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

(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, 1999

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

FOR THE TRANSITION PERIOD FROM _____ TO _____

COMMISSION FILE NUMBER 0-26918

CYTOCLONAL PHARMACEUTICS INC.
(EXACT NAME OF SMALL BUSINESS ISSUER AS SPECIFIED IN ITS CHARTER)

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

9000 HARRY HINES BOULEVARD, SUITE 330, 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

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: 10,300,380 SHARES OF COMMON STOCK, $.01 PAR VALUE, OUTSTANDING AS OF MAY 13, 1999.

CYTOCLONAL PHARMACEUTICS INC.

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<CAPTION>

</TABLE>

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

CYTOCLONAL PHARMACEUTICS INC.

BALANCE SHEETS

<TABLE>
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ASSETS	MARCH 31 1999 (UNAUDITED)	DECEMBER 31, 1998
<S>	<C>	<C>
Current assets:		
Cash (principally money market)	$ 6,241,000	$ 6,826,000
Prepaid expenses and other current assets	175,000	85,000
Total current assets	6,416,000	6,911,000
Equipment, net	157,000	121,000
Patent rights, less accumulated amortization of $691,000 and $540,000	875,000	710,000
Other assets	4,000	4,000
T O T A L	$ 7,452,000	$ 7,746,000

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:

Accounts payable and accrued expenses	$ 518,000	$ 461,000
Deferred revenue from research and development collaborative contract	333,000	67,000
Current portion of royalties payable	125,000	156,000
Total current liabilities	976,000	684,000
Royalties payable less current portion	1,000,000	1,000,000
Total liabilities	1,976,000	1,684,000
Stockholders' equity:		
Preferred stock - $.01 par value, 10,000,000 shares authorized; 791,731 and 746,864 shares of Series A convertible preferred issued and outstanding at March 31, 1999 and December 31, 1998, respectively (liquidation value $1,979,000 and $1,872,000 at March 31, 1999 and December 31, 1998, respectively)	8,000	7,000
Common Stock - $.01 par value, 30,000,000 shares authorized: 10,291,322 and 10,209,844 shares issued and outstanding at March 31, 1999 and December 31, 1998, respectively	103,000	102,000
Additional paid-in capital	24,282,000	23,785,000
Accumulated Deficit	(18,917,000)	(17,832,000)
Total Stockholders' Equity	5,476,000	6,062,000
T O T A L	$ 7,452,000	$ 7,746,000

</TABLE>

CYTOCLONAL PHARMACEUTICS INC.

STATEMENTS OF OPERATIONS
(UNAUDITED)

<TABLE>
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	THREE MONTHS ENDED MARCH 31,	
	1999	1998
<S>	<C>	<C>
Revenue:		
Licensing & research collaborative agreement	$ 233,000	--
Operating Expenses:		
Research and development	$ 872,000	$ 360,000
General and administrative	513,000	447,000
	1,385,000	807,000

Operating (loss)	(1,152,000)	(807,000)
Other (Income) expenses:		
Interest (income)	(69,000)	(19,000)
Interest expense	2,000	2,000
	(67,000)	(17,000)
NET (LOSS)	$ (1,085,000)	$ (790,000)
Basic and diluted loss per common share	$ (0.11)	$ (0.10)
Weighted average number of shares outstanding - basic and diluted	10,268,000	8,840,000

</TABLE>

CYTOCLONAL PHARMACEUTICS INC.

STATEMENTS OF CASH FLOWS
(UNAUDITED)

<TABLE>
<CAPTION>

	THREE MONTHS ENDED MARCH 31,	
	1999	1998
<S>	<C>	<C>
Cash flows from operating activities:		
Net (loss)	$ (1,085,000)	$ (790,000)
Adjustments to reconcile net (loss) to net cash (used in) operating activities:		
Depreciation and amortization	30,000	31,000
Value assigned to common shares and options		291,000
Changes in:		
Other assets	(90,000)	(4,000)
Deferred revenue	266,000	--
Accounts payable and accrued expenses	57,000	125,000
Net cash (used in) operating activities	(531,000)	(638,000)
Cash flows from investing activities:		
Purchase of equipment	(47,000)	(56,000)
Cash flows from financing activities:		
Proceeds from exercise of options and warrants	24,000	18,000
Payment of royalties	(31,000)	(31,000)
Net cash (used in)financing activities	(7,000)	(13,000)
NET INCREASE (DECREASE) IN CASH	(585,000)	(707,000)
Cash at beginning of period	6,826,000	1,849,000
CASH AT END OF PERIOD	$ 6,241,000	$ 1,142,000

</TABLE>

CYTOCLONAL PHARMACEUTICS INC.
NOTES TO FINANCIAL STATEMENTS
March 31, 1999
(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, 1998. The results for the interim periods are not necessarily indicative of the results for the full fiscal year.

Through June 1998, the Company was in the development stage and its efforts had been principally devoted to research and development, capital formation and organizational development.

(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

In 1997, the Financial Accounting Standards Board issued Statement No. 128 "Earnings Per Share". Statement No. 128 replaced the calculation of primary and fully diluted earnings per share with basic and diluted earnings per share. Unlike primary earnings per share, basic earnings per share excludes any dilutive effects of option, warrants and convertible securities. Dilutive earnings per share is very similar to the previously reported fully diluted earnings per share. In accordance with Statement No. 128, which was adopted by the Company in 1997, basic and diluted net 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 year. No effect has been given to outstanding options, warrants or convertible preferred stock in the diluted computation as their effect would be antidilutive.

(4) REVENUE RECOGNITION

Revenue from licensing and research agreements is recognized as the expenses for research and development activities performed under the terms of the agreements are incurred. Revenues from nonrefundable licenses and up front fees is recognized upon signing the agreement. Revenue resulting from the achievement of milestones is recognized when the milestone is achieved. Amounts received in advance of services to be performed are recorded as deferred revenue.

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.

Cytoclonal Pharmaceutics Inc., a Delaware corporation (the "Company"), was duly organized and commenced operations in September 1991. To date, the Company's 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 its scientific and management personnel and advisors and raising capital.

For the period from January 1, 1999 to March 31, 1999, the Company incurred a net loss of $1,085,000 compared to a net loss of $790,000 for the same period in 1998. The increase for the three month period from the previous year was attributable to increased operating expenses, partially offset by an increase in revenue received from licensing and research and development agreements and an increase in interest income. The Company expects to incur additional losses in the foreseeable future.

The Company incurred general and administrative expenses of $513,000 and $447,000 for the three months ended March 1999 and March 1998, respectively. The increase from the previous year was attributable to increased expenses for contract labor and travel and lodging expenses, partially offset by a decrease in legal and professional expenses.

The Company incurred research and development expenses of $872,000 and $360,000 for the three months ended March 1999 and March 1998, respectively. The increase was attributable to a large extent to a non-recurring expense for the acquisition of the drug design technology, Quantum Core Technology(TM) developed by Dr. Dorit Arad, and for research activities in Israel. Additionally, the increase was attributable to funding for the research programs at Washington State University and Research & Development Institute, Inc. (RDI), an increase in laboratory supplies and an increase in research salaries and payroll taxes. Included in research and development expenses for the three months ended March 1999 was a non-cash charge of $291,000 relating to the valuations of common stock and options issued in connection with services rendered in identifying and securing the drug design technology.

The Company believes that it has sufficient capital to finance the Company's plan of operation in excess of 12 months. However, there can be no assurances that the Company will generate sufficient revenues, if any, to fund its 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 1999, the Company granted 25,000 shares of Common Stock and options to purchase 75,000 shares of Common Stock pursuant to a three-year employment agreement between the Company and its Vice President of Drug Design in consideration for such individual's assignment of technology to the Company. The shares of Common Stock were granted pursuant to the exemption afforded by Section 4(2) promulgated under the Securities Act based on the fact that the issuance was to a single individual not involving a public offering.

In January 1999, the Company granted 10,000 shares of Common Stock and options to purchase 30,000 shares of Common Stock in connection with services rendered in identifying and securing the aforementioned drug design technology. The shares of Common Stock were granted pursuant to the exemption afforded by Section 4(2) promulgated under the Securities Act based on the fact that the issuance was to a single individual not involving a public offering.

In January 1999, the Company issued 74,648 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, 1998 to the holders of such preferred stock. Such issuance was pursuant to Section 3(a)(9) promulgated under the Securities Act based on the fact that it involved an exchange by the issuer exclusively with its existing security-holders and no commission or other remuneration was paid or given directly or soliciting such exchange.

In February 1999, the Company granted 7,000 shares and 3,500 shares of Common Stock to two individuals, respectively, in connection with services rendered to the Company in identifying aforementioned drug design technology. The shares of Common Stock were granted pursuant to the exemption afforded by Section 4(2) promulgated under the Securities Act based on the fact that the issuance was to a single individual not involving a public offering.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibit 11 Computation of net (loss) per share
Exhibit 27 Financial Data Schedule

(b) 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 17, 1999 /s/ Daniel M. Shusterman

Daniel M. Shusterman
Vice President of Operations,
Treasurer and Chief Financial
Officer

INDEX TO EXHIBITS

<TABLE>
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EXHIBIT NUMBER	DESCRIPTION
<S>	<C>
11	Computation of net (loss) per share

27 Financial Data Schedule
</TABLE>

EXHIBIT 11

CYTOCLONAL PHARMACEUTICS INC.

COMPUTATION OF NET (LOSS) PER COMMON SHARE
(unaudited)

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	THREE MONTHS ENDED MARCH 31,	
	1999	1998
<S>	<C>	<C>
Net (loss)	$ (1,085,000)	$ (790,000)
Add cumulative preferred dividend	(49,000)	(61,000)
NET (LOSS) USED FOR COMPUTATION	$ (1,134,000)	$ (851,000)
Weighted average number of common shares outstanding outstanding - basic and diluted loss per share	10,268,000	8,840,000
Basic and diluted loss per common share	$ (0.11)	$ (0.10)

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