LETTER TO SHAREHOLDERS

N°44
MARCH 2016

Dear Shareholders,

On November 6, Olivier Brandicourt presented the strategic roadmap for Sanofi: reshape our activities to improve market penetration, strengthen our R&D pipeline to ensure long term growth, simplify our organization to guarantee greater efficiency and responsibility of our teams, and excel in launches of new medicines and vaccines.

The important agreement signed with Boehringer Ingelheim, under which we plan to acquire their Consumer Healthcare business and sell our Animal Health business, is a key step in the implementation of this strategy.
2015 also saw the launch of three major products - Toujeo®, Praluent® and Dengvaxia® - and the regulatory submissions of three other medicines. In addition, several new research partnerships were signed in Oncology and Diabetes.

Regarding our commercial performance, Diabetes sales in the United States were impacted by lower prices that could not be fully offset by volumes, but in total, the Group's sales increased 2.2% at constant exchange rates.
Results delivered for full-year 2015 enable us to propose a dividend of €2.93 per share, which will be submitted for approval to the shareholders' general meeting on May 4, 2016, and would mark the 22nd consecutive year of dividend increases.

I thank you for your trust and continuing loyalty.

"We reiterate our commitment to regular shareholder returns and progressive dividend growth."

Serge Weinberg
Chairman of the Board of Directors

SANOFI

Dear Shareholders,

Sanofi delivered solid results for full-year 2015. Genzyme, Vaccines and Animal Health drove our sales growth and our results are consistent with previously announced guidance.

Since April 2015, we have made meaningful progress on our way to future success. We **launched three important new products:** Praluent®, Toujeo® and Dengvaxia®. For Praluent®, we achieved good progress in U.S. market access, and the product was also launched for hypercholesterolemic patients in the first European countries. Toujeo®, our next generation insulin is already available in 20 countries and the first approvals of Dengvaxia®, the first dengue vaccine, are a historic milestone for our company and the populations who live at risk of contracting this disease.

As for **Research & Development**, we have submitted three new products for regulatory review in the United States and strengthened our pipeline by concluding **new R&D alliances** in Diabetes and Oncology. In 2016, we will continue to allocate resources to our promising late-stage pipeline and the introduction of innovative medicines which will position us for accelerated future growth.

In 2015, we also started **to simplify our organization** and presented our **strategic roadmap for 2020**. In December, we announced that we are in exclusive negotiations with Boehringer Ingelheim on a business swap. The proposed deal would allow us to become a leader in the growing and yet highly fragmented global Consumer Healthcare market. This is a key first step in reshaping our portfolio.

Olivier Brandicourt
Chief Executive Officer

"Since April 2015, we have made meaningful progress on our way to future success."

ANNUAL RESULTS 2015

AGGREGATE GROUP SALES[1]

€37,057M

+9.7% (+2.2%)

BUSINESS NET INCOME

€7,371 M

+7.7% (-0.9%)

BUSINESS EPS[2]

€5.64

+8.5% (0.0%)

DIVIDEND PROPOSED BY THE BOARD[3]

€2.93

per share

Further information
on Annual Results
www.sanofi.com

Growth rates are expressed on a reported basis. Growth rates in brackets are expressed at constant exchange rates (CER). For definitions of financial indicators, please consult the press release issued on February 9, 2016.

1- Including Animal Health Business which is reported on a single line in the consolidated income statements in accordance with IFRS 5 (Non-current held for sale and discontinued operations)
2- Earnings per share
3- Dividend to be submitted for approval at the shareholders' general meeting on May 4, 2016

SOLID ANNUAL RESULTS 2015

SOLID FINANCIAL PERFORMANCE DESPITE INVESTMENTS IN NEW PRODUCT LAUNCHES

In 2015, Business EPS was €5.64 per share, up 8.5% on a reported basis and stable at constant exchange rates, consistent with guidance. Free Cash Flow was up 12.2% to €8,132M, resulting in a relatively low net debt of €7,254M.

GENZYME, A KEY GROWTH DRIVER[1]

Genzyme continues to be a key growth driver for the pharmaceuticals business with sales up 29.5%. Genzyme's growth is driven by **Rare Diseases** products (+11.4%) and above all by the strong momentum in **Multiple Sclerosis**. In 2015, this franchise grew 112.2% exceeding €1 billion in annual sales for the first time (€1,114M).

Genzyme's performance partially compensated for the decrease of sales in the Diabetes division that we anticipated. **Diabetes** sales were down 6.8% in line with October guidance, reflecting lower U.S. sales of Lantus®.

STRONG GROWTH OF VACCINES AND ANIMAL HEALTH[1]

In 2015, **Vaccines** sales were up 7.3%, benefiting from double-digit growth in Emerging Markets. This performance was also led by influenza vaccines, adult booster vaccines and the Meningitis/Pneumonia franchise.

Animal Health demonstrated strong performance in 2015, with sales up 10.8% driven by NexGard®.

7.8% GROWTH IN EMERGING MARKETS[1]

Emerging Markets sales boosted the Group's overall performance in 2015. Despite economic slowdown and volatility in some countries, sales in Sanofi's strongest region, Asia, grew 13.2%. This was particularly helped by double-digit growth in China.

DIVIDEND OF **€2.93** PER SHARE

Submitted for approval at the shareholders' general meeting 2016

COMMITTED TO MAINTAIN PROGRESSIVE DIVIDEND GROWTH

22ND CONSECUTIVE YEAR OF DIVIDEND INCREASE

KEY DATES

- *May 10, 2016: Ex-dividend date*
- *May 11, 2016: Record date*
- *May 12, 2016: Dividend payment date*

For American Depositary Share (ADS) holders

- *May 9, 2016: Record date*
- *June 1, 2016: Dividend payment date*

FINANCIAL OUTLOOK FOR 2016[2]

Sanofi expects 2016 Business EPS to be broadly stable at CER[3], barring unforeseen major adverse events.

Production site in Beijing, China

1 - Growth at constant exchange rates.
2 - View forward looking statements in the press release of February 9, 2016.
3 - Business EPS 2015: €5.64

SANOFI AND BOEHRINGER INGELHEIM ENTER EXCLUSIVE NEGOTIATIONS ON BUSINESS SWAP

"The first key step in meeting the new strategic objectives of our 2020 roadmap."

SANOFI WOULD BECOME A GLOBAL LEADER IN CHC

In December 2015, Sanofi and Boehringer Ingelheim announced that the companies have entered into exclusive negotiations to exchange Sanofi Animal Health business Merial with an enterprise value of €11.4 bn and Boehringer Ingelheim CHC business with an enterprise value of €6.7 bn[2]. The transaction would also include a gross cash payment from Boehringer Ingelheim to Sanofi of €4.7 bn. Sanofi intends to use a portion of the net proceeds of the transaction to repurchase shares.

The transaction would allow Sanofi to become the number one ranked player in CHC with a global market share close to 4.6%[1].

Sanofi announced in November 2015 that it would explore strategic options for its Animal Health business. Despite its good performance, the Animal Health business is not considered core to the strategy of the Group, as synergies with other businesses are limited.

The company's goal is to close the potential transaction in Q4 2016, subject to appropriate regulatory approvals[3].

1 - Nicholas Hall & Company, MAT Q3 2015.

2 - Excluding Boehringer Ingelheim CHC business in China.

3 - The execution of definitive agreements is expected in the coming months following consultations with the relevant social bodies.

STRENGTHENING GEOGRAPHIC POSITIONS

Boehringer Ingelheim CHC would improve the position of Sanofi in Germany and Japan where Sanofi CHC presence is limited. In the U.S., Europe, Latin America and Eurasia Sanofi CHC business would also expand significantly.

EXPANDING PRESENCE IN PRIORITY CATEGORIES

Sanofi would gain access to iconic brands in Antispasmodics, Gastrointestinal, Vitamins, Minerals and Supplements (VMS) and Analgesics, and attain critical mass in Cough & Cold. The leading brands of Boehringer Ingelheim's CHC business are the antispasmodic Buscopan®, the laxative Dulcolax®, the multivitamins Pharmaton®, the cough treatments Mucosolvan® and Bisolvon® and the cold treatment Mucoangin®/Lysopaïne®. In 2014, Boehringer Ingelheim CHC was the 8th largest Consumer Healthcare business in the world, with annual sales of €1.4 bn.

COMBINED WORLDWIDE CHC BUSINESSES

Priority Categories (pro forma)

Global categories *(as per Sanofi definition)*	Market size	Sanofi + Boehringer Ingelheim
VMS	€27.6bn	#3
Cough & Cold Care	€17.2bn	#6
Digestive Health	€14.4bn	#1
Pain Care	€13.2bn	#2
Allergy Solutions	€3.1bn	#3
Feminine Care	€0.8bn	#1

Source: Nicholas Hall & Company, FY 2014

Sanofi would improve its position on the CHC market in Japan

Yuki, allergic rhinitis, Tokyo, Japan

PARTNERSHIPS AND R&D

ONCOLOGY AND ANTIBIOTICS

In January 2016, Sanofi and Warp Drive Bio announced that they have extended and reshaped their existing collaboration to discover novel oncology therapeutics and antibiotics. The companies will initially focus on three defined oncology programs targeting different mutants and states of the RAS oncogenic protein. The antibiotic collaboration will focus on the discovery and development of novel Gram-negative therapeutics.

IMMUNO-ONCOLOGY

Sanofi and Innate Pharma announced in January that they have entered into a research collaboration and licensing agreement to apply Innate Pharma's new proprietary technology to the development of innovative bispecific antibody formats engaging natural killer cells to kill tumor cells.

NEW REGULATORY SUBMISSIONS

- In January 2016, the U.S. Food and Drug Administration (FDA) accepted for review the Biologics License Application for sarilumab in rheumatoid arthritis.
- In February, the FDA accepted to review the New Drug Application for LixiLan, combination of insulin glargine and lixisenatide for the treatment of adults with type 2 diabetes.
- The review of lixisenatide by the FDA is ongoing.

VACCINES R&D

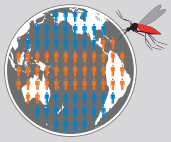
Sanofi Pasteur announced in February that it has launched a vaccine project targeting the prevention of Zika virus infection and disease, building on its successful history in developing vaccines against similar viruses such as Yellow Fever, Japanese Encephalitis and, most recently, Dengue.

In January, Sanofi Pasteur signed an agreement with the Human Vaccines Project Inc. to partially fund the non-profit, public-private partnership convening leading academic researchers and industrial partners to solve the primary problems impeding vaccine/immunotherapy development by "decoding" the human immune system.

SANOFI PASTEUR LAUNCHES DENGVAXIA®, WORLD'S FIRST VACCINE FOR THE PREVENTION OF DENGUE

On December 9, 2015, Sanofi Pasteur, the vaccines division of Sanofi, announced that Dengvaxia® received its first marketing authorization. The approval of the vaccine in Mexico, followed by Brazil, the Philippines and El Salvador represents a historic milestone for the company, the global public health community and, most importantly, for half the world's population who lives at risk of dengue.

ANNUAL DENGUE BURDEN[1]



3,900,000,000
PEOPLE AT RISK

390,000,000
PEOPLE INFECTED

96,000,000
PEOPLE WITH CLINICAL SYMPTOMS

500,000
SEVERE CASES REQUIRING (INCLUDING CHILDREN)

12,000
DEATHS

0
TREATMENT

A PUBLIC HEALTH CHALLENGE

Dengue fever, a mosquito-borne disease caused by four serotypes of dengue virus, is a threat for about half of the world's population[1]. Over the last 50 years, dengue's prevalence and geographic spread has increased more than 30 fold. Dengue is a pressing public health priority in many countries in Asia and Latin America where epidemics occur.
Dengue fever occurs mostly in tropical and subtropical regions and is spreading to new parts of the globe each year[2].

Many factors contribute to the spread of dengue fever, including urbanization and increased international travel which facilitate the dissemination and the transmission of this disease. While half the world's population lives at risk of the disease, there is still no specific treatment available.

The World Health Organization (WHO) has set the target to reduce dengue mortality by 50% and morbidity by 25% by 2020[3].

CULMINATION OF OVER 20 YEARS OF INNOVATION

Sanofi Pasteur became the first vaccine company to begin research and development work on the disease in 1994. Despite the many obstacles faced by potential vaccine candidates, Sanofi Pasteur maintained its commitment and was able to identify a promising recombinant technology that, by 2007, had achieved proof of concept for a new live-attenuated vaccine. In 2010, it received "fast track" status from the U.S. Food and Drug Administration and became the world's first dengue vaccine to start Phase III efficacy trials.

A key feature of Sanofi Pasteur's investment in the dengue project was the decision in 2008 to build a €300 million production facility in Neuville-sur-Saône, France, well in advance of the Phase III efficacy trial results and the licensing submissions in 2015. The facility has been operational since 2014 and has a production capacity of 100 million vaccine doses per year from 2016 onward.

Neuville-sur-Saône production facility

efficacy and longer-term safety profile in preadolescents and adults:

- Reduction of dengue due to all four serotypes in two-thirds of the participants 9 years of age and older.
- Protection against severe dengue reached 93%.
- Prevention of hospitalizations due to dengue in this age group reached 80%.

A VACCINE FOR THE PREVENTION OF FOUR DENGUE VIRUS SEROTYPES

Dengvaxia®
Dengue tetravalent vaccine, live attenuated

Sanofi Pasteur has lead 25 clinical studies in 15 countries around the world. Over 40,000 volunteers participated in the clinical study program (phase I, II and III), of whom, 29,000 volunteers received the vaccine.
Efficacy and integrated safety analyses demonstrated Dengvaxia®'s consistent

The vaccine has been approved in Mexico, Brazil, the Philippines and El Salvador for the prevention of disease caused by all four dengue virus serotypes in preadolescents, adolescents and adults, 9 to 45 years of age living in endemic areas.

Dengue affects people of all ages, but the greatest number of dengue cases worldwide occurs in the highly mobile and social segment of the population that includes preadolescent to adult ages.

Son affected by dengue and his family, Morelos, Mexico

1 - WHO - Dengue and severe dengue, Fact sheet n°117, updated February 2015
Available at: http://www.who.int/mediacentre/factsheets/fs117/en, accessed October 2015
2 - WHO - Dengue guidelines for diagnosis, treatment, prevention and control
Available at: http://www.who.int/tdr/publications/documents/dengue-diagnosis.pdf, published 2009, accessed October 2015
3 - WHO - Global strategy for dengue prevention control: 2012-2020
Available at: http://www.who.int/denguecontrol/9789241504034_executive_summary.pdf, published 2012, accessed October 2015

3 QUESTIONS FOR…

Guillaume Leroy
Vice President of Dengue Vaccine

2015 MARKS THE ACHIEVEMENT OF 20 YEARS OF EFFORT. WHY DID IT TAKE SO LONG?

It is true that we set out more than 20 years ago to develop a dengue vaccine in collaboration with over 100 leading dengue scientists, vaccine policy makers and public health authorities around the world. It took us 10 years to find a vaccine offering protection against the four serotypes of the dengue virus circulating throughout the world and 10 years to lead the clinical studies demonstrating the efficacy and the good safety profile of the vaccine.

WHAT ARE THE NEXT STEPS NOW THAT DENGVAXIA® HAS BEEN APPROVED IN THE FIRST COUNTRIES?

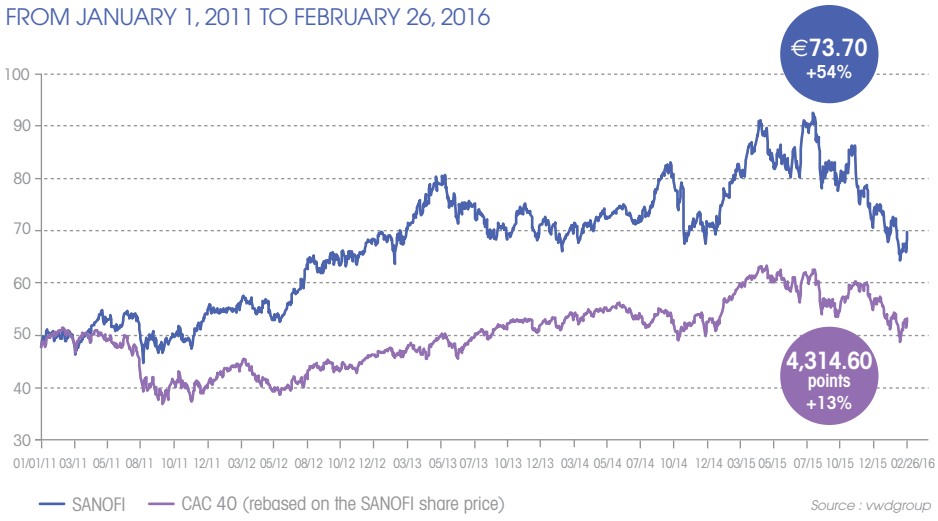
We have submitted the vaccine's regulatory file to about 20 countries where dengue is endemic. We have received the green light in four countries. We are now waiting for the licensure in the other countries so that the vaccine quickly reaches people living at the greatest risk of dengue and where it can have the greatest impact on the disease burden. In parallel, we are organizing the shipment of the first vaccine doses and prepare for future launches.

WHAT ARE THE KEY CHALLENGES?

Dengue vaccination programs can face important challenges such as the creation of vaccination policies, as well as access and financing mechanisms for people most in need. This requires collaboration across the public health community with Sanofi Pasteur in its role of strong partner committed to working closely with countries most concerned by the disease burden.

SHARE PERFORMANCE IN PARIS

SHARE PRICE TREND
FROM JANUARY 1, 2011 TO FEBRUARY 26, 2016



Source : vwdgroup

CALENDAR

- **March 14, 2016**
  Shareholder meeting in Lyon, France
- **March 21, 2016**
  Shareholder meeting in Nantes, France
- **April 29, 2016**
  First quarter results 2016
- **May 4, 2016**
  Annual General Meeting

SANOFI STOCK

- **Euronext Paris, compartment A**
  Member code: SAN
  ISIN code: FR 0000120578
- **New York Stock Exchange**
  Symbol: SNY
  CUSIP number: 80105N105000

SHAREHOLDER RELATIONS

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- Mobile app: **SANOFI IR** (available in the App Store and Google Play)

ANNUAL GENERAL MEETING 2016 THE AGENDA AT A GLANCE

Sanofi's General Meeting will be held on May 4, 2016 at the Palais des Congrès in Paris, France. Key topics on the agenda will be:

- The approval of the financial statements for 2015 and the payment of a dividend set at €2.93 per share
- The composition of the Board of Directors: reappointment of three Directors, and appointment of two new Directors
- Say on Pay: advisory vote on elements of compensation due or granted to the Chairman of the Board and the Chief Executive Officer of Sanofi for 2015
- Renewal of financial authorizations: share repurchase program and grant of stock options and performance shares

For further information : www.sanofi.com/AGM2016

The Letter to Shareholders is published by Sanofi Investor Relations / Shareholder Relations.

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