



**Item 1.01 Entry into a Material Definitive Agreement.**

Effective July 11, 2011, Cyclacel Limited, a wholly-owned subsidiary of Cyclacel Pharmaceuticals, Inc. (the “**Company**”), entered into an amendment (the “**Amendment**”) to that certain CS-682 License Agreement, dated September 10, 2003 (“**License Agreement**”), by and between Cyclacel Limited and Daiichi Sankyo Company, Limited (“**Daiichi Sankyo**”) relating to certain rights which Cyclacel Limited has licensed from Daiichi Sankyo with regard to the Company’s sapacitabine drug.

Pursuant to the Amendment and taking into consideration the investment that the Company has made in progressing the development of sapacitabine, Daiichi Sankyo has irrevocably waived a termination right it possessed under a provision of the License Agreement that required the Company to obtain regulatory approval to sell sapacitabine in at least one country by September 2011, and has released the Company from all claims and liability of any kind arising under such provision. The Amendment further provides that the royalty due from the Company to Daiichi Sankyo on future net sales of sapacitabine be increased by a percentage between 1.25% and 1.50% depending on the level of net sales of sapacitabine realized.

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**SIGNATURES**

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

**CYCLACEL PHARMACEUTICALS, INC.**

By: /s/ Paul McBarron  
Name: Paul McBarron  
Title: Executive Vice President—Finance,  
Chief Financial Officer and  
Chief Operating Officer

Date: July 15, 2011