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<TITLE> Prepared by MERRILL CORPORATION www.edgaradvantage.com
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<P ALIGN="CENTER"><FONT SIZE=5><B>SECURITIES AND EXCHANGE COMMISSION
</B></FONT><FONT SIZE=2><B>WASHINGTON, D.C. 20549</B></FONT></P>

<HR NOSHADE WIDTH=120>

<P ALIGN="CENTER"><FONT SIZE=5><B>FORM 10-Q</B></FONT></P>

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</FONT><FONT SIZE=2>/x/</FONT></TD>
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</FONT><FONT SIZE=2><B>Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Period Ended September 30, 1999.</B></FONT></TD>
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<TD WIDTH="100%" COLSPAN=2 ALIGN="CENTER"><FONT SIZE=2><B>
or</B></FONT></TD>
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/ /</B></FONT></TD>
<TD WIDTH="93%"><FONT SIZE=2><B>
Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Transition Period From <U>   </U> to <U>
      </U>.</B></FONT></TD>
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<P ALIGN="CENTER"><FONT SIZE=2><B>Commission file number 0-27436</B></FONT></P>

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<P ALIGN="CENTER"><FONT SIZE=5><B>Titan Pharmaceuticals, Inc.
</B></FONT><FONT SIZE=2>(Exact name of registrant as specified in its charter)</FONT></P>

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(State or Other Jurisdiction of
Incorporation or Organization)</FONT></TD>
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<TD WIDTH="49%" ALIGN="CENTER"><FONT SIZE=2><B>94-3171940</B></FONT><FONT SIZE=2>
(I.R.S. Employer
Identification No.)</FONT></TD>
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<P ALIGN="CENTER"><FONT SIZE=2><B>400 Oyster Point Blvd., Suite 505, South San Francisco, California 94080</B></FONT><FONT SIZE=2>
(Address of Principal Executive Offices including zip code)</FONT></P>

<P ALIGN="CENTER"><FONT SIZE=2><B>(650) 244-4990
</B></FONT><FONT SIZE=2>(Registrant's Telephone Number, Including Area Code)</FONT></P>

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<P><FONT SIZE=2>   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 / /</FONT></P>

<P><FONT SIZE=2>   There
were 15,620,471 of the Registrant's Common Stock issued and outstanding on October 29, 1999.</FONT></P>

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<P><FONT SIZE=2>
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<P ALIGN="CENTER"><FONT SIZE=2><A
NAME="bg2472_titan_pharmaceuticals,_inc._index_to_form_10-q"> </A></FONT><FONT SIZE=2><B>Titan Pharmaceuticals, Inc.
 Index to Form 10-Q </B></FONT></P>

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Condensed Consolidated Balance Sheets
September 30, 1999 and December 31, 1998</FONT></TD>
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<TD WIDTH="5%" ALIGN="RIGHT"><FONT SIZE=2>
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Condensed Consolidated Statements of Operations
Three months and nine months ended September 30, 1999 and 1998 and period from commencement of operations (July 25, 1991) to September 30, 1999</FONT></TD>
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Condensed Consolidated Statements of Cash Flows Nine months ended September 30, 1999 and 1998 and period from commencement of operations (July 25, 1991) to September 30, 1999</FONT></TD>
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Notes to Condensed Consolidated Financial Statements—September 30, 1999</FONT></TD>
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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</FONT></TD>
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Item 4. Submission of Matters to a Vote of Security Holders</FONT></TD>
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<!-- Generated by Merrill Corporation (www.merrillcorp.com) -->
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<P><FONT SIZE=2><B>Part I. Financial Information</B></FONT></P>

<P ALIGN="CENTER"><FONT SIZE=2><B>TITAN PHARMACEUTICALS, INC.<BR>
(a development stage company)</B></FONT></P>

<P ALIGN="CENTER"><FONT SIZE=2><B>CONDENSED CONSOLIDATED BALANCE SHEETS</B></FONT></P>

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1999<BR>
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<TH WIDTH="2%"><FONT SIZE=1> </FONT></TH>
<TH WIDTH="16%" COLSPAN=2 ALIGN="CENTER"><FONT SIZE=1><B>December 31,<BR>
1998<BR>
(Note A)</B></FONT><HR NOSHADE></TH>
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<TD WIDTH="2%"><FONT SIZE=2> </FONT></TD>
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<TD WIDTH="13%" ALIGN="RIGHT"><FONT SIZE=2>(157,760</FONT></TD>
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<P><FONT SIZE=2>Note
A: The balance sheet at December 31, 1998 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.</FONT></P>

<P ALIGN="CENTER"><FONT SIZE=2>See
Notes to Condensed Consolidated Financial Statements</FONT></P>

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2</FONT></P>

<P ALIGN="CENTER"><FONT SIZE=2><B>TITAN PHARMACEUTICALS, INC.
(a development stage company)</B></FONT></P>

<P ALIGN="CENTER"><FONT SIZE=2><B>CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)</B></FONT></P>

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Commencement
of Operations
(July 25, 1991) to
Sept 30, 1999</B></FONT><HR NOSHADE></TH>
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<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>&#151;</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>&#151;</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
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<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>&#151;</FONT></TD>
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<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>&#151;</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
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<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>&#151;</FONT></TD>
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<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>&#151;</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
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<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
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<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
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<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>&#151;</FONT></TD>
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<TD WIDTH="1%"><FONT SIZE=2>)</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2>$</FONT></TD>
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</TR>
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Deemed dividend upon conversion of preferred stock</FONT></TD>
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<TD WIDTH="1%"><FONT SIZE=2>)</FONT></TD>
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<TD WIDTH="9%"><FONT SIZE=2> </FONT></TD>
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Notes to Condensed Consolidated Financial Statements</FONT></P>

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<!-- Generated by Merrill Corporation (www.merrillcorp.com) -->
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(a development stage company)</B></FONT></P>

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(unaudited)</B></FONT></P>

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(July 25, 1991) to Sept 30, 1999</B></FONT><HR NOSHADE></TH>
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<TD WIDTH="69%"><FONT SIZE=2>   Equity in loss of Ansan Pharmaceuticals, Inc.</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT">—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT">2,046,940</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
</TR>
<TR BGCOLOR="#CCEEFF" VALIGN="TOP">
<TD WIDTH="69%"><FONT SIZE=2>   Other</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT">—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT">13,016</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT">(239,336</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2>)</FONT></TD>
</TR>
<TR BGCOLOR="White" VALIGN="TOP">
<TD WIDTH="69%">Issuance of common stock to acquire minority interest of Theracell, Inc.</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT">135,785</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT">—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT">821,785</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
</TR>
<TR BGCOLOR="#CCEEFF" VALIGN="TOP">
<TD WIDTH="69%">Changes in operating assets and liabilities:</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%"><FONT SIZE=2> </FONT></TD>
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<TD WIDTH="8%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
</TR>
<TR BGCOLOR="White" VALIGN="TOP">
<TD WIDTH="69%">Receivables, prepaids and other assets</FONT></TD>
<TD WIDTH="1%"> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT">5,760</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT">328,310</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT">(154,946</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2>)</FONT></TD>
</TR>
<TR BGCOLOR="#CCEEFF" VALIGN="TOP">
<TD WIDTH="69%">Accounts payable</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT">(160,937</FONT></TD>
<TD WIDTH="1%">)</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT">(191,857</FONT></TD>
<TD WIDTH="1%">)</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT">573,488</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
</TR>
<TR BGCOLOR="White" VALIGN="TOP">
<TD WIDTH="69%">Other accrued liabilities</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT">(260,286</FONT></TD>
<TD WIDTH="1%">)</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT">(297,280</FONT></TD>
<TD WIDTH="1%">)</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT">1,310,118</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
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<TD WIDTH="69%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" COLSPAN=2 ALIGN="RIGHT"><HR NOSHADE></TD>
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<TD WIDTH="9%" COLSPAN=2 ALIGN="RIGHT"><HR NOSHADE></TD>
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<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
</TR>
<TR BGCOLOR="#CCEEFF" VALIGN="TOP">
<TD WIDTH="69%">Net cash used in operating activities</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT">(8,406,154</FONT></TD>
<TD WIDTH="1%">)</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT">(10,350,659</FONT></TD>
<TD WIDTH="1%">)</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT">(51,402,277</FONT></TD>
<TD WIDTH="1%">)</FONT></TD>
</TR>
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<TD WIDTH="69%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" COLSPAN=2 ALIGN="RIGHT"><HR NOSHADE></TD>
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<TD WIDTH="9%" COLSPAN=2 ALIGN="RIGHT"><HR NOSHADE></TD>
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<TD WIDTH="9%" COLSPAN=2 ALIGN="RIGHT"><HR NOSHADE></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
</TR>
<TR BGCOLOR="White" VALIGN="TOP">
<TD WIDTH="69%"><FONT SIZE=2><B>Cash flows from investing activities</B></FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%"><FONT SIZE=2> </FONT></TD>
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<TD WIDTH="8%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
</TR>
<TR BGCOLOR="#CCEEFF" VALIGN="TOP">
<TD WIDTH="69%">Purchase of furniture and equipment, net</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT">(120,050</FONT></TD>
<TD WIDTH="1%">)</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT">(148,505</FONT></TD>
<TD WIDTH="1%">)</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT">(1,569,372</FONT></TD>
<TD WIDTH="1%">)</FONT></TD>
</TR>
<TR BGCOLOR="White" VALIGN="TOP">
<TD WIDTH="69%">Purchase of short-term investments</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT">—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT">—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT">59,782,493</FONT></TD>
<TD WIDTH="1%">)</FONT></TD>
</TR>
<TR BGCOLOR="#CCEEFF" VALIGN="TOP">
<TD WIDTH="69%">Proceeds from sale of short-term investments</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT">—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT">—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT">59,782,493</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
</TR>
<TR BGCOLOR="White" VALIGN="TOP">
<TD WIDTH="69%">Effect of deconsolidation of Ansan Pharmaceuticals, Inc.</FONT></TD>

<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>(135,934</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2>)</FONT></TD>
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<TD WIDTH="69%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" COLSPAN=2 ALIGN="RIGHT"><HR NOSHADE></TD>
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<TD WIDTH="9%" COLSPAN=2 ALIGN="RIGHT"><HR NOSHADE></TD>
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<TD WIDTH="9%" COLSPAN=2 ALIGN="RIGHT"><HR NOSHADE></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
</TR>
<TR BGCOLOR="#CCEEFF" VALIGN="TOP">
<TD WIDTH="69%"><FONT SIZE=2>Net cash used in investing activities</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>(120,050</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2>)</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>(148,505</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2>)</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>(1,705,306</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2>)</FONT></TD>
</TR>
<TR VALIGN="TOP">
<TD WIDTH="69%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" COLSPAN=2 ALIGN="RIGHT"><HR NOSHADE></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="9%" COLSPAN=2 ALIGN="RIGHT"><HR NOSHADE></TD>
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<TD WIDTH="9%" COLSPAN=2 ALIGN="RIGHT"><HR NOSHADE></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
</TR>
<TR BGCOLOR="White" VALIGN="TOP">
<TD WIDTH="69%"><FONT SIZE=2><B>Cash flows from financing activities</B></FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
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<TD WIDTH="8%"><FONT SIZE=2> </FONT></TD>
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<TD WIDTH="8%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
</TR>
<TR BGCOLOR="#CCEEFF" VALIGN="TOP">
<TD WIDTH="69%"><FONT SIZE=2>Issuance of common stock</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>6,018,562</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>215,832</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>36,260,318</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
</TR>
<TR BGCOLOR="White" VALIGN="TOP">
<TD WIDTH="69%"><FONT SIZE=2>Deferred financing costs</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>(713,899</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2>)</FONT></TD>
</TR>
<TR BGCOLOR="#CCEEFF" VALIGN="TOP">
<TD WIDTH="69%"><FONT SIZE=2>Issuance of preferred stock</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>22,601,443</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
</TR>
<TR BGCOLOR="White" VALIGN="TOP">
<TD WIDTH="69%"><FONT SIZE=2>Proceeds from notes and advances payable</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>2,681,500</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
</TR>
<TR BGCOLOR="#CCEEFF" VALIGN="TOP">
<TD WIDTH="69%"><FONT SIZE=2>Repayment of notes payable</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>(1,441,500</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2>)</FONT></TD>
</TR>
<TR BGCOLOR="White" VALIGN="TOP">
<TD WIDTH="69%"><FONT SIZE=2>Proceeds from Ansan bridge financing</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>1,425,000</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
</TR>
<TR BGCOLOR="#CCEEFF" VALIGN="TOP">
<TD WIDTH="69%"><FONT SIZE=2>Proceeds from Titan Pharmaceuticals, Inc. and Ingenex, Inc. bridge financing</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>5,250,000</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
</TR>
<TR BGCOLOR="White" VALIGN="TOP">
<TD WIDTH="69%"><FONT SIZE=2>Repayment of Titan Pharmaceuticals, Inc. and Ingenex, Inc. bridge financing</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>(5,250,000</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2>)</FONT></TD>
</TR>
<TR BGCOLOR="#CCEEFF" VALIGN="TOP">
<TD WIDTH="69%"><FONT SIZE=2>Proceeds from capital lease bridge financing</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>658,206</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
</TR>
<TR BGCOLOR="White" VALIGN="TOP">
<TD WIDTH="69%"><FONT SIZE=2>Payments of principle under capital lease obligation</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
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<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>(633,766</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2>)</FONT></TD>
</TR>
<TR BGCOLOR="#CCEEFF" VALIGN="TOP">
<TD WIDTH="69%"><FONT SIZE=2>Proceeds from Ingenex, Inc. technology financing</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>2,000,000</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
</TR>
<TR BGCOLOR="White" VALIGN="TOP">
<TD WIDTH="69%"><FONT SIZE=2>Principal payments on Ingenex, Inc. technology financing</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>(2,000,000</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2>)</FONT></TD>
</TR>
<TR BGCOLOR="#CCEEFF" VALIGN="TOP">
<TD WIDTH="69%"><FONT SIZE=2>Increase (decrease) in minority interest</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>1,241,032</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
</TR>
<TR BGCOLOR="White" VALIGN="TOP">
<TD WIDTH="69%"><FONT SIZE=2>Issuance of common stock by subsidiaries</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="7%" ALIGN="RIGHT"><FONT SIZE=2>43</FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="1%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>—</FONT></TD>
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Notes to Condensed Consolidated Financial Statements</FONT></P>

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<P ALIGN="CENTER"><FONT SIZE=2><B>TITAN PHARMACEUTICALS, INC.
(a development stage company)</B></FONT></P>

<P ALIGN="CENTER"><FONT SIZE=2><B>NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS</B></FONT></P>

<P ALIGN="CENTER"><FONT SIZE=2><B>(unaudited)</B></FONT></P>

<P><FONT SIZE=2><B>1. Organization and Summary of Significant Accounting Policies</B></FONT></P>

<P><FONT SIZE=2><B>The Company and its Subsidiaries</B></FONT></P>

<P><FONT SIZE=2>   Titan Pharmaceuticals, Inc. (the "Company" or "Titan"), was incorporated in February 1992 in the State of Delaware. Titan is a biopharmaceutical
company developing proprietary therapeutics for the treatment of central nervous system disorders, cancer and other serious and life-threatening diseases. Titan conducts a portion of its
operations through two subsidiaries: Ingenex, Inc. ("Ingenex") and ProNeura, Inc. ("ProNeura"). The Company and its subsidiaries operate in one industry segment.</FONT></P>

<UL>

<P><FONT SIZE=2><B><I>Ingenex, Inc.</I></B></FONT></P>

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<P><FONT SIZE=2>   Ingenex is engaged in the development of gene-based therapeutics for the treatment of cancer. At September 30, 1999, the Company owned 81% of Ingenex, assuming the conversion of all preferred stock to common stock.</FONT></P>

<UL>

<P><FONT SIZE=2><B><I>ProNeura, Inc.</I></B></FONT></P>

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<P><FONT SIZE=2>   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 September 30, 1999, the Company owned 79% of ProNeura.</FONT></P>

<UL>

<P><FONT SIZE=2><B><I>Theracell Merger</I></B></FONT></P>

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<P><FONT SIZE=2>   On March 10, 1999, a majority owned Company subsidiary, Theracell was merged with and into Titan. Pursuant to the merger, the Company recorded an in-process research and development expense of approximately $136,000, related to the acquisition of the shares held by the minority shareholders.</FONT></P>

<P><FONT SIZE=2><B>Basis of Presentation</B></FONT></P>

<P><FONT SIZE=2>   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 nine-month period ended September 30, 1999 are not necessarily indicative of the results that may be expected for the year ended December 31, 1999. These financials 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, 1998.</FONT></P>

<P><FONT SIZE=2><B>2. Net Loss Per Share</B></FONT></P>

<P><FONT SIZE=2>   The Company calculates basic and diluted net loss per common share using the weighted average shares outstanding for the period. Had the Company been in a net income position, diluted earnings per share as of September 30, 1999 and 1998 would have included an additional 12,285,488 and 11,694,667</FONT></P>

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shares, respectively, related to the Company's outstanding options, warrants and convertible preferred stock (prior to the application of treasury stock method.)</FONT></P>

<P><FONT SIZE=2><B>3. Stockholders' Equity</B></FONT></P>

<P><FONT SIZE=2>   In January 1999, the Company completed a private placement of 2,254,545 shares of its Common Stock for net proceeds of approximately $5,798,000, after deducting fees and commissions and other expenses of the offering. The Company's comprehensive loss was the same as the Company's net loss for the reporting periods.</FONT></P>

<P><FONT SIZE=2><B>4. Subsequent Event</B></FONT></P>

<P><FONT SIZE=2>   In October 1999, the Company called for redemption on November 19, 1999 (the "Redemption Date") of its outstanding Class A Warrants for cash at the redemption price of $0.05 per warrant. Rather than surrendering the warrants for redemption, warrant holders may exercise their rights to purchase the Company's Common Stock at a price of $6.02 per share at any time prior to 5:00PM EST on the Redemption Date. In connection with the redemption, the Company entered into an advisory agreement with Deutsche Bank Securities Inc. pursuant to which the Company agreed to pay an advisory fee of $2 million payable on the Redemption Date if at least $30 million is received from warrant exercises, or in installments if more than $15 million but less than $30 million is raised. If less than $15 million is raised, $1 million of Deutsche Bank's fee will be in the form of warrants. Also in connection with the redemption, the Company amended the warrant agreement to terminate D.H. Blair Investment Banking Corp.'s solicitation rights in consideration for the payment to Blair of 2.7% of the warrant exercise proceeds.</FONT></P>

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<H2><FONT SIZE=3 > </FONT></H2>

<P><FONT SIZE=2><B>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</B></FONT></P>

<P><FONT SIZE=2>   The following discussion contains certain forward-looking statements, within the meaning of the "safe harbor" provisions of the Private Securities Litigation 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. The Company's 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 preclinical testing, the results of clinical trials and the availability of additional financing through corporate partnering arrangements or otherwise.</FONT></P>

<P><FONT SIZE=2><B><I>Results of Operations</I></B></FONT></P>

<P><FONT SIZE=2>   Since its inception, the Company's efforts have been principally devoted to product and technology development, clinical research, raising capital, and securing patent protection. At September 30, 1999, the Company had an accumulated deficit of approximately $62,494,000, resulting from expenditures for product development and general and administrative activities.</FONT></P>

<P><FONT SIZE=2>   Revenues
from a U.S. government grant for the three and nine months ended September 30, 1999 were approximately $52,000 and $99,000, respectively. There were no revenues for the three and nine months ended September 30, 1998.</FONT></P>

<P><FONT SIZE=2>   Research
and development expenses for the third quarter of 1999 were approximately $1,749,000 compared to $2,138,000 for the same quarter in 1998, a decrease of 18%. Planned expenditures for the third quarter of 1999 were based on prioritizing company resources for the development of CeaVac™, Pivanex™ and Spheramine™, and support its other programs through NIH and various other grants. For the nine months ended September 30, 1999, research and development expenses were $6,694,000, including $136,000 of acquired in-process research and development related to the acquisition of minority interest of Theracell, compared to $5,290,000 for the same period in 1998, an increase of 27%. Research and development spending for the nine months in 1999 were within budget, and the planned increase compared to 1998 was primarily due to patient enrollment in the Phase II clinical trial with CeaVac™ in colorectal cancer and the final phases of the pre-clinical program for Spheramine with anticipated clinical trial commencement by the end of the year.</FONT></P>

<P><FONT SIZE=2>   General
and administrative expenses for the third quarter of 1999 were approximately $838,000 compared to $805,000 for the same quarter in 1998, an increase of 4%. For the nine months ended September 30 1999, general and administrative expenses were $2,154,000 compared to $2,809,000 for the same period in 1998, a decrease of 23%. The decrease for the nine months was due to the Company's planned consolidation of operations and ongoing efforts to contain non-research operating costs.</FONT></P>

<P><FONT SIZE=2>   Other
income, net of other expenses for the three and nine month periods ended September 30, 1999 were approximately $89,000 and $378,000, respectively, compared to $189,000 and $720,000, respectively, for the same periods in 1998. The decreases were primarily a result of reduced interest income during 1999 compared to the same periods in 1998.</FONT></P>

<P><FONT SIZE=2><B><I>Impact of Year 2000</I></B></FONT></P>

<UL>

<P><FONT SIZE=2><B>General</B></FONT></P>

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<P><FONT SIZE=2>   The "Year 2000 Issue" is the result of computer programs being written using two digits rather than four to define the applicable year. Computer programs or hardware that have date-sensitive software or embedded chips may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions, or engage in similar normal business activities.</FONT></P>

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<P><FONT SIZE=2><B>System Assessment</B></FONT></P>

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<P><FONT SIZE=2>   Most of Titan's Information Technology ("IT") and Non-IT systems were Year 2000 compliant when purchased. The Company believes, therefore, it will not be required to implement significant modifications or replace significant portions of its software and hardware in order to be Year 2000 compliant. The Company is, however, taking steps to ensure that the Year 2000 Issue does not have a material impact on the operation of the Company.</FONT></P>

<P><FONT SIZE=2>   Significant
functions related to the Company's clinical trials are carried out by contract research organizations ("CROs"). These functions include, but are not limited to, clinical study monitoring, biostatistics, data management and drug manufacturing. To the extent that the systems of CROs produce incorrect information or cause incorrect interpretation of the information that they produce, the Company is at risk for making invalid conclusions about the nature, efficacy, or safety of its products or technologies which could lead to abandoning potentially lucrative products or technologies or invalidly continuing development and pursuing FDA approval of others. The Company is in the process of contacting its significant suppliers and CROs and requesting that they provide certificates of compliance with relation to this issue. At this time the Company is not aware of any suppliers or CROs with a Year 2000 Issue that would materially impact the Company's results of operations, liquidity, or capital resources. However, the Company has no means of ensuring that its suppliers or CROs will be Year 2000 ready. The inability of its suppliers or CROs to complete their Year 2000 resolution process in a timely fashion could materially impact the Company. The effect of non-compliance by other external agents is not determinable.</FONT></P>

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<P><FONT SIZE=2><B>Costs and Contingencies</B></FONT></P>

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<P><FONT SIZE=2>   To date, the Company has expended only internal costs to assess the Year 2000 Issue. Letters of Year 2000 compliance from internal software providers tend to indicate that the Company will not be exposed to any material expenditures for replacements of such systems, however there can be no assurance of this. Also, it is not yet possible to ascertain if any expenditure will be required to replace systems, subcontractors or the work performed by such subcontractors. While vendor assurances and internal testing are useful in assessing Year 2000 issues, neither can provide absolute assurance that no Year 2000 problems will or can occur. During 1999, the Company will continue to refine its plans in an attempt to assure the Year 2000 Issue will not materially adversely affect their business operations or financial condition.</FONT></P>

<P><FONT SIZE=2><B><I>Liquidity and Capital Resources</I></B></FONT></P>

<P><FONT SIZE=2>   The Company has funded its operations from inception primarily through private and public sales of its securities, corporate partnerships and government grants. During 1997, the Company received approximately $25,861,000 from license fees and the sale of a research technology.</FONT></P>

<P><FONT SIZE=2>   In
October 1999, the Company called for redemption on November 19, 1999 (the "Redemption Date") of its outstanding Class A Warrants for cash at the redemption price of $0.05 per warrant. Rather than surrendering the warrants for redemption, warrant holders may exercise their rights to purchase the Company's Common Stock at a price of $6.02 per share at any time prior to 5:00PM EST on the Redemption Date. In the event that all of the warrants are exercised, the Company will receive gross proceeds of up to $42,700,000 before deducting fees and expenses. In connection with the redemption, the Company entered into an advisory agreement with Deutsche Bank Securities Inc. pursuant to which the Company agreed to pay an advisory fee of $2 million payable on the Redemption Date if at least $30 million is received from warrant exercises, or in installments if more than $15 million but less than $30 million is raised. If less than $15 million is raised, $1 million of Deutsche Bank's fee will be in the form of warrants. Also in connection with the redemption, the Company amended the warrant agreement to terminate D.H. Blair Investment Banking Corp.'s solicitation rights in consideration for the payment to Blair of 2.7% of the warrant exercise proceeds.</FONT></P>

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    In January 1999, the Company completed a private placement of 2,254,545 shares of its Common Stock for net proceeds of approximately $5,798,000, after deducting fees and commissions and other expenses of the offering.</FONT></P>

<P><FONT SIZE=2>   In

November 1998, the Company agreed to guarantee certain potential obligations of the Company's Chief Executive Officer, related to the Company. The Company's Chief Executive Officer has pledged approximately 300,000 shares of the Company's common stock, owned by the Chief Executive Officer, to secure the guarantee by the Company. Under said guarantee, the Company may be obligated to make a payment of up to $400,000.</FONT></P>

<P><FONT SIZE=2>   Titan
has entered into various agreements with contract research organizations, academic institutions, and other entities for the performance of research and development activities and for the maintenance of licenses related to those activities. The aggregate commitments the Company has under these agreements, including minimum license payments, for the next 12 months is approximately $2,316,000. Certain of the licenses provide for the payment of royalties by the Company on future product sales, if any. In addition, in order to maintain license and other rights while products are under development, the Company must comply with customary licensee obligations, including the payment of patent related costs and meeting project-funding milestones.</FONT></P>

<P><FONT SIZE=2>   In
May 1998, the Company negotiated a $5,000,000 bank line of credit that expires in March 2000. To date the Company has not borrowed against this facility.</FONT></P>

<P><FONT SIZE=2>   The
Company expects to continue to incur substantial additional operating losses from costs related to continuation and expansion of product development, clinical trials, and administrative activities over at least the next several years. To preserve operating capital, the Company has chosen to strategically focus on development of its later stage products in clinical development, and at least temporarily
reduce or eliminate spending on certain preclinical programs. While the Company has sufficient working capital to sustain planned operations for a period greater than 12 months, the Company may seek additional financing, depending on numerous factors including, but not limited to, the amount of proceeds received by the Company upon the exercise of its Class A Warrants, the progress of the Company's product development programs, the results of clinical studies, technological advances, determinations as to the commercial potential of the Company's products, and the status of competitive products. In addition, certain expenditures will be dependent on the establishment of collaborative relationships with other companies, the availability of financing, and other factors. In any event, the Company may require substantial additional financing in the future. There can be no assurance as to the availability or terms of any required additional financing, when and if needed.</FONT></P>

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NAME="dk2472_part_ii"> </A></FONT><FONT SIZE=2><B>PART II </B></FONT></P>

<P><FONT SIZE=2><B>Item 4. Submission of Matters to a Vote of Security Holders</B></FONT></P>

<P><FONT SIZE=2>   On August 30, 1999, the Company held its Annual Meeting of Shareholders. Matters voted upon at the meeting and the number of affirmative votes, negative votes, withheld votes and abstentions cast with respect to each such matter were as follows:</FONT></P>

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<TD WIDTH="69%"><FONT SIZE=2>Hubert Huckel, M.D.</FONT></TD>
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<TD WIDTH="69%"><FONT SIZE=2>Marvin E. Jaffe, M.D.</FONT></TD>
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<TD WIDTH="69%"><FONT SIZE=2>Konrad M. Weis, Ph.D.</FONT></TD>
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<TD WIDTH="57%"><FONT SIZE=2>Approval of the appointment of Ernst & Young LLP as independent auditors:</FONT></TD>
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<P><FONT SIZE=2><B>Item 6. Exhibits and Reports on Form 8-K</B></FONT></P>

<P><FONT SIZE=2>   (a) Exhibits</FONT></P>

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<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>10.32</FONT></TD>
<TD WIDTH="2%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="90%"><FONT SIZE=2>Advisory Agreement between the Registrant and Deutsche Bank Securities Inc. (effective as of October 18, 1999)</FONT></TD>
</TR>
<TR VALIGN="TOP">
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>10.33</FONT></TD>
<TD WIDTH="2%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="90%"><FONT SIZE=2>Agreement between the Registrant and D.H. Blair Investment Banking Corp. dated October 18, 1999.</FONT></TD>
</TR>
<TR VALIGN="TOP">
<TD WIDTH="8%" ALIGN="RIGHT"><FONT SIZE=2>27.1</FONT></TD>
<TD WIDTH="2%"><FONT SIZE=2> </FONT></TD>
<TD WIDTH="90%"><FONT SIZE=2>Financial Data Schedule</FONT></TD>
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<P><FONT SIZE=2>   (b) Reports
on Form 8-K</FONT></P>

<P><FONT SIZE=2>   A
current report on Form 8-K was filed with the Securities and Exchange Commission on October 19, 1999 to announce the redemption of the registrant's
outstanding Class A warrants.</FONT></P>

<P ALIGN="CENTER"><FONT SIZE=2>10</FONT></P>

<P ALIGN="CENTER"><FONT SIZE=2>
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</FONT></P>

<P ALIGN="CENTER"><FONT SIZE=2><A
NAME="dk2472_signatures"> </A></FONT><FONT SIZE=2><B>SIGNATURES </B></FONT></P>

<P><FONT SIZE=2>   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.</FONT></P>

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November 15, 1999</FONT></TD>
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By:</FONT></TD>
<TD WIDTH="46%" ALIGN="CENTER"><FONT SIZE=2>
/s/ </FONT><FONT SIZE=2>LOUIS R. BUCALO</FONT><FONT SIZE=2>   </FONT><HR NOSHADE><FONT SIZE=2> Louis R. Bucalo, M.D.
</FONT><FONT SIZE=2><I>President and Chief Executive Officer</I></FONT></TD>
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November 15, 1999</FONT></TD>
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By:</FONT></TD>
<TD WIDTH="46%" ALIGN="CENTER"><FONT SIZE=2>
/s/ </FONT><FONT SIZE=2>ROBERT E. FARRELL</FONT><FONT SIZE=2>   </FONT><HR NOSHADE><FONT SIZE=2> Robert E. Farrell
</FONT><FONT SIZE=2><I>Chief Financial Officer</I></FONT></TD>
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<P><FONT SIZE=2><A HREF="#bg2472_titan_pharmaceuticals,_inc._index_to_form_10-q">Titan Pharmaceuticals, Inc. Index to Form 10-Q</A></FONT>
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<!-- TOC_END -->
<!-- TOC_BEGIN -->

<P><FONT SIZE=2><A HREF="#dk2472_part_ii">PART II</A></FONT>
<FONT SIZE=2><A HREF="#dk2472_signatures">SIGNATURES</A></FONT>
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</B></FONT><FONT SIZE=2>[Deutsche Bank Logo]
Deutsche Bank Securities Inc.
101 California Street, 48th Floor
San Francisco, CA 94111</FONT></P>

<P><FONT SIZE=2>October
18, 1999</FONT></P>

<P><FONT SIZE=2>Dr. Louis
R. Bucalo
President and Chief Executive Officer
Titan Pharmaceuticals, Inc.
400 Oyster Point Blvd., Suite 505
South San Francisco, CA 94080</FONT></P>

<P><FONT SIZE=2>Dear
Dr. Bucalo:</FONT></P>

<P><FONT SIZE=2>   This
Agreement (the "Agreement") will confirm the basis upon which Titan Pharmaceuticals, Inc. ("Client") has engaged Deutsche Bank Securities Inc. ("DB Alex. Brown") on
an exclusive basis, to provide advisory services in connection with the redemption of the Client's Class A warrants including those warrants issued upon the exercise of the Unit Purchase
Options (the "Redemption").</FONT></P>

<P><FONT SIZE=2><I>   Section 1. Services to be Rendered.</I></FONT><FONT SIZE=2> To the extent requested, DB Alex. Brown will provide the
following advisory services in connection with the Redemption:</FONT></P>

<UL>

<P><FONT SIZE=2>   (a) advise
on the timing of the Redemption; and (b) provide general information and advice relative to the effectuation of the Redemption and corresponding
exercise of the warrants. The Client and DB Alex. Brown specifically agree that DB Alex. Brown has not been retained by the Client (i) to render an opinion as to the fairness of the Redemption
(from a financial point of view) to the Client or any holder of the Client's securities, or (ii) to solicit exercise of any of the warrants or act as information agent in connection with the
Redemption.</FONT></P>

</UL>

<P><FONT SIZE=2>   The
Client will furnish to DB Alex. Brown such information as DB Alex. Brown reasonably requests in connection with the performance of its services hereunder (all such information so
furnished is referred to herein as the "Information"). Client understands and agrees that DB Alex. Brown, in performing its services hereunder, will use and rely upon the Information as well as
publicly available information regarding Client and that DB Alex. Brown does not assume responsibility for independent verification of any information, whether publicly available or otherwise
furnished to it, concerning Client or its securities, including, without limitation, any financial information, forecasts or projections, considered by DB Alex. Brown in connection with the rendering
of its services. Accordingly, DB Alex. Brown shall be entitled to assume and rely upon the accuracy and completeness of all such information and is not required to conduct a physical inspection of any
of the properties or assets, or to prepare or obtain any independent evaluation or appraisal of any of the assets or liabilities, of Client or any counterparty. With respect to any financial forecasts
and projections made available to DB Alex. Brown by Client and used by DB Alex. Brown, DB Alex. Brown shall be entitled to assume that such forecasts and projections have been reasonably prepared on
bases reflecting the best currently available estimates and judgments of the management of Client, as to the matters covered thereby. DB Alex. Brown shall not disclose any non-public
Information to any third party without the prior expressed written consent of Client.</FONT></P>

<P><FONT SIZE=2><I>   Section 2. Fees.</I></FONT><FONT SIZE=2> Client shall pay DB Alex. Brown for its services hereunder a cash fee equal to
$2.0 million due and payable according to the Payment Schedule (defined below). The timing of payments to be made to DB Alex. Brown by the Client (the "Payment Schedule") as a result of this
fee is based upon
the amount of proceeds received by the Client from the Redemption and any subsequent Qualified Financings (defined below). In the event that,</FONT></P>

<UL>
<DL compact>
<DT><FONT SIZE=2>a)</FONT></DT><DD><FONT SIZE=2>at
least $30.0 million in gross proceeds is raised by the Redemption, the Client shall pay DB Alex. Brown a cash fee equal to $2.0 million due and payable one business
day following the end of the Redemption period;
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</FONT></DD><DT><FONT SIZE=2>b)</FONT></DT><DD><FONT SIZE=2>at
least $25.0 million, but less than $30.0 million, in gross proceeds is raised by the Redemption, $1.5 million is due and payable one business day following
the end of the Redemption period. The difference between $2.0 million and the amount due (the "Balance") is to be creditable toward any Placement Fees (defined below) due DB Alex. Brown for its
involvement in a Qualified Financing for eighteen months following the end of the Redemption period. The Balance is due and payable upon the completion of a Qualified Financing, whether sole or lead
managed by DB Alex. Brown or a third party, or on the final business day of the eighteenth month following the end of the Redemption period, whichever is sooner;

</FONT></DD><DT><FONT SIZE=2>c)</FONT></DT><DD><FONT SIZE=2>at
least $15.0 million, but less than $25.0 million, in gross proceeds is raised by the Redemption, $1.0 million is due and payable to DB Alex. Brown in four
equal installments, the first installment being due and payable one business day following the end of the Redemption period, and the subsequent installments due every 90 days thereafter. The
Balance is to be creditable toward any Placement Fees due DB Alex. Brown for its involvement in a Qualified Financing for eighteen months following the end of the Redemption period. The Balance is due
and payable upon the completion of a Qualified Financing, whether sole or lead managed by DB Alex. Brown or a third party, or on the final business day of the eighteenth month following end of the
Redemption period, whichever is sooner;

</FONT></DD><DT><FONT SIZE=2>d)</FONT></DT><DD><FONT SIZE=2>less
than $15.0 million in gross proceeds is raised by the Redemption, $1.0 million is due and payable to DB Alex. Brown in eight equal installments, the first
installment being due and payable one business day following the end of the Redemption period, and the subsequent installments due every 90 days thereafter. The Balance is to be paid in
warrants to be issued 10 days from the end of the Redemption period at a strike price equal to the greater of the average of the 30 trading days prior to issuance or $6.00.</FONT></DD></DL>
</UL>

<P><FONT SIZE=2>   For
the purposes of this letter, Qualified Financing is defined as a private or public financing whereby the Client raises a minimum of $10.0 million in gross proceeds. In such
financing, DB Alex. Brown will be offered the right of first refusal to i) be the sole manager of any contemplated private placement, or ii) lead manager of any contemplated public
financing. The right of first refusal will last for eighteen months beginning the first business day following the end of the Redemption period, unless DB Alex. Brown research analyst Kevin Tang is no
longer an employee of DB Alex. Brown, in which case the right of first refusal will be terminated twelve months from the end of the Redemption period.</FONT></P>

<P><FONT SIZE=2>   In
a private Qualified Financing sole managed by DB Alex. Brown, the Client agrees to pay DB Alex. Brown a cash fee ("Placement Fee") equal to 6% of the gross proceeds raised from
institutional investors and 7% of the gross proceeds raised from individual investors. In addition, the Client shall grant to DB Alex. Brown warrants at the time of such private Qualified Financing,
to purchase common stock of the Client (the "Placement Warrants"). The Placement Warrants shall be exercisable for a period of five years from the date of issuance, shall be noncancellable and
nonredeemable by the Client, and shall be exercisable at the common equivalent price per share of the securities sold in the private Qualified Financing. Such Placement Warrants shall provide to DB
Alex. Brown the right to reinvest an amount equal to the Placement Fee that is earned hereunder in the private Qualified Financing. For example, if DB Alex. Brown sole managed a private placement
priced at $10.00 per share which raised $20.0 million in gross proceeds from institutional investors, DB Alex. Brown would be entitled to a Placement Fee of $1.2 million and 120,000
warrants excercisable at $10.00. The Placement Warrants shall include (without limitation) a "net issuance" exercise feature and antidilution
protections, if any, enjoyed by the securities sold in the private Qualified Financing. The Placement Warrants shall be exercisable in up to three (3) separate transactions according to the
terms described above.</FONT></P>

<P><FONT SIZE=2>   In
a public Qualified Financing, the Client agrees to pay DB Alex. Brown a customary and reasonable cash fee based on the gross proceeds raised from the financing.</FONT></P>

<P><FONT SIZE=2>   The
right of first refusal (described above) is granted to DB Alex. Brown only in the event that the stock price of the Client (pre-split, based on the number of shares
outstanding as of the date of the Agreement) trades at $7.00 or more for an average of 20 trading days prior to the selection of the private placement agent or lead manager in a public offering.
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</FONT></P>

<P><FONT SIZE=2><I>   Section 3. Expenses.</I></FONT><FONT SIZE=2> In addition to any fees that may be payable to DB Alex. Brown hereunder and
regardless of whether any Redemption is proposed or consummated, Client hereby agrees, from time to time upon request, to reimburse DB Alex. Brown for all reasonable fees and disbursements of DB Alex.
Brown's counsel and all of DB Alex. Brown's reasonable travel and other out-of-pocket expenses incurred in connection with any actual or proposed Redemption or otherwise
arising out of DB Alex. Brown's engagement hereunder. Such reimbursements shall not exceed $50,000 without Client's consent, which shall not be unreasonably withheld. No fee payable to any other
financial advisor or third party by the Client shall reduce or otherwise affect the fees payable or expenses payable to DB Alex. Brown.</FONT></P>

<P><FONT SIZE=2><I>   Section 4. Termination of Engagement.</I></FONT><FONT SIZE=2> DB Alex. Brown's engagement will terminate on the sooner
of January 18, 2001, or the final day of the Redemption period (thirty days after notice is given that the warrants will be redeemed), provided, however, that the provisions of this
Section 4 and of Sections 2, 3, 7 and 8 hereof shall survive such termination.</FONT></P>

<P><FONT SIZE=2><I>   Section 5. Reliance on Others.</I></FONT><FONT SIZE=2> Client confirms that it will rely on its own counsel, accountants
and other similar expert advisors for legal, accounting, tax and other similar advice.</FONT></P>

<P><FONT SIZE=2><I>   Section 6. Publicity.</I></FONT><FONT SIZE=2> In the event of expiration of any Redemption, DB Alex. Brown shall have
the right, at its own expense, to disclose its participation in such Redemption, including, without limitation, the placement of "tombstone" advertisements in financial and other newspapers and
journals, provided, however, that DB Alex. Brown has sought and obtained Client's consent for the content of such advertisements. DB Alex. Brown agrees that Client shall have the right to announce
publicly the execution of this Agreement with DB Alex. Brown subject to DB Alex. Brown's prior approval of the contents of such announcement or disclosure, which shall not be unreasonably withheld.</FONT></P>

<P><FONT SIZE=2><I>   Section 7. Scope of Responsibility.</I></FONT><FONT SIZE=2> Neither DB Alex. Brown nor any of its affiliates (nor any of
their respective control persons, directors, officers, employees or agents) shall be liable to Client or to any other person claiming through Client for any claim, loss, damage, liability, cost or
expense suffered by Client or any such other person arising out of or related to DB Alex. Brown's engagement hereunder except for a claim, loss or expense that arises primarily out of or is based
primarily upon any action or failure to act by DB Alex. Brown, other than an action or failure to act undertaken at the request or with the consent of Client, that constitutes bad faith, willful
misconduct or gross negligence on the part of DB Alex. Brown. DB Alex. Brown is acting as the Company's advisor and agrees that is not authorized to act as agent for Client in any capacity whether in
connection with the Redemption or otherwise.</FONT></P>

<P><FONT SIZE=2><I>   Section 8. Indemnity and Contribution.</I></FONT><FONT SIZE=2> Client agrees to indemnify and hold harmless DB Alex.
Brown and its affiliates (and their respective control persons, directors, officers, employees and agents) to the full extent lawful against any and all claims, losses, damages, liabilities, costs and
expenses as incurred
(including all reasonable fees and disbursements of counsel and all reasonable travel and other out-of-pocket expenses incurred in connection with investigation of, preparation
for and defense of any pending or threatened claim and any litigation or other proceeding arising therefrom, whether or not in connection with pending or threatened litigation in which DB Alex. Brown
or any other indemnified person is a party) arising out of or related to the Redemption or to DB Alex. Brown's engagement hereunder; </FONT><FONT SIZE=2><I>provided</I></FONT><FONT SIZE=2>, however,
there shall be excluded from such indemnification any such claims, losses, damages, liabilities, costs or expenses that arise primarily out of or are based primarily upon any action or failure to act
by DB Alex. Brown, other than an action or failure to act undertaken at the request or with the consent of Client, that is found in a final judicial determination (or a settlement tantamount thereto)
to constitute bad faith, willful misconduct or gross negligence on the part of DB Alex. Brown. In the event that the foregoing indemnity is unavailable or insufficient to hold DB Alex. Brown and other
indemnified parties harmless, then Client shall contribute to amounts paid or payable by DB Alex. Brown and other indemnified parties in respect of such claims, losses, damages, liabilities, costs and
expenses in such proportion as appropriately reflects the relative benefits received by, and, if applicable law does not permit allocation solely on the basis of benefits, fault of, Client and DB
Alex. Brown in connection with the matters as to which such claims, losses, damages, liabilities, costs and expenses relate and other equitable considerations, subject to the limitation that in any
event DB Alex. Brown's aggregate contributions in respect of such claims, losses, damages, liabilities, costs and expenses will not exceed the amount of fees

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actually received by DB Alex. Brown pursuant to this Agreement. For purposes hereof, relative benefits to Client and DB Alex. Brown of the Redemption shall be deemed to be in the same proportion that
the aggregate exercise price of the warrants received or contemplated to be received by Client and/or its security holders in connection with the Redemption bears to the fees paid to DB Alex. Brown
pursuant to its engagement in respect of such Redemption.</FONT></P>

<P><FONT SIZE=2>   Client
will not, without the prior written consent of DB Alex. Brown, settle any litigation relating to DB Alex. Brown's engagement hereunder unless such settlement includes an
express, complete and unconditional release of DB Alex. Brown and its affiliates (and their respective control persons, directors, officers, employees and agents) with respect to all claims asserted
in such litigation or relating to DB Alex. Brown's engagement hereunder; such release to be set forth in an instrument signed by all parties to such settlement.</FONT></P>

<P><FONT SIZE=2><I>   Section 9. Governing Law; Jurisdiction.</I></FONT><FONT SIZE=2> This Agreement shall be governed by and construed in
accordance with the laws of the State of New York without regard to the conflicts of laws provisions thereof. Any right to trial by jury with respect to any claim, action, suit or proceeding arising
out of this Agreement or any of the matters contemplated hereby is waived. Client hereby submits to the non-exclusive jurisdiction of the Federal and State courts located in the County of
New York, New York in connection with any dispute related to this Agreement or any of the matters contemplated hereby.</FONT></P>

<P><FONT SIZE=2><I>   Section 10. No Rights in Securityholders, etc.</I></FONT><FONT SIZE=2> Client recognizes that DB Alex. Brown has been
engaged only by Client, and that Client's engagement of DB Alex. Brown is not deemed to be on behalf of and is not intended to confer rights upon any securityholder, partner or other owner of Client
or any other person not a party hereto as against DB Alex. Brown or any of its affiliates or any of their respective directors, officers, agents, employees or representatives. Unless otherwise
expressly agreed, no one other than Client is authorized to rely upon Client's engagement of DB Alex. Brown or any statements, advice, or conduct by DB Alex. Brown, and Client will not disclose such
statements, advice, or conduct to others. Without limiting the foregoing, any advice rendered to Client's Board of Directors or management in the course of Client's engagement of DB Alex. Brown are
for the purpose of assisting the Board or management, as the case may be, in evaluating the Redemption and do not constitute a recommendation to any securityholder of Client concerning action that
such securityholder might or should take in connection with the Redemption. DB Alex. Brown's role herein is that of an independent contractor; nothing herein is intended to create or shall be
construed as creating a fiduciary relationship between Client and DB Alex. Brown.</FONT></P>

<P><FONT SIZE=2><I>   Section 11. Disclosure.</I></FONT><FONT SIZE=2> Client acknowledges that DB Alex. Brown and its affiliates may have and
may continue to have securities brokerage, investment banking, financial advisory and other relationships with parties other than Client pursuant to which DB Alex. Brown may acquire information of
interest to Client. DB Alex. Brown shall have no obligation to disclose such information to Client.</FONT></P>

<P><FONT SIZE=2>   DB
Alex. Brown and its affiliates are engaged in securities trading and brokerage activities as well as investment banking and financial advisory services. In the ordinary course of
their trading and brokerage activities, DB Alex. Brown and its affiliates may hold positions, for their own account or the account of customers, in the securities involved in the Redemption.</FONT></P>

<P><FONT SIZE=2><I>   Section 12. Miscellaneous.</I></FONT><FONT SIZE=2> Nothing in this Agreement is intended to obligate or commit DB Alex.
Brown or any of its affiliates to provide any services other than as set out above. This Agreement may be executed in two or more counterparts, all of which together shall be considered a single
instrument. This Agreement constitutes the entire agreement, and supersedes all prior agreements and understandings (both written and oral) of the parties hereto with respect to the subject matter
hereof, and cannot be amended or otherwise modified except in writing executed by the parties hereto. The provisions hereof shall inure to the benefit of and be binding upon the successors and assigns
of Client and DB Alex. Brown.
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</FONT></P>

<P><FONT SIZE=2>   If
you are in agreement with the foregoing, please sign and return the attached copy of this Agreement, whereupon this Agreement shall become effective as of the date hereof.</FONT></P>

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Titan Pharmaceuticals, Inc.</FONT></TD>
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<TD WIDTH="47%" ALIGN="CENTER"><FONT SIZE=2>/s/ </FONT><FONT SIZE=2>LOUIS R. BUCALO</FONT><FONT SIZE=2>   </FONT></TD>
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<TR VALIGN="BOTTOM">
<TD WIDTH="50%" COLSPAN=2><FONT SIZE=2>Dr. Louis R. Bucalo
President and Chief Executive Officer</FONT></TD>
<TD WIDTH="2%"><FONT SIZE=2> </FONT></TD>
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<P ALIGN="RIGHT"><FONT SIZE=2><B>Exhibit 10.33</B></FONT></P>

<P><FONT SIZE=2>[Titan
Pharmaceuticals, Inc. Logo]
TITAN PHARMACEUTICALS, INC.
400 Oyster Point Blvd., Suite 505
South San Francisco, CA 94080</FONT></P>

<P><FONT SIZE=2>October 18,
1999</FONT></P>

<P><FONT SIZE=2>D.H.
Blair Investment Banking Corp.
44 Wall Street
New York, NY 10005</FONT></P>

<P><FONT SIZE=2>   Re:
<U>Titan Pharmaceuticals, Inc. ("Titan")</U></FONT></P>

<P><FONT SIZE=2>Gentlemen:</FONT></P>

<P><FONT SIZE=2>   This
will confirm D.H. Blair Investment Banking Corp.'s ("D.H. Blair's") agreement with Titan:</FONT></P>

<UL>
<DL compact>
<DT><FONT SIZE=2>1.</FONT></DT><DD><FONT SIZE=2>The
parties hereby amend Section 4(a) of the Warrant Agreements, dated January 18, 1996 and July 31, 1996, by and among Continental Stock Transfer &
Trust Company, Titan and D.H. Blair (the "Warrant Agreements") to delete the fifth sentence (beginning "Notwithstanding the foregoing,...") in its entirety.

</FONT></DD><DT><FONT SIZE=2>2.</FONT></DT><DD><FONT SIZE=2>The
parties hereby amend line 11 of Section 4(b) of the Warrant Agreements to replace "5%" with "2.7%.

</FONT></DD><DT><FONT SIZE=2>3.</FONT></DT><DD><FONT SIZE=2>The
parties hereby amend line 2 of Section 8(b) of the Warrant Agreements to delete the phrase "request Blair to".

</FONT></DD><DT><FONT SIZE=2>4.</FONT></DT><DD><FONT SIZE=2>The
parties hereby amend Section 8(c) of the Warrant Agreements to delete clause (iv) and accordingly to renumber clause (v) as clause (iv). The parties
further hereby amend line 9 of Section 8(c) of the Warrant Agreements to delete the phrase "of the Secretary or an Assistant Secretary of Blair or".

</FONT></DD><DT><FONT SIZE=2>5.</FONT></DT><DD><FONT SIZE=2>As
consideration for the amendments set forth above, Titan and D.H. Blair hereby terminate the Underwriting Agreements, dated January 18, 1996 and July 31, 1996,
between Titan and D.H. Blair in all respects except the indemnification and contribution provisions contained in Sections 6 and 7 thereof (which shall survive in accordance with their terms),
effective upon execution of this agreement.

</FONT></DD><DT><FONT SIZE=2>6.</FONT></DT><DD><FONT SIZE=2>No
party hereto shall make any public announcement (or filing) with respect to this agreement without the other party's consent, which consent will not be unreasonably withheld or
delayed. Notwithstanding the foregoing, D.H. Blair acknowledges that this agreement will be filed as an exhibit to Titan's next current report on Form 8-K or quarterly report on
Form 10-Q.</FONT></DD></DL>
</UL>

<P><FONT SIZE=2>   This
letter agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. Signatures
transmitted by facsimile shall be given full effect as original signatures.
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<P><FONT SIZE=2>   Please
confirm that the foregoing correctly sets forth our agreement by signing and returning to the undersigned the enclosed duplicate copy of this letter.</FONT></P>

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<TD WIDTH="50%" COLSPAN=2><FONT SIZE=2>Very truly yours,</FONT></TD>
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TITAN PHARMACEUTICALS, INC.</FONT></TD>
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/s/ </FONT><FONT SIZE=2>LOUIS R. BUCALO</FONT><FONT SIZE=2>   </FONT><HR NOSHADE></TD>
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<TD WIDTH="46%"><FONT SIZE=2>Name: Louis R. Bucalo, M.D.
Title: President & CEO</FONT></TD>
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Accepted and Agreed to as of
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D.H. BLAIR INVESTMENT BANKING CORP.</FONT></TD>
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By:</FONT></TD>
<TD WIDTH="46%" ALIGN="CENTER"><FONT SIZE=2>
/s/ </FONT><FONT SIZE=2>MARTIN A. BELL</FONT><FONT SIZE=2>   </FONT><HR NOSHADE></TD>
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<TD WIDTH="46%"><FONT SIZE=2>Name: Martin A. Bell
Title: Vice Chairman</FONT></TD>
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Accepted and Agreed to as of
the date first above written:</FONT></TD>
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CONTINENTAL STOCK TRANSFER &
  TRUST COMPANY</FONT></TD>

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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 SEPTEMBER 30, 1999, AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
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