

## PRESS RELEASE

innate pharma

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### **INNATE PHARMA ANNOUNCES ITS TURNOVER FOR THE FIRST NINE MONTHS OF 2010 AND UPDATES ON ITS CASH SITUATION**

**Marseilles, France, November 5, 2010**

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Innate Pharma (the "Company" - Euronext Paris: FR0010331421 – IPH) announces a turnover of 0.2 millions euros (210 thousand euros) for the first nine months of 2010, compared with 2.8 million euros (2,776 thousand euros) for the same period in 2009.

For the nine-month period ended on September 30, 2009, revenue from collaboration and licensing agreements mostly came from an agreement signed with Novo Nordisk A/S in 2006 and ended in March 2009. In 2009 and 2010, the Company received additional research and development funding from Novo Nordisk A/S for collaborative work performed on selected products that are licensed to Novo Nordisk A/S.

Before reaching the marketing stage of its products, turnover of the Company is composed mostly by revenue from collaboration and licensing agreements, and notably from payments received for the achievement of pre-specified milestones in the development of drug-candidates. Therefore, its turnover is not recurring and may show substantial variations from one period to another.

Government funding for research expenditures, which comprises research tax credit, is not included in the turnover but is part of the Company's operating revenue, only released with first half and full year results.

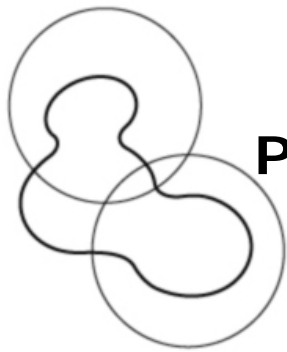
#### **Cash, cash equivalents and current financial instruments and financial liabilities:**

Cash, cash equivalents and current financial instruments of the Company amounted to 38.6 million euros at September 30, 2010.

At the same date, the financial liabilities of the Company amounted 7.7 million euros, including 4.4 million euros related to the twelve-year lease-financing agreement on the Company's main premises, 2.5 million euros related to Oséo\* grants and 0.8 millions euros for other lease-financing agreements.

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\* The French Innovation Agency



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### About Innate Pharma:

Innate Pharma S.A. is a biopharmaceutical company developing first-in-class immunotherapy drugs for cancer and inflammatory diseases.

The Company specializes in the development of new monoclonal antibodies targeting receptors and pathways controlling the activation of innate immunity cells. It has two proprietary clinical-stage drug candidates: IPH 1101, a small molecule agonist of gamma delta T cells, has achieved proof-of-concept in two Phase IIa trials, in Type C Viral Hepatitis and follicular Lymphoma. IPH 2101, an anti-KIR monoclonal antibody potentiating NK cells activation, is currently in Phase II clinical trials in hematologic cancers. Innate Pharma also develops a preclinical portfolio of immunomodulatory or cytotoxic monoclonal antibodies. Two of its preclinical programs in chronic inflammation are out-licensed to Novo Nordisk A/S.

The key expertise of Innate Pharma is in immuno-pharmacology and antibody technology. The Company has implemented in-house a large panel of molecular and cellular assays and in vivo models for assessment of pharmacodynamics and pharmaco-toxicology of drug candidates. In addition, Innate Pharma has access to a very large set of unique research tools in cellular immunology through its worldwide network of scientific collaborations.

Incorporated in 1999 and listed on NYSE-Euronext in Paris in 2006, Innate Pharma is based in Marseilles, France, and had 84 employees as at September 30, 2010.

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

### Practical Information about Innate Pharma shares:

<b>ISIN code</b>	FR0010331421
<b>Ticker code</b>	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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