LETTER TO SHAREHOLDERS

N°37
JUNE 2014

Dear Shareholders,

I would like to thank many of you who followed our Annual General Meeting, either in person or via the live video webcast on our Website.

The General Meeting was an occasion to look back on the challenges and opportunities of 2013, and also to look forward to the future.

In 2013, even though the first-half was impacted by the patent cliff, we saw sales performance improving in September. The first quarter of 2014 confirmed this return to growth.

Concerning Research & Development, the *raison d'être* of our company and condition for its future growth, we made significant progress in 2013, with 7 new approvals.

The first months of 2014 continue this trend. We signed new collaborations, we became a major shareholder of Alnylam. We extended our ownership in Regeneron to 20%. And we expect to see more progress in 2014, anticipating the arrival of new innovative products.

Thank you for your trust and continuing loyalty.

"R&D is the raison d'être of our company and the condition for its future growth."

Serge Weinberg
Chairman of the Board of Directors

SANOFI

Dear Shareholders,

Sanofi has made a good start in 2014. The Group's financial performance in the first quarter continued the growth trajectory that emerged at the end of 2013. Total Group sales increased 3.5% at constant exchange rates (CER) to €7,842M, driven by the strong performance of Diabetes, Consumer Healthcare and Genzyme. Our Business EPS grew 5.8% at CER which is in line with our full-year financial guidance.

Importantly, our pipeline showed steady progress. We launched two new products in the U.S.: Nasacort® Allergy 24HR nasal spray as an over-the-counter treatment, and NexGard™ chewables protecting dogs against fleas and ticks.

We also presented important study results for some high-potential projects, such as alirocumab in hypercholesterolemia and dupilumab in atopic dermatitis. We are particularly excited to report that our dengue vaccine candidate met its primary endpoint in the first Phase III study in Asia. This is a first in class candidate vaccine in an area of huge unmet medical need. The results of the second Phase III trial currently underway in Latin America are expected in Q3 2014.

During the next three quarters of 2014, we expect important development milestones for other high potential pipeline projects including Toujeo® (U300) in diabetes, Cerdelga® in Gaucher disease, Lemtrada™ in multiple sclerosis and new study results for alirocumab and dupilumab. Thus, the rest of the year will be active for our late-stage R&D pipeline.

"Importantly, our pipeline showed steady progress."

Christopher Viehbacher
Chief Executive Officer

FIRST QUARTER 2014

GROUP NET SALES
€7,842M
+3.5%

GROWTH PLATFORMS NET SALES
5,776M
+7.9%

BUSINESS NET INCOME
€1,547M
+5.6%

BUSINESS EPS
€1.17
+5.8%

Further information on Q1 2014 results:
www.sanofi.com

Unless otherwise indicated, all growth rates are expressed at constant exchange rates (CER). On a reported basis, Business earnings per share (EPS) was down -3.3%. For further information on reported growth rates and definitions of financial indicators, please consult the press release issued on April 29, 2014.

BUSINESS EPS UP 5.8% IN Q1 2014

IMPACT OF EXCHANGE RATES

In line with the last few months of 2013, Q1 2014 net sales were up 3.5% at constant exchange rates (CER). On a reported basis, net sales decreased by 2.7%. Exchange rate movements had a negative effect of 6.2 percentage points, reflecting the strength of the Euro against other currencies.

2014 GUIDANCE CONFIRMED[1]

Sanofi announced on April 29, 2014 that the performance of the first quarter was in line with the full-year guidance announced on February 6, 2014. The continued performance of growth platforms, expenses in new product launches and the late-stage pipeline is expected to lead to 2014 business EPS growth between 4% and 7% at CER, barring major unforeseen adverse events.

1 - See the forward-looking statements in the press release issued on April 29, 2014

Growth platforms represent 73.7% of total Group sales

STRONG GROWTH OF FREE CASH FLOW

Sanofi generated a free cash flow of 1,396M after capital expenditures, up 20.6%. This amount largely covered the investments related to Regeneron (€954M) and Alnylam (€530M). As Sanofi has further extended its open innovation model, the Group strengthened its strategic partnership with Regeneron – now owning 20% of the company. Sanofi also expanded its collaboration in rare diseases with Alnylam - Genzyme has become a major Alnylam shareholder with a stake of approximately 12%.

GENZYME REITERATES STRONG PERFORMANCE

Genzyme sales increased 21.5% to €566M, driven by Aubagio® (multiple sclerosis) with sales of €78M. Genzyme also recorded double-digit growth in all regions: the U.S., Emerging Markets, Western Europe and the Rest of the World.

GROWTH PLATFORMS IN Q1 2014 UP 7.9% TO €5,776M

Emerging Markets[1]
€2,590M
+5.5%

Genzyme[2]
€566M
+21.5%

Diabetes Solutions
€1,662M
+13.2%

Animal Health
€517M
-1.6%

Consumer Healthcare
€885M
+18.6%

Other Innovative Products[3]
€190M
+22.6%

Vaccines
€628M
-4.2%

Unless otherwise indicated, all growth rates are expressed at constant exchange rates (CER). **1** - World less the U.S. and Canada, Western Europe, Japan, Australia and New Zealand. **2** - Genzyme consists of rare diseases and multiple sclerosis products. **3** - Includes products launched since 2009 which do not belong to the other growth platforms: Multaq®, Jevtana®, Zaltrap®, Auvi-Q™ and Mozobil®.

DENGUE VACCINE CANDIDATE
POSITIVE RESULTS FROM THE WORLD'S FIRST EFFICACY STUDY

Schoolchildren in a school outside Bangkok, Thailand

"56% reduction of dengue disease cases in a study of more than 10,000 children from Asia."

At the end of April, Sanofi Pasteur announced that the first of two pivotal Phase III efficacy studies with its dengue vaccine candidate had achieved its primary clinical endpoint. The study showed a significant reduction of 56% of dengue disease cases. Initial safety data are consistent with the safety profile observed in previous studies.

MORE THAN 20 YEARS OF WORK

This achievement is the result of more than 20 years of work in the field of dengue at Sanofi Pasteur, collaborating with investigators, volunteers, authorities, scientific experts and international organizations. The goal is to make dengue the next vaccine-preventable disease and to support the World Health Organization's (WHO) ambition to reduce dengue mortality by 50% and morbidity by 25% by 2020.

A PUBLIC HEALTH ISSUE

Dengue is a threat to nearly half of the world's population. It is a health priority in many countries of Latin America and Asia where epidemics occur regularly. The WHO estimates up to 100 million infections per year worldwide. Currently, there is no specific treatment available for dengue.

WHO PREQUALIFIES SHANTHA'S NEW PEDIATRIC VACCINE

Shan5™, the first vaccine jointly developed by Sanofi Pasteur and its affiliate Shantha Biotechnics in India, has received prequalification status from the WHO.

This status qualifies Shan5™ vaccine for purchase by United Nations agencies, mainly UNICEF. Shan5™ prequalification will give more children around the world access to the latest high-quality, 5-in-1 vaccine and help secure the supply of pentavalent combination vaccines in over 50 emerging and low-income countries.

Shan5™ provides effective protection for children from 6 weeks of age against five diseases: diphtheria, tetanus, pertussis, Haemophilus influenzae type b and hepatitis B.

NEW ALLIANCE ON PNEUMOCOCCAL CONJUGATE VACCINE

Sanofi Pasteur concluded a long-term strategic cooperation with SK Chemical Co. to co-develop an innovative pneumococcal conjugate vaccine (PCV). This agreement will enable Sanofi Pasteur to access the global PCV market of $4Bn. The WHO recommends the use of PCVs in all countries and estimates that about 14.5 million cases of serious pneumococcal disease occur annually, resulting in about 826,000 deaths in children 1-59 months old.

SANOFI REACHES NEW MILESTONE IN FIGHT AGAINST MALARIA

Sanofi announced on World Malaria Day, on April 25, that 300 million treatments of anti-malarial ASAQ Winthrop® have been delivered in Africa since the medication became available in 2007.

Sanofi and the Drugs for Neglected Diseases initiative (DNDi), an independent not-for-profit foundation, forwent the patent on this treatment and committed to a tiered pricing model, with prices which can reach "no profit-no loss" levels for the public sector and major international health organizations.

SIGNIFICANT ADVANCES IN Q1 2014

ALIROCUMAB IN HYPERCHOLESTEROLEMIA

The first full data results from the Phase III ODYSSEY MONO study with alirocumab, an investigational monoclonal antibody targeting PCSK9, co-developed with Regeneron, were presented at the American College of Cardiology (ACC) Annual Meeting held in March. In this study, alirocumab monotherapy reduced "bad" cholesterol three times more than ezetimibe. We expect top line readouts from 9 additional Phase III studies by the end of Q3 2014.

LEMTRADA™ IN MULTIPLE SCLEROSIS

Following constructive discussions with the U.S. Food and Drug Administration (FDA), Genzyme resubmitted its supplemental Biologics License Application (sBLA) seeking approval of Lemtrada™ in the U.S. The FDA has accepted the filing at the end of May and assigned a six-month review period for the Lemtrada™ sBLA. This resubmission provides supplemental analyses and additional information to specifically address issues previously noted by the FDA in its December 2013 Complete Response Letter.

LIXILAN IN DIABETES

Two Phase III studies for LixiLan, the Fixed-Ratio combination of Lantus®/Lyxumia®, were initiated in Q1 2014 in patients insufficiently controlled on oral anti-diabetics and patients not at goal on basal insulin.

DUPILUMAB IN ATOPIC DERMATITIS

In March, Sanofi presented positive data from a Phase IIa trial evaluating dupilumab, a monoclonal antibody, co-developed with Regeneron, at the American Academy of Allergy, Asthma and Immunology Annual Meeting (AAAAI). Dupilumab was administered for 12 weeks in patients with moderate-to-severe atopic dermatitis poorly controlled by topical agents. At 12 weeks, the dupilumab group achieved statistically superior clinical outcomes compared to the placebo group. First Phase IIb results are expected in Q2 2014.

GENZYME OFFERS NEW OPTIONS FOR MULTIPLE SCLEROSIS PATIENTS

As of today, no cure has been found for multiple sclerosis (MS), a chronic, often disabling autoimmune disease of the central nervous system. The World Health Organization (WHO) estimates that more than 2.3 million people have been diagnosed with MS worldwide.

The manifestations of the disease vary from one individual to another, depending on disease progression and type of MS. Today's therapies, delivered orally, via injections, or intravenously focus on treating the frequency of MS relapses, modifying disease course to slow or halt the progression of the disability, and managing symptoms.

2.3
MILLION PEOPLE DIAGNOSED WITH MS WORLDWIDE

ADDRESSING PATIENTS' NEEDS

Given the devastating nature of the disease and the burden of traditional injectable therapies, the patient community continues to seek safe treatments that offer high efficacy and improved convenience. Genzyme offers two novel treatments, submitted for approval in certain countries: Aubagio®, an oral therapy and Lemtrada™, an intravenous therapy. The different therapeutic approaches of these two therapies reflect our commitment to understanding and responding to the experiences and challenges faced by people living with MS. The company is committed to advancing the treatment and improving outcomes for individuals living with MS.

Once-daily AUBAGIO® (teriflunomide)

Aubagio® is a once-daily oral therapy that offers an alternative to patients dissatisfied with traditional injectable therapies. Although the exact mechanism of action for Aubagio® is not fully understood, it reduces the number of activated lymphocytes in the central nervous system. Aubagio® has demonstrated a positive effect on disability progression in two Phase III studies underscoring its importance as an important new treatment option for relapsing-remitting MS patients.

Marketing authorizations:
U.S., European Union, Switzerland, Canada, Australia, New Zealand, Argentina, Chile, Colombia, Mexico, South Korea, Brazil.

LEMTRADA® alemtuzumab 12mg IV

Lemtrada™ is administered in two annual treatment courses through intravenous infusion, the first for five consecutive days followed by a second 12 months later for three days. Phase III studies with Lemtrada™ demonstrate the reduction of the annual relapse rates. Most interesting is the potentially durable effect of Lemtrada™, where disease control is maintained in many patients, even years beyond the last infusion.

Marketing authorizations:
European Union, Australia, Mexico, Canada, Brazil.

GENERAL MEETING 2014
A KEY EVENT FOR OUR SHAREHOLDERS

Sanofi's Ordinary General Meeting took place on May 5, 2014 at the Palais des Congrès in Paris, where 1,300 shareholders gathered. Further information on the meeting, including detailed voting results and the recorded video webcast are available at: www.sanofi.com/AGM2014.

Innovation is key for the future of Sanofi.

2013 DIVIDEND
€2.80
per share
payable as
of May 15, 2014

GROWTH AND INNOVATION

In his introduction, **Serge Weinberg,** Chairman of the Board of Directors, highlighted the key milestones of 2013 and the importance of innovation for the future of the company. He then presented the activities of the Board of Directors and the performance of Sanofi shares since 2011. **Gérard Van Kemmel,** Chairman of the Compensation Committee, presented Sanofi's compensation policy, in particular the elements of compensation due or granted to corporate officers in 2013, submitted for the first time to the advisory vote of the General Meeting ("Say on Pay"). **Christopher Viehbacher,** Chief Executive Officer, presented the company's achievements in 2013, reiterating the return to growth in the second half of the year and the significant progress achieved in R&D. **Jérôme Contamine,** Chief Financial Officer, presented the financial performance, reporting a strong balance sheet for 2013 despite the challenges faced in the first months of the year.

BOARD OF DIRECTORS

The General Meeting votes renewed Christopher Viehbacher, Robert Castaigne and Christian Mulliez, as Directors for a term of four years and also elected Patrick Kron, Chairman and Chief Executive Officer of Alstom, as independent Director. Lord Douro, whose term of office has expired, did not express the desire to have his mandate renewed.
Post the General Meeting results, the new Board of Directors is comprised of 16 members, four of whom are women and eleven are independent Directors.

APPROVAL OF RESOLUTIONS

The vote on resolutions was opened with a quorum of close to 62% of the share capital. Shareholders approved all resolutions, notably the individual company and consolidated financial statements for the year 2013.

SHARE PERFORMANCE IN PARIS

SHARE PRICE TREND
FROM JANUARY 1, 2011 TO MAY 23, 2014

SANOFI IR MOBILE APPLICATION NOW AVAILABLE ON ANDROID

At the end of 2013, Sanofi launched its mobile app developed specifically to highlight the company's financial information for iPad® and iPhone®. The SANOFI IR app is now also available for Android™ smartphones and tablets.

The SANOFI IR app provides access to key financial news and offers the following features: Push notifications, social bookmarking (share information via Twitter, Facebook, Weibo or e-mail), read-it-later (saving documents to be read offline).

Also access is available to all publications dedicated to individual shareholders on the app: the Letter, Factsheet, the new edition of the Shareholder Handbook and the Annual Review 2013.

ANDROID APP ON Google play

Available on the App Store

CALENDAR

- **July 31, 2014**
  Second-quarter 2014 results
- **September 16, 2014**
  Shareholder meeting in Nice, France
- **September 25, 2014**
  Shareholder meeting in Dijon, France

SANOFI STOCK

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

SHAREHOLDER RELATIONS

- **SANOFI – Shareholder Relations**
  54, rue La Boétie - 75008 Paris - France
- Tel. Europe: +33 (0) 800 075 876
- **Toll-free tel. U.S.:** +1 888 516 3002
- Individualshareholders@sanofi.com
- www.sanofi.com/shareholders
- Mobile app : **SANOFI IR**
  (available in the App Store and Google Play)

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

Photographs: p. 1 & 2: Marthe Lemelle - p. 2: Christian Fleury / Capa Pictures – p. 4: Sanofi Pasteur / Patrick de Noirmont – p. 5: Gil Corre - p. 6: Palani Mohan – p. 7: Pedro Cabreira

Design/production: SEITOSEI

Status: May 30, 2014

SANOFI