United States
Securities Exchange Commission
Washington, D.C. 20549

FORM 10-QSB

[x] Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the Period Ended March 31, 1996

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, Suite 505 South San Francisco, CA	94080
(Address of principal executive offices)	(Zip Code)

(415) 244-4990
(Registrant's telephone number, including area code)

1505 O'Brien Drive, Menlo Park, CA 94025
(Former name, former address and formal fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods 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

State the number of shares outstanding of each of the registrant's classes of common equity, as of the latest practicable date: As of May 8, 1996, there were 10,756,162 shares of Common Stock outstanding, $0.001 par value.

Traditional Small Business Disclosure Format. Yes X No

Index

Titan Pharmaceuticals, Inc.

Part I. Financial Information

TITAN PHARMACEUTICALS, INC.

(a development stage company)
CONDENSED CONSOLIDATED BALANCE SHEETS

<TABLE>

	March 31, 1996	December 31, 1995
	(Unaudited)	(Note)
<S>	<C>	<C>
Assets		
Current assets:		
Cash and cash equivalents	$ 304,733	$ 947,805
Short-term investments	8,856,555	-
Prepaid expenses and other current assets	118,516	40,071
Receivable from Ansan, Inc.	66,348	57,791
Total current assets	9,346,152	1,045,667
Furniture and equipment, net	773,387	848,852
Investment in Ansan, Inc.	1,411,150	1,589,826
Deferred stock offering costs	25,000	522,299
Deferred financing costs	142,604	600,183
Other assets	125,344	125,344
	$ 11,823,637	$ 4,732,171
Liabilities and Stockholders' Equity (Net Capital Deficiency)		
Current liabilities:		
Accounts payable	$ 787,429	$ 714,896
Notes payable by Ingenex, Inc. - bridge financing	-	1,500,000
Notes payable by Titan Pharmaceuticals, Inc. - bridge financing	-	2,800,000
Accrued legal fees	255,994	691,368
Accrued sponsored research	94,081	304,202
Other accrued liabilities	465,776	546,057
Current portion of capital lease obligations	235,835	226,709
Current portion of technology financing - Ingenex, Inc.	512,236	494,107
Total current liabilities	2,351,351	7,277,339
Noncurrent portion of capital lease obligation	684,646	747,142
Noncurrent portion of technology financing	1,154,252	1,289,313
Commitments	-	-
Minority interest - Series B preferred stock of Ingenex, Inc.	1,241,032	1,241,032
Stockholders' Equity (net capital deficiency):		
Preferred stock, at amounts paid in	-	18,907,772
Common stock, at amounts paid in	35,271,919	745,476
Additional paid-in capital	6,186,353	6,186,353
Subscription receivable	(891)	-
Deferred compensation	(396,000)	(418,000)
Deficit accumulated during the development stage	(34,669,025)	(31,244,256)
Total stockholders' equity (net capital deficiency)	6,392,356	(5,822,655)
	$ 11,823,637	$ 4,732,171

</TABLE>

Note: The balance sheet at December 31, 1995 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.

TITAN PHARMACEUTICALS, INC.
(a development stage company)
CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(unaudited)

<TABLE>

	THREE MONTHS ENDED MARCH 31, 1995	THREE MONTHS ENDED MARCH 31, 1996	Period from Incorporation (July 25, 1991) to March 31, 1996
<S>	<C>	<C>	<C>
Grant revenue	-	$ 49,705	$ 189,227
Costs and expenses:			
Research and development	1,964,563	827,898	22,841,519
Acquired in-process research and development	-	-	686,000
General and administrative	677,112	921,193	7,485,575
Total costs and expenses	2,641,675	1,749,091	31,013,094
Loss from operations	(2,641,675)	(1,699,386)	(30,823,867)
Other income (expense):			
Equity in loss of Ansan, Inc.	-	(178,676)	(635,790)
Interest income	16,527	76,422	531,180
Interest expense	(114,787)	(1,623,129)	(3,775,467)
Other expense - net	(98,260)	(1,725,383)	(3,880,077)
Loss before minority interest	(2,739,935)	(3,424,769)	(34,703,944)

Minority interest in losses of subsidiaries	–	–	34,919
Net loss	$ (2,739,935)	$ (3,424,769)	$ (34,669,025)
Net loss per share	$ (0.38)	$ (0.89)	
Shares used in computation	7,229,183	9,916,250	

</TABLE>

TITAN PHARMACEUTICALS, INC.
(a development stage company)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited)

<TABLE>

	THREE MONTHS ENDED MARCH 31, 1995	THREE MONTHS ENDED MARCH 31, 1996	Period from Commencement of Operations (July 25, 1991) to March 31, 1996
<S>	<C>	<C>	<C>
Cash flows from operating activities			
Net loss	$ (2,739,935)	$ (3,424,769)	$ (34,669,025)
Adjustments to reconcile net loss to net cash used in operating activities			
Amortization and depreciation	81,950	99,024	665,749
Loss on disposal of assets	6,212	–	8,947
Accretion of discount and amortization of deferred financing costs on bridge financing	–	1,407,579	2,290,912
Equity in loss of Ansan, Inc.	–	178,676	635,790
Minority interest	–	–	(34,919)
Grant of common stock to employee	–	–	250
Issuance of common stock to acquire minority interest of Theracell, Inc.	–	–	686,000
Changes in operating assets and liabilities:			
Prepaid sponsored research	12,207	–	–
Prepaid expenses and other current assets	6,383	(78,445)	(118,516)
Receivable – Ansan, Inc.	–	(8,557)	(66,348)
Other assets	14,323	–	(130,309)
Accounts payable	155,816	72,533	1,021,619
Accrued legal fees	(248,477)	(435,374)	255,994
Accrued sponsored research	57,509	(210,121)	193,163
Other accrued liabilities	100,019	(80,281)	857,110
Net cash used in operating activities	(2,553,994)	(2,479,735)	(28,403,583)
Cash flows from investing activities			
Purchase of furniture and equipment	(3,757)	(1,559)	(803,882)
Purchases of short-term investments	–	(8,856,555)	(32,789,048)
Proceeds from sales of short-term investments	–	–	23,932,493
Effect of deconsolidation of Ansan, Inc.	–	–	(135,934)
Net cash provided by (used in) investing activities	(3,757)	(8,858,114)	(9,796,371)
Cash flows from financing activities			
Issuance of common stock	–	16,115,079	16,174,305
Offering costs	(166,752)	–	(522,299)
Financing costs	98,565	–	(810,248)
Issuance of preferred stock	2,450,123	–	17,601,443
Proceeds from notes payable	–	–	465,000
Repayment of notes payable	(1,200,000)	–	(425,000)

</TABLE>

TITAN PHARMACEUTICALS, INC.
(a development stage company)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited)

<TABLE>

	THREE MONTHS ENDED MARCH 31, 1995	THREE MONTHS ENDED MARCH 31, 1996	Period from Commencement of Operations (July 25, 1991) to March 31, 1996
<S>	<C>	<C>	<C>
Proceeds from notes and advances payable to related parties	–	–	2,216,500
Repayment of notes payable to related parties	–	–	(1,016,500)
Proceeds for Ansan bridge financing	–	–	1,425,000
Proceeds from Titan and Ingenex bridge financing	–	–	5,250,000
Repayment of Titan and Ingenex bridge financing	–	(5,250,000)	(5,250,000)
Proceeds from capital lease	–	–	658,206

Payments of principal under capital lease obligation	(61,602)	(53,370)	(332,961)
Proceeds from Ingenex, Inc. technology financing	2,000,000	-	2,000,000
Principal payments on Ingenex, Inc. technology financing	(26,135)	(116,932)	(333,512)
Increase in minority interest from issuances of preferred stock by Ingenex, Inc.	-	-	1,241,032
Issuance of common stock by subsidiaries	-	-	163,721
Net cash provided by financing activities	3,094,199	10,694,777	38,504,687
Net increase (decrease) in cash and cash equivalents	536,448	(643,072)	304,733
Cash and cash equivalents, beginning of period	1,346,444	947,805	-
Cash and cash equivalents, end of period	$ 1,882,892	$ 304,733	$ 304,733

</TABLE>

TITAN PHARMACEUTICALS, INC.
(a development stage company)
Notes to Condensed Consolidated Financial Statements
(unaudited)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE COMPANY AND ITS SEVERAL DEVELOPMENT STAGE SUBSIDIARIES

Titan Pharmaceuticals, Inc. (the "Company") was incorporated in February 1992 in the State of Delaware. It is the holding company for several development stage biotechnology companies ("the Operating Companies"). The development stage companies, which rely significantly on third parties to conduct sponsored research, are Ansan, Inc. ("Ansan"), Ingenex, Inc. ("Ingenex"), Theracell, Inc. ("Theracell"), and ProNeura, Inc. ("ProNeura") each of which continues in operation, and Geneic Sciences, Inc. ("Geneic"), which ceased operation in September 1995.

ANSAN, INC.

Ansan was incorporated in November 1992 to engage in the development of novel analogs of butyric acid for the treatment of cancer and other disorders characterized by abnormal cellular growth and differentiation. It was a majority-owned consolidated subsidiary until August 1995. In August 1995, Ansan completed an initial public offering of its securities. Such offering reduced the Company's ownership in Ansan from approximately 95% to approximately 44%. From August 1995, the Company has accounted for its investment in Ansan using the equity method. Concurrent with the Ansan public offering, Ansan granted the Company a one-year option to purchase up to 400,000 shares of Ansan common stock. The exercise price of the option is $6.00 per share until August 1996. Should the Company exercise its option in full, it may again hold a majority interest in Ansan.

INGENEX, INC.

Ingenex, a majority-owned consolidated subsidiary was incorporated in July 1991 and reincorporated in June 1992. It is engaged in the development of gene-based therapeutics and the discovery of medically important genes for the treatment of cancer and viral diseases. In September 1994, Ingenex issued shares of its Series B convertible preferred stock to a third party for $1,241,032, net of issuance costs. This transaction reduced the Company's ownership of Ingenex from approximately 82% in the second quarter of fiscal 1994 to approximately 61% at December 31, 1994 (or from approximately 94% to approximately 72% if conversion of all Ingenex preferred stock is assumed).

THERACELL, INC.

Theracell was incorporated in November 1992 to engage in the development of novel treatments for various neurologic disorders through the transplantation of neural cells and neuron-like cells directly into the brain. The Company's ownership in Theracell was 85% through November 1995, at which time the Company entered into an agreement with the minority stockholders of Theracell pursuant to which 140,000 shares of the Company's stock

TITAN PHARMACEUTICALS, INC.
(a development stage company)
Notes to Condensed Consolidated Financial Statements
(unaudited)

were issued in exchange for all the outstanding shares of Theracell common stock held by them. In connection with the issuance of the 140,000 shares, the Company recorded a charge for acquired in-process research and development of $686,000. In November 1995, the former minority stockholders of Theracell were granted an option to acquire 5% of the issued and outstanding capital stock of Theracell. These options can be exercised at a price of $1.59 per share within a period of three (3) years from January 18, 1996. Commencing thirty (30) days after the date Theracell's shares are first publicly traded, the Theracell options will be subject to redemption by Theracell on thirty (30) days' written notice at a redemption price of $0.05 per share if the "Closing Price"(as defined therein) of Theracell's common stock for any thirty (30) consecutive trading days ending within fifteen (15) days of the notice of

redemption averages in excess of $3.18 per share.

PRONEURA, INC.

ProNeura was incorporated in October 1995 to engage in the development of cost effective, long term treatment solutions to neurological and psychiatric disorders through drug delivery. At March 31, 1996, the Company owned 79% of ProNeura.

GENEIC SCIENCES, INC.

Geneic Sciences had conducted research and development activities pursuant to sponsored research and licensing agreements with a university, also a minority stockholder of Geneic Sciences. In September 1995 the Company and the university terminated the agreements, at which time all rights in the technology licensed from the university reverted to the university and the minority interest in Geneic Sciences held by the university was contributed to the capital of Geneic Sciences. Geneic Sciences ceased operations at such time.

BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10- QSB 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 accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended March 31, 1996 are not necessarily indicative of the results that may be expected for the year ended December 31, 1996. For further information, refer to the consolidated financial statements and footnotes thereto included in Titan Pharmaceuticals, Inc. annual report on Form 10-KSB for the year ended December 31, 1995.

PER SHARE DATA

For purposes of computing net share data in the three months ended March 31, 1996, the net loss has been increased by a $5,431,871 deemed dividend (see Note 2). Except as noted below, per share data is computed using the weighted average number of common shares outstanding. Common equivalent shares are excluded from the computation as their effect is antidilutive, except that, pursuant to the Securities and Exchange Commission ("SEC") Staff Accounting Bulletins, common and common equivalent shares (stock options, warrants and preferred stock) issued during the period commencing 12 months prior to the initial filing of an initial public offering at prices below the assumed public offering price have been included in the calculation as if they were outstanding for all periods presented (using the treasury stock method for stock options and warrants and the if-converted method for preferred stock). Per share information calculated on the above noted basis is as follows:

	Three Months Ended March 31,	
	1996	1995
Net loss per share	$ (1.19)	$ (1.00)
Shares used in calculating net loss per share	2,306,355	8,824,159

Pro forma loss per share has been computed as described above and also gives effect, pursuant to SEC policy, to common equivalent shares from convertible preferred stock issued more than 12 months from the proposed initial public offering that automatically converted upon completion of the Company's initial public offering (using the if-converted method) from the original date of issuance.

2. STOCKHOLDERS' EQUITY

UNIT OFFERING

In January 1996, the Company issued 3,200,000 units at $5.00 per unit in the Initial Public Offering "(IPO)". Each unit consisted of one share of common stock and one redeemable Class A warrant. The net proceeds (after underwriter's discount and expenses, and other costs associated with the IPO) totaled $13,955,079. At the closing of the offering, all of the Company's outstanding preferred stock automatically converted into common stock. Each share of Series A and Series B preferred stock was converted into 1.4310444107 and 1.8993878755 shares of common stock, respectively.

In January 1996, the Company repaid the $3,750,000 principal and accrued interest of $105,083 related to the bridge financing with a portion of the proceeds of the Offering. The Company also repaid Ingenex's bridge of $1,500,000 principal and accrued interest of $87,898 at that time.

In February, 1996, the Company issued an additional 480,000 units, at $5.00 per share, in accordance with the underwriter's over-allotment option. The net proceeds of the underwriter's over-allotment option totaled $2,160,000.

DEEMED DIVIDEND

The holders of Series A and Series B preferred stock received common stock in January 1996 with an aggregate fair value (at the $5.00 per share value of the IPO) which exceeded by $5,431,871 the cost of their initial investment of Series A and Series B preferred stock. This amount has been deemed to be the equivalent of a preferred stock dividend. The Company recorded the deemed dividend at the time of the conversion by offsetting charges and credits to additional paid in capital, without any effect on total stockholders' equity (net capital deficiency). There was no effect on net loss from the mandatory conversion. However, the amount did increase the loss applicable to common stock, in the calculation of net loss per share in the 1996 period.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Statements in this report that are not descriptions of historical facts may be forward-looking statements that are subject to risks and uncertainties. Actual results could differ materially from those currently anticipated.

Results of Operations

The Company is a development stage company which currently conducts its operations through four operating companies: Ansan, Inc., Ingenex, Inc., Theracell, Inc. and ProNeura, Inc. (collectively, the "Operating Companies"). Since its inception in July 1991, the Company's efforts have been principally devoted to acquiring licenses and technologies, research and development, securing patent protection and raising capital. The Company has had no significant revenue and has incurred an accumulated deficit through March 31, 1996 of approximately $34,669,000. These losses have resulted from expenditures for research and development and general and administrative activities including legal and professional activities, and are expected to continue for the foreseeable future. Approximately $6,553,000 of such expenses were incurred in connection with the activities of a subsidiary which ceased operations in 1995.

Total revenues for the three months ended March 31, 1996 ("first quarter 1996") were approximately $50,000 from an NIH grant. There were no revenues for the three months ended March 31, 1995 ("first quarter 1995").

Research and development expenses for first quarter 1996 were approximately $828,000 compared with $1,965,000 for first quarter 1995, a decrease of 58%. The decrease in such expenses reflects the deconsolidation of Ansan, Inc effective August 1995 and the cessation of operations of Geneic Sciences, Inc. in September 1995.

General and administrative expenses for first quarter 1996 were approximately $921,000 compared with $677,000 for first quarter 1995, an increase of 36%. The increase in such expenses resulted from increased insurance expenses, rental payments which had previously been charged to Geneic, payments for public relations and business consulting services and professional fees, the amortization of deferred compensation expenses associated with stock option issuances and the hiring of additional personnel.

As a result of the foregoing expenses, the Company incurred an operating loss of approximately $1,699,000 during first quarter 1996 compared with $2,642,000 during first quarter 1995. The Company expects to continue to incur substantial research and development costs in the future as a result of funding (I) ongoing research and development programs at the Operating Companies, (ii) manufacturing of products for use in clinical trials, (iii) patent and regulatory related expenses, and (iv) preclinical and clinical testing of the Operating Companies' products. The Company also expects that general and administrative costs necessary to support such research and development activities will increase. Accordingly, the Company expects to incur increasing operating losses for the foreseeable future.

Interest expense, net of interest income increased to approximately $(1,547,000) during first quarter 1996 from $(98,000) during first quarter 1995. Approximately $950,000 of the increase reflects a non-recurring charge representing the unamortized portion of the $1,200,000 debt discount and $458,000 of debt issuance costs relating to the Bridge Financing which was incurred upon repayment in January 1996 of notes issued in the Bridge Financing (the "Bridge Notes"). Approximately $179,000 of the increase reflects the Company's share of Ansan's losses.

Liquidity and Capital Resources

In January 1996, the Company completed an initial public offering of its securities (the "IPO") which resulted in net proceeds to the Company of approximately $8,622,000, after payment of underwriting discounts, a

non-accountable expense allowance to the underwriter and other expenses of the offering and the repayment of the Bridge Notes and notes issued by Ingenex, Inc. In February 1996, the underwriter of the Company's IPO exercised its overallotment option, resulting in net proceeds to the Company, after discounts and commissions to the underwriter, of $2,160,000.

Upon completion of the IPO, the Company's previously outstanding shares of preferred stock were converted automatically into shares of Common Stock at adjusted conversion prices per common share less than the public offering price per common share. The deemed benefit to the preferred stockholders approximated $5,400,000 which deemed benefit was recorded by offsetting charges and credits to additional paid-in capital at the time of conversion. There will be no effect on net income (loss) per share from the mandatory conversion. However, the amount would reduce the income allocable to common stock, or increase the loss allocable to common stock, in the calculation of net income (loss) per share in the period of the conversion.

The Company expects to continue to incur substantial additional operating losses from costs related to continuation and expansion of research and development, including clinical trials, and increased administrative activities over at least the next several years. The Company believes that the proceeds of the IPO, together with available cash, will provide the necessary liquidity and capital resources to sustain its planned operations for the 12 to 18 month period following the IPO. However, the Company's capital requirements may change depending on numerous factors including, but not limited to, the progress of the Operating Companies' research and development programs, the results of clinical studies, the timing of regulatory approvals, technological advances, determinations as to the commercial potential of the Company's products, and the status of competitive products.

It is not anticipated that the Company or any of the Operating Companies will have the resources necessary to conduct the several phases of clinical testing in human subjects necessary to complete development and to commercialize any products. The Company's strategy will continue to be to seek public or private financing for the Operating Companies through the sale of securities or corporate partnering arrangements at such time as their stage of development and working capital requirements permit such outside financing in order to reduce their financial dependence on the Company and enable the Company to continue to expand its product portfolio through acquisitions. There can be no assurance that financing from such sources or others will be available to any of the Operating Companies. In the event that the Company fails to raise any funds it requires, it may be necessary for the Company to outlicense rights it would prefer to retain or significantly curtail its activities or cease operations.

PART II

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

3.1*	--	Restated Certificate of Incorporation of the Registrant
3.2*	--	Form of Amendment to Restated Certificate of Incorporation of the Registrant
3.3*	--	By-laws of the Registrant
4.3*	--	Form of Warrant Agreement
4.4*	--	Form of Underwriter's Unit Purchase Option
4.5*	--	Amended and Restated Investor Rights Agreement between the Registrant and the holders of Series and Series A and Series B Preferred Stock
+10.19	--	License Agreement between Theracell, Inc. and the University of South Florida dated March 15, 1996
11	--	Computation of net loss per share

- - ----------

\+ Confidential treatment has been requested with respect to portions of this exhibit.

* Incorporated by reference from the Company's Registration Statement on Form SB-2 (File No.33-99386)

(b) No reports on Form 8-K were filed during the three months ended March 31, 1996.

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, 1996 By: /S/ LOUIS R. BUCALO

Louis R. Bucalo, President

May 15, 1995 By: /S/ CAROL DARBY

Carol Darby, Chief Accounting Officer

C:\BTPM_NY_\77\0048364.01

EXHIBIT INDEX

3.1*	--	Restated Certificate of Incorporation of the Registrant
3.2*	--	Form of Amendment to Restated Certificate of Incorporation of the Registrant
3.3*	--	By-laws of the Registrant
4.3*	--	Form of Warrant Agreement
4.4*	--	Form of Underwriter's Unit Purchase Option
4.5*	--	Amended and Restated Investor Rights Agreement between the Registrant and the holders of Series and Series A and Series B Preferred Stock
+10.19	--	License Agreement between Theracell, Inc. and the University of South Florida dated March 15, 1996
11	--	Computation of net loss per share

- - ----------

\+ Confidential treatment has been requested with respect to portions of this exhibit.

* Incorporated by reference from the Company's Registration Statement on Form SB-2 (File No.33-99386)

EX. 10.19

*Portions of this Exhibit have been omitted pursuant to a request for confidential treatment. The omitted portions, marked by * and [ ], have been separately filed with the Commission.*

LICENSE AGREEMENT

This License Agreement, effective the 15th day of March, 1996, is between Theracell, Inc., a Delaware corporation, having a principal place of business at 1505 O'Brien Drive, Suite B., Menlo Park, CA 94025 ("THERACELL"), the University of South Florida, acting for and on behalf of the Board of Regents, a public corporation of the State of Florida, of 4202 E. Fowler Ave., Tampa, FL 33620 ("USF"), and the University of South Florida Research Foundation, Inc., a university direct-support not for profit organization under Florida law, of 4202 E. Fowler Ave., FAO 126, Tampa, FL 33620 ("USFRF").

INTRODUCTION

WHEREAS, USF has developed, and is continuing to develop USF SERTOLI TECHNOLOGY, as defined herein;

WHEREAS, THERACELL desires to support USF's continued development of USF SERTOLI TECHNOLOGY, and to commercially exploit USF SERTOLI TECHNOLOGY; and

WHEREAS, THERACELL, USF, and USFRF believe it is in the public interest for USF SERTOLI TECHNOLOGY to be further developed and commercially exploited in the manner provided herein;

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein, and intending to be legally bound, the parties agree as follows:

I. Definitions

A. USF Sertoli Patent Rights ("PATENT RIGHTS") shall mean:

1. USF Patent Applications listed in Appendix A and any successor applications, domestic or foreign resulting therefrom, as well as any US or foreign patents issuing therefrom.

2. All subsequent USF patent applications and issued US and foreign patents involving Sertoli cells filed and/or issued during the term of this License Agreement on which one or more of the following USF researchers is also an inventor:

(a) Paul R. Sanberg

(b) Don F. Cameron

(c) Cesario F. Borlongon

B. "FIELD" shall mean extra-testicular cell and tissue transplantation or administration for therapeutic medical purposes.

C. "USF SERTOLI TECHNOLOGY" shall mean USF PATENT RIGHTS or know-how related to the use of Sertoli cells in the FIELD. It is further understood that "know how" means the know how of USF researchers whose work in developing USF SERTOLI TECHNOLOGY has been supported by funds from THERACELL or its sublicensees.

D. "LICENSED PRODUCT" shall mean any product or process for a defined medical condition covered in whole or in part by USF

SERTOLI TECHNOLOGY

E. "NET SALES" for a LICENSED PRODUCT shall mean THERACELL's and its sublicensees' billings for LICENSED PRODUCT less the sum of the following:

(i) discounts allowed in amounts customary in the trade for quantity purchases, samples, prompt payments' wholesalers' and distributors;

(ii) sales, tariff duties and/or use taxes directly imposed and with reference to particular sales;

(iii) outbound transportation prepaid or allowed; and

(iv) amounts allowed or credited on returns.

F. "TERRITORY" shall mean worldwide.

II. Grant

A. Subject to USF's and USFRF's retained rights and covenants (Section VlIl herein) USF and USFRF grant THERACELL the right and license in the TERRITORY to practice under USF SERTOLI TECHNOLOGY, and exclusively to the extent not prohibited by patent rights of others, or retained by USF and USFRF pursuant to Section VlIl herein, to make, have made, use, lease, sell, export and import LICENSED PRODUCTS until the termination of this Agreement.

B. Subject to USF's and USFRF's retained rights and covenants (Section VlIl herein) THERACELL shall have the right to enter into sublicensing agreements for LICENSED PRODUCTS, provided however, that in no case shall a sublicense be at rates which are lower than set forth herein below,

except by prior written consent of USF and USFRF, which consent shall not be unreasonably withheld.

In each sublicense agreement, THERACELL shall use its best efforts to secure, as part of the sublicense terms, (i) unrestricted basic research funds for USF researchers to further USF SERTOLI TECHNOLOGY, (ii) USF most favored research and development collaborator status (as defined in Section IV.B.), and (iii) USF most favored clinical research collaborator status (as defined in Section IV.C.).

Further, in all sublicense agreements, THERACELL shall advise its sublicensee of all terms and conditions of this License Agreement that could effect the sublicensee's rights in and to USF Sertoli Technology.

III. DILIGENCE

A. THERACELL shall use its best efforts to commercialize multiple LICENSED PRODUCTS through vigorous research and development and/or sublicensing efforts, and to continue active, diligent marketing efforts for one or more LICENSED PRODUCTS throughout the life of this agreement. In this regard, THERACELL shall:

1. Develop and introduce into clinical trials at least one LICENSED PRODUCT within three years from the effective date of this license agreement.

2. Continue to exploit USF SERTOLI TECHNOLOGY through its own efforts and/or those of its sublicensees such that a second LICENSED PRODUCT is introduced into clinical trials or analogous precommercialization trials (the parties understand this latter term to encompass analogous

regulatory trials required where a LICENSED PRODUCT is a process or derived from a process in which Sertoli cells are employed) within five years, and successive LICENSED PRODUCTS are introduced into clinical trials or analogous precommercialization trials at an average rate of one every two years, until the commercialization of at least one LICENSED PRODUCT.

3. Invest not less than $1.5 MM in connection with activities described in this agreement over the course of two years from the effective date of this agreement.

B. If THERACELL has not developed at least one LICENSED PRODUCT to the stage of entering clinical trials within three years from the effective date of this License Agreement, USF and USFRF may convert this license

*The information below marked by * and [ ] has been omitted pursuant to a request for confidential treatment. The omitted portion has been separately filed with the Commission.*

agreement into a product specific license by terminating this license as to all LICENSED PRODUCTS, except for any LICENSED PRODUCTS which THERACELL or a sublicensee is then using its best efforts to bring to clinical trials and for which THERACELL continues to use its best efforts pursuant to this Section to develop and commercialize, provided however,

1. that USF and/or USFRF shall not grant licenses to others (ALTERNATE LICENSEES) for remaining LICENSED PRODUCTS that would compete with use of THERACELL's LICENSED PRODUCTS for their defined medical condition.

C. If THERACELL fails to maintain the development progress set forth in Section III.A.2., USF and USFRF may convert this license agreement into a product specific license by terminating this license as to all LICENSED PRODUCTS, except for any LICENSED PRODUCTS which THERACELL or a sublicensee is then using its best efforts to bring to clinical trials and for which THERACELL continues to use its best efforts pursuant to this Section to develop and commercialize, provided however,

1. that USF and/or USFRF shall not grant licenses to others (ALTERNATE LICENSEES) for remaining LICENSED PRODUCTS that would compete with use of THERACELL's LICENSED PRODUCTS for their defined medical condition, and

2. that if THERACELL or its sublicensees have advanced at least two products into clinical trials or analogous precommercialization trials (The parties understand this latter term to encompass analogous regulatory trials required where a LICENSED PRODUCT is a process or derived from a process in which Sertoli cells are employed), USFRF will rebate to THERACELL up to [********] of the royalties received from ALTERNATE LICENSEES, not to exceed [************] of NET SALES.

D. In the event USF and USFRF seek ALTERNATE LICENSEES, pursuant to this Section III, until ALTERNATE LICENSEES for remaining LICENSED PRODUCTS are found, THERACELL shall have the right to negotiate with USF and USFRF to regain rights to said remaining LICENSED PRODUCTS.

IV. USF/THERACELL Research and Development Relationship

A. THERACELL will provide USF researchers with $110,000 per annum for unrestricted basic research in furtherance of USF SERTOLI

TECHNOLOGY for two years beginning on the effective date of this agreement. To the extent consistent with USF Rules and Policy, and Florida Law, said funds

*The information below marked by * and [ ] has been omitted pursuant to a request for confidential treatment. The omitted portion has been separately filed with the Commission.*

shall be placed in a Sertoli Cell Research Fund and disbursed to said researchers by mutual agreement with Dr. Paul Sanberg.

B. THERACELL will afford USF most favored research and development collaborator status. THERACELL will on a case by case basis award product research and development contracts based on the ability of the contractor to deliver the required services in an FDA acceptable manner, in accord with development timelines, and at a competitive cost, consistent with the THERACELL's obligations under Section III of this agreement. To the extent that THERACELL determines that USF research proposals meet these criteria, THERACELL will give USF researchers priority in the awarding of such contracts.

C. THERACELL will afford USF most favored clinical research collaborator status. THERACELL will on a case by case basis award product clinical research contracts based on ability of the contractor to deliver the required services in an FDA acceptable manner, in accord with development times lines, and at a competitive cost, consistent with THERACELL's obligations under Section lIl of this agreement. To the extent that THERACELL determines that USF clinical research proposals meet these criteria, THERACELL will give USF clinical researchers priority in the awarding of such contracts.

D. THERACELL will use its best efforts, consistent with economic feasibility, good business practices, and its obligations under Section III of this agreement to establish Research and Development facility adjacent to the campus of USF for the purpose, among others, of furthering the goals of this agreement in collaboration with USF researchers.

V. THERACELL Fees and Royalties

THERACELL agrees to pay license fees and royalties (all payable to USFRF) as follows:

A. An initial License Fee of [******] to which is creditable all option fees and patent attorney fees paid to USFRF by THERACELL prior to February 1, 1996, in connection with USF SERTOLI CELL TECHNOLOGY.

B. Annual License Maintenance Fees of [*****] in 1996, [*****] in 1997, [*****] in 1998, [*****] in 1999, and [******] for each year after 1999, providing, however,

1. that Running Royalties due on NET SALES for each year, if any, shall be creditable against the License Maintenance Fee for said year.

*The information below marked by * and [ ] has been omitted pursuant to a request for confidential treatment. The omitted portion has been separately filed with the Commission.*

C. Running Royalties on NET SALES of LICENSED PRODUCTS by THERACELL or its sublicensees, shall be as follows:

1. [******] in countries where neither patent protection for LICENSED PRODUCT exists nor a competitive, Sertoli based transplant product is marketed, or

2. [*****] in countries in which patent protection to LICENSED PRODUCT exists.

Should THERACELL receive sublicensing royalties that are not conditioned on lack of competition or existence of a patent, THERACELL will rebate [********] of sublicensing royalties not to exceed [***********] of NET SALES by sublicensees.

D. THERACELL shall rebate to USFRF [****] of the value of Initial License Fees and License Maintenance Fees, or any other consideration other than running royalties (as set forth above), received from third parties in connection with the grant of a sublicense on a LICENSED PRODUCT; provided that this rebate shall not include research and development monies received from third parties. It is agreed that THERACELL will in good faith spend any such research and development monies for that purpose, and USF's most favored research and development collaborator and most favored clinical research collaborator status will apply.

E. No multiple Royalties shall be payable to USFRF on any LICENSED PRODUCT.

F. Royalties shall be payable on LICENSED PRODUCT for the greater of 15 years from marketing in a commercial territory or until the expiration (or determination of invalidity by Court of last resort) of a patent covering said product in that commercial territory.

VI. Patent Prosecution

A. The filing, prosecution and maintenance of all PATENT RIGHTS applications and patents shall be the primary responsibility of USF; provided, however, that THERACELL shall have reasonable opportunities to advise and consult with USF thereon and shall cooperate with USF in such filing, prosecution and maintenance.

B. Paragraph VI.A not withstanding, THERACELL may elect to assume from USF primary responsibility for filing, prosecution and maintenance of all PATENT RIGHTS, in the name of USF as owner and assignee, and pursuant

to a retainer agreement between THERACELL and outside patent counsel, to be secured in consultation with USF. In the event of such election, USF shall have reasonable opportunity to advise THERACELL in such filing, prosecution and maintenance, and THERACELL shall use its best efforts to obtain strong and broad claims under PATENT RIGHTS and shall not abandon prosecution of any patent application or any of the claims of patent rights without written consent of USF, which consent shall not be unreasonably withheld. If THERACELL decides to abandon any such application or patent, it shall give USF reasonable notice and opportunity to assume prosecution.

C. THERACELL shall assume financial responsibility for all fees related to filing, prosecution and maintenance of PATENT RIGHTS incurred subsequent to February 1, 1996. In the event Section Vl.A. is operative, USF shall verify the accuracy of attorney fees and disbursements, and submit invoices to THERACELL within one month of receipt. In the event Section Vl.B. is operative, attorney invoices shall be submitted directly to THERACELL. In the event of a conversion of this license to a product specific license, pursuant to Section II.B.3, the parties, will, in good faith, negotiate an

equitable reduction in THERACELL's obligation to pay the fees set forth in this Section V1.C.

VlI. Assignability

This license may NOT be assigned to any person or entity without USF's and USFRF's advance written permission.

VlIl. USF and USFRF Retained Rights and Covenants

USF and USFRF retain the right to do all things granted to THERACELL under Section II, and USF and USFRF covenant not to commercially exploit USF Sertoli Technology unless

(i) authorized by this License Agreement, or

(ii) THERACELL becomes insolvent, or

(iii) anyone files a lien against this License Agreement, or

(iv) THERACELL takes any action, or fails to take any action, the result of which gives a third party the right to file such a lien, or

(v) THERACELL files for bankruptcy or a receiver is appointed, or

(vi) THERACELL ceases to carry on its business, or

(vii) THERACELL materially breaches this License Agreement in a manner which causes this License Agreement to terminate or gives USF or USFRF the right to terminate under Section Xll.

IX. Product Liability/Insurance

THERACELL shall, at all times during the term of this License Agreement and thereafter, be solely responsible for, and defend, hold harmless and indemnify USF, USFRF, their trustees, officers, employees, agents and other representatives, against any claims and expenses, including legal expenses and reasonable attorneys' fees, arising out of the death of or injury to any person or property based upon products produced or developed for, or by, THERACELL, or commercially exploited by THERACELL or a sublicensee of THERACELL pursuant to its rights under this Agreement. THERACELL shall obtain and carry in full force and effect product liability insurance, in amounts customary in the biotech industry which shall protect USF, USFRF, their trustees, officers, employees, agents and other representatives in regard to the foregoing events.

X. Record Keeping

A. THERACELL shall keep full, true and accurate books of account containing all particulars that may be necessary for the purpose of showing the amounts payable to USFRF hereunder. Said books of account shall be kept at THERACELL's principal place of business. Said books and the supporting data shall be open at all reasonable times for five (5) years following the end of the calendar year to which they pertain, to the inspection of USFRF or its agents for the purpose of verifying THERACELL's royalty statement of compliance in other respects with this Agreement.

B. THERACELL, within ninety (90) days after March 31, June 30, September 30 and December 31, of each year, shall deliver to USFRF true and accurate reports, giving such particulars of the business conducted by THERACELL and its sublicensees during the preceding three-month period under this Agreement as shall be pertinent to a royalty accounting hereunder. These shall include at least the following:

(i) number of LICENSED PRODUCTS manufactured and sold by THERACELL and its sublicensees, if any,

(ii) total billings for LICENSED PRODUCTS sold,

(iii) deductions applicable as provided in Paragraph Section 1.H.,

(iv) total royalty due,

(v) after a first sublicense is granted names and addresses of all sublicensees of THERACELL (and copies of all sublicensee agreements then effect), and

(vi) if Section Vl.B. is operative progress report on patent filings in each country, including the serial number, name of patent application, name of inventors and status of each patent application covering LICENSED PRODUCT. [If Section Vl.A. is operative, USF will provide THERACELL with such information at least semi-annually.]

With each such report submitted, THERACELL shall pay the royalties, fees and any other consideration due and payable under this Agreement. If no royalties, fees or other consideration shall be due, THERACELL shall so report.

C. On or before the ninetieth (9Oth) days following the close of THERACELL's fiscal year, THERACELL shall provide USF and USFRF with THERACELL's certified financial statements for the preceding fiscal year including, at a minimum, a Balance Sheet and an Opening Statement.

D. The payments for royalties, fees or other consideration set forth in this Agreement shall, if overdue, bear interest until payment at the monthly rate of one percent (1%). The payment of such interest shall not foreclose USF and USFRF from exercising any other rights either may have as a consequence of the lateness of any payment.

E. THERACELL hereby agrees that it shall not sell, transfer, export or reexport any LICENSED PRODUCTS or related information in any form, or any direct products of such information, except in compliance with all applicable laws, including the export laws of any U.S. government agency and any regulations thereunder, and will not sell, transfer, export or reexport any such LICENSED PRODUCTS or information to any persons or any entities with regard to which there exist grounds to suspect or believe that they are violating such laws. THERACELL shall be solely responsible for obtaining all licenses, permits or authorizations required from the U.S. and any other government for any such export or reexport. To the extent not inconsistent with this Agreement, USF and USFRF agree to provide THERACELL with such assistance as it may reasonably request in obtaining such licenses, permits or authorization.

Xl. Non-Use of Names

THERACELL shall not use the names of the USF or USFRF, nor any adaptation of either, in any advertising, promotional or sales literature without prior written consent obtained from USF and/or USFRF in each case, except that THERACELL may state that it is licensed under one or more of the patents and/or applications comprising the Patent Rights. The parties agree to issue a mutually agreed press release on or after the Effective Date.

Xll. Term and Termination

A. Unless sooner terminated as provided herein, this License Agreement will expire with respect to a given LICENSED PRODUCT on the later of the date of the last to expire of the PATENT RIGHTS or fifteen (15) years from the first bona fide commercial sale of said LICENSED PRODUCT. Upon such expiration of this License Agreement, THERACELL shall have a fully paid-up worldwide right and license to continue to commercially exploit said LICENSED PRODUCT.

B. If THERACELL assigns this License Agreement without USF's and USFRF's written permission, in violation of Section Vll, this License Agreement shall terminate automatically.

C. If THERACELL shall cease to carry on its business, this License Agreement shall terminate upon notice by USF and/or USFRF.

D. In the event either party files for bankruptcy or a receiver is appointed, this License Agreement may immediately thereafter be terminated at the option of the other party.

E. Should THERACELL fail to pay the royalties, fees and/or other consideration due and payable hereunder, USFRF and/or USF shall have the right to terminate this License Agreement on forty-five (45) days notice, unless THERACELL shall pay, within the forty-five (45) day period, all such royalties, fees and other consideration, and interest due and payable. Upon the expiration of the forty-five (45) day period, if THERACELL shall not have paid all such royalties, fees and other consideration, and interest due and payable, the rights, privileges and license granted hereunder shall terminate.

F. Upon any material breach or default this License Agreement by THERACELL. other than those occurrences set out hereinabove which shall always take precedence in that order over any material breach or default referred to in this Section, USFRF and/or USF shall have the right to terminate this License Agreement and the rights, privileges and license granted hereunder upon thirty (30) days' written notice to THERACELL.

Such termination shall become effective unless (i) Licensee shall have cured any such breach or default prior to the expiration of thirty (30) days from the date THERACELL receives notice of the breach or default, or (ii) THERACELL shall have demonstrated substantial efforts to cure such breach or default, which efforts shall be reasonably satisfactory to USF and/or USFRF.

G. THERACELL shall have the right to terminate this License Agreement at any time on six (6) months' written notice to USFRF and USF, and upon payment of all amounts due USFRF through the effective date of the termination.

H. Upon termination of this License Agreement for any reason, nothing herein shall be construed to release either party from any obligation that matured prior to the effective date of such termination. THERACELL and any sublicensee thereof may, however, after the effective date of such termination, sell all LICENSED PRODUCTS, and complete LICENSED PRODUCTS in the process of manufacture at the time of such termination and sell the same, provided that THERACELL shall pay to USF and/or USFRF the royalties thereon as required by Article IV of this License Agreement and shall submit the reports required by Article V hereof on the sales of the LICENSED PRODUCTS.

1. Upon termination of this License Agreement for any reason, any sublicensee not then in default under its sublicense agreement with THERACELL shall automatically have a license under this License Agreement as a direct THERACELL of USF

and/or USFRF, on economic terms no less favorable than those set forth in the sublicense agreement, and otherwise with the same rights and obligations as THERACELL hereunder, provided, however, that such automatic license is granted only, to the extent that it does not conflict with any other rights lawfully granted to anyone else, and further provided that such automatic license shall terminate unless sublicensee, within thirty (30) days from notice by USF and/or USFRF that this License Agreement has terminated, shall:

(i) state to USF and USFRF in writing that to the best of its knowledge and belief, it is capable of performing to such an automatic sublicense;

(ii) pay any royalties, fees and other consideration (including interest) due and payable, or cure any such breach or default in any manner which preserves the value to USFRF and USF of this License Agreement, or demonstrate substantial efforts

to cure such breach or default, which efforts shall be reasonably satisfactory to USFRF and USF;

or the license hereunder to sublicense shall terminate.

J. Upon termination of this Agreement for any reason, all intellectual property rights licensed hereunder, including without limitation all PATENT RIGHTS and all USF Sertoli Technology shall revert to USF and/or USFRF and THERACELL shall have no further right to or continuing interest herein.

XlIl. Payments, Notices and Other Communications

Any payment, notice or other communication pursuant to this License Agreement shall be sufficiently made or given on the date of mailing if sent to such party by certified first class mail or air courier, postage prepaid, addressed to it at its address below or it shall designate by written notice given to the other party:

In the case of USFRF:

USF Research Foundation, Inc.
P. O. Box 30445
Tampa, FL 33620-3044

In the case of THERACELL:

Theracell, Inc.
1505 O'Brien Drive, Ste. B
Menlo Park, CA 94025

All Payments to:

USF Research Foundation, Inc.
P.O. Box 20445
Tampa, FL 33620-30440

In the case of USF:

Director, Sponsored Research
4202 E. Fowler Ave., FAO 126
Tampa, FL 33620

XIV. Infringement

The parties consider infringement (either of the Patent Rights or of a third party patent) to be a different matter from the patent and other legal fees referred to in this License Agreement, and the parties therefore agree that it is in their mutual interests to confer when a question of infringement (either of the Patent Rights or of a third party patent) arises before taking legal action which may result in substantial expense. It is the intent of the parties to evaluate the infringement-related situations on a case-by-case basis in order to determine the best course of action.

XV. Miscellaneous Provisions

A. Each party represents and warrants that it has the authority to enter into this License Agreement and that the execution, delivery and performance of this Agreement do not conflict with any agreement or understanding, either written or oral, to which it is a party or to which it is otherwise bound.

B. This License Agreement shall be construed, governed, interpreted and applied in accordance with the laws of the State of Florida, U.S.A., except that questions affecting the construction and effect of any Patent Rights shall be determined by the law of the country in which the patent was granted.

C. The parties hereto acknowledge that this License Agreement sets forth the entire agreement and understanding of the parties hereto as to the subject matter hereof, and shall not be subject to any change or modification except by the execution of a written instrument subscribed to by the parties hereto.

D. If any term, covenant or condition of this License Agreement or the application thereof to any party or circumstance shall, to any extent be held to be invalid or unenforceable,

(i) the remainder of this License Agreement, or the application of such term, covenant or condition to the parties or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term, covenant or condition of this Agreement shall be valid and be enforced to the fullest extent permitted by law; and

(ii) the parties hereto covenant and agree to renegotiate any such term, covenant or application thereof in good faith in order to provide a reasonably acceptable alternative to the term, covenant or condition of this License Agreement or the application thereof that is invalid or unenforceable,

it being the intent of the parties that the basic purposes of this License Agreement are to be effectuated.

E. THERACELL agrees to mark the containers or packages of LICENSED PRODUCTS sold in the United States with all applicable United States patent numbers. All LICENSED PRODUCTS shipped to or sold in other countries shall be marked in such a manner as to confirm with the patent laws and practice of the country of manufacture or sale.

F. The failure of any party to assert a right hereunder or to insist upon compliance with any term or condition of this License Agreement shall not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term of condition by the other party.

G. EXCEPT AS OTHERWISE EXPRESSLY SET FORTH IN THIS LICENSE AGREEMENT, USF and/or USFRF MAKE NO REPRESENTATION AND EXTEND

NO WARRANTIES OF ANY KIND, EITHER EXPRESS OF IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON INFRINGEMENT, AND VALIDITY OF PATENT RIGHTS CLAIMS, ISSUED OR PENDING.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals and duly executed this License Agreement the day and year set forth below.

UNIVERSITY OF SOUTH FLORIDA
RESEARCH FOUNDATION, INC.

By */S/ KENNETH G. PRESTON* — */S/ DEANNA BONDOC*
Kenneth G. Preston — *Witness*
Executive Director
Date:

UNIVERSITY OF SOUTH FLORIDA

By */S/ GEORGE R. NEWKOME* — */S/ AMY COMBAST*
George R. Newkome — *Witness*
Vice President
Date:

THERACELL INC.

By */S/ RICHARD ALLEN* — */S/ DEANNA BONDOC*
Richard Allen, Ph.D. — *Witness*
President and CEO
Date:

APPENDIX A TO LICENSE AGREEMENT EFFECTIVE MARCH 15,1996 BETWEEN USF, USFRF, AND THERACELL

Patent Applications

TITLE: *Purified and Isolated Sertoli Cell Aggregate*
Filing Date: *4/20/95*
Serial No.: *08/425,868*
Inventors: *Richard Heller, Don F. Cameron, Paul R. Sanberg, and Mark J. Jaroszeski*

TITLE: *Sertoli Cells as Transplantation Facilitor for Cell Transplantation*
Filing Date: *3/13/95*
Serial No.: *08/402,387*
Inventors: *Paul R. Sanberg, Don F. Cameron, Cesario V. Borlongan, and Richard Heller (note: based upon information from Inventors, inventorship may need to be changed to delete Richard Heller)*

TITLE: *Sertoli Cells as Neurorecovery Inducing Cells for Neurodegenerative Disorders Filing Date: 3/13/95*
Serial No.: *08/402,389*
Inventors: *Paul R. Sanberg, Don F. Cameron, and Cesario V. Borlongan*

TITLE: *Method and Media for Enhancing Cryopreservation of Cells*
Filing Date: *3/12/96*

Serial No.: *08/615,039*
Inventors: *Don F. Cameron, Paul R. Sanberg, Cesario V. Borlongan and Samuel Saporta*

PCT/CIP Applications

TITLE: *Sertoli Cells as Neurorecovery Inducing Cells for Neurodegenerative Disorders - CIP which was filed through the PCT designating the US*
Filing Date: *3/12/96*
Serial No.:
Inventors: *Paul R. Sanberg, Don F. Cameron; and Cesario V. Borlongan*

TITLE: *Sertoli Cells as Transplantation Facilitator for Cell Transplantation - CIP which was filed through the PCT designating the US*
Filing Date: *3/12/96*
Serial No.:
Inventors: *Paul R. Sanberg, Don F. Cameron, Cesario V. Borlongan, and Richard Heller (note: based upon information from Inventors, inventorship may need to be changed to delete Richard Heller)*

EXHIBIT 11

TITAN PHARMACEUTICALS, INC.
(A DEVELOPMENT STAGE COMPANY)
STATEMENT OF COMPUTATION OF NET LOSS PER SHARE

<TABLE>

	THREE MONTHS ENDED MARCH 31, 1995	1996
<S>	*<C>*	*<C>*
NET LOSS	*$ (2,739,935)*	*$ (3,424,769)*
DEEMED DIVIDEND UPON CONVERSION OF PREFERRED STOCK	*-*	*(5,431,871)*
NET LOSS APPLICABLE TO COMMON STOCK	*(2,739,935)*	*(8,856,640)*
WEIGHTED AVERAGE SHARES OF COMMON STOCK OUTSTANDING	*1,408,519*	*8,824,159*
SHARES RELATED TO STAFF ACCOUNTING BULLETIN TOPIC 4D: STOCK OPTIONS AND WARRANTS	*897,836*	*-*
SHARES USED IN COMPUTING NET LOSS PER SHARE	*2,306,355*	*8,824,159*
NET LOSS PER SHARE	*$ (1.19)*	*$ (1.00)*
PRO FORMA		
NET LOSS APPLICABLE TO COMMON STOCK	*$ (2,739,935)*	*$ (8,856,640)*
CALCULATION OF SHARES OUTSTANDING FOR COMPUTING PRO FORMA NET LOSS PER SHARE:		
SHARES USED IN COMPUTING NET LOSS PER SHARE	*2,306,355*	*8,824,159*
ADJUSTED TO REFLECT THE EFFECT OF THE assumed conversion of preferred stock	*4,922,183*	*9,916,250*
SHARES USED IN COMPUTING PRO FORMA NET LOSS PER SHARE	*7,229,183*	*9,916,250*
PRO FORMA NET LOSS PER SHARE	*$ (0.38)*	*$ (0.89)*

</TABLE>

<TABLE> <S> <C>

<ARTICLE> 5
<LEGEND>
THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE BALANCE SHEET AND STATEMENT OF OPERATIONS AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.
</LEGEND>

<S>	<C>	
<PERIOD-TYPE>	3-MOS	
<FISCAL-YEAR-END>		DEC-31-1996
<PERIOD-END>		MAR-31-1996
<CASH>		304,733
<SECURITIES>		8,856,555
<RECEIVABLES>		0
<ALLOWANCES>		0
<INVENTORY>		0
<CURRENT-ASSETS>		9,346,152
<PP&E>		1,389,407
<DEPRECIATION>		616,020
<TOTAL-ASSETS>		11,823,637
<CURRENT-LIABILITIES>		2,351,351
<BONDS>		0
<PREFERRED-MANDATORY>		0
<PREFERRED>		0
<COMMON>		35,271,919
<OTHER-SE>		(28,879,563)
<TOTAL-LIABILITY-AND-EQUITY>		11,823,637
<SALES>		0
<TOTAL-REVENUES>		49,705
<CGS>		0
<TOTAL-COSTS>		0
<OTHER-EXPENSES>		1,747,091
<LOSS-PROVISION>		0
<INTEREST-EXPENSE>		1,623,129
<INCOME-PRETAX>		(3,424,769)
<INCOME-TAX>		0
<INCOME-CONTINUING>		0
<DISCONTINUED>		0
<EXTRAORDINARY>		0
<CHANGES>		0
<NET-INCOME>		(3,424,769)
<EPS-PRIMARY>		(1.00)
<EPS-DILUTED>		(0.89)

</TABLE>