

INCYTE CORP  
Form SC 13D/A  
November 15, 2013

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, DC 20549**

**SCHEDULE 13D**

**Under the Securities Exchange Act of 1934**

(Amendment No. 14)\*

Incyte Corporation

(Name of Issuer)

Common Stock, Par Value \$0.001 Per Share

(Title of Class of Securities)

45337C102

(CUSIP number)

Leo Kirby

N67 Madison Avenue, 21<sup>st</sup> Floor

New York, NY 10065

(212) 339-5633

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(Name, address and telephone number of person authorized to receive notices and communications)

November 7, 2013

(Date of event which requires filing of this statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box o.

(Continued on the following pages)

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If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box. £

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7 for other parties to whom copies are to be sent.

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

**CUSIP No. 45337C102 13D**

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE  
PERSONS (ENTITIES ONLY)

1.

Baker Bros. Advisors LP

13-4093645

2.

CHECK THE APPROPRIATE BOX IF A  
MEMBER OF A GROUP\* (a)  p

(b)  p

3.

SEC USE ONLY

4.

SOURCE OF FUNDS\*

OO

5.

CHECK BOX IF DISCLOSURE OF LEGAL  
PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEM 2(d) or 2(e)  o

CITIZENSHIP OR PLACE OF ORGANIZATION

6.

Delaware

7. SOLE VOTING POWER 19,587,165

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

8. SHARED VOTING POWER: 0

9. SOLE DISPOSITIVE POWER: 19,587,165

10. SHARED DISPOSITIVE POWER: 0

11.

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
19,587,165

12.

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions)

13. PERCENT OF CLASS REPRESENTED BY  
AMOUNT IN ROW (11)

11.8%(1)

14. TYPE OF REPORTING PERSON (See  
Instructions)

IA

(1) Based on 161,119,554 shares of the Issuer's common stock outstanding as of October 14, 2013, as reported in the Issuer's quarterly report on Form 10-Q filed with the SEC on October 31, 2013.

**CUSIP No. 45337C102 13D**

NAMES OF REPORTING PERSONS

I.R.S. IDENTIFICATION NOS. OF ABOVE  
PERSONS (ENTITIES ONLY)

1.

Baker Bros. Advisors (GP) LLC

46-37147749

2.

CHECK THE APPROPRIATE BOX IF A  
MEMBER OF A GROUP\* (a)  p

(b)  p

3.

SEC USE ONLY

4.

SOURCE OF FUNDS\*

OO

5.

CHECK BOX IF DISCLOSURE OF LEGAL  
PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEM 2(d) or 2(e)  o

CITIZENSHIP OR PLACE OF ORGANIZATION

6.

Delaware

7. SOLE VOTING POWER 19,587,165

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

8. SHARED VOTING POWER: 0

9. SOLE DISPOSITIVE POWER: 19,587,165

10. SHARED DISPOSITIVE POWER: 0

11.

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:  
19,587,165

12.

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions) p

13. PERCENT OF CLASS REPRESENTED BY  
AMOUNT IN ROW (11)

11.8%(1)

14. TYPE OF REPORTING PERSON (See  
Instructions)

HC

(1) Based on 161,119,554 shares of the Issuer's common stock outstanding as of October 14, 2013, as reported in the Issuer's quarterly report on Form 10-Q filed with the SEC on October 31, 2013.



**CUSIP No. 45337C102 13D**

**NAMES OF REPORTING PERSONS**

**I.R.S. IDENTIFICATION NOS. OF ABOVE  
PERSONS (ENTITIES ONLY)**

1.

Julian C. Baker

2.

**CHECK THE APPROPRIATE BOX IF A MEMBER  
OF A GROUP\* (a) p**

(b) p

3.

**SEC USE ONLY**

4.

**SOURCE OF FUNDS\***

OO

5.

**CHECK BOX IF DISCLOSURE OF LEGAL  
PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEM 2(d) or 2(e) o**

CITIZENSHIP OR PLACE OF ORGANIZATION

6.

United States

7. SOLE VOTING POWER: 19,719,314 (1)

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON WITH

8. SHARED VOTING POWER: 0

9. SOLE DISPOSITIVE POWER: 19,719,314 (1)

10. SHARED DISPOSITIVE POWER: 0

11.

AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON: 19,719,314 (1)

12.

CHECK BOX IF THE AGGREGATE AMOUNT IN  
ROW (11) EXCLUDES CERTAIN SHARES (See  
Instructions)

13.

PERCENT OF CLASS REPRESENTED BY  
AMOUNT IN ROW (11)

11.9%(2)

14. TYPE OF REPORTING PERSON (See Instructions)

IN, HC

(1) Includes 170,000 shares of the Issuer's common stock underlying 170,000 options directly held and 7,289 shares of the Issuer's common stock issuable based upon conversion of 4.75% Convertible Senior Notes due 2015 (conversion subject to the limitations described in Item 5) directly held.

(See Item 5 for additional information).

(2) Based on 161,119,554 shares of the Issuer's common stock outstanding as of October 14, 2013, as reported in the Issuer's quarterly report on Form 10-Q filed with the SEC on October 31, 2013.

**CUSIP No. 45337C102 13D**

**NAMES OF REPORTING PERSONS**

**I.R.S. IDENTIFICATION NOS. OF ABOVE  
PERSONS (ENTITIES ONLY)**

1.

Felix J. Baker

2.

**CHECK THE APPROPRIATE BOX IF A MEMBER  
OF A GROUP\* (a) p**

(b) p

3.

**SEC USE ONLY**

4.

**SOURCE OF FUNDS (See Instructions)**

OO

5.

**CHECK BOX IF DISCLOSURE OF LEGAL  
PROCEEDINGS IS REQUIRED PURSUANT TO  
ITEM 2(d) or 2(e) o**

CITIZENSHIP OR PLACE OF ORGANIZATION

6.

United States

7. SOLE VOTING POWER: 19,526,731 (1)

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON WITH

8. SHARED VOTING POWER: 0

9. SOLE DISPOSITIVE POWER: 19,526,731 (1)

10. SHARED DISPOSITIVE POWER: 0

AGGREGATE AMOUNT BENEFICIALLY OWNED  
BY EACH REPORTING PERSON:

11.

19,526,731 (1)

CHECK BOX IF THE AGGREGATE AMOUNT IN  
ROW (11) EXCLUDES CERTAIN SHARES (See  
Instructions) p

12.

13. PERCENT OF CLASS REPRESENTED BY  
AMOUNT IN ROW (11)

11.8%(2)

14. TYPE OF REPORTING PERSON (See Instructions)

IN, HC

Includes 7,403 shares of the Issuer's common stock issuable based upon conversion of 4.75% Convertible Senior (1) Notes due 2015 (conversion subject to the limitations described in Item 5) directly held. (See Item 5 for additional information).

(2) Based on 161,119,554 shares of the Issuer's common stock outstanding as of October 14, 2013, as reported in the Issuer's quarterly report on Form 10-Q filed with the SEC on October 31, 2013.

**CUSIP No. 45337C102 13D**

**NAMES OF REPORTING PERSONS**

**I.R.S. IDENTIFICATION NOS. OF ABOVE  
PERSONS (ENTITIES ONLY)**

1.

FBB2, LLC

45-5474130

2.

**CHECK THE APPROPRIATE BOX IF A  
MEMBER OF A GROUP\* (a) p**

(b) p

3.

**SEC USE ONLY**

4.

**SOURCE OF FUNDS (See Instructions)**

OO

5.

**CHECK BOX IF DISCLOSURE OF LEGAL  
PROCEEDINGS IS REQUIRED PURSUANT  
TO ITEM 2(d) or 2(e) o**

CITIZENSHIP OR PLACE OF  
ORGANIZATION

6.

Delaware

7. SOLE VOTING POWER: 15,110

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON WITH

8. SHARED VOTING POWER: 0

9. SOLE DISPOSITIVE POWER: 15,110

10. SHARED DISPOSITIVE POWER: 0

AGGREGATE AMOUNT BENEFICIALLY  
OWNED BY EACH REPORTING PERSON:

11.

15,110

12.

CHECK BOX IF THE AGGREGATE  
AMOUNT IN ROW (11) EXCLUDES  
CERTAIN SHARES (See Instructions) p



13. PERCENT OF CLASS REPRESENTED BY  
AMOUNT IN ROW (11)

0.01%(1)

14. TYPE OF REPORTING PERSON (See  
Instructions)

OO

(1) Based on 161,119,554 shares of the Issuer's common stock outstanding as of October 14, 2013, as reported in the Issuer's quarterly report on Form 10-Q filed with the SEC on October 31, 2013.

**CUSIP No. 45337C102 13D**

**NAMES OF REPORTING PERSONS**

**I.R.S. IDENTIFICATION NOS. OF ABOVE  
PERSONS (ENTITIES ONLY)**

1.

FBB Associates

13-3843860

2.

**CHECK THE APPROPRIATE BOX IF A  
MEMBER OF A GROUP\* (a) p**

(b) p

3.

**SEC USE ONLY**

4.

**SOURCE OF FUNDS (See Instructions)**

OO

5.

**CHECK BOX IF DISCLOSURE OF LEGAL  
PROCEEDINGS IS REQUIRED PURSUANT  
TO ITEM 2(d) or 2(e) o**

CITIZENSHIP OR PLACE OF ORGANIZATION

6.

New York

7. SOLE VOTING POWER: 33,410

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH

8. SHARED VOTING POWER: 0

9. SOLE DISPOSITIVE POWER: 33,410

10. SHARED DISPOSITIVE POWER: 0

AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON:

11.

33,410

12.

CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions) p

13. PERCENT OF CLASS REPRESENTED BY  
AMOUNT IN ROW (11)

0.02%(1)

14. TYPE OF REPORTING PERSON (See  
Instructions)

OO

(1) Based on 161,119,554 shares of the Issuer's common stock outstanding as of October 14, 2013, as reported in the Issuer's quarterly report on Form 10-Q filed with the SEC on October 31, 2013.

**CUSIP No. 45337C102 13D**

**Amendment No. 14 to Schedule 13D**

This Amendment No. 14 to Schedule 13D amends and supplements the statements on the previously filed Schedules 13D filed by Baker Bros. Advisors LP (the “Adviser”), Baker Bros. Advisors (GP) LLC (the “Adviser GP”), Julian C. Baker, Felix J. Baker, FBB2, LLC (“FBB2”) and FBB Associates (“FBB”) (collectively the “Reporting Persons”). Except as supplemented herein, such statements, as hereto amended and supplemented, remain in full force and effect.

The Adviser GP is the sole general partner of the Adviser. Pursuant to the amended and restated management agreements, as amended, among the Adviser, Baker Brothers Life Sciences, L.P. (“Life Sciences”), 14159, L.P. (“14159”), and 667, L.P. (“667”, and together with Life Sciences and 14159, the “Funds”), and their respective general partners, the Adviser has complete and unlimited discretion and authority with respect to the Funds’ investments and voting power over investments.

**Item 3. Source and Amount of Funds or Other Consideration**

The disclosure regarding the purchase of the Notes (as defined below) pursuant to the Private Placement (as defined below) in Item 4 is incorporated by reference herein.

**Item 4. Purpose of the Transaction.**

On November 7, 2013, Incyte Corporation (the “Issuer”) announced the pricing of a private placement of \$700 million aggregate principal amount of its convertible senior notes (the “Private Placement”), consisting of \$350 million aggregate principal amount of 0.375% convertible senior notes due November 15, 2018 (the “2018 Notes”) and \$350 million aggregate principal amount of 1.25% convertible senior notes due November 15, 2020 (the “2020 Notes,” and together with the 2018 Notes, the “Notes”). The Issuer granted the initial purchasers of the Notes a 30-day option to purchase up to an additional \$25 million aggregate principal amount of each series of the Notes.

The 2018 Notes will mature on November 15, 2018, and the 2020 Notes will mature on November 15, 2020. The 2018 Notes and 2020 Notes will bear cash interest, payable semi-annually, and will not be redeemable prior to maturity. The 2018 Notes and 2020 Notes will be convertible only during certain periods and subject to certain circumstances, into cash, shares of the Issuer's common stock, or a combination of cash and shares of the Issuer's common stock, at the Issuer's election. The initial conversion rate for the 2018 Notes and the 2020 Notes is 19.3207 shares of common stock per \$1,000 principal amount of notes, which represents an initial conversion price of approximately \$51.76 per share, and is subject to adjustment in certain circumstances.

On November 7, 2013 (pursuant to the Repurchase Agreement, as defined below), 667, Life Sciences, and 14159 agreed to purchase \$25,000,000, \$219,544,000 and \$5,456,000 principal of each of the Issuer's 2018 Notes and 2020 Notes, respectively, at par, totaling \$500,000,000 principal in the aggregate. Each of 667, Life Sciences, and 14159, purchased the 2018 Notes and 2020 Notes with their working capital.

Also, on November 7, 2013, the Funds entered into a letter agreement ("Letter Agreement") with the Issuer which, among other things, established certain transfer restrictions on the securities of the Issuer, registration rights relating to the Notes and the Issuer's shares of common stock underlying the Notes and certain restrictions on the conversion of the Notes. More specifically, according to the Letter Agreement, as long as any of the Funds and/or their affiliates (including the Reporting Persons) remain affiliates of the Issuer (as defined in the Securities Act of 1933, as amended (the "Securities Act")), no sales of the Notes or shares underlying the Notes that constitute restricted shares (as defined in the Securities Act) may occur until the later of one year after the date of the original issuance of the Notes (or such shorter period of time as permitted by Rule 144 under the Securities Act) and 90 days after the relevant Fund and/or affiliate ceases to be an affiliate, subject to certain exceptions, including in reliance on Rule 144 and Rule 144A under the Securities Act. Also, the Funds may request that the Issuer prepare and file a shelf registration statement (which may include an underwritten offering, with the prior written consent of the Issuer) to register the Notes and/or the shares underlying the Notes, subject to certain limitations. The disclosure regarding the restrictions on conversion of the Notes in Item 5 is incorporated by reference herein.

**CUSIP No. 45337C102 13D**

The forgoing description of the Letter Agreement (included in this Item 4 and incorporated by reference from Item 5) does not purport to be a complete and is qualified in its entirety by reference to the full text of the Letter Agreement which is filed as Exhibit 10.1 and is incorporated by reference herein.

Also on November 7, 2013, the Issuer entered into a repurchase agreement (the “Repurchase Agreement”) with the Funds under which the Issuer has agreed to repurchase 4.75% convertible senior notes due November 1, 2015 (“2015 Notes”) for an aggregate consideration, including accrued interest, of approximately \$475 million, or a total of approximately \$500 million if the option granted to the initial purchasers in respect of each series of notes is exercised in full. Pursuant to the Repurchase Agreement, the Issuer agreed to repurchase \$20,922,000, \$88,153,000 and \$2,459,000 principal of the Issuer’s 2015 Notes from 667, Life Sciences and 14159, respectively, at a price of \$425.8779 totaling \$474,998,602.13 in the aggregate. Also pursuant to an Additional Repurchase Agreement dated November 8, 2013 (the “Additional Repurchase Agreement”) the Issuer agreed to repurchase an additional \$1,084,000, \$4,567,000 and \$127,000 principal of the Issuer’s 2015 Notes from 667, Life Sciences and 14159, respectively, at a price of \$432.6015, totaling \$24,995,714.47 in the aggregate. For purposes of this Amendment No. 14, nomenclature of par equals 100. The Private Placement, and the transactions related to the Repurchase Agreement and Additional Repurchase Agreement closed on November 14, 2013.

The foregoing descriptions of the Repurchase Agreement and the Additional Repurchase Agreement do not purport to be a complete and are qualified in their entirety by reference to the full text of the Repurchase Agreement and the Additional Repurchase Agreement, respectively, which are filed as Exhibits 10.2 and 10.3, respectively, to this Amendment No. 14 and are incorporated by reference herein.

The Funds hold the securities for investment purposes. Whether the Reporting Persons or their affiliates purchase any additional securities or dispose of any securities, and the amount and timing of any such transactions, will depend upon the Reporting Persons’ continuing assessments of pertinent factors, including the availability of shares of Common Stock or other securities for purchase at particular price levels, the business and prospects of the Issuer, other business investment opportunities, economic conditions, stock market conditions, money market conditions, the attitudes and actions of the board of directors and management of the Issuer, the availability and nature of opportunities to dispose of shares in the Issuer and other plans and requirements of the particular entities. As of the date of this Amendment No. 14, the Reporting Persons and/or their affiliates have had discussions with management regarding the operations of the Issuer and may discuss items of mutual interest with the Issuer, which could include items in subparagraphs (a) through (j). Julian C. Baker is a Director of the Issuer and acts a representative of the Reporting Persons.

Depending upon their assessments of the above factors from time to time, the Reporting Persons or their affiliates may change their present intentions as stated above, including assessing whether to make suggestions to the management of the Issuer regarding financing, and whether to acquire additional securities of the Issuer, including shares of Common Stock (by means of open market purchases, privately negotiated purchases, exercise of some or all of the Stock Options (as defined below), or otherwise) or to dispose of some or all of the securities of the Issuer, including shares of Common Stock, under their control.



**CUSIP No. 45337C102 13D**