PRESS RELEASE

innate pharma

ANNUAL RESULTS FOR 2013: CASH POSITION STRENGTHENED TO €41.3M AS AT DECEMBER 31, 2013*

- ***Successful €20.3 m private placement subscribed entirely by US-based specialist investors***
- ***Stable cash burn***
- ***Acquisition in February 2014 of anti-NKG2A, a Phase II-ready first-in-class checkpoint inhibitor***
- ***IPH4102 on track to start Phase I early 2015***

Marseille, France, February 11, 2014

Innate Pharma SA (the "Company" - Euronext Paris: FR0010331421 – IPH), the innate immunity company developing first-in-class drug-candidates for cancer and inflammatory diseases, reports today its consolidated financial results for the year ended December 31, 2013. The consolidated financial statements are attached to this press release.

Hervé Brailly, Chief Executive Officer of Innate Pharma, commented: *"We have advanced and consildated our pipeline. Not only have we continued to progress in 2013 with our partnered and proprietary programs, we also raised our visibility and attracted a new pool of investors. This has translated into increasing our cash position and our market valuation, providing new means to continue to build our pipeline in immuno-oncology, as exemplified by the recent acquisition of the anti-NKG2A, a Phase II ready, first-in-class antibody program.*

We now have two clinical-stage immune-oncology assets, one partnered with Bristol-Myers Squibb, and a proprietary program, which we want to bring forward. In addition, we expect IPH4102 to be in clinic in early 2015 and we have a rich discovery and technology portfolio to fuel the pipeline further down the road, as exemplified by our newly disclosed first-in-class anti-MICA antibody program.

With major catalysts in clinical development ahead of us in 2014 and 2015, this is definitely a very exciting period for Innate".

A conference call for fund managers, financial analysts and journalists will be held today at 10:30am (CET) - Dial in number: +33 (0)1 70 77 09 39

A replay will be available during three months after the conference call.

Dial in number: +33 (0)1 72 00 15 00 Access number: 285823#.

* Cash, cash equivalents and current financial instruments.

Update on 2013 key financial items:

The key elements of these results are as follows:

- Revenue and other income of 16.7 million euros (vs. 14.3 million euros in 2012), primarily from collaboration agreements and research tax credit;
- Operating expenses of 19.4 million euros (vs. 17.7 million euros in 2012), of which approximately 80% is in research and development;
- Net loss amounting to 2.9 million euros (vs. 3.2 million euros in 2012); and
- Cash, cash equivalents and current financial instruments of 41.3 million euros at December 31, 2013, with 4.8 million euros in debt.

The table below summarizes the consolidated income statement for the 12-month period ended December 31, 2013, compared to the same period in 2012:

	Year ended December 31	
In thousands of euros (IFRS)	**2013**	**2012**
Revenue from collaboration and licensing agreements	12,469	10,377
Government financing for research expenditures	4,182	3,905
Revenue and other income	**16,652**	**14,282**
Research and development expenses	(15,131)	(13,417)
General and administrative expenses	(4,313)	(4,251)
Net operating expenses	**(19,444)**	**(17,668)**
Operating income / (loss)	**(2,793)**	**(3,386)**
Net financial result	146	556
Share of loss in associates and joint ventures, net of the gain on dilution	(245)	(371)
Net income / (loss)	**(2,892)**	**(3,199)**

The consolidated annual IFRS financial statements as at December 31, 2013 as well as the management discussion on these results are presented in the appendix at the end of this document.

Update on drug-candidates portfolio:

Lirilumab (anti-KIR antibody), partnered with Bristol-Myers Squibb:

In 2013, the three clinical trials started with lirilumab (IPH2102/BMS986015) in 2012 continued enrolment.

The double-blind placebo-controlled randomized Phase II trial of lirilumab as maintenance treatment in elderly patients with Acute Myeloid Leukemia ("AML") in first complete remission (study IPH2102-201, the "EffiKIR" trial) is recruiting as expected. In September 2013, a Data and Safety Monitoring Board ("DSMB") completed its first assessment of the EffiKIR study and unanimously recommended continuation of the trial without modification.

The two Phase I trials of lirilumab in combination respectively with ipilimumab and nivolumab (Bristol-Myers Squibb) in solid tumors are ongoing.

In 2013, several posters on the anti-KIR program were presented, among which three at the 55th ASH Annual Meeting (December 7-10, 2013). Two of these posters presented data from clinical studies with IPH2101, the hybridoma version of the anti-KIR antibody lirilumab. One presented the extension of the Phase I trial in AML testing the anti-KIR antibody in elderly patients in complete remission. The second one presented data from a Phase I trial testing IPH2101 combined with lenalidomide in relapsed Multiple Myeloma. The third poster presented preclinical data demonstrating enhanced efficacy of a cytotoxic antibody when combined with an anti-KIR antibody as well as evidence for lirilumab single-agent activity in lymphoma. A paper in *Blood* was published in December reporting these new combination data.

IPH2201 (anti-NKG2A antibody):

On February 5, Innate Pharma and Novo Nordisk A/S announced that Innate Pharma had acquired full development and commercialization rights to the anti-NKG2A antibody from Novo Nordisk and that Novo Nordisk A/S will reinforce its equity stake in Innate Pharma.

IPH2201 is a first-in-class therapeutic antibody that has been tested in a large Phase I safety trial in patients with rheumatoid arthritis, demonstrating a good safety profile for both iv and sc routes at single and multiple administrations.

NKG2A is a NK and T cell checkpoint relevant in both inflammatory disorders and immuno-oncology. Innate Pharma will prioritize development of anti-NKG2A in immuno-oncology and trials are expected to start in 2014. Novo Nordisk will receive 2 million euros in cash and 600,000 shares for licencing anti-NKG2A to Innate and be eligible to a total of 20 million euros in potential registration milestones and single-digit tiered royalties on future sales. The acquisition of the Innate shares is subject to approval by Innate's shareholders' at the shareholders' general meeting on 27 March 2014.

Novo Nordisk had licenced anti-NKG2A from IPH in 2006 as part of a multi-year research and collaboration agreement concerning anti-KIR and anti-NKG2D in addition to anti-NKG2A. That initial license included total milestones of €25 million and single-digit royalties.

IPH4102 (anti-KIR3DL2 antibody):

IPH4102 is a first-in-class cytotoxic antibody developed in some types of KIR3DL2-expressing cancers, such as the Sezary Syndrome ("SS") and Transformed Mycosis Fungoides ("TMF"), which are aggressive forms of cutaneous T-cell lymphomas. In 2013, an antibody candidate was selected and qualified for further development. IND-enabling studies and industrial production of the molecule have begun. The IND application is expected to be submitted in late 2014 and a Phase I to start early 2015.

IPH43 (anti-MICA antibody):

A new program to develop an anti-MICA therapeutic antibody in oncology was initiated.

MICA is a highly polymorphic ligand of the NK cell activating receptor NKG2D and specifically expressed on several highly prevalent solid tumors including breast, colorectal and lung. Innate Pharma has generated a panel of high affinity antibodies recognizing all forms of MICA which is now being tested and optimized to select the best development candidate.

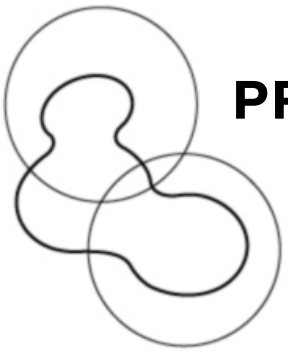
Antibody-drug conjugate technology:

In October, Innate Pharma presented a new site-specific conjugation technology allowing homogeneous antibody-drug conjugates ("ADCs"). This technology addresses a bottleneck in ADCs development: rapidly obtaining homogenous ADCs based on a minimal change of the manufacturing process. It is a versatile approach that may be used for a broad spectrum of target antigens and which can accommodate both existing and future high potency toxins. The technology has been validated in preclinical models and opens new opportunities for portfolio expansion and partnering.

Corporate update:

In November 2013, Innate Pharma completed a private placement directed to US-based specialist institutional investors. The gross amount raised was €20.3 million corresponding to 7.6 million new ordinary shares. The subscription price of each new share was €2.67, corresponding to the volume-weighted- average-price of the previous three trading sessions preceding the closing of the private placement on November 19, 2013.The capital increase was placed entirely with Tier 1 US-based institutional investors specializing in the sector including funds managed by QVT Financial LP and Redmile Group. Through this offering, OrbiMed acquired more than 5% of the share capital of Innate Pharma.

In October 2013, Innate Pharma appointed Nicolai Wagtmann Chief Scientific Officer and member of the Executive Board. Nicolai Wagtmann, previously Vice-President R&D at Novo Nordisk A/S, generated and developed a portfolio of therapeutic antibodies for the treatment of cancer and inflammatory diseases. François Romagné, co-founder of the Company, Chief Scientific Officer and member of the Executive Board since the inception, joined Innate Pharma's Scientific Advisory Board.



PRESS RELEASE

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About Innate Pharma:

Innate Pharma S.A. is a biopharmaceutical company conducting research and development of innovative immunotherapy drug candidates for cancer and inflammatory diseases.

The company specializes in the development of first-in-class therapeutic antibodies targeting receptors and pathways controlling the activation of the innate immune system. Three product-candidates resulting from the company's research platform are currently being tested in clinical trials, two of which by partners Bristol-Myers Squibb and Novo Nordisk A/S.

Listed on Euronext-Paris, Innate Pharma is based in Marseilles, France, and had 84 employees as at December 31, 2013.

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 (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.

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APPENDIX

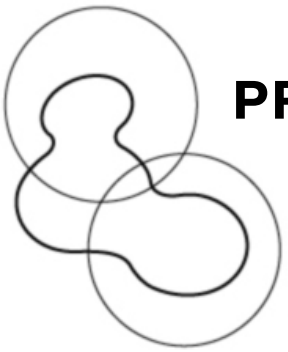
Innate Pharma SA

Consolidated financial statements as at December 31, 2013

The following consolidated balance sheet, income statement and statement of cash flows are prepared in accordance with International Financial Reporting Standards.

The audit procedures on the consolidated financial statements have been performed. The auditors' report will be issued after the finalization of the required procedures relating to the filing of the annual report ('Document de Référence'). The consolidated financial statements were approved by the Company's Executive Board on February 10, 2014. These statements were reviewed by the Company's Supervisory Board on February 10, 2014 and will be submitted for approval to the Shareholders' General Meeting on March 27, 2014.

Innate Pharma's financial annual report, included in the reference document, will be available in the second quarter of 2014.



Balance Sheet
(in thousands of euros)

	At December 31	
	2013	**2012**
Assets		
Current Assets		
Cash and cash equivalents	38,360	30,584
Financial instruments	2,989	2,032
Current receivables	8,002	8,381
Total current assets	**49,350**	**40,997**
Non-current assets		
Intangible and tangible assets	6,258	6,824
Associates and joint ventures	272	475
Other non-current assets	2	-
Total non-current assets	**6,532**	**7,299**
Total assets	**55,882**	**48,295**
Liabilities		
Current liabilities		
Trade payables	8,665	14,186
Financial liabilities	613	1,178
Provisions	-	-
Total current liabilities	**9,278**	**15,364**
Non-current liabilities		
Financial liabilities	4,206	3,327
Defined benefit obligations	789	643
Other non current liabilities	1,324	5,597
Total non-current liabilities	**6,319**	**9,567**
Shareholders' equity		
Capital and reserves attributable to equity holders of the Company		
Share capital	2,287	1,897
Share premium	128,000	108,552
Retained earnings	(87,072)	(83,870)
Net income (loss)	(2,892)	(3,199)
Other reserves	(38)	(17)
Total capital and reserves attributable to equity holders of the Company	**40,286**	**23,364**
Total liabilities and equity	**55,882**	**48,295**

Income Statement
(in thousands of euros)

	Year ended December 31	
	2013	**2012**
Revenue from collaboration and licensing	12,469	10,377
Government financing for research expenditures	4,182	3,905
Revenue and other income	**16,652**	**14,282**
Cost of supplies and consumable materials	(1,453)	(1,279)
Intellectual property expenses	(309)	(275)
Other purchases and external expenses	(9,219)	(8,640)
Employee benefits other than share-based	(6,946)	(6,385)
Share-based compensation	(325)	-
Depreciation and amortization	(880)	(839)
Other expenses	(312)	(249)
Net operating expenses	**(19,444)**	**(17,668)**
Operating income (loss)	**(2,793)**	**(3,386)**
Financial income	533	890
Financial expenses	(387)	(334)
Net gain on dilution	179	-
Share of profit (loss) of associates and joint ventures	(424)	(371)
Net income (loss) before tax	**(2,892)**	**(3,199)**
Income tax expense	-	-
Net income (loss)	**(2,892)**	**(3,199)**
Net income (loss) per share attributable to equity holders of the Company:		
Weighted average number of shares (in thousands):	38,703	37,802
(in € per share)		
- basic	(0.07)	(0.08)
- diluted	(0.07)	(0.08)

Statement of cash flows
(in thousands of euros)

	Year ended December 31	
	2013	**2012**
Net income (loss)	**(2 892)**	**(3,199)**
Depreciation and amortization	880	839
Provisions for charges and defined benefit obligations	102	72
Share-based compensation	325	-
Share of profit (loss) of associates and joint ventures	424	371
Profit of dilution	(179)	-
Debt write-off	79	-
(Gains) / losses on disposal of fixed assets	3	3
Gains on assets and other financial assets	(438)	(727)
Net interests paid	144	168
Operating cash flow before changing in working capital	**(1,552)**	**(2,473)**
Current receivables and prepayments	141	(2,012)
Deferred revenue	(4,273)	(7,516)
Trade payables	(5,283)	969
Net cash generated from / (used in) operating activities [(1)]	**(10,967)**	**(11,033)**
Acquisition of property and equipment	(433)	(1,225)
Disposal of fixed assets	116	-
Acquisition of current financial instruments	(2,996)	(2,032)
Disposal of current financial instruments	2,038	-
Variance of current account of associate and joint venture	(120)	(154)
Gains on assets and other financial assets	438	727
Net cash generated from / (used in) investing activities	**(958)**	**(2,684)**
Proceeds from the exercice / subscription of equity instruments	423	-
Net proceeds from issuance of share capital	18,934	-

	Year ended December 31	
	2013	**2012**
Increase in financial liabilities	1,500	-
Repayment of financial liabilities	(1,186)	(2,264)
Net interests paid	(144)	(168)
Transactions on treasury shares	151	116
Net cash generated from / (used in) financing	**19,677**	**(2,316)**
Effect of the exchange rate changes	23	12
Net increase / (decrease) in cash and cash	**7,776**	**(16,022)**
Cash and cash equivalents at the beginning of the year	**30,584**	**46,606**
Cash and cash equivalents at the end of the year	**38,360**	**30,584**

Management discussion on annual results for 2013:

Revenue and other income

Revenue and other income result from government financing for research expenditure and collaboration and licensing agreements. The Company's revenue and other income was 14.3 million euros and 16.7 million euros for the fiscal years ended on December 31, 2012 and 2013, respectively, from the following sources:

	Year ended December 31	
In thousand euros	**2013**	**2012**
Revenue from collaboration and licensing agreements	12,469	10,377
Government financing for research expenditures	4,182	3,905
Revenue and other income	**16,652**	**14,282**

Revenue from collaboration and licensing agreements

Revenue from collaboration and licensing agreements respectively amounted to 10.4 million euros and 12.5 million euros for the fiscal years ended on December 31, 2012 and 2013. These revenues result from the licensing agreement signed with Bristol-Myers Squibb in July 2011.

Following the licencing agreement signed with Bristol-Myers Squibb in July 2011, the Company received an upfront payment of 24.9 million euros (35.3 million dollars). This upfront payment, which is non-refundable and non-creditable, is recognized in turnover during the expected period of duration of the clinical program in course at the date of the contract. The amount that is not yet recognized as turnover is booked as deferred revenue in the balance sheet (2.2 million euros at December 31, 2013).

In addition to this upfront payment, the Company invoiced Bristol-Myers Squibb for its external costs for the licensed programs.

Government financing for research expenditures

The table below details government financing for research expenditure for the fiscal years ended December 31, 2012 and 2013:

	Year ended December 31	
In thousands of euros	**2013**	**2012**
Research tax credit	4,182	3,522
French and foreign public grants	-	383
Government financing for research expenditures	**4,182**	**3,905**

Since the fiscal year ended on December 31, 2008, the calculation of the research tax credit is based on 30% of the amount of eligible expenses for the fiscal year.

The table below shows the amount of R&D expenses (net of grants) eligible for the fiscal years ended on December 31, 2012 and 2013:

	Year ended December 31	
In thousands of euros	**2013**	**2012**
R&D expenses eligible for the research tax credit	13,756	11,641
Grants received, net	(66)	916
Net expenses eligible for the research tax credit	**13,690**	**12,557**

The research tax credit is usually reimbursed by the French government during the fourth fiscal year following the one for which it was booked in the income statement, provided that it is not deducted from taxes due by the Company. However, beginning in fiscal year 2010, companies qualified as small and medium sized ("SMEs") according to the European Union are eligible for an early reimbursement of their research tax credit receivable. The Company meets the SME criteria according to the European Union. It therefore benefits from the early reimbursement and received the cash relating to the 2012 tax credit in September 2013.

Since 2008, repayable grants received are deducted from the basis of calculation of the research tax credit. These amounted to respectively 916 thousand euros (reimbursed) and 66 thousand euros (cashed in) in 2012 and 2013. In parallel, the Company conducts studies outside of the European Union, notably in the USA, and these research expenses are not eligible for the research tax credit calculation.

For the 2012 fiscal year, recorded grants mainly concern a grant amounting to 0.4 million euros from "Lyon Biopôle", a competitiveness cluster.

These grants directly impact our income statement, as opposed to repayable loans which are recorded as debt and thus only impact our balance sheet.

Operating expenses by business function

The table below gives a breakdown of net operating expenses by business function:

	Year ended December 31	
In thousands of euros	**2013**	**2012**
Research and development expenses	(15,131)	(13,417)
General and administrative expenses	(4,313)	(4,251)
Net operating expenses	**(19,444)**	**(17,668)**

Research and development expenses include the cost of employees assigned to research and development operations (including employees assigned to work under the collaboration and licensing agreements), product manufacturing costs, subcontracting costs as well as costs of materials (reagents and other consumables) and pharmaceutical products.

Research and development expenses amounted to 13.4 million euros and 15.1 million euros for the fiscal years ended on December 31, 2012 and 2013, respectively. These expenses represented 76% of net operating expenses for the fiscal year ended on December 31, 2012 and 78% for the fiscal year ended on December 31, 2013. The rise in research and development expenses between 2012 and 2013 results from several elements (notably an increase of subcontracting and consumable costs relating to the development and the progression of the portfolios of pre-clinical programs and a share-based payment expense for 0.3 million euros).

General and administrative expenses include expenses for employees not directly working on research and development, as well as the expenses necessary for the management of the business and its development. General and administrative expenses were 4.3 million euros for the fiscal years ended on December 31, 2012 and 2013. These expenses are flat between 2012 and 2013, representing a total of 24% of the net operating expenses for the fiscal year ended on December 31, 2012 and 22% for the fiscal year ended on December 31, 2013.

Operating expenses by nature

The table below gives a breakdown of net operating expenses by nature of expenses:

	Year ended December 31	
In thousands of euros	**2013**	**2012**
Cost of supplies and consumable materials	(1,453)	(1,279)
Intellectual property expenses	(309)	(275)
Other purchases and external expenses	(9,219)	(8,640)
Employee benefit other than share-based compensation	(6,946)	(6,385)
Share-based compensation	(325)	-
Depreciation and amortization	(880)	(839)
Other income and (expenses), net	(312)	(248)
Net operating expenses	**(19,444)**	**(17,668)**

Cost of supplies and consumable materials

The cost of supplies and consumable materials totaled 1.3 million euros and 1.5 million euros for the fiscal years ended on December 31, 2012 and 2013, respectively. The rise of this item results from the increase in consumable purchases. This item includes the cost of products used in Innate Pharma's laboratories and by third parties with whom the Company collaborated, notably during clinical trials.

Intellectual property expenses

Intellectual property expenses were 0.3 million euros for the fiscal years ended December 31, 2012 and 2013.

These expenses include the cost of filing and protecting patents (including patents that were acquired from third parties and where the agreements specified that Innate Pharma is responsible

for the relevant costs) as well as the costs for obtaining an option or license for intellectual property. In accordance with IAS 38, considering the degree of maturity of the Company and the uncertainty that exists as to the outcome of its research and development projects, intellectual property expenses are recorded in expenses.

Other purchases and external expenses

Other purchases and external expenses came to 8.6 million euros and 9.2 million euros during the fiscal years ended on December 31, 2012 and 2013, respectively, and break down as follows:

	Year ended December 31,	
In thousands of euros	**2013**	**2012**
Sub-contracting	(5,817)	(5,309)
Leases, maintenance and utility	(854)	(703)
Travel and conference costs	(794)	(731)
Non-scientific consultancy	(694)	(815)
Marketing, communication and public relations	(283)	(406)
Scientific consultancy and services	(454)	(383)
Attendance fees	(150)	(129)
Others	(173)	(165)
Other purchases and external expenses	**(9,219)**	**(8,640)**

Sub-contracting expenses involve discovery research costs (financing research conducted externally, particularly academic research, antibody humanization technologies, manufacturing process development, etc.), pre-clinical development (pilot manufacturing, tolerance and pharmacology studies, etc.) and clinical costs (clinical trial management, etc.) outsourced to third parties.

The increase of these costs mainly results from the rise of sub-contracting costs relating to the pre-clinical programs.

Leases, maintenance and utility costs are mainly maintenance costs for laboratory equipment and the building. The rise between 2012 and 2013 mainly results from the rent of laboratory equipment in 2013.

Travel and conference costs include expenses for employees travelling and attending conferences, particularly scientific, medical, business development and financial conferences. The purpose of the Company's participation in these meetings is to maintain its visibility, expertise, and credibility with respect to the players within these different communities.

Non-scientific consultancy expenses are mostly fees paid to audit firms, to our certified public accountant for his assistance in accounting, tax and employee matters, to our lawyers for their assistance in negotiating collaboration and licensing agreements and general counselling assistance, to business strategy or development consultants and recruitment fees. The decrease in these expenses between 2012 and 2013 results from several non material variances.

Marketing, communications and public relations costs cover fees for our communication and public relations consultants, costs of developing and producing communication tools, such as our website and business reports. The decrease of these costs between 2012 and 2013 mainly results from the organization during the first half of 2012 of a major press event relating to the attribution of the Nobel prizes.

Scientific consultancy and services consist of costs related to outside consultants assisting in the research and development of our products. It also covers fees paid to members of our Scientific committee. The rise in these costs between 2012 and 2013 is mostly explained by the consultancy contract signed with Nicolai Wagtmann, the new Scientific Director of the Company for the period September – December 2013.

Employee benefits other than share-based compensation

Employee benefit expense other than share-based compensation came to 6.4 million euros and 6.9 million euros for the fiscal years ended on December 31, 2012 and 2013, respectively. This includes salaries and social benefit costs.

On average, Innate Pharma had 81.0 employees during the fiscal year ended on December 31, 2012 and 83.0 employees during the fiscal year ended on December 31, 2013.

The proportion of total staff, employees excluding Executive committee members, allocated to research and development operations was respectively 76% and 73% for the fiscal years ended on December 31, 2012 and 2013.

The average amount of staff cost per employee was 78 and 84 thousand euros for fiscal years ended on December 31, 2012 and 2013 respectively. This increase mainly results from a better achievements of the corporate goals, driving the amount of the collective and individual bonuses.

Share-based compensation

Share-based compensation came to 0.3 million for the fiscal year ended on December 31, 2013. No such cost was recognized for the fiscal year ended on December 31, 2012.

These are costs associated with the compensation granted to directors, managers, employees and consultants through stock-options, warrants or free shares which could give them ownership of share capital in the future. This non-cash compensation is recorded as an expense in accordance with IFRS 2.

Depreciation and amortization

These costs came to 0.8 and 0.9 million euros for the fiscal years ended on December 31, 2012 and 2013 respectively.

Other income and expenses, net

There was a net expense of 0.2 and 0.3 million euros for the fiscal years ended on December 31, 2012 and 2013 respectively. Other income and expenses mainly include certain indirect taxes, as well as exceptional income and expenses.

Net financial income

The net financial income amounted respectively to 0.6 million euros and 0.1 million euros for the fiscal years ended on December 31, 2012 and 2013.

The Company's cash investment policy favours the absence of risk on principal and, wherever possible, guaranteed minimum performance.

The balance of cash, cash equivalents and financial instrumets was 32.6 million euros and 41.3 million euros for the fiscal years ended on December 31, 2012 and 2013, respectively. This variance mainly results from the capital increase carried out in November 2013 for a net amount of 18.9 million euros.

Net gain on dilution

As a consequence of the acquisition of an equity interest in Platine Pharma Services SAS by the company Indicia Biotechnology SA in July 2013, the Group recognized a net gain on dilution for an amount of 0.2 million euros.

Share of profit (loss) in associate and joint-venture

This amount represents the share of the Group in the loss of the company Platine Pharma Services SAS for the fiscal year ended December 31, 2013.

Income tax expense

Because of the existing tax losses reported this year and over the past fiscal years, there is no income tax expense. No deferred tax asset has been recorded as there is a minimal likelihood of recovery. In accordance with IFRS, the research tax credit is classified as 'other revenue' and not in the line 'income tax expense'.

Net income / (loss) per share

The net loss per authorized and issued share came to 0.08 euros and 0.07 euros for the fiscal years ended on December 31, 2012 and 2013, respectively.

Balance sheet items:

Since its incorporation in 1999, the Company has been primarily financed from revenue from its licensing activities, by issuing new securities, and by government financing for research expenditure and repayable advances (Oséo-Anvar). Financial debt amounted to 4.8 million euros as of December 31, 2013.

Cash, cash equivalents and current financial instruments amounted to 41.3 million euros as of December 31, 2013, compared with 32.6 million euros as of December 31, 2012.

At December 31, 2013, trade payables include the part of the upfront payment received from Bristol-Myers Squibb which will be recognized in revenue in 2014. Other non-current liabilities include the part of this upfront payment which will be recognized later on.

Post balance sheet event:

On February 5, 2014, Innate Pharma SA acquired full development and commercialization rights to the anti-NKG2A antibody, a first-in-class immune checkpoint ready for Phase II development in oncology from Novo Nordisk A/S. Novo Nordisk A/S will receive 2 million euros and 600,000 shares for licencing NKG2A to Innate Pharma and be eligible for a total of 20 million euros in potential registration milestones and single-digit tiered royalties on future sales. The acquisition of the Innate shares is subject to approval by Innate's shareholders at an extraordinary general meeting on 27 March 2014.

Risk factors:

Risk factors affecting the Company are presented in paragraph 4 of the latest "Document de Référence" submitted to the French stock-market regulator, the "Autorité des Marchés Financiers" on March 18, 2013.

Annual financial report for 2013 and "Reference Document":

The Company intends to file its 2013 annual financial report as well as its "Reference Document" for the year so that these documents are made public in the second quarter of 2014.