Results of Phase II Study Presented at the XV International AIDS Conference Demonstrate Reverset Has Potential to Reduce Viral Load in Treatment-Naive and Treatment-Experienced HIV Patients

July 12, 2004

BANGKOK, Thailand, Jul 12, 2004--Incyte Corporation (Nasdaq:INCY). Patients with human immunodeficiency virus (HIV) who were treated for 10 days with Reverset(TM), a nucleoside-analogue reverse transcriptase inhibitor (NRTI) that is being developed as a once-a-day oral therapy for use in combination with other antiretroviral drugs, showed a reduction in viral load according to the results of a Phase II clinical trial presented today at the XV International AIDS Conference in Bangkok, Thailand. Reverset was well-tolerated at all doses studied. The study, referred to as Study 202, involved 30 treatment-naive and 10 treatment-experienced HIV patients and demonstrated a clinically significant reduction in viral load for all treatment-naive patients and 7 of 8 patients who had failed previous therapies.

Based on the study results presented today by Robert Murphy, M.D., Professor of Medicine, Northwestern University, and announced by Incyte Corporation (Nasdaq:INCY) and Pharmasset, Inc., Incyte's strategic collaborative and licensing partner for Reverset, the mean reduction in viral load among the treatment-naive patients who received either the 50 mg, 100 mg or 200 mg once daily dose of Reverset ranged from 1.67 log10 copies/mL to 1.77 log10 copies/mL. The mean reduction in viral load among the 8 treatment-experienced patients dosed with Reverset was 0.8 log10 copies/mL. Among patients receiving 200 mg of Reverset, 7 of 8 (87.5%) treatment-naive patients and 4 of 8 (50%) treatment-experienced patients achieved viral loads less than 400 copies/mL following 10 days of dosing. Reverset was well-tolerated in all patients with no significant adverse effects observed. No new resistance mutations developed during the 10 days of treatment with Reverset.

"Reverset was very well-tolerated and demonstrated potent antiviral effects both as monotherapy in treatment-naive patients and when added to a failing regimen in treatment-experienced subjects. The results of this Phase IIa study are encouraging and compare favorably with the results obtained with other currently approved NRTIs," stated Dr. Murphy. "Because resistance to other antiretroviral therapies remains an ongoing problem for many men and women living with HIV, we look forward to further progressing the development of Reverset, and completing and reporting the results from a second Phase II trial, Study 203, which is expected to involve 180 treatment-experienced HIV patients."

Treatment-experienced subjects enrolled in Study 202 had previously failed a mean of 5.5 regimens and half these subjects had 4 or more thymidine analogue mutations at the initiation of Reverset treatment. Reverset demonstrated equal effectiveness in patients receiving and failing regimens that included 3TC (Epivir(R)) and/or tenofovir (Viread(R)), two commonly prescribed NRTI therapies. The most common adverse experiences in the study were cold symptoms (Reverset 46% versus placebo 33%), headache (Reverset 33% versus placebo 33%), and tiredness (Reverset 17% versus placebo 17%).

Study 203 is currently enrolling patients at clinical sites in the United States, Germany and France. For more information about Study 203, patients and physicians can contact Incyte's clinical department at clinical.trials@incyte.com. Reverset is not yet approved for commercial use in any country.

About the Incyte/Pharmasset Collaboration

In September 2003 Incyte and Pharmasset entered into a collaborative licensing agreement to develop and commercialize Reverset. Under the terms of the agreement, Incyte paid Pharmasset an upfront payment and will also pay Pharmasset performance milestone payments and future royalties on net sales in exchange for exclusive rights to develop, manufacture and market the drug in the U.S., Europe and certain other markets. Pharmasset retained marketing and commercialization rights in certain territories, including Mexico, Central and South America, Africa, the Middle East, Korea and China.

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. The company's most advanced product candidate, Reverset, is an oral, once-a-day therapy in Phase II clinical trials to treat patients with HIV infections. The company's lead internal compound, INCB3284, is a proprietary, oral CCR2 antagonist in Phase I development that may have therapeutic value in a number of chronic inflammatory diseases. Incyte has several other early drug discovery programs underway and a proteomic information business based in Beverly, Massachusetts.

Pharmasset (www.pharmasset.com), founded in 1998, is an antiviral drug discovery, development, and commercialization company. Pharmasset is committed to the development of novel, patentable, proprietary nucleoside chemical agents as treatments for life-threatening diseases, such as HIV and hepatitis.

Forward-Looking Statements

Except for the historical information contained herein, the matters set forth in this press release, including statements as to the potential benefits and value of Reverset as a treatment for treatment-naive patients or treatment-experienced patients, serious adverse events, and the results of the Phase II study of Reverset, and the expected enrollment of patients in Study 203, are 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, the risk that additional clinical trials may be unsuccessful or insufficient to meet applicable regulatory standards, results of further research, the impact of competition and of technical advances, and other risks detailed from time to time in Incyte's Securities and Exchange Commission reports, including its Quarterly Report on Form 10-Q for the quarter ended March 31, 2004. Incyte disclaims any intent or obligation to update these forward-looking statements.

Viread(R) is a registered trademark of Gilead Sciences, Inc.

SOURCE: Incyte Corporation

Incyte Corporation, Wilmington
Pam Murphy, 302-498-6944