents)	$ 1,599
Property and equipment	2,628
Gain from bargain purchase	(155)
Issuance of shares	(1,950)
	$ (2,122)

(b) Supplemental disclosure of non-cash activities:

Share issuance for acquisition of CynoGen, Inc.	$ 1,950
Reclassification of Warrants A and B to shareholders' equity	$ 6,272

USD in thousands	Year ended December 31, 2015
GAAP revenues	$ 8,268
Additional revenues from PersonalizeDx for non-consolidated period of January 1, 2015 - April 12, 2015	1,903
Pro forma revenues	$ 10,171

USD in thousands	Year ended December 31, 2015
GAAP revenues for solid tumor testing services	$ 3,177
Additional revenues from PersonalizeDx for non-consolidated period of January 1, 2015 - April 12, 2015	470
Pro forma revenues for solid tumor testing services	$ 3,647

USD in thousands	Year ended December 31, 2015
GAAP revenues for urologic cancer testing services	$ 3,491
Additional revenues from PersonalizeDx for non-consolidated period of January 1, 2015 - April 12, 2015	1,433
Pro forma revenues for urologic cancer testing services	$ 4,924

USD in thousands	3-months ended December 31, 2015
Net loss from continuing operations	$ 6,723
Share-based compensation	261
Adjustment to gain from bargain purchase related to acquisition of CynoGen, Inc.	2,197
Revaluation of warrants and issuance expenses of warrants classified as liabilities related to share purchase agreements	1,612
non-GAAP net loss	**$ 2,653**

Basic and diluted per share data	3-months ended December 31, 2015
Net loss from continuing operations	$ 0.37
Share-based compensation	$ 0.01
Adjustment to gain from bargain purchase related to acquisition of CynoGen, Inc.	$ 0.12
Revaluation of warrants and issuance expenses of warrants classified as liabilities related to share purchase agreements	$ 0.09
non-GAAP net loss	**$ 0.14**
Weighted average number of Ordinary shares used to compute basic and diluted net loss per Ordinary share	18,396,386

USD in thousands	Year Ended December 31, 2015	2014
Net loss from continuing operations	$ 17,345	$ 14,526
Share-based compensation	1,016	943
Gain from bargain purchase related to acquisition of CynoGen, Inc.	(155)	-
Revaluation of warrants and issuance expenses of warrants classified as liabilities related to share purchase agreements	1,612	(79)
non-GAAP net loss	**$ 14,872**	**$ 13,662**

Basic and diluted per share data	Year Ended December 31, 2015	2014
Net loss from continuing operations	$ 1.15	$ 1.29
Share-based compensation	0.07	0.08
Gain from bargain purchase related to acquisition of CynoGen, Inc.	(0.01)	-
Revaluation of warrants and issuance expenses of warrants classified as liabilities related to share purchase agreements	0.11	(0.01)
non-GAAP net loss	**$ 0.99**	**$ 1.22**
Weighted average number of Ordinary shares used to compute basic and diluted net loss per Ordinary share	15,092,679	11,239,892