

INCYTE CORP
Form 10-Q
November 01, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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 September 30, 2007

or

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**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

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**

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(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 is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. Check one:

Large Accelerated Filer

Accelerated Filer

Non-accelerated Filer

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 84,248,252 as of October 25, 2007.

INCYTE CORPORATION

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

(in thousands, except share amounts)

	September 30, 2007 (unaudited)	December 31, 2006*
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 95,629	\$ 18,861
Marketable securities available-for-sale	169,315	299,712
Accounts receivable, net	1,276	2,073
Prepaid expenses and other current assets	4,634	7,115
Total current assets	270,854	327,761
Marketable securities available-for-sale	917	11,237
Property and equipment, net	3,874	5,890
Intangible and other assets, net	7,038	8,715
Total assets	\$ 282,683	\$ 353,603
LIABILITIES AND STOCKHOLDERS DEFICIT		
Current liabilities:		
Accounts payable	\$ 6,421	\$ 5,916
Accrued compensation	7,027	6,879
Interest payable	1,758	4,668
Accrued and other current liabilities	7,199	4,024
Deferred revenue	5,995	22,883
Accrued restructuring and acquisition costs	4,814	4,970
Total current liabilities	33,214	49,340
Convertible senior notes	120,076	113,981
Convertible subordinated notes	257,427	257,122
Deferred revenue		348
Other liabilities	13,439	17,720
Total liabilities	424,156	438,511
Stockholders deficit:		
Preferred stock		
Common stock, \$0.001 par value; 200,000,000 shares authorized; 84,228,330 and 83,972,726 shares issued and outstanding as of September 30, 2007 and December 31, 2006, respectively	84	84
Additional paid-in capital	837,392	828,936
Accumulated other comprehensive loss	(356)	(415)
Accumulated deficit	(978,593)	(913,513)

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Total stockholders' deficit		(141,473)		(84,908)
Total liabilities and stockholders' deficit	\$	282,683	\$	353,603

* The condensed consolidated balance sheet at December 31, 2006 has been derived from the audited financial statements at that date.

See accompanying notes.

INCYTE CORPORATION

Condensed Consolidated Statements of Operations

(in thousands, except per share amounts)

(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	2006	2007	2006
Revenues:				
Contract revenues	\$ 5,909	\$ 6,249	\$ 20,916	\$ 18,069