PRESS RELEASE

innate pharma

START OF THE FIRST PHASE II CLINICAL TRIAL WITH MONOCLONAL ANTIBODY IPH 2101 SUPPORTED BY A NEW 2.9 MILLIONS EUROS FINANCING FROM OSEO

- ***Approval by the French regulatory authorities of a first Phase IIa clinical trial with IPH 2101 in patients suffering from Multiple Myeloma, a severe haematological cancer***
- ***Conducted in France, this multicenter trial will be supported by a 2.9 million euros grant from Oséo***
- ***Other Phase IIa trials with IPH 2101 are being planned***

Marseilles, France, August 27, 2009

Innate Pharma (the "Company" - Euronext Paris: FR0010331421 – IPH) announces today that it has received approval from AFSSaPS (the French regulatory authorities) to start a Phase IIa clinical trial with IPH 2101, a monoclonal antibody activating NK cells, in multiple myeloma ("MMy").

For this trial, the Company was granted a 2.9 million euros interest-free loan by Oséo, the French innovation agency. This loan would be repayable from 2017 onward, with a significant part (1.9 million euros) solely repayable in case the compound enters later stage clinical trial (Phase IIb or III).

IPH 2101 was listed as one of the 30 most promising cancer investigational drugs by R&D Directions magazine (March 2008 edition).

"We are very pleased to move IPH 2101 into Phase II development less than a year after we acquired its rights back from Novo Nordisk A/S." said Hervé Brailly, CEO of Innate Pharma. He added: *"We have great expectations for this drug candidate and believe that it has a high potential in haematological malignancies. Receiving significant financial support from Oséo is therefore very good news for the Company as it will help us run several trials in parallel with this compound".*

"This phase IIa trial is specifically designed to detect early evidence of single agent antitumor activity of IPH 2101." said Dr. Marcel Rozencweig, Senior Vice President Clinical and Regulatory Strategy of Innate Pharma. He added: *"We are currently developing plans for other Phase II trials, notably in combination with standards of care in multiple myeloma, a rapidly growing market for innovative drugs"*.

About the Phase IIa trial in Multiple Myeloma (IPH 2101-201):

IPH 2101-201 is a multicenter, open label Phase IIa clinical trial designed to evaluate IPH 2101 as a single agent in patients with stable measurable multiple myeloma after induction therapy.

The rationale of this trial is based on the capacity of NK cells activated by IPH 2101 to directly kill tumor cells and trigger a broad immune activation. This rationale is further strengthened by several clinical studies showing that NK cells activated in the context of bone marrow transplantation can very significantly lower the recurrence of multiple myeloma.[*]

The primary efficacy endpoint will be the M protein blood level, a surrogate marker of the disease, at 6 months after beginning of treatment. The secondary endpoints will be safety and pharmacodynamics.

The protocol calls for inclusion of 42 patients divided into 2 groups, receiving IPH 2101 either 0.2mg/kg or 2mg/kg, for 4 cycles (1 dose/ month). These doses have been chosen on the basis of the results of the Phase I trials in multiple myeloma and acute myeloid leukemia. They are expected to allow the full saturation by IPH 2101 of its target receptor on NK cells, either on an intermittent basis or in a prolonged manner.

About multiple myeloma:

Multiple myeloma is the second most common hematological malignancy, with 19,900 new cases diagnosed every year in the United States and a similar incidence in Europe (Jemal et al., 2008). It is a plasmocyte malignancy, with overproduction of an IgG monoclonal immunoglobulin (known as M Protein), that can be depicted in the blood and used as a marker for the diagnosis and the follow-up of the disease.

Standard treatment corresponds to induction chemotherapy and corticotherapy, followed (when possible) by intensification treatment with high dose chemotherapy and hematological rescue by autologous bone marrow transplantation. New classes of drugs combined with steroids and conventional chemotherapy have delivered major progress in terms of response rates and remission durations. Nevertheless, the disease remains mostly incurable with median survival of less than 5 years.

About IPH 2101:

IPH 2101 is a fully human anti-KIR monoclonal antibody which potentiates NK cells' anti-cancer activity by blocking inhibitory NK cell receptors.

This cancer therapeutic approach has been indirectly validated by the work of Professor Andrea Velardi's research group at the University of Perugia in Italy (first published in 2002 and regularly updated since then). The work shows that in bone marrow transplantation for patients suffering from myeloid leukemia or multiple myeloma, grafted NK cells lacking functional KIR (inhibitory) receptors demonstrate high anti-tumoral activity - resulting in significantly higher patient survival rates (for more details, see www.innate-pharma.com, in the IPH 2101 section).

[*] See the "About IPH 2101" section

About natural killer (NK) cells:

Natural killer cells are a type of white blood cell from the lymphocyte family, which also includes T cells and B cells.

These NK cells are present in large numbers in the bloodstream (accounting for up to 10% of circulating lymphocytes) and form part of the so-called innate immune system - the body's first line of defense against pathogens.

Natural killer cells are controlled by stimulatory and inhibitory signals received by surface receptors and can kill both malignant and virally-infected cells. They also play a key role in the control of inflammatory reactions and in the triggering and regulation of long-term adaptive immune responses.

About Innate Pharma:

Innate Pharma S.A. ("the company") is a clinical-stage biopharmaceutical company developing first-in-class immunotherapy drugs for cancer and other severe diseases. Founded in 1999, the company listed on NYSE-Euronext in Paris in 2006.

The company has significant expertise in identifying new targets and bringing novel drug candidates through to clinical proof-of-concept trials. It currently has seven proprietary drug candidates in development (two of which are in Phase II clinical trial) as well as two programs out-licensed to Novo Nordisk A/S.

Based in Marseilles, France, Innate Pharma had 86 employees as at June 30, 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.

For additional information, please contact:

Innate Pharma
Laure-Hélène Mercier,
Director, Investor Relations
Phone: +33 (0)4 30 30 30 87
lmercier@innate-pharma.fr

Alize Public Relations
Caroline Carmagnol
Phone: +33 (0)1 41 22 07 31
Mobile: +33 (0)6 64 18 99 59
caroline@alizerp.com