

# PRESS RELEASE

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## INNATE PHARMA REPORTS OPERATING REVENUE OF 7.7 MILLION EUROS FOR 2009

(IFRS unaudited provisional data)

Marseilles, France, February 5, 2010

Innate Pharma SA (the "Company" - Euronext Paris: FR0010331421 – IPH) announces an operating revenue of 7.7 million euros for the year 2009. Turnover for the year amounted 3.3 million euros, including 0.5 million euros in the fourth quarter ended December 31, 2009.

The following table breaks down the operating revenue and compares 2009 to 2008:

	Fiscal year ended December 31,	
In thousands of euros	2008	2009
Revenue from collaboration and licensing agreements	7,364	3,243
Non-core services	86	65
<b>Turnover (A)</b>	<b>7,450</b>	<b>3,308</b>
<b>Government funding for research expenditures (B)</b>	<b>5,474</b>	<b>4,407</b>
<b>Operating revenue (A+B)</b>	<b>12,924</b>	<b>7,715</b>

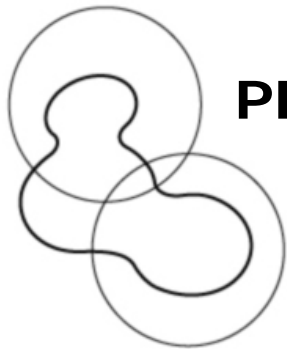
The following table shows the breakdown of the turnover for the fourth quarters of 2008 and 2009:

	Fourth quarter ended December 31,	
In thousands of euros	2008	2009
Revenue from collaboration and licensing agreements	1,489	522
Non-core services	70	10
<b>Turnover</b>	<b>1,559</b>	<b>532</b>

In 2009, the revenue from collaboration and licensing agreements consisted in revenue from the collaboration and licensing agreement with Novo Nordisk A/S.

The decrease in turnover in 2009 was anticipated as a consequence of the contractual term of the three-year strategic R&D collaboration with Novo Nordisk A/S in March 2009. The Company is still bound to Novo Nordisk A/S by license agreements as well as by collaboration agreements on selected projects.

Turnover of the Company today relates to collaboration and licensing agreements, and notably to payments received for the achievement of pre-specified milestones in the development of drug-candidates. Therefore, turnover is not recurring and may show substantial variations from one period to another.



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## **Cash, cash equivalents and current financial instruments and financial liabilities:**

Cash, cash equivalents and current financial instruments amounted to 49.2 million euros as at December 31, 2009.

The financial liabilities of the Company amounted 8.3 million euros as at December 31, 2009, including 4.7 million euros related to the twelve-year lease-financing agreement on the Company's premises, 2.5 million euros related to Oséo\* grants (of which 2.4 million euros are refundable after 2012) and 1.1 millions euros for other lease-financing agreements repayable in between 2010 and 2013.

## **About Innate Pharma:**

Innate Pharma S.A. is a clinical-stage biopharmaceutical company developing first-in-class immunotherapy drugs for cancer and other severe diseases. The Company was incorporated in 1999 and listed on NYSE-Euronext in Paris in 2006. The Company has two drug candidates currently in Phase II clinical trials. Two of its preclinical programs are out-licensed to Novo Nordisk A/S.

Innate Pharma is based in Marseilles, France, and had 80 employees as at December 31, 2009.

Learn more about Innate-Pharma at [www.innate-pharma.com](http://www.innate-pharma.com)

## **Practical Information about Innate Pharma shares:**

**ISIN code** FR0010331421

**Ticker code** IPH

## **Disclaimer:**

This press release contains information on the markets on which the Company operates and forward-looking statements. Although the Company believes this information and these expectations are based on reasonable assumptions, this information and these forward-looking statements are subject to numerous risks and uncertainties, which could cause actual results to differ materially from those anticipated. For a discussion of risks and uncertainties which could cause the Company's actual results, financial condition, performance or achievements to differ from those contained in the forward-looking statements, please refer to the Risk Factors ("Facteurs de Risque") section of the *Document de Reference* prospectus filed with the AMF, which is available on the AMF website ([www.amf-france.org](http://www.amf-france.org)) or on Innate Pharma's website ([www.innate-pharma.com](http://www.innate-pharma.com)).

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\* The French innovation agency