May 17, 2010

Titan Pharmaceuticals Announces First Quarter 2010 Financial Results

Conference Call Tomorrow at 10:00 a.m. PDT

SOUTH SAN FRANCISCO, Calif., May 17 /PRNewswire-FirstCall/ -- Titan Pharmaceuticals, Inc. (Pink Sheets: TTNP) today reported financial results for the first quarter ended March 31, 2010.

Total revenues for the first quarter of 2010 were $2.4 million consisting primarily of royalty and grant revenues. The first quarter marked a key milestone for Titan with the commercial launch of Fanapt™ in the U.S. by Novartis, which generated $1.7 million in royalty revenue for Titan. Grant revenue from the National Institutes of Health (NIH) in support of the Phase 3 clinical study of Probuphine® was $0.7 million.

Total operating expenses for the first quarter of 2010 were $2.6 million, compared with $1.1 million for the first quarter of 2009. The year-over-year increase in expenses resulted primarily from the increased research and development (R&D) expense related to the Phase 3 clinical study of Probuphine® currently in progress, and also an increase in general and administrative (G&A) expense associated with the commencement of operations and re-registration of the Company with the SEC.

Net loss for the first quarter of 2010 was $0.3 million or $0.01 per share, compared with a net loss of $1.1 million or $0.02 per share for the first quarter of 2009.

At March 31, 2010, the Company had cash and cash equivalents of $1.6 million. Additionally, the royalty and grant revenue to Titan of $2.4 million, which is included in the total accounts receivable at the end of the first quarter, has subsequently been received by Titan.

"During this quarter we have been successful in initiating the confirmatory Phase 3 clinical study of Probuphine and also re-registering the company with the SEC," said Sunil Bhonsle, President of Titan Pharmaceuticals. "We will continue to make efficient use of our limited resources, and we look forward to further progress in the Probuphine development program," he concluded.

"The board is pleased with the progress made by the Company, especially the continuation of the Probuphine development program," said Marc Rubin, MD, Executive Chairman of Titan Pharmaceuticals. "We are thankful for the support we have received from NIDA, and for the support and encouragement we have received from leaders working in the field of addiction medicine. We believe that Probuphine has the potential to provide a safe, effective, and important new treatment option for patients with opioid addiction," he added.

First Quarter 2010 Additional Financial Results

R&D expenses for the first quarter of 2010 were approximately $1.7 million, compared with approximately $0.7 million in the first quarter of 2009. The increase in R&D expenses primarily reflects the costs of commencing the Phase 3 clinical study of Probuphine and includes $1 million of external expenses such as clinical research organization charges, investigator and review board fees, investigator meeting and other associated expenses. 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 2010 increased to approximately $0.9 million from approximately $0.5 million in the comparable period of 2009 primarily due to the activities of reestablishing administrative operations and the filing of Titan's Form 10 registration statement with the SEC. The associated expenses include non-cash stock compensation costs, legal fees and consulting and professional fees.

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 the Company is 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:

- In March 2010 Titan announced the initiation of a randomized, placebo and active controlled multicenter Phase 3 clinical study of Probuphine in the treatment of opioid addiction. This study is designed to confirm the safety and effectiveness of treatment with Probuphine versus placebo in reducing the use of illicit opioids over the 24 week treatment period, and also to perform a non-inferiority comparison of Probuphine with Suboxone® which is the widely used sublingual formulation of buprenorphine approved for the treatment of opioid addiction. This 250 patient three arm study is currently enrolling patients at 10 sites and by the end of the second quarter is expected to have 23 active sites.
- Patient enrollment in the Phase 3 study is expected to be completed by the end of 2010 and study completion is expected in early Q3 2011, with results being available soon thereafter.
- On November 30, 2009, Titan received from the United States Patent and Trademark Office (USPTO) a Notice of Allowance for Titan's U.S. patent application directed to the use of Probuphine for the treatment of opiate addiction. According to the USPTO, the patent is projected to issue within the next two to three months. The patent term will be extended by the total number of days between April 30, 2010 and the actual date of issuance.

Conference Call Tomorrow

Titan management will host a live call and webcast tomorrow, Tuesday, May 18, at 10:00 a.m. PDT (1:00 pm EDT) to discuss the Company's first quarter 2010 results and current corporate developments. The live webcast of the call may be accessed by visiting the Company's website at www.titanpharm.com. The call can also be accessed by dialing 800-762-7308 (domestic) or 480-629-9025 (international) five minutes prior to the start time. A

replay of the call will be available on the Titan 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 March 31,	
	2010	2009
Revenue:		
Royalty revenues	$ 1,653	$ -
Grant revenue	761	-

License revenue	11	23
Total revenue	2,425	23
Operating expenses:		
Research and development	1,670	656
General and administrative	935	454
Total operating expenses	2,605	1,110
Loss from operations	(180)	(1,087)
Other expense	(125)	(3)
Net loss	$ (305)	$ (1,090)
Basic and diluted net loss per share	$ (0.01)	$ (0.02)
Weighted average shares used in computing basic and diluted net loss per share	59,248	58,288

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)

	March 31, 2010	December 31, 2009
Assets		
Cash and cash equivalents	$ 1,643	$ 3,300
Accounts receivable	5,514	66
Prepaid expenses and other current assets	205	250
Total current assets	7,362	3,616
Furniture and equipment, net	88	110
	$ 7,450	$ 3,726
Liabilities and Stockholders' Deficit		

Current liabilities	$ 5,707	$ 1,547
Long-term debt	2,118	2,386
Non-controlling interest	1,241	1,241
Stockholders' deficit	(1,616)	(1,448)
	$ 7,450	$ 3,726

SOURCE Titan Pharmaceuticals, Inc.