PRESS RELEASE

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INNATE PHARMA PRESENTS TODAY THE PRECLINICAL RATIONALE OF GAMMA-DELTA T CELL IMMUNOTHERAPY IN TYPE C VIRAL HEPATITIS AT THE AASLD ANNUAL MEETING

Marseilles, France, November 4, 2008

Innate Pharma (Euronext Paris : FR0010331421 – IPH), a biopharmaceutical company developing first-in-class drugs targeting the innate immune system, announces today that the preclinical rationale of the gamma-delta ($\gamma\delta$) T cell immunotherapy in type-C viral hepatitis ("HCV") was presented today at the AASLD (American Association for the Study of Liver Diseases) Annual Meeting in San Francisco, USA.

Innate Pharma's poster was selected as an "AASLD Presidential Poster of Distinction", placing it in the top 10% of all posters selected for presentation.

The Company currently develops two $\gamma\delta$ T cell agonists, IPH 1101 and IPH 1201. IPH 1101 is currently in Phase IIa clinical trials while IPH 1201 is in pre-clinical development.

"This is the first time that data for our gamma-delta immunotherapy in infectious diseases are presented to the scientific and clinical communities. The gamma-delta activity evidenced in laboratory (in vitro) models, the only ones available in HCV, is promising. This approach is currently tested in a Phase IIa study with IPH 1101 in this disease", said François Romagné, CSO of Innate Pharma.

Data presented at the AASLD meeting notably shows that $\gamma\delta$ T cell stimulation inhibits hepatitis C virus replication *in vitro.* It also shows that the combination of this immunotherapy with the reference treatment, interferon-α, has a synergetic effect on this replication and is well tolerated in animal models.

These data are at the basis of the study 1101-203, a Phase IIa trial testing IPH 1101 in patients infected by type-C viral hepatitis.

About the HCV trial with IPH 1101:

The study 1101-203 is a Phase II multicenter trial aimed at evaluating the safety and efficacy on viral load of IPH 1101 (alone or combined with low dose IL-2) in patients who are chronically infected by the hepatitis C virus. The study rationale is based on the well-established involvement of $\gamma\delta$ T cells in anti-infection immunity. The safety and efficacy of the treatment are evaluated in HCV patients naïve of antiviral treatment with respect to their immune response and the potential effect on viral load. The protocol specifies the inclusion of 30 patients who will be randomized into two groups, one receiving IPH 1101 alone and the other receiving IPH 1101 with low dose IL-2.

About IPH 1101 and IPH 1201:

IPH 1101 and IPH 1201 are two drug candidates of the γδ T cell platform - one of Innate Pharma's three platforms currently under development. They are agonists of Vγ9Vδ2 T lymphocytes, a non-conventional T cell population.

IPH 1101 is a chemically-synthesized structural analog of non-conventional bacterial phosphoantigens. It has been developed for intravenous delivery in association with subcutaneous, low-dose IL-2, since the latter enables the expansion of the Vγ9Vδ2 T cell population. It potentiates the direct cytotoxic activity of Vγ9Vδ2 T cells and triggers the synthesis of pro-inflammatory cytokines - inducing the recruitment of other cell effectors and facilitating implementation of an adaptive response. It is tested in an exploratory Phase IIa program (more information on www.innate-pharma.com, in the Products/γδ/IPH 1101 section).

The pharmacological properties of IPH 1201 are similar to the drug candidate IPH 1101 but it has pharmacokinetics and ADME* properties different from these of IPH 1101, making this candidate more suitable for development outside oncology, and notably in infectious diseases.

About type-C viral hepatitis:

According to WHO data, 170 million people may be chronically infected by HCV worldwide. Hepatitis C is also known to be a major cause of cirrhosis and primary liver cancer (hepatocellular carcinoma). Worldwide, there are probably about 3 to 4 million new cases of hepatitis C annually (Source: UNAIDS and WHO, 2005). In the US, hepatitis C is now the most frequent long-term hematological infection, with 4.1 million people infected (1.6% of the total population, of whom 3.2 million are chronically infected) and between 8,000 and 12,000 deaths per year (source: Center of Disease Control and Prevention).

* Absorption, Distribution, Metabolism and Excretion

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About Innate Pharma

Founded in 1999 and funded by reference venture capitalists up to its IPO on Euronext in Paris in 2006, Innate Pharma S.A. (Euronext Paris: FR0010331421 – IPH) is a biopharmaceutical company developing first-in-class* drugs targeting innate immunity.

The pioneering work of Innate Pharma's scientific founders and research groups has led to the development of three product platforms (gamma delta T cells, NK cells and TLR), each directly or indirectly validated in clinical oncology settings.

Besides oncology, Innate Pharma's drug candidates have development potential in the treatment of infectious disease and chronic inflammation. Two of the Company's molecules are undergoing clinical development, the most advanced being today in Phase II trials in cancer and infections.

With its strong scientific position in innate immunity pharmacology, its robust intellectual property portfolio and its R&D expertise, Innate Pharma intends to become a leading player in the rapidly growing immunotherapeutics market.

Based in Marseilles, France, Innate Pharma had 88 employees as of September 30, 2008.

Practical Information:

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* with new mechanisms of action.