

INCYTE CORP  
Form 4  
December 19, 2008

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
Baker Brothers Life Sciences Capital (GP), LLC

(Last) (First) (Middle)

667 MADISON AVENUE, 17TH FLOOR

(Street)

NEW YORK, NY US 10021

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
INCYTE CORP [INCY]

3. Date of Earliest Transaction (Month/Day/Year)  
12/17/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				(A) or (D) Price			
Common Stock <sup>(1)</sup> <sub>(2)</sub>	12/17/2008		P	9,259 A \$ 3.15	6,301,227	I	Through Partnership <sup>(3)</sup>
Common Stock <sup>(1)</sup> <sub>(2)</sub>	12/17/2008		P	80,201 A \$ 3.3342	6,381,428	I	Through Partnership <sup>(3)</sup>
Common Stock <sup>(1)</sup> <sub>(2)</sub>	12/17/2008		P	132,354 A \$ 3.3318	6,513,782	I	Through Partnership <sup>(3)</sup>
Common Stock <sup>(1)</sup> <sub>(2)</sub>	12/18/2008		P	13,055 A \$ 3.5966	6,526,837	I	Through Partnership

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<u>(2)</u>								<u>(3)</u>
Common Stock <u>(1)</u> <u>(2)</u>	12/18/2008	P	215,917	A	\$ 3.5633	6,742,754	I	Through Partnership <u>(3)</u>
Common Stock <u>(1)</u> <u>(2)</u>	12/19/2008	P	42,834	A	\$ 3.6175	785,588	I	Through Partnership <u>(3)</u>
Common Stock <u>(1)</u> <u>(2)</u>	12/19/2008	P	241,712	A	\$ 3.5954	7,027,300	I	Through Partnership <u>(3)</u>

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title
3.5% Senior Convertible Note due 2011	\$ 11.22	02/15/2011		P	7,598,000	<u>(4)</u> 02/15/2011	Common Stock 67
3.5% Subordinated Convertible Note due 2011	\$ 11.22	02/15/2011		P	4,534,000	<u>(4)</u> 02/15/2011	Common Stock 40

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Baker Brothers Life Sciences Capital (GP), LLC 667 MADISON AVENUE, 17TH FLOOR NEW YORK, NY US 10021	X	X		

BAKER JULIAN  
 667 MADISON AVENUE, 17TH FLOOR X X  
 NEW YORK, NY US 10021

BAKER FELIX  
 667 MADISON AVENUE, 17TH FLOOR X X  
 NEW YORK, NY US 10021

## Signatures

/s/ Julian C. Baker, as Managing Member of Baker Brothers Life Sciences Capital (GP),  
 LLC 12/19/2008

\_\_Signature of Reporting Person Date

/s/ Julian C. Baker 12/19/2008

\_\_Signature of Reporting Person Date

/s/ Felix J. Baker 12/19/2008

\_\_Signature of Reporting Person Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

In addition to Baker Brothers Life Sciences Capital (GP), LLC, this Form 4 is being filed jointly by Julian C. Baker and Felix J. Baker each of whom has the same business address as Baker Brothers Life Sciences Capital (GP), LLC and may be deemed to have a pecuniary  
 (1) interest in securities owned by it. Julian C. Baker is a Director of the Issuer. Because of certain relationships with other security holders of the Issuer, the Reporting Persons are filing solely for informational purposes as if they were members of a group of such shareholders. (Continued in footnote 2).

However, the Reporting Persons disclaim that they and any other person or persons, in fact constitute a "group" for purposes of Section  
 (2) 13(d)(3) of the Securities Exchange Act of 1934, as amended, or Rule 13d-5 thereunder or that they are the beneficial owners of securities owned by any such other persons, and each of them disclaims beneficial ownership of securities reported herein except to the extent of their pecuniary interest, if any, therein.

Represents securities owned directly by Baker Brothers Life Sciences, L.P., the sole general partner of which is Baker Brothers Life  
 (3) Sciences Capital, L.P., a limited partnership the sole general partner of which is Baker Brothers Life Sciences Capital (GP),LLC. Julian C. Baker and Felix J. Baker are the controlling members of Baker Brothers Life Sciences Capital (GP), LLC.

(4) Immediately.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.