PHARMOS

OTCBB – PARS.PK

Share Price (August 8, 2011):	$0.09	Shares Outstanding:	59.9 M
52-Week High-Low:	$0.06 - $0.14	Market Cap:	$ 5.4 M
Financial Results at June 30, 2011		**Six months ended June 30, 2011**	
Cash/Short Term Investments:	$ 2.1 M	Loss from Operations:	$1.1 M
Working Capital:	$ 2.0 M	Net Loss	$1.1 M
Total Stockholders' Equity:	$ 1.0 M	Net Loss per Share:	$0.02
		Weighted Ave. Shares Outstanding:	59.0 M

Investment Highlights

- 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 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, has completed clinical studies through Phase 2b 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. Although the Phase 2b trial did not reach statistical significance for the primary endpoint of overall relief, due to a higher than expected placebo response, drug activity was observed in all drug treatment groups.

Although not actively under development, 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. These CB2 related assets are available for sale or licensing.

Pipeline and Development Plan

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

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 is underway. Upon successful completion of the pre-clinical trial, the Company plans to conduct a proof-of-concept trial in the US in gout patients.

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.

Development Programs

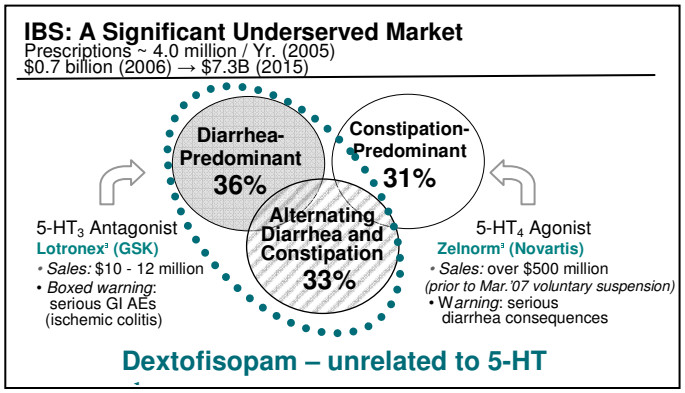
Dextofisopam for IBS

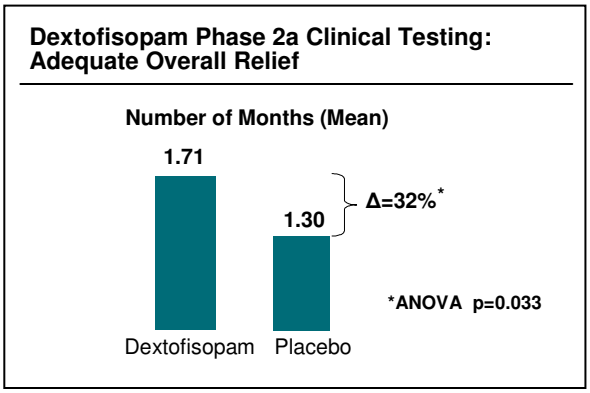
Dextofisopam, for the treatment of irritable bowel syndrome (IBS), is the R-enantiomer of racemic tofisopam, a molecule marketed and used safely outside the United States for over three decades for multiple indications including IBS. Dextofisopam represents a novel, first-in-class opportunity in an arena 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

08/08/2011 Pharmos Corporation Reports 2011 Second Quarter Results
04/28/2011 Pharmos Corporation Reports 2011 First Quarter Results
02/17/2011 Pharmos Corporation Reports Fourth Quarter and Full Year 2010 Results
10/27/2010 Pharmos Corporation Reports 2010 Third Quarter Results
08/04/2010 Pharmos Corporation Reports 2010 Second Quarter Results

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