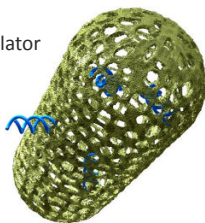


Q2/2012: US\$10M - Phase 2B Funding

Immunomodulator
Microparticle
Platform:
Lead drug
candidate
MIS416



Innate Immuno**therapeutics**

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Management Team

Simon Wilkinson, CEO & Director
Liz Hopkins, Executive Director
Chris Collins, US Independent Director
Gill Webster, Ph.D, CSO
Peter Bradley, CBDO

Market / Industry

Development, manufacturing & commercialization of human therapeutics.

Current Investors

New Zealand unlisted, public company with 1735 private shareholders (49% NZ inc 6% founder & 48% US).

Special Phase 2A Support

Fast Forward LLC & EMD Serono - US\$550,000 & clinical expertise.
NZ Government – US\$450,000

Capital Raised to Date

US\$40 million through the issue of:
- 3.7 million preferred stock
- 95 million ordinary stock

Next Round (Q2 2012)

13 million new ordinary shares at US\$0.75 per share to raise \$10M for 12% stake.
Post-raise value US\$85 million.

Use Of Proceeds

Fund 100 patient Australian/NZ Phase 2B trial of MIS416 in Secondary Progressive Multiple Sclerosis.

Auditors

Grant Thornton (The company has been audited since inception in 2000 to NZ equivalent of IFRS).

innateimmuno.com

The Company

Innate Immunotherapeutics (IIL) is a New Zealand (NZ) based company with a drug in a Phase 2 human trial. The drug, MIS416, is the first lead candidate from the Company's unique 'immune modulator' microparticle technology platform. **This technology, which modulates the body's natural immune responses, has application in several important disease areas including malignancies and infection.** IIL has selected Secondary Progressive Multiple Sclerosis ("SPMS") as the first disease indication to address with MIS416.

Value Proposition

1. MIS416 has been used 'compassionately' to treat a small group of patients with SPMS in NZ. **Results suggest a positive safety profile and treatment related improvements in signs & symptoms in some patients.** The NZ drug regulator waived an early stage Phase 1 programme, instead recommending MIS416 be taken straight into a 1B/2A trial in patients with MS. **There are no drugs specifically approved to treat SPMS.**
2. Pilot scale GMP licensed manufacturing is established. Production is straight-forward, with a COG <20% of the estimated annual per patient revenue.
3. **Patent claiming the use of MIS416 to treat MS issued in NZ** (priority June 2009) and are pending in major markets.
4. **ITL has a clear exit strategy with a large multiple upside within the next 3 years** through clearly identified potential partners. Management has the experience necessary to take MIS416 through a Phase 2B proof of concept trial to maximize value and leverage exit opportunities.

Commercial Opportunity

80% of MS sufferers are diagnosed with the relapsing-remitting form of the disease. 40% to 50% of these patients subsequently develop SPMS. There are only eight drugs approved to treat the relapsing-remitting form of MS but no drugs specifically approved to treat SPMS.

Relapsing-remitting MS drugs cost on average \$31,700 per annum per patient in the US. **Four of the currently approved drugs gross in excess of \$1 billion per annum.**

A drug that could slow or arrest the normal course of SPMS would address a significant unmet need in a market with an estimated value of \$3 billion annually.

Business Model

ITL's strategy is to rapidly maximize value around its microparticle technology to position the Company for a major strategic acquisition. This will be achieved in the following manner:

1. Human safety and efficacy data supporting the use of MIS416 to treat patients with SPMS will be generated in a robust Phase 2 clinical trial programme.
2. In parallel, industry and academic collaborations will be used to generate further animal proof-of-principle data to **confirm the extension of MIS416 into unmet areas within the lucrative cancer and antiviral markets.**

ITL expects to demonstrate the efficacy of its lead drug candidate MIS416 in at least one \$1 billion plus market within the next 2 years and also show that the technology can be extended into other major therapeutic indications.

Forward Looking Statements

This document may contain certain forward-looking statements regarding Innate Immunotherapeutic's performance, including future revenues, products and income, or events or developments that Innate Immunotherapeutics expects to occur or anticipates occurring in the future. All such statements are based upon current expectations of Innate Immunotherapeutics and involve a number of business risks and uncertainties. Actual results could vary materially from anticipated results described, implied or projected in any forward-looking statement. Factors that could cause actual results to vary materially from any forward-looking statement include, but are not limited to: competitive factors; pricing and market share pressures; changes in interest or foreign currency exchange rates; difficulties inherent in product development and delays in product introductions; changes in regional, national or foreign economic conditions; fluctuations in costs and availability of raw materials; changes in healthcare or other governmental regulation; issuance of new or revised accounting standards, as well as other factors that may be discussed in this document.