U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q/A

(MARK ONE)

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2001

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE EXCHANGE ACT

FOR THE TRANSITION PERIOD FROM TO
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COMMISSION FILE NUMBER 0-26918

CYTOCLONAL PHARMACEUTICS INC.

(EXACT NAME OF SMALL BUSINESS ISSUER AS SPECIFIED IN ITS CHARTER)

DELAWARE	75-2402409
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NUMBER)

2110 RESEARCH ROW, SUITE 621, DALLAS, TEXAS 75235

(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)

(214)-353-2922

(ISSUER'S TELEPHONE NUMBER, INCLUDING AREA CODE)

(FORMER NAME, FORMER ADDRESS AND FORMER FISCAL YEAR, IF CHANGED SINCE LAST REPORT)

CHECK WHETHER THE ISSUER: (1) FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(d) OF THE EXCHANGE ACT DURING THE PAST 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS.

YES X NO
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APPLICABLE ONLY TO CORPORATE ISSUERS

STATE THE NUMBER OF SHARES OUTSTANDING OF EACH OF THE ISSUER'S CLASSES OF COMMON EQUITY, AS OF THE LATEST PRACTICABLE DATE: 16,171,173 SHARES OF COMMON STOCK, $.01 PAR VALUE, OUTSTANDING AS OF MAY 10, 2001.

CYTOCLONAL PHARMACEUTICS INC.
TABLE OF CONTENTS

<TABLE>
<CAPTION>

Page(s)

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

CYTOCLONAL PHARMACEUTICS INC.
BALANCE SHEETS

<TABLE>
<CAPTION>

ASSETS	MARCH 31, 2001 (unaudited)	DECEMBER 31, 2000
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	$ 33,829,000	$ 35,408,000
Prepaid expenses and other current assets	387,000	495,000
Total current assets	34,216,000	35,903,000
Equipment, net	643,000	512,000
Patent rights, less accumulated amortization of $792,000 and $764,000	642,000	670,000
Notes receivable-officer/stockholder-9.75% due April 30, 2003	278,000	278,000
Other assets	15,000	15,000
TOTAL	$ 35,794,000	$ 37,378,000

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:		
Accounts payable and accrued expenses	681,000	633,000
Taxes payable	95,000	95,000
Deferred revenue	556,000	0
Current portion of royalties payable	93,000	125,000
</TABLE>

Total current liabilities	1,425,000	853,000
Royalties payable less current portion	750,000	750,000
Total liabilities	2,175,000	1,603,000
Stockholders' equity:		
Preferred stock - $.01 par value, 10,000,000 shares authorized; 772,842 and 718,353 shares of Series A convertible preferred issued and outstanding at March 31, 2001 and December 31, 2000, respectively (liquidation value $1,932,000 and $1,796,000 at March 31, 2001 and December 31, 2000, respectively)	8,000	7,000
Common Stock - $.01 par value, 30,000,000 shares authorized: 16,164,043 and 16,146,730 shares issued and outstanding at March 31, 2001 and December 31, 2000, respectively	162,000	162,000
Additional paid-in capital	67,363,000	67,083,000
Subscription receivable	(51,000)	(51,000)
Unearned compensatory cost	(54,000)	(70,000)
Accumulated deficit	(30,872,000)	(29,354,000)
Treasury stock, 511,200 and 260,600 shares common stock, at cost at March 31, 2001 and December 31, 2000, respectively	(2,937,000)	(2,002,000)
Total stockholders' equity	33,619,000	35,775,000
TOTAL	$ 35,794,000	$ 37,378,000

</TABLE>

CYTOCLONAL PHARMACEUTICS INC.

STATEMENTS OF OPERATIONS
(UNAUDITED)

<TABLE>
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	Three Months Ended March 31,	
	2001	2000
<S>	<C>	<C>
Revenue:		
Licensing & research collaborative agreement	$ 333,000	$ 344,000
Operating Expenses:		
Research and development	$ 1,149,000	$ 577,000
General and administrative	983,000	2,265,000
	2,132,000	2,842,000
Operating (loss)	(1,799,000)	(2,498,000)
Other (Income) expenses:		
Interest income	(461,000)	(81,000)
Interest expense	2,000	2,000

	(459,000)	(79,000)
NET LOSS	(1,340,000)	(2,419,000)
Preferred stock dividend	(180,000)	(47,000)
Net loss attributable to to common shareholders	$(1,520,000.00)	$(2,466,000.00)
Basic and diluted net loss per common share	$ (0.10)	$ (0.22)
Weighted average number of shares outstanding - basic and diluted	16,148,937	11,156,000

</TABLE>

CYTOCLONAL PHARMACEUTICS INC.

STATEMENTS OF CASH FLOWS
(UNAUDITED)

<TABLE>
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	THREE MONTHS ENDED MARCH 31,	
	2001	2000
<S>	<C>	<C>
Cash flows from operating activities:		
Net loss	$ (1,340,000)	$ (2,419,000)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	84,000	40,000
Value assigned to warrant, options and compensatory stock	117,000	1,347,000
Changes in:		
Prepaid expenses and other current assets	109,000	(36,000)
Deferred revenue	555,000	180,000
Accounts payable and accrued expenses	16,000	58,000
Net cash used in operating activities	(459,000)	(830,000)
Cash flows from investing activities:		
Purchase of equipment	(185,000)	(63,000)
Net cash used in investing activities	(185,000)	(63,000)
Cash flows from financing activities:		
Payment of royalties	0	(41,000)
Proceeds from exercise of options and warrants		14,220,000
Purchase of treasury stock	(935,000)	0
Net cash used in financing activities	(935,000)	14,179,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,579,000)	13,286,000
Cash and cash equivalents at beginning of period	35,408,000	3,213,000
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 33,829,000	$ 16,499,000

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CYTOCLONAL PHARMACEUTICS INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 2001
(unaudited)

(1) FINANCIAL STATEMENT PRESENTATION

The unaudited financial statements of Cytoclonal Pharmaceutics Inc., a Delaware corporation (the "Company"), included herein have been prepared in accordance with the rules and regulations promulgated by the Securities and Exchange Commission and, in the opinion of management, reflect all adjustments (consisting only of normal recurring accruals) necessary to present fairly the results of operations for the interim periods presented. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles, have been condensed or omitted pursuant to such rules and regulations. However, management believes that the disclosures are adequate to make the information presented not misleading. These financial statements and the notes thereto should be read in conjunction with the financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2000. The results for the interim periods are not necessarily indicative of the results for the full fiscal year.

(2) RESEARCH AND COLLABORATIVE AGREEMENT

In June 1998, the Company entered into a license and research agreement with Bristol-Myers Squibb ("BMS") on two technologies related to production of paclitaxel, the active ingredient in BMS's largest selling cancer product, Taxol(R). The agreement includes fees, milestone payments, research and development support and minimum and sales based royalties.

(3) LOSS PER COMMON SHARE

Basic and diluted loss per common share is based on the net loss increased by dividends on preferred stock divided by the weighted average number of common shares outstanding during the period. No effect has been given to outstanding options, warrants or convertible preferred stock in the diluted computation, as their effect would be antidilutive.

(4) STOCKHOLDERS' EQUITY

The Company accounts for its stock-based compensation plans under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." In October 1995, the Financial Accounting Standards Board issued Statement No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"), which establishes a fair value-based method of accounting for stock-based compensation plans. The Company has adopted the disclosure-only alternative under SFAS No. 123. The Company accounts for stock based compensation to nonemployees using the fair value method in accordance with SFAS No. 123 and Emerging Issues Task Force (EITF) Issue No. 96-18. The Company has recognized deferred stock compensation related to certain stock option and warrant grants. During the three months ended March 31, 2000 the Company granted 5,000 options to purchase shares of its Common Stock at $7.188 per share, in return for consulting services. The Company valued these warrants based on the Black-Scholes option pricing model. In connection therewith the Company recorded a non-cash charge of $1,392 during the three months ended March 31, 2001. In connection with other option grants to

consultants in previous years the Company recorded a non-cash charge of $115,694 during the three months ended March 31, 2001.

(5) DEFERRED REVENUE

The Company recognizes revenue from development agreements over the stated live of the agreement. Amounts received in advance of the services to be performed are recorded as deferred revenue. Accordingly, funds of $1,000,000 received February 2001, net of $444,000 in revenues recognized in the quarters ending December 31, 2000 and March 31,2001 are recorded as deferred revenue of $556,000.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with, and is qualified in its entirety by, the Financial Statements and the Notes thereto included in this report. This discussion contains certain forward-looking statements that involve substantial risks and uncertainties. When used in this report, the words "anticipate," "believe," "estimate," "expect" and similar expressions as they relate to the Company or its management are intended to identify such forward-looking statements. The Company's actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements. Historical operating results are not necessarily indicative of the trends in operating results for any further period.

We were organized and commenced operations in September 1991. Our efforts have been principally devoted to research and development activities and organizational efforts, including the development of products for the treatment of cancer and infectious diseases, recruiting our scientific and management personnel and advisors and raising capital. As we accelerate our efforts to become a fully operational and profitable drug design and development company, we will continue to review and refine our strategic plan. Our strong financial position provides us with the resources necessary to move forward rapidly to achieve our goals.

We have enhanced our executive management team to ensure that we have capable, experienced individuals in place to meet the increasing demands we face as the Company continues its plans. Ronald Lane Goode, Ph.D. has joined the Company as President and Chief Executive Officer. Dr. Goode is an accomplished pharmaceutical executive who has held key management positions at G. D. Searle & Co. and Pfizer Pharmaceuticals. He has an extensive record of success in business development, having been responsible for many of Searle's acquisitions and has supervised clinical development programs that led to the filing of over a dozen New Drug Approval applications. After his tenure at Searle, Dr. Goode was President and CEO of Unimed Pharmaceuticals, Inc. He positioned that company for sale to Solvay. Most recently he formed the consulting company Pharma-Links with the mission of being the "link" between pharmaceutical companies to help them create alliances, form joint ventures and effect various transactions. Dr. Goode succeeds founder Dr. Arthur P. Bollon who remains as non-executive Vice Chairman.

During the past year we have increased our focus on the expansion of our two drug design platform technologies: Quantum Core Technologies(TM) (QCT(TM)) and OASIS(TM). We have strengthened and expanded our affiliations with universities and other research institutions to ensure that we obtain the most advanced scientific knowledge available. In addition, we have increased our emphasis of identifying opportunities for collaborations, strategic alliances and joint ventures with pharmaceutical and biotechnology companies for the commercial development of our products.

We have also increased the scientific staff, both in number and depth of knowledge. We have added additional physical facilities, and we will continue to

provide the staff members and equipment necessary to accommodate the tasks required by our expanding QCT(TM) and OASIS(TM) technologies. We are improving our medicinal chemistry department, a function we feel is vital to our growth in drug development. We are cognizant of the importance of obtaining new as well

as existing patents and intellectual property, and are developing new programs to ensure successful operations in this area.

We believe that we have a capable, focused Board and management team, promising technology and strong financial resources. During the next twelve months we plan on concentrating our efforts in the following areas:

- Designing drugs (using QCT(TM)) that inhibit specific, targeted proteins;
- Designing gene-regulating antisense reagents (using our OASIS(TM)genome library);
- Continuing our collaboration with Bristol-Myers Squibb Company, Inc. pursuant to our license and research and development agreements to utilize microbial fermentation and genetic engineering to develop Paclitaxel in commercial quantities and at lower costs; and
- Seeking to establish additional partnerships, strategic alliances and technology licenses for the development, manufacturing, marketing and sales of vaccines and pharmaceuticals for cancer detection and treatment, drug resistance, infectious diseases and genetic diseases.

Our actual research and development and related activities may vary significantly from current plans depending on numerous factors, including changes in the costs of such activities from current estimates, the results of our research and development programs, the results of clinical studies, the timing of regulatory submissions, technological advances, determinations as to commercial potential and the status of competitive products. The focus and direction of our operations will also be dependent upon the establishment of collaborative arrangements with other companies, the availability of financing and other factors.

RESULTS OF OPERATIONS

Revenue

We recognized revenues of $333,000 and $344,000 for the three months ended March 2001, and 2000, respectively. Revenues in both quarters were attributable to license and research and development payments from our agreements with Bristol-Myers Squibb.

Research and Development Expenses

We incurred research and development expenses of $1,149,000, and $577,000 for the three months ended March 2001 and 2000, respectively. The increase in research and development expenses in 2001 from 2000 was due to increases in research and development salaries due to additional scientific staff, increases in expenses for contract research and research consultants as well as increases in laboratory expenses as we expanded our research and development activities.

We anticipate that we will incur increased research and development expenses as we move products from pre-clinical to clinical trials and as we expand our drug discovery efforts. We also expect to hire additional technical staff to aid in the fulfillment of these goals.

General and Administrative Expenses

We incurred general and administrative expenses of $983,000 and $2,265,000 for the three months ended March 2001, and 2000, respectively. The primary decrease in general and administrative expenses in 2001 from 2000 was attributable to a decrease of $1,558,000 in public and financial relations expenses, which included $1,267,000 in non-cash charges in 2000 related to issuance of warrants to financial advisors offset by increases in salaries and other operating expenses in 2001 related to the addition of personnel and corporate activities.

We anticipate that we will incur increased general and administrative expenses as we expand our administrative staff to aid in our business development.

Interest Income

Interest income was $461,000 and $81,000 for the three months ended March 2001 and 2000, respectively. The increase in interest income is due to the increase in available cash balances resulting from the receipt of approximately $12,953,000 and $25,742,000 for the redemption of 1,992,829 and 2,941,905 Class C and D warrants, respectively, received from January 1, 2000 through April 14, 2000.

Net Losses

We incurred a net loss of $1,520,000 and $2,419,000 for the three months ended March 2001 and 2000, respectively. The decrease in net loss in 2001 from 2000 was attributable to an increase in interest income and a reduction in general and administrative operating expenses, partially offset by in increase in research and development expenses.

Liquidity and Capital Resources

At March 31, 2001, we had cash and cash equivalents approximately $33,829,000. Since inception we have financed our operations from debt and equity financings as well as fees received from licensing and research and development agreements. During the three months ended March 31, 2001, we used cash of approximately $1,579,000 to fund our operating activities, principally caused by the net loss of $1,520,000. In addition, during the three months ended March 31, 2001 we used approximately $1,066,000 to fund our investing activities, principally caused by the purchase of treasury stock.

The Company accounts for its stock-based compensation plans under Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees." In October 1995, the Financial Accounting Standards Board issued Statement No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"), which establishes a fair value-based method of accounting for stock-based compensation plans. The Company has adopted the disclosure-only alternative under SFAS No. 123. The Company accounts for stock based compensation to nonemployees using the fair value method in accordance with SFAS No. 123 and Emerging Issues Task Force (EITF) Issue No. 96-18. The Company has recognized deferred stock compensation related to certain stock option and warrant grants. During the three months ended March 31, 2000 the Company granted 5,000 options to purchase shares of its Common Stock at $7.188 per share, in return for consulting services. The Company valued these warrants based on the Black-Scholes option pricing model. In connection therewith the Company

recorded a non-cash charge of $1,392 during the three months ended March 31, 2001. In connection with other option grants to consultants in previous years the Company recorded a non-cash charge of $115,694 during the three months ended March 31, 2001.

We have agreed to fund scientific research at academic institutions and/or to make minimum royalty payments for licensing and collaborative agreements of approximately $1,223,000 in 2001. We do not expect these arrangements to have a significant impact on our liquidity and capital resources. We intend to continue to maintain and develop relationships with academic institutions and to establish licensing and collaborative agreements.

We have no material capital commitments for the year ended December 31, 2001.

We believe that we have sufficient cash and cash equivalents at March 31, 2001 to finance our plan of operation through March 31, 2002. However, there can be no assurance that we will generate sufficient revenues, if any, to fund our operations after such period or that any required financings will be available, through bank borrowings, debt or equity offerings, or otherwise, on acceptable terms or at all.

PART II. OTHER INFORMATION

Item 2. CHANGES IN SECURITIES AND USE OF PROCEEDS

In January 2001, we issued 71,802 shares of Series A Preferred Stock as full payment of the dividend due on the Series A Preferred Stock for the year ended December 31, 2000 to the holders of such preferred stock. Such issuance was pursuant to Section 3(a)(9) promulgated under the Securities Act.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

None

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.

CYTOCLONAL PHARMACEUTICS INC.

Date: May 18, 2001

/s/ Joan H. Gillett

Joan H. Gillett, C.P.A.
Vice President/Controller
Principal Accounting Officer