



Incyte to Report Positive Clinical Results from JAK Inhibitor and 11beta-HSD1 Inhibitor Programs and Introduce New Metabolic Program at JPMorgan Healthcare Conference

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A Live and Archived Copy of the Presentation Will Be Available on

Incyte's Website on January 8, 2008, Beginning at 9:30 am PT/12:30 pm ET

WILMINGTON, Del.--(BUSINESS WIRE)--Jan. 8, 2008--Incyte Corporation (Nasdaq:INCY) will announce today at the 26th Annual JPMorgan Healthcare Conference further positive clinical proof-of-concept results for several of its wholly-owned, internally developed programs, including its JAK inhibitor for rheumatoid arthritis, myelofibrosis and psoriasis, as well as its 11-beta hydroxysteroid dehydrogenase type 1 (11beta-HSD1) inhibitor for type 2 diabetes. During the JPMorgan presentation, the Company will also introduce its HM74a agonist program for type 2 diabetes and review the key objectives for all its lead programs in 2008.

JAK Inhibitor Program

Incyte will report, for the first time, positive preliminary results obtained from an ongoing 28-day Phase IIa placebo-controlled dose-ranging trial with its lead oral JAK inhibitor, INCB18424, in rheumatoid arthritis (RA).

Paul Friedman, M.D., Incyte's President and CEO, stated, "Although we have limited data, the early results we are seeing with our orally administered JAK inhibitor in RA patients are quite remarkable. Three of four patients completing the 28-day study have achieved ACR50 criteria, two of whom also met ACR90 criteria, one within two weeks. As expected the two patients receiving placebo have not shown significant responses. While it is too soon to compare response rates with other therapies, these early results with our orally administered therapy appear at least equal, and possibly superior, to those seen with the intravenously and intramuscularly-administered biologics, such as the anti-TNF agents or the anti-IL-6 receptor antibody. Importantly, all patients have tolerated the drug extremely well at the current dose of 15 mg BID."

Incyte will also describe further positive clinical results from the ongoing Phase Ib/IIa trial of INCB18424 in myelofibrosis, a serious neoplastic condition characterized by bone marrow failure, life-threatening splenic enlargement, and marked constitutional symptoms, causing patients a significant loss in quality of life.

"As reported at the American Society of Hematology Meeting, the clinical efficacy we have seen with INCB18424 in the first eleven myelofibrosis patients treated in this study is impressive and unprecedented. We are now seeing the same dramatic results in the expanded cohort of 21 additional patients, at the well-tolerated dose of 25 mg BID. We look forward to meeting with representatives from the U.S. Food and Drug Administration to define the potential registration pathway for INCB18424 as a treatment for myelofibrosis," stated Dr. Friedman.

Incyte will also describe additional results from a 28-day Phase IIa trial with the topical form of INCB18424 in mild-to-moderate psoriasis patients, where INCB18424 provides at least comparable efficacy to the potent topical steroid, Diprolene(R). INCB18424 continues to be extremely well-tolerated in this study and, assuming it continues to be so in the ongoing required safety studies, Incyte intends to begin a three-month psoriasis Phase IIb trial in the second half of 2008.

11beta-HSD1 Inhibitor Program

For Incyte's oral 11beta-HSD1 inhibitor, INCB13739, Incyte will also report further data from the Phase IIa 28-day hyperinsulinemic clamp study in type 2 diabetics. This study is now fully enrolled and a preliminary analysis has been completed.

Dr. Friedman stated, "Despite the short duration of this study, we have seen improvements in six different measures of glucose control and cardiovascular risk, including fasting plasma glucose, LDL cholesterol, total cholesterol, triglycerides, clamp-measured liver glucose production, and clamp-measured peripheral glucose uptake. Based on these results, as well as the extremely clean safety profile we have seen with INCB13739, we plan to initiate a 3-month Phase IIb study in type 2 diabetics in the March-April timeframe."

The Phase IIb study will evaluate multiple once-daily doses of INCB13739, administered in combination with metformin, in subjects with poorly controlled hyperglycemia. In addition to measuring hemoglobin A1c, this study will assess a range of cardiovascular risk factors to begin to differentiate the compound from currently available therapies directed toward insulin resistance.

HM74a Agonist Program

Incyte will also introduce its HM74a agonist program. HM74a is the receptor to which niacin binds and activates, resulting in a reduction in plasma free fatty acid levels. High free fatty acid levels have been shown to cause insulin resistance and hyperglycemia, and while substantial clinical data support the potential for HM74a agonism to provide therapeutic benefit in type 2 diabetes, the currently available HM74a agonist - niacin - in its various formulations is not used primarily because its short duration of activity does not allow for effective and sustained lowering of free fatty acid levels. In addition, niacin causes cutaneous flushing which is often poorly tolerated. Our lead HM74a agonist, INCB19602, has now completed a single-dose Phase I trial, in which low and well tolerated doses dramatically reduced free fatty acid levels in an effective and sustained fashion and did not cause any cutaneous flushing. Provided the compound successfully completes the ongoing multiple-dose Phase I trial, Incyte plans to initiate a Phase IIa trial in type 2 diabetic patients in the first half of 2008.

2008 Clinical Objectives

In his presentation at the JPMorgan Conference, Dr. Friedman will also highlight key clinical objectives for 2008 including:

JAK Inhibitor Program

INCB18424

- Complete discussions with the FDA regarding a registration strategy for the myelofibrosis indication and initiate Phase II/III trials in the second half of 2008
- Initiate a three-month Phase IIb oral rheumatoid arthritis trial in the second half of 2008
- Initiate a 28-day Phase IIa oral trial in psoriasis in the first half of 2008
- Initiate a Phase IIb topical trial in psoriasis in the second half of 2008
- Initiate a Phase II trial in polycythemia vera and essential thrombocythemia patients in the first half of 2008

INCB28050

Complete preclinical safety and initiate Phase I trials in mid-2008

11beta-HSD1 Inhibitor Program

INCB13739

- Initiate the three-month Phase IIb trial in type 2 diabetes in the first half of 2008
- Present the 28-day Phase IIa trial results in a scientific forum

INCB20817

- Initiate and complete Phase I trials in the first half of 2008

HM74a Agonist Program

INCB19602

- Initiate Phase IIa trial in the first half of 2008

CCR5 Inhibitor Program

INCB9471

- Initiate Phase IIb trial in the first half of 2008

Sheddase Inhibitor Program

INCB7839

- Complete and report results for two Phase II breast cancer trials in the second half of 2008 and early 2009 - the first trial is in combination with Herceptin(R) and the second is a monotherapy trial

CCR2 Antagonist Program

INCB8696

- Complete Phase I trial in healthy volunteers to support development as a treatment for multiple sclerosis

Discovery

- Advance two additional compounds from two new oncology programs through IND-enabling studies and into Phase I development, progress additional follow-on compounds in several of the lead clinical programs, and continue to identify and progress new molecular entities, targeted to clinically relevant targets

The Incyte presentation at the JPMorgan Healthcare Conference will be webcast live today at 12:30 pm Eastern Time / 9:30 am Pacific Time and can be accessed at www.incyte.com under Investor Relations, Events and Webcasts. A replay of the presentation will be available for 30 days. Investors interested in listening to the live webcast should log on before the start time in order to download any required software.

About Incyte

Incyte is a Wilmington, Delaware based drug discovery and development company with a growing pipeline of oral compounds to treat HIV, inflammation, cancer and diabetes. For additional information on Incyte visit the Company's web site at www.incyte.com.

Forward-Looking Statements

Except for the historical information contained herein, the matters set forth in this press release, including statements with respect to presenting positive clinical proof of concept results for its JAK inhibitor, INCB18424, in RA, myelofibrosis and psoriasis, as well as its 11-beta HSD1 inhibitor INCB13739, and introducing its HM74A program and reviewing key objectives for its lead programs for 2008, the effects of emerging data on those plans, its intention to begin discussions with the FDA regarding the registration pathway of INCB18424 as a treatment for myelofibrosis and plans to initiate Phase II/III trials in the second half of 2008 with INCB18424 in myelofibrosis, expectations regarding timing of initiation of a 28-day Phase IIa trial in psoriasis with oral INCB18424, a three-month Phase IIb trial in RA with oral INCB18424, a Phase IIb trial in psoriasis with topical INCB18424, a

Phase II trial in polycythemia vera and essential thrombocytopenia with oral INCB18424, Phase I trials for the follow-on JAK compound INCB28050, a three-month Phase IIb trial for INCB13739 in type 2 diabetes, Phase I trials for the follow-on 11-beta HSD1 compound INCB20817, expectations regarding the completion of Phase I trials for its lead compound in its HM74A program, INCB19602, as a treatment for type 2 diabetes and expectations regarding the potential utility of Incyte's HM74A agonists, expectations regarding the completion and presentation of expected results from two Phase II breast cancer trials for INCB7839, expectations regarding the timing of initiation of two Phase IIb studies of INCB9471 in HIV patients, expectations regarding the timing of expected results from a Phase I trial of INCB8696 as a treatment for multiple sclerosis, expectations regarding the advancement of lead compounds from two additional oncology programs into clinical development and trials, progressing additional follow-on compounds in several of the lead clinical programs, and continuing to identify and progress new molecular entities targeted to clinically relevant targets, are all forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially, including the high degree of risk associated with drug development and clinical trials, results of further research and development, the uncertainty of the FDA approval process, the impact of competition and of technological advances and the ability of Incyte to compete against parties with greater financial or other resources, Incyte's ability to enroll a sufficient number of patients for its clinical trials, the risks associated with Incyte's ability to obtain, maintain and successfully enforce adequate patent and other intellectual property protection of its product candidates and other risks detailed from time to time in Incyte's filings with the Securities and Exchange Commission, including its Quarterly Report on Form 10-Q for the quarter ended September 30, 2007. Incyte disclaims any intent or obligation to update these forward-looking statements.

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