May 11, 2012

Titan Pharmaceuticals Announces First Quarter 2012 Financial Results

Titan Management Team to Host Conference Call May 16 at 1 p.m. ET / 10 a.m. PT

SOUTH SAN FRANCISCO, CA -- (Marketwire) -- 05/11/12 -- Titan Pharmaceuticals, Inc. (OTCBB: TTNP) today reported financial results for the first quarter ended March 31, 2012.

Total revenues for the first quarter were approximately $1.3 million, compared to $0.9 million for the comparable period in 2011. First quarter 2012 revenues consisted primarily of $1.2 million in royalties on net sales of Fanapt®, which will be paid by Titan to Deerfield Management Company L.P. in accordance with the terms of the agreements entered into during 2011. First quarter 2012 revenues also included $42,000 in grant revenues from the National Institutes of Health (NIH) Small Business Innovation Research (SBIR) grant for Titan's proprietary ProNeura™ drug delivery technology.

Total operating expenses for first quarter 2012 were approximately $4.8 million, compared with approximately $4.5 million for the first quarter 2011, and consisted primarily of research and development (R&D) expenses of $3.1 million, compared to approximately $3.7 million for the comparable period in 2011. This decrease was primarily associated with the completion of the Phase 3 clinical trials of Probuphine. General and administrative (G&A) expenses totaled approximately $1.7 million, compared to approximately $0.8 million for the first quarter 2011. The increase in G&A expenses was primarily related to a one-time non-cash stock compensation expense incurred in the first quarter of 2012.

Net loss applicable to common stockholders for the first quarter 2012 was approximately $5.2 million, or approximately $0.09 per share, compared to a net loss of approximately $4.5 million, or $0.08 per share, for the comparable period in 2011.

At March 31, 2012, Titan had cash of approximately $2.3 million, compared to approximately $5.4 million at December 31, 2011. On April 9, 2012 Titan completed a registered direct offering, which provided an additional $5.0 million in capital net of fees and expenses. Titan believes that its current working capital will be sufficient to sustain planned operations into the fourth quarter of 2012, including the preparation and submission of the New Drug Application (NDA) for Probuphine in patients with opioid dependence.

"The additional financing in April was important to maintain progress with our Probuphine program and we continue to be on-track to complete and submit our NDA with the U.S. Food and Drug Administration (FDA) in September," said Sunil Bhonsle, President of Titan Pharmaceuticals. "We are equally focused on advancing our ongoing partnering discussions for the potential commercialization of Probuphine to bring this novel treatment option for opioid dependence to patients."

Probuphine: Program Update

Probuphine™ is a novel formulation of buprenorphine, capable of delivering continuous and persistent, around the clock blood levels of the medicine for six months following a single treatment, enhancing patient compliance and retention. The safety and effectiveness of treatment with Probuphine has been demonstrated in several clinical studies conducted to date, including a 163-patient placebo-controlled study which demonstrated clinically meaningful and statistically significant treatment with Probuphine over a 24-week period and was published in the Journal of the American Medical Association (JAMA), and a confirmatory study of 287 patients that showed statistically significant efficacy versus placebo and non-inferiority with a currently marketed sublingual formulation of buprenorphine, Suboxone®. In December 2011, Titan announced the regulatory guidance received from the FDA following the pre-NDA meeting, which confirmed that the data generated from the Probuphine clinical studies already completed and in process would be sufficient for submission of the NDA via the 505(b)(2) pathway and no new additional clinical testing was necessary. Additionally, the FDA provided clear guidance on the requirements for the Chemistry, Manufacturing, Controls (CMC) section of the NDA as well as submission requirements for the NDA to be considered for a Priority Review.

In February 2012, Titan announced the results of an open-label, six-month safety re-treatment study (PRO-811) of patients with opioid dependence who previously completed a full six months of treatment in Titan's confirmatory Phase 3 clinical trial of Probuphine. In the 85 patients enrolled in this re-treatment study, Probuphine was shown to be well-tolerated, including the implant insertion and removal procedures, with a low incidence of adverse events and an overall safety profile similar to that observed in the Phase 3 confirmatory trial.

Titan has engaged the services of a seasoned contract research organization to support and manage the NDA preparation and electronic submission process, and continues to work closely with the contract manufacturing organization and several consultants to complete all the work in a timely manner. The commercial scale contract manufacturing facility expansion is on schedule with installation of the air-handling equipment and assembly of the modular clean room shell completed while the internal utilities and other requirements are currently in process. The initial qualification of the manufacturing equipment has commenced in preparation for the commercial scale manufacturing capability later this summer. Preparation of the clinical and non-clinical sections of the NDA is also proceeding as planned. The additional testing required to generate data requested by the FDA as part of the CMC section continues to progress on schedule and the NDA is expected to be ready for submission in September 2012.

Conference Call

Titan management will host a live conference call at 1 p.m. ET / 10 a.m. PT on Wednesday, May 16, 2012 to provide the Company's financial results as of March 31, 2012 and discuss its Phase 3 Probuphine program. Participating on the call will be Mr. Bhonsle, Dr. Rubin, Katherine Beebe, Ph.D., Executive Vice President and Chief Development Officer, and Brian Crowley, Vice President of Finance.

The live webcast of the call may be accessed by visiting the Titan website at www.titanpharm.com. The call can also be accessed by dialing 888-329-8877, Participant code: 4735113 five minutes prior to the start time. A replay of the call will be available on the Company 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 STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except per share amount)
(unaudited)

	Three Months Ended March 31,	
	2012	2011
Revenue:		
Royalty revenue	$ 1,228	$ 716
Grant revenue	42	232
Total revenue	1,270	948
Operating expenses:		
Research and development	3,069	3,738
General and administrative	1,733	793
Total operating expenses	4,802	4,531
Loss from operations	(3,532)	(3,583)
Other expense, net	(1,631)	(929)
Net loss and comprehensive loss applicable to common stockholders	$ (5,163)	$ (4,512)
Basic and diluted net loss per share	$ (0.09)	$ (0.08)
Weighted average shares used in computing basic and diluted net loss per share	59,387	59,248

CONDENSED BALANCE SHEETS
(in thousands)
(unaudited)

	March 31, 2012	December 31, 2011
Assets		
Cash	$ 2,308	$ 5,406
Receivables	3,531	3,720
Prepaid expenses and other current assets	898	836
Total current assets	6,737	9,962
Property and equipment, net	772	255
	$ 7,509	$ 10,217
Liabilities and Stockholders' Deficit		
Current liabilities	$ 5,887	$ 5,123
Warrant liability	3,627	3,611
Royalty liability	9,476	9,309
Long-term debt	12,209	12,253
Stockholders' deficit	(23,690)	(20,079)
	$ 7,509	$ 10,217

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