

RESULTS OF IPH2101 PHASE I TRIAL IN AML PUBLISHED IN *BLOOD*

- 23 patients, median age 71, in first complete remission, received escalating doses of IPH2101
- Conclusions support the rationale behind the recently announced multicentre, double-blind, Phase II trial of anti-KIR mAb vs placebo to be initiated in this patient population

Marseilles, France, October 18, 2012

Innate Pharma SA (the "Company" - Euronext Paris: FR0010331421 - IPH), the innate immunity company developing first-in-class drugs for cancer and inflammatory diseases, today announces that the results of the Phase I trial of IPH2101 (hybridoma anti-KIR antibody) in elderly patients with Acute Myeloid Leukemia in first complete remission were published online in the journal *Blood*.

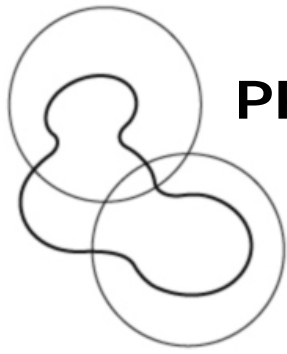
The Phase I trial evaluated the safety, tolerability and pharmacological profile of IPH2101 in elderly AML patients in complete remission after induction and consolidation treatment. The trial featured a dose-escalation protocol with seven dose levels (from 0.0003 to 3 mg/kg with 3 patients per dose level) and a single dose administration. The objective was to determine a safe and pharmacologically active dose. Twenty three patients were enrolled in this study. Good tolerance was observed at all tested doses of IPH2101, adverse events were mild and transient. The maximum tolerated dose was not reached.

A clear relationship between dose, blood concentration and receptor occupancy was observed, in accordance with preclinical models and with low inter-patient variability.

Neither hematologic toxicity nor significant changes in numbers and distribution of lymphocyte subsets, NK cell receptor expression, or in vitro cytotoxicity were seen. At the highest dose levels, transient increase in TNF- α and MIP-1 β serum concentrations and NK cell CD69 expression were observed.

Median progression free survival (PFS), relapse free survival (RFS) and overall survival (OS) were respectively: 7.7 months (95% CI: 1.8 to 9.5), 10.8 months (95% CI: 8.8 to 14.4) and 12.7 months (95% CI: 10.9 to 24.2). The 6 patients treated at dose levels 1 and 3 mg/kg showed a significantly improved OS compared to the 16 patients of the previous dose levels (<0.3 mg/kg): 29.7 months compared to 11.8 months (log rank $p= 0.034$) and trends towards improved PFS and RFS (not significant) were also observed.

Dr. Norbert Vey, MD (Institut Paoli Calmettes, Marseille), lead investigator of the Phase I trial in AML, said: "With this trial, we have shown that full KIR occupancy is reached and maintained for time periods (day to several weeks) that depend on the dose and without reaching the maximum tolerated dose. Results from the study support continuing investigation of anti-KIR mAbs in AML".



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Marcel Rozencweig, Chief Medical Officer of Innate Pharma, said: *“These data reinforce the rationale for the development of the anti-KIR antibody approach in Acute Myeloid Leukemia patients. As recently announced, Innate Pharma is initiating a randomized, placebo-controlled Phase II trial with IPH2102 in elderly patients with AML in first complete remission, a situation where there are very few therapeutic options”.*

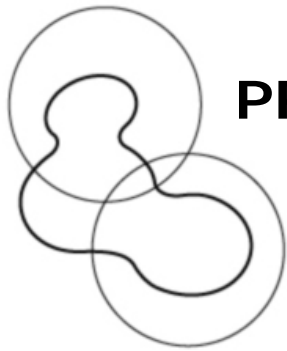
The full results are available on-line and will be published soon in a paper issue of *Blood**. Jerome Tiollier, Chief Development Officer of Innate Pharma, will be discussing the results at the upcoming European Antibody Congress on November 28 in Geneva, Switzerland in the context of mAb development targeting immunity checkpoints.

About IPH2102/BMS-986015 and IPH2101:

IPH2102 and IPH2101 are fully human monoclonal antibodies blocking interaction between Killer-cell immunoglobulin-like receptors (KIR) on Natural Killer (NK) cells with their ligands. By blocking these receptors, they facilitate activation of NK cells, and, potentially, destruction of tumor cells by the latter. IPH2101 is produced in hybridoma cell lines, whereas IPH2102 is produced in CHO, a cell line more suited for industrialization. IPH2102 is the candidate to be developed further. A randomized, double-blind, placebo-controlled Phase II trial has recently been initiated with IPH2102 in AML elderly patient in a maintenance setting.

IPH2102/BMS-986015 is licensed to Bristol-Myers Squibb Company (NYSE:BMJ). As part of the agreement between Innate Pharma and Bristol-Myers Squibb, Bristol-Myers Squibb holds exclusive worldwide rights to develop, manufacture and commercialize IPH2102/BMS-986015 and related compounds blocking KIR receptors such as IPH2101, for all indications. Under the agreement, Innate Pharma will complete the development of IPH2102 through Phase II in AML, as part of the global development plan of Bristol-Myers Squibb for IPH2102.

* A phase I trial of the anti-inhibitory KIR monoclonal antibody IPH2101 for acute myeloid leukemia (AML) in complete remission, Vey et al., *Blood* First Edition Paper, prepublished online 21 September 2012, DOI10.1182/blood-2012-06-437558



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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 81 employees as at June 30, 2012.

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.

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