Cyclacel Pharmaceuticals Reports Second Quarter 2006 Financial Results

Short Hills, NJ, August 14, 2006 - Cyclacel Pharmaceuticals, Inc. (Nasdaq: CYCC) (Nasdaq: CYCCP) today reported financial and operating results for the second quarter 2006. The Company had a net loss in the quarter of $6.9 million, which includes a stock-based compensation expense of $2.1 million. At the end of the second quarter 2006, the Company had $65.0 million in cash, cash equivalents and marketable securities, which include the proceeds from a $45.3 million private placement with several institutional investors completed in April.

"During the quarter we remained on track in meeting our key development milestones by initiating two clinical trials for our lead oncology candidates, as well as continuing preclinical development of CYC116, an aurora kinase inhibitor," said Spiro Rombotis, President and Chief Executive Officer of Cyclacel. "For seliciclib, our cyclin dependent kinase (CDK) inhibitor, we initiated a Phase IIb randomized discontinuation trial to evaluate the compound as a monotherapy in third line non-small cell lung cancer (NSCLS) patients. The 'APPRAISE' trial builds on the observation of prolonged stable disease in heavily-pretreated NSCLS patients enrolled in prior studies of seliciclib."

"In addition to seliciclib, we initiated a Phase I pharmacologic study to evaluate sapacitabine, our orally available nucleoside analogue, in patients with advanced leukemias or myelodysplastic syndromes (MDS)," noted Mr. Rombotis. "The study follows three Phase I trials in solid tumors and will help define future Phase II studies and combination studies with other anti-cancer agents."

Cyclacel has a deep pipeline of small molecule drug candidates. Lead candidates include: seliciclib (CYC202), a cyclin dependent kinase inhibitor in Phase II clinical trials; sapacitabine (CYC682), an oral nucleoside analog in Phase I clinical trials with a unique, dual mechanism of action; an aurora kinase inhibitor (CYC116) in late preclinical development; a large portfolio of development candidates; and a productive drug discovery engine.

About Cyclacel Pharmaceuticals, Inc.
Cyclacel is a clinical-stage biopharmaceutical company dedicated to the discovery, development and commercialization of novel, mechanism-targeted drugs to treat human cancers and other serious disorders. The Company is currently evaluating seliciclib (CYC202), an orally-available cyclin dependent kinase inhibitor, in Phase II clinical trials for the treatment of lung cancer. Sapacitabine (CYC682) is an orally-available, cell cycle modulating nucleoside analog in Phase I clinical trials for the treatment of cancer. CYC116 is an orally-available, Aurora kinase inhibitor in IND-directed preclinical development. Several additional programs are at an earlier stage.

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 registration statement on Forms S-3 (File No. 333-134945) and S-4 (File No. 333-131225) and in the other reports of Cyclacel filed with the SEC.

Contacts for Cyclacel:

For Investors:
TS Communications Group, LLC (914) 921-5900
Tara Spiess / Andrea Romstad

For Media:
Feinstein Kean Healthcare (617) 577-8110
Kate Weiss