PHARMOS

AUGUST 2011

S. Colin Neill
President & CFO

Safe Harbor Statement

This presentation includes information that may constitute "forward-looking statements." The use of words such as "believe," "expect," "intend," "estimate," "anticipate," "project," "will" and similar expressions identify forward-looking statements, which generally are not historical in nature. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future are forward-looking statements. As and when made, we believe that these forward-looking statements are reasonable. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from our company's historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, those described in Part I, "Item 1A. Risk Factors" on Form 10K for 2009 and those described from time to time in other reports filed with the Securities and Exchange Commission.

Pharmos Company Profile

Pharmos Corporation, (formerly known as Pharmatec, Inc.) a Nevada corporation, was incorporated under the laws of the State of Nevada on December 20, 1982. On October 29, 1992, Pharmatec, the Nevada Corporation, completed a merger with a privately help New York corporation known as Pharmos Corporation. The name of the post-merger Nevada corporation was changed to Pharmos Corporation. The Company trades under ticket symbol PARS.PK.

Until late 2008 Pharmos had significant operations in Israel. With the acquisition of Vela Pharmaceuticals that closed in October 2006 the Company has gone through a series of major changes:

- Company has closed all its operations in Israel
- The board and management has changed
- Employee headcount and G&A expenses substantially reduced

Only one compound is in active development. Dextofisopam for irritable bowel syndrome, diarrhea predominant patients, has completed two Phase 2 clinical studies. The Phase 2a (N=141, P=0.033) achieved statistical significance for the primary endpoint of overall adequate relief. While the Phase 2b trial (N=324) did not meet its primary endpoint, the trial clearly showed drug activity, especially at the 200 mg dose level.

The CB2 Selective Agonist Platform developed in Israel is available for sale or out licensing.

Pipeline and Development Plan

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.

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.

Strategy

- Pharmos is actively seeking partnership or other opportunities to further develop its assets.
- The Company is seeking to achieve a partnership with a pharmaceutical firm and/or raise additional capital. Additionally, the Company is exploring the feasibility of smaller trials using Dextofisopam in other therapeutic indications or commencing pre-clinical development on its other intellectual property assests.
- The Company continues to seek, sell or license other CB2 assets, including Cannabinor which was the only CB2 asset to enter human clinical trials.
- The Company also maintains a commitment to out-license proprietary technologies and products not consistent with our primary corporate focus. Assets involved are Tianeptine to treat IBS or functional dyspepsia and S-Tofisopam. In clinical studies, S-Tofisopam has been shown to lower uric acid and therefore may have the potential for development as a drug for gout.

The Company owns the rights to both R and S Tofisopam. Dextofisopam is the R enantiomer of racemic tofisopam.

Dextofisopam/IBS

Overview

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Dextofisopam Executive Summary

- The Indication: Irritable Bowel Syndrome (IBS)
  - One of the most common gastrointestinal disorders
  - No safe and effective treatments now and on the near horizon
  - A very large market opportunity
- Novel Mechanism of Action
  - A non-sedating, non-addicting "atypical" 2,3-benzodiazepine
  - Not 5-HT related
- New Data from Phase 2b Confirmed Efficacy Seen in Phase 2a
- Safety Profile
  - No SAE related to dextofisopam in all clinical trials to date
  - Does not cause constipation or diarrhea
  - Racemic tofisopam used safely for 30+ years
- Strong IP Position
  - COM until 2019 with functional exclusivity until 2022
  - Use in IBS pending
  - Manufacturing patents (2 granted, 1 pending) until 2026

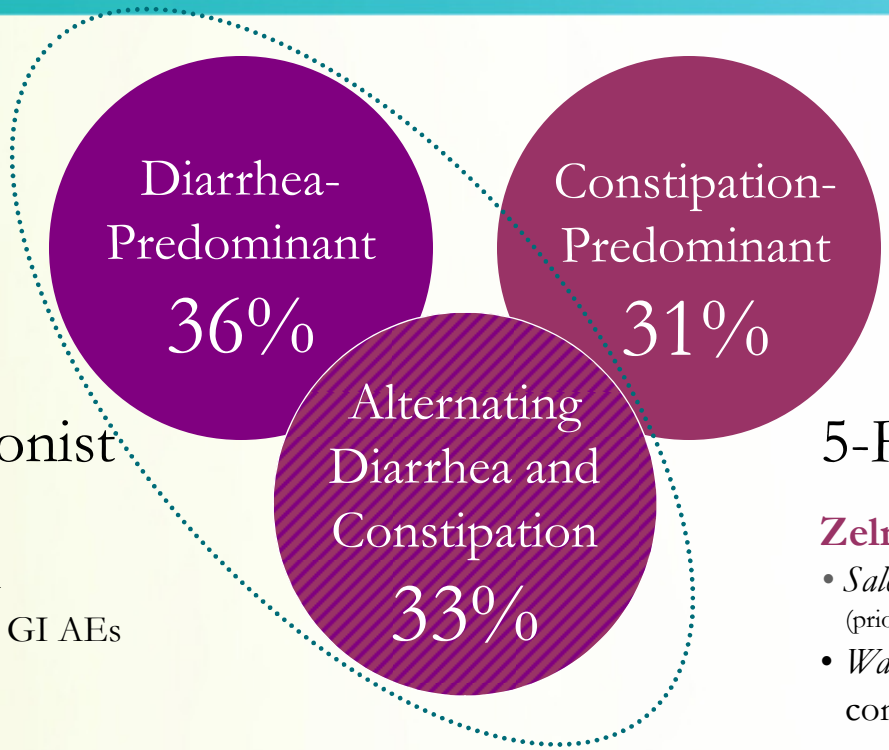
IBS: A Very Common Disorder

- Affects 10%-15% of U.S. population
  - ~ 36 million in U.S.
  - Similar rates in Europe, Japan
  - Women/men – 3:1 office visits ratio
- Second most common GI diagnosis made by physicians
  - 49% of all visits to GI docs are for IBS
- Estimated indirect costs (U.S.): $20 billion*
  - Life-altering even for mild cases

* American Gastrointestinal Association. The Burden of Gastrointestinal Diseases. Bethesda, MD: AGA Press, 2001.

IBS: A Significant Underserved Market

Prescriptions ~ 4.0 million / Yr. (2005)
$0.7 billion (2006) → $7.3B (2015)



5-HT_3 Antagonist

Lotronex® (GSK)

- *Sales:* $10 - 12 million
- *Boxed warning*: serious GI AEs (ischemic colitis)

5-HT_4 Agonist

Zelnorm® (Novartis)

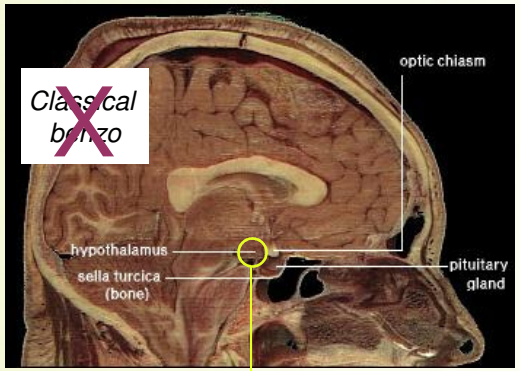
- *Sales:* over $500 million (prior to voluntary withdrawal in March 2007)
- *Warning:* serious diarrhea consequences

Dextofisopam – unrelated to 5-HT class

Dextofisopam:
Leading Asset in Development for IBS – d+a

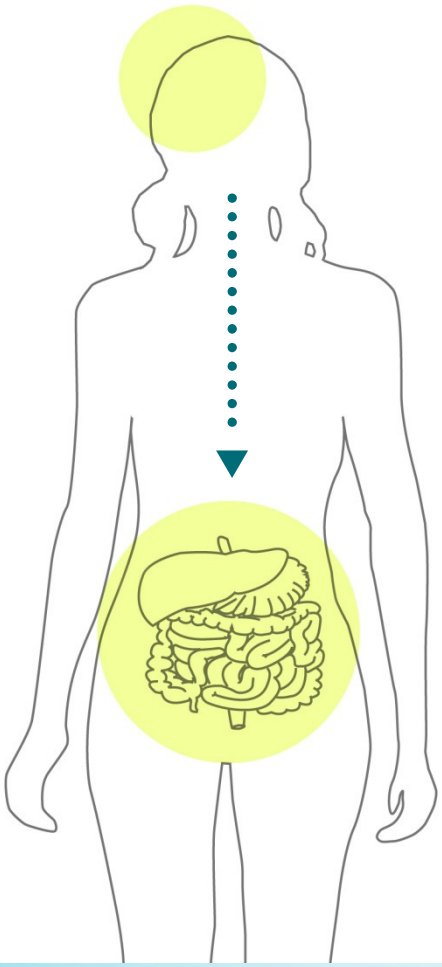
- Enantiomer of drug used safely for "autonomic disorders" including IBS treatment
- Novel mechanism – different from other IBS drugs
  - Older drugs (antispasmodics, antidiarrheals)
    - Peripherally-acting anticholinergics or opiates
    - Questionable efficacy, side effect issues
  - Newer drugs (Lotronex®, Zelnorm®)
    - Peripherally-acting serotonergics
    - Efficacious - but serious side effects
  - Dextofisopam
    - Central mechanism
    - Binds to receptors in brain areas modulating GI function
    - May normalize GI dysmotility
    - Also has broad anti-inflammatory properties

Dextofisopam:
Proposed MOA Well Suited for IBS – Dual Mechanism



Regulates autonomic tone at level of hypothalamus via atypical 2,3-BZ receptors

Anti-inflammatory



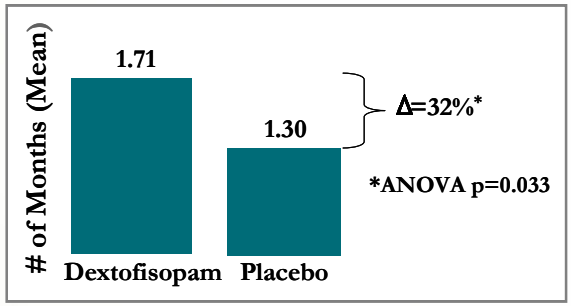
Dextofisopam: Positive Phase 2a data (N =141, P=0.033)

Phase 2a study design:

- Double-blind, placebo-controlled
- U.S. study, 33 sites
- 141 men and women with diarrhea-predominant or alternating IBS (IBS-d+a)
- 200 mg BID dextofisopam or placebo for 12 weeks

Dextofisopam: Positive Phase 2a Data

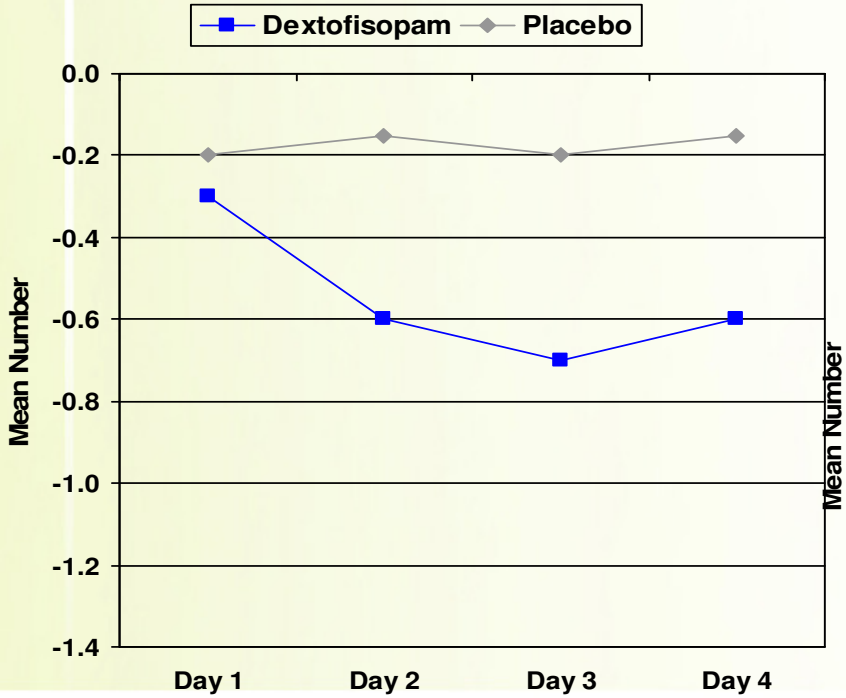
- Positive effect on primary outcome of "adequate relief"
  - 32% advantage vs. placebo
  - Statistically significant (p = 0.033)



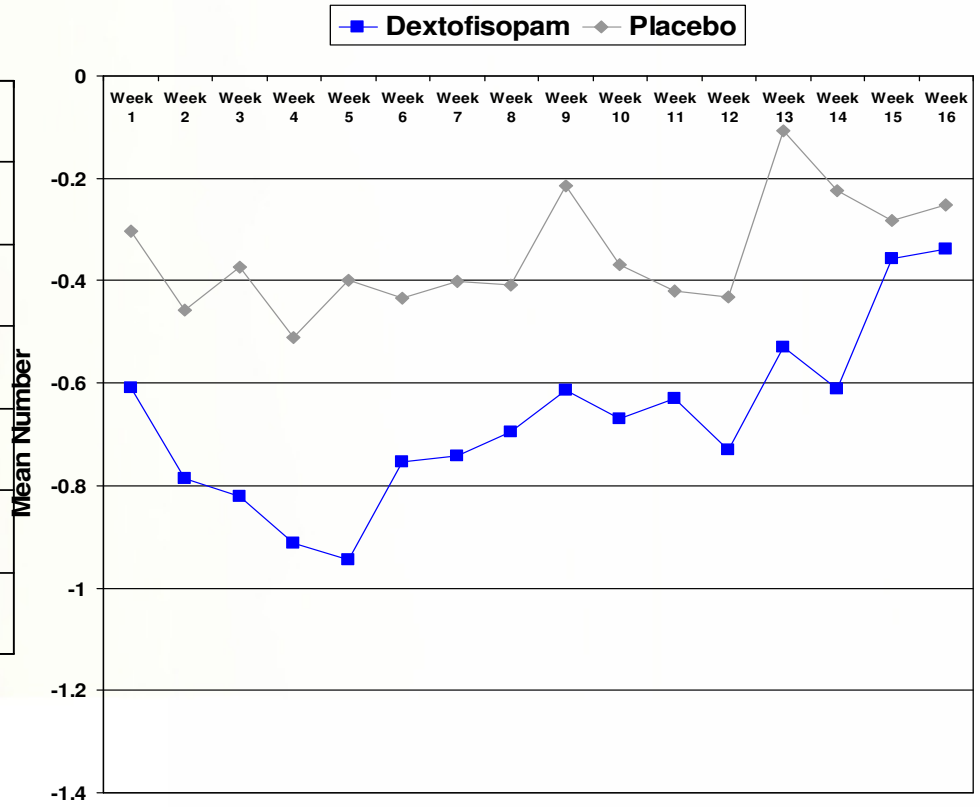
- Positive effect on key secondary efficacy endpoints
  - Decreased stool frequency and improved (hardened) stool consistency
  - Rapid patient response – by Day 2
- Well tolerated
  - AE rates similar for dextofisopam and placebo
  - Very low rates of constipation (3%), diarrhea (5%)
  - Very low rates of CNS-type side effects (3% dizziness, 2% somnolence)

Dextofisopam Phase 2a: Reduction in Stool Frequency - Fast and Lasting

DAILY STOOL FREQUENCY, CHANGE FROM BASELINE, DIARRHEA-PREDOMINANT PATIENTS, BY DAY, OC



DAILY STOOL FREQUENCY, MEAN CHANGE FROM BASELINE, DIARRHEA-PREDOMINANT, BY WEEK, LOCF



Dextofisopam Phase 2a: Well Tolerated

Percent Of Patients Experiencing Constipation Or Diarrhea as a side effect

Dextofisopam vs. Placebo

Event	Dextofisopam	Placebo
Constipation	2 (3.0%)	1 (1.4%)
Diarrhea	3 (4.5%)	2 (2.7%)

Dextofisopam: Phase 2a Study Publication

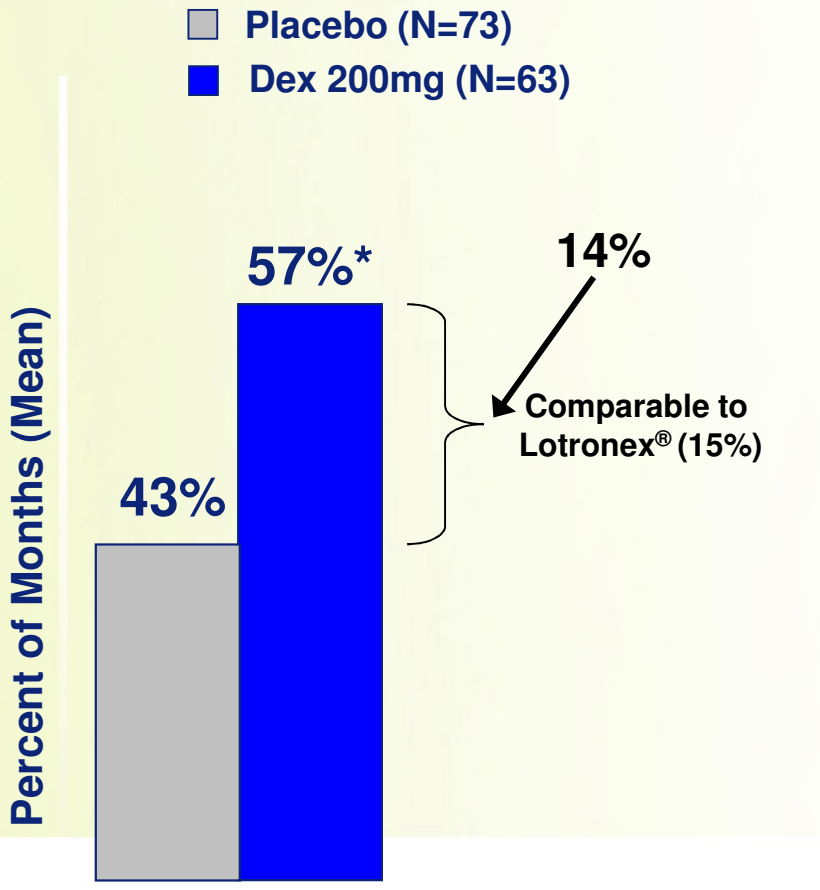
Phase 2a results published in the British Journal Alimentary Pharmacology & Therapeutics – January 2008 edition

Phase 2b IBS Study Also Used Standard Design

- Double-blind, randomized, multi-center (73 US sites)
- 100 mg, 200 mg, and 300 mg BID vs. placebo
- ~80 patients per group
- Adult women only
- Diarrhea-predominant or alternating-type IBS
- 2-week screening, 12-week treatment, 4-week follow-up
- Visits at weeks 4, 8, 12, and post-study
- Symptom data collected by interactive voice response system (IVRS)

Primary Endpoints: More Adequate Relief with Dextofisopam

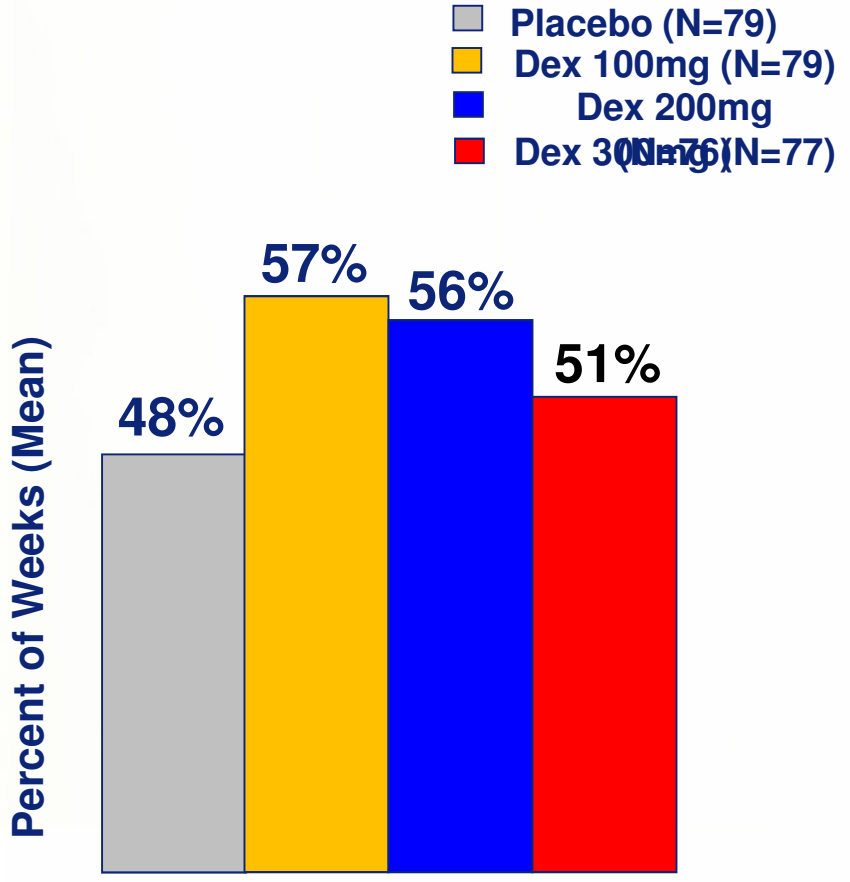
ADEQUATE OVERALL RELIEF, MEAN PERCENT OUT OF 3 MONTHS, LOCF



Phase 2a Study

*ANOVA p=0.033

ADEQUATE OVERALL RELIEF, MEAN PERCENT OUT OF 12 WEEKS, OC



Phase 2b Study

Board and Management

Board	Principal Investors
Anthony B. Evnin, Ph.D	Venrock Associates
Robert F. Johnston	Johnston Associates, Inc.
Charles W. Newhall III	New Enterprise Associates
Steven M. Leventer, Ph.D	

Management	Title
Robert F. Johnston	Executive Chairman
S. Colin Neill	President, CFO, Secretary & Treasurer

Selected Financial Data

At June 30, 2011

• Cash and short-term investments	$ 2,115,349
• Working capital	$ 2,039,370
• Shareholder's equity	$ 1,045,286

Six Months ended June 30, 2011

• Net loss	$ 1,103,561
• Net loss per share	$0.02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Thank You