



NASDAQ: PARS

Share Price (May 9, 2008):	\$0.47	Shares Outstanding:	25.8 M
52-Week High-Low:	\$1.65 - \$0.30	Market Cap:	\$12.1 M

Financial Results at March 31, 2008

Cash/Short Term Investments:	\$11.3 M
Working Capital:	\$10.0 M
Total Stockholders Equity:	\$ 6.6 M

Three months ended March 31, 2008

Loss from Operations:	\$3.6 M
Net Loss:	\$3.6 M
Net Loss per Share:	\$0.14
Weighted Ave. Shares Outstanding:	25.7 M

Investment Highlights

- Insiders invest \$4 million in January 2008 private placement
- Recent significant restructurings result in:
 - Transformation of Board and Management
 - Cost containment; tightened overhead
 - Optimized balance between cash resources and most promising R&D development programs
- Two compounds in clinical development
- Positioned for large commercial markets/unmet needs (IBS/pain)

Company Overview

Pharmos Corporation is a biopharmaceutical company that discovers and develops novel therapeutics to treat a range of diseases of the nervous system, including disorders of the brain-gut axis, with a focus on pain/inflammation and autoimmune disorders. The Company's lead product, dextofisopam, is being studied in a Phase 2b clinical trial in patients with irritable bowel syndrome (IBS). In a Phase 2a IBS study, dextofisopam demonstrated a statistically significant effect compared to placebo on the primary efficacy endpoint of adequate relief (n=141, p=0.033) and was very well tolerated. A second program in clinical development is Pharmos' proprietary NanoEmulsion cream drug delivery system formulated with NSAID diclofenac (3%), which is being studied in a Phase 2a trial as a pain medication in patients with knee osteoarthritis. Additionally, the Company has solid expertise and proprietary know-how in the discovery and development of synthetic cannabinoid compounds, especially CB2 receptor-selective (CB2-selective) agonists. PRS-639,058, the leading CB2-selective agonist, has demonstrated promising preclinical data in neuropathic pain. Various other CB2-selective compounds from Pharmos' library are in preclinical studies targeting pain, multiple sclerosis, rheumatoid arthritis, inflammatory bowel disease and other disorders.

Pipeline

	Preclinical	Phase 1	Phase 2	Phase 3	
Dextofisopam	Irritable Bowel Syndrome				
NanoEmulsion Diclofenac (drug delivery)	Osteoarthritis				
PRS-639,058 CB2 Agonist	Neuropathic Pain				
Other CB2 Agonists	Pain, Autoimmune				
Cannabinor CB2 Agonist	Inflammation / autoimmune*				} Not actively under development
PRS-013	Female Sexual Dysfunction				

*Non-pain indications

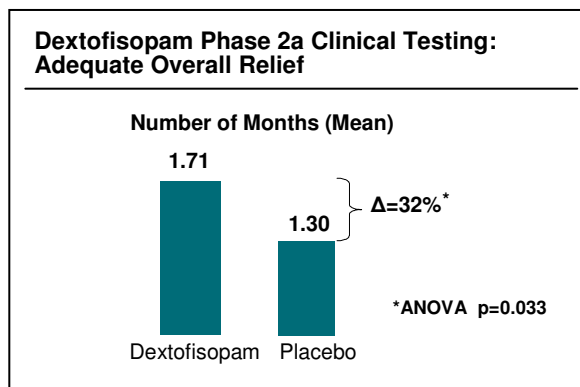
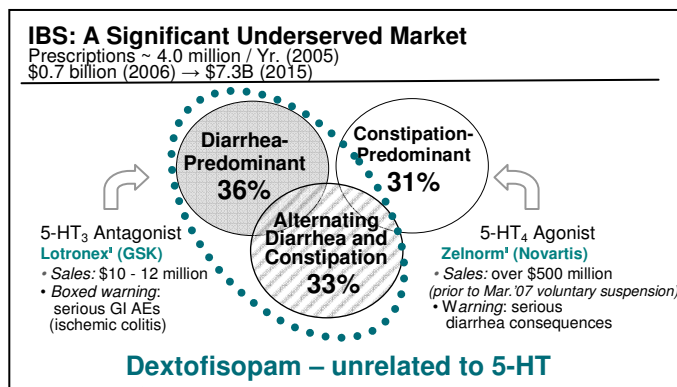
Statements made in this document related to the business outlook and future financial performance of Pharmos, to the prospective market penetration of its drug products, to the development and commercialization of its pipeline products and to its expectations in connection with any future event, condition, 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

Dextofisopam for IBS

Dextofisopam, currently being evaluated 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.

In a double-blind, placebo-controlled Phase 2a study in diarrhea-predominant or alternating IBS (IBS-d+a) patients, dextofisopam demonstrated a statistically significant improvement over placebo on "adequate relief" (n=141, p=0.033) and was well-tolerated. Positive effects were seen after 2 days and lasted the entire 12 weeks of treatment. This suggests that dextofisopam has the potential to become a firstline treatment for IBS. In June 2007, Pharmos commenced a Phase 2b trial of dextofisopam that is expected to enroll approximately 480 female IBS patients. Top-line data are anticipated in mid-2009.



NanoEmulsion Drug Delivery

Pharmos' proprietary NE drug delivery system is a solvent-free topical vehicle based on stable, submicron particles of oil-in-water emulsions with high solubilization capacity for water-insoluble compounds. Topical delivery of certain analgesic compounds is expected to improve the therapeutic window compared to oral administration. A Phase 2a study of NE-diclofenac in osteoarthritis patients is underway with data expected mid-2008.

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. In early 2007, Pharmos completed two Phase 2a clinical studies of the CB2-selective agonist cannabior as an analgesic. While overall results were disappointing, analgesic signals were observed in both studies and the compound was well-tolerated with no serious adverse effects. Pharmos will not continue with the development of cannabior for the treatment of pain, and the compound is now available for out-licensing for other indications. Other compounds from Pharmos' CB2-selective library are in pre-clinical studies targeting pain, multiple sclerosis, rheumatoid arthritis, inflammatory bowel disease and other disorders.

Recent News

- 05/08/2008 Pharmos Reports 2008 First Quarter Results
- 02/28/2008 Pharmos Reports 2007 Fourth Quarter and Year-end Results
- 01/03/2008 Pharmos Announces Board and Management Changes
- 01/03/2008 Pharmos Completes Initial Closing of Private Placement

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