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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-QSB

x QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2006

OR

o TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-32639

MANHATTAN PHARMACEUTICALS, INC.
(Exact Name of Small Business Issuer as Specified in Its Charter)

Delaware	36-3898269
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

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

(212) 582-3950
(Issuer's telephone number)

Check whether the issuer: (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes o No x

As of May 4th, 2006 there were 60,120,038 shares of the issuer's common stock, $.001 par value, outstanding.

Traditional Small Business Disclosure Format (check one): Yes o No x

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Forward-Looking Statements

This quarterly report on Form 10-QSB contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Exchange Act. Any statements about our expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as “anticipate,” “estimate,” “plan,” “project,” “expect,” “may,” “intend” and similar words or phrases. Accordingly, these statements involve estimates, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. These statements are therefore subject to risks and uncertainties, known and unknown, which could cause actual results and developments to differ materially from those expressed or implied in such statements. Such risks and uncertainties relate to, among other factors:

- the development of our drug candidates;
- the regulatory approval of our drug candidates;
- our use of clinical research centers and other contractors;
- our ability to find collaborative partners for research, development and commercialization of potential products;
- acceptance of our products by doctors, patients or payers;
- our ability to market any of our products;
- our history of operating losses;
- our ability to compete against other companies and research institutions;
- our ability to secure adequate protection for our intellectual property;
- our ability to attract and retain key personnel;
- availability of reimbursement for our product candidates;
- the effect of potential strategic transactions on our business;
- our ability to obtain adequate financing; and
- the volatility of our stock price.

Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict which factors will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

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PART I - FINANCIAL INFORMATION

Item 1. Unaudited Condensed Consolidated Financial Statements

MANHATTAN PHARMACEUTICALS, INC. AND SUBSIDIARIES
(A Development Stage Company)

Condensed Consolidated Balance Sheets

Assets	March 31, 2006 (Unaudited)	December 31, 2005 (Note 1)
Current assets:		
Cash and cash equivalents	$ 8,532,374	$ 9,826,336
Short-term investments, available for sale, at market	509,310	1,007,818
Prepaid expenses	62,489	194,776
Total current assets	9,104,173	11,028,930
Property and equipment, net	100,524	106,877
Other assets	70,506	70,506
Total assets	$ 9,275,203	$ 11,206,313
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 1,991,037	$ 1,617,489
Accrued expenses	255,909	48,328
Total liabilities	2,246,946	1,665,817
Commitments and contingencies		
Stockholders' equity:		
Common stock, $.001 par value. Authorized 150,000,000 shares; 60,092,697 shares issued and outstanding	60,093	60,093
Additional paid-in capital	43,052,858	42,751,111
Deficit accumulated during the development stage	(36,086,683)	(33,271,695)
Accumulated other comprehensive income	1,989	987
Total stockholders' equity	7,028,257	9,540,496
Total liabilities and stockholders' equity	$ 9,275,203	$ 11,206,313

See accompanying notes to unaudited condensed consolidated financial statements.

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MANHATTAN PHARMACEUTICALS, INC. AND SUBSIDIARIES
(A Development Stage Company)

Condensed Consolidated Statements of Operations
(Unaudited)

	Three months ended March 31,		Cumulative period from August 6, 2001 (inception) to March 31,
	2006	2005	2006
Revenue	$ —	$ —	$ —
Costs and expenses:			
Research and development	2,023,319	964,040	13,803,830
General and administrative	890,865	493,243	7,307,476
In-process research and development charge	—	—	11,887,807
Impairment of intangible assets	—	—	1,248,230
Loss on disposition of intangible assets	—	—	1,213,878
Total operating expenses	2,914,184	1,457,283	35,461,221
Operating loss	(2,914,184)	(1,457,283)	(35,461,221)
Other (income) expense:			
Interest and other income	(98,706)	(31,204)	(500,551)
Interest expense	—	—	23,893
Realized gain on sale of marketable equity securities	(490)	—	(77,524)
Total other income	(99,196)	(31,204)	(554,182)
Net loss	(2,814,988)	(1,426,079)	(34,907,039)
Preferred stock dividends (including imputed amounts)	—	(127,466)	(1,179,644)
Net loss applicable to common shares	$ (2,814,988)	$ (1,553,545)	$ (36,086,683)
Net loss per common share:			
Basic and diluted	$ (0.05)	$ (0.05)	
Weighted average shares of common stock outstanding:			
Basic and diluted	60,092,697	28,665,144	

See accompanying notes to unaudited condensed consolidated financial statements.

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MANHATTAN PHARMACEUTICALS, INC. AND SUBSIDIARIES
(A Development Stage Company)

Condensed Consolidated Statements of Stockholders' Equity (Deficiency)
(Unaudited)

	Series A convertible preferred stock		Common stock		Additional paid-in capital	Subscription receivable	Deficit accumulated during development stage	Dividends payable in Series A preferred shares	Accumulated other comprehensive income/(loss)	Unearned consulting services	Total stock–holders' equity (deficiency)
	Shares	Amount	Shares	Amount							
Stock issued at $0.0004 per share for subscription receivable	—	$ —	10,167,741	$ 10,168	$ (6,168)	$ (4,000)	$ —	$ —	$ —	$ —	$ —
Net loss	—	—	—	—	—	—	(56,796)	—	—	—	(56,796)
Balance at December 31, 2001	—	—	10,167,741	10,168	(6,168)	(4,000)	(56,796)	—	—	—	(56,796)
Proceeds from subscription receivable	—	—	—	—	—	4,000	—	—	—	—	4,000
Stock issued at $0.0004 per share for license rights	—	—	2,541,935	2,542	(1,542)	—	—	—	—	—	1,000
Stock options issued for consulting services	—	—	—	—	60,589	—	—	—	—	(60,589)	—
Amortization of unearned consulting services	—	—	—	—	—	—	—	—	—	22,721	22,721
Sales of common stock at $0.63 per share through private placement, net of expenses	—	—	3,043,332	3,043	1,701,275	—	—	—	—	—	1,704,318
Net loss	—	—	—	—	—	—	(1,037,320)	—	—	—	(1,037,320)
Balance at December 31, 2002	—	—	15,753,008	15,753	1,754,154	—	(1,094,116)	—	—	(37,868)	637,923
Common stock issued at $0.63 per share, net of expenses	—	—	1,321,806	1,322	742,369	—	—	—	—	—	743,691
Effect of reverse acquisition	—	—	6,287,582	6,287	2,329,954	—	—	—	—	—	2,336,241
Amortization of unearned consulting costs	—	—	—	—	—	—	—	—	—	37,868	37,868
Unrealized loss on short-term investments	—	—	—	—	—	—	—	—	(7,760)	—	(7,760)
Payment for fractional shares for stock combination	—	—	—	—	(300)	—	—	—	—	—	(300)
Preferred stock issued at $10 per share, net of expenses	1,000,000	1,000	—	—	9,045,176	—	—	—	—	—	9,046,176
Imputed preferred stock dividend					418,182	—	(418,182)	—			—
Net loss	—	—	—	—	—	—	(5,960,907)	—	—	—	(5,960,907)
Balance at December 31, 2003	1,000,000	1,000	23,362,396	23,362	14,289,535	—	(7,473,205)	—	(7,760)	—	6,832,932
Exercise of stock options	—	—	27,600	27	30,073	—	—	—	—	—	30,100
Common stock issued through private placement at $1.10 per share, net of expenses	—	—	3,368,952	3,369	3,358,349	—	—	—	—	—	3,361,718
Conversion of preferred stock to common stock	(170,528)	(171)	1,550,239	1,551	(1,380)	—	—	—	—	—	—
Preferred stock dividends paid by issuance of shares	24,901	25	—	—	281,073	—	—	(282,388)	—	—	(1,290)
Preferred stock dividend accrued	—	—	—	—	—	—	(585,799)	585,799	—	—	—
Warrants issued for consulting services	—	—	—	—	125,558	—	—	—	—	(120,968)	4,590
Amortization of unearned consulting costs	—	—	—	—	—	—	—	—	—	100,800	100,800
Reversal of unrealized loss on short-term investments and unrealized gain on short-term investments	—	—	—	—	—	—	—	—	20,997	—	20,997
Net loss	—	—	—	—	—	—	(5,896,031)	—	—	—	(5,896,031)
Balance at December 31, 2004	854,373	854	28,309,187	28,309	18,083,208	—	(13,955,035)	303,411	13,237	(20,168)	4,453,816
Common stock issued through private placement at $1.11 and $1.15 per share, net of expenses	—	—	11,917,680	11,918	12,238,291	—	—	—	—	—	12,250,209
Common stock issued to vendor at $1.11 per share in satisfaction of accounts payable	—	—	675,675	676	749,324	—	—	—	—	—	750,000
Exercise of stock options	—	—	32,400	33	32,367	—	—	—	—	—	32,400
Exercise of warrants	—	—	279,845	279	68,212	—	—	—	—	—	68,491
Conversion of preferred stock to common stock	(896,154)	(896)	8,146,858	8,147	(7,251)	—	—	—	—	—	—
Preferred stock dividends paid by issuance of shares	41,781	42	—	—	477,736	—	—	(479,074)	—	—	(1,296)
Preferred stock dividend accrued	—	—	—	—	—	—	(175,663)	175,663	—	—	—
Stock-based compensation	—	—	—	—	66,971	—	—	—	—	20,168	87,139
Reversal of unrealized gain on short-term investments	—	—	—	—	—	—	—	—	(12,250)	—	(12,250)
Stock issued in connection with acquisition of Tarpan Therapeutics, Inc.	—	—	10,731,052	10,731	11,042,253	—	—	—	—	—	11,052,984
Net loss	—	—	—	—	—	—	(19,140,997)	—	—	—	(19,140,997)
Balance at December 31, 2005	—	—	60,092,697	60,093	42,751,111	—	(33,271,695)	—	987	—	9,540,496
Stock-based compensation	—	—	—	—	311,913	—	—	—	—	—	311,913
Unrealized gain on short-term investments	—	—	—	—	—	—	—	—	1,002	—	1,002
Costs associated with private placement	—	—	—	—	(10,166)	—	—	—	—	—	(10,166)
Net loss	—	—	—	—	—	—	(2,814,988)	—	—	—	(2,814,988)

Balance at March 31, 2006	—	$ —	60,092,697	$ 60,093	$ 43,052,858	$ —	$ (36,086,683)	$ —	$ 1,989	$ —	$ 7,028,257

See accompanying notes to unaudited condensed consolidated financial statements.

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MANHATTAN PHARMACEUTICALS, INC. AND SUBSIDIARIES
(A Development Stage Company)

Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three months ended March 31,		Cumulative period from August 6, 2001 (inception) to March 31,
	2006	2005	2006
Cash flows from operating activities:			
Net loss	$ (2,814,988)	$ (1,426,079)	$ (34,907,039)
Adjustments to reconcile net loss to net cash used in operating activities:			
Common stock issued for license rights	—	—	1,000
Stock-based compensation	311,913	20,168	560,441
Warrants issued for consulting services	—	—	4,590
Amortization of intangible assets	—	—	145,162
Gain on sale of marketable equity securities	(490)	—	(77,524)
Depreciation	14,852	12,743	102,146
Non cash portion of in-process research and development charge	—	—	11,721,623
Loss on impairment of intangible assets	—	—	1,248,230
Loss on disposition of intangible assets	—	—	1,213,878
Changes in operating assets and liabilities, net of acquisitions:			
Decrease (increase) in prepaid expenses and other current assets	132,287	39,786	(4,244)
Increase in other assets	—	—	(70,506)
Increase (decrease) in accounts payable	373,548	(31,508)	2,391,251
Increase (decrease) in accrued expenses	207,581	106,387	(284,412)
Net cash used in operating activities	(1,775,297)	(1,278,503)	(17,955,404)
Cash flows from investing activities:			
Purchase of property and equipment	(8,499)	(20,081)	(192,948)
Cash paid in connection with acquisitions	—	(128,233)	(32,808)
Purchase of short-term investments	—	—	(5,000,979)
Proceeds from sale of short-term investments	500,000	997,067	4,931,088
Proceeds from sale of license	—	—	200,001
Cash acquired in acquisition	—	—	6,777
Net cash provided by (used in) investing activities	491,501	848,753	(88,869)
Cash flows from financing activities:			
Proceeds from issuances of notes payable to stockholders	—	—	233,500
Repayments of notes payable to stockholders	—	—	(884,902)
Proceeds from issuance of note payable to bank	—	—	600,000
Repayment of note payable to bank	—	—	(600,000)
Proceeds from subscriptions receivable	—	—	4,000
Payment for fractional shares for Preferred stock dividends	—	(446)	(2,286)
(Costs) proceeds related to sale of common stock, net	(10,166)	—	18,049,168
Proceeds from sale of preferred stock, net	—	—	9,046,176
Proceeds from exercise of stock options	—	1,000	62,500
Proceeds from exercise of warrants	—	68,491	68,491
Net cash (used in) provided by financing activities	(10,166)	69,045	26,576,647
Net (decrease) increase in cash and cash equivalents	(1,293,962)	(360,705)	8,532,374
Cash and cash equivalents at beginning of period	9,826,336	905,656	—
Cash and cash equivalents at end of period	$ 8,532,374	$ 544,951	$ 8,532,374
Supplemental disclosure of cash flow information:			
Interest paid	$ —	$ —	$ 23,893
Supplemental disclosure of noncash investing and financing activities:			
Common stock issued in satisfaction of accounts payable	$ —	$ —	$ 750,000
Imputed preferred stock dividend	—	—	418,182
Preferred stock dividends accrued	—	127,466	761,462

Conversion of preferred stock to common stock	—	154	1,067
Preferred stock dividends paid by issuance of shares	—	246,436	759,134
Issuance of common stock for acquisitions	—	—	13,389,226
Marketable equity securities received in connection with sale of license	—	—	359,907
Net liabilities assumed over assets acquired in business combination	—	—	(675,416)

See accompanying notes to unaudited condensed consolidated financial statements.

MANHATTAN PHARMACEUTICALS, INC. and SUBSIDIARIES
(A Development Stage Company)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2006

(1) BASIS OF PRESENTATION

The accompanying unaudited condensed consolidated financial statements of Manhattan Pharmaceuticals, Inc. and its subsidiaries ("Manhattan" or the "Company") have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information. Accordingly, the consolidated financial statements do not include all information and footnotes required by accounting principles generally accepted in the United States of America for complete annual financial statements. In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all adjustments, consisting of only normal recurring adjustments, considered necessary for a fair presentation. Interim operating results are not necessarily indicative of results that may be expected for the year ending December 31, 2006 or for any subsequent period. These unaudited condensed consolidated financial statements should be read in conjunction with the Company's audited financial statements as of and for the year ended December 31, 2005, which are included in the Company's Annual Report on Form 10-KSB for such year. The condensed consolidated balance sheet as of December 31, 2005 has been derived from the audited consolidated financial statements included in the Form 10-KSB for that year.

(2) LIQUIDITY

The Company realized a net loss of $2,814,988 and negative cash flows from operating activities of $1,775,297 for the three months ended March 31, 2006. The net loss from date of inception, August 6, 2001 to March 31, 2006 amounts to $34,907,039.

Management believes that the Company will continue to incur net losses through at least March 31, 2007 and for the foreseeable future. Based on the resources of the Company available at March 31, 2006, management believes that the Company will need additional equity or debt financing or will need to generate revenues during 2006 through licensing of its products or entering into strategic alliances to be able to sustain its operations beyond 2006 and that it will need additional financing thereafter until it can achieve profitability, if ever.

The Company's continued operations will depend on its ability to raise additional funds through various potential sources such as equity and debt financing, collaborative agreements, strategic alliances and its ability to realize the full potential of its technology in development. Additional funds may not become available on acceptable terms, and there can be no assurance that any additional funding that the Company does obtain will be sufficient to meet the Company's needs in the long-term.

(3) COMPUTATION OF NET LOSS PER COMMON SHARE

Basic net loss per common share is calculated by dividing net loss applicable to common shares by the weighted-average number of common shares outstanding for the period. Diluted net loss per common share is the same as basic net loss per common share, since potentially dilutive securities from stock options and stock warrants would have an antidilutive effect because the Company incurred a net loss during each period presented. The amount of potentially dilutive securities excluded from the calculation was 13,149,909 and 13,575,304 as of March 31, 2006 and 2005, respectively.

MANHATTAN PHARMACEUTICALS, INC. and SUBSIDIARIES
(A Development Stage Company)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2006

(4) STOCK-BASED COMPENSATION

The Company has stockholder-approved stock incentive plans for employees, directors, officers and consultants. Prior to January 1, 2006, the Company accounted for the employee, director and officer plans using the intrinsic value method under the recognition and measurement provisions of Accounting Principles Board Opinion ("APB") No. 25, "Accounting for Stock Issued to Employees" and related interpretations, as permitted by Statement of Financial Accounting Standards ("SFAS" or "Statement") No. 123, "Accounting for Stock-Based Compensation."

Effective January 1, 2006, the Company adopted SFAS No. 123(R), "Share-Based Payment," ("Statement 123(R)") for employee options using the modified prospective transition method. Statement 123(R) revised Statement 123 to eliminate the option to use the intrinsic value method and required the Company to expense the fair value of all employee options over the vesting period. Under the modified prospective transition method, the Company recognized compensation cost for the three months ended March 31, 2006 which includes 1) period compensation cost related to share-based payments granted prior to, but not yet vested, as of January 1, 2006, based on the grant date fair value estimated in accordance with the original provisions of Statement 123; and 2) period compensation cost related to share-based payments granted on or after January 1, 2006, based on the grant date fair value estimated in accordance with Statement 123(R). In accordance with the modified prospective method, the Company has not restated prior period results.

Total share-based compensation expense for the three months ended March 31, 2006 amounted to $311,913, including $23,971 related to options granted to consultants, accounted for under EITF No. 96-18 "Accounting for Equity Instruments That Are Issued to Other than Employees for Acquiring, or in Conjunction with Selling, Goods or Services" and $287,942 related to options granted to employees and directors, accounted for under Statement 123(R).

For the three months ended March 31, 2006, the Company recognized share-based employee compensation cost of $287,942 in accordance with Statement 123(R), which was recorded as general and administrative expenses. $273,791 of this expense resulted from the grants of stock options to employees and directors of the Company from February 2002 to December 2005. The Company recognized compensation expense related to these stock options on a straight-line basis over the vesting period. The balance of $14,151 related to the granting of stock options to employees and officers on or after January 1, 2006. The Company did not capitalize any share-based compensation cost.

As a result of adopting Statement 123(R), net loss for the three months ended March 31, 2006 was $287,942 greater than if the Company had continued to account for share-based compensation under APB 25. The effect of adopting Statement 123(R) on basic and diluted earnings per share for the three months ended March 31, 2006 was less than $0.01 per share.

The net loss for the three months ended March 31, 2005 does not include any compensation charges related to options granted to employees. The following table illustrates the pro forma effect on net loss and loss per share assuming the Company had applied the fair value recognition provisions of SFAS No. 123 instead of the intrinsic value method under APB No. 25 to stock-based employee compensation for the three months ended March 31, 2005.

MANHATTAN PHARMACEUTICALS, INC. and SUBSIDIARIES
(A Development Stage Company)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2006

	Three months ended March 31, 2005
Net loss applicable to common shares, as reported	$ (1,553,545)
Deduct: Total stock-based employee compensation expense determined under fair value method	(114,935)
Net loss applicable to common shares, pro forma	$ (1,668,480)
Net loss per common share – basic and diluted	
As reported	$ (0.05)
Pro forma	(0.06)

As noted above, the Company has shareholder-approved stock incentive plans for employees under which it has granted non-qualified and incentive stock options. Options granted under these plans must be at a price per share not less than the fair market value per share of common stock on the date the option is granted. The options generally vest over a three year period and expire ten years from the date of grant. Certain option and share awards provide for accelerated vesting upon a change in control of the Company, as defined.

Stock Options

2003 Stock Option Plan

In December 2003, the Company established the 2003 Stock Option Plan (the "2003 Plan"), which provided for the granting of up to 5,400,000 options to officers, directors, employees and consultants for the purchase of stock. In August 2005, the Company increased the number of shares of common stock reserved for issuance under the 2003 Plan by 2,000,000 shares. At March 31, 2006, 7,400,000 shares were authorized for issuance. The options have a maximum term of 10 years and vest over a period determined by the Company's Board of Directors (generally 3 years) and are issued at an exercise price equal to the fair market value of the shares at the date of grant. The 2003 Plan expires on December 10, 2013 or when all options have been granted, whichever is sooner.

1995 Stock Option Plan

In July 1995, the Company established the 1995 Stock Option Plan (the "1995 Plan"), which provided for the granting of up to 130,000 options to officers, directors, employees and consultants for the purchase of stock. In July 1996, the 1995 Plan was amended to increase the total number of shares authorized for issuance by 60,000 shares to a total of 190,000 shares and beginning with the 1997 calendar year, by an amount equal to one percent (1%) of the shares of common stock outstanding on December 31 of the immediately preceding calendar year. At March 31, 2006, there were no shares were authorized for issuance. The options have a maximum term of 10 years and vest over a period determined by the Company's Board of Directors (generally 4 years) and are issued at an exercise price equal to the fair market value of the shares at the date of grant. The 1995 Plan expired on June 30, 2005 and no further options are available for issuance under this plan.

On January 26, 2006, the Company granted employees options to purchase an aggregate of 174,500 shares of common stock under the Company's 2003 Stock Option Plan (the "2003 Plan") at an exercise price of $1.35 per share. The shares subject to these options vest in three equal annual installments starting one year from the grant date and continuing each anniversary thereafter, provided the optionee continues employment. On February 1, 2006, the Company granted its Chief Medical Officer, Alan Harris an option to purchase 300,000 shares of common stock under the 2003 Plan also at an exercise price of $1.35 per share. The shares subject to this option vest in three equal annual installments starting one year from the grant date and continuing each anniversary thereafter, provided the optionee continues employment.

The Company estimated the fair value of each option award on the date of grant using the Black-Scholes model. The Company based expected volatility on historical volatility and expectations of future volatility. The expected term of options granted represents the period of time that options granted are expected to be outstanding. The Company estimated the expected term of stock options using historical exercise and employee forfeiture experience.

The following table shows the weighted average assumptions the Company used to develop the fair value estimates for the determination of the compensation charges in 2006 and the pro forma charges in 2005:

	Three Months Ended March 31,	
	2006	2005
Expected volatility	55%	70%
Dividend yield	—	—
Expected term (in years)	4	5
Risk-free interest rate	4.25%	3.4%

A summary of the status of the Company's stock options as of March 31, 2006 and changes during the three months then ended is presented below:

Outstanding at	Shares	Weighted average exercise price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
December 31, 2005	6,328,754	$ 1.33		
Granted	474,500	1.35		
Exercised	-	-		
Cancelled	(120,750)	1.20		
Outstanding at March 31, 2006	6,682,504	$ 1.34	8.39	$ 1,241,972
Options exercisable at March 31, 2006	3,722,728	$ 1.26	7.85	$ 1,117,173
Weighted-average fair value of options granted during the quarter	$ 0.63			

As of March 31, 2006, the total compensation cost related to non-vested option awards not yet recognized is $2,395,675. The weighted average period over which it is expected to be recognized is approximately 1.56 years.

MANHATTAN PHARMACEUTICALS, INC. and SUBSIDIARIES
(A Development Stage Company)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

March 31, 2006

(5) ACQUISITION OF TARPAN THERAPEUTICS, INC.

On April 1, 2005, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Tarpan Therapeutics, Inc., a Delaware corporation ("Tarpan"), and Tarpan Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of the Company ("TAC"). The Merger Agreement provided that TAC would merge with and into Tarpan, with Tarpan remaining as the surviving corporation and a wholly-owned subsidiary of the Company (the "Merger"). The Merger was completed April 1, 2005 and accounted for as a purchase. Accordingly, the results of operations for the three months ended March 31, 2005 do not include the results of Tarpan.

The following unaudited pro forma financial information presents the condensed consolidated results of operations of the Company and Tarpan, as if the acquisition had occurred on January 1, 2005 instead of April 1, 2005, after giving effect to certain adjustments, including the issuance of the Company's common stock as part of the purchase price. The unaudited pro forma information does not necessarily reflect the results of operations that would have occurred had the entities been a single company during these periods.

	Three months ended March 31, 2005
Net loss	$ (1,553,340)
Weighted average number of common shares outstanding	39,396,196
Loss per common share - basic and fully diluted	$ (0.04)

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

You should read the following discussion of our results of operations and financial condition in conjunction with our Annual Report on Form 10-KSB for the year ended December 31, 2005 (the "Annual Report") and our financial statements as of and for the three months ended March 31, 2006 included elsewhere in this report.

RESULTS OF OPERATIONS

THREE-MONTH PERIOD ENDED MARCH 31, 2006 VS 2005

During each of the quarters ended March 31, 2006 and 2005, we had no revenues, and are considered a development stage company. We do not expect to have revenues relating to our technologies prior to March 31, 2007.

For the quarter ended March 31, 2006 research and development expense was $2,023,319 as compared to $964,040 for the quarter ended March 31, 2005. The increase of $1,059,279 is due primarily to an acceleration of pre-clinical and clinical development of our Oleoyl-estrone drug and the pre-clinical and clinical development of our PTH (1-34) product candidate. As we enter Phase IIa clinical trials in Oleoyl-estrone and PTH (1-34), we expect research and development to continue to increase through 2006.

For the three months ended March 31, 2006, general and administrative expense was $890,865 as compared to $493,243 for the three months ended March 31, 2005. The increase of $397,622 is due primarily to increases in payroll and stock-based compensation expenses associated with the adoption of Statement 123(R), of $123,000 and $288,000, respectively, partially offset by a reduction in consulting fees of approximately $89,000. Additionally, we had increases in legal and accounting fees and all other expenses of approximately $48,000, $25,000 and $3,000 respectively.

For the quarter ended March 31, 2006, interest and other income including realized gain on the sale of marketable equity securities was $99,196 as compared to $31,204 for the quarter ended March 31, 2005. The increase of $67,992 is a result of higher average balances in cash and short-term investments earning higher yields.

Net loss for the three months ended March 31, 2006, was $2,814,988 as compared to $1,426,079 for the three months ended March 31, 2005. This increase in net loss is attributable to increases in research and development expenses of $1,059,279 and general and administrative expenses of $397,622, partially offset by an increase in interest and other income of $67,992.

Preferred stock dividends were $0 and $127,466 for the three months ended March 31, 2006 and 2005, respectively, which had no impact on loss per share for such periods.

LIQUIDITY AND CAPITAL RESOURCES

From inception to March 31, 2006, we incurred a deficit during the development stage of $36,086,683 primarily as a result of our net losses, and we expect to continue to incur additional losses through at least March 31, 2007 and for the foreseeable future. These losses have been incurred through a combination of research and development activities related to the various technologies under our control and expenses supporting those activities.

We have financed our operations since inception primarily through equity financing and our licensing and sale of residual royalty rights of CT-3 to Indevus. During the three months ended March 31, 2006, we had a net decrease in cash and cash equivalents of $1,293,962. This decrease resulted largely from net cash used in operating activities of $1,775,297 partially offset by net cash provided by investing activities of $491,501. Total liquid resources including short term investments as of March 31, 2006 were $9,041,684 compared to $10,834,154 at December 31, 2005.

Our current liabilities as of March 31, 2006 were $2,246,946 compared to $1,665,817 at December 31, 2005, an increase of $581,129. The increase was primarily due to an increase in expenditures associated with our Phase I clinical trial for our Oleoyl-estrone product candidate and commencement of Phase II clinical trial for our PTH (1-34) product candidate. As of March 31, 2006, we had working capital of $6,857,227 compared to $9,363,113 at December 31, 2005.

Our available working capital and capital requirements will depend upon numerous factors, including progress of our research and development programs, our progress in and the cost of ongoing and planned pre-clinical and clinical testing, the timing and cost of obtaining regulatory approvals, the cost of filing, prosecuting, defending, and enforcing patent claims and other intellectual property rights, competing technological and market developments, changes in our existing collaborative and licensing relationships, the resources that we devote to developing manufacturing and commercializing capabilities, the status of our competitors, our ability to establish collaborative arrangements with other organizations and our need to purchase additional capital equipment.

Our continued operations will depend on whether we are able to raise additional funds through various potential sources, such as equity and debt financing, other collaborative agreements, strategic alliances, and our ability to realize the full potential of our technology in development. Such additional funds may not become available on acceptable terms and there can be no assurance that any additional funding that we do obtain will be sufficient to meet our needs in the long term. Through March 31, 2006, a significant portion of our financing has been through private placements of common and preferred stock and warrants to purchase common stock. Unless our operations generate significant revenues and cash flows from operating activities, we will continue to fund operations from cash on hand and through the similar sources of capital previously described. We can give no assurances that any additional capital that we are able to obtain will be sufficient to meet our needs. Management believes that we will continue to incur net losses and negative cash flows from operating activities for the foreseeable future. Based on the resources available to us at March 31, 2006, management believes that we will need additional equity or debt financing or will need to generate revenues through licensing our products or entering into strategic alliances during 2006 to be able to sustain our operations beyond 2006 and we will need additional financing thereafter until we can achieve profitability, if ever.

RESEARCH AND DEVELOPMENT PROJECTS

Oleoyl-estrone

In January 2005, the FDA accepted our filed investigational new drug application, or “IND” for the human clinical testing of Oleoyl-estrone. We completed Phase Ia and Phase Ib clinical trials in May 2005 and July 2005, respectively, and released data on both trials in October 2005. Both trials were completed in Basel, Switzerland after obtaining formal approval from the Swiss medical authority, Swissmedic, however only the Phase Ia trial was conducted pursuant to the IND accepted by the FDA. The objective of both dose escalation studies was to determine the safety and tolerability of defined doses of orally administered Oleoyl-estrone in obese adult volunteers as well as the pharmacokinetic profile (i.e. the manner in which the drug is absorbed, distributed, metabolized and excreted by the body) of Oleoyl-estrone in both men and women.

The Phase Ia study involved 36 obese volunteers. Twelve of the 36 patients received placebo and 24 received a single dose in one of six strengths ranging from 1 mg to 150 mg. Oleoyl-estrone was shown to be safe with no serious adverse events noted in this study.

The Phase Ib study was a repeat dose study involving 24 obese volunteers in four cohorts of 6 patients each who received either placebo or Oleoyl-estrone in doses ranging from 10 mg to 150 mg once daily for seven consecutive days. The results indicated that Oleoyl-estrone was generally well-tolerated at all doses and no serious adverse events were reported. There were also no clinically significant changes in the physical exams, vital signs, ECGs, coagulation and liver function tests. The study demonstrated evidence of greater weight loss among the treated groups compared with the placebo group as well as evidence of reduction in desire to eat, hunger levels, fasting glucose and LDL cholesterol. Important clinical laboratories findings included reversible, dose-dependent elevations in estrone and estradiol levels, as well as reductions in testosterone levels. We recently received Swiss regulatory approval from Swissmedic, the Swiss Medical Authority, to commence our Phase IIa study with Oleoyl-estrone.

To date, we have incurred $9,201,400 of project costs related to our development of oleoyl-estrone, including milestone payments triggered under our license agreement for oleoyl-estrone, of which $1,211,584 was incurred in the first three months of 2006. Currently, we anticipate that we will need to expend approximately an additional $3,800,000 in development costs in fiscal 2006. Since oleoyl-estrone is regarded by the FDA as a new entity, it is not realistic to predict the size and the design of future studies at this time.

Although we currently have sufficient capital to fund our anticipated 2006 R&D expenditures relating to oleoyl-estrone, we will need to raise additional capital in order to complete the anticipated five or six year development program for the product. If we are unable to raise such additional capital, we may have to sublicense our rights to oleoyl-estrone to a third party as a means of continuing development, or, although less likely, we may be required to abandon further development efforts altogether, either of which would have a material adverse effect on the prospects of our business.

In addition to raising further capital, whether we are successful in developing oleoyl-estrone is dependent on numerous other factors, including unforeseen safety issues, lack of effectiveness, significant unforeseen delays in the clinical trial and regulatory approval process, both of which could be extremely costly, and inability to monitor patients adequately before and after treatments. The existence of any of these factors could increase our development costs or make successful completion of development impractical, which would have a material adverse affect on the prospects of our business.

PTH (1-34)

PTH (1-34), which we acquired as a result of our April 2005 acquisition of Tarpan Therapeutics, Inc., is being developed as a topical treatment for psoriasis. In August 2003, researchers, led by Michael Holick, MD, Professor of Medicine, Physiology, and Biophysics at Boston University Medical Center, reported positive results from a US Phase I and II clinical trial evaluating the safety and efficacy of PTH (1-34) as a topical treatment for psoriasis. This double-blind, controlled trial in 15 patients compared PTH (1-34) formulated in the Novasome® Technology versus the Novasome® vehicle alone. Following 8 weeks of treatment, the topical application of PTH (1-34) resulted in complete clearing of the treated lesion in 60% of patients and partial clearing in 85% of patients. Additionally, there was a statistically significant improvement in the global severity score. Ten patients continued into an open label extension study in which the Psoriasis Area and Severity Index (PASI) was measured; PASI improvement across all 10 patients achieved statistically significant improvement compared to baseline. This study showed PTH (1-34) to be a safe and effective treatment for plaque psoriasis with no patients experiencing any clinically significant adverse events.

Due to the high response rate seen in patients in the initial trial with PTH (1-34) we believe that it may have an important clinical advantage over current topical psoriasis treatments. A follow on physician IND Phase IIa trial involving PTH (1-34) was initiated in December 2005 under the auspices of Boston University. Dosing of topical PTH (1-34) in the Investigator IND-conducted Phase IIa study has been delayed due to issues identified with the current formulation and the difficulty of conducting a psoriasis study in the summer. Ideally, psoriasis trials are conducted in the fall and winter due to the natural improvement of the disease during the summer months. We are working with formulation experts to assist in addressing the issues and anticipate a one- to two-quarter formulation effort. We believe these formulation activities may lead to additional intellectual property surrounding the product.

To date, we have incurred $1,767,433 of project costs related to our development of PTH (1-34), which has been incurred since April 1, 2005, the date of the Tarpan Therapeutics, Inc. acquisition, of which $797,926 was incurred in the first three months of 2006. Currently, we anticipate that we will need to expend approximately an additional $2,800,000 in development costs in fiscal 2006. As with the development of our other product candidates, we believe we currently have sufficient capital to fund our development activities of PTH (1-34) during 2006. Since PTH (1-34) is already available in the injectable form, we should be able to utilize much of the data that is publicly available in planning our future studies. However, since PTH (1-34) will be used topically, bridging studies will need to be performed and we are not able to realistically predict the size and the design of those studies at this time.

Lingual spray propofol

We are developing propofol lingual spray, the right to which we license from NovaDel Pharma, Inc., for light to medium sedation on a Section 505b2 bioequivalence regulatory pathway toward FDA approval. In January 2005, the FDA accepted our IND for propofol lingual spray, allowing us to commence clinical trials. The FDA has indicated to us in discussions that we may proceed to a pivotal Phase III trial of propofol lingual spray following completion of Phase I trials. We are actively planning the next steps for the clinical development of this product candidate, meeting with our scientific advisors, NovaDel and other formulation partners regarding formulation, reviewing existing data, developing trial design and evaluating plans to re-enter the clinic.

To date, we have incurred $2,834,996 of project costs related to our development of propofol lingual spray, of which $13,810 was incurred in the first three months of 2006. Currently, we anticipate that we will need to expend approximately an additional $100,000 in development costs in fiscal 2006 and at least an aggregate of approximately $3,000,000 to $5,000,000 until we receive FDA approval for propofol, should we opt to continue development until then, including anticipated 2006 costs. As with our development of oleoyl-estrone, we believe we currently have sufficient capital to fund our development activities of propofol lingual spray during 2006. Since our business does not generate any cash flow, however, we will need to raise additional capital to continue development of the product beyond 2006. We expect to raise such additional capital through debt financings or by selling shares of our capital stock. To the extent additional capital is not available when we need it, we may be forced to sublicense our rights to propofol lingual spray or abandon our development efforts altogether, either of which would have a material adverse effect on the prospects of our business.

Off-Balance Sheet Arrangements

We have not entered into any off-balance sheet arrangements.

Item 3. Controls and Procedures

As of March 31, 2006, we carried out an evaluation, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of that date are effective to ensure that information required to be disclosed in the reports we file under the Securities and Exchange Act is recorded, processed, summarized and reported on an accurate and timely basis. During the first quarter of 2006, there were no changes in our internal controls over financial reporting that have materially affected or are reasonably likely to materially affect our internal controls over financial reporting subsequent to the date of such evaluation.

PART II - OTHER INFORMATION

Item 6. Exhibits

Exhibit No.	Description
10.1	Employment Agreement dated January 26, 2006 between the Company and Alan G. Harris
31.1	Certification of Chief Executive Officer
31.2	Certification of Chief Financial Officer
32.1	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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SIGNATURES

In accordance with the requirements of the Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MANHATTAN PHARMACEUTICALS, INC.

Date: May 15, 2006

By: /s/ Douglas Abel

Douglas Abel
President and Chief Executive Officer

Date: May 15, 2006

By: /s/ Nicholas J. Rossettos

Nicholas J. Rossettos
Chief Financial Officer and Chief Operating Officer

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Index to Exhibits Filed with this Report

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EXHIBIT 10.1

EMPLOYMENT AGREEMENT

This Agreement (this "**Agreement**"), dated as of January 26, 2006, by and between MANHATTAN PHARMACEUTICALS, INC., a Delaware corporation with principal executive offices at 810 Seventh Avenue, 4th Floor, New York, New York 10019 (the "**Company**"), and Alan G. Harris, M.D. Ph.D., residing at 190 East 72nd Street, Apartment #26B, New York, New York 10021 (the "**Employee**").

W I T N E S S E T H:

WHEREAS, the Company desires to employ the Employee as Chief Medical Officer of the Company, and the Employee desires to serve the Company in such capacity, upon the terms and subject to the conditions contained in this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto hereby agree as follows:

1. Employment.

(a) Services. The Employee will be employed by the Company as its Chief Medical Officer. The Employee will report to the Chief Executive Officer of the Company and shall perform such duties as are consistent with his position as Chief Medical Officer (the **"Services"**). The Employee agrees to perform such duties faithfully, to devote substantially all of his working time, attention and energies to the business of the Company, and while he remains employed, not to engage in any other business activity that is in conflict with his duties and obligations to the Company without the prior written consent of the Chief Executive Officer of the Company.

(b) Acceptance. Employee hereby accepts such employment and agrees to render the Services.

2. Term. The employment of the Employee by the Company as provided in Section 1 shall be for a period of three (3) years commencing on February 1, 2006 (the **"Effective Date"**), unless sooner terminated in accordance with the provisions of Section 8 below (the "**Term**"); provided, however, that the Term shall be extended automatically for additional one-year periods unless one party shall advise the other in writing at least 60 days before the initial expiration of the Term or an anniversary date thereof that this Agreement shall no longer be so extended. Notwithstanding anything to the contrary contained herein, Sections 5 and 6 shall survive the expiration or termination hereof.

3. Best Efforts; Place of Performance.

(a) The Employee shall devote substantially all of his business time, attention and energies to the business and affairs of the Company and shall use his best efforts to advance the best interests of the Company and shall not during the Term be actively engaged in any other business activity, whether or not such business activity is pursued for gain, profit or other pecuniary advantage, that will interfere with the performance by the Employee of his duties hereunder or the Employee's availability to perform such duties or that will adversely affect, or negatively reflect upon, the Company.

(b) The duties to be performed by the Employee hereunder shall be performed primarily at the principal office of the Company in New York, New York, subject to reasonable travel requirements on behalf of the Company, or such other place as the Board of Directors of the Company (the **"Board"**) may reasonably designate. Notwithstanding the foregoing, the Company may be relocated to another city within the United States with consent of the Board.

4. Compensation. As full compensation for the performance by the Employee of his duties under this Agreement, the Company shall pay the Employee as follows:

(a) Base Salary. The Company shall pay Employee a salary (the **"Base Salary"**) equal to Two Hundred Seventy-Five Thousand Dollars ($275,000.00) per year. Payment shall be made in accordance with the Company's normal payroll practices.

(b) Guaranteed Bonus. The Company shall pay Employee a cash bonus of $50,000, payable in two equal installments (the **"Guaranteed Bonus"**). The first installment of $25,000 shall be paid to the Employee on the date that is six (6) months after the Effective Date and the second installment of $25,000 shall be paid to the Employee on the first anniversary of the Effective Date, provided, however, that the Employee is still employed by the Company on the applicable date of payment.

(c) Annual Milestone Bonus. At the discretion of the Chief Executive Officer, in conjunction with the Board, the Employee shall receive a bonus on each anniversary of the Effective Date during the Term (the **"Annual Milestone Bonus"**) in an amount up to thirty percent (30%) of his Base Salary, based on the attainment by the Employee of certain financial, clinical development and business milestones (the **"Milestones"**) as established annually by the Chief Executive Officer, in conjunction with the Board, after consultation with the Employee, prior to the start of each anniversary of this Agreement. The Milestones for the first year of this Agreement shall be established by the Chief Executive Officer, in conjunction with the Board, after consultation with the Employee, subsequent to, but not more than sixty (60) days following, the Effective Date. The Milestones for each subsequent year shall be established by the Chief Executive Officer, in conjunction with the Board, after consultation with the Employee, at least sixty (60) days prior to each anniversary of this Agreement. The Annual Milestone Bonus shall be payable either as a lump-sum payment or in installments as determined by the Company in its sole discretion.

(c) Withholding. The Company shall withhold all applicable federal, state and local taxes and social security and such other amounts as may be required by law from all amounts payable to the Employee under this Section 4.

(d) Initial Option. As additional compensation for the Services, the Company shall grant the Employee an option to purchase 300,000 shares of the Common Stock of the Company at a price per share equal to the last closing sale price of the Company's Common Stock on the Effective Date (the "**Initial Option**"). The Initial Option shall (i) be governed by the Company's 2004 Stock Option Plan; (ii) vest in three equal installments of 100,000 shares on the first, second and third anniversary of the Effective Date; (iii) be exercisable for 10 years from the date of grant; and (iv) remain exercisable for 90 days from the date that the Employee is no longer an employee of the Company, subject, in each case, to the provisions of Section 9 below. In connection with such grant, the Employee shall enter into the Company's standard stock option agreement which will incorporate the foregoing vesting schedule and the provisions contained in Section 9 hereof.

(e) Expenses. The Company shall reimburse the Employee for all normal, usual and necessary expenses incurred by the Employee in furtherance of the business and affairs of the Company, including reasonable travel and entertainment, upon timely receipt by the Company of appropriate vouchers or other proof of the Employee's expenditures and otherwise in accordance with any expense reimbursement policy as may from time to time be adopted by the Company.

(f) Other Benefits. The Employee shall be entitled to all rights and benefits for which he shall be eligible under any benefit or other plans (including, without limitation, dental, medical, medical reimbursement and hospital plans, pension plans, employee stock purchase plans, profit sharing plans, bonus plans and other so-called "fringe" benefits) as the Company shall make available to its senior executives from time to time.

(g) Vacation. The Employee shall, during the Term, be entitled to a vacation of three (3) nonconsecutive weeks per annum, in addition to holidays observed by the Company. The Employee shall not be entitled to carry any vacation forward to the next year of employment and shall not receive any compensation for unused vacation days.

5. Confidential Information and Inventions.

(a) The Employee recognizes and acknowledges that in the course of his duties he is likely to receive confidential or proprietary information owned by the Company, its affiliates or third parties with whom the Company or any such affiliates has an obligation of confidentiality. Accordingly, during and after the Term, the Employee agrees to keep confidential and not disclose or make accessible to any other person or use for any other purpose other than in connection with the fulfillment of his duties under this Agreement, any Confidential and Proprietary Information (as defined below) owned by, or received by or on behalf of, the Company or any of its affiliates. “Confidential and Proprietary Information” shall include, but shall not be limited to, confidential or proprietary scientific or technical information, data, formulas and related concepts, business plans (both current and under development), client lists, promotion and marketing programs, trade secrets, or any other confidential or proprietary business information relating to development programs, costs, revenues, marketing, investments, sales activities, promotions, credit and financial data, manufacturing processes, financing methods, plans or the business and affairs of the Company or of any affiliate or client of the Company. The Employee expressly acknowledges the trade secret status of the Confidential and Proprietary Information and that the Confidential and Proprietary Information constitutes a protectable business interest of the Company. The Employee agrees: (i) not to use any such Confidential and Proprietary Information for himself or others; and (ii) not to take any Company material or reproductions (including but not limited to writings, correspondence, notes, drafts, records, invoices, technical and business policies, computer programs or disks) thereof from the Company’s offices at any time during his employment by the Company, except as required in the execution of the Employee’s duties to the Company. The Employee agrees to return immediately all Company material and reproductions (including but not limited, to writings, correspondence, notes, drafts, records, invoices, technical and business policies, computer programs or disks) thereof in his possession to the Company upon request and in any event immediately upon termination of employment.

(b) Except with prior written authorization by the Company, the Employee agrees not to disclose or publish any of the Confidential and Proprietary Information, or any confidential, scientific, technical or business information of any other party to whom the Company or any of its affiliates owes an obligation of confidence, at any time during or after his employment with the Company.

(c) Notwithstanding the foregoing, Confidential and Proprietary Information shall not include any information or material which the Employee can establish through competent proof: (i) is or becomes generally available to the public other than as a result of disclosure thereof by the Employee; (ii) is lawfully received by the Employee on a non-confidential basis from a third party that is not itself under an obligation of confidentiality or non-disclosure to the Company with respect to such information; (iii) was in the Employee's possession at the time of disclosure by the Company and was not acquired, directly or indirectly from the Company; or (iv) is required to be publicly disclosed by law or by regulation; provided, however, that in such event Employee shall provide the Company with prompt advance notice of such disclosure so that the Company has the opportunity if it so desires to seek a protective order or other similar protection. If, in the absence of a protective or other similar order, the Employee is legally compelled to disclose Confidential and Proprietary Information, such Confidential and Proprietary Information (and only such Confidential and Proprietary Information) may be disclosed in such proceeding without liability hereunder; provided, however, that the Employee shall give the Company written notice of the Confidential and Proprietary Information to be disclosed as far in advance of its disclosure as is practical and, upon the Company’s request and expense, the Employee shall use all reasonable efforts to obtain assurances that confidential treatment will be accorded to such Confidential and Proprietary Information in such proceeding.

(d) The Employee agrees that all inventions, discoveries, improvements and patentable or copyrightable works ("**Inventions**") initiated, conceived or made by him, either alone or in conjunction with others, during the Term shall be the sole property of the Company to the maximum extent permitted by applicable law and, to the extent permitted by law, shall be "works made for hire" as that term is defined in the United States Copyright Act (17 U.S.C.A., Section 101). The Company shall be the sole owner of all patents, copyrights, trade secret rights, and other intellectual property or other rights in connection therewith. The Employee hereby assigns to the Company all right, title and interest he may have or acquire in all such Inventions; provided, however, that the Board may in its sole discretion agree to waive the Company's rights pursuant to this Section 5(d) with respect to any Invention that is not directly or indirectly related to the Company's business. The Company acknowledges that as of the Effective Date, the Employee has undertaken certain activities prior to the Effective Date and that pursuant thereto has developed the Inventions and/or engaged in such specific activities set forth on Annex A hereto, and that pursuant to the foregoing sentence, the Board has waived the Company's rights with respect to such Inventions and/or activities as they are in existence on the Effective Date. Notwithstanding the foregoing, nothing in this Section 5(d) shall be construed to limit, restrict or modify in any way Executive's obligations under this Agreement, including without limitation Section 3(a) and Section 6 hereof. The Employee further agrees to assist the Company in every proper way (but at the Company's expense) to obtain and from time to time enforce patents, copyrights or other rights on such Inventions in any and all countries, and to that end the Employee will execute all documents necessary:

(i) to apply for, obtain and vest in the name of the Company alone (unless the Company otherwise directs) letters patent, copyrights or other analogous protection in any country throughout the world and when so obtained or vested to renew and restore the same; and

(ii) to defend any opposition proceedings in respect of such applications and any opposition proceedings or petitions or applications for revocation of such letters patent, copyright or other analogous protection.

(e) The Employee acknowledges that while performing the Services under this Agreement the Employee may locate, identify and/or evaluate patented or patentable inventions having commercial potential in the fields of pharmacy, pharmaceutical, biotechnology, healthcare, technology and other fields which may be of potential interest to the Companay or one of its affiliates (the **"Third Party Inventions"**). The Employee understands, acknowledges and agrees that all rights to, interests in or opportunities regarding, all Third-Party Inventions identified by the Company, any of its affiliates or either of the foregoing persons' officers, directors, employees (including the Employee), agents or consultants during the Term shall be and remain the sole and exclusive property of the Company or such affiliate and the Employee shall have no rights whatsoever to such Third-Party Inventions and will not pursue for himself or for others any transaction relating to the Third-Party Inventions which is not on behalf of the Company; provided, however, that the Company acknowledges and agrees that Employee may, with the Company's prior written consent, discuss the development of any Third Party Inventions that the Employee has located, identified and/or evaluated, and which the Company has decided not to pursue, solely with Paramount Biosciences, LLC ("Paramount"). Notwithstanding the foregoing, the Company acknowledges and agrees that Employee shall be permitted to discuss the development of any Third Party Inventions that the Employee has located, identified and/or evaluated, and which each of the Company and Paramount has decided not to pursue in accordance with the foregoing, provided that such discussions are consented to in advance by each of the Company and Paramount and that such discussions do not conflict with or interfere in any way with Executive's obligations under this Agreement, including without limitation Section 3(a) and Section 6 hereof.

(f) Employee agrees that he will promptly disclose to the Company, or any persons designated by the Company, all improvements and Inventions made or conceived or reduced to practice or learned by him, either alone or jointly with others, during the Term.

(g) The provisions of this Section 5 shall survive any termination of this Agreement.

6. Non-Competition, Non-Solicitation and Non-Disparagement.

(a) The Employee understands and recognizes that his services to the Company are special and unique and that in the course of performing such services the Employee will have access to and knowledge of Confidential and Proprietary Information (as defined in Section 5) and the Employee agrees that, during the Term and for a period of twelve (12) months thereafter, he shall not in any manner, directly or indirectly, on behalf of himself or any person, firm, partnership, joint venture, corporation or other business entity ("**Person**"), enter into or engage in any business which is engaged in any business directly or indirectly competitive with the business of the Company, either as an individual for his own account, or as a partner, joint venturer, owner, executive, employee, independent contractor, principal, agent, consultant, salesperson, officer, director or shareholder of a Person in a business competitive with the Company within the geographic area of the Company's business, which is deemed by the parties hereto to be worldwide. The Employee acknowledges that, due to the unique nature of the Company's business, the loss of any of its clients or business flow or the improper use of its Confidential and Proprietary Information could create significant instability and cause substantial damage to the Company and its affiliates and therefore the Company has a strong legitimate business interest in protecting the continuity of its business interests and the restriction herein agreed to by the Employee narrowly and fairly serves such an important and critical business interest of the Company. For purposes of this Agreement, the Company shall be deemed to be actively engaged on the date hereof in the development and commercialization of drugs for the treatment of obesity and dermatologic conditions and novel application drug delivery systems for presently marketed prescription and over-the-counter drugs and providing consulting services in connection therewith, and in the future in any other business in which it actually devotes substantive resources to study, develop or pursue. Notwithstanding the foregoing, nothing contained in this Section 6(a) shall be deemed to prohibit the Employee from (i) acquiring or holding, solely for investment, publicly traded securities of any corporation, some or all of the activities of which are competitive with the business of the Company so long as such securities do not, in the aggregate, constitute more than three percent (3%) of any class or series of outstanding securities of such corporation.

(b) During the Term and for a period of 18 months thereafter, the Employee shall not, directly or indirectly, without the prior written consent of the Company:

(i) solicit or induce any employee of the Company or any of its affiliates to leave the employ of the Company or any such affiliate; or hire for any purpose any employee of the Company or any affiliate or any employee who has left the employment of the Company or any affiliate within one year of the termination of such employee's employment with the Company or any such affiliate or at any time in violation of such employee's non-competition agreement with the Company or any such affiliate; or

(ii) solicit or accept employment or be retained by any Person who, at any time during the term of this Agreement, was an agent, client or customer of the Company or any of its affiliates where his position will be related to the business of the Company or any such affiliate; or

(iii) solicit or accept the business of any agent, client or customer of the Company or any of its affiliates with respect to products, services or investments similar to those provided or supplied by the Company or any of its affiliates.

(c) The Company and the Employee each agree that both during the Term and at all times thereafter, neither party shall directly or indirectly disparage, whether or not true, the name or reputation of the other party or any of its affiliates, including but not limited to, any officer, director, employee or shareholder of the Company or any of its affiliates.

(d) In the event that the Employee breaches any provisions of Section 5 or this Section 6 or there is a threatened breach, then, in addition to any other rights which the Company may have, the Company shall (i) be entitled, without the posting of a bond or other security, to injunctive relief to enforce the restrictions contained in such Sections and (ii) have the right to require the Employee to account for and pay over to the Company all compensation, profits, monies, accruals, increments and other benefits (collectively "**Benefits**") derived or received by the Employee as a result of any transaction constituting a breach of any of the provisions of Sections 5 or 6 and the Employee hereby agrees to account for and pay over such Benefits to the Company. The Employee agrees that in an action pursuant to clause 6(d)(i), that if the Company makes a prima facie showing that the Employee has violated or apparently intends to violate any of the provisions of this Section 6, the Company need not prove either damage or irreparable injury in order to obtain injunctive relief.

(e) Each of the rights and remedies enumerated in Section 6(d) shall be independent of the others and shall be in addition to and not in lieu of any other rights and remedies available to the Company at law or in equity. If any of the covenants contained in this Section 6, or any part of any of them, is hereafter construed or adjudicated to be invalid or unenforceable, the same shall not affect the remainder of the covenant or covenants or rights or remedies which shall be given full effect without regard to the invalid portions. If any of the covenants contained in this Section 6 is held to be invalid or unenforceable because of the duration of such provision or the area covered thereby, the parties agree that the court making such determination shall have the power to reduce the duration and/or area of such provision and in its reduced form such provision shall then be enforceable. No such holding of invalidity or unenforceability in one jurisdiction shall bar or in any way affect the Company's right to the relief provided in this Section 6 or otherwise in the courts of any other state or jurisdiction within the geographical scope of such covenants as to breaches of such covenants in such other respective states or jurisdictions, such covenants being, for this purpose, severable into diverse and independent covenants.

(f) In the event that an actual proceeding is brought in equity to enforce the provisions of Section 5 or this Section 6, the Employee shall not urge as a defense that there is an adequate remedy at law nor shall the Company be prevented from seeking any other remedies which may be available. The Employee agrees that he shall not raise in any proceeding brought to enforce the provisions of Section 5 or this Section 6 that the covenants contained in such Sections limit his ability to earn a living.

(g) The provisions of this Section 6 shall survive any termination of this Agreement.

7. Representations and Warranties by the Employee.

The Employee hereby represents and warrants to the Company as follows:

(i) Neither the execution or delivery of this Agreement nor the performance by the Employee of his duties and other obligations hereunder violate or will violate any statute, law, determination or award, or conflict with or constitute a default or breach of any covenant or obligation under (whether immediately, upon the giving of notice or lapse of time or both) any prior employment agreement, contract, or other instrument to which the Employee is a party or by which he is bound.

(ii) The Employee has the full right, power and legal capacity to enter and deliver this Agreement and to perform his duties and other obligations hereunder. This Agreement constitutes the legal, valid and binding obligation of the Employee enforceable against him in accordance with its terms. No approvals or consents of any persons or entities are required for the Employee to execute and deliver this Agreement or perform his duties and other obligations hereunder.

8. Termination. The Employee's employment hereunder shall be terminated upon the Employee's death and may be terminated as follows:

(a) The Employee's employment hereunder may be terminated by the Chief Executive Officer of the Company for Cause. Any of the following actions by the Employee shall constitute "Cause":

(i) The willful failure, disregard or refusal by the Employee to perform his duties hereunder;

(ii) Any willful, intentional or grossly negligent act by the Employee having the effect of injuring, in a material way (whether financial or otherwise and as determined in good-faith by the Chief Executive Officer of the Company), the business or reputation of the Company or any of its affiliates, including but not limited to, any officer, director, executive or shareholder of the Company or any of its affiliates;

(iii) Willful misconduct by the Employee in respect of the duties or obligations of the Employee under this Agreement, including, without limitation, insubordination with respect to directions received by the Employee from the Chief Executive Officer of the Company;

(iv) The Employee's indictment of any felony or a misdemeanor involving moral turpitude (including entry of a nolo contendere plea);

(v) The determination by the Company, after a reasonable and good-faith investigation by the Company following a written allegation by another employee of the Company, that the Employee engaged in some form of harassment prohibited by law (including, without limitation, age, sex or race discrimination);

(vi) Any misappropriation or embezzlement of the property of the Company or its affiliates (whether or not a misdemeanor or felony);

(vii) Breach by the Employee of any of the provisions of Sections 5, 6 or 7 of this Agreement; and

(viii) Breach by the Employee of any provision of this Agreement other than those contained in Sections 5, 6 or 7 which is not cured by the Employee within thirty (30) days after notice thereof is given to the Employee by the Company.

(b) The Employee's employment hereunder may be terminated by the Chief Executive Officer of the Company due to the Employee's Disability. For purposes of this Agreement, a termination for "**Disability**" shall occur (i) when the Chief Executive Officer of the Company has provided a written termination notice to the Employee supported by a written statement from a reputable independent physician to the effect that the Employee shall have become so physically or mentally incapacitated as to be unable to resume, within the ensuing six (6) months, his employment hereunder by reason of physical or mental illness or injury, or (ii) upon rendering of a written termination notice by the Chief Executive Officer of the Company after the Employee has been unable to substantially perform his duties hereunder for 60 or more consecutive days, or more than 90 days in any consecutive twelve month period, by reason of any physical or mental illness or injury. For purposes of this Section 8(b), the Employee agrees to make himself available and to cooperate in any reasonable examination by a reputable independent physician retained by the Company.

(c) The Employee's employment hereunder may be terminated by the Chief Executive Officer of the Company (or its successor) upon the occurrence of a Change of Control. For purposes of this Agreement, "**Change of Control**" means (i) the acquisition, directly or indirectly, following the date hereof by any person (as such term is defined in Section 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended), in one transaction or a series of related transactions, of securities of the Company representing in excess of fifty percent (50%) or more of the combined voting power of the Company's then outstanding securities if such person or his or its affiliate(s) do not own in excess of 50% of such voting power on the date of this Agreement, or (ii) the future disposition by the Company (whether direct or indirect, by sale of assets or stock, merger, consolidation or otherwise) of all or substantially all of its business and/or assets in one transaction or series of related transactions (other than a merger effected exclusively for the purpose of changing the domicile of the Company).

(d) The Employee's employment hereunder may be terminated by the Employee for Good Reason. For purposes of this Agreement, "**Good Reason**" shall mean any reduction by the Company of the Employee's compensation or benefits payable hereunder (it being understood that a reduction of benefits applicable to all employees of the Company, including the Employee, shall not be deemed a reduction of the Employee's compensation package for purposes of this definition).

(e) The Employee's employment may be terminated by the Company for any reason or no reason.

9. Compensation upon Termination.

(a) If the Employee's employment is terminated as a result of his death or Disability, the Company shall pay to the Employee or to the Employee's estate, as applicable, his Base Salary and any accrued but unpaid Bonus and expense reimbursement amounts through the date of his death or Disability. All of Employee's stock options, including the Initial Option (the **"Stock Options"**), that are scheduled to vest on the next succeeding anniversary of the Effective Date shall be accelerated and deemed to have vested as of the termination date. All Stock Options that have not vested (or been deemed pursuant to the immediately preceding sentence to have vested) as of the date of termination shall be forfeited to the Company as of such date. Stock Options that have vested as of the Employee's termination shall remain exercisable for ninety (90) days following such termination.

(b) If the Employee's employment is terminated by the Chief Executive Officer of the Company for Cause, then the Company shall pay to the Employee his Base Salary through the date of his termination and the Employee shall have no further entitlement to any other compensation or benefits from the Company. All Stock Options that have not vested as of the date of termination shall be forfeited to the Company as of such date. Stock Options that have vested as of the Employee's termination shall remain exercisable for ninety (90) days following such termination.

(c) If the Employee's employment is terminated by the Company (or its successor) upon the occurrence of a Change of Control and on the date of termination pursuant to Section 8(c) the fair market value of the Company's Common Stock, in the aggregate, as determined in good faith by the Board on the date of such Change of Control, is less than $40,000,000, then the Company (or its successor, as applicable) shall continue to pay to the Employee his Base Salary and benefits for a period of three (3) months following such termination as well as any expense reimbursement amounts owed through the date of termination. All Stock Options that are scheduled to vest on the next succeeding anniversary of the Effective Date shall be accelerated and deemed to have vested as of the termination date. All Stock Options that have not vested (or been deemed pursuant to the immediately preceding sentence to have vested) as of the date of termination shall be forfeited to the Company as of such date. Stock Options that have vested as of the Employee's termination shall remain exercisable for ninety (90) days following such termination.

(d) If the Employee's employment is terminated by the Company other than as a result of the Employee's death or Disability and other than for reasons specified in Sections 9(b) or (c), then the Company shall (i) continue to pay to the Employee his Base Salary for a period of six (6) months following such termination, (ii) pay the Employee any expense reimbursement amounts owed through the date of termination, and (iii) all Stock Options that are scheduled to vest during the Term shall be accelerated and deemed to have vested as of the termination date. Stock Options that have vested as of the Employee's termination shall remain exercisable for ninety (90) days following such termination. The Company's obligation under clauses (i) and (ii) of this Section 9(d) shall be subject to offset by any amounts otherwise received by the Employee from any employment during the six (6) month period following the termination of his employment.

(e) This Section 9 sets forth the only obligations of the Company with respect to the termination of the Employee's employment with the Company, and the Employee acknowledges that, upon the termination of his employment, he shall not be entitled to any payments or benefits which are not expressly provided in Section 9.

(f) The provisions of this Section 9 shall survive any termination of this Agreement.

10. Miscellaneous.

(a) This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of New York, without giving effect to its principles of conflicts of laws.

(b) Any dispute arising out of, or relating to, this Agreement or the breach thereof (other than Sections 5 or 6 hereof), or regarding the interpretation thereof, shall be finally settled by arbitration conducted in New York City in accordance with the rules of the American Arbitration Association then in effect before a single arbitrator appointed in accordance with such rules. Judgment upon any award rendered therein may be entered and enforcement obtained thereon in any court having jurisdiction. The arbitrator shall have authority to grant any form of appropriate relief, whether legal or equitable in nature, including specific performance. For the purpose of any judicial proceeding to enforce such award or incidental to such arbitration or to compel arbitration and for purposes of Sections 5 and 6 hereof, the parties hereby submit to the non-exclusive jurisdiction of the Supreme Court of the State of New York, New York County, or the United States District Court for the Southern District of New York, and agree that service of process in such arbitration or court proceedings shall be satisfactorily made upon it if sent by registered mail addressed to it at the address referred to in paragraph (g) below. The costs of such arbitration shall be borne proportionate to the finding of fault as determined by the arbitrator. Judgment on the arbitration award may be entered by any court of competent jurisdiction.

(c) This Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective heirs, legal representatives, successors and permitted assigns.

(d) This Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive. The rights and obligations of the Company under this Agreement shall inure to the benefit of and shall be binding upon the successors and permitted assigns of the Company, including any successors or permitted assigns in connection with any sale, transfer or other disposition of all or substantially all of its business or assets.

(e) This Agreement cannot be amended orally, or by any course of conduct or dealing, but only by a written agreement signed by the parties hereto.

(f) The failure of either party to insist upon the strict performance of any of the terms, conditions and provisions of this Agreement shall not be construed as a waiver or relinquishment of future compliance therewith, and such terms, conditions and provisions shall remain in full force and effect. No waiver of any term or condition of this Agreement on the part of either party shall be effective for any purpose whatsoever unless such waiver is in writing and signed by such party.

(g) All notices, requests, consents and other communications, required or permitted to be given hereunder, shall be in writing and shall be delivered personally or by an overnight courier service or sent by registered or certified mail, postage prepaid, return receipt requested, to the parties at the addresses set forth on the first page of this Agreement, and shall be deemed given when so delivered personally or by overnight courier, or, if mailed, five days after the date of deposit in the United States mails. Either party may designate another address, for receipt of notices hereunder by giving notice to the other party in accordance with this Section 10(g).

(h) This Agreement sets forth the entire agreement and understanding of the parties relating to the subject matter hereof, and supersedes all prior agreements, arrangements and understandings, written or oral, relating to the subject matter hereof. No representation, promise or inducement has been made by either party that is not embodied in this Agreement, and neither party shall be bound by or liable for any alleged representation, promise or inducement not so set forth.

(i) As used in this Agreement, “affiliate” of a specified Person shall mean and include any Person controlling, controlled by or under common control with the specified Person.

(j) The section headings contained herein are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

(k) This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same instrument.

(k) As used in this Agree-ment, the masculine, feminine or neuter gender, and the singular or plural, shall be deemed to include the others whenever and wherever the context so requires. Addition-ally, unless the context requires otherwise, "or" is not exclusive.

[*Remainder of Page Intentionally Left Blank - Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

MANHATTAN PHARMACEUTICALS, INC.

By: /s/ Douglas Abel

Name: Douglas Abel
Title: President and Chief Executive Officer

EMPLOYEE

/s/ Alan G. Harris

Alan G. Harris, M.D., Ph.D.

CERTIFICATIONS

I, Douglas Abel, certify that:

1. I have reviewed this Quarterly Report on Form 10-QSB of Manhattan Pharmaceuticals, Inc. (the "Small Business Issuer");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Small Business Issuer as of, and for, the periods presented in this report;

4. The Small Business Issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Small Business Issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Small Business Issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the Small Business Issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the Small Business Issuer's internal control over financial reporting that occurred during the Small Business Issuer's most recent fiscal quarter (the Small Business Issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Small Business Issuer's internal control over financial reporting; and

5. The Small Business Issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Small Business Issuer's auditors and the audit committee of the Small Business Issuer's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Small Business Issuer's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Small Business Issuer's internal control over financial reporting.

Date: May 15, 2006

/s/ Douglas Abel

Douglas Abel
President and Chief Executive Officer

CERTIFICATIONS

I, Nicholas J. Rossettos, certify that:

1. I have reviewed this Quarterly Report on Form 10-QSB of Manhattan Pharmaceuticals, Inc. (the “Small Business Issuer”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Small Business Issuer as of, and for, the periods presented in this report;

4. The Small Business Issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) for the Small Business Issuer and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Small Business Issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the Small Business Issuer’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the Small Business Issuer’s internal control over financial reporting that occurred during the Small Business Issuer’s most recent fiscal quarter (the Small Business Issuer’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Small Business Issuer’s internal control over financial reporting; and

5. The Small Business Issuer’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Small Business Issuer’s auditors and the audit committee of the Small Business Issuer’s board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Small Business Issuer’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Small Business Issuer’s internal control over financial reporting.

Date: May 15, 2006

/s/ Nicholas J. Rossettos

Nicholas J. Rossettos
Chief Financial Officer and Chief Operating Officer

CERTIFICATION
OF
CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, each of the undersigned officers of Manhattan Pharmaceuticals, Inc. do hereby certify that:

(a) the Quarterly Report on Form 10-QSB of Manhattan Pharmaceuticals, Inc. for the quarter ended March 31, 2006 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(b) information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Manhattan Pharmaceuticals, Inc.

Dated: May 15, 2006

/s/ Douglas Abel

Douglas Abel
President and Chief Executive Officer

Dated: May 15, 2006

/s/ Nicholas J. Rossettos

Nicholas J. Rossettos
Chief Financial Officer and Chief Operating Officer