Cyclacel Pharmaceuticals reports second quarter 2007 financial results and corporate update

Conference call to be held today at 10:00 am EST

Berkeley Heights, NJ, August 9 2007 - Cyclacel Pharmaceuticals, Inc. (Nasdaq: CYCC) (Nasdaq: CYCCP) today reported financial and operating results for the second quarter of 2007. The company had a net loss in the quarter of $3.6 million or $0.18 per share. At the end of the second quarter of 2007, the company had $74.7 million in cash, cash equivalents and marketable securities.

“The second quarter was noteworthy for Cyclacel as we continued to make progress in our clinical development programs,” said Spiro Rombotis, President and CEO of Cyclacel. “In this quarter we announced encouraging Phase I interim results for oral sapacitabine in patients with advanced leukemias or myelodysplastic syndromes and commenced a Phase II study of sapacitabine in patients with advanced cutaneous T-cell lymphoma. We also initiated a Phase I trial of CYC116, an orally-available inhibitor of Aurora kinases A and B, and VEGFR2, in patients with advanced solid tumors. Additionally, we were pleased to announce the appointment of Dr. Greg Reyes as Senior Vice President, Research, who was most recently Vice President, Biology, Discovery Research at Pfizer.”

Company highlights during the quarter included;

- In April Cyclacel initiated a multicenter randomized Phase II clinical trial of sapacitabine (CYC682), an orally available nucleoside analog, in patients with advanced cutaneous T-cell lymphoma (CTCL). The Company plans to conduct several Phase II clinical trials to evaluate sapacitabine's potential in hematological and solid tumors.
- In June at the 43rd annual meeting of the American Society of Clinical Oncology interim results were reported from a Phase I clinical trial of sapacitabine (CYC682), a novel orally available nucleoside analog, in patients with advanced leukemias or myelodysplastic syndromes (MDS). The data demonstrated that sapacitabine had a favorable safety profile and promising anti-leukemic activity in patients with relapsed and refractory acute myelogenous leukemia (AML) and MDS. Based on the results of this study, Cyclacel plans to expand its Phase II clinical program for sapacitabine in hematological cancers.
- In June Cyclacel announced the initiation of a multicenter Phase I pharmacologic clinical trial of CYC116, an orally-available inhibitor of Aurora kinases A and B, and VEGFR2, in patients with advanced solid tumors. CYC116 is the only targeted drug in clinical trials in patients with cancer that combines both anti-mitotic and anti-angiogenesis mechanisms. The primary objective of the study is to determine the maximum tolerated dose. Secondary objectives are to evaluate the pharmacokinetic and pharmacodynamic effects of the drug and to document anti-tumor activity.
- In June, the Company presented the results from two Phase II non-randomized studies of seliciclib fixed dose combinations. The results of these combination studies demonstrated that seliciclib could be safely combined with gemcitabine/cisplatin or docetaxel with evidence of anti-tumor activity. However the contribution of seliciclib to the anti-tumor activity of the combinations could not be adequately evaluated in a non-randomized study. To assess the anti-tumor activity of seliciclib as a single agent, Cyclacel is conducting a double-blinded, randomized, Phase II study of single agent seliciclib versus best supportive care in patients with advanced NSCLC who have had at least two prior systemic therapies (the APPRAISE study).
- In April at the Annual Meeting of the American Association for Cancer Research Cyclacel reported preclinical results from a combination study of seliciclib, an orally-available cyclin dependent kinase (CDK) inhibitor, with epidermal growth factor receptor (EGFR) inhibitor drugs, including erlotinib (Tarceva®). The study demonstrated that the drugs act synergistically in suppressing tumor growth in models of non-small cell lung cancer (NSCLC). The data is part of the company’s broad program to assess the potential of seliciclib. In addition to APPRAISE, Cyclacel plans to commence a randomized Phase II study in 2007 to evaluate seliciclib as a single agent in nasopharyngeal cancer (NPC).
- In June Cyclacel announced the appointment Gregory R. Reyes, M.D., Ph.D as Senior Vice President, Research. Dr. Reyes has more than 22 years of experience in leadership roles at a number of biotechnology and pharmaceutical companies including Schering-Plough and, most recently, Pfizer, where he served as Vice President, Biology, Discovery Research, within Pfizer Global Research & Development.

The company expects several key milestones in the upcoming months including:

- Headline data from the Phase II trial of sapacitabine in CTCL
- Commencement of a Phase II randomized trial of seliciclib in patients with NPC
- Commencement of a Phase II trial of sapacitabine in hematological cancers

- Commencement of a Phase I trial of CYC116 in hematological cancers
- Headline data from the Phase IIb APPRAISE trial for seliciclib.

Key Financials

Total research and development (R&D) expenses in the second quarter of 2007 were $4.3 million as compared to $5.1 million in the second quarter of 2006. The decrease in R&D expense in the quarter, compared to the same period in 2006, was due to an increase in clinical costs with a reduction of preclinical costs together with a reduction in stock-based compensation costs.

Total general and administrative expenses (G&A) for the second quarter of 2007 were $2.2 million as compared to $3.0 million in the second quarter of 2006. The decreased expense in the second quarter of 2007 compared to the same period in 2006 was primarily related to a reduction in stock-based compensation costs and accountancy service fees.

The net loss for the three months ended June 30, 2007 was $3.6 million, or $0.18 per share, compared to a net loss for the same period in 2006 of $6.9 million, or $0.48 per share.

Cyclacel also reported results of its operations for the six months ended June 30, 2007.

Total R&D expenses for the six months ended June 30, 2007 were $8.3 million as compared to $13.1 million for the same period in 2006. The decrease in R&D expense for the first six months, compared to the same period in 2006, was due to a reduction in the charge for stock-based compensation costs of $5.4 million and preclinical costs offset by an increase in clinical costs.

Total G&A for the six months ended June 30, 2007 were $4.8 million as compared to $6.9 million for the same period in 2006. The decreased expense in the first six months, compared to the same period in 2006, was primarily related to a reduction in stock-based compensation costs of $2.7 million offset by an increase in accountancy service fees, legal fees and public entity costs.

The net loss for the six months ended June 30, 2007 was $8.5 million, or $0.44 per share, compared to a net loss for the same period in 2006 of $21.1 million, or $2.00 per share.

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