

PRESS RELEASE

innate pharma

INNATE PHARMA INITIATES COLLABORATION WITH CELGENE TO EVALUATE THE CLINICAL POTENTIAL OF REVLIMID® COMBINED WITH ANTI-KIR ANTIBODY IPH 2101 IN PATIENTS WITH MULTIPLE MYELOMA

- ***Initiation of a Phase II trial in multiple myeloma evaluating the combination of IPH 2101 - a fully human anti-KIR monoclonal antibody stimulating NK cells' anti-tumoral activity, with Celgene's REVLIMID®***
- ***Growing body of evidence in hematological malignancies supports REVLIMID® enhanced NK-mediated cytotoxicity and its potential synergy with IPH 2101's mechanism of action***

Marseilles, France, November 18, 2009

Innate Pharma (the "Company" - Euronext Paris: FR0010331421 – IPH) announces today that global biopharmaceutical company Celgene Corporation (NASDAQ:CELG) has agreed to collaborate with Innate Pharma to evaluate the potential clinical synergy of the combination treatment regimen of lenalidomide (REVLIMID®) plus IPH 2101 in patients with multiple myeloma ("MMy") who have failed first-line therapy. The companies will collaborate on the design of the trial and Celgene will provide supplies of lenalidomide.

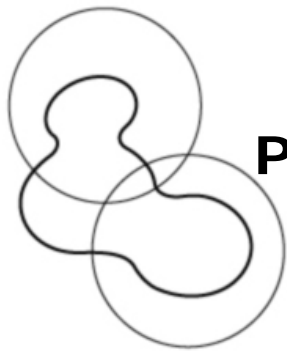
Lenalidomide is an immuno-modulatory drug that works through multiple mechanisms of action affecting tumor cells and their microenvironment including the immune cellular system. It has been demonstrated that lenalidomide also activates NK cells (Hayashi et al. 2005, Reddy et al. 2007). Since IPH 2101 potentiates NK cells' anti-tumor activity, it is expected that lenalidomide and IPH 2101 should have a synergistic effect. This synergy has been documented *in vitro* on multiple myeloma cell lines (Zhu et al. 2008) and the planned Phase II clinical trial will aim to assess this synergy in patients with multiple myeloma. The rationale for this combination will be presented at the 2009 American Society Hematology congress (December 5-8, New Orleans, USA).

The trial will be conducted in the USA. The Investigational New Drug ("IND") application should be submitted in early 2010 by Innate Pharma. The objectives of the trial will be to assess tolerance, efficacy and various pharmacodynamic aspects with the combination. Further details on the trial will be given upon IND clearance by the FDA.

"We are pleased to have the support of Celgene Corporation for this important Phase II trial and to benefit from their experience in the field of hematological malignancies", said Dr. Marcel Rozenzweig, Innate Pharma's Senior Vice President, Clinical and Regulatory Strategy. He added: *"We are implementing our development plans for IPH 2101 that could lead to the start of a registration trial with this program in 2013".*

"Innate Pharma's science is unique and represents a novel approach to treating multiple myeloma. Combining IPH 2101, a drug candidate with a new and original mechanism of action, with the leading global brand therapy for multiple myeloma, Revlimid®, may result in an effective treatment option for patients with multiple myeloma", said Dr. Jean-Pierre Bizzari, Senior Vice President, Group Head of Oncology/Hematology for Celgene Corporation.

"I am very excited to participate in this trial as IPH 2101 has a truly innovative mechanism of action and more novel therapies are needed to enable hematologists to turn this incurable cancer into a long term treatable disease", said Dr. Michael Caligiuri (The Ohio State University Comprehensive Cancer Center, Columbus, Ohio).



PRESS RELEASE

innate pharma

About IPH 2101:

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

The Phase II program testing IPH 2101 in multiple myeloma has recently started with a Phase IIa trial evaluating IPH 2101 as a single agent in the maintenance of response for MM patients after first-line therapy. The Company intends to initiate additional Phase I/II or IIa trials with IPH 2101, including one (described in the present press release) in patients with relapsed multiple myeloma in combination with lenalidomide, and one in smoldering myeloma, the early stage of the multiple myeloma disease. The Company also recently announced the extension of a Phase I trial in acute myeloid leukemia with the objective to confirm safety and pharmacodynamics data for repeated administrations of IPH 2101, as well as to document disease-free survival ("DFS") in this population.

Blocking NK cell inhibitory receptors as a 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).

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

About multiple myeloma:

Multiple myeloma is the second most common hematological malignancy, with 40,900 new cases diagnosed every year in the G7 countries. It is a plasma cell 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.

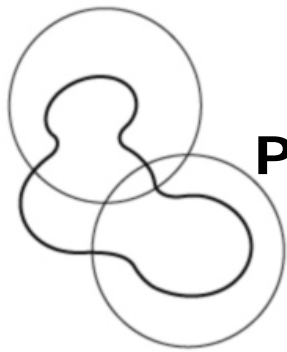
Standard treatment corresponds to induction chemotherapy and corticosteroid therapy, followed (when possible) by intensification treatment with high dose chemotherapy and hematological rescue by autologous bone marrow transplantation. New classes of drugs combined with steroids and conventional chemotherapy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

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.



PRESS RELEASE

innate pharma

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. The company was incorporated in 1999 and 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 trials) and two programs out-licensed to Novo Nordisk A/S.

Innate Pharma is based in Marseilles, France, and had 84 employees as at September 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
investors@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