October 13, 2009

Novartis Pharma Acquires Exclusive Rights From Vanda Pharmaceuticals for Commercialization of Fanapt(TM) in the United States and Canada

SOUTH SAN FRANCISCO, Calif.-- Titan Pharmaceuticals, Inc (Pink Sheets:TTNP) today announced that Vanda Pharmaceuticals, Inc. (NASDAQ:VNDA) reported its entry into an exclusive agreement with Novartis Pharma AG to commercialize and develop Fanapt(TM) (iloperidone) in the U.S. and Canada. Fanapt(TM), an atypical anti-psychotic, was approved by the U.S. Food and Drug Administration earlier this summer for the acute treatment of schizophrenia in adults. The U.S. anti-psychotic market is approximately $14 billion a year.

Under the terms of its sublicense agreement with Novartis, Titan is entitled to receive royalties on global net sales of Fanapt(TM) equal to 8% on annual net sales up to $200 million, and 10% on annual net sales above $200 million. Titan incurs no ongoing expenses associated with this potential future income.

Vanda stated that under an amended and restated agreement of the parties, Novartis will have exclusive commercialization rights to Fanapt(TM) for the U.S. and Canada, and make an upfront payment of $200 million to Vanda and a royalty on net sales in this territory. Vanda also has the potential to receive additional payments totaling up to $265 million upon the achievement of certain development and commercial milestones for Fanapt(TM) in the U.S. and Canada. Novartis will be responsible for the further clinical development activities in these territories, including the development and commercialization of a long-acting injectable (or depot) formulation of Fanapt(TM). Novartis also has the option to enter into good faith discussions relating to an agreement for the co-commercialization of Fanapt(TM) outside of the U.S. and Canada.

"We are very pleased that Fanapt(TM) will be commercialized in the US and Canada by Novartis Pharma, an experienced top tier pharmaceutical company with expertise in this area and extensive knowledge of the drug from its prior involvement in the development process," said Sunil Bhonsle, President of Titan.

"Fanapt(TM) will provide an important new option for patients with schizophrenia and the physicians who treat them. Development of the depot formulation should provide an additional important tool in the armamentarium for treatment of schizophrenic patients," added Marc Rubin, MD, Executive Chairman of Titan.

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.

Source: Titan Pharmaceuticals, Inc.