LETTER TO SHAREHOLDERS

N°38
SEPTEMBER
2014

Dear Shareholders,

The first six months of this year were encouraging. We saw the sales growth that began in September 2013 continuing and allowing us to perform well throughout the first half of 2014.

Sales progression was driven by our growth platforms – Emerging Markets, Diabetes, Consumer Healthcare, Vaccines, Genzyme, Animal Health and Other Innovative Products - which have become the source of our company's growth. In addition, thanks to tight cost control, business earnings per share also showed solid performance. Cost control is particularly important as the company is entering into a phase of investments.

Innovation is at the heart of our growth strategy. We are entering a new phase aimed at preparing for the launch of new innovative products. Sanofi also continues to invest in the development of very promising projects in the late stage pipeline to bring new solutions to patients and contribute to improve health.

Thank you for your trust and continuing loyalty.

"Innovation is at the heart of our growth strategy."

Serge Weinberg
Chairman of the Board of Directors

SANOFI

Dear Shareholders,

Our solid second quarter performance reflects consistent execution of our growth strategy and allows us to slightly adjust upwards our 2014 financial guidance. This performance is largely driven by our growth platforms, which represented 76.3% of our total sales.

Our Diabetes division delivered a solid performance, with sales up 16.2% in the second quarter. Thanks to new products under development, in particular the insulin Toujeo®, and the strategic partnerships signed with MannKind and Medtronic we are preparing for the next generation of products and services to improve the lives of people living with diabetes.

Beyond the Diabetes franchise, our Research & Development is particularly active. Based on the solid momentum in our late stage pipeline, we are preparing for a wave of new product launches, including Cerdelga™, a new oral treatment for Gaucher disease that was approved in the United States in August 2014.

We also expect regulatory decisions for two more key products, Lemtrada™ for multiple sclerosis in the United States and Toujeo® in Europe, the United States and Japan. Importantly, we have just announced very encouraging study results for alirocumab in hypercholesterolemia and our vaccine candidate against dengue that represent real medical breakthroughs and have the potential to address major unsatisfied health needs. All of these products could meaningfully improve patient lives and further redefine Sanofi as a biopharmaceutical leader.

"We are preparing for new product launches that will further redefine Sanofi as a biopharmaceutical leader."

Christopher Viehbacher
Chief Executive Officer

SECOND QUARTER 2014

GROUP NET SALES
€8,075M
+6.4%

GROWTH PLATFORMS NET SALES
€6,163M
+14.5%[1]

BUSINESS NET INCOME
€1,537M
+13.0%

BUSINESS EPS
€1.17
+13.4%

Further information on Q2 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 up +4.5%. For further information on reported growth rates and definitions of financial indicators, please consult the press release issued on July 31, 2014.

1 - Excluding generics in Brazil, growth platforms grew 10.7%.

SANOFI REPORTS SOLID PERFORMANCE IN Q2 2014

GROWTH TRAJECTORY CONTINUES

In the second quarter of 2014, Sanofi sales were up 6.4% at constant exchange rates (CER). This sustained growth was driven by the good performance of Emerging Markets, Genzyme and the Diabetes Division.

MERIAL IS BACK TO GROWTH

After some challenging quarters, sales of Animal Health increased 6.2% in the second quarter of 2014 to €537M.

Growth was driven by the launch of NexGard™, our next generation flea and tick product for dogs and the resilience of the anti-parasiticide Frontline® family of products for cats and dogs.

PROGRESSION OF EARNINGS PER SHARE AND CASH FLOW

Business EPS grew 13.4% at constant exchange rates to €1.17 in the second quarter of 2014.

In the first half of 2014, free cash flow, after capital expenditures, increased 33.1% to €2,390M.

2014 GUIDANCE ADJUSTED ON JULY 31, 2014[1]

Given our financial performance in the first half of 2014 and despite increasing U.S. competitive pressure at the payor level, 2014 business EPS is expected to be between 6% to 8% higher than 2013 at CER, barring major unforeseen adverse events.

1 - See the forward-looking statements in the press release issued on July 31, 2014.

GROWTH PLATFORMS IN Q2 2014
SALES OF €6,163M, REPRESENTING 76.3% OF TOTAL SALES

Emerging Markets[1]
€2,855M
+16.5%[2]

Genzyme[4]
€643M
+29.1%

Diabetes Solutions
€1,788M
+16.2%

Animal Health
€537M
+6.2%

Consumer Healthcare
€816M
+9.2%[3]

Other Innovative Products[5]
€189M
+13.3%

Vaccines
€718M
-0.4%

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** - Excluding generics in Brazil, Emerging Markets grew 8.6% **3** - Some products recorded in prescription pharmaceuticals in 2013 were transferred as Consumer Healthcare products and totaled €73M in Q2 2013. Including this category change, sales of Consumer Healthcare grew +20.2% in Q2 2014. **4** - Genzyme consists of rare diseases and multiple sclerosis products. **5** - Includes products launched since 2009 which do not belong to the other growth platforms: Multaq®, Jevtana®, Zaltrap®, Auvi-Q™ and Mozobil®.

SANOFI PASTEUR ANNOUNCED NEW POSITIVE EFFICACY DATA FOR ITS DENGUE VACCINE CANDIDATE

In Brazil, children listen to a health education session about dengue

"These results suggest that for the first time, a vaccine that can help control dengue, is on the horizon."

The second Phase III efficacy study of Sanofi Pasteur's dengue vaccine candidate successfully achieved its primary clinical endpoint. The study was conducted in Latin America.

EFFICACY AGAINST THE FOUR DENGUE SEROTYPES

Results showed an overall significant reduction of 60.8% of dengue disease cases in children and adolescents 9-16 years old after a three-dose vaccination schedule. Importantly, efficacy was observed against each of the four dengue serotypes.

Additional observation of the results shows a significant reduction of the risk of hospitalization by 80.3% during the study, confirming the potential public health impact of the vaccine. Efficacy against dengue haemorrhagic fever, the severe form of dengue, is consistent with the results from Sanofi's Phase III dengue study in Asia[1].

FIRST TRIAL IN ASIA

The first Phase III efficacy study conducted in Asia showed a 56.5% reduction of dengue disease cases, an 88.5% reduction of dengue haemorrhagic fever, and reduction in the risk of hospitalization due to dengue by 67.2%[2].

1- Press release published on September 3, 2014.
2- Press release published on July 11, 2014.

GLOBAL LICENSING AGREEMENT FOR RAPID-ACTING INHALED INSULIN

Sanofi and MannKind Corporation announced in August that they have entered into a worldwide exclusive licensing agreement for development and commercialization of Afrezza® (insulin human) Inhalation Powder[1]. This new rapid-acting inhaled insulin was approved in the United States in June 2014 for adults with type 1 and type 2 diabetes. The companies plan to launch Afrezza® in the United States in the first quarter of 2015.

Afrezza®, an innovative drug-device combination product consisting of a dry formulation of human insulin delivered through a small, discreet inhaler, is a further addition to our growing portfolio of integrated diabetes solutions. It is uniquely positioned to provide patients with another insulin therapy option that does not require multiple daily injections.

CERDELGA™ APPROVED IN THE UNITED STATES

Cerdelga™ eliglustat

In August, the U.S. Food and Drug Administration (FDA) approved Cerdelga™ (eliglustat) capsules, the only first-line oral therapy for certain adult Gaucher disease type 1 patients.

Cerdelga™ is an important new option for patients as the standard treatment for Gaucher disease patients requires regular intravenous infusions for life.

Gaucher disease is an inherited condition affecting fewer than 10,000 people worldwide.

LICENSING AGREEMENT FOR CIALIS® OVER-THE-COUNTER (OTC)

Sanofi and Eli Lilly and Company announced in May an agreement to pursue regulatory approval of nonprescription Cialis® (tadalafil). Cialis® is currently available worldwide, by prescription only, for the treatment of men with erectile dysfunction (ED).

Sanofi holds exclusive rights to market Cialis® OTC in the United States, Europe, Canada and Australia, following receipt of all necessary regulatory approvals and after expiration of certain patents protecting this product.

1- The closing of the transaction is subject to customary Hart-Scott-Rodino approval and completion of financing documentation.

IMPORTANT LATE STAGE RESULTS

ALIROCUMAB IN HYPERCHOLESTEROLEMIA

Sanofi and Regeneron have announced positive results of new Phase III clinical trials. The details of four trials were presented at the European Society of Cardiology Congress (ESC) 2014.

For further information, see pages 6-7.

TOUJEO® IN DIABETES

The results of a pooled analysis from three studies in type 2 diabetes patients demonstrated similar blood sugar control with Toujeo® as compared with Lantus®. Moreover, Toujeo® consistently showed significantly fewer low blood sugar events (hypoglycemia) at any time of day, including night-time events, compared with Lantus®.

Sanofi submitted market authorization dossiers for Toujeo® in Europe, the United States and Japan.

DUPILUMAB IN ATOPIC DERMATITIS

In July, Sanofi and Regeneron announced positive results of a Phase IIb study with dupilumab for the treatment of adult patients with moderate-to-severe atopic dermatitis, a serious, chronic form of eczema. The Phase III studies are expected to begin later this year.

SARILUMAB IN RHEUMATOID ARTHRITIS

In June, Sanofi and Regeneron presented new detailed Phase III study results, confirming positive results of sarilumab in rheumatoid arthritis (RA) patients who were inadequate responders to methotrexate therapy.

ALIROCUMAB: A BIOLOGICAL MOLECULE TARGETING A NEW PATHWAY FOR CHOLESTEROL MANAGEMENT

Sanofi announced encouraging results from studies of the Phase III ODYSSEY program evaluating alirocumab, a subcutaneously-administered, investigational, fully-human monoclonal antibody developed in collaboration with Regeneron Pharmaceutical, Inc. Alirocumab is one of the most promising projects in Sanofi's pipeline. It targets and inhibits PCSK9, a protein that binds to low-density lipoprotein (LDL) receptors, leading to their accelerated degradation and increased levels of "bad" cholesterol (otherwise known as LDL-C or low-density lipoprotein cholesterol). Inhibiting PCSK9 increases the availability of LDL receptors on liver cells, thereby lowering LDL-C.

Cardiovascular (CV) disease is still the number one cause of death globally[1], and high LDL-C levels are one of the major risk factors for the disease.

21.6
MILLION PEOPLE ESTIMATED TO BE AT RISK

Statins are the standard of care for the management of high LDL-C levels and have been improving the lives of millions of patients worldwide for many years. Despite treatment with maximum doses of cholesterol-lowering therapy, including statins, many people continue to have poorly-controlled LDL-C and persistent CV risk. In the U.S. and EU 5 alone, we estimate 21.6 million of these people are at high risk of CV events[2].

There is a need to provide new options for people who have high CV risk and need more aggressive cholesterol-lowering treatment.

HYPERCHOLESTEROLEMIA AND HIGH CV RISK[3]

Patients who have already had a CV event such as a myocardial infarction or an acute coronary syndrom are at very high CV risk.

They may need a more agressive lipid lowering therapy if their LDL-C remain high despite treatments.

A number of diabetes patients are also at high risk of developing CV diseases. According to the European guidelines, diabetic patients are at very high CV risk when they have target organ damage, especially with uncontrolled hypercholesterolemia[4].

HETEROZYGOUS FAMILIAL HYPERCHOLESTEROLEMIA (HEFH)[5]

Patients with HeFH suffer from genetic mutations that make the liver incapable of metabolizing or removing excess LDL-C. The result is very high LDL-C levels which may lead to premature CV disease. A majority of people with HeFH have not been diagnosed or remain far from desired LDL-C goals despite treatments.

STATIN INTOLERANCE[3]

Some patients don't tolerate statin treatments, so they either take too low doses of statins or no statins at all. Many of those patients are at high risk for CV diseases.

The robust data from these studies is the basis of our global regulatory submissions, which we expect in the U.S. and Europe by the end of 2014.

THE ODYSSEY PROGRAM

The global Phase III ODYSSEY program is expected to enroll more than 23,500 patients and currently includes 14 clinical trials of alirocumab, administered via subcutaneous injection both in combination with other lipid-lowering agents and as monotherapy.

The Phase III study efficacy endpoint is the percent mean reduction in LDL-C after 24 weeks of treatment, giving a robust measure of efficacy. In addition, safety is evaluated throughout the clinical trials and several other lipid markers will also be assessed.

PROMISING PHASE III RESULTS

Ten studies of the ODYSSEY program achieved their efficacy endpoints, of a greater percent reduction from baseline in LDL-C at 24 weeks compared to placebo or an active comparator[6]. Patients received alirocumab in monotherapy or in addition to standard-of-care lipid-lowering therapy, with the exception of some patients in ODYSSEY ALTERNATIVE, a study evaluating patients with a history of intolerance to statins. Alirocumab was generally well tolerated in all trials.

DETAILED RESULTS PRESENTED AT THE ESC CONGRESS 2014

The details of four trials were presented at the European Society of Cardiology Congress (ESC) 2014. In those studies, alirocumab showed significant, sustained LDL-C reductions from baseline and consistent safety in combination with maximally-tolerated statins, including in the ongoing ODYSSEY LONG TERM trial, the largest Phase III trial of a PCSK9 inhibitor with the longest follow-up to date[7].

In a post hoc interim safety analysis of the ODYSSEY LONG TERM study, there was a lower rate of adjudicated major CV events[8] in the alirocumab group compared to placebo.

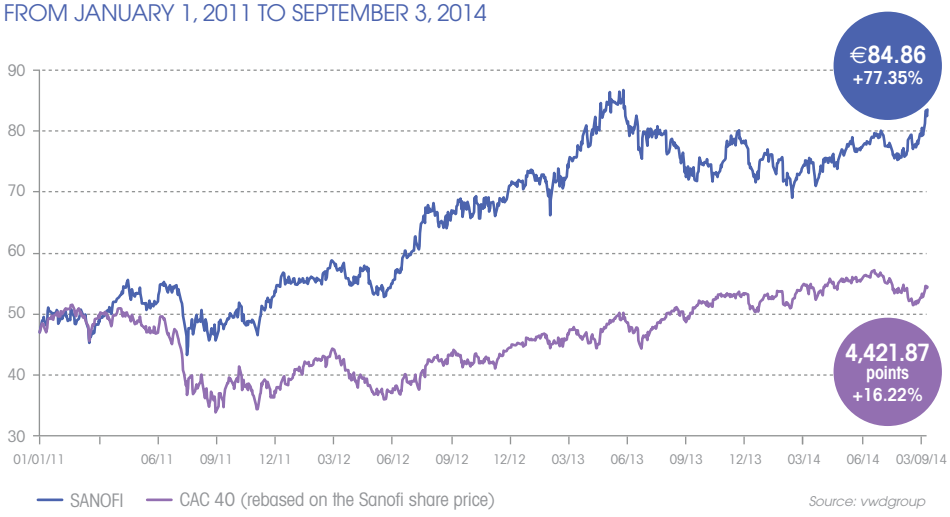
These CV events comprise the composite primary endpoint of the ongoing 18,000-patient ODYSSEY OUTCOMES trial, which is prospectively evaluating the potential of alirocumab to demonstrate CV benefit.

Upcoming studies will be presented at the American Heart Association (AHA) in November 2014.

1- Source: World Health Organization, http://who.int/mediacentre/factsheets/fs310/en/index.html. Accessed March 2014.
2- Internal analysis of patients at high cardiovascular (CV) risk: Statin intolerant patients at high risk, diabetes patients with two risk factors with our without CV events, secondary prevention without diabetes, patients with HeFH.
3- NHANES, Optum, IPSOS SI, Decision Resources, Cegedim.
4- European guidelines on cardiovascular disease prevention in clinical practice, 2012; 33: 1635-1701
5- HeFH: Adult prevalence = 1/500; 25% of them are diagnosed, 80% are above 70mg/dl
- PijlmanAH et al. Atherosclerosis 209 (2010) 189–194; Ned RM at al. PLOS Currents Evidence on Genomic Tests. 2011 Jul 1. Edition 1. doi: 10.1371/currents.RRN1238, internal assumptions, Optum & Cegedim.
6- Press releases published on October 16, 2013 and July 30, 2014.
7- Press release published on August 31, 2014.
8- Cardiac death, myocardial infarction, stroke, and unstable angina requiring hospitalization.

SHARE PERFORMANCE IN PARIS

SHARE PRICE TREND
FROM JANUARY 1, 2011 TO SEPTEMBER 3, 2014



SANOFI SHAREHOLDER COMMITTEE VISITS TOURS PRODUCTION SITE

In June, the Investor Relations team invited the Shareholder Committee (CCAI) to join their annual site visit to the Tours production facility. Pascal Bourin, Head of the Tours site, presented the main activities of the plant which is specialized in the production of tablets and capsules.

The Tours site also houses an Industrial Support Center and the Central Anti-Counterfeit Laboratory (CACL) of Sanofi, created in 2008. Nathalie Tallet, Head of the Industrial Support Center and the CACL, highlighted that the CACL had analyzed more than 20,000 suspect products since 2008, more than 4,000 of which in 2013, and played an increasing role in the global fight against counterfeit drugs.

After a visit of the production and packaging lines, the Committee observed the work of the experts of the CACL, notably their use of advanced high-tech equipment to analyze samples of counterfeit products.

CALENDAR

- **October 28, 2014**
  Third-quarter 2014 results
- **November 20, 2014**
  IR Thematic Seminar
  on New Medicines and Vaccines
- **November 21-22, 2014**
  Salon Actionaria, Paris
- **December 15, 2014**
  Shareholder meeting in Biarritz

SANOFI STOCK

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

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