SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

|X| Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the Period Ended March 31, 1999.

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 15,378,053 shares of the Registrant's Common Stock issued and outstanding on May 7, 1999.

TITAN PHARMACEUTICALS, INC.
INDEX TO FORM 10-Q

<TABLE>
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</TABLE>

TITAN PHARMACEUTICALS, INC.
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED BALANCE SHEETS

<TABLE>
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	March 31, 1999 (unaudited)	December 31, 1998 (Note A)
</TABLE>

<S>	<C>	<C>
Assets		
Current assets		
Cash and cash equivalents	$ 14,791,511	$ 11,654,896
Prepaid expenses and other current assets	185,795	139,958
Total current assets	14,977,306	11,794,854
Furniture and equipment, net	454,720	416,956
Other assets	15,783	15,783
	$ 15,447,809	$ 12,227,593
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 864,285	410,235
Accrued legal fees	36,900	108,393
Accrued clinical trials expense	270,758	653,218
Accrued payroll and related	200,986	182,647
Accrued professional and accounting fees	96,268	125,730
Other accrued liabilities	175,000	100,000
Total current liabilities	1,644,197	1,580,223
Commitments		
Minority interest - Series B preferred stock of Ingenex, Inc.	1,241,032	1,241,032
Stockholders' Equity		
Preferred stock, at amounts paid in	5,000,000	5,000,000
Common stock, at amounts paid in	58,224,313	52,291,369
Additional paid-in capital	6,524,247	6,524,204
Deferred compensation	(243,640)	(286,580)
Deficit accumulated during the development stage	(56,942,340)	(54,122,655)
Total stockholders' equity	12,562,580	9,406,338
	$ 15,447,809	$ 12,227,593

</TABLE>

Note A: The balance sheet at December 31, 1998 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

See Notes to Condensed Consolidated Financial Statements

TITAN PHARMACEUTICALS, INC.
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

<TABLE>
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	THREE MONTHS ENDED MARCH 31,		COMMENCEMENT OF OPERATIONS (JULY 25, 1991) TO
	1999	1998	MARCH 31, 1999
<S>	<C>	<C>	<C>
License and grant revenue	$ 46,660	$ -	$ 17,944,941
Costs and expenses:			
Research and development	2,084,973	1,686,240	46,788,652
Acquired in-process research and development	135,785	-	10,321,785
General and administrative	787,454	1,029,620	22,837,277
Total costs and expenses	3,008,212	2,715,860	79,947,714
Loss from operations	(2,961,552)	(2,715,860)	(62,002,773)
Other income (expense):			
Equity in loss of Ansan Pharmaceuticals, Inc.	-	-	(2,046,939)
Gain on sale of technology	-	-	8,361,220
Interest income	151,462	263,819	2,836,204
Interest expense	-	(87)	(4,389,902)
Other income (expense)	(9,595)	55,626	254,936
Other income (expense) - net	141,867	319,358	5,015,519
Loss before minority interest	(2,819,685)	(2,396,502)	(56,987,254)
Minority interest in losses of subsidiaries	-	-	44,914
Net loss	$ (2,819,685)	$ (2,396,502)	$ (56,942,340)
Deemed dividend upon conversion of preferred stock	-	-	(5,431,871)
Net loss attributable to common stockholders	$ (2,819,685)	$ (2,396,502)	$ (62,374,211)

Basic and diluted net loss per common share	$ (0.19)	$ (0.18)
Shares used in computing basic and diluted net loss per share	14,686,694	13,078,801

</TABLE>

See Notes to Condensed Consolidated Financial Statements

TITAN PHARMACEUTICALS, INC.
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<TABLE>
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	THREE MONTHS ENDED MARCH 31,		PERIOD FROM COMMENCEMENT OF OPERATIONS (JULY 25, 1991) TO MARCH 31, 1999
	1999	1998	
<S>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	$ (2,819,685)	$ (2,396,502)	$ (56,942,340)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization expense	88,399	70,580	1,830,703
Issuance of common stock to acquire technology	–	–	5,500,000
Payment of guaranteed security value	–	(3,044,409)	(3,044,409)
Loss on sale of assets	–	–	(203,683)
Accretion of discount on indebebtedness	–	–	2,290,910
Equity in loss of Ansan Pharmaceuticals, Inc.	–	–	2,046,940
Other	–	–	(35,653)
Issuance of common stock to acquire minority interest of Theracell, Inc.	135,785	–	821,785
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets	(45,837)	(62,963)	(185,795)
Receivable from Ansan Pharmaceuticals, Inc.			
Other receivables	–	371,793	–
Other assets	–	(1,000)	(20,748)
Accounts payable	454,050	44,048	1,188,475
Other accrued liabilities	(390,076)	(338,604)	1,180,328
Net cash used in operating activities	(2,577,364)	(5,357,057)	(45,573,487)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of furniture and equipment	(83,223)	(43,897)	(1,557,336)
Proceeds from sale of furniture and equipment	–	–	24,791
Purchase of short-term investments	–	–	(59,782,493)
Proceeds from sale of short-term investments	–	–	59,782,493
Effect of deconsolidation of Ansan Pharmaceuticals, Inc.	–	–	(135,934)
Net cash (used in)/provided by investing activities	(83,223)	(43,897)	(1,668,479)

</TABLE>

See Notes to Condensed Consolidated Financial Statements

TITAN PHARMACEUTICALS, INC.
(A DEVELOPMENT STAGE COMPANY)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<TABLE>
<CAPTION>

	THREE MONTHS ENDED MARCH 31,		PERIOD FROM COMMENCEMENT OF OPERATIONS (JULY 25, 1991) TO MARCH 31, 1999
	1999	1998	
<S>	<C>	<C>	<C>
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of common stock	5,797,159	144,522	36,038,915
Deferred financing costs	–	–	(713,899)
Issuance of preferred stock	–	–	22,601,443
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)
Proceeds from capital lease bridge financing	–	–	658,206
Payments of principle under capital lease obligation	–	–	(633,766)
Proceeds from Ingenex, Inc. technology financing	–	–	2,000,000
Principal payments on Ingenex, Inc. technology financing	–	–	(2,000,000)
Increase (decrease) in minority interest	–	–	1,241,032

Issuance of common stock by subsidiaries	43	-	176,546
Net cash provided by/(used in) financing activities	5,797,202	144,522	62,033,477
Net (decrease)/increase in cash and cash equivalents	3,136,615	(5,256,432)	14,791,511
Cash and cash equivalents, beginning of period	11,654,896	24,386,872	-
Cash and cash equivalents, end of period	$ 14,791,511	$ 19,130,440	$ 14,791,511
Supplemental cash flow disclosure			
Interest paid	$ -	$ 87	$ 1,393,524
Conversion of notes payable to related parties and accrued interest into Series A preferred stock	$ -	$ -	$ (1,306,329)
Acquisition of furniture and equipment pursuant to capital lease	$ -	$ -	$ 595,236
Cashless exercise of warrants	$ -	$ -	$ 871,892

</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 two subsidiaries: Ingenex, Inc. ("Ingenex") and ProNeura, Inc. ("ProNeura"), collectively, (the "Operating Companies"). In March 1999, a third Company subsidiary, Theracell, Inc. ("Theracell"), was merged with and into Titan.

INGENEX, INC.

Ingenex is engaged in the development of gene-based therapeutics for the treatment of cancer. 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. In June 1997, Ingenex sold a research technology and certain fixed assets for $8,722,500 in cash and the assumption of certain capital lease liabilities and recognized a gain of $8,361,220. At March 31, 1999, the Company owned 81% of Ingenex, assuming the conversion of all preferred stock to common.

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 March 31, 1999, the Company owned 79% of ProNeura.

THERACELL MERGER

On March 10, 1999, Theracell was merged with and into Titan. Pursuant to the merger, the Company recorded an in-process research and development expense of approximately $136,000, related to the acquisition of the shares held by the minority shareholders.

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 accruals) considered necessary for a fair presentation have been included. Operating results for the three-month period ended March 31, 1999 are not necessarily indicative of the results that may be expected for the year ended December 31, 1999. These financials should be read in conjunction with the audited consolidated financial statements and footnotes thereto included in the Titan Pharmaceuticals, Inc. annual report on Form 10-K for the year ended December 31, 1998.

2. SEGMENT INFORMATION

The Company and its Operating Companies operate in one industry segment, principally the development of proprietary therapeutics for the treatment of central nervous system disorders, cancer and other serious and

life-threatening diseases.

3. COMPREHENSIVE INCOME

During the three months ended March 31, 1999 and 1998, the Company's comprehensive loss was the same as the Company's net loss for such periods.

4. NET LOSS PER SHARE

Had the Company been in a net income position, diluted earnings per share for the three months ended March 31, 1999 and 1998 would have included the shares used in the computation of basic net loss per share and the dilutive effect of 11,772,473 and 11,490,631 shares, respectively, related to outstanding options and warrants (prior to the application of the treasury stock method.)

5. NEW ACCOUNTING STANDARDS

In June 1998, the FASB issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"), which is required to be adopted in years beginning after June 15, 1999. Because the Company does not use derivatives, the adoption of SFAS 133 will not effect the Company's consolidated results of operations and financial position.

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 acquiring technologies, raising capital, research, clinical development, and securing patent protection. At March 31, 1999, the Company had an accumulated deficit of approximately $56,942,000, resulting from expenditures for research and development and general and administrative activities.

There was approximately $47,000 in revenues from a U.S. government grant for the three months ended March 31, 1999 compared to no revenues for the three months ended March 31, 1998.

Research and development expenses for the 1999 quarter were approximately $2,085,000 compared with $1,686,000 for the 1998 quarter, an increase of 24%. The increase is due to the initiation and furtherance of the Company's cancer clinical trials. During the 1999 quarter Theracell, Inc., a subsidiary of the Company, was merged with and into Titan. As a result, the Company recorded an in-process research and development expense of approximately $136,000.

General and administrative expenses for the 1999 quarter were approximately $787,000 compared with $1,030,000 for the 1998 quarter, a decrease of 24%. The decrease can be attributed to planned reductions in personnel expenses and other administrative costs.

Other income and expenses, net for the 1999 quarter was approximately $142,000 compared to approximately $319,000 for the 1998 quarter, a net change of approximately $177,000. Other income for the 1999 quarter includes interest income of approximately $151,000 compared to $264,000 during the 1998 quarter.

IMPACT OF YEAR 2000

GENERAL

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

SYSTEM ASSESSMENT

Titan is a relatively young company, incorporated in 1992, and most of its Information Technology ("IT") and Non-IT systems were Year 2000 compliant when purchased. The Company believes, therefore, it will not be required to implement significant modifications or replace significant

portions of its software and hardware in order to be Year 2000 compliant. The Company is, however, taking steps to ensure that the Year 2000 Issue does not have a material impact on the operation of the Company.

Significant functions related to the Company's clinical trials are carried out by contract research organizations ("CRO's"). These functions include, but are not limited to, clinical study monitoring,

biostatistics, data management and drug manufacturing. To the extent that the systems of CRO's produce incorrect information or cause incorrect interpretation of the information that they produce, the Company is at risk for making invalid conclusions about the nature, efficacy, or safety of its products or technologies which could lead to abandoning potentially lucrative products or technologies or invalidly continuing development and pursuing FDA approval of others. The Company is in the process of contacting its significant suppliers and CRO's and requesting that they provide certificates of compliance with relation to this issue. At this time the Company is not aware of any suppliers or CRO's with a Year 2000 Issue that would materially impact the Company's results of operations, liquidity, or capital resources. However, the Company has no means of ensuring that its suppliers or CRO's will be Year 2000 ready. The inability of its suppliers or CRO's to complete their Year 2000 resolution process in a timely fashion could materially impact the Company. The effect of non-compliance by other external agents is not determinable.

COSTS AND CONTINGENCIES

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

LIQUIDITY AND SOURCES OF CAPITAL

The Company has funded its operation from inception primarily through private and public sales of its securities and corporate partnerships. During 1997, the Company received approximately $25,861,000 from license fees and the sale of a research technology.

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

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

Titan has entered into various agreements with contract research organizations, academic institutions, and other entities for the performance of research and development activities and for the maintenance of licenses related to those activities. The aggregate commitments the Company has under these agreements, including minimum license payments, for the next 12 months is approximately $2,412,000. 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. To preserve operating capital, the Company has chosen to strategically focus on development of its later stage products in clinical development, and at least temporarily reduce or eliminate spending on certain preclinical programs. While the Company has sufficient working capital to sustain planned operations for a period greater than 12 months, the Company may seek

additional financing, depending on numerous factors including, but not limited to, the 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. To date the Company has not borrowed against this facility. 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.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company has reviewed the requirements of Item 3 and has determined that these disclosures are not applicable.

PART II

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

<TABLE>
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(a) Exhibits
27.1 Financial Data Schedule
<S> <C>
(b) Reports on Form 8-K
A current report on Form 8-K was filed with the Securities and Exchange Commission on January 28, 1999.
</TABLE>

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 17, 1999 *By: /s/Louis R. Bucalo*
Louis R. Bucalo, M.D., President and Chief Executive Officer

May 17, 1999 *By: /s/Robert E. Farrell*
Robert E. Farrell, Chief Financial Officer

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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.
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