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INNATE PHARMA ANNOUNCED AN IMPORTANT MILESTONE FOR IPH 2201, A NEW ANTIBODY TARGETING NK CELLS, AND UPDATED ON THE ACHIEVEMENTS OF ITS NK PLATFORM, DEVELOPED IN COLLABORATION WITH NOVO NORDISK A/S

Marseilles, November 14, 2007

Innate Pharma SA (Euronext Paris: FRO010331421 – IPH), a biopharmaceutical company developing first-in-class drugs targeting the innate immune system, announced today the entry into regulatory pre-clinical development of IPH 2201, a novel monoclonal antibody targeting NK (Natural Killer) cells. On this occasion, the Company updated the market on the achievements of its NK platform, developed in collaboration with the Danish pharmaceutical group Novo Nordisk A/S:

- The collaboration with Novo Nordisk A/S began in November 2003 with a first R&D and licensing agreement regarding the most advanced product of the NK platform, IPH 2101, that was in the discovery phase at the time. IPH 2101 (NN1975) is currently being tested by Novo Nordisk A/S in two exploratory Phase I clinical trials;
- In March 2006, the agreement was broadened into a strategic and mutually exclusive partnership between the two companies such that drug discovery efforts relating to NK cell biology is shared for a three-year period (April 2006 - March 2009). Novo Nordisk A/S will be the exclusive licensee of all drug candidates that could emerge during this period;
- During October 2007, a new immuno-modulating antibody targeting NK cells was selected and named IPH 2201 (previously IPH 22XX). This drug candidate now enters pre-clinical and pharmaceutical development which corresponds to its having reached the M1 milestone in the Company's internal R&D system (more details about the Company's R&D organization are available on www.innate-pharma.com). Novo Nordisk A/S will now have full responsibility for further pre-clinical and clinical development, and, eventually, regulatory approval;
- Still in October 2007, an intermediate milestone was reached for IPH 23XX, the third antibody developed on the NK cell platform, which is still in the exploratory phase. Innate Pharma anticipates that it could reach the M1 milestone during 2008.

Innate Pharma received (undisclosed) milestone payments for the recent achievements with IPH 22XX and IPH 23XX.

These recent achievements are encouraging and demonstrate that the broad R&D collaboration works according to the initial plan publicized by the two companies in April 2006.



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"We are very pleased with the progress in our partnership with Innate Pharma, and to reach this first important milestone with our second joint project. The more we work on NK cell biology, the more opportunities we find. It is a very exciting area of research for therapeutic innovation" says Nicolai Wagtmann, Vice President in Discovery at Novo Nordisk A/S. He adds: "With Innate Pharma and our academic and clinical collaborators, we have a firm grip on the biology of NK cells. This position gives us a real opportunity to create a major innovation in immunotherapy against cancer and inflammation".

"Novo Nordisk A/S brings very important capacities and experience in pre-clinical and clinical development of therapeutic proteins to our joint projects. This allowed us to significantly speed up the translational research on the NK cell platform. Only 4 years after our first agreement, we already have one drug candidate in clinical trials, another one in regulatory pre-clinical development and a third one that may soon reach this stage.", says François Romagné, Innate Pharma's EVP and CSO. He adds: « The innovative approach of immuno-modulation of NK cells, where we expect the two drug candidates IPH 2101 (NN1975) and IPH 2201 to work in complementary ways, could open breakthrough perspectives in the treatment of cancer".

About the agreement between IPH and Novo Nordisk A/S:

According to the agreement signed in 2006 between Innate Pharma and Novo Nordisk A/S, the companies will collaborate on R&D programs for a period of time of three years (April 2006 – March 2009), that can be extended twice, for one year, at the option of Novo Nordisk A/S. This collaboration will seek to bring new drug candidates through to pre-clinical trials (M1 milestone according to the internal R&D system of the company), at which point Novo Nordisk A/S will have the main responsibility for pre-clinical and clinical development, and, eventually, regulatory approval.

Novo Nordisk A/S will be the exclusive licensee of all drug candidates developed under the agreement, although Innate Pharma, under certain conditions, retains some rights to specific niche indications.

Although the partnership covers all therapeutic indications, drug candidates will be developed primarily in cancer, autoimmune disorders and infections.

Innate Pharma has received around 40 million euros from Novo Nordisk A/S since 2003. Payments were made in equity investment, R&D funding, milestone and upfront payments as well as in access fee to its technology.

Innate Pharma expects to receive another 10 million euros in payments (R&D funding and milestones) up to March 2009, which is the end of the initial part of the collaborative agreement.

Innate Pharma will also receive development, regulatory and commercial milestones (up to approximately 25 million euros per drug candidate, from first IND to first commercial sales), as well as to royalties on future product sales.



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About natural killer (NK) cells:

NK cells are a type of white blood cells in the lymphocyte family, which also includes T cells and B cells. NK cells are present in large numbers in the bloodstream and account for up to 10% of circulating lymphocytes. NK cells are part of what is called the innate immune system, a first-line of defence against pathogens. Controlled by stimulatory and inhibitory signals received by receptors on their surface, NK cells 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 IPH 2101 (NN 1975):

IPH 2101 (NN1975) is an anti-KIR humanized monoclonal antibody, generated by Novo Nordisk A/S based on a target-profile identified by Innate Pharma and its academic collaborators.

The therapeutic principle of IPH 2101 (NN 1975) is based on the activation of NK cells, by blocking inhibitory NK cell receptors, thereby potentiating NK cell's anti-cancer action. This anti-cancer therapeutic approach was indirectly validated by the work of Pr. Andrea Velardi's team at the University of Perugia, published in 2002. It showed that in a situation of bone marrow transplantation in patients suffering from myeloid leukemia, grafted NK cells, that lack functional inhibitory receptors, showed a high anti-tumoral activity, resulting in significantly higher survival rate for patients.

IPH 2101 (NN 1975) is currently tested in Phase I clinical trials in acute myeloid leukemia in Europe and multiple myeloma in the United States of America, by Novo Nordisk A/S. First results are expected in 2009. The development of IPH 2101 (NN1975) has been faster than expected since it took only 3 years between the beginning of the discovery phase to the first human dose (18 months ahead of initial schedule).

About IPH 2201:

IPH 2201 is a humanized monoclonal antibody with a mechanism of action similar to IPH 2101, although it targets a different receptor, present on subpopulations of NK cells, as well as on NKT and certain T cells. Innate Pharma anticipates that it could be efficient on other types of tumours.

About IPH23XX:

IPH23XX targets a receptor found on NK cells, CD8 T cells and a subpopulation of CD4 T cells. Innate Pharma anticipates that a drug candidate could be developed in chronic inflammation or autoimmune diseases.



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About Innate Pharma:

Founded in 1999 and funded by reference venture capitalists up to its IPO on Euronext in Paris in 2006, Innate Pharma S.A. (NYSE Euronext Paris: FR0010331421 – IPH) is a biopharmaceutical company developing first-in-class* drugs targeting innate immunity.

The pioneering work of Innate Pharma's scientific founders and research groups has led to the development of three product platforms (gamma delta T cells, NK cells and TLR), each directly or indirectly validated in clinical oncology settings.

Besides cancer, Innate Pharma's drug candidates have development potential in the treatment of infectious disease and chronic inflammation. The company's most advanced molecule is in Phase II clinical trials in cancer and viral infections.

With its strong scientific position in innate immunity pharmacology, its robust intellectual property portfolio and its R&D expertise, Innate Pharma intends to become a leading player in the rapidly growing immunotherapeutics market.

Based in Marseilles, France, Innate Pharma had 82 employees as of September 30, 2007.

Learn more about Innate-Pharma at www.innate-pharma.com

Practical Information about Innate Pharma shares:

ISIN code	FR0010331421
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For any additional information, please contact:

Innate Pharma
Laure-Hélène Mercier,
Director, Investor Relations
Phone: +33 (0)4 88 66 05 87
lmercier@innate-pharma.fr

Alize Public Relations
Caroline Carmagnol
Phone: +33 (0)1 41 22 06 59
Mob: +33 (0)6 64 18 99 59
caroline@alizerp.com

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