

PRESS RELEASE

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INNATE PHARMA REPORTS HIGHER ANNUAL REVENUE IN 2011

- *Revenue of 11.7 million euros including payments from partners Bristol-Myers Squibb and Novo Nordisk A/S as well as research tax credit*
- *Strong cash position with 46.6 million euros in cash, cash equivalents and current financial instruments as at December 31, 2011*

(IFRS unaudited provisional data)

Marseilles, France, February 7, 2012

Innate Pharma SA (Euronext Paris: FRO010331421 – IPH), the innate immunity company developing first-in-class drugs for cancer and inflammatory diseases, announces revenue and other income of 11.7 million euros for the year 2011, compared to 4.3 million euros in 2010.

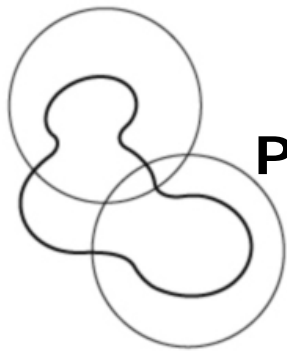
Hervé Brailly, Chief Executive Officer of Innate Pharma, commented: *“2011 was a transformational year for Innate Pharma. Our new partnership with Bristol-Myers Squibb, the progress of our long-standing collaboration with Novo Nordisk A/S and our strong connections with leading academic centers have confirmed and reinforced our position at the forefront of the international innate immunity field. We look forward to the coming year with confidence and will utilize our strong cash position wisely to expand our pipeline and continue to build upon the exciting momentum created in 2011.”*

The following table breaks down the operating revenue and compares 2011 to 2010:

In thousands of euros	Fiscal year ended December 31,	
	2011	2010
Revenue from collaboration and licensing agreements	7,454	211
Revenue (A)	7,454	211
Government funding for research expenditures (B)	4,286	4,109
Revenue and other income (A+B)	11,740	4,320

Turnover of the Company is composed of revenue from collaboration and licensing agreements signed with two partner companies, Novo Nordisk A/S and Bristol-Myers Squibb.

Following the signing of the exclusive licence with Bristol-Myers Squibb for the development and commercialization of IPH2102 on July 7, 2011, 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 on a straight-line basis in turnover during the expected 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.



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In addition to this upfront payment, the Company invoiced Bristol-Myers Squibb for an amount corresponding to its external costs incurred for the licensed program during the period from the contractual starting date to December 31, 2011.

In 2011, in addition to the above-mentioned items, revenues includes a payment by Novo Nordisk A/S for IPH2201 (NN8765) reaching a clinical milestone in February 2011. IPH2201 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 costs is mostly composed of research tax credit.

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

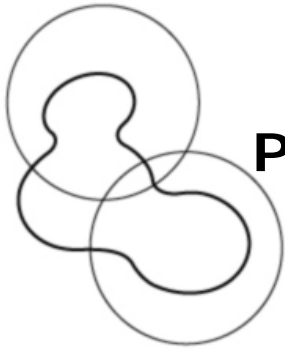
Cash, cash equivalents and current financial instruments of the Company amounted to 46.6 million euros at December 31, 2011.

At the same date, the financial liabilities of the Company amounted to 6.8 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.

Next financial announcement:

Innate Pharma will announce its full-year results on March 6, 2012, before market opening. On this occasion, Innate Pharma's management will host a conference call. Details will be provided in the announcement.

* 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 80 employees as at December 31, 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.

For additional information, please contact:

Innate Pharma

Laure-Hélène Mercier
Director, Investor Relations

Phone: +33 (0)4 30 30 30 87
investors@innate-pharma.com

French enquiries ATCG Press

Marielle Bricman

Mob.: +33 (0)6 26 94 18 53
mb@atcg-partners.com

International enquiries M:Communications

Mary-Jane Elliott
Amber Bielecka
Hollie Vile

Phone: +44 (0)20 7920 2330
innatepharma@mcomgroup.com