May 16, 2011

Titan Pharmaceuticals Announces First Quarter 2011 Financial Results

Conference Call to Be Held May 19 at 10:00 a.m. PDT; Phase 3 Confirmatory Study Data On-Track for Second Quarter

SOUTH SAN FRANCISCO, CA -- (MARKET WIRE) -- 05/16/11 -- Titan Pharmaceuticals, Inc. (OTCBB: TTNP) today reported financial results for the first quarter ended March 31, 2011.

Total revenues for the first quarter of 2011 were $0.9 million, consisting of $0.7 million in royalties on net sales of Fanapt® and $0.2 million in grant revenues from the National Institutes of Health (NIH) in support of the ongoing confirmatory Phase 3 clinical study of Probuphine™ and the SBIR grant for Titan's proprietary ProNeura™ drug delivery technology.

Total operating expenses for the first quarter of 2011 were $4.5 million, compared with $2.6 million for the first quarter of 2010. The year-over-year increase in expenses resulted primarily from an increase of approximately $2.0 million in research and development (R&D) expense related to the Phase 3 clinical study of Probuphine currently in progress, which was offset in part by a decrease in general and administrative (G&A) expenses of $0.1 million.

Net loss for the first quarter of 2011 was $4.5 million or $0.08 per share compared with a net loss of $0.3 million or $0.01 per share for the first quarter of 2010.

At March 31, 2011, we had cash and cash equivalents of approximately $0.8 million. On April 5, 2011, we completed our transactions with entities affiliated with Deerfield Management for a loan of $20.0 million to the company. We used a portion of the proceeds received to repay the outstanding debt of $7.7 million to Oxford Finance Corporation and also paid a facility fee to Deerfield of $0.5 million. With the recently completed financing and the royalty revenues expected from the sales of Fanapt, we believe that we have sufficient cash resources to fund operations into the first quarter of 2012.

"We have continued to make excellent progress with the confirmatory Phase 3 study of Probuphine and are on target to announce top-line results before the end of the second quarter," said Sunil Bhonsle, President of Titan Pharmaceuticals. "Completion of the recent financing with Deerfield provides the resources to continue the clinical and manufacturing development of Probuphine, and the six month patient re-treatment study is progressing smoothly and will provide important safety data on patients treated for up to one year by the end of this year," he noted.

"This has been an important time period for the Company as we prepare for the upcoming events, and the board is in full support of the ongoing efforts," said Marc Rubin, M.D.,

Executive Chairman of Titan Pharmaceuticals. "Dr. Kate Beebe has provided outstanding leadership for the Probuphine clinical development program, and is highly respected by both the physician and patient communities. In recognition of Dr. Beebe's many important contributions, the board recently appointed her to the position of Executive Vice President and Chief Development Officer. We congratulate her as we continue with the important task of seeking partners for the future commercialization of Probuphine, and the possible opportunity to offer a meaningful therapeutic alternative to patients with the disease of opioid addiction," he added.

First Quarter 2011 Additional Financial Results

R&D expenses for the first quarter of 2011 were $3.7 million, compared with $1.7 million in the comparable period of 2010. The increase in R&D expense reflects the costs of conducting the Phase 3 clinical study of Probuphine and includes approximately $2.9 million of external expenses such as clinical research organization charges, investigator and patient-related clinical site expenses, and other associated costs. The remaining R&D expenses reflect internal operating costs such as personnel-related expenses, meeting and travel expenses and allocation of facility and corporate costs.

G&A expenses for the first quarter of 2011 decreased to $0.8 million from $0.9 million in the comparable period of 2010 primarily due to decreases in consulting and professional fees.

Probuphine: Recent and Upcoming Events

Probuphine is a novel formulation of buprenorphine that is capable of maintaining a stable, round the clock level of medicine in patients for six months following a single treatment. It is in Phase 3 development for the treatment of opioid addiction and Titan is currently conducting a confirmatory Phase 3 clinical study in the U.S. that is partially funded through a two-year $7.6 million NIH grant being administered by the National Institute on Drug Abuse (NIDA). Recent and upcoming events include the following:

-- Last patient treatment and follow-up in the confirmatory Phase 3 efficacy and safety study of Probuphine for the treatment of opioid addiction is complete, and top-line results are expected before the end of June 2011.

-- Patient enrollment is complete in the Phase 3 open label study for the re-treatment of patients who completed the controlled confirmatory study, and results of this study will be available before year end 2011.

-- A pre-NDA meeting with the Food and Drug Administration to review clinical and other support data is targeted for late in the third quarter of this year.

-- Upcoming scientific presentations:

- NIDA International Forum: Building International Collaborative Research on Drug Abuse, Hollywood, FL, June 2011
- International Society of Addiction Medicine annual meeting, Oslo, Norway, September 2011
- American Academy of Addiction Psychiatry, Scottsdale, AZ, December 2011

Conference Call

Titan management will host a live call and webcast on Thursday, May 19, 2011 at 10:00 a.m. PDT (1:00 p.m. EDT) to discuss our first quarter 2011 results and current corporate developments. The live webcast of the call may be accessed by visiting our website at www.titanpharm.com. The call can also be accessed by dialing 1-800-289-0508 Participant code: 1991632 five minutes prior to the start time. A replay of the call will be available on our website approximately two hours after completion of the call and will be archived for two weeks.

About Titan Pharmaceuticals

For information concerning Titan Pharmaceuticals, Inc., please visit the Company's website at www.titanpharm.com.

The press release may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements include, but are not limited to, any statements relating to the Company's development program and any other statements that are not historical facts. Such statements involve risks and uncertainties, including, but not limited to, those risks and uncertainties relating to difficulties or delays in development, testing, regulatory approval, production and marketing of the Company's drug candidates, adverse side effects or inadequate therapeutic efficacy of the Company's drug candidates that could slow or prevent product development or commercialization, the uncertainty of patent protection for the Company's intellectual property or trade secrets, and the Company's ability to obtain additional financing. Such statements are based on management's current expectations, but actual results may differ materially due to various factors, including those risks and uncertainties mentioned or referred to in this press release.

TITAN PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amount)

	Three Months Ended March 31,	
	2011	2010
	(unaudited)	
Revenue:		
Royalty revenues	$ 716	$ 1,653
Grant revenue	232	761
License revenue	-	11
Total revenue	948	2,425
Operating expenses:		
Research and development	3,738	1,670
General and administrative	793	935
Total operating expenses	4,531	2,605
Loss from operations	(3,583)	(180)
Other expense	(929)	(125)
Net loss	$ (4,512)	$ (305)

Basic and diluted net loss per share	$ (0.08)	$ (0.01)
Weighted average shares used in computing basic and diluted net loss per share	59,248	59,248

CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	March 31, 2011	December 31, 2010
	(unaudited)	(Note A)
Assets		
Cash and cash equivalents	$ 800	$ 3,180
Receivables	2,155	1,225
Prepaid expenses and other current assets	220	294
Total current assets	3,175	4,699
Furniture and equipment, net	43	53
	$ 3,218	$ 4,752
Liabilities and Stockholders' Equity		
Current liabilities	$ 8,714	$ 5,405
Long-term debt	4,930	5,400
Stockholders' deficit	(10,426)	(6,053)
	$ 3,218	$ 4,752

Note A: The year end condensed balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America.

CONTACT:
Titan Pharmaceuticals, Inc.
Sunil Bhonsle
650-244-4990
President

Pure Communications
Dan Budwick
973-271-6085
dan@purecommunicationsinc.com

Source: Titan Pharmaceuticals, Inc.