

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: JANUARY 26, 2000
(Date of earliest event reported)

INCYTE PHARMACEUTICALS, INC.
(Exact name of registrant as
specified in its charter)

DELAWARE (State or other jurisdiction of incorporation)	0-27488 (Commission File Number)	94-3136539 (IRS Employer Identification No.)
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3174 PORTER DRIVE, PALO ALTO, CALIFORNIA (Address of principal executive offices)	94304 (Zip Code)
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Registrant's telephone number, including area code: (650) 855-0555

Item 5. Other Events.

Attached hereto as Exhibit 99.1 and incorporated by reference herein is financial information for Incyte Pharmaceuticals, Inc. (the "Company") for the quarter and year ended December 31, 1999.

Attached hereto as Exhibit 99.2 and incorporated by reference herein is the press release dated January 26, 2000 announcing a proposed private offering of convertible subordinated notes by the Company.

Item 7. Financial Statements and Exhibits.

(c) Exhibits

99.1	Press release dated January 26, 2000.
99.2	Press release dated January 26, 2000.

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: January 31, 2000

INCYTE PHARMACEUTICALS, INC.

By /s/ John M. Vuko

Name: John M. Vuko

Title: Executive Vice President and
Chief Financial Officer

On January 26, 2000, Incyte Pharmaceuticals, Inc. (the "Company") reported revenues of \$46.0 million for the quarter ended December 31, 1999, compared to \$36.6 million for the quarter ended December 31, 1998. Revenues were \$157.0 million for the year ended December 31, 1999, compared to \$134.8 million for the same period in 1998.

The Company reported a net loss of \$6.4 million, or \$0.22 per diluted share, for the quarter ended December 31, 1999, compared to a net income of \$1.5 million, or \$0.05 per diluted share, for the quarter ended December 31, 1998. For the year ended December 31, 1999, the Company reported a net loss of \$26.8 million, or \$0.95 per diluted share, compared to net income of \$3.5 million, or \$0.12 per diluted share, for the same period in 1998.

For the quarter ended December 31, 1999, database and partnership program revenues were \$36.0 million. Microarray service revenues were \$3.3 million, reagent revenues generated by the Company's genomic services subsidiary were \$2.7 million, and other revenues were \$4.0 million.

Operating expenses were \$53.0 million for the quarter ended December 31, 1999, compared to \$35.9 million for the same period in 1998. For the year ended December 31, 1999, operating expenses were \$184.1 million compared to \$134.8 million for the same period in 1998.

INCYTE PHARMACEUTICALS, INC.
CONDENSED CONSOLIDATED SUMMARY OF OPERATIONS
(in thousands, except per share amounts)
Unaudited

	Three months ended		Twelve months ended	
	December 31,		December 31,	
	1999	1998	1999	1998*
Revenue	\$46,024	\$36,647	\$156,962	\$134,811
Costs and expenses:				
Research and development	42,593	27,611	146,833	97,192
Selling, general and administrative	10,370	8,242	37,235	25,438
Charge for purchase of in-process R&D	--	--	--	10,978
Acquisition-related charges	--	--	--	1,171
Total costs and expenses	52,963	35,853	184,068	134,779
Income (loss) from operations	(6,939)	794	(27,106)	32
Interest income and other income, net	918	1,766	5,169	7,266
Losses from joint venture	(1,184)	(834)	(5,631)	(1,474)
Provision (benefit) for income taxes	(800)	241	(800)	2,352
Net income (loss)	\$(6,405)	\$1,485	\$(26,768)	\$3,472
Basic net income (loss) per share	\$(0.22)	\$0.05	\$(0.95)	\$0.13
Diluted net income (loss) per share	\$(0.22)	\$0.05	\$(0.95)	\$0.12
Shares used in computation of:				
Basic net income (loss) per share	28,520	27,782	28,138	26,921
Diluted net income (loss) per share	28,520	29,338	28,138	28,899

	December 31, 1999	December 31, 1998*
Assets		
Cash and cash equivalents	\$32,220	\$50,048
Marketable securities, available-for-sale	34,717	61,185
Accounts receivable, net	26,608	14,318
Prepaid expenses and other current assets	15,956	5,813
Total current assets	109,501	131,364
Property and equipment, net	67,293	54,429
Long-term investments	19,275	20,653
Goodwill and other intangible assets	14,564	16,955
Deposits and other assets	11,301	6,889
Total assets	\$221,934	\$230,290
Liabilities and stockholders' equity		
Accounts payable	\$6,501	\$8,244
Accrued and other current liabilities	18,498	12,629
Deferred revenue	26,459	29,054
Total current liabilities	51,458	49,927
Non-current liabilities	194	796
Total liabilities	51,652	50,723
Total stockholders' equity	170,282	179,567
Total liabilities and stockholders' equity	\$221,934	\$230,290

*Derived from audited financial statements.

INCYTE ANNOUNCES PROPOSED OFFERING OF CONVERTIBLE SUBORDINATED NOTES

PALO ALTO, Calif., Jan. 26 /PRNewswire/ -- Incyte Pharmaceuticals, Inc. (Nasdaq: INCY - news) announced today that it proposes to make a private offering of \$150 million of Convertible Subordinated Notes due 2007, with an option to issue up to an additional \$50 million of Notes. The Notes will be offered in the United States only to qualified institutional buyers and institutional accredited investors pursuant to exemptions from the registration requirements of the Securities Act of 1933. The Notes may also be offered outside the United States in accordance with Regulation S under the Securities Act.

The Company stated that it expects to use the net proceeds of the offering for working capital and general corporate purposes. Proceeds may also be used to make strategic investments, acquire or license technology or products, or acquire businesses that may complement its business.

This press release does not constitute an offer to sell or the solicitation of an offer to buy any security. The Notes have not been registered under the Securities Act of 1933 or applicable state securities laws and may not be offered or sold in the United States absent registration under the Securities Act and applicable state securities laws or an applicable exemption from the registration requirements.

Except for the historical information contained herein, the matters set forth in this press release, such as statements as to the expected use of net proceeds, 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 market and other conditions that may affect Incyte's ability to complete the proposed offering, the impact of alternative technological advances and competition, changes in the focus of Incyte's research and development activities, developments in litigation, and other risks detailed from time to time in Incyte's SEC reports, including its Quarterly Report on Form 10-Q for the quarter ended September 30, 1999. Incyte disclaims any intent or obligation to update these forward-looking statements.