

# PRESS RELEASE

innate pharma

## INNATE PHARMA REPORTS ANNUAL OPERATING REVENUE OF 4.3 MILLION EUROS FOR 2010

- **Strong cash position with 34.5 million euros in cash, cash equivalents and current financial instruments as at the end of 2010**

**(IFRS unaudited provisional data)**

**Marseilles, France, February 4, 2011**

Innate Pharma SA (the "Company" - Euronext Paris: FR0010331421 - IPH) announces an operating revenue of 4.3 million euros for the year 2010. Turnover for the year amounted 0.2 million euros.

The following table breaks down the operating revenue and compares 2010 to 2009:

| <b>In thousands of euros</b>                            | <b>Fiscal year ended December 31,</b> |              |
|---|---------------------------------------|--------------|
|   | <b>2010</b>                           | <b>2009</b>  |
| Revenue from collaboration and licensing agreements     | 210                                   | 3,243        |
| Non-core services                                       | 1                                     | 65           |
| <b>Turnover (A)</b>                                     | <b>211</b>                            | <b>3,308</b> |
| <b>Government funding for research expenditures (B)</b> | <b>4,109</b>                          | <b>4,407</b> |
| <b>Operating revenue (A+B)</b>                          | <b>4,320</b>                          | <b>7,715</b> |

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.

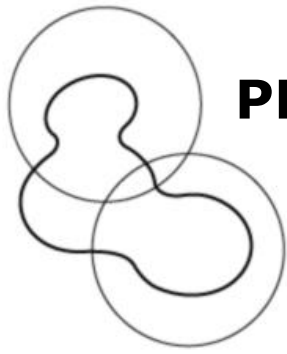
In 2009, revenue from collaboration and licensing agreements mostly came from an agreement signed with Novo Nordisk A/S in 2006 and ended in March 2009. In 2009 and 2010, the Company received additional research and development funding from Novo Nordisk A/S for collaborative work performed on selected products that are licensed to Novo Nordisk A/S. There was no turnover for the fourth quarter of 2010, compared to a turnover of 532 thousands euros for the fourth quarter of 2009.

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

Cash, cash equivalents and current financial instruments of the Company amounted to 34.5 million euros at December 31, 2010; at the same date, the financial liabilities of the Company amounted 7.5 million euros, including 4.3 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 0.7 millions euros for other lease-financing agreements.

***Innate Pharma will announce its annual results on March 2, 2011, before market opens. A meeting for fund managers, financial analysts and journalists will be held on the same day, at 2:30pm (CET) in Paris. The slideshow will be available on the Company's website.***

\* 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 is also developing a preclinical portfolio of immunomodulatory or cytotoxic monoclonal antibodies. Two of its preclinical programs in chronic inflammation have been out-licensed to Novo Nordisk A/S.

Innate Pharma's key expertise is in immunopharmacology and antibody technology. The Company has implemented in-house a large panel of molecular and cellular assays and in vivo models for assessing the pharmacodynamics and pharmacotoxicology 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 85 employees as at December 31, 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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