

PRESS RELEASE

innate pharma

INNATE PHARMA ANNOUNCES ITS TURNOVER FOR THE FIRST NINE MONTHS OF 2011 AND UPDATES ON ITS CASH SITUATION

*Turnover of 3.1 million euros
Cash position as at September 30, 2011 of 49.3 million euros*

Marseilles, France, November 4, 2011

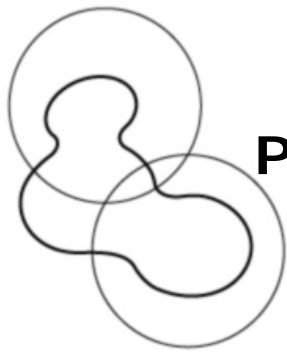
Innate Pharma SA (Euronext Paris: FR0010331421 – IPH), the innate immunity company developing first-in-class drugs for cancer and inflammatory diseases, announces a turnover of 3.1 million euros for the first nine months of 2011, compared with 0.2 million euros for the same period in 2010.

Herve Brailly, Chief Executive Officer of Innate Pharma, said: *"This has been an eventful quarter for Innate Pharma: we announced in July the agreement with Bristol-Myers Squibb for the development of our monoclonal antibody IPH2102 for the treatment of cancer. This licence agreement, which will bring us milestone payments that could amount up to 465 million dollars US, was the largest ever announced by a French biotech company and is a tribute to the novel science involved in this product. In addition, in September, the field of innate immunity received a spectacular validation when the Nobel Prize for Medicine was awarded to three scientists involved in the original discovery of the role of innate immunity in fighting disease. With our unparalleled expertise in this exciting area, we look forward to the future with confidence."*

The table below shows the turnover for the first nine months of 2010 and 2011, as well as the turnover for the third quarter of the same years:

In thousands of euros	Nine months ending September 30		Three months ending September 30	
	2010	2011	2010	2011
Revenues from collaboration and licensing agreements	211	3,126	211	2,126
Turnover	211	3,126	211	2,126

Before reaching the marketing stage of its products, turnover of the Company is composed of revenue from collaboration and licensing agreements signed with two partner companies, Novo Nordisk A/S in 2006 and Bristol-Myers Squibb in July 2011. These agreements include notably upfront payments as well as payments received for the achievement of pre-specified milestones in the development of drug-candidates. The agreement with Bristol-Myers Squibb also includes the reimbursement of some external costs incurred by Innate Pharma in relation with the licensed program.



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In July 2011, following the signing of the exclusive licence with Bristol-Myers Squibb for the development and commercialization of IPH2102, Innate Pharma received an upfront payment of 24.9 million euros (35.3 million US dollars). This upfront payment is non-refundable and non-creditable, except for 3.5 million euros (5 million dollars US) which could be creditable against future milestone payments. The non-refundable and non-creditable amount of the upfront is recognized in turnover during the expected period of duration of the clinical program in course at the date of the contract. The amount that is not yet recognized as turnover is booked as deferred revenue in the balance sheet.

During the third quarter of 2011, in addition to this upfront payment, the Company invoiced Bristol-Myers Squibb for its external costs for the licensed program between the contractual starting date and September 30, 2011.

For the nine-month period ended on September 30, 2011, in addition to the above-mentioned items, revenues includes a payment by Novo Nordisk A/S for NN8765 (IPH2201) reaching a clinical milestone in February 2011. NN8765 is a monoclonal antibody licensed to Novo Nordisk A/S and developed to treat patients with chronic inflammatory and auto-immune diseases.

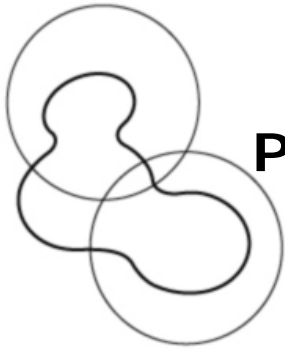
Government funding for research expenditures, which comprises research tax credits, is not included in the turnover but is part of the Company's operating revenue, only released with first half and full year results.

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

Cash, cash equivalents and current financial instruments of the Company amounted to 49.3 million euros at September 30, 2011.

At the same date, the financial liabilities of the Company amounted to 7.0 million euros, including 4.0 million euros related to the twelve-year lease-financing agreement on the Company's main premises (until 2020) as well as 2.4 million euros related to Oséo* grants, refundable in case of success.

* 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. Its innovative approach has been validated by licence agreements with two major pharmaceutical companies, Novo Nordisk A/S and Bristol-Myers Squibb.

Incorporated in 1999 and listed on NYSE-Euronext in Paris in 2006, Innate Pharma is based in Marseilles, France, and had 81 employees as at September 30, 2011.

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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