

INCYTE CORP  
Form 10-Q  
July 28, 2011  
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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, 2011

or

**o TRANSITION REPORT 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.)

**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

Smaller reporting company

(Do not check if a 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 126,239,670 as of July 25, 2011.



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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, 2011 (unaudited)</b>	<b>December 31, 2010*</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 359,074	\$ 417,912
Marketable securities available-for-sale	5,036	6,256
Restricted cash and investments	18,990	18,985
Accounts receivable, net	2,376	5,701
Prepaid expenses and other current assets	6,447	6,600
Total current assets	391,923	455,454
Restricted cash and investments	9,971	18,891
Property and equipment, net	5,500	4,804
Other assets	9,269	10,432
Total assets	\$ 416,663	\$ 489,581
<b>LIABILITIES AND STOCKHOLDERS DEFICIT</b>		
Current liabilities:		
Accounts payable	\$ 8,788	\$ 10,773
Accrued compensation	10,099	14,678
Interest payable	4,750	4,750
Accrued and other current liabilities	20,054	15,703
Deferred revenue	66,976	66,973
Accrued restructuring		696
Total current liabilities	110,667	113,573
Convertible senior notes	287,067	276,445
Convertible subordinated notes	17,467	16,987
Deferred revenue	137,746	171,220
Total liabilities	552,947	578,225
Stockholders deficit:		
Preferred stock, \$0.001 par value; 5,000,000 shares authorized; none issued or outstanding as of June 30, 2011 and December 31, 2010		

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Common stock, \$0.001 par value; 400,000,000 shares authorized; 126,090,966 and 123,280,474 shares issued and outstanding as of June 30, 2011 and December 31, 2010, respectively

	126	123
Additional paid-in capital	1,363,052	1,332,277
Accumulated other comprehensive gain	1,951	1,986
Accumulated deficit	(1,501,413)	(1,423,030)
Total stockholders' deficit	(136,284)	(88,644)
Total liabilities and stockholders' deficit	\$ 416,663	\$ 489,581

\* The condensed consolidated balance sheet at December 31, 2010 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)

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2011	2010	2011	2010
Revenues:				
Contract revenues	\$ 16,737	\$ 49,737	\$ 48,475	\$ 66,474
License and royalty revenues	74	110	309	661
Total revenues	16,811	49,847	48,784	67,135