SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

/X/ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Period Ended March 31, 2000.

or

/ / Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Transition Period From _____ to _____.

Commission file number 0-27436

TITAN PHARMACEUTICALS, INC.
(Exact name of registrant as specified in its charter)

DELAWARE	94-3171940
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

400 OYSTER POINT BLVD., SUITE 505, SOUTH SAN FRANCISCO, CALIFORNIA 94080
(Address of Principal Executive Offices including zip code)

(650) 244-4990
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

There were 25,778,615 of the Registrant's Common Stock issued and outstanding on May 5, 2000.

TITAN PHARMACEUTICALS, INC.
INDEX TO FORM 10-Q

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PART I. FINANCIAL INFORMATION

TITAN PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

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	March 31, 2000	December 31, 1999
	(unaudited)	(Note A)
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Assets		
Current assets		
Cash and cash equivalents	$ 6,227	$ 46,454
Short-term investments	77,638	--
Grants receivable	139	150
Prepaid expenses and other current assets	1,321	327
Total current assets	85,325	46,931
Furniture and equipment, net	460	415
Other assets	16	16
	$ 85,801	$ 47,362
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 1,042	$ 849
Accrued clinical trials expenses	472	437
Accrued compensation and related expenses	150	177
Accrued professional fees and other liabilities	270	356
Unearned contract revenue	265	--
Total current liabilities	2,199	1,819
Commitments		
Minority interest - Series B preferred stock of Ingenex, Inc.	1,241	1,241
Stockholders' Equity		
Preferred stock, at amounts paid in	--	5,000
Common stock, at amounts paid in	145,362	98,697
Additional paid-in capital	6,524	6,524
Deferred compensation	(345)	(501)
Accumulated other comprehensive loss	(113)	--
Deficit accumulated during the development stage	(69,067)	(65,418)
Total stockholders' equity	82,361	44,302
	$ 85,801	$ 47,362

</TABLE>

Note A: The balance sheet has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements presentation.

See Notes to Condensed Consolidated Financial Statements

TITAN PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(UNAUDITED)

<TABLE>
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	THREE MONTHS ENDED MARCH 31, 2000	1999
<S>	<C>	<C>
Contract revenue	$ 280	$ --
Grant revenue	55	47
Total revenue	335	47
Operating expenses:		
Research and development	4,045	2,085
Acquired in-process research and development	--	136
General and administrative	857	787
Total operating expenses	4,902	3,008
Loss from operations	(4,567)	(2,961)
Other income (expense):		
Interest income, net	938	151
Other income (expense)	(19)	(9)
Other income, net	919	142
Net loss	$ (3,648)	$ (2,819)
Basic and diluted net loss per share	$ (0.15)	$ (0.19)
Weighted average shares used in computing basic and diluted net loss per share	23,873	14,687

</TABLE>

See Notes to Condensed Consolidated Financial Statements

TITAN PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<TABLE>
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	THREE MONTHS ENDED MARCH 31, 2000	1999
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (3,648)	$ (2,820)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	84	89
Stock compensation to consultants	110	-
Issuance of common stock to acquire minority interest of Theracell, Inc.	-	136
Changes in operating assets and liabilities:		
Prepaid expenses, other receivables and assets	(983)	(46)
Accounts payable and other accrued liabilities	115	64
Unearned contract revenue	265	-
Net cash used in operating activities	(4,057)	(2,577)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of furniture and equipment, net	(83)	(83)
Purchases of short-term investments	(79,752)	-
Proceeds from sales of short-term investments	2,000	-
Net cash used in investing activities	(77,835)	(83)

CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of common stock	41,665	5,797
Net cash provided by financing activities	41,665	5,797
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(40,227)	3,137
Cash and cash equivalents at beginning of period	46,454	11,655
Cash and cash equivalents at end of period	6,227	14,792
Short-term investments at end of period	77,638	-
CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS AT END OF PERIOD	$ 83,865	$ 14,792

</TABLE>

See Notes to Condensed Consolidated Financial Statements

TITAN PHARMACEUTICALS, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE COMPANY AND ITS SUBSIDIARIES

We are a biopharmaceutical company developing proprietary therapeutics for the treatment of central nervous system disorders, cancer, and other serious and life threatening diseases. We conduct a portion of our operations through our two subsidiaries: Ingenex, Inc. and ProNeura, Inc. We operate in one business segment, the development of biopharmaceutical products.

INGENEX, INC.

Ingenex is engaged in the development of gene-based therapeutics for the treatment of cancer. At March 31, 2000, we owned 81% of Ingenex, assuming the conversion of all preferred stock to common stock.

PRONEURA, INC.

ProNeura is engaged in the development of cost effective, long-term treatment solutions to neurologic and psychiatric disorders through an implantable drug delivery system. At March 31, 2000, we owned 79% of ProNeura.

BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements include the accounts of Titan and its majority owned subsidiaries after elimination of all significant intercompany accounts and transactions. These financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the three-month period ended March 31, 2000 are not necessarily indicative of the results that may be expected for the year ended December 31, 2000.

Through December 31, 1999, we were considered to be in the developmental stage. In January 2000, we entered into an agreement with Schering AG (see Note 5). As a result of this agreement, and with the potential of other collaborative partnership agreements that we are currently pursuing, we are no longer considered to be in the developmental stage.

These unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and footnotes thereto included in the Titan Pharmaceuticals, Inc. annual report on Form 10-K for the year ended December 31, 1999.

REVENUE RECOGNITION

License revenue is recognized ratably over the terms of the related license agreements. Contract revenue related to research and development activities performed under collaborative agreements is recognized when project

costs are incurred. Government grants which support our research effort in specific projects generally provide for reimbursement of approved costs as defined in the grant documents, and revenue is recognized when subsidized project costs are incurred.

2. NET LOSS PER SHARE

We calculate basic net loss per share using the weighted average common shares outstanding for the period. Had we been in a net income position, shares used in calculating diluted earnings per share for the periods ended March 31, 2000 and 1999 would have included the effect of an additional 3,599,111 and 11,772,473 shares, respectively, related to our convertible preferred stock, options and warrants.

3. COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) is comprised of net income and other comprehensive income (loss). Other comprehensive income (loss) includes certain changes in equity that are excluded from net income (loss), such as unrealized gains and losses on investments. Comprehensive loss for the three

months ended March 31, 2000 was $3.8 million. Comprehensive loss for the three months ended March 31, 1999 was the same as our net loss.

4. STOCKHOLDERS' EQUITY

In March 2000, we completed a private placement of 1,200,000 shares of our common stock for net proceeds of $38.8 million, after deducting fees and commissions and other expenses of the offering.

Also in March 2000, upon satisfying the conditions for conversion and at the request of Novartis Pharma AG, all outstanding shares of Series D convertible preferred stock were converted into 666,667 shares of our common stock.

5. LICENSING AND COLLABORATIVE AGREEMENT WITH SCHERING AG

In January 2000, we entered into a licensing and collaborative agreement with Schering AG, under which we will collaborate with Schering on manufacturing and clinical development of our cell therapy product, Spheramine-TM-, for the treatment of Parkinson's disease. Under the agreement, we will perform clinical development activities for which we will receive funding. As March 31, 2000, we recognized $0.3 million of revenue under this agreement. Schering will fully fund, and manage in collaboration with us, all future pilot and pivotal clinical studies, and manufacturing and development activities. We are entitled to certain payments upon the achievement of specific milestones. Schering also retains the right to make an equity investment in Titan, up to a specified amount, upon initiation of pivotal clinical studies. The potential economic value of the agreement, including development funding and equity investment, but not including funding of clinical trials and product royalties, is approximately $26 million.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THE FOLLOWING DISCUSSION CONTAINS CERTAIN FORWARD-LOOKING STATEMENTS, WITHIN THE MEANING OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES REFORM ACT OF 1995, THE ATTAINMENT OF WHICH INVOLVES VARIOUS RISKS AND UNCERTAINTIES. FORWARD-LOOKING STATEMENTS MAY BE IDENTIFIED BY THE USE OF FORWARD-LOOKING TERMINOLOGY SUCH AS "MAY," "WILL," "EXPECT," "BELIEVE," "ESTIMATE," "ANTICIPATE," "CONTINUE," OR SIMILAR TERMS, VARIATIONS OF THOSE TERMS OR THE NEGATIVE OF THOSE TERMS. OUR ACTUAL RESULTS MAY DIFFER MATERIALLY FROM THOSE DESCRIBED IN THESE FORWARD-LOOKING STATEMENTS DUE TO, AMONG OTHER FACTORS, THE RESULTS OF ONGOING RESEARCH AND DEVELOPMENT ACTIVITIES AND PRE-CLINICAL TESTING, THE RESULTS OF CLINICAL TRIALS AND THE AVAILABILITY OF ADDITIONAL FINANCING THROUGH CORPORATE PARTNERING ARRANGEMENTS OR OTHERWISE. ADDITIONAL FACTORS INCLUDE OUR ABILITY TO PROTECT OUR PATENTS AND PROPRIETARY RIGHTS, ABILITY TO COMPLY WITH EXTENSIVE GOVERNMENT REGULATIONS, AND OTHER FACTORS AND RISKS DETAILED UNDER THE CAPTION "RISK FACTORS" IN THE COMPANY'S 1999 ANNUAL REPORT ON FORM 10-K AND OTHER FILINGS WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION. STOCKHOLDERS AND PROSPECTIVE INVESTORS IN THE COMPANY

SHOULD CAREFULLY CONSIDER THESE RISK FACTORS. THE COMPANY DISCLAIMS ANY OBLIGATION TO UPDATE THESE STATEMENTS FOR SUBSEQUENT EVENTS.

OVERVIEW

Titan Pharmaceuticals, Inc. is a biopharmaceutical company developing proprietary therapeutics for the treatment of central nervous system (CNS) disorders, cancer, and other serious and life threatening diseases.

In the CNS arena, we are developing iloperidone, which is currently in Phase III clinical testing for schizophrenia through a licensing and development agreement with Novartis Pharma AG. Novartis has tradenamed the product Zomaril-TM-. Novartis is fully funding and conducting the Phase III program, which will enroll approximately 3,300 patients in 24 countries. Zomaril is being developed for the treatment of schizophrenia and related psychotic disorders--a market expected to reach $6 billion by 2003. Also in the CNS arena, we are developing a unique cell based therapeutic, Spheramine-TM-, which is in Phase I/II testing, for the treatment of Parkinson's disease. We have entered into a collaboration with Schering AG for the development, manufacture and commercialization of this treatment for Parkinson's disease. Schering is funding the manufacturing, development and future clinical studies of the product in addition to paying milestone payments and royalties on net sales in exchange for worldwide manufacturing and commercialization rights.

Our cancer therapeutics in clinical testing include three monoclonal antibodies--CeaVac-Registered Trademark-, TriAb-Registered Trademark-, and TriGem-TM- --which are designed to stimulate a patient's immune system against various types of cancer cells. CeaVac is currently being evaluated in a large multi-center double-blind placebo-controlled Phase III clinical trial in patients with Stage IV metastatic colorectal cancer. TriAb is currently being evaluated in a double-blind placebo-controlled Phase II clinical study in patients with breast cancer. TriGem has completed initial Phase I testing in patients with melanoma, and we are pursuing later stage clinical trials through co-operative clinical oncology research groups for all of our products. Another Titan anti-cancer product in development, Pivanex-TM-, is a small molecule drug that acts as a cell differentiating agent. Pivanex is currently in Phase II clinical testing for non-small cell lung cancer. Additionally, we are developing a gene therapy product for treating various cancers. Further, we are developing a long-term drug delivery system with applications in the treatment of CNS disorders and other conditions.

Since inception, we have devoted substantially all of our resources to product and technology development, clinical research, raising capital, and securing patent protection. At March 31, 2000, we had an accumulated deficit of $69.1 million and working capital of $83.5 million.

RESULTS OF OPERATIONS

Revenue for the first quarter 2000 consisted primarily of contract revenue of $0.3 million received from Schering AG for the development of Spheramine, Titan's novel therapy for treatment of Parkinson's disease, as well as $0.05 million of grant revenue received through the National Institutes of Health in support of our pre-clinical programs.

Research and development expenses for the first quarter 2000 were $4.0 million, compared to $2.2 million for the same quarter in 1999, which included an in-process research and development expense of $0.1 million. The increase in research and development expenditures for the first quarter 2000 compared to same quarter in 1999 resulted primarily from the expansion of the clinical trial with CeaVac in Dukes D colorectal cancer to a Phase III study. In addition, we also increased our development activity for CeaVac, as well as our other therapeutic monoclonal antibodies, TriAb and TriGem, to support the launch of three additional efficacy clinical studies for these products later this year.

General and administrative expenses for the first quarter 2000 were $0.9 million compared to $0.8 million for the same quarter in 1999. The increase was primarily due to certain one-time expenditures incurred during the first quarter for leasehold improvements and financing related legal expenses.

Other income, net of other expenses, for the first quarter 2000 was $0.9 million compared to $0.1 million in the first quarter 1999. The increase, primarily in interest income, was a result of our significantly larger cash and short-term investments balance.

As a result of the foregoing, we had a net loss of $3.6 million, or $0.15 per share, for the first quarter 2000, compared to $2.8 million, or $0.19 per share, for the same quarter in 1999.

LIQUIDITY AND CAPITAL RESOURCES

We have funded our operations since inception primarily through our initial public offering and private placements of our securities, as well as proceeds from warrant and option exercises, corporate licensing and collaborative agreements, and government sponsored research grants.

In March 2000, we completed a private placement of 1.2 million shares of our common stock for net proceeds of $38.8 million, after deducting fees and commissions and other expenses of the offering.

In October 1999, we called for the redemption on November 19, 1999 (the Redemption Date) of our outstanding Class A Warrants for cash at the redemption price of $0.05 per warrant. Rather than surrendering the warrants for redemption, warrant holders had the option to purchase our common stock at a price of $6.02 per share before the Redemption Date. The warrant call resulted in 7.1 million, or 99.4%, of our outstanding Class A Warrants being exercised with net proceeds to us of $39.4 million, after deducting advisory fees and other related expenses.

In January 1999, we completed a private placement of 2.3 million shares of our common stock for net proceeds of $5.8 million, after deducting fees and commissions and other expenses of the offering.

We have entered into various agreements with research institutions, universities, and other entities for the performance of research and development activities and for the acquisition of licenses related to those activities. The aggregate commitments we have under these agreements, including minimum license payments, for the next 12 months is approximately $1.5 million. Certain of the licenses provide for the payment of royalties by us on future product sales, if any. In addition, in order to maintain license and other rights while products are under development, we must comply with customary licensee obligations, including the payment of patent related costs and meeting project-funding milestones.

We expect to continue to incur substantial additional operating losses from costs related to continuation and expansion of product and technology development, clinical trials, and administrative activities. To manage operating capital, we have chosen to strategically focus on development of our later stage products in clinical

development. We believe that we currently have sufficient working capital to sustain our planned operations at least through 2003.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our cash and investment policy emphasizes liquidity and preservation of principal over other portfolio considerations. We select investments that maximize interest income to the extent possible given these two constraints. We satisfy liquidity requirements by investing excess cash in securities with different maturities to match projected cash needs and limit concentration of credit risk by diversifying our investments among a variety of high credit-quality issuers. We do not use derivative financial instruments in our investment portfolio. Management believes our exposure to market rate risk is minimal and the risk of loss is remote.

PART II

ITEM 1. LEGAL PROCEEDINGS

During the first quarter of 2000, a former consultant to Titan filed a complaint asserting that we owed it certain warrants. We believe we have substantial defenses and are defending the suit vigorously.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

27.1 Financial Data Schedule

(b) Reports on Form 8-K

We filed a current report on Form 8-K with the Securities and Exchange Commission on February 24, 2000 to announce the sale of 1.2 million shares of our common stock to institutional investors.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TITAN PHARMACEUTICALS, INC.

May 15, 2000 By: /s/ Louis R. Bucalo

Louis R. Bucalo, M.D.
Chairman, President and Chief Executive Officer

May 15, 2000 By: /s/ Robert E. Farrell

Robert E. Farrell
Executive Vice President and Chief Financial Officer

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS INCLUDED IN THE COMPANY'S FORM 10-Q FOR THE PERIOD ENDED MARCH 31, 2000, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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