August 13, 2014

Titan Pharmaceuticals Announces Second Quarter 2014 Financial Results

Titan Management Team to Host Conference Call Aug. 14 at 10 a.m. PT / 1 p.m. ET

SOUTH SAN FRANCISCO, CA -- (Marketwired) -- 08/13/14 -- Titan Pharmaceuticals, Inc. (OTCBB: TTNP), a specialty pharmaceutical company developing proprietary therapeutics for the treatment of opioid dependence and other serious medical disorders, today reported financial results for the second quarter ended June 30, 2014.

Titan generated total revenue in the second quarter of 2014 of approximately $0.9 million, compared with approximately $2.2 million in the second quarter of 2013. Revenue earned during the quarters ended June 30, 2014 and 2013 reflects the amortization of the upfront license fee received from development and commercialization partner Braeburn Pharmaceuticals in December 2012.

Total operating expenses for the quarter ended June 30, 2014 were approximately $1.5 million, compared with approximately $2.5 million in the same quarter in 2013. These expenses consisted primarily of research and development (R&D) expenses of approximately $0.7 million, compared with approximately $1.8 million in the second quarter of 2013, a decrease of approximately $1.1 million or 61 percent. The decrease in R&D costs was due to lower external R&D expenses related to the Probuphine® product development program and preparation and review of the new drug application (NDA) for Probuphine with the U.S. Food and Drug Administration. General and administrative (G&A) expenses for the second quarter of 2014 remained relatively flat compared with the same period in 2013, with Titan reporting approximately $0.7 million in G&A expenses in both periods.

Net other expense for the second quarter of 2014 was approximately $0.3 million, which was primarily related to non-cash losses on changes in the fair value of warrants. This compared with net other income of approximately $5.4 million in the same quarter of 2013, which was primarily related to non-cash gains on the changes in the fair value of warrants. Net loss for the second quarter of 2014 was approximately $0.8 million, or approximately $0.01 per share, compared with net income of approximately $5.1 million, or approximately $0.06 per share in the same quarter in 2013.

At June 30, 2014, Titan had cash of approximately $8.9 million, which is expected to be sufficient to fund planned operations into June 2015.

"Titan made significant progress in all areas of our business during the second quarter. Our partner Braeburn Pharmaceuticals completed the preparations necessary to begin the Phase 3 trial of Probuphine and last month we announced first patient enrollment in that trial, which we expect will pave the way for resubmission of our New Drug Application in late

2015," said Titan Pharmaceuticals President Sunil Bhonsle. "We have also made good progress towards developing an optimal product formulation from our long-term delivery system ProNeura™ for the treatment of Parkinson's disease, and continue to have substantive discussions with our scientific advisors to solidify the development plans. Importantly, this quarter we secured additional intellectual property protection for that program. We plan to file an investigational new drug application for ProNeura for Parkinson's in 2015."

Recent highlights include:

- On July 21, Titan announced first patient enrollment in the Phase 3 clinical trial of Probuphine, the company's investigational subdermal implant for the maintenance treatment of opioid dependence. The study, which is expected to be completed by the middle of 2015, is designed to address key questions posed by the U.S. Food and Drug Administration (FDA) in its complete response letter last year after review of the original NDA.
- On June 9, Titan announced that it received a Notice of Allowance from the U.S. Patent and Trademark Office for a patent application covering the sustained release of dopamine agonists utilizing ProNeura™, the company's proprietary long-term drug delivery technology. The patent provides intellectual property protection for the company's development program of ProNeura for Parkinson's disease and carries a patent term to at least 2024.

"With the Phase 3 trial of Probuphine enrolling on schedule and plans under way for the development of ProNeura for Parkinson's disease, Titan is well positioned for future growth," said Marc Rubin, M.D., executive chairman of Titan. "The board is extremely encouraged by the progress Titan is making, and we look forward to developing treatments using ProNeura, our proprietary long-term delivery technology, for select chronic diseases for which steady state delivery of a drug provides an efficacy and/or safety benefit."

About Probuphine®

Probuphine is an investigational subdermal implant designed to deliver continuous, around-the-clock blood levels of buprenorphine for six months following a single treatment, and to simplify patient compliance and retention. Buprenorphine, an approved agent for the treatment of opioid dependence, is currently available in the form of daily dosed sublingual tablets and film formulations, with reported 2012 sales of approximately $1.5 billion in the United States.

Probuphine was developed using ProNeura™, Titan's continuous drug delivery system that consists of a small, solid implant made from a mixture of ethylene-vinyl acetate (EVA) and a drug substance. The resulting construct is a solid matrix that is placed subdermally, normally in the upper arm in a simple office procedure, and removed in a similar manner at the end of the treatment period. The drug substance is released slowly and continuously through the process of dissolution resulting at a steady rate of release.

The efficacy and safety of Probuphine has been studied in several clinical trials, including a 163-patient, placebo-controlled study over a 24-week period (published in the *Journal of the American Medical Association* (JAMA)), and a follow-on study of 287 patients (published in the journal *Addiction*). Probuphine is currently being tested in an additional Phase 3 study

sponsored by our partner Braeburn Pharmaceuticals, and upon completion in mid-2015 the data from this study is expected to support the resubmission of the New Drug Application later that year.

ProNeura™ Technology

Probuphine is the first product to utilize Titan's proprietary, long-term drug delivery technology, ProNeura, which has the potential to be used in developing products for the treatment of other chronic conditions. In July 2012, Titan announced that it had successfully completed preclinical investigation into the feasibility of a long-term, around-the-clock, non-fluctuating dopamine agonist treatment for Parkinson's disease, where maintaining stable, around-the-clock blood levels of dopamine agonists may benefit the patient and improve medical outcomes. Titan has been issued patents covering certain dopamine agonist implants in Europe, Japan, Australia, Canada, South Korea, Mexico, New Zealand, South Africa, and Hong Kong and received notice of allowance in the U.S., while prosecution of patent applications continues in Israel, India and China.

Conference Call

Titan Pharmaceuticals, Inc. (OTCBB: TTNP) will host a live conference call at 10 a.m. PT / 1 p.m. ET on Thursday, Aug. 14, 2014 to discuss the company's financial results as of June 30, 2014. The call will be hosted by Sunil Bhonsle, president; Katherine Glassman-Beebe, Ph.D., executive vice president and chief development officer; Brian Crowley, vice president of finance, and Marc Rubin, M.D., executive chairman.

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 888-637-7707, participant code 8273007, 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

Titan Pharmaceuticals Inc. (OTCBB: TTNP), based in South San Francisco, CA, is a specialty pharmaceutical company developing proprietary therapeutics primarily for the treatment of serious medical disorders. The company's lead product candidate is Probuphine®, a novel and long-acting formulation of buprenorphine for the long-term maintenance treatment of opioid dependence. Probuphine employs Titan's proprietary drug delivery system ProNeura™, which is capable of delivering sustained, consistent levels of medication for six months or longer. Titan has granted North American commercial rights for Probuphine to Braeburn Pharmaceuticals. If approved, Probuphine would be the first and only commercialized treatment of opioid dependence to provide continuous, around-the-clock blood levels of buprenorphine for six months following a single procedure. The ProNeura technology has the potential to be used in developing products for treating other chronic conditions, such as Parkinson's disease, where maintaining consistent blood levels of a dopamine agonist may benefit the patient and improve medical outcomes. For more information about Titan, please visit www.titanpharm.com.

This 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 our product development programs and any other statements that are not historical facts. Such statements involve risks and uncertainties that could negatively affect our business,

operating results, financial condition and stock price. Factors that could cause actual results to differ materially from management's current expectations include those risks and uncertainties relating to the regulatory approval process, the development, testing, production and marketing of our drug candidates, patent and intellectual property matters and strategic agreements and relationships. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations or any changes in events, conditions or circumstances on which any such statement is based, except as required by law.

TITAN PHARMACEUTICALS, INC.
CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(in thousands, except per share amount)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	**2013**	**2014**	**2013**
Revenue:				
License revenue	$ 911	$ 2,198	$ 1,823	$ 5,948
Royalty revenue	-	-	-	1,424
Total revenue	911	2,198	1,823	7,372
Operating expense:				
Research and development	748	1,789	1,698	5,701
General and administrative	713	701	1,609	1,792
Total operating expense	1,461	2,490	3,307	7,493
Loss from operations	(550)	(292)	(1,484)	(121)
Other income (expense), net	(292)	5,356	(1,162)	11,186
Net income (loss) and comprehensive income (loss)	$ (842)	$ 5,064	$ (2,646)	$ 11,065
Basic net income (loss) per share	$ (0.01)	$ 0.06	$ (0.03)	$ 0.14
Diluted net income (loss) per share	$ (0.01)	$ -	$ (0.03)	$ 0.10
Weighted average shares used in computing basic net income (loss) per share	88,998	82,527	88,964	80,403
Weighted average shares used in computing diluted net income (loss) per share	88,998	82,559	88,964	86,271

CONDENSED BALANCE SHEETS
(in thousands)

(unaudited)

	June 30, 2014	***December 31, 2013***
Assets		
Cash	$ 8,853	$ 11,798
Receivables	3,743	4,818
Prepaid expenses and other current assets	216	204
Total current assets	12,812	16,820
Furniture and equipment, net	1,437	1,603
	$ 14,249	$ 18,423
Liabilities and Stockholders' Equity		
Current liabilities	$ 7,821	$ 10,846
Warrant liabilities	2,965	1,817
Stockholders' equity	3,463	5,760
	$ 14,249	$ 18,423

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