PRESS RELEASE

innate pharma

INNATE PHARMA EXPANDS ITS IPH 1101 PROGRAM WITH TWO ADDITIONAL CLINICAL TRIALS

Marseilles, April 26th 2007

Innate Pharma S.A. (the "Company"), a biopharmaceutical company developing new drug classes targeting innate immunity, today announced two additional clinical trials for its IPH 1101 drug candidate, which is already in Phase II metastatic renal cell carcinoma (MRCC) trials. The new target indications are follicular non-Hodgkin's lymphoma ("fNHL") and viral hepatitis C ("HCV"). The HCV trial will be Innate's first outside the field of oncology.

"These milestones are in line with what we announced during our IPO in November 2006: with two drug candidates in clinical trials and a multi-indications program, we are moving forward with our business plan" stated Hervé Brailly, CEO of Innate Pharma. *"Our development strategy in oncology aims at conducting at the same time several clinical trials to maximize the chances of proving our concept. We should have a total of four ongoing different Phase II trials in cancer indications by year end. The objective of the HCV trial is to validate the mechanism of action in infections to later develop our second Tγδ cell agonist, IPH 1201, in these indications using a different administration mode than intravenous. A proof of concept in infections would also open the way to new partnering opportunities for Innate Pharma".*

About IPH 1101:

IPH 1101 is the most advanced drug candidate generated by the Tγδ platform - one of Innate Pharma's three product platforms currently under development and which consists of a family of non-conventional Tγ9δ2 lymphocyte agonists. IPH 1101 is a chemically-synthesized structural analog of non-conventional bacterial phosphoantigens which specifically activate the Vγ9Vδ2 T-lymphocyte subset. The compound has been developed for intravenous delivery in association with subcutaneous low-dose of IL-2 (interleukin 2). IPH 1101 potentiates the direct cytotoxic activity of γ9δ2 T cells against a large number of tumor cell lines and also triggers the synthesis of pro-inflammatory cytokines - thus inducing the recruitment of other cell effectors and facilitating implementation of an adaptive response. It has also been shown that Vγ9Vδ2 T-lymphocytes are able to exert clear activity against various types of virus.

In 2004, IPH 1101 was granted orphan drug status for the treatment of metastatic renal cell carcinoma by the European Medicines Agency (EMEA). The compound has been in Phase II for this indication since 2006.

About the follicular non-Hodgkin's lymphoma trial:

The Phase I/II fNHL study (IPH 1101-202) is a multicenter trial due to be performed in France, Belgium and Germany. The trial is aimed at evaluating the efficacy of IPH 1101 and low-dose IL-2 in combination with rituximab, a cytotoxic anti-CD20 monoclonal antibody which is expressed on the surface of more than 95% of the lymphoma's B lymphocytes. Rituximab is commercialized by Genentech/Biogen-Idec and Hoffmann-La Roche as Rituxan® and MabThera®, respectively.

The study aims at evaluating the clinical efficacy, biological activity and safety of this combination in fNHL patients having relapsed after at least one rituximab-containing course of treatment and who are due to undergo an additional course of conventional rituximab therapy. At this stage of the disease, only 40 % of patients respond to rituximab - highlighting the need for additional treatments to improve this response rate.

The study rationale is based on two complementary data sets:

- the strong, well-established cytotoxicity of γδ T cells vis-a-vis lymphoma cells, and
- pre-clinical results showing a potential synergy between rituximab and IPH 1101 (associated with low-dose IL-2) in decreasing the population of malignant cells.

The study will be performed in two steps. In the first phase, 6 to 12 patients will be consecutively enrolled in order to evaluate the safety of the drug combination. Once the data have been reviewed by the study's data safety monitoring board (DSMB) and following approval by the French regulatory authorities, the second step of the study will be initiated. Efficacy will be analyzed in terms of the treatment response rate (according to Cheson's standard criteria for evaluating tumor mass). A total of 46 patients will receive their first IPH 1101 cycle one week after having started rituximab treatment. Patients will receive 3 cycles of IPH 1101, in all. The clinical trial application was approved in France in April 2007 and first results are expected during the second half of 2008.

In France, the trial will be conducted with the assistance of the GELA and GOELAMS lymphoma collaborative groups.

About the planned viral hepatitis C trial:

The planned Phase II HCV study (IPH 1101-203) is a multicenter trial aimed at evaluating the safety and efficacy on viral load of IPH 1101 (alone or in combination with IL-2) in patients who are chronically infected by the hepatitis C virus. The study rationale is based on the well-established involvement of γδ T cells in anti-infection immunity. The treatment's safety and efficacy will be evaluated in HCV antiviral treatment-naive patients with respect to their immune response and the potential effect on viral load. The protocol specifies the inclusion of 30 patients who will be randomized into two groups- one receiving IPH 1101 alone and the other receiving IPH 1101 and IL-2. The study will be performed mainly in France and a clinical trial authorization request was filed on April 25th 2007.

About the target indications:

- Follicular non-Hodgkin's lymphoma is a subset of non-Hodgkin's lymphoma, which is characterized by a size increase of one or several lymph nodes due to the malignant proliferation of B lymphocytes. This is one of the most widespread hematological cancers, with an incidence of 63,190 new cases in the US in 2006 (Source: American Cancer Society, 2007). Over time, the lymphoma can convert into an even more aggressive form: diffuse large-cell lymphoma.
  At present, several therapeutics are used to treat fNHL but, unfortunately, their efficacy is usually of limited duration. Current standard of care usually involves a combination of rituximab and classic chemotherapy. In 2006, worldwide rituximab sales (with a standard course of 4 monthly administrations costing around 12,000 USD) amounted to more than 2 billion dollars.

- The worldwide infectious disease market was estimated at 44.5 billion USD in 2005 (source: CHA Advanced Report) and is expected to double by 2010. According to WHO data, 170 million people may be chronically infected by HCV worldwide. This can be considered in light of the 40 million HIV-infected people worldwide. Hepatitis C is also known to be a major cause of cirrhosis and primary liver cancer (hepatocellular carcinoma).
  Worldwide, there are probably about 3 or 4 million new cases of hepatitis C annually (Source: UNAIDS and WHO, 2005). In the US, hepatitis C is now the most frequent long-term hematological infection, with 4.1 million people infected (1.6% of the total population, of whom 3.2 million are chronically infection) and between 8,000 and 12,000 deaths per year (source: Center of Disease Control and Prevention). In addition, decompensated HCV-related cirrhosis is the leading cause of liver transplantation in Europe (source: Direction Générale de la Santé, France).
  The standard treatment is based on a combination of interferon α and ribavirin - both of which are aimed at blocking viral replication. This combination can provide long-lasting control on the disease and prevent complications in about 50 % of all cases.

About other ongoing or planned IPH 1101 clinical trials:

Innate Pharma expects to have five Phase I/II or Phase II clinical studies with IPH 1101 in 2007, including the ongoing study in renal cancer and the two new clinical trials in fNHL and HCV as mentioned above.

The fourth trial (IPH 1101-204), which should be initiated in the second half of 2007, will be a Phase II study aimed at evaluating the effect of IPH 1101 plus low-dose IL-2 in patients suffering from chronic myeloid leukemia ("CML") and who experience an incomplete response to treatment with imatinib mesylate (commercialized by Novartis as Glivec®). The study rationale is based on the fact than 40% of imatinib-treated CML patients present a full hematological response but only a partial molecular response, and are therefore more at risk of subsequent relapse. The treatment effect will be evaluated by monitoring the BCR/ABL molecular marker.

The next Phase II trial, which should also be initiated in the second half of 2007, will target a solid tumor indication, with the aim of positioning IPH 1101 either in combination with a standard treatment (when a potential synergistic effect can be envisaged) or for the consolidation or maintenance of a response achieved by standard treatment.

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.
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 market of immunotherapeutics.
Based in Marseilles, France, Innate Pharma had 74 employees as at March 31, 2007.

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

Practical Information about Innate Pharma shares:

ISIN code	FR0010331421
Ticker code	IPH

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