Cyclacel Pharmaceuticals announces second quarter 2009 financial results

-- Conference Call Scheduled Thursday, August 6 at 4:30 p.m. Eastern --

Berkeley Heights, NJ, August 6, 2009 – Cyclacel Pharmaceuticals, Inc. (NASDAQ: CYCC, NASDAQ: CYCCP; "Cyclacel" or the "Company") announced today financial and operating results for the second quarter of 2009. The Company's net loss for the quarter was $7.0 million or $0.34 per share. This net loss included a non-operating expense of a payment under guarantee of $1.7 million and restructuring costs of $0.4 million. This compared to a net loss of $8.5 million or $0.42 loss per share for the same period in 2008. As of June 30, 2009, the Company had $15.9 million in cash and cash equivalents excluding the $3.4 million gross proceeds from the registered direct offering completed on July 29, 2009.

"We continued to deliver on our operating plan during the second quarter concentrating our resources on the clinical development of sapacitabine. We reported interim Phase 2 data at the 2009 ASCO conference showing that sapacitabine has promising activity as a novel, oral treatment for elderly patients with acute myeloid leukemia and myelodysplastic syndromes," said Spiro Rombotis, President and Chief Executive Officer of Cyclacel. "Our efforts to contain costs and the recently completed financing allow us to project cash at our current burn rate into the third quarter of 2010 and advance the previously-announced pivotal trial plan for sapacitabine."

Recent Highlights:

- Raised gross proceeds of approximately $3.4 million in a registered direct offering on July 29, 2009 from certain institutional investors with a further $2.5 million in additional proceeds if the 7-month warrants are exercised
- Reduced headcount in the quarter by approximately 46%
- Reported Phase 2 sapacitabine data in elderly patients with acute myeloid leukemia (AML) or myelodysplastic syndromes (MDS) at ASCO 2009
- Reported Phase 2 interim data for seliciclib in patients with metastatic nasopharyngeal cancer (NPC) at ASCO 2009
- Initiated a Phase 1 study of sapacitabine and seliciclib oral combination therapy in patients with advanced cancers
- Reported preclinical data showing sapacitabine anti-cancer activity in combination with targeted agents and other nucleoside analogs at the European Hematology Association 2009 meeting

Key Financials:

Total revenues for the second quarter of 2009 were $0.3 million representing an increase of 48% compared to $0.2 million for the same period in 2008. These revenues were mainly attributable to sales of the Xclair® and Numoisyn® products.

Total research and development (R&D) expenses in the second quarter of 2009 were $2.7 million, a 54% decrease as compared to $5.8 million in the second quarter of 2008.

Total selling, general and administrative expenses (SG&A) for the second quarter of 2009 were $2.3 million, a 47% decrease as compared to $4.3 million in the second quarter of 2008.

The reduction in operating expenses in the second quarter of 2009 compared to the same period in 2008 is primarily attributable to the cost-containment measures implemented in September 2008 and the concentration of the Company's resources on the clinical development of sapacitabine.

The net loss in the second quarter of 2009 was $7.0 million or $0.34 per share as compared to $8.5 million in the second quarter of 2008, or $0.42 per share. The 2009 loss included a non-operating expense of $1.7 million related to payments due under an agreement with Scottish Enterprise as a consequence of the headcount reductions implemented during the quarter by the Company. The loss also included $0.4 million of restructuring expense related to the reduction in workforce.

Cyclacel also reported results of its operations for the six months ended June 30, 2009. Total revenues for the six months ended June 30, 2009 were $0.5 million representing an increase of 38% compared to $0.4 million for the same period in 2008. These revenues were mainly attributable to sales of the Xclair® and Numoisyn® products.

For the six months ended June 30, 2009, R&D expenses were $5.8 million, a 50% decrease as compared to $11.7 million in the comparable period in 2008.

For the six months ended June 30, 2009, SG&A expenses were $4.5 million, a 44% decrease as compared to $8.1 million in the comparable period in 2008.

The reduction in operating expenses in 2009 compared to 2008 is primarily attributable to the cost-containment measures implemented in September 2008 and the concentration of the Company's resources on the clinical development of sapacitabine.

For the six months ended June 30, 2009, the Company reported a net loss of $12.1 million, or $0.59 per share, compared to a net loss for the same period in 2008 of $14.8 million, or $0.72 per share. The 2009 loss included a non-operating expense of $1.7 million related to payments due under an agreement with Scottish Enterprise as a consequence of the headcount reductions implemented by the Company. The loss also included $0.4 million of restructuring expense related to the reduction in workforce.

Conference call and Webcast Information:

Cyclacel management will conduct a conference call on August 6, 2009 at 4:30 p.m. Eastern Time to review the quarterly results. Conference call and webcast details are as follows:

US/Canada call: (877) 493-9121/ international call: (973) 582-2750
US/Canada archive: (800) 642-1687 / international archive: (706) 645-9291
Code for live and archived conference call is 22846096

For the live and archived webcast, please visit the Corporate Presentations page on the Cyclacel website at www.cyclacel.com. The webcast will be archived for 90 days and the audio replay for 7 days.

About Cyclacel Pharmaceuticals, Inc.

Cyclacel is a diversified biopharmaceutical company dedicated to the discovery, development and commercialization of novel, mechanism-targeted drugs to treat human cancers and other serious disorders. Sapacitabine, a cell cycle modulating nucleoside analog, is in Phase 2 studies for the treatment of acute myeloid leukemia in the elderly, myelodysplastic syndromes and lung cancer and in Phase 1 in combination with seliciclib. Seliciclib, a CDK (cyclin dependent kinase) inhibitor, is in Phase 2 for the treatment of lung and nasopharyngeal cancer. CYC116, an Aurora kinase and VEGFR2 inhibitor, is in Phase 1 in patients with solid tumors. Cyclacel's ALIGN Pharmaceuticals subsidiary markets directly in the U.S. Xclair® Cream for radiation dermatitis, Numoisyn® Liquid and Numoisyn® Lozenges for xerostomia. Cyclacel's strategy is to build a diversified biopharmaceutical business focused in hematology and oncology based on a portfolio of commercial products and a development pipeline of novel drug candidates. Please visit www.cyclacel.com for additional information.

Risk factors

This news release contains certain forward-looking statements that involve risks and uncertainties that could cause actual results to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. Such forward-looking statements include statements regarding, among other things, the efficacy, safety, and intended utilization of Cyclacel's product candidates, the conduct and results of future clinical trials, plans regarding regulatory filings, future research and clinical trials and plans regarding partnering activities. Factors that may cause actual results to differ materially include the risk that product candidates that appeared promising in early research and clinical trials do not demonstrate safety and/or efficacy in larger-scale or later clinical trials, the risk that Cyclacel will not obtain approval to market its products, the risks associated with reliance on outside financing to meet capital requirements, and the risks associated with reliance on collaborative partners for further clinical trials, development and commercialization of product candidates. You are urged to consider statements that include the words "may," "will," "would," "could," "should," "believes," "estimates," "projects," "potential," "expects," "plans," "anticipates," "intends," "continues," "forecast," "designed," "goal," or the negative of those words or other comparable words to be uncertain and forward-looking. These factors and others are more fully discussed under "Risk Factors" in the Annual Report on Form 10-K for the year ended December 31, 2008, as supplemented by the interim quarterly reports, filed with the SEC.

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