UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): January 31, 2008

Manhattan Pharmaceuticals, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**001-32639**	**36-3898269**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

810 Seventh Avenue, 4th Floor
New York, New York 10019
(Address of principal executive offices) (Zip Code)

(212) 582-3950
(Registrant's telephone number, including area code)

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 Entry into a Material Definitive Agreement

On January 31, 2008, Manhattan Pharmaceuticals, Inc. (the “Company”) and Nordic Biotech Advisors ApS through its fund Nordic Biotech Venture Fund II K/S (“Nordic”) entered into a joint venture agreement (the “JV Agreement”) to develop and commercialize the Company's North American rights (under license) to its Hedrin product. On February 5, 2008, the Company issued a press release announcing its entry into the JV Agreement and describing the transactions contemplated thereby, the full text of which is attached hereto as Exhibit 99.1.

Pursuant to the JV Agreement, Nordic will form a new Danish limited partnership (the "Limited Partnership") and provide it with initial funding of $2.5 million. The Company will assign and transfer its North American rights in Hedrin to the Limited Partnership in return for a $2.0 million cash payment and equity in the Limited Partnership representing 50% of the nominal equity interests in the Limited Partnership (valued at $2.5 million).

Should the Limited Partnership be successful in achieving a payment milestone, namely that by September 30, 2008, the Food and Drug Administration determines to treat Hedrin as a medical device, Nordic will purchase an additional $2.5 million of equity in the Limited Partnership, whereupon the Limited Partnership will pay the Company an additional $1.5 million in cash and issue to the Company an additional $2.5 million in equity in the Limited Partnership, thereby maintaining the Company’s 50% ownership interest in the Limited Partnership.

The Limited Partnership will be responsible for the development and commercialization of Hedrin for the North American market and all associated costs including clinical trials, if required, regulatory costs, patent costs, and future milestone payments owed to Thornton & Ross Limited, the licensor of Hedrin.

The Limited Partnership will engage the Company to provide management services to the Limited Partnership in exchange for an annualized management fee, which for 2008 on an annualized basis, is $527,000.

Nordic will pay to the Company a non-refundable fee of $150,000 at the closing for the right to receive a warrant covering 7.1 million shares of the Company’s common stock, exercisable for $0.14 per share. The warrant is issuable 90 days from closing, provided Nordic has not exercised all or a part of its put, as described below. The per share exercise price of the warrant is based on the volume weighted average price of the Company’s common stock for the period prior to the signing of the JV Agreement.

Nordic has an option to put all or a portion of its equity interest in the Limited Partnership to the Company in exchange for the Company’s common stock. The shares of the Company’s common stock to be issued upon exercise of the put will be calculated by multiplying the percentage of Nordic’s equity in the Limited Partnership that Nordic decides to put to the Company multiplied by the dollar amount of Nordic’s investment in Limited Partnership divided by $0.14, as adjusted from time to time. The put option is exercisable immediately and expires at the earlier of ten years or when Nordic’s distributions from the Limited Partnership exceed five times the amount Nordic invested in the Limited Partnership.

The Company has an option to call all or a portion of Nordic’s equity interest in the Limited Partnership in exchange for the Company’s common stock. The Company cannot begin to exercise its call until the price of the Company’s common stock has closed at or above $1.05 per share for 30 consecutive trading days. During the first 30 consecutive trading day period in which the Company’s common stock closes at or above $1.05 per share the Company can exercise up to 25% of its call option. During the second 30 consecutive trading day period in which the Company’s common stock closes at or above $1.05 per share the Company can exercise up to 50% of its call option on a cumulative basis. During the third 30 consecutive trading day period in which the Company’s common stock closes at or above $1.05 per share the Company can exercise up to 75% of its call option on a cumulative basis. During the fourth 30 consecutive trading day period in which the Company’s common stock closes at or above $1.05 per share the Company can exercise up to 100% of its call option on a cumulative basis. The shares of the Company’s common stock to be issued upon exercise of the call will be calculated by multiplying the percentage of Nordic’s equity in the Limited Partnership that the Company calls, as described above, multiplied by the dollar amount of Nordic’s investment in the Limited Partnership divided by $0.14. Nordic can refuse the Company’s call by either paying the Company up to $2 million or forfeiting all or a portion of their put, calculated on a pro rata basis for the percentage of the Nordic equity interest called by the Company.

The Limited Partnership's Board will consist of 4 members, 2 appointed by the Company and 2 appointed by Nordic. Nordic has the right to appoint one of the directors as chairman of the Board. The chairman has certain tie breaking powers. In the event that the payment milestone described above is not achieved by June 30, 2008, then the Limited Partnership's Board will increase to 5 members, 2 appointed by the Company and 3 appointed by Nordic.

After the closing, at Nordic's request, the Company will nominate a person identified by Nordic to serve on its Board of Directors.

The Company will grant Nordic registration rights for the shares to be issued upon exercise of the warrant, the put or the call. The Company is required to file an initial registration statement within 10 calendar days of filing its Form 10-K for the year ended December 31, 2007. The Company is required to file additional registration statements, if required, within 45 days of the date the Company first knows that such additional registration statement was required. The Company is required to use commercially reasonable efforts to cause the registration statement to be declared effective by the Securities and Exchange Commission (“SEC”) within 105 calendar days from the filing date. If the Company fails to file a registration statement on time or if a registration statement is not declared effective by the SEC with 105 days of filing the Company will be required to pay to Nordic, or its assigns, an amount in cash, as partial liquidated damages, equal to 0.5% per month of the amount invested in the Limited Partnership by Nordic until the registration statement is declared effective by the SEC. In no event shall the aggregate amount payable by the Company exceed 9% of the amount invested in the Limited Partnership by Nordic.

The profits of the Limited Partnership will be shared by the Company and Nordic in accordance with their respective equity interests in the Limited Partnership, which are currently 50% to each, except that Nordic will get a minimum guaranteed return from the Limited Partnership equal to 5% on Hedrin sales, as adjusted for any change in Nordic's equity interest in the Limited Partnership. If the Limited Partnership realizes a profit equal to or greater than a 10% royalty on Hedrin sales, then profits will be shared by the Company and Nordic in accordance with their respective equity interests in the Limited Partnership. However, in the event of a liquidation of the Limited Partnership, Nordic's distribution in liquidation will be at least equal to the amount Nordic invested in the Limited Partnership ($5 million if the payment milestone described above is met, $2.5 million if it is not met) plus 10% per year, less the cumulative distributions received by Nordic from the Limited Partnership.

The closing of the transactions contemplated by the JV Agreement is subject to customary closing conditions, including, among others, that the Company shall have satisfied all of the requirements of the financial viability exemption from stockholder approval set forth in Section 710(b) of the American Stock Exchange Company Guide (the "AMEX Company Guide"). Following the parties' entrance into the JV Agreement, the American Stock Exchange ("AMEX") informed the Company that the financial viability exemption is not available to the Company. Accordingly, the Company and Nordic are considering alternatives to this condition, including, among other things, the possibility of Nordic's waiving such condition and instead, requiring that the Company obtain stockholder approval of the issuance of the securities of the Company under the JV Agreement or limiting the number of shares of the Company's common stock into which the put/call and warrant are exercisable to below 20% of the Company's outstanding shares of common stock, until such time as stockholder approval has been obtained. There can be no assurance, however, that the Company and Nordic will agree to these or any other alternatives to the condition to closing that the Company shall have satisfied all of the requirements of Section 710(b) of the AMEX Company Guide, that stockholder approval will be obtained or that the Company's common stock will remain listed on AMEX.

Nordic has represented to the Company that it is an "accredited investor," as that term is defined in Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), and the issuance of securities of the Company under the JV Agreement will be made in reliance on exemptions provided by Regulation D and Section 4(2) of the Securities Act.

The description of the JV Agreement set forth herein does not purport to be complete and is qualified in its entirety by reference to the full text of the JV Agreement, a copy of which will be filed as an exhibit to the Company's Annual Report on Form 10-K for the year ended December 31, 2007.

Forward Looking Statements

This Current Report on Form 8-K contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements typically are identified by use of terms such as "may," "will," "should," "plan," "expect," "anticipate," "estimate" and similar words, although some forward-looking statements are expressed differently. Forward-looking statements represent our management's judgment regarding future events. Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, the Company can give no assurance that such expectations will prove to be correct. All statements other than statements of historical fact included in this Current Report on Form 8-K are forward-looking statements. The Company cannot guarantee the accuracy of the forward-looking statements, and you should be aware that the Company's actual results could differ materially from those contained in the forward-looking statements due to a number of factors, including the statements under "Risk Factors" contained in the Company's Annual Report on Form 10-KSB for the fiscal year ended December 31, 2006 filed with the Securities and Exchange Commission.

Item 3.02 Unregistered Sales of Equity Securities

The information set forth under Item 1.01 of this Current Report on Form 8-K is incorporated by reference in response to this Item 3.02.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit 99.1 - Press release, dated February 5, 2008.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MANHATTAN PHARMACEUTICALS, INC.

Date: February 6, 2008

By: /s/ Michael G. McGuinness

Michael G. McGuinness
Chief Financial Officer

Exhibit 99.1

Manhattan Pharmaceuticals Announces Joint Venture With Nordic Biotech for Lead Product Hedrin

Companies Sign $9.65M Deal to Develop and Commercialize Hedrin, a Next Generation Treatment for Pediculitis (Head Lice)

NEW YORK, Feb 5, 2008 (PrimeNewswire via COMTEX News Network) -- Manhattan Pharmaceuticals, Inc. (AMEX:MHA) today announced that it has entered into a joint venture agreement with Nordic Biotech Advisors ApS (Nordic) to develop and commercialize Hedrin™, the company's novel, non-insecticide treatment for head lice. Manhattan Pharmaceuticals, Inc. currently owns North American rights to Hedrin and is pursuing development as a medical device in the U.S.

The total deal, valued at up to $9.65M, provides for the formation of a 50/50 joint venture entity that will own, develop and secure a commercialization partner for Hedrin. Under terms of the agreement, the Nordic Biotech Venture Fund II K/S will invest up to $5.0M in the joint venture in exchange for a 50% ownership interest, and Manhattan Pharmaceuticals will assign and transfer its North American rights to Hedrin to the joint venture in exchange for a 50% ownership interest valued at up to $5.0M plus up to $3.65M in cash and payments.

Manhattan Pharmaceuticals will receive an up front payment from the joint venture consisting of $2.0M in cash plus $2.5M equity in the joint venture. Upon receiving medical device designation for Hedrin by the U.S. FDA, Manhattan Pharmaceuticals will receive an additional $1.5M in cash plus an additional $2.5M equity in the joint venture.

The joint venture will be responsible for the development and commercialization of Hedrin in North America and all costs associated with the project including any necessary U.S. clinical trials, patent costs, and future milestones owed to the original licensor, Thornton & Ross Limited.

"Hedrin has been successfully launched in Europe and is a market leader there as a next generation, non-insecticide treatment for pediculitis," stated Florian Schonharting, partner of Nordic Biotech. "We are very excited to be invested in this global product, and anticipate a successful development and launch in the large North American market."

"This deal strategically provides Hedrin with the resources to pursue development as a medical device. We are excited to work with Nordic Biotech on this commercially validated product," said Douglas Abel, president and chief executive officer of Manhattan Pharmaceuticals.

In accordance with a milestone expected to be achieved on April 30, 2008, Nordic has the right to receive, on such date, a warrant to purchase approx 7.1 million shares of Manhattan Pharmaceuticals common stock at $0.14 per share. If fully exercised, this warrant will yield an additional $1.0M of capital for the Company. In addition to the investment in the joint venture noted above, Nordic will make an upfront payment of $150,000 to the Company.

Nordic has an option to put its interest in the joint venture to Manhattan Pharmaceuticals in exchange for shares of Manhattan Pharmaceuticals common stock, and under certain conditions, Manhattan Pharmaceuticals has the option to call Nordic's interest in the joint venture in exchange for Manhattan Pharmaceuticals common stock.

About Hedrin

To date, Hedrin has been clinically studied in 326 subjects and has demonstrated clinical equivalence to widely used insecticide head lice treatments. It is currently marketed as a device in Western Europe and as a pharmaceutical in the United Kingdom (U.K.). In Europe, Hedrin has been launched in 21 countries and has achieved annual sales through its licensees of approximately $45 million at in-market public prices (which equates to a projected 21% market share), and is the market leader in the U.K. with $11 million in sales (23% market share) and France with a 21% market share.

Hedrin is a unique, proprietary combination of silicones (dimeticone and cyclomethicone) that acts as a pediculicidal (lice killing) agent by disrupting the insect's mechanism for managing fluid and breathing. Hedrin contains no traditional chemical insecticides in contrast with most currently available lice treatments. Recent studies have indicated that resistance to traditional chemical insecticides may be increasing and therefore contributing to insecticide treatment failure. Because Hedrin kills lice by preventing the louse from excreting waste fluid and by asphyxiation (smothering), rather than by acting on the central nervous system, the insects cannot build up resistance to the treatment.

About Pediculitis

According to the American Academy of Pediatrics, an estimated 6-12 million Americans have Pediculitis each year, with pre-school and elementary age children and their families affected most often.

About Manhattan Pharmaceuticals, Inc.

Manhattan Pharmaceuticals, Inc. is a pharmaceutical company that acquires and develops novel, high-value drug candidates primarily for the treatment of dermatologic and immune disorders. With a pipeline consisting of four clinical stage product candidates, Manhattan Pharmaceuticals is developing potential therapeutics for large, underserved patient populations seeking superior treatments for conditions including pedicultitis (head lice), psoriasis, atopic dermatitis (eczema), and mastocytosis. (http://www.manhattanpharma.com)

About Nordic Biotech

Nordic Biotech Advisors ApS is the investment advisor to Nordic Biotech K/S and Nordic Biotech Venture Fund II K/S, and was founded in 2001 by Christian Hansen and Florian Schonharting. Key investors in the Nordic Biotech fund family are major institutions and family foundations. Nordic Biotech focuses on global special situations opportunities and currently has a portfolio in excess of 10 companies. (http://www.nordicbiotech.com/)

Note Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties that could cause Manhattan Pharmaceuticals, Inc.'s actual results to differ materially from the anticipated results and expectations expressed in these forward-looking statements. These statements are often, but not always, made through the use of words or phrases such as "anticipates," "expects," "plans," "believes," "intends," "will," and similar words or phrases. These statements are based on Manhattan Pharmaceuticals, Inc.'s current expectations, forecasts and assumptions, which are subject to risks and uncertainties, which could cause actual outcomes and results to differ materially from these statements. Among other things, there can be no assurances that our joint venture with Nordic will be able to meet the milestone which will obligate Nordic to make the second payment referred to in this press release (the failure to meet that milestone will give Nordic enhanced control over the joint venture's operations and other important decision-making), that liquidated damages will accrue if we are unable to register the shares of common stock underlying the warrants and the put/call rights referred to in this press release in a timely manner, that AMEX will provide a financial viability exception to its rule that would require us to obtain stockholder approval for this transaction (which would materially delay the transaction and result in financial hardship for the company), that Manhattan Pharmaceuticals, Inc.'s development efforts relating to Hedrin or any other current or future product candidates will be successful, that any clinical study will be completed or will return positive results, or that we will be able to out-license its discontinued programs to other companies on terms acceptable to Manhattan Pharmaceuticals, Inc. or at all. Other risks that may affect forward-looking information contained in this press release include the company's extremely limited capital resources, the possibility of being unable to obtain regulatory approval of Manhattan Pharmaceuticals, Inc.'s product candidates, or obtain the treatment we are seeking for Hedrin, the risk that the results of clinical trials may not support the company's claims, the risk that the company's product candidates may not achieve market acceptance in North America or elsewhere, the company's reliance on third-party researchers to develop its product candidates, availability of patent protection, the risk that sufficient capital may not be available to develop and commercialize the company's product candidates, and the company's lack of experience in developing and commercializing pharmaceutical products. Additional risks are described in the company's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-KSB for the year ended December 31, 2006. Manhattan Pharmaceuticals, Inc. assumes no obligation to update these statements, whether as a result of new information, future events, or otherwise, except as required by law.

SOURCE: Manhattan Pharmaceuticals, Inc.

Manhattan Pharmaceuticals, Inc. Douglas Abel, Chief Executive Officer (212) 582-3950