Letter to shareholders

N° 32

Dear Shareholders,

Here we are in 2013. It's time now to look back on 2012, which was a very critical year for the future of your Company. We have been through one of the deepest and most concentrated "patent cliffs" in our industry, but we now have one of the lowest patent exposures as we look forward. In fact, the "patent cliff" is almost behind us. But the real story of Sanofi is not about patent expiries. The real story of Sanofi is about transforming and diversifying a company through the creation of promising growth platforms.

The performance of our activities in Emerging Markets, Diabetes, Vaccines, Consumer Healthcare, Animal Health and the contribution from Genzyme (rare diseases and multiple sclerosis) is excellent and we have made significant progress in R&D. As a consequence, we can envisage that we will be back to growth in the second half of 2013.

There is no doubt that this has positively influenced our share price. It increased by 26% in 2012, reflecting our shareholders' trust in the Company's growth opportunities going forward.

And we also confirm our own confidence in the future of your Company, as we decided to submit a dividend of 2.77 euros per share to the Shareholders' General Meeting on May 3, 2013.

Thank you for your trust and continuing loyalty.

Serge Weinberg

Chairman of the Board of Directors

Dear Shareholders,

2012 was a turning point for Sanofi. Despite the loss of exclusivity for the last of our historic blockbusters: Plavix®, Avapro® and Eloxatin® in the U.S, Aprovel® in Europe, we were still able to grow sales, even though our Business earnings per share were down 12.8% at constant exchange rates. This was in line with our expectations. Now that we are in 2013, I can confirm that we have come through the "patent cliff" in a very solid way, as result of our ability to develop our growth platforms: Emerging Markets, Diabetes Solutions, Vaccines, Consumer Healthcare, Animal Health, New Genzyme and Other Innovative Products.

These growth platforms achieved sales of €23.5 billion in 2012, up 9.9% at constant exchange rates. What is really important to note is that they now contribute 67.4% of total sales, while key genericized products only represent 6.4% of the business. We have clearly and sustainably reversed the trend.

2012 was also an important year for our Research & Development, which remains at the core of our company. The deep transformation of our R&D during the last few years has really started to deliver results. A number of key projects in our pipeline moved further along, with nine regulatory approvals and six submissions of new drugs or vaccines to health authorities.

Most notably, we've seen the approval of Lyxumia®, our GLP-1 for diabetes and Zaltrap® in second line metastatic colorectal cancer in Europe, early this year. We have also seen Kynamro™ for homozygous familial hypercholesterolemia approved in the U.S. Last year, we saw the launch of Aubagio® in the U.S. for Multiple Sclerosis. Lemtrada™ will be another innovating product in the Multiple Sclerosis portfolio once approved. It has been submitted in the U.S. and in Europe. When I look at other projects coming along, we have managed to build a robust portfolio for the future. We have a potential of 18 products that could be launched between now and 2015. Thus, our R&D shall be accretive to our outlook as we go forward.

In 2013, although financial results in the first half will experience a residual effect from patent expirations, we expect to resume growth in the second half, driven by the performance of our growth platforms. We are on track to meet our 2012-2015 objectives for sustainable growth.

Thank you for your support,

Christopher A. Viehbacher

Chief Executive Officer

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SANOFI

KEY REGULATORY ACHIEVEMENTS IN EARLY 2013

LYXUMIA® APPROVED IN EUROPE IN TYPE 2 DIABETES

The European Commission has approved Lyxumia® (lixisenatide, in-licensed from Zealand Pharma), a once-daily prandial GLP-1 receptor agonist, in Europe. Lyxumia® is indicated for the treatment of adults with type 2 diabetes mellitus to achieve glycaemic control in combination with oral glucose-lowering medicinal products and / or basal insulin (e.g. Lantus®), when these, together with diet and exercise, do not provide adequate glycaemic control.

With the European approval of Lyxumia®, we now have a simple new tool to help patients further reduce HbA1c, with the benefit of weight loss and limited risk of hypoglycaemia.

In the United States, health authorities recently accepted to review the new drug application for lixisenatide.

ZALTRAP® APPROVED IN EUROPE FOR THE TREATMENT OF COLORECTAL CANCER

The European Commission granted marketing authorization in the European Union for Zaltrap® (aflibercept, collaboration with Regeneron) in combination with FOLFIRI chemotherapy in adults with metastatic colorectal cancer that is resistant to or has progressed after an oxaliplatin-containing regimen.

Zaltrap® is a recombinant fusion protein which blocks certain vascular growth factors and thus prevents the creation of new vessels needed to feed the tumor.

In Europe, colorectal cancer is the most common cancer in both men and women and is the second leading cause of cancer death.

In the United States, Zaltrap® (ziv-aflibercept) was launched end of August 2012.

APPROVAL OF HEXYON™/HEXACIMA™ VACCINE RECOMMENDED IN EUROPE

The Committee for Medicinal Products for Human Use of the European Medicines Agency recommended market approval for Sanofi Pasteur's 6-in-1 pediatric vaccine Hexyon™/Hexacima™.

Hexyon™/Hexacima™ is the only fully liquid, ready-to-use, 6-in-1 vaccine to protect children against diphtheria, tetanus, pertussis (whooping cough), Hepatitis B, poliomyelitis and invasive infections caused by Haemophilus influenzae type b.

KYNAMRO™ APPROVED IN THE UNITED STATES IN HOMOZYGOUS FAMILIAL HYPERCHOLESTEROLEMIA

The U.S. Food and Drug Administration (FDA) has approved Kynamro™ (mipomersen sodium, development collaboration with Isis Pharmaceuticals) injection as an adjunct to lipid-lowering medications and diet to reduce low density lipoprotein-cholesterol, apolipoprotein B, total cholesterol, and non-high density lipoprotein-cholesterol in patients with homozygous familial hypercholesterolemia (HoFH).

HoFH is a rare inherited condition that makes the body unable to remove LDL cholesterol, often called the "bad" cholesterol, from the blood, causing abnormally high levels of circulating LDL cholesterol. In the United States, HoFH, an orphan indication, occurs in approximately one in one million individuals. For patients with HoFH, heart attacks and death often occur before age 30.

AUVI-Q™ LAUNCHED IN THE UNITED STATES

Auvi-Q™, the first and only voice-guided epinephrine auto-injector is available in the U.S. with a prescription from a healthcare provider since January 2013.

Auvi-Q™ is used for the emergency treatment of life-threatening allergic reactions in people who are at risk for or have a history of anaphylaxis. The size and shape of a credit card and the thickness of a smart phone, Auvi-Q™ is a breakthrough in epinephrine auto-injector device design.

ALLSTAR™ AVAILABLE IN INDIA

Sanofi launched AllStar™ the first Indian-manufactured, re-usable insulin pen, manufactured by a global company in India, in the fourth quarter of 2012. Developed especially for patients in emerging markets, AllStar™ is indicated for use of insulinized patients using Sanofi's insulin portfolio, and also for insulin-naive patients who are starting to use insulin.

Sanofi intends to make AllStar™ accessible to other emerging markets.

SANOFI GROWS ITS CONSUMER HEALTHCARE PRODUCTS PORTFOLIO

Sanofi's U.S. Consumer Healthcare Division, Chattem, completed the acquisition of the worldwide rights to the Rolaids® brand.

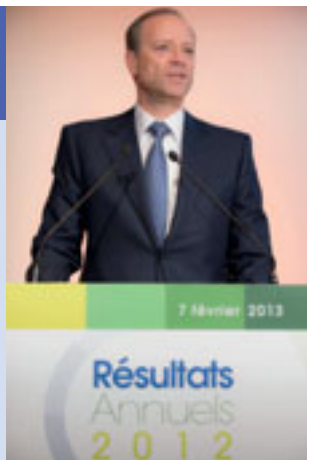
Rolaids® is an over-the-counter antacid that helps relieve heartburn and acid indigestion. The product was first introduced in 1954 and over the years it has been a top selling gastro-intestinal category brand. Chattem will re-launch Rolaids® and expects the product to be available at retailers within a year.

SANOFI STRENGTHENS ITS ANIMAL HEALTH DIVISION IN INDIA

Merial, the Animal Health division of Sanofi, will acquire the Animal Health division of the Indian company Dosch Pharmaceuticals Private Limited, creating a market entry for Merial in that country's strategically important and growing Animal Health sector. The agreement is subject to regulatory approval and is expected to finalize sometime in the first half of 2013. The Animal Health division of Dosch has more than 86 products under 50 brands for ruminants, poultry and companion animals.

SOLID 2012 RESULTS DRIVEN BY GROWTH PLATFORMS

- Total 2012 sales(1) up 0.5% to €34,947m, despite the loss of €1,345m due to generic competition.
- Increase of growth platforms sales of 9.9% (7.8% with Genzyme proforma) to €23,548m, corresponding to 67.4% of total sales in 2012.
- Business EPS(2) was €6.20 in 2012 versus €6.65 in 2011 reflecting the negative impact of €1.3bn at constant exchange rates (CER) on the business net income related to patent losses.
- Net debt down from €10,859m at December 31, 2011 to €7,719m at December 31, 2012.



	Q4 2012	Change on a reported basis	Change at CER	2012	Change on a reported basis	Change at CER
Net sales	€8,526m	+0.2%	-1.7%	€34,947m	+4.7%	+0.5 %
Business net income(2)	€1,572m	-24.3%	-27.1%	€8,179m	-7.0%	-12.9 %
Business EPS(2)	**€1.19**	**-23.7%**	**-26.3%**	**€6.20**	**-6.8%**	**-12.8 %**

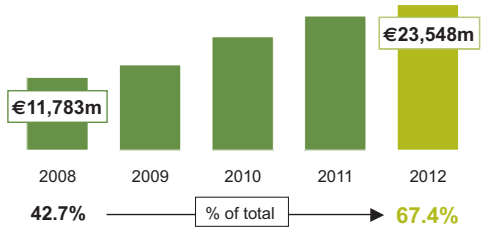
SALES GROWTH IN 2012 DESPITE THE LOSS OF EXCLUSIVITY OF MAJOR PRODUCTS IN THE U.S.

Net sales in 2012 reached €34,947m, an increase of 4.7% on a reported basis. **Exchange rate movements** had a favorable effect of 4.2 percentage points driven by the appreciation of the U.S. dollar and, to a lesser extent, the appreciation of the Japanese Yen and Chinese Yuan against the Euro. At constant exchange rates, and adjusting for **changes in the scope** of consolidation (primarily the consolidation of Genzyme from the second quarter of 2011, the return of Copaxone® to Teva and the disposal of Dermik), net sales increased by 0.3%.

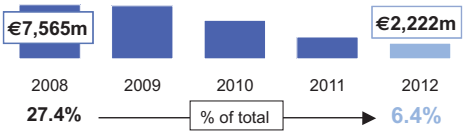
Sales for the **Pharmaceuticals business** reached €28,871m, a slight decrease of 0.4%, which included the positive contribution from Genzyme (consolidated from April 2011). In 2012, net sales lost to generic competition on main legacy products in the U.S. and in Western Europe were €1,345m.

Full-year sales of **generics** totaled €1,844m, an increase of 5.0%, despite a slowdown in sales in the U.S. and Brazil.

Sales of growth platforms have doubled over 4 years(5)



Erosion of sales of key genericized products in the U.S. and Western Europe(6)



2013 Guidance announced on February 7, 2013(3)

The residual impact from the loss of Plavix® and Avapro® exclusivity in the U.S. is anticipated to impact business net income in H1 2013 by approximately €800m at CER. Including this impact, the continued strong performance of growth platforms, investments in late-stage pipeline, launch expenses for new products and ongoing cost savings should lead to a 2013 business EPS flat to 5% lower than 2012(4) at CER, barring major unforeseen adverse events.

(1) Growth in net sales is expressed at constant exchange rates (CER) unless otherwise indicated.

*(2) **Business net income** is a key non-GAAP indicator and is defined as net income attributable to equity holders of Sanofi excluding: amortization of intangible assets, impairment of intangible assets, fair value remeasurement of contingent consideration liabilities related to business combinations, other impacts associated with acquisitions (including impacts of acquisitions on associates), restructuring costs*, other gains and losses (including gains and losses on disposals of non-current assets*), costs or provisions associated with litigation*, tax effects related to the items listed above as well as effects of major tax disputes. (*reported in the line items Restructuring costs and Gains and losses on disposals, and litigation, of our consolidated financial statements)*

***Business EPS:** Business earnings per share are defined as business net income divided by the weighted average number of shares outstanding.*

(3) See forward-looking statements on page 6.

(4) 2012 business EPS with the retroactive application of IAS19R: €6.14.

(5) 2010 includes sales of Merial. In 2008 and 2009, Merial Joint Venture sales were not consolidated by Sanofi.

(6) Key genericized products include Lovenox® U.S., Plavix® Western EU, Taxotere® Western EU & U.S., Eloxatin® U.S., Ambien® family U.S., Allegra® U.S., Aprovel® Western EU, Xyzal® U.S., Xatral® U.S., Nasacort® U.S. and BMS Alliance (active ingredients of Plavix® and Avapro® sold to BMS).

(7) World less the U.S. and Canada, Western Europe, Japan, Australia and New Zealand.

(8) Includes Diabetes, Vaccines, Consumer Healthcare, Animal Health, Other Innovative Products and New Genzyme sales in Emerging Markets. Excluding these activities, sales in Emerging Markets were €6,286m.

(9) "New Genzyme" consists of rare diseases and multiple sclerosis products. Growth is at constant exchange rates and structure.

STRONG PERFORMANCE OF GROWTH PLATFORMS IN 2012

- **Emerging Markets[7]: Sales[8] of €11,145m, +8.3%**
  Emerging Markets accounted for 31.9% of Group sales versus 31.1% for the United States and 23.9% for Western Europe. Sales in BRIC countries (Brazil, Russia, India, China) were €3,896m (+12.0%) in 2012. In 2012, sales in Africa and the Middle East each exceeded €1bn for the first time.
- **Diabetes Solutions: Sales of €5,782m, +16.7%**
  In 2012, the strong growth of the Diabetes business was driven by the performance of Lantus®, up 19.3% to €4,960m.
- **Human Vaccines: Sales of €3,897m, +5.7%**
  The Vaccines business ended 2012 on a high note. Sales increased 20.5% in Q4 2012, reflecting strong performance of flu vaccines, the meningitis vaccine Menactra® and Imovax® Polio in Japan.
- **Consumer Healthcare: Sales of €3,008m, +9.9%**
  Sanofi now ranks #3 in Consumer Healthcare globally (source: Nicholas Hall & Company), notably due to its strong performance in Emerging Markets.
- **Animal Health: Sales of €2,179m, +3.1%**
  Sales of the companion animals segment were €1,372m, up 1.8% with Frontline® showing continued resilience. Sales of the Production Animals segment totaled €807m, an increase of 5.1%.
- **New Genzyme[9]: Sales of €1,785m, +16.9%**
  The strong Genzyme performance reflects the recovery of Fabrazyme®. Fabrazyme® sales almost doubled indicating considerable supply improvement.
- **Other Innovating Products: Sales of €611m, +10.5%**
  This growth platform includes sales of the following products: Multaq®, Jevtana®, Zaltrap® and Mozobil® pro forma.

DIVIDEND

- 2012 dividend of **€2.77 per share**, submitted for approval by the Shareholders' general meeting on May 3, 2013.
- **Payout ratio of 45%** of 2012 business EPS.
- Between 2008 and 2012, **5.9% annual growth** on average.
- **Target payout ratio of 50%** for 2013 results.
- **Dividend yield of 3.7%** based on 2012 dividend of €2.77, as of March 5, 2013 (share price of €74.76).

NEXT STEPS

May 3	Shareholders' general meeting
May 9	Ex-dividend date
May 13	Record date
May 14	Payment date

NEW TAX RULES IN FRANCE

- Increase of social contributions to 15.5%
- Withdrawal of the fixed levy in full and final discharge: dividends received in 2013 are taxable on the sliding scale basis
- Withdrawal of the fixed annual tax-free allowance

For further information, please visit:
www.sanofi.com/shareholdertaxes

2013 COMBINED GENERAL MEETING

Sanofi's General Meeting will be held on May 3, 2013 at 2:30 pm CET at the Palais des Congrès, 2 Place de la Porte Maillot, 75017 Paris - France. Additional information is available at: **www.sanofi.com/AGM2013**

The General Meeting will cover the following topics:

Approval of the individual Company financial statements

The shareholders are invited to approve the financial statements for the year ended December 31, 2012 and the payment of a dividend set at €2.77 per share.

Composition of the Board of Directors

The shareholders will vote on the appointment of Fabienne Lecorvaisier as a Director.

Share repurchase program

This Meeting seeks to renew the authorization granted to the Board of Directors to carry out transactions in shares issued by the Company.

Renewal of financial authorizations

These resolutions grant to the Board of Directors, under certain conditions, a part of the financial management of the Company. The Board of Directors would be authorized to increase or reduce the capital pursuant to specified limitations and to carry out diverse transactions. These authorizations are limited in both their amount and their duration.

Employee share ownership

Two resolutions aim at developing employee share ownership through a capital increase reserved for participants in the Group savings scheme.

Grant of options to subscribe for or purchase shares

The shareholders will vote on the renewal of the Board authorization to grant options to employees and corporate officers of the Group. Such options may not represent more than 0.7% of the share capital in total and will systematically be contingent upon demanding performance conditions calculated over a three-year period.

INVESTOR RELATIONS THEMATIC SEMINAR FOCUSES ON LATIN AMERICA

The pharmaceutical market in Latin America is as big as in China. Sanofi is an undisputed market leader (see box below) and has a well-diversified presence in this fast-growing region.

Sanofi is the first healthcare company to organize a field trip in Latin America for the financial community. Our objective was to demonstrate Sanofi's strategic position and its outlook in this region. The seminar was held in Sao Paulo, Brazil, on November 29-30, 2012, and was the occasion to present all businesses operating in Latin America, to visit a pharmacy and a Sanofi plant.

A WELL ESTABLISHED LEADERSHIP IN LATIN AMERICA

Hanspeter Spek, President, Global Operations, provided an overview of the region, emphasizing its increasing health expenditures and the rising purchasing power of its growing middle-class and aging population. With its strong, long-term presence, Sanofi is a well-established market leader in the region. Heraldo Marchezini, Senior VP for Latin America and General Manager Brazil provided a close-up on Brazil, Sanofi's fourth largest market (based on 2012 sales), underlining the strength of the company's growth prospects, underpinned by the diversity of its offer and its tailored approach to each of its key market segments.

A DIVERSIFIED PLAYER WITH MULTIPLE SOURCES OF GROWTH

All businesses of Sanofi are well represented in Latin America, confirming the company's diversified healthcare leader profile. Thus, other presentations at the seminar focused on the opportunities for the Diabetes business (Fernando Sampaio, General Manager of Sanofi Pharma Brazil), our Animal Health division (José Barella, Senior VP Animal Health – Merial), the Vaccines division (Patrice Lebrun, VP Latin America – Sanofi Pasteur), the Consumer Healthcare and Generics businesses (presented by Heraldo Marchezini) and Genzyme (Rogerio Vivaldi, Senior VP and Head of Rare Diseases – Genzyme).

The seminar also provided an overview of the specific aspects of the Brazilian pharmaceutical market and Sanofi's manufacturing operations in Latin America. François Blanot, VP Industrial Affairs for Latin America, led a visit of the Suzano plant, one of the company's largest plants and a producer of leading products in each market segment.

Acquisition of Genfar S.A. in Colombia

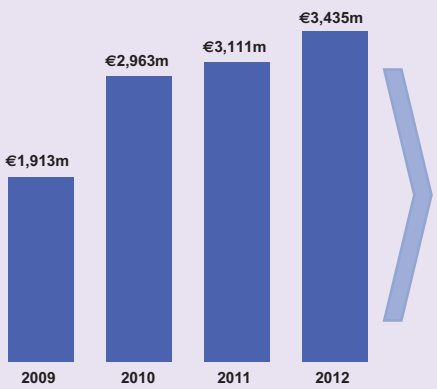
Sanofi acquired Genfar S.A., a leading pharmaceuticals manufacturer headquartered in Bogota, Colombia.

In 2011, Genfar's total sales were $133 million, with 30% of sales generated outside of Colombia. With this acquisition, Sanofi will become a market leader in Colombia and expand its portfolio of affordable pharmaceuticals and animal health products in Latin America.

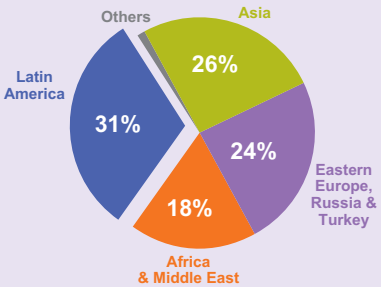
Latin America is a significant contributor to Sanofi's leadership in Emerging Markets (EM)

- 31% of EM sales in 2012
- Strongest growth of EM in 2012: +11.3% at constant exchange rates
- Sanofi is #1 in Latin America ahead of Novartis and Pfizer (IMS MIDAS)
- Brazil and Mexico represent more than 2/3 of Sanofi's sales and headcount in Latin America
- Strong sales force, close to 4,000 commercial people, and industrial network, 10 plants (close to 4,000 people)

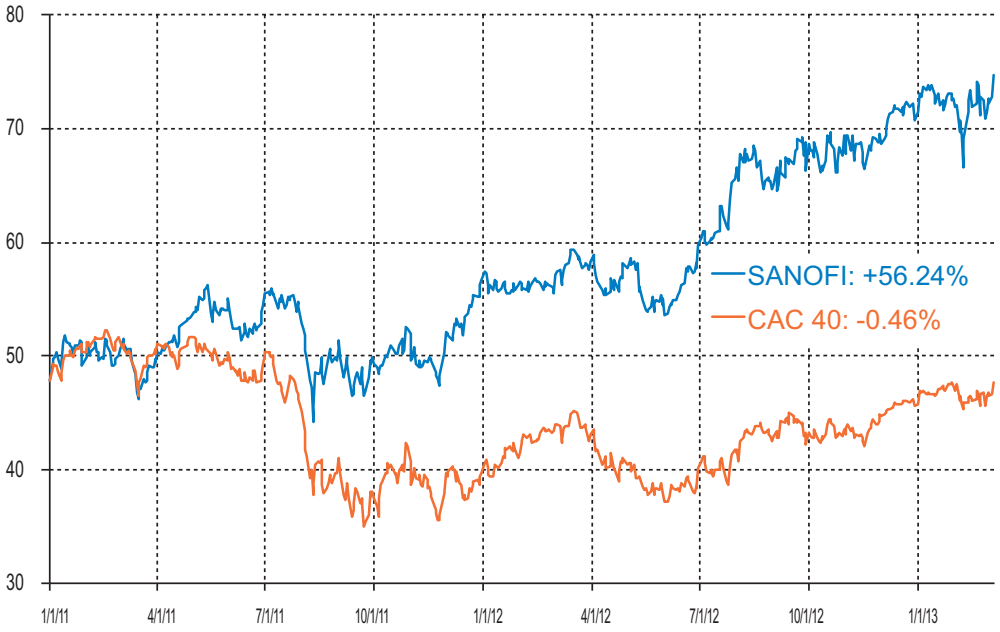
Latin America Sales Trend



Emerging Markets Sales 2012: €11,145m



SHARE PRICE TREND BETWEEN JANUARY 1, 2011 AND MARCH 5, 2013



CAC 40 rebased on the Sanofi share price - Source: Bloomberg

Euronext Paris, compartiment A
Member code: SAN
ISIN code: FR 0000120578

New York Stock Exchange
Ticker symbol: SNY
CUSIP number: 80105N105000

FOCUS

THANK YOU TO ALL VISITORS OF THE ACTIONARIA TRADE SHOW

The Investor Relations team played host to Sanofi's individual shareholders at the 2012 Actionaria trade show, held in Paris on November 23 and 24, 2012.

For two days, Sébastien Martel, Vice President, Investor Relations and his team talked with Sanofi' shareholders and people interested in the stock. This event offered shareholders a unique opportunity to meet stock market players and ask listed companies about their business, development prospects and results.

Our visitors were able to test their knowledge of the Company via an interactive quiz. Members of the CCAI (Advisory Committee of Individual Shareholders) were on the stand alongside the IR team to listen to shareholders' concerns and their expectations about the communication of shareholder information.

Save the date of this year's event, November 22 and 23, 2013!

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CALENDAR

April 8, 2013
Shareholder meeting in Bordeaux, France

May 2, 2013
First-quarter 2013 results

May 3, 2013 – 2:30 pm CET
General Meeting
Palais des Congrès
2 Place de la Porte Maillot
75017 Paris - France

May 22, 2013
Shareholder meeting in Marseille, France

June 18, 2013
Shareholder meeting in Lyon, France

August 1, 2013
Second-quarter 2013 results

Forward-looking statement

This letter contains projections and other forward-looking statements that are not historical facts. Although the management of Sanofi believes that these projections and forward-looking statements, and their underlying assumptions, are reasonable as of the date of this letter, investors are cautioned that such projections, assumptions, intentions and forward-looking statements are subject to various risks and uncertainties (many of which are difficult to predict and generally beyond the control of Sanofi) that could cause actual results and developments to differ materially from those expressed or implied. These risks and uncertainties include those discussed elsewhere in this letter, as well as in the filings of Sanofi with the U.S. Securities and Exchange Commission (SEC) and the French Autorité des marchés financiers (AMF), notably under the caption "Risk Factors" in the company's annual report on Form 20-F. Other than as required by applicable law, Sanofi does not undertake any obligation to update any statement that is not a historical fact.

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