March 31, 2015

Titan Pharmaceuticals Reports Fourth Quarter and Full Year 2014 Financial Results

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

SOUTH SAN FRANCISCO, CA -- (Marketwired) -- 03/31/15 -- Titan Pharmaceuticals, Inc. (OTCBB: TTNP) today reported financial results for the fourth quarter and year ended December 31, 2014.

Total revenues for the year 2014 were approximately $3.6 million compared with approximately $10.5 million in 2013. Revenue in 2014 was all related to the amortization of the upfront license fee received from commercialization partner Braeburn Pharmaceuticals in December 2012. Revenues in 2013 consisted of approximately $9.1 million related to the amortization of the upfront license fee and approximately $1.4 million in royalty revenues on net sales of Fanapt®, which were paid by Titan to Deerfield Management.

Total operating expenses for the year 2014 were approximately $7.1 million compared with approximately $11.4 million for 2013 and consisted largely of research and development (R&D) expenses of approximately $4.1 million compared with approximately $8.3 million for 2013, a decrease of approximately $4.2 million or 50 percent. The decrease in R&D costs was primarily associated with a decrease in external R&D expenses associated with the completion of the Probuphine® product development program and the preparation and review of the Probuphine new drug application (NDA) prior to the receipt of the complete response letter (CRL) in April 2013, while similar costs post CRL were borne by Braeburn, per the terms of the amended license agreement. General and administrative (G&A) expenses remained constant at approximately $3.1 million during 2014 and 2013.

Net other income for the year 2014 was approximately $1.1 million, consisting primarily of income related to non-cash gains on changes in the fair value of warrants. This compares to net other income of approximately $10.6 million in 2013, which consisted primarily of $9.0 million in net other income generated by transactions with Deerfield and approximately $1.7 million of income related to non-cash gains on changes in the fair value of warrants.

Net loss applicable to common stockholders for 2014 was approximately $2.4 million, or $0.03 per share, compared to net income of approximately $9.7 million, or $0.12 per

share, for 2013.

At December 31, 2014, Titan had cash and cash equivalents of approximately $15.5 million compared with approximately $11.8 million at December 31, 2013. Titan believes that its working capital at December 31, 2014 is sufficient to fund planned operations into the fourth quarter of 2016.

"Titan saw significant progress in 2014 both with the Probuphine development program for the maintenance treatment of opioid dependence and in advancing our ProNeura™-based non-clinical program for Parkinson's disease. Having reached agreement with the FDA in early 2014 on the Probuphine clinical study design, Braeburn expeditiously commenced the clinical study and completed full patient enrollment in November, almost two months ahead of an already aggressive schedule," said Titan President Sunil Bhonsle. "Importantly, we look forward to results from the Probuphine trial by the end of the second quarter this year and resubmitting the NDA in the second half of 2015. If approved, Probuphine would be the first and only commercialized treatment for opioid dependence to provide continuous, round-the-clock blood levels of buprenorphine for six months, bringing a much-needed treatment option to the millions of patients suffering from this terrible illness."

Business highlights include:

- In November 2014, Titan announced completion of enrollment in the ongoing Phase 3 study of Probuphine. The study, which is being sponsored by Braeburn, randomized 178 patients across 21 centers and was successfully enrolled in a little over four months. The study population is comprised of clinically stable patients who are receiving maintenance treatment with an approved sublingual formulation containing buprenorphine at a daily dose of 8mg or less. It is a double-blinded study with patients randomized to receive either four Probuphine implants, or to continue the daily sublingual buprenorphine therapy. Patients are expected to be treated for six months, and the primary analysis will be a non-inferiority comparison of responders in the two arms.
- In November 2014, Titan announced the appointment of life sciences industry veterans Joseph A. Akers and James McNab Jr. to its board of directors. Mr. Akers, a former Bayer HealthCare executive, and Mr. McNab, chairman and co-founder of Curis, Inc., together have extensive product development, commercialization, finance and corporate governance experience.
- In October 2014, Titan completed an underwritten public offering of 21,000,000 units at an offering price of $0.50 per unit, with each unit consisting of one share of common stock and 0.75 of a warrant, each full warrant to purchase one share of common stock at an exercise price of $0.60 per share. Titan received net proceeds of approximately $9.6 million from this offering, after deducting underwriting discounts, commissions and other related expenses. Proceeds are being used to support ongoing Probuphine development and ex-U.S. partnering efforts, for pre-clinical development of other ProNeura technology-based products, including for the treatment of Parkinson's disease, and for working capital and other general corporate purposes.
- In June 2014, Titan 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, Titan'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.
- In April 2014, Titan provided an overview of the Probuphine development program to investors and other interested parties, including details of the clinical study that would be acceptable to the FDA for addressing the question regarding 'clinical benefit' in the CRL and the general timelines for completion.

"I am pleased to welcome Mr. Akers and Mr. McNab to the Titan board, as we commence the expansion of our product pipeline. The board is pleased with the advances made in the Probuphine development program in 2014, and we remain enthusiastic about the prospects for this important product as well as for Titan's other ProNeura-based development programs, particularly in the area of Parkinson's disease," said Executive Chairman Marc Rubin, MD. "The Probuphine program provides an important validation for Titan's ProNeura long-term drug delivery technology and we look forward to the opportunities this technology will bring for the company as well as for patients who can benefit from sustained blood levels of medication for a number of select chronic diseases."

Fourth Quarter 2014 Results

Total revenues for the fourth quarter of 2014 were approximately $0.9 million, consisting of licensing revenues related to the amortization of the upfront license fee received from Braeburn in December 2012, which was approximately the same amount as generated in the fourth quarter of 2013.

Total operating expenses for the fourth quarter of 2014 were approximately $2.2 million, consisting primarily of R&D expenses of approximately $1.6 million and G&A expenses of approximately $0.6 million. Operating expenses for the same period in 2013 were approximately $1.6 million, consisting primarily of R&D expenses of approximately $0.9 million related to the preparation of the Probuphine NDA submission and FDA review, and G&A expenses of approximately $0.6 million. The increase in R&D expenses during the fourth quarter was primarily related to ongoing Probuphine manufacturing expenses and efforts supporting other ProNeura-based development programs.

Net other income for the fourth quarter of 2014 was approximately $0.8 million compared to net other income of approximately $0.4 million in the fourth quarter of 2013. Net other income for both quarters consisted primarily of income related to non-cash gains on changes in the fair value of warrants.

Net loss applicable to common stockholders for the fourth quarter of 2014 was approximately $0.5 million, or $0.00 per share, compared with approximately $0.2 million, or $0.00 per share, in the same quarter in 2013.

Conference Call

Titan management will host a live conference call at 10 a.m. PT / 1 p.m. ET on Wednesday, April 1, 2015 to discuss the company's financial results as of December 31, 2014. The call will be hosted by Sunil Bhonsle, president; Kate 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 888-576-4398, Participant Code 2661186 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 the ProNeura Technology Platform

The ProNeura technology platform is Titan's proprietary, long-term drug delivery technology utilized in the development of products for the treatment of chronic conditions that may benefit from the continuous delivery of certain medications over an extended period of time. The ProNeura drug delivery system consists of a small, solid rod made from a mixture of ethylene-vinyl acetate ("EVA") and a drug substance. The resulting product is a solid matrix that is placed subdermally, normally in the inner part of the upper arm, during a simple office procedure, and is removed in a similar manner at the end of treatment. The drug substance is released continuously through the process of dissolution, resulting in a stable, non-fluctuating blood level similar to that seen with intravenous administration. These long-term, linear-release characteristics are medically desirable to avoid the peak and trough swings from oral dosing that pose problems in the current treatments for many diseases, especially diseases of the central nervous system. Titan has issued patents as well as patent applications covering the use of the ProNeura platform technology for the formulation of specific products for the treatment of certain chronic diseases, such as opioid dependence, Parkinson's disease, and others.

Probuphine®, an investigational subdermal implant designed to deliver around-the-clock blood levels of buprenorphine for the long-term maintenance treatment of opioid dependence, is Titan's first product in development employing the ProNeura technology platform. A final Phase 3 clinical study of Probuphine has completed enrollment and results are expected in late second quarter 2015, followed by the potential resubmission of the NDA later in the year.

About Titan Pharmaceuticals

Titan Pharmaceuticals Inc. (TTNP.OB), 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 December 31,		Year Ended December 31,	
	2014	**2013**	**2014**	**2013**
Revenue:				
License revenue	$ 912	$ 911	$ 3,646	$ 9,057
Royalty revenue	-	-	-	1,424
Total revenue	912	911	3,646	10,481
Operating expense:				
Research and development	1,595	929	4,075	8,309
General and administrative	570	624	3,046	3,063
Total operating expense	2,165	1,553	7,121	11,372
Loss from operations	(1,253)	(642)	(3,475)	(891)
Other income, net	780	433	1,072	10,602
Net income (loss) and comprehensive income (loss)	$ (473)	$ (209)	$ (2,403)	$ 9,711
Basic net income (loss) per share	$ -	$ -	$ (0.03)	$ 0.12
Diluted net income (loss) per share	$ (0.01)	$ -	$ (0.04)	$ 0.10
Weighted average shares used in computing basic net income (loss) per share	108,171	84,990	93,814	82,099

Weighted average shares used in computing diluted net income (loss) per share	108,390	85,051	93,832	82,659

CONDENSED BALANCE SHEETS
(in thousands)
(unaudited)

	December 31, 2014	December 31, 2013
Assets		
Cash	$ 15,470	$ 11,798
Receivables	3,968	4,818
Prepaid expenses and other current assets	145	204
Total current assets	19,583	16,820
Furniture and equipment, net	1,268	1,603
	$ 20,851	$ 18,423
Liabilities and Stockholders' Equity		
Current liabilities	$ 6,662	$ 10,846
Warrant liabilities	5,578	1,817
Stockholders' equity	8,611	5,760
	$ 20,851	$ 18,423

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