August 16, 2010

Titan Pharmaceuticals Announces Second Quarter 2010 Financial Results

Conference Call Tomorrow at 11:00 a.m. PDT

SOUTH SAN FRANCISCO, Calif., Aug. 16 /PRNewswire-FirstCall/ -- Titan Pharmaceuticals, Inc. (OTC Bulletin Board: TTNP) today reported financial results for the second quarter ended June 30, 2010.

Total revenues for the second quarter of 2010 were $1.34 million, consisting primarily of grant and royalty revenues. Grant revenue from the National Institutes of Health (NIH) in support of the Phase 3 clinical study of Probuphine® was approximately $1.29 million, while royalty revenue received from Novartis on net sales of Fanapt® was approximately $ 55,000.

Total operating expenses for the second quarter of 2010 were approximately $3.07 million, compared with $1.77 million for the second quarter of 2009. The year-over-year increase in expenses resulted primarily from an increase of approximately $1.68 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 during the 2010 quarter of $0.38 million due primarily to lower non-cash stock compensation expenses.

Net loss for the second quarter of 2010 was approximately $1.84 million or $0.03 per share compared with a net loss of $1.74 million or $0.03 per share for the second quarter of 2009.

At June 30, 2010, we had cash and cash equivalents of $1.45 million. We believe that our working capital at June 30, 2010, together with proceeds from the NIH grants, in light of faster than expected patient enrollment in the Probuphine clinical study, will be sufficient to sustain our planned operations into November 2010.

"During this quarter we made excellent progress with the confirmatory Phase 3 clinical study of Probuphine which continues to rapidly enroll patients, and we also received the U.S. patent covering Probuphine for the treatment of opioid addiction which provides protection until April 2024," said Sunil Bhonsle, President of Titan Pharmaceuticals. "In addition to our ongoing royalty revenues, we will require additional capital to support the Probuphine development program, and we continue to explore a range of options to access additional funding," he noted.

"The Probuphine clinical study is ahead of schedule and the board fully supports the plans to maintain this important progress," said Marc Rubin, MD, Executive Chairman of Titan Pharmaceuticals. "We are thankful for the support we have received from the NIH's National Institute on Drug Abuse and continue to be encouraged by the enthusiasm of the investigators and their staff in conducting this study," he added.

Second Quarter 2010 Additional Financial Results

R&D expenses for the second quarter of 2010 were approximately $2.06 million, compared with approximately $0.38 million in the second quarter of 2009. The increase in R&D expense primarily reflects the costs of conducting the Phase 3 clinical study of Probuphine and includes $1.6 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 second quarter of 2010 decreased to approximately $1.01 million from approximately $1.39 million in the comparable period of 2009 primarily due to decreases in non-cash stock compensation costs of approximately $0.8 million offset in part by increases in legal and consulting and professional fees of approximately $0.5 million.

Probuphine: Recent and Upcoming Events

Probuphine is a novel formulation of buprenorphine designed to provide six months of continuous drug delivery with a single administration. It is in Phase 3 development by Titan for the treatment of opioid addiction and we are currently conducting a confirmatory Phase 3 clinical study in the U.S. which 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:

- As recently announced, patient enrollment in the Phase 3 study is three months ahead of the original schedule and is expected to be completed in the next few weeks, with study completion expected in early second quarter 2011 with results available in late second quarter 2011.
- Upcoming scientific presentations of Probuphine data:
  - International Society of Addiction Medicine (ISAM), October 2010, Milan, Italy (Probuphine symposium co-sponsored with NIDA)
  - Society for Neuroscience (SfN), November 2010, San Diego, CA (Therapeutic area symposium)

Conference Call Tomorrow

Titan management will host a live call and webcast tomorrow, Tuesday, August 17, at 11:00 a.m. PDT (2:00 p.m. EDT) to discuss our second quarter 2010 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- 800-860-2442 (U.S.) or +1-412-858-4600 (International) 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.

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TITAN PHARMACEUTICALS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(in thousands, except per share amount)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2010	2009	2010	2009
	(unaudited)		(unaudited)	
Revenue:				
Grant revenue	$ 1,287	$ -	$ 2,048	$ -
Royalty revenue	55	-	1,708	-
License revenue	-	29	11	52
Total revenue	1,342	29	3,767	52
Operating expense:				
Research and				

development	2,056	376	3,726	1,032
General and administrative	1,012	1,393	1,947	1,847
Total operating expense	3,068	1,769	5,673	2,879
Loss from operations	(1,726)	(1,740)	(1,906)	(2,827)
Other income (expense)	(120)	5	(245)	2
Net loss	$ (1,846)	$ (1,735)	$ (2,151)	$ (2,825)
Basic and diluted net loss per share	$ (0.03)	$ (0.03)	$ (0.04)	$ (0.05)
Weighted average shares used in computing				
basic and diluted net loss per share	59,248	58,288	59,248	58,288

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)

	June 30, 2010 (unaudited)	December 31, 2009 (Note A)
Assets		
Cash and cash equivalents	$ 1,452	$ 3,300
Accounts receivable	381	66
Prepaid expenses and other current assets	179	250
Total current assets	2,012	3,616
Furniture and equipment, net	74	110

	$ 2,086	$ 3,726
Liabilities and Stockholders' Equity		
Current liabilities	$ 2,392	$ 1,547
Long-term debt	1,841	2,386
Non-controlling interest	1,241	1,241
Stockholders' deficit	(3,388)	(1,448)
	$ 2,086	$ 3,726

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.

SOURCE Titan Pharmaceuticals, Inc.