



FOR IMMEDIATE RELEASE

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**Incyte's JAK Inhibitor Demonstrates Marked Clinical Benefits
in Phase IIa Rheumatoid Arthritis Study**

Results Presented Today at the EULAR 2008 Congress in Paris

Wilmington, DE – June 12, 2008 - Incyte Corporation (Nasdaq: INCY) announced today the presentation of clinical results from a 28-day Phase IIa trial of INCB18424, its orally available janus-associated kinase (JAK) inhibitor, in patients with rheumatoid arthritis (RA). Results from the first of four treatment groups, involving 12 treated and 4 placebo patients, demonstrated that the 15 mg twice-daily dose of INCB18424 was well tolerated and provided ACR20/50/70/90 response rates of 75%/50%/25%/17%, respectively, with responses seen as early as 1 week. These results, coupled with the ability of INCB18424 to block signaling from multiple inflammatory cytokines, suggest that INCB18424 has the potential to be more effective than currently available RA therapies, including the widely used injectable biologicals. These results were presented today in an oral presentation during the "Non Biological Treatment in RA" session at the European League Against Rheumatism (EULAR) 2008 Congress in Paris, France.

Three additional treatment groups involving 32 RA patients are currently being evaluated at the 5 and 25 mg twice-daily doses and 50 mg once-daily dose of INCB18424.

William V. Williams, M.D., VP of Exploratory Development at Incyte, Adjunct Associate of Rheumatology at University of Pennsylvania and medical monitor of the study, stated, "The rapid onset of activity of INCB18424, as early as one week after the start of therapy, as well as its apparent safety and oral availability, suggest that selective inhibition of JAK 1 and 2 could be an important advancement in the treatment of rheumatoid arthritis. We look forward to completing testing of the remaining treatment groups in this Phase IIa trial and to describing these results later this year."

Summary of Phase IIa Trial

Trial Design:

A 28-day, double-blind, placebo-controlled study in patients with active RA as defined by six or more tender and four or more swollen joints and, erythrocyte sedimentation rate (ESR) > 28 mm/h or C-reactive protein (CRP) > 15 mg/L. Patients in the trial could remain on stable doses of methotrexate, sulfasalazine, antimalarials and/or low dose prednisone. Patients could not have received treatment with biologic agents or other DMARDs for at least 12 weeks. Patient assessments were conducted at weeks 1, 2 and 4.

Endpoints:

Safety, American College of Rheumatology (ACR) 20, ACR50, ACR70 scores, Disease Activity Score including a 28-joint count (DAS28), % with DAS28 <3.2 and change in individual ACR assessments.

Key Efficacy Results:

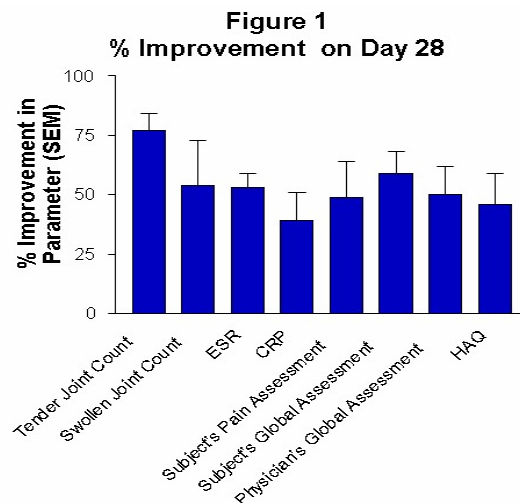
Below is a summary of the ACR results achieved in the first treatment group in this study:

ACR Results on Day 28

	<u>INCB18424</u> (N=12)	<u>Placebo</u> (N=4)
% achieving ACR20	75	50
% achieving ACR50	50	0
% achieving ACR70	25	0
% achieving ACR90	17	0

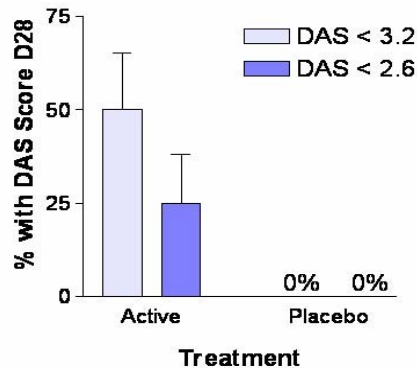
The ACR 20/50/70 response rates seen with INCB18424 compare favorably to currently available RA therapy; specifically, ACR 20/50/70 response rates with existing injectable biologic agents average 60%/40%/20%, respectively, after 3 to 6 months of therapy.

Individual parameters of the ACR score demonstrated similar trends of improvement:



Patients receiving INCB18424 entered the study with a mean DAS28 score of 6.18 indicating active disease. After 28 days of treatment with INCB18424, 50% achieved DAS28 less than 3.2 indicating minimal disease activity, and 25% achieved DAS28 less than 2.6 indicating a score consistent with complete remission if sustained:

Figure 2



Safety:

There were no serious adverse events or patient withdrawals due to adverse events (AE). AEs were seen in 4 of the 12 active subjects, with 2 subjects having AEs judged to be at least possibly related to study medication including mild self-limited diarrhea and mild dry mouth and fever blister.

There were no lab abnormalities in red blood counts, white blood counts, absolute neutrophil count or platelets.

About Rheumatoid Arthritis

Rheumatoid arthritis is an autoimmune disease, estimated to affect about 1% of the world's population. The disease is characterized by aberrant immune mechanisms that lead to joint inflammation and swelling with progressive destruction of joints. In addition to affecting the joints, RA can also affect connective tissue in the skin and organs of the body.

Current treatment of RA includes the use of non-steroidal anti-inflammatory drugs, disease-modifying anti-rheumatic drugs such as methotrexate, and the newer injectible biological response modifiers that target tumor necrosis factor alpha (TNF- α), a pro-inflammatory cytokine implicated in the pathogenesis of RA. None of these approaches to treatment is curative nor without serious adverse effects, especially in long-term use, and RA remains a disease for which there is still significant unmet clinical need.

About The Incyte JAK Inhibitor Program

There are four known JAK enzymes: JAK1, 2, 3 and TYK2. These enzymes are critical components of signaling mechanisms utilized by a number of cytokines and growth factors, including those that are elevated in RA patients. Pathways triggered by the JAKs are dysregulated in inflammation, myeloproliferative diseases, and other liquid and solid cancers.

INCB18424 is Incyte's lead internally developed JAK inhibitor. The compound is a potent JAK inhibitor that is >100 fold selective against a broad panel of kinases and is being developed as an oral treatment for RA, psoriasis (as a topical treatment), myelofibrosis, polycythemia vera essential thrombocythemia, multiple myeloma, and hormone refractory prostate cancer.

Incyte has discovered multiple potent, selective and orally bioavailable JAK inhibitors from multiple distinct chemical scaffolds. A follow-on compound is scheduled to begin Phase I trials this month.

Webcast Information

Incyte is hosting a webcast and conference call today at 8:30 a.m ET to discuss the clinical results presented at the EULAR 2008 Congress.

The live listen-only webcast with slides of the presentation can be accessed on Incyte's website: <http://investor.incyte.com/phoenix.zhtml?c=69764&p=irol-Calendar>

Analysts and investors are also invited to participate in the conference call by calling the following toll free numbers:

Domestic Dial In Number: 877-407-8037

International Dial In Number: 201-689-8037

Conference ID #: 286637

If you are unable to participate, a replay of the webcast will be available on Incyte's website and can be accessed at www.incyte.com under Investor Relations, Events and Webcasts.

About Incyte

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 oncology, inflammation 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 the potential for Incyte's JAK inhibitor INCB18424 to be more effective than currently available RA therapies, the potential value of the JAK inhibitor program, plans to describe results from the completion of testing of the remaining treatment groups in the Phase IIa trial and plans to begin Phase I trials for a lead follow-on JAK inhibitor compound 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, the uncertainty of the FDA approval process, results of further research and development, 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, 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 March 31, 2008. Incyte disclaims any intent or obligation to update these forward-looking statements.