SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

|X| Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Period Ended June 30, 2000.

or

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

Commission file number 0-27436

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

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

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

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

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

There were 25,858,945 of the Registrant's Common Stock issued and outstanding on July 31, 2000.

TITAN PHARMACEUTICALS, INC.
INDEX TO FORM 10-Q

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PART I. FINANCIAL INFORMATION

TITAN PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

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	JUNE 30, 2000	DECEMBER 31, 1999

	(unaudited)	(Note A)
<S>	<C>	<C>
ASSETS		
Current assets		
Cash and cash equivalents	$ 6,278	$ 46,454
Short-term investments	76,237	-
Grants receivable	-	150
Prepaid expenses and other current assets	467	327
Total current assets	82,982	46,931
Furniture and equipment, net	515	415
Other assets	16	16
	$ 83,513	$ 47,362
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 281	$ 849
Accrued clinical trials expenses	638	437
Accrued compensation and related expenses	149	177
Accrued professional fees and other liabilities	276	356
Unearned contract revenue	235	-
Total current liabilities	1,579	1,819
Minority interest - Series B preferred stock of Ingenex, Inc.	1,241	1,241
Stockholders' Equity		
Preferred stock, at amounts paid in	-	5,000
Common stock, at amounts paid in	146,017	98,697
Additional paid-in capital	6,524	6,524
Deferred compensation	(256)	(501)
Accumulated deficit	(71,489)	(65,418)
Accumulated other comprehensive loss	(103)	-
Total stockholders' equity	80,693	44,302
	$ 83,513	$ 47,362

</TABLE>

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

TITAN PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

<TABLE>
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	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2000	1999	2000	1999
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Contract revenue	$ 281	$ -	$ 561	$ -
Grant revenue	-	-	55	47
Total revenue	281	-	616	47
Operating expenses:				
Research and development	3,266	2,724	7,311	4,810
Acquired in-process research and development	-	-	-	136
General and administrative	704	529	1,561	1,316
Total operating expenses	3,970	3,253	8,872	6,262
Loss from operations	(3,689)	(3,253)	(8,256)	(6,215)
Other income (expense):				
Interest income, net	1,275	150	2,213	302
Other income (expense)	(9)	(3)	(28)	(13)
Other income (expense), net	1,266	147	2,185	289
Net loss	$ (2,423)	$ (3,106)	$ (6,071)	$ (5,926)
Basic and diluted net loss per share	$ (0.09)	$ (0.20)	$ (0.24)	$ (0.39)
Weighted average shares used in computing basic and diluted net loss per share	25,769	15,385	24,821	15,036

</TABLE>

See Notes to Condensed Consolidated Financial Statements

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

<TABLE>
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	SIX MONTHS ENDED JUNE 30,	
	2000	1999
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (6,071)	$ (5,926)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	169	177
Stock compensation to consultants	159	-
Issuance of common stock to acquire minority interest of Theracell, Inc.	-	136
Changes in operating assets and liabilities:		
Prepaid expenses, other receivables and assets	10	(11)
Accounts payable and other accrued liabilities	(476)	417
Unearned contract revenue	235	(364)
Net cash used in operating activities	(5,974)	(5,571)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of furniture and equipment, net	(183)	(91)
Purchases of short-term investments	(86,832)	-
Proceeds from sales of short-term investments	10,492	-
Net cash used in investing activities	(76,523)	(91)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Issuance of common stock	42,321	5,820
Net cash provided by financing activities	42,321	5,820
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(40,176)	158
Cash and cash equivalents at beginning of period	46,454	11,655
Cash and cash equivalents at end of period	6,278	11,813
Short-term investments at end of period	76,237	-
CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS AT END OF PERIOD	$ 82,515	$ 11,813

</TABLE>

See Notes to Condensed Consolidated Financial Statements

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

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE COMPANY AND ITS SUBSIDIARIES

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

INGENEX, INC.

Ingenex is engaged in the development of gene-based therapeutics for the treatment of cancer. At June 30, 2000, we owned 81% of Ingenex, assuming the conversion of all preferred stock to common stock.

PRONEURA, INC.

ProNeura is engaged in the development of cost effective, long-term treatment solutions to neurologic and psychiatric disorders through an implantable drug delivery system. At June 30, 2000, we owned 79% of ProNeura.

BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements include the accounts of Titan and its majority owned subsidiaries after elimination of all significant intercompany accounts and transactions. These financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted

accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. Operating results for the six-month period ended June 30, 2000 are not necessarily indicative of the results that may be expected for the year ended December 31, 2000.

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

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

REVENUE RECOGNITION

License revenue is recognized ratably over the terms of the related license agreements. Nonrefundable license fees, under which we have no future performance obligations, are recognized upon receipt. Contract revenue related to research and development activities performed under collaborative agreements is recognized when project costs are incurred. Milestone payments are generally recognized as revenue when specified milestones are achieved. Government grants that support our research effort in specific projects generally provide for reimbursement of approved costs as defined in the grant documents, and revenue is recognized when subsidized project costs are incurred.

2. NET LOSS PER SHARE

We calculate basic net loss per share using the weighted average common shares outstanding for the period. Had we been in a net income position, shares used in calculating diluted earnings per share for the six months ended June 30, 2000, would have included the effect of an additional 3,293,133 shares related to our convertible preferred stock and options, and for the six months ended June 30, 1999, we would have included an additional 12,030,133 shares related to our convertible preferred stock, options and warrants.

3. COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) is comprised of net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) includes certain changes in equity that are excluded from net income (loss), such as unrealized gains and losses on investments. Comprehensive loss for the six months ended June 30, 2000, was $6.2 million. Comprehensive loss for the six months ended June 30, 1999, was the same as our net loss.

4. STOCKHOLDERS' EQUITY

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

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

5. LICENSING AND COLLABORATIVE AGREEMENT WITH SCHERING AG

In January 2000, we entered into a licensing and collaborative agreement with Schering AG, under which we will collaborate with Schering on manufacturing and clinical development of our cell therapy product, Spheramine-TM-, for the treatment of Parkinson's disease. Under the agreement, we will perform clinical development activities for which we will receive funding. As of June 30, 2000, we recognized $0.5 million of revenue under this agreement. Schering will fully fund, and manage in collaboration with us, all future pilot and pivotal clinical studies, and manufacturing and development activities. We are entitled to certain payments upon the achievement of specific milestones. Schering also retains the right to make an equity investment in Titan, up to a specified amount, upon initiation of pivotal clinical studies. The potential economic value of the agreement, including development funding and equity investment, but not including funding of clinical trials and product royalties, is approximately $26 million.

6. SUBSEQUENT EVENT

In July 2000, we announced the acquisition of worldwide rights to a novel and proprietary agent, gallium maltolate, for the potential treatment of cancer and other conditions, including HIV infection. We obtained the rights through the acquisition of GeoMed, Inc., a privately held California company founded for the development of the agent. At the conclusion of the acquisition, we will assume up to $1.4 million of GeoMed's liabilities, and issue $3.5 million of Titan common stock (approximately 93,590 shares). A total of $4.9 million will be charged to acquired in-process research and development upon the closing of the transaction.

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

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

OVERVIEW

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

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

Our cancer therapeutics in clinical testing include three monoclonal antibodies--CeaVac-Registered Trademark-, TriAb-Registered Trademark- and TriGem-TM---which are designed to stimulate a patient's immune system against various types of cancer cells. CeaVac is currently being evaluated in a large multi-center double-blind placebo-controlled Phase III clinical trial in patients with metastatic colorectal cancer. TriAb is currently being evaluated in a double-blind placebo-controlled Phase II clinical study in patients with breast cancer. We are also collaborating with several clinical oncology cooperative groups and expect to initiate a number of clinical studies later this year, specifically, a Phase III study with CeaVac Dukes' C colorectal cancer managed by the American College of Surgeons Oncology Group, a Phase III study with TriGem in intermediate stage melanoma directed by the South West Oncology Group, and a Phase II clinical study with a combination of CeaVac and TriAb in lung cancer managed by the Radiation Therapy Oncology Group, all of which are supported by the Cancer Treatment and Evaluation Program of the National Cancer Institute. Another Titan anti-cancer product in development, Pivanex-TM-, is a small molecule drug that acts as a cell-differentiating agent. Pivanex is currently in Phase II clinical testing for non-small cell lung cancer. Additionally, we are developing a gene therapy product for treating various cancers. Further, we are developing a long-term drug delivery system with applications in the treatment of CNS disorders and other conditions.

RESULTS OF OPERATIONS

Revenue for the second quarter and for the first six months of 2000 were approximately $0.3 million and $0.6 million, respectively. These revenues consisted primarily of contract revenue from Schering AG for the development of Spheramine, Titan's novel therapy for treatment of Parkinson's disease. In 1999, Titan had no revenues in the second quarter, and had approximately $47,000 of revenue during the first six months.

Research and development expenses for the second quarter 2000 were $3.3 million, compared to $2.7 million for the same quarter in 1999. For the six months ended June 30, 2000, research and development expenses were $7.3 million, compared to $4.9 million for the same period in 1999. The increase in research and development expense was a result of the expansion of Titan's randomized, placebo-controlled Phase III clinical study of CeaVac in Dukes' D colorectal cancer, and increased manufacturing and development activity for CeaVac and for our other anti-cancer therapeutic monoclonal antibodies, TriAb and TriGem, to support the initiation of three additional clinical efficacy studies later this year. These additional studies will be directed and managed by three government sponsored cooperative groups and will be supported by the Cancer Treatment and Evaluation Program of the National

Cancer Institute.

General and administrative expenses for the second quarter 2000 were $0.7 million compared to $0.5 million for the same quarter in 1999. For the six months ended June 30, 2000, general and administrative expenses were $1.6 million, compared to $1.3 million for the same period in 1999. The increase in expenses from 1999 to 2000 was principally due to expenses during the first quarter 2000 for leasehold improvements, legal expenses related to corporate partnering agreements and planned increases in support of expanded clinical activity.

Other income, net of other expenses, for the second quarter 2000 was $1.3 million compared to $0.1 million in the second quarter 1999. For the six months ended June 30, 2000, other income, net of other expenses, was $2.2 million compared to $0.3 million for the same period in 1999. The increases, primarily in interest income, were a result of our significantly larger cash and short-term investments position.

As a result of the foregoing, we had a net loss of $2.4 million, or $0.09 per share, for the second quarter 2000, compared to $3.1 million, or $0.20 per share, for the same quarter in 1999. For the six months ended June 30, 2000, our net loss was $6.1 million, or $0.24 per share, compared to $5.9 million, or $0.39 per share, for the same period in 1999.

LIQUIDITY AND CAPITAL RESOURCES

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

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

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

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

We have entered into various agreements with research institutions, universities and other entities for the performance of research and development activities and for the acquisition of licenses related to those

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

We expect to continue to incur substantial additional operating losses from costs related to continuation and expansion of product and technology development, clinical trials and administrative activities. We believe that we currently have sufficient working capital to sustain our planned operations at least through 2003.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

PART II

ITEM 1. LEGAL PROCEEDINGS

In March 2000, a former investor relations consultant commenced an action in the Supreme Court of the State of New York, New York County, alleging that Titan purportedly breached an agreement dated February 24, 1997, by failing to deliver certain warrants to the plaintiffs. We believe there is no merit to the plaintiffs' claim and are vigorously defending the pending action.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

27.1 Financial Data Schedule

(b) Reports on Form 8-K

There were no reports on Form 8-K filed during the quarter ended June 30, 2000.

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.

August 14, 2000 *By: /s/ Louis R. Bucalo*
Louis R. Bucalo, M.D.
Chairman, President and
Chief Executive Officer

August 14, 2000 *By: /s/ Robert E. Farrell*
Robert E. Farrell
Executive Vice President
and Chief Financial Officer

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS INCLUDED IN THE COMPANY'S FORM 10-Q
FOR THE PERIOD ENDED JUNE 30, 2000, AND IS QUALIFIED IN ITS ENTIRETY BY
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