

PRESS RELEASE

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INNATE PHARMA UPDATES ITS FINANCIALS AND REPORTS OPERATING REVENUES OF 14.2 MILLION EUROS FOR 2007

(IFRS ; Subject to change; Unaudited figures)

Marseilles, February 6, 2008

Innate Pharma SA (Euronext Paris: FR0010331421 – IPH), a biopharmaceutical company developing first-in-class drugs targeting the innate immune system, today announces an operating revenue of 14.2 million euros in 2007. Turnover for the year amounted to 8.7 million euros, including 3.6 million euros in the fourth quarter ended December 31, 2007.

The following table breaks down the operating revenue and compares 2007 to 2006:

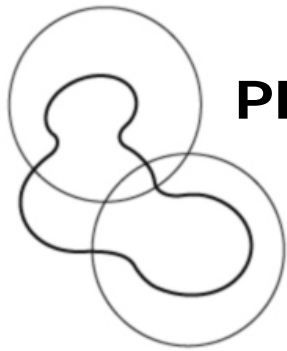
In thousands of euros	Fiscal year ended December 31,	
	2006	2007
Revenue from collaboration and licensing agreements	6,195	8,688
Non-core services	7	-
Turnover (A)	6,202	8,688
Government funding for research costs (B)	2,275	5,533
Operating revenue (A+B)	8,477	14,222

The research tax credit for 2007 (included in the government funding for research costs) has been determined provisionally and shall be updated in the 2007 accounts following the application of an annual revalorization index.

The following table shows the turnover breakdown for the fourth quarters of 2006 and 2007:

In thousands of euros	Fourth quarter ended December 31,	
	2006	2007
Revenue from collaboration and licensing agreements	1,704	3,628
Non-core services	7	-
Turnover	1,711	3,628

In 2006 and 2007, the revenue from collaboration and licensing agreements mostly consisted of revenue from the collaboration and licensing agreement with Novo Nordisk A/S.



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The 2006 and 2007 revenues related to the collaboration and licensing agreement with Novo Nordisk A/S break down as follows:

- Research and development funding from January to December for the years under review,
- A lump sum payment upon signature of the agreement, fully paid in 2006 but spread in the accounts over the initial duration of the research and development phase of the agreement (April 2006 – March 2009), and
- Milestone payments for, (i) in 2006, the first clinical trial application for IPH 2101 (NN 1975), the most advanced product of the collaboration, and, (ii) in 2007, pre-clinical milestones successfully achieved with IPH 22XX (now IPH 2201) and IPH 23XX.

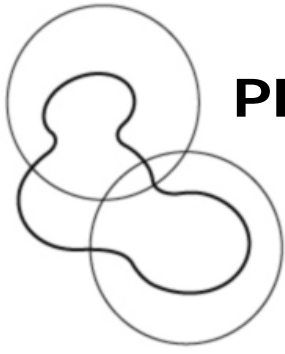
Government funding for research costs is mainly composed of research tax credit, which is dependent on the research and development expenses. The increase in research and development expenses between 2006 and 2007 resulted in a sharp increase in the research tax credit (4.9 million euros in 2007, versus 1.9 million euros in 2006), which accounts for most of the increase in government funding for research costs between 2006 and 2007.

Cash, cash equivalents and current financial instruments amounted to 50.8 million euros as at December 31, 2007.

"The recent decision by Novo Nordisk A/S to exit from oncology and to refocus our R&D partnership on inflammation should have a limited financial impact on our accounts in the short run." said Hervé Brailly, CEO of Innate Pharma. He added: *"In 2008, we anticipate that the only previously expected payments that we will eventually not receive are those related to pre-clinical milestones on cancer products"*.

"In 2006 and 2007, we had already booked a total of around 15.0 million euros in revenue from the R&D collaboration with Novo Nordisk A/S." said Stéphane Boissel, CFO of Innate Pharma. He added: *"Subject to the achievement of a pre-clinical milestone with IPH 23XX, a product to be developed in inflammation, we expect to generate around 7.0 million euros in revenue from this partnership in 2008, including 4.0 million euros in R&D funding as well as part of the lump sum payment received on signing the agreement in 2006"*.

The turnover figure will be published in the French official bulletin BALO on February 8, 2008. The company will release its annual results on March 14, 2008, before the financial markets open in Paris, and it will be followed by a conference call. The Annual Report and the Reference Document will be released in March 2008 (in French and English).



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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. (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 85 employees as at December 31, 2007.

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

Practical Information:

ISIN code FR0010331421
Ticker code IPH

Disclaimer

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