PRESS RELEASE

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INNATE PHARMA REPORTS 2009 FINANCIAL RESULTS AND UPDATES ON ITS DRUG CANDIDATES:

PROGRESS OF CLINICAL PORTFOLIO AND STRENGHTNENING OF CASH POSITION

Marseilles, March 5, 2010

Innate Pharma (the "Company" - Euronext Paris: FR0010331421 – IPH) reports today its consolidated financial results for the year ending December 31, 2009. Unaudited consolidated financial statements are attached to this press release.

The key elements of these results are as follows:

- Operating revenue amounting 7.7 million euros (vs. 12.9 million euros in 2008), primarily from collaboration agreements with Novo Nordisk A/S, as well as research tax credit;
- Operating expenses amounting to 23.3 million euros (vs. 25.9 million euros in 2008[*]); of which 18.0 million euros in research and development (vs. 20.9 million euros in 2008*). The net loss amounts to 14.6 million euros (vs. 11.9 millions euros in 2008*); and
- Strengthened cash position following the fund raising closed in December 2009. Cash, cash equivalents and current financial instruments amounted to 49.2 million euros as at December 31, 2009 with 8.3 million euros in indebtedness, including 5.1 million euros for the long-term financing of property and equipment.

In December 2009, the Company proceeded to a 23.1 millions euros fund raising (proceed net of issuance fees), reserved to categories of investors.

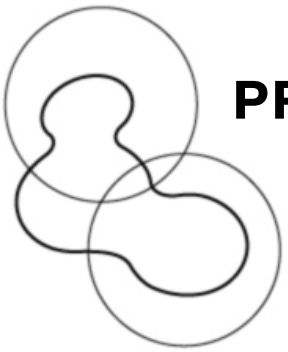
During the year 2009, clinical development of Innate Pharma's two most-advanced drug candidates made significant progresses with notably:

- Start of the Phase II clinical program of anti-KIR monoclonal antibody IPH 2101.
- Encouraging Phase IIa results with IPH 1101 (small molecule, $\gamma\delta$ T cell agonist) in Type C Chronic Hepatitis and in Follicular Lymphoma. Final results for the Follicular Lymphoma trial are expected mid-2010.

During 2009, the Company has implemented the strategic reorientation of its upstream research. All internal resources are now dedicated to the generation of monoclonal antibody drug candidates.

"Our positioning, based on technological breakthroughs, is today reinforced by the clinical progresses of our two most advanced clinical candidates", said Hervé Brailly, CEO of Innate Pharma. He added: *"We want to continue to mature and strengthen our portfolio, building on our expertise as well as on our strong cash position."*

[*] 2008 financial statements have been restated following an amendment to IAS 38, *intangible assets*.



PRESS RELEASE

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Update on 2009 achievements and outlook for 2010

- **IPH 2101 (anti-KIR)**

During 2009, Innate Pharma reported Phase I clinical results demonstrating good tolerance and good pharmacodynamic activity of IPH 2101 (fully human monoclonal anti-KIR antibody).

Based on these results, a first Phase II trial in patients with stable measurable Multiple Myeloma ("MMy") after induction therapy has started. It is conducted in France and benefits from a 2.9 million euros Oseo (French innovation agency) repayable loan.

Other Phase II trials with IPH 2101 in MMy should be initiated in 2010. One trial should test the combination treatment regimen of lenalidomide (REVLIMID®, Celgene Corporation) plus IPH 2101 in patients with MMy who have relapsed after first-line therapy. Innate Pharma and Celgene will collaborate on the design of the trial and Celgene will provide supplies of lenalidomide. Another trial should test IPH 2101 in patients with smoldering MMy (pre-myeloma).

The Phase I study in Acute Myeloid Leukemia, completed in 2009, was extended with the objective to confirm safety and pharmacodynamic data for repeated administration of IPH 2101, as well as to document disease-free survival in this population.

Clinical and pre-clinical data on IPH 2101 were presented during 2009 in posters and oral presentations at the ASCO (American Society of Clinical Oncology) and the ASH (American Society of Hematology) meetings.

- **IPH 1101**

During 2009, the Company published encouraging clinical results with IPH 1101 demonstrating for the first time the clinical interest of activating innate immunity cells:

- Type C Viral Hepatitis: The Company reported positive Phase IIa clinical results, demonstrating the antiviral effect of the activation of γδ T cells with IPH 1101. These results were notably reported at the AASLD (American Association for the Study of Liver Disease) meeting.
- Follicular Lymphoma: encouraging interim Phase I/II results were reported, showing a complete response rate with the combination of IPH 1101 plus low-dose IL-2 and rituximab (Rituxan®, Roche) superior to the rate reported in the literature for the reference treatment (rituximab only). These results were presented in posters and oral presentations at the ECCO-ESMO (European Society of Medical Oncology) and the ASH meetings. Final results are expected mid-2010.

Chronic Myeloid Leukemia: The results of an interim analysis of the first 14 patients did not show sufficient efficacy to continue the study.

On the basis of the final results of this program, the Company will look for a partnership for the late clinical development of this drug-candidate.

Pre-clinical programs

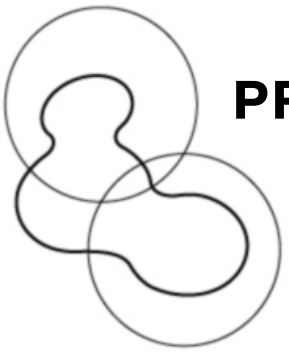
During 2009, the Company oriented its pre-clinical strategy towards research and development of antibody drug candidates. The Company benefits from its international network of scientific collaborations to identify and validate new targets. In this context, an agreement was signed with Inserm Transfert which will allow Innate Pharma to be informed of the discovery of promising antibody targets in cancer, inflammation and auto-immunity at an early stage.

The pre-clinical development of the monoclonal antibody IPH 4101 (cutaneous T cell lymphoma – Sezary syndrome) has progressed according to plans. The Company collaborates with Vivalis for the set up of an industrial process and the manufacturing of clinical batches of IPH 4101. A milestone in the collaboration was reached in 2009. As announced in the beginning of 2009, this collaboration benefits from an Oseo grant totalling 6.7 million euros.

The preclinical development of the monoclonal antibody IPH 4201 (pancreatic cancer) was stopped at the beginning of 2010 after identification of unexpected cross-reactivities.

Beginning 2009, Innate Pharma received an undisclosed milestone payment from Novo Nordisk A/S for a new research project, named IPH 24, developed in collaboration with Novo Nordisk A/S. Another antibody program, IPH 2201, is still licensed to Novo Nordisk A/S. Innate Pharma is eligible to milestone payment for the development of IPH 2201, as well as royalties in case of future sales from IPH 2201 and IPH 24.

During 2009, the Company continued the completion of the pre-clinical validation of IPH 3102, a double strand RNA targeting TLR3, and IPH 3201, a single strand RNA targeting TLR7/8. Consistent with its decision to focus its chemistry on antibody development, the Company will not invest further internal resources on the development of RNA drug candidates.



PRESS RELEASE

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Management discussion on unaudited annual results for 2009

The unaudited consolidated annual IFRS financial statements as at December 31, 2009 are in appendix at the end of this document.

The table below summarizes the consolidated income statement for the 12-month period ending December 31, 2009, with a comparison to the same period in 2008:

	Year ended December 31	
In thousands of euros	**IAS 38 Retreatment (1)**	**2009**
Revenue from collaboration and licensing agreements	7,364	3,243
Government financing for research expenditures	5,474	4,407
Non-core services	86	65
Operating revenue	**12,924**	**7,716**
Research and development expenses	(20,897)	(18,032)
General and administrative expenses	(5,043)	(5,219)
Net operating expenses	**(25,940)**	**(23,251)**
Operating income (loss)	**(13,016)**	**(15,535)**
Financial income / (expense), net	1,154	910
Net income (loss)	**(11,862)**	**(14,626)**

(1) Following the amendment of IAS 38, *intangible assets*, the Company changed its accounting policy in relation to the recognition of purchases of materials dedicated to its research and development activities. The Company applied this change retrospectively on the 2008 financial period (IAS 38 Retreatment) as if the new accounting policy had always been applied, in accordance with the IAS (R) recommendations. 2008 figures are retreated in this press release

Operating revenue

Currently, operating revenue is derived mainly from collaboration and licensing agreements as well as from government financing for research expenditure. Our operating revenue was 12.9 million euros and 7.7 million euros for the fiscal years ending on December 31, 2008 and 2009, respectively, from the following sources:

	Year ended December 31	
In thousands of euros	**2008**	**2009**
Revenue from collaboration and licensing agreements	7,364	3,243
Government financing for research expenditures	5,474	4,407
Non-core services	86	65
Operating revenue	**12,924**	**7,716**

Revenue from collaboration and licensing agreements

Revenue from collaboration and licensing agreements for the fiscal years ending on December 31, 2008 and 2009 mostly come from collaboration and licensing agreements signed with Novo Nordisk A/S.

Variations in revenue for the fiscal years ending on December 31, 2008 and 2009 are explained by the structure of payments set forth in the said agreements. Revenue pertaining to the agreements with Novo Nordisk A/S can be broken down as follows:

- Research and development financing between January and December for 2008 and 2009;
- A lump sum payment when the second (2006) agreement was signed, which was fully paid in 2006 but is spread out in accounting over the initially-scheduled period for the collaboration term, i.e. three years (ending March 2009); and
- Milestone payments corresponding to:
    - in 2008, a pre-clinical development milestone achieved with NN8555 (at that time IPH 2301); and
    - in 2009, a pre-clinical development milestone achieved with IPH 24.

Following the acquisition from Novo Nordisk A/S of the exclusive rights to IPH 2101, as announced in October 2008, Innate Pharma is no longer eligible to any payment related to the development of IPH 2101 – which the Company now owns, or to IPH 2301, for which Innate Pharma transferred its entire rights to Novo Nordisk A/S in the context of the same transaction.

Government financing for research expenditure

The table below details government financing for research expenditure for the fiscal years ending December 31, 2008 and 2009:

	Year ended December 31	
In thousands of euros	**2008**	**2009**
French and foreign subsidies	976	655
Research tax credit	4,498	3,752
Government financing for research expenditures	**5,474**	**4,407**

For the fiscal year 2008, 277 thousand euros, 191 thousand euros and 557 thousand euros were booked respectively for ANR grants, European grants and two "Lyon Biopôle" cluster grants (of which the “Platine” grant, granted in 2008 for 1,588 thousand euros, of which 142 thousand euros booked in 2008).

For the fiscal year 2009, 66 thousand euros, 509 thousand euros and 81 thousand euros were booked respectively for ANR grants, for two "Lyon Biopôle" cluster grants and for an Oséo ISI grant.

These subsidies directly impact our income statement, as opposed to repayable loans which are recorded as debt and thus only impact our balance sheet.

For the fiscal years ending on December 31, 2008 and 2009, the calculation of the research tax credit was based on 30% of the amount of eligible expenses for the fiscal year.

The table below shows the amount of R&D expenses (net of subsidies) eligible for the fiscal years ending on December 31, 2008 and 2009:

	Year ended December 31	
In thousands of euros	**2008**	**2009**
R&D expenses eligible for the research tax credit	15,413	14,842
Grants and subsidies received, nets	(680)	(2,377)
Net expenses eligible for the research tax credit	**14,733**	**12,465**

The research tax credit is usually reimbursed by the government during the fourth fiscal year following the one for which it was booked in the income statement, provided that it is not deducted from taxes due by the Company. In the context of the French finance bills for 2009 and 2010, the French government has decided to immediately refund all research tax credit balance receivables as at December 31, 2008 and 2009. The Company has received in early 2009 the refund of its entire research tax credit balance as at December 31, 2008, amounting to 10.4 million euros and will ask for the immediate refund of its 2009 research tax credit in early 2010.

Since 2008, repayable grants received are deducted from the basis of calculation of the research tax credit. These amounted respectively 73 and 1,200 thousand euros in 2008 and 2009. In parallel, the Company conducted more research outside of the European Union, notably in the USA, and these research expenses are not eligible for the research tax credit calculation.

Operating expenses by business function

The table below gives a breakdown of net operating expenses by business function:

	Year ended December 31	
In thousands of euros	**2008**	**2009**
Research and development expenses	(20,897)	(18,032)
General and administrative expenses	(5,043)	(5,219)
Net operating expenses	**(25,940)**	**(23,251)**

Research and development expenses include the cost of employees assigned to research and development operations (including employees assigned to work under the collaboration and licensing agreements), product manufacturing costs, subcontracting costs (research, pre-clinical and clinical development) as well as costs of materials (reagents and other consumables) and pharmaceutical products.

Our research and development expenses were 20.9 million euros and 18.0 million euros for the fiscal years ending on December 31, 2008 and 2009, respectively. These expenses represented 81% and 78% of our net operating expenses for the fiscal years ending on December 31, 2008 and 2009, respectively. The decrease in research and development expenses between 2008 and 2009 is mostly explained by a decrease in purchases of materials, following the acquisition of a significant inventory of IPH 2101 related materials in the context of the acquisition of this product from Novo Nordisk A/S in 2008. This inventory, valued 2.5 million euros, was accounted as expenses in 2008.

General and administrative expenses include expenses for employees not working on research and development, as well as the expenses necessary for the management of the business and its development. General and administrative expenses were 5.0 million euros and 5.2 million euros for the fiscal years ending on December 31, 2008 and 2009, respectively. This expense represents a total of 19% and 22% of the net operating expenses for the fiscal years ending on December 31, 2008 and 2009 respectively. Between 2008 and 2009, this evolution in proportion is mostly explained by the decrease in research and development expenses.

Operating expenses by nature

The table below gives a breakdown of net operating expenses by nature of expenses:

	Year ended December 31	
In thousands of euros	**2008**	**2009**
Cost of supplies and consumable materials	(4,568)	(1,704)
Intellectual property expenses	(882)	(1,643)
Other purchases and external expenses	(11,947)	(10,059)
Employee benefit other than share-based compensation	(6,296)	(6,743)
Share-based compensation	(1,574)	(1,774)
Depreciation and amortization	(412)	(1,069)
Other income and (expenses), net	(261)	(259)
Net operating expenses	**(25,940)**	**(23,251)**

Cost of supplies and consumable materials

The cost of supplies and consumable materials totalled 4,6 million euros and 1,7 million euros for the fiscal years ending on December 31, 2008 and 2009, respectively.

Cost of supplies and consumable materials are broken down into two categories: (i) costs for manufacturing pharmaceutical ingredients and products and (ii) purchasing of products and consumables, broken down as follows for the fiscal years ending on December 31, 2008 and 2009:

	Year ended December 31	
In thousands of euros	**2008**	**2009**
Cost of manufacturing products	2,720	339
Other consumable purchases	1,848	1,365
Cost of supplies and consumable materials	**4,568**	**1,704**

As we have no manufacturing facilities, we outsource the entire production process. Our most advanced products, IPH 1101 and IPH 2101, are manufactured by different subcontractors in several stages, from manufacturing the pharmaceutical ingredients to the intermediate stage of production, and eventually to the delivery of the pharmaceutical product.

The decrease in the cost of manufacturing products between 2008 and 2009 is explained by a 2.5 million euros acquisition of IPH 2101 related materials in the context of the acquisition of this product from Novo Nordisk A/S in 2008. In 2009, most of the manufacturing costs were also related to IPH 2101.

Other consumable purchases include the cost of products consumed in our laboratories and by third parties with whom we collaborate notably during our clinical trials. They are summarized in the table below:

	Year ended December 31	
In thousands of euros	**2008**	**2009**
Consumables	1,682	1,330
Pharmaceutical product purchases	166	35
Other consumable purchases	**1,848**	**1,365**

Consumable purchases mainly relate to laboratory reagents. In principle, changes in these purchases follow the changes in headcount assigned to research and development operations. Our average headcount assigned to research and development operations changed respectively from 64.5 and to 57.5 persons during the fiscal years ending December 31, 2008 and 2009, respectively.

Intellectual property expenses

Intellectual property expenses were 0.9 million euros and 1.6 million euros for the fiscal years ending December 31, 2008 and 2009, respectively.

These costs include the cost of filing and protecting our patents (including patents for which we acquired the rights from third parties and assumed the costs for filing and protection under the terms of the agreements with the patent owners) as well as the costs for obtaining an option or license for intellectual property. Application of IAS 38, in light of the degree of maturity of the Company and the uncertainty that exists as to the outcome of our research and development projects, requires us to recognize all intellectual property expenses for the fiscal year in which we incur the costs.

The costs of filing and protecting our patents came to 0.2 million euros and 0.1 million euros for the fiscal years ending on December 31, 2008 and 2009, respectively. We filed 35 and 37 patent applications (initial applications or applications for extensions for our patents or patents we hold jointly with others) during the fiscal years ending on December 31 2008 and 2009, respectively.

The costs of obtaining an option or license or acquiring intellectual property rights came to 0.7 million euros and 1.5 million euros during the fiscal years ending on December 31, 2008 and 2009, respectively. We signed two new option, licensing or acquisition agreements during the fiscal years ending on December 31, 2008 and 2009. In 2009, we also had to pay significant milestones to some of our licensors in connection to successful milestones with our drug candidates.

Other purchases and external expenses

Other purchases and external expenses came to 11.9 million euros and 10.1 million euros during the fiscal years ending on December 31, 2008 and 2009, respectively, broken down as follows:

	Year ended December 31	
In thousands of euros	**2008**	**2009**
Sub-contracting	7,498	6,566
Scientific consultancy and services	480	619
Leasing, maintenance and utility	1,183	1,024
Travel and conference costs	953	734
Non-scientific consultancy	902	451
Marketing, communication and public relations	498	372
Attendance fees	105	98
Others	328	196
Other purchases and external expenses	**11,947**	**10,059**

Sub-contracting expenses involve discovery research costs (financing research conducted externally, particularly academic research, antibody humanization technologies, manufacturing process development, etc.), pre-clinical development (pilot manufacturing, tolerance and pharmacology studies, etc.) and clinical costs (clinical trial management, etc.) outsourced to third parties.

The following table details these costs by category in the period under review:

	Year ended December 31	
In thousands of euros	**2008**	**2009**
Discovery research sub-contracting	1,276	927
Pre-clinical sub-contracting	1,075	804
Clinical sub-contracting	5,147	4,834
Sub-contracting	**7,498**	**6,566**

Sub-contracted clinical services primarily concern services for monitoring trials, as well as data, statistics and pharmacolovigilance management outsourced to clinical research companies (*Contract Research Organizations*, or "CRO"). In 2009, these costs were mostly related to the completion of the Phase I/II and IIa with the drug candidate IPH 1101 as well as to the completion of the Phase I clinical trials with IPH 2101.

Scientific consultancy and services consist of costs related to outside consultants assisting in the research and development of our products. It also covers fees paid to members of our Scientific committee. The increase in this line item in between 2008 and 2009 is mostly explained by regulatory fees in relation to the initiation of our Phase II program with IPH 2101.

Leases, maintenance and utility costs cover rental costs and charges for our buildings in Marseille and Lyon. We have closed our facilities in Lyon Dardilly. In parallel, IPH Services SAS, our affiliate, opened laboratories in Lyon during the year. The Company moved to new, lease-financed premises in Marseille at the end of 2008; this building being leased-finance, the cost of the leasing is accounted as amortization (for 374 thousand of euros in 2009), which explained part of the decrease of this line item between 2008 and 2009.

Travel and conference costs include expenses for employee travelling and attending conferences, particularly scientific, medical, business development and financial conferences. The participation to these meeting aims at maintaining the visibility, the expertise and the credibility of the Company in these different communities.

Non-scientific consultancy are mostly fees paid to auditing firms, to our certified public accountant for his assistance in accounting, tax and employee matters, our lawyers for their assistance in negotiating collaboration and licensing agreements and general counselling assistance, to business strategy or development consultants and to recruitment fees. In 2008, we notably incurred legal costs in relation to the execution of the agreement with Novo Nordisk A/S announced in October 2008.

Marketing, communications and public relations costs cover fees for our communication and public relations consultants, costs of developing and producing communication tools, such as our website and business reports.

The decrease in the non scientific “Other purchases and external expenses” line item between 2008 and 2009 is partly explained by the expense reduction program decided in early 2009.

Employee benefit other than share-based compensation

Employee benefit other than share-based compensation came to 6.3 million euros and 6.7 millions euros for the fiscal years ending on December 31, 2008 and 2009, respectively.

This includes salaries and social benefit costs. On average we had 87.0 and 84.5 employees for the fiscal years ending on December 31, 2008 and 2009, respectively.

The distribution of employees working on research and development and employees working on support operations (general and administrative expenses) was as follows for the fiscal years ending on December 31, 2008 and 2009:

In thousands of euros	Year ended December 31 2008	2008
Employees [1] at the beginning of the year (A)		
Research and development	66.0	63.0
General and administrative expenses	19.0	26.0
Total	**85.0**	**89.0**
Employees [1] at the end of the year (B)		
Research and development	63.0	52.0
General and administrative expenses	26.0	28.0
Total	**89.0**	**80.0**
Average no. of employees [1] over the year ((A + B)/2)		
Research and development	64.5	57.5
General and administrative expenses	22.5	27.0
Total	**87.0**	**84.5**

[1] This calculation only includes full time or part-time employees working 80% or more of their time.

Employee expenses (salary and social costs) divided by the average number of employees over the year, i.e. the average cost per employee, showed an amount of 72 thousand euros and 80 thousand euros per employee for the fiscal years ending on December 31, 2008 and 2009, respectively.

In 2009, the increase in the average employee benefits costs is explained by additional bonuses paid compared to 2008, increase in some packages but as well as to redundancy costs.

Share-based compensation

Share-based compensation came to 1.6 million euros and 1.8 million euros for the fiscal years ending on December 31, 2008 and 2009, respectively. These are costs associated with the potential compensation given to managers, employees and consultants through stock-options, warrants and free shares which would give them ownership in our share capital in the future. This potential, non-cash compensation, is accounted as an expense in accordance with the IFRS 2 standard.

In 2008, these costs comprise a 10% additional employer social contribution paid by the Company on the fair value of the free shares distributed, for a total amount of 230 thousand euros.

Depreciation and amortization

These costs came to 0.4 million euros and 1.1 million euros for the fiscal years ending on December 31, 2008 and 2009, respectively. The new premises of the Company are amortized since January 1, 2009, explaining most of the increase between 2008 and 2009 (this expense amounted 374 thousand euros in the year).

Other income and expenses, net

We had a net cost of 0.3 million euros and 0.3 million euros for the fiscal years ending on December 31, 2008 and 2009 respectively. Other income and expenses mainly include certain indirect taxes as well as exceptional income and expenses.

Net financial income

Our net financial income came to 1.2 million euros and 0.9 million euros for the fiscal years ending on December 31, 2008 and 2009, respectively.

Thus far, we have not relied much on bank loans or lease-financing and have had positive banks balances, a situation which explains our net positive financial income in the period under review. Our cash investment policy favours the absence of risk on principal and, wherever possible, guaranteed minimum performance. We invest mostly in money market financial instruments.

The average balance of current cash investments and current financial instruments was 42.3 million euros and 41.5 millions euros for the fiscal years ending on December 31, 2008 and 2009, respectively [†].

Corporate tax

Because of the deficits reported for the last three fiscal years, we have not paid corporate tax. No deferred tax asset has been recorded as there is minimal likelihood of recovery. The research tax credit is not a corporate tax income according to IFRS. It is booked directly as operating revenue.

Net income / (loss) per share

The net loss per authorized and issued share came to 0.46 euros and 0.56 euros for the fiscal years ending on December 31, 2008 and 2009, respectively.

[†] For the purposes of this analysis, the average balance of current cash investments and financial instruments for the period is defined as the arithmetical average of the cumulative balance for these items between the beginning and the end of the fiscal year.

Balance sheet items

Cash, cash equivalent and current financial instruments amounted to 49.2 million euros as of December 31, 2009, compared with 33.8 million euros as of December 31, 2008.

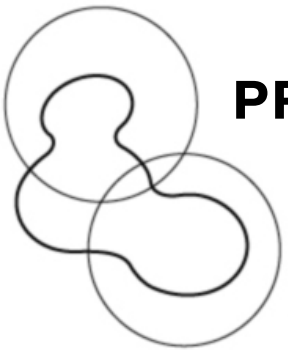
Since its incorporation in 1999, the Company has been primarily financed by issuing new securities. The Company has also generated cash flow from its licensing activities (mostly in relation to the agreements with Novo Nordisk A/S), government financing for research expenditure and repayable government financing (Oseo-Anvar). Financial debt amounted to 8.3 million euros as of December 31, 2009, out of which 5.1 million euros in relation to the long-term financing of property and equipment.

Risk factors

Risk factors affecting the Company are presented in paragraph 4 of the latest “Document de Référence” registered by the French stock-market regulator, the “Autorité des Marchés Financiers” on May 5, 2009 under the reference number R. 09-043.

Annual financial report for 2009 and “Reference Document”

The Company intends to file its 2009 annual financial report as well as its ”Reference Document” for the year so that these documents are made public in the second quarter of 2010.



PRESS RELEASE

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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.

Practical Information about Innate Pharma shares

ISIN code	FR0010331421
Ticker code	IPH

Disclaimer

This press release contains certain forward-looking statements. Although the company believes its expectations are based on reasonable assumptions, 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 (http://www.amf-france.org) or on Innate Pharma’s website.

This press release and the information contained herein do not constitute an offer to sell or a solicitation of an offer to buy or subscribe to shares in Innate Pharma in any country.

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APPENDIX

Innate Pharma SA

Unaudited consolidated financial statements as at December 31, 2009.

Fiscal year 2009

The following unaudited consolidated balance sheet, income statement and statement of cash flows are prepared in accordance with International Financial Reporting Standards.

The audit procedures from our statutory auditors are in progress to date. The unaudited consolidated financial statements have been approved by the Company's Executive Board on March 2, 2010. These statements were reviewed by the Company's Supervisory Board on March 2, 2010 and will be submitted for approval to the Shareholders' General Meeting on May 25, 2010.

Innate Pharma's financial annual report, included in the reference document, will be available in the second quarter.

Balance Sheet - Unaudited
(in thousands of euros)

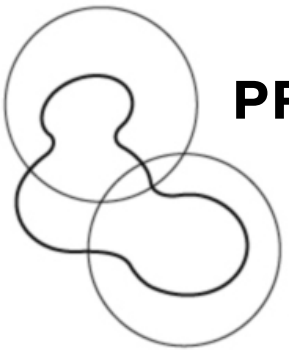
	As at January 1st	At December 31	
	2008 IAS 38 Retreatment (1)	2008 IAS 38 Retreatment (1)	2009
Assets			
Current Assets			
Cash and cash equivalents	2,482	10,885	46,448
Current financial instruments	48,301	22,947	2,746
Current receivables and prepayments	3,247	14,803	7,071
Total current assets	**54,030**	**48,635**	**56,266**
Non-current assets			
Non-current receivables	5,896	—	—
Intangible and tangible assets	1,517	8,523	7,943
Other non-current assets	145	130	10
Total non-current assets	**7,558**	**8,653**	**7,953**
Total assets	**61,588**	**57,288**	**64,219**
Liabilities			
Current liabilities			
Trade payables	9,670	9,721	8,369
Financial liabilities	826	2,073	723
Provisions	51	1,025	173
Total current liabilities	**10,546**	**12,819**	**9,265**
Non-current liabilities			
Conditional subsidies and grants	—	92	—
Financial liabilities	2,821	6,369	7,554
Defined benefit obligations	180	241	278
Total non-current liabilities	**3,001**	**6,702**	**7,832**
Shareholders' equity			
Capital and reserves attributable to equity holders of the Company			
Share capital	1,259	1,296	1,832
Share premium	82,808	84,117	108,295
Retained earnings	(27,985)	(36,739)	(48,597)
Net income (loss)	(8,753)	(11,862)	(14,626)
Other comprehensive income	713	954	219
Total capital and reserves attributable to equity holders of the Company	**48,041**	**37,767**	**47,122**
Total liabilities and equity	**61,588**	**57,288**	**64,219**

(1) Following the amendment of IAS 38, *intangible assets*, the Company changed its accounting policy in relation to the recognition of purchases of materials dedicated to its research and development activities. The Company applied this change retrospectively on the 2008 financial period (IAS 38 Retreatment) as if the new accounting policy had always been applied, in accordance with the IAS (R) recommendations. A opening balance sheet as at January 1st, 2008, is presented.

Income Statement - Unaudited
(In thousands of euros)

	Year ended December 31	
	2008 IAS 38 Retreatment (1)	2009
Revenue from collaboration and licensing agreements	7,364	3,243
Government financing for research expenditures	5,474	4,407
Non-core services	86	65
Operating revenue	**12,924**	**7,716**
Cost of supplies and consumable materials	(4,568)	(1,704)
Intellectual property expenses	(882)	(1,643)
Other purchases and external expenses	(11,947)	(10,059)
Employee benefits other than share-based compensation	(6,296)	(6,743)
Share-based compensation	(1,574)	(1,774)
Depreciation and amortization	(412)	(1,069)
Other income and (expenses), net	(261)	(259)
Net operating expenses	**(25,940)**	**(23,251)**
Operating income / (loss)	**(13,016)**	**(15,535)**
Financial income / (expense), net	1,154	910
Net income / (loss) before tax	**(11,862)**	**(14,626)**
Income tax expense	—	—
Net income / (loss)	**(11,862)**	**(14,626)**
Net income / (loss) per share attributable to equity holders of the Company:		
(in € per share)		
- basic	(0.46)	(0.56)
- diluted	(0.46)	(0.56)

(1) Following the amendment of IAS 38, *intangible assets*, the Company changed its accounting policy in relation to the recognition of purchases of materials dedicated to its research and development activities. The Company applied this change retrospectively on the 2008 financial period (IAS 38 Retreatment) as if the new accounting policy had always been applied, in accordance with the IAS (R) recommendations. A opening balance sheet as at January 1st, 2008, is presented.



PRESS RELEASE

innate pharma

Statement of cash flows - Unaudited
(In thousands of euros)

	Year ended December 31	
	2008 IAS 38 Retreatment (1)	**2009**
Cash flows from operating activities		
Net income (loss)	(11,862)	(14,626)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation and amortization	539	1,023
Provisions for charges and defined benefit obligations	846	(852)
Share-based compensation	1,344	1,774
(Gains) / losses on asset disposals	11	(33)
Changes in working capital:		
Current receivables and prepayments	(11,566)	7,852
Non-current receivables	5,896	—
Trade payables	51	(1,074)
Net cash generated from / (used in) operating activities	**(14,741)**	**(5,936)**
Cash flows from investing activities		
Acquisition of property and equipment	(1,902)	(511)
Changes in other non-current assets	375	—
Purchase of current financial instruments	(15,913)	(549)
Disposal of current financial instruments	41,460	20,000
Cash collateral in relation to a lease-financing	(1,500)	—
Net cash generated from / (used in) investing activities	**22,521**	**18,940**
Cash flows from financing activities (2)		
Net proceeds from issuance of share capital	—	23,117
Increase in financial liabilities	1,449	1,200
Debt repayment	(826)	(1,457)
Acquisition of the Company's own shares	—	(300)
Net cash generated from financing activities	**623**	**22,559**
Net increase / (decrease) in cash and cash equivalents	**8,403**	**35,563**
Cash and cash equivalents at the beginning of the year	2,482	10,885
Cash and cash equivalents at the end of the year (3)	**10,885**	**46,448**
(2) Acquisitions through finance lease with no impact on cash flow	*(5,601)*	*(2,239)*
(3) Does not include current financial instruments	*22,947*	*2,746*

(1) Following the amendment of IAS 38, *intangible assets*, the Company changed its accounting policy in relation to the recognition of purchases of materials dedicated to its research and development activities. The Company applied this change retrospectively on the 2008 financial period (IAS 38 Retreatment) as if the new accounting policy had always been applied, in accordance with the IAS (R) recommendations. A opening balance sheet as at January 1st, 2008, is presented.