

INCYTE CORP  
Form 10-Q  
July 30, 2009  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 10-Q**

**x** **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2009

or

**o** **TRANSITION REPORTS PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 0-27488

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**INCYTE CORPORATION**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**94-3136539**  
(IRS Employer  
Identification No.)

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**Experimental Station, Route 141 & Henry Clay Road,**

**Building E336, Wilmington, DE 19880**

(Address of principal executive offices)

**(302) 498-6700**

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer   
(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

The number of outstanding shares of the registrant's Common Stock, \$0.001 par value, was 97,785,047 as of July 28, 2009.

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INCYTE CORPORATION

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Table of Contents**PART I: FINANCIAL INFORMATION****Item 1. Financial Statements****INCYTE CORPORATION****Condensed Consolidated Balance Sheets**

(in thousands)

	<b>June 30, 2009 (unaudited)</b>	<b>December 31, 2008*</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 114,289	\$ 178,767
Marketable securities available-for-sale	26,186	19,257
Accounts receivable, net	807	1,050
Prepaid expenses and other current assets	5,436	6,420
<b>Total current assets</b>	<b>146,718</b>	<b>205,494</b>
Marketable securities available-for-sale	7,010	19,759
Property and equipment, net	2,189	2,796
Intangible and other assets, net	3,099	4,339
<b>Total assets</b>	<b>\$ 159,016</b>	<b>\$ 232,388</b>
<b>LIABILITIES AND STOCKHOLDERS DEFICIT</b>		
Current liabilities:		
Accounts payable	\$ 15,840	\$ 15,679
Accrued compensation	6,487	9,330
Interest payable	5,273	5,273
Accrued and other current liabilities	11,960	14,893
Deferred revenue	52	62
Accrued restructuring	6,009	5,100
<b>Total current liabilities</b>	<b>45,621</b>	<b>50,337</b>
Convertible senior notes	135,598	130,969
Convertible subordinated notes	265,627	265,198
Other liabilities	3,600	6,634
<b>Total liabilities</b>	<b>450,446</b>	<b>453,138</b>
Stockholders deficit:		
Preferred stock		
Common stock, \$0.001 par value; 200,000,000 shares authorized; 97,785,047 and 97,339,849 shares issued and outstanding as of June 30, 2009 and December 31, 2008, respectively	98	97

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Additional paid-in capital	967,964	961,214
Accumulated other comprehensive loss	(107)	(2,747)
Accumulated deficit	(1,259,385)	(1,179,314)
Total stockholders' deficit	(291,430)	(220,750)
Total liabilities and stockholders' deficit	\$ 159,016	\$ 232,388

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\* The condensed consolidated balance sheet at December 31, 2008 has been derived from the audited financial statements at that date.

See accompanying notes.

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**INCYTE CORPORATION**

**Condensed Consolidated Statements of Operations**

(in thousands, except per share amounts)

(unaudited)

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2009</b>	<b>2008</b>	<b>2009</b>	<b>2008</b>
Revenues:				
Contract revenues		&		