
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **December 21, 2007**

INCYTE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

0-27488
(Commission File Number)

94-3136539
(I.R.S. Employer
Identification No.)

**Experimental Station
Route 141 & Henry Clay Road
Building E336
Wilmington, DE**
(Address of principal executive offices)

19880
(Zip Code)

(302) 498-6700
(Registrant's telephone number,
including area code)

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240-13e-4(c))
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Item 8.01 Other Events.

On December 21, 2007, Incyte Corporation ("Incyte") issued a press release announcing the receipt of approximately \$8.5 million as a result of the sale of Velocity11, a privately-held life sciences technology company in which Incyte held an ownership position. A copy of the press release dated December 21, 2007 is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) **Exhibits**

99.1 Press release issued by Incyte Corporation dated December 21, 2007.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: December 21, 2007

INCYTE CORPORATION

By: /s/ PATRICIA A. SCHRECK
Patricia A. Schreck
Executive Vice President and
General Counsel

**FOR IMMEDIATE RELEASE**

Pamela M. Murphy
Vice President, Investor Relations/Corporate Communications
302/498-6944

Incyte Announces \$8.5 million Gain from Sale of Investment

Wilmington, DE — December 21, 2007 - Incyte Corporation today announced the receipt of approximately \$8.5 million as a result of the sale of Velocity11, a privately-held life sciences technology company in which Incyte held an ownership position. Incyte may receive additional consideration of approximately \$900,000 after a one year escrow period. As a result of the sale, Incyte will record a gain of approximately \$8.5 million in the fourth quarter of 2007.

Incyte Corporation is a Wilmington, Delaware-based drug discovery and development company focused on developing proprietary small molecule drugs to treat serious unmet medical needs. Incyte's pipeline includes multiple compounds in Phase I and Phase II development for HIV, diabetes, oncology and inflammation. For additional information on Incyte, visit the Company's web site at www.incyte.com.

Except for the historical information contained herein, the matters set forth in this press release, including statements with respect to expectations regarding the receipt of future payments in connection with the acquisition, 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 risk of claims against the escrow by Velocity11's

acquirer, 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.
