



OTCBB – PARS.PK

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|-------------------------------|-----------------|---------------------|----------|
| Share Price (April 16, 2012): | \$0.07 | Shares Outstanding: | 60.0 M |
| 52-Week High-Low: | \$0.05 - \$0.14 | Market Cap: | \$ 4.7 M |

Financial Results at March 31, 2012

| | |
|------------------------------|------------|
| Cash/Short Term Investments: | \$ 1.0 M |
| Working Capital: | \$ (0.2) M |
| Total Stockholders' Equity: | \$ (0.2) M |

Three months ended March 31, 2012

| | |
|-----------------------------------|---------|
| Loss from Operations: | \$0.6 M |
| Net Loss | \$0.6 M |
| Net Loss per Share: | \$0.01 |
| Weighted Ave. Shares Outstanding: | 59.6 M |

Investment Highlights

- Levotofisopam proof-of-concept trial commenced in January 2012
- Dextofisopam for IBS addresses large unmet medical needs
- Compound developed through Phase 2b clinical trials
- Other assets available for sale or licensing

Company Overview

Pharmos Corporation is a biopharmaceutical company that discovers and develops novel therapeutics to treat a range of metabolic and nervous system disorders, including gout, disorders of the brain-gut axis (e.g., Irritable Bowel Syndrome), pain/inflammation, and autoimmune disorders.

Pharmos owns the rights to both R and S Tofisopam through two US issued composition of matter patents. These are the two enantiomers of racemic tofisopam that has been used safely outside the United States for over 30 years. Levotofisopam is the S enantiomer and is being developed as a treatment for gout. Dextofisopam is the R enantiomer and is being developed for the treatment of irritable bowel syndrome (IBS) and has completed clinical testing through Phase 2b. It is a large unmet medical need but Pharmos does not have the financial resources to fund large IBS trials and therefore seeks a pharmaceutical company as a partner.

The Company's operations in Israel were closed effective October 2008 and the Company has been actively seeking to sell and license the CB2 selective agonist program that had been developed in Israel.

Pipeline and Development Plan

Levotofisopam for the treatment of Gout received FDA clearance for human clinical trials, subject to confirming the safety of the dose planned to be used. To confirm the safety of the planned dose in a proof-of-concept study in Gout patients, a non-human primate toxicology study was completed in October of 2011. The Company commenced a proof-of-concept trial in the US in gout patients at Duke University in January of 2012.

Dextofisopam for Irritable Bowel Syndrome has been developed through a Phase 2b clinical trial. The Company does not have the financial and clinical resources to advance Dextofisopam further without a pharmaceutical partner.

Cannabinoid program – selective CB2 agonists. Pharmos has developed these compounds in pre-clinical testing for neuropathic pain. No further development work is being conducted and these assets are available for license or sale.

Statements made in this document related to the business outlook and future financial performance of Pharmos, to the prospective market penetration of its drug products, to the development and commercialization of its pipeline products and to its expectations in connection with any future event, condition, performance or other matter, are forward-looking and are made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that may cause results to differ materially from those set forth in these statements. Additional economic, competitive, governmental, technological, marketing and other factors identified in Pharmos' filings with the Securities and Exchange Commission could affect such results.

Development Programs

Levotofisopam for Gout

Levotofisopam is the S-enantiomer of the racemic mixture RS-tofisopam, a well-tolerated, effective, non-sedating agent used outside the United States for the treatment of a variety of disorders associated with stress or autonomic instability.

The Company submitted an Investigational New Drug (IND) application to the FDA and received clearance to conduct human clinical trials, subject to first confirming the safety of the dose planned to be used in a proof-of-concept study in Gout patients. To confirm the safety of the planned dose, the Company conducted a successful non-human primate toxicology study. The Company has initiated a proof-of-concept clinical trial in the US in Gout patients using Levotofisopam at the Duke Clinical Research Unit of Duke University. On January 10, 2012, the Company announced that the first patients were dosed. This trial follows two ex-US Phase 1 clinical studies that were completed by Vela Pharmaceuticals (merged with Pharmos in October 2006). In these studies, conducted in healthy volunteers in the United Kingdom and The Netherlands, Levotofisopam treatment was generally well tolerated and was associated with a large and rapid reduction in mean uric acid values. The trial expects to enroll 20 patients in an open label study. As of April 16, 2012, 13 patients have completed treatment and all patients showed a reduction in uric acid. The mean reduction was over 45% with reductions seen in all patients. Additionally, there was an increase in the fractional excretion of urate confirming the compound's mechanism of action as enhancing excretion and not as a xanthine oxidase inhibitor.

The lowering of uric acid is believed to be a key treatment in Gout patients. The precise mechanism by which Levotofisopam lowers uric acid is unknown. However, unlike allopurinol, a drug commonly used to treat Gout patients, Levotofisopam does not inhibit xanthine oxidase. Available data indicate that the predominant mechanism of the serum-urate lowering effect of Levotofisopam in humans is through uricosuric activity rather than inhibition of urate synthesis. A precondition leading in some cases to Gout is hyperuricemia, which leads to increased pools of insoluble urate. Chronic hyperuricemia can lead to destructive gouty arthritis, formation of kidney stones, urate nephropathy, and/or tophi (crystal aggregates), which can produce grotesque malformations of the hands, feet, or other portions of the body. Hyperuricemia is caused either by an overproduction of or, more usually (80-90% of cases), underexcretion of uric acid, the metabolic product of purine metabolism.

The current proof-of concept trial is an open label trial with gout patients. The Company's strategy is to seek a partner for the further development of Levotofisopam as soon as the trial results become available.

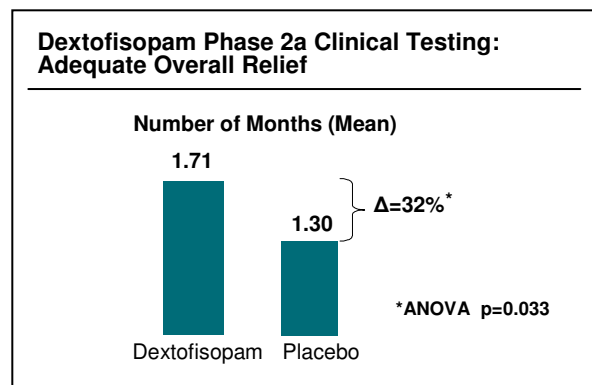
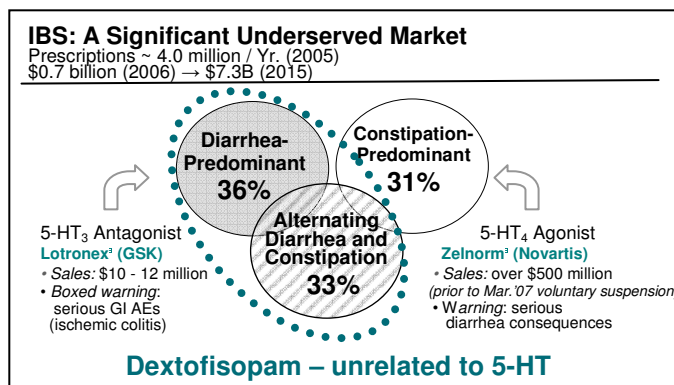
Dextofisopam for IBS

Dextofisopam, for the treatment of irritable bowel syndrome (IBS), is the R-enantiomer of racemic tofisopam, a molecule marketed and used safely outside the United States for over three decades for multiple indications including IBS. Dextofisopam represents a novel, first-in-class opportunity in an arena where there are few compounds with unique approaches or positive efficacy results. By structure, dextofisopam is a member of the homophthalazine class; it binds to specific receptors in the brain affecting autonomic function, including gastrointestinal function. Unlike the newer IBS therapies currently available, dextofisopam's novel non-serotonergic, brain-gut mechanism offers a unique and innovative approach to IBS treatment. IBS is a chronic, recurring condition with symptoms that affect roughly 10%-15% of U.S. adults (with similar rates in Europe and Japan) and is two to three times more prevalent in women than in men.

Dextofisopam has completed a statistically significant Phase 2a trial (N=141, p=0.033) and a Phase 2b trial (N=324) which did not meet the primary endpoint of overall adequate relief. Although the primary efficacy variable (% of weeks responding for adequate overall relief of IBS symptoms) did not reach statistical significance, the percentage responding for the Dextofisopam 200 mg group was higher than that observed for the Phase 2a trial. However, the placebo response rate was also higher than expected compared to the Phase 2a placebo response.

This result was similarly demonstrated across all other secondary efficacy variables associated with the adequate overall relief question. In all cases except in the first month, the response rates for the Dextofisopam 200 mg group were essentially the same as or in most cases better than the response rates observed for the Phase 2a trial.

Also, secondary response variables of adequate relief of abdominal pain and discomfort and overall IBS symptoms ratings showed statistical significance and trends favoring the Dextofisopam 200 mg group compared to placebo.



CB2 Receptor-Selective Agonists for Pain/Autoimmune Disease

Pharmos' cannabinoid research focus has been geared toward the development of selective and specific CB2 receptor agonists. PRS-639,058, the leading CB2-selective agonist in advanced preclinical testing, has demonstrated promising data in animal models of neuropathic pain. Compounds from Pharmos' CB2-selective library have completed pre-clinical studies targeting pain, multiple sclerosis, rheumatoid arthritis, inflammatory bowel disease and other disorders.

Pharmos closed its Rehovot, Israel operations in October 2008 and is not currently developing the CB2 assets which are available for sale or licensing.

Recent News

04/16/2012 Pharmos Corporation Reports 2012 First Quarter Results
04/05/2012 Pharmos Corporation Provides Update on Ongoing Clinical Trial
02/17/2012 Pharmos Corporation Reports Fourth Quarter and Full Year 2011 Results
01/10/2012 Pharmos Corporation Announces Dosing of First Patients in Clinical Trial
10/31/2011 Pharmos Corporation Reports 2011 Third Quarter Results
08/08/2011 Pharmos Corporation Reports 2011 Second Quarter Results
04/28/2011 Pharmos Corporation Reports 2011 First Quarter Results

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