U.S. 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, 1998.

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)	(IRS 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 13,123,508 shares of the Registrant's Common Stock issued and outstanding on August 7, 1998.

TITAN PHARMACEUTICALS, INC.
INDEX TO FORM 10-Q

Part I. Financial Information

TITAN PHARMACEUTICALS, INC.
(a development stage company)
CONDENSED CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	June 30, 1998 (unaudited)	December 31, 1997 (Note A)
<S>	<C>	<C>

Assets		
Current assets		
Cash and cash equivalents	*$16,787,071*	*$24,386,872*
Short-term investments	*500,000*	*500,000*
Prepaid expenses and other current assets	*160,558*	*58,937*
Other receivables	*–*	*371,793*
Total current assets	*17,447,629*	*25,317,602*
Furniture and equipment, net	*228,633*	*253,723*
Other assets	*22,898*	*22,898*
	$17,699,160	*$25,594,223*
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	*$642,802*	*$815,449*
Accrued legal fees	*60,991*	*244,486*
Accrued sponsored research	*135,058*	*65,500*
Accrued payroll and related	*163,105*	*257,751*
Accrued professional and accounting fees	*40,000*	*100,000*
Other accrued liabilities	*105,885*	*192,487*
Total current liabilities	*1,147,841*	*1,675,673*
Commitments		
Minority interest – Series B preferred stock of Ingenex, Inc.	*1,241,032*	*1,241,032*
Guaranteed security value (Note 2)		*5,500,000*
Stockholders' Equity		
Preferred stock, at amounts paid in	*5,000,000*	*5,000,000*
Common stock, at amounts paid in	*52,294,219*	*49,622,796*
Additional paid-in capital	*6,521,353*	*6,521,353*
Deferred compensation	*(372,460)*	*(458,340)*
Deficit accumulated during the development stage	*(48,132,825)*	*(43,508,291)*
Total stockholders' equity	*15,310,287*	*17,177,518*
	$17,699,160	*$25,594,223*

</TABLE>

Note A: The balance sheet at December 31, 1997 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.

See Notes to Condensed Consolidated Financial Statements

<TABLE>
<CAPTION>

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

	THREE MONTHS ENDED JUNE 30,		*SIX MONTHS ENDED JUNE 30,*		*COMMENCEMENT OF OPERATIONS (JULY 25, 1991) TO JUNE 30, 1998*
	1998	*1997*	*1998*	*1997*	
<S>	*<C>*	*<C>*	*<C>*	*<C>*	*<C>*
License and grant revenue	*$ –*	*$ 111,483*	*$ –*	*$ 147,745*	*$ 17,898,281*
Costs and expenses:					
Research and development	*1,465,540*	*2,643,240*	*3,151,780*	*4,817,975*	*40,042,096*
Acquired in-process research and development	*–*	*–*		*9,500,000*	*10,186,000*
General and administrative	*973,909*	*1,626,973*	*2,003,529*	*2,963,891*	*20,345,478*
Total costs and expenses	*2,439,449*	*4,270,213*	*5,155,309*	*17,281,866*	*70,573,574*
Loss from operations	*(2,439,449)*	*(4,158,730)*	*(5,155,309)*	*(17,134,121)*	*(52,675,293)*
Other income (expense):					
Equity in loss of Ansan Pharmaceuticals, Inc.	*–*	*(221,785)*	*–*	*(501,824)*	*(2,046,939)*
Gain on sale of technology	*–*	*8,513,884*	*–*	*8,513,884*	*8,361,220*
Interest income	*225,074*	*147,378*	*488,893*	*319,313*	*2,326,054*
Interest expense	*–*	*(63,670)*	*(87)*	*(138,741)*	*(4,389,774)*
Loss on sale of fixed assets	*(13,431)*	*–*	*(13,431)*	*–*	*(13,431)*
Other income (expense)	*(226)*	*–*	*55,400*	*–*	*260,424*
Other income (expense) – net	*211,417*	*8,375,807*	*530,775*	*8,192,632*	*4,497,554*
Income (loss) before minority interest	*(2,228,032)*	*4,217,077*	*(4,624,534)*	*(8,941,489)*	*(48,177,739)*
Minority interest in losses of subsidiaries	*–*	*–*	*–*	*–*	*44,914*
Net income (loss)	*$(2,228,032)*	*$ 4,217,077*	*$(4,624,534)*	*$(8,941,489)*	*$(48,132,825)*
Deemed dividend upon conversion of preferred stock	*–*	*–*	*–*	*–*	*(5,431,871)*
Net income (loss) attributable to common stockholders	*$(2,228,032)*	*$ 4,217,077*	*$(4,624,534)*	*$(8,941,489)*	*$(53,564,696)*
Basic and diluted earnings (net loss) per common share	*$ (0.17)*	*$ 0.32*	*$ (0.35)*	*$ (0.69)*	

Shares used in computing basic earnings (net loss) per share	13,108,230	13,046,102	13,093,516	12,971,902
Shares used in computing diluted earnings per share		13,242,099		

</TABLE>

See Notes to Condensed Consolidated Financial Statements

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

<TABLE>
<CAPTION>

	SIX MONTHS ENDED JUNE 30,		PERIOD FROM COMMENCEMENT OF OPERATIONS (JULY 25, 1991)
	1998	1997	TO MARCH 31,1998
<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	$(4,624,534)	$(8,941,489)	$(48,132,825)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization expense	145,054	245,576	1,593,748
Issuance of common stock to acquire technology	–	5,500,000	5,500,000
Payment of guaranteed security value	(3,044,409)	–	(3,044,409)
Loss (gain) on sale of assets	14,105	(218,654)	14,105
Accretion of discount on indebtedness	–	–	2,290,910
Equity in loss of Ansan Pharmaceuticals, Inc.	–	501,825	2,046,940
Other	–	–	(35,653)
Issuance of common stock to acquire minority interest of Theracell, Inc.	–	–	686,000
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	(101,621)	(22,765)	(160,558)
Receivable from Ansan Pharmaceuticals, Inc.	–	(71,419)	–
Other receivables	371,793	–	–
Other assets	–	152,564	(27,863)
Accounts payable	(172,647)	420,491	966,992
Accrued license fee	–	2,000,000	–
Other accrued liabilities	(355,185)	390,366	905,455
Net cash used in operating activities	(7,767,444)	(43,505)	(37,397,158)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of furniture and equipment	(71,189)	(51,718)	(1,222,412)
Proceeds from sale of furniture and equipment	23,000	–	23,000
Purchase of short-term investments	–	(100,000)	(59,782,493)
Proceeds from sale of short-term investments	–	12,600,000	59,282,493
Issuance of debenture to Ansan Pharmaceuticals, Inc.	–	(1,000,000)	
Effect of deconsolidation of Ansan Pharmaceuticals, Inc.	–	–	(135,934)
Net cash (used in)/provided by investing activities	(48,189)	11,448,282	(1,835,346)

</TABLE>

See Notes to Condensed Consolidated Financial Statements

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

<TABLE>
<CAPTION>

	SIX MONTHS ENDED JUNE 30,		PERIOD FROM COMMENCEMENT OF OPERATIONS (JULY 25, 1991)
	1998	1997	TO MARCH 31,1998
<S>	<C>	<C>	<C>
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of common stock	215,832	2,998	30,244,606
Deferred financing costs	–	46,349	(713,899)
Issuance of preferred stock	–	–	17,601,443
Issuance of preferred stock - Novartis	–	–	5,000,000
Proceeds from notes and advances payable	–	–	2,681,500
Repayment of notes payable	–	–	(1,441,500)
Proceeds from Ansan bridge financing	–	–	1,425,000
Proceeds from Titan Pharmaceuticals, Inc. and Ingenex, Inc. bridge financing	–	–	5,250,000

Repayment of Titan Pharmaceuticals, Inc. and Ingenex, Inc. bridge financing	-	-	(5,250,000)
Payments of principle under capital lease obligation	-	(127,462)	(633,766)
Proceeds from capital lease bridge financing	-	-	658,206
Proceeds from Ingenex, Inc. technology financing	-	-	2,000,000
Principal payments on Ingenex, Inc. technology financing	-	(1,289,313)	(2,000,000)
Increase in minority interest from issuances of preferred stock by Ingenex, Inc.	-	-	1,241,032
Issuance of common stock by subsidiaries	-	-	173,652
Loss (gain) on disposal of assets	-	-	(216,699)
Net cash provided by/(used in) financing activities	215,832	(1,367,428)	56,019,575
Net (decrease)/increase in cash and cash equivalents	(7,599,801)	10,037,349	16,787,071
Cash and cash equivalents, beginning of period	24,386,872	1,376,532	-
Cash and cash equivalents, end of period	$16,787,071	$11,413,881	$ 16,787,071
Supplemental cash flow disclosure			
Interest paid	$ 87	$138,741	$ 1,393,396

</TABLE>

See Notes to Condensed Consolidated Financial Statements

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE COMPANY AND ITS SEVERAL DEVELOPMENT STAGE SUBSIDIARIES

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 three development stage biotechnology companies: Ingenex, Inc. ("Ingenex"), Theracell, Inc. ("Theracell") and ProNeura, Inc. ("ProNeura"), collectively, (the "Operating Companies"). Trilex Pharmaceuticals, Inc. ("Trilex") was incorporated in May 1996, as a wholly owned subsidiary of the Company, to engage in the development of cancer therapeutic vaccines utilizing anti-idiotypic antibody technology. In August 1997, Trilex was merged (the "Trilex Merger") with and into Titan.

INGENEX, INC.

Ingenex was incorporated in July 1991 and reincorporated in June 1992. It is engaged in the development of gene-based therapeutics. In June 1997, Ingenex sold its GSX System (the "GSX Sale"), a research technology, and certain fixed assets to Pharmaceutical Product Development, Inc. ("PPD") for $8,722,500 in cash and the assumption of certain capital lease liabilities and recognized a gain of $8,361,220. At June 30, 1998, the Company owned 81% of Ingenex.

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. At June 30, 1998, the Company owned 98% of Theracell.

PRONEURA, INC.

ProNeura was incorporated in October 1995 to engage in the development of cost effective, long term treatment solutions to neurologic and psychiatric disorders through an implantable drug delivery system. At June 30, 1998, the Company 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 inter-company 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 accruals) considered necessary for a fair presentation have been included. Operating results for the six-month period ended June 30, 1998 are not necessarily indicative of the results that may be expected for the year ended December 31, 1998. 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, 1997.

2. GUARANTEED SECURITY VALUE

In January 1997, the Company entered into an exclusive license

agreement with Hoechst Marion Roussel, Inc. ("HMRI"). The license agreement gave the Company a worldwide license to HMRI's patent rights and know-how related to the antipsychotic agent Iloperidone-TM-. Pursuant to the license, the Company paid, during 1997, an up-front license fee of $9,500,000, consisting of: (i) $4,000,000 in cash and (ii) $5,500,000 through the issuance 594,595 shares of common stock (the "HMRI Shares".) The Company was obligated to pay to HMRI the difference between $5,500,000 and the net proceeds received by HMRI upon sale of the above mentioned

common stock. Accordingly, the Company had classified the entire $5,500,000 as a non-current liability under the heading Guaranteed Security Value in the accompanying December 31, 1997 balance sheet. In February 1998, HMRI sold the HMRI Shares for net proceeds of approximately $2,456,000. Accordingly, in March 1998, the Company paid to HMRI approximately $3,044,000, which was deducted from Guaranteed Security Value balance. The remaining balance of $2,456,000 was transferred to stockholders' equity.

3. CHANGES IN ACCOUNTING STANDARDS

As of January 1, 1998, the Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income" ("SFAS No. 130"). SFAS No. 130 establishes new rules for the reporting and display of comprehensive income and its components; however, the adoption of this statement has no impact on the Company's net income/loss or stockholders' equity. During the three months ended June 30, 1998 and 1997 and the six months ended June 30, 1998 and 1997, the Company's comprehensive income/loss was the same as the Company's net income/loss for such periods.

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

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.

RESULTS OF OPERATIONS

Since its inception, the Company's efforts have been principally devoted to research and development, including human clinical trials, as well as to acquiring licenses and technologies, raising capital and securing patent protection. At June 30, 1998, the Company had an accumulated deficit of approximately $48,133,000, resulting from expenditures for research and development and general and administrative activities including professional fees.

There were no revenues for the three months ended June 30, 1998 (the "1998 quarter") and for the six months ended June 30, 1998 (the "1998 six months"). Total revenues for the three months ended June 30, 1997 (the "1997 quarter") were approximately $111,000, and total revenues for the six months ended June 30, 1997 (the "1997 six months") were approximately $148,000. Revenue earned during both the 1997 six months and quarter was earned pursuant to US government grants.

Research and development expenses for the 1998 quarter were approximately $1,466,000 compared to $2,643,000 for the 1997 quarter, a decrease of 45%. For the 1998 six months, research and development expenses were $3,152,000 compared to $4,818,000 for the 1997 six months, a decrease of 35%. The 1997 six months and the 1997 quarter include expenditures related to a research technology, which was subsequently sold by the Company in June 1997. The 1997 six months and the 1997 quarter also include expenditures related to the development of Iloperidone, which is now being funded by Novartis Pharma AG pursuant to the partnering agreement (the "Novartis Sublicense") establish by Titan and Novartis in November 1997.

The results for the 1997 six months also include a non-recurring, acquired in-process research and development charge of $9,500,000 related to the acquisition of Iloperidone.

General and administrative expenses for the 1998 quarter were approximately $974,000 compared to $1,627,000 for the 1997 quarter, a decrease of 40%. For the 1998 six months, general and administrative expenses were $2,004,000 compared to $2,964,000 for the 1997 six months, a decrease of 32%. The 1997 six months includes expenditures related to a former subsidiary, which was merged with and into the Company in August 1997.

Other income for the 1997 quarter and the 1997 six months includes a gain of approximately $8,514,000 from the sale of GSX, a research technology developed by Ingenex, and certain fixed assets. Interest income was approximately $225,000 during the 1998 quarter compared to $147,000 during the 1997 quarter. For the 1998 six months, interest income was $489,000 compared to $319,000 for the 1997 six months. Interest expense decreased to approximately $100 during the 1998 six months from $139,000 during the 1997

six months. There was no interest expense for the 1998 quarter compared to $64,000 for the 1997 quarter. Other income for the 1997 six months also includes losses of approximately $502,000 representing the Company's share of Ansan Pharmaceutical's losses. The Company's share of Ansan's losses for the 1997 quarter was $222,000.

LIQUIDITY AND SOURCES OF CAPITAL

The Company has funded its operation from inception primarily through private placements of its securities, as well as the IPO. During 1997, the Company also received approximately $25,861,000 from up-front license fees relating to the Novartis Sublicense and the sale of a research technology.

In March 1998, the Company paid to HMRI approximately $3,044,000 (the difference between the net proceeds received by HMRI, upon the sale of the HMRI Shares in February 1998, and the $5,500,000 guaranteed value of the HMRI Shares when issued.) As the Company classified the $5,500,000 as guaranteed security value, the HMRI Shares had not been included in stockholders' equity. Upon the payment to HMRI, approximately $2,456,000 was credited to stockholders' equity.

Titan has 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 the Company has under these agreements, including minimum license payments, for the next 12 months is approximately $2,000,000. 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.

The Company expects to continue to incur substantial additional operating losses from costs related to continuation and expansion of research and development, clinical trials, and increased administrative and fund raising activities over at least the next several years. While the Company has sufficient working capital to sustain planned operations for a period greater than 12 months, the Company may seek additional financing sooner, depending on numerous factors including, but not limited to, the progress of the Company's research and 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 May 1998, the Company negotiated a $5,000,000 bank line of credit. 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 anticipates that it will 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.

PART II

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

27.1 Financial Data Schedule

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the six months ended June 30, 1998.

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, 1998 By: /s/Louis R. Bucalo

Louis R. Bucalo, M.D., President and

Chief Executive Officer

August 14, 1998 *By: /s/Robert E. Farrell*

Robert E. Farrell, Chief Financial Officer

<TABLE> <S> <C>

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

<S>	<C>	
<PERIOD-TYPE>	6-MOS	
<FISCAL-YEAR-END>		DEC-31-1998
<PERIOD-END>		JUN-30-1998
<CASH>		16,787,071
<SECURITIES>		500,000
<RECEIVABLES>		0
<ALLOWANCES>		0
<INVENTORY>		0
<CURRENT-ASSETS>		17,447,629
<PP&E>		439,851
<DEPRECIATION>		(211,218)
<TOTAL-ASSETS>		17,699,160
<CURRENT-LIABILITIES>		1,147,841
<BONDS>		0
<PREFERRED-MANDATORY>		0
<PREFERRED>		5,000,000
<COMMON>		52,294,219
<OTHER-SE>		(40,742,900)
<TOTAL-LIABILITY-AND-EQUITY>		17,699,160
<SALES>		0
<TOTAL-REVENUES>		0
<CGS>		0
<TOTAL-COSTS>		0
<OTHER-EXPENSES>		5,155,309
<LOSS-PROVISION>		0
<INTEREST-EXPENSE>		0
<INCOME-PRETAX>		(4,624,534)
<INCOME-TAX>		0
<INCOME-CONTINUING>		0
<DISCONTINUED>		0
<EXTRAORDINARY>		0
<CHANGES>		0
<NET-INCOME>		(4,624,534)
<EPS-PRIMARY>		(0.35)
<EPS-DILUTED>		(0.35)

</TABLE>