LETTER TO SHAREHOLDERS

N°39
DECEMBER
2014

Dear Shareholders,

On October 29, the Board of Directors decided unanimously to remove Christopher Viehbacher as Chief Executive Officer of Sanofi. Going forward, the Group needs to pursue its development with a management aligning the teams, harnessing talents and focusing on execution with a close and confident cooperation with the Board. Pending the decision on the appointment of a new Chief Executive Officer, the Board asked me to fulfill jointly, on a temporary basis, the functions of Chairman and Chief Executive Officer.

The Board confirms its commitment to continuing the strategy and the international expansion of the Group based on research, innovation and its growth platforms. On the occasion of the Investor Relations Thematic Seminar on New Medicines, we highlighted the progress of our innovative late-stage pipeline and the essential contribution of our R&D to the future success of Sanofi.

The Board of Directors nominated Bonnie L. Bassler as a member on November 18. Professor Bassler's scientific expertise in Molecular Biology and her great leadership skills makes her an outstanding addition to our Board. We look forward to her contribution to Sanofi's strategy as we continue to innovate and introduce new medicines and vaccines that can help improve health outcomes.

Thank you for your trust and continuing loyalty.

"We continue the Group's strategy based on research, innovation and growth platforms."

Serge Weinberg
Chairman of the Board of Directors, CEO

SANOFI

SOLID GROWTH IN THIRD QUARTER 2014

PROGRESSION OF NET SALES

In the third quarter of 2014, Sanofi generated sales of €8,781M, an increase of 5.1%, driven by the strong performance of growth platforms.

Sales of the Diabetes division grew 8.3% to €1,799M despite increasing competitive pressure on prices in the United States. Genzyme continued to deliver with sales growth of 24.6% and the Animal Health platform grew 12.7% due to strong sales in the U.S. market.

VACCINES PLATFORM IS BACK TO GROWTH

Third-quarter consolidated sales of Sanofi Pasteur increased 11.2% to €1,451M. This performance is driven by the 15.0% growth of influenza vaccines sales to €650M, notably in the U.S. and in Emerging Markets, as well as continued gradual recovery of Pentacel® and Adacel® in the U.S.

In the U.S., Sanofi Pasteur's strategy to offer differentiating vaccines leads to a strong uptake of Fluzone® High-Dose for elderly people and Fluzone® Quadrivalent vaccine, a four-strain influenza vaccine.

FINANCIAL GUIDANCE FOR 2014 CONFIRMED[1]

On October 28, 2014, Sanofi confirmed that 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 October 28, 2014

GROWTH PLATFORMS IN Q3 2014 SALES OF €6,862M, REPRESENTING 78.1% OF TOTAL SALES

Emerging Markets[1]
€2,776M
+7.6%

Genzyme[3]
€649M
+24.6%

Diabetes Solutions
€1,799M
+8.3%

Animal Health
€515M
+12.7%

Vaccines
€1,451M
+11.2%

Other Innovative Products[4]
€227M
+18.0%

Consumer Healthcare[2]
€819M
+12.9%

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. Excluding sales in the other Growth Platforms in Emerging Markets, net sales represented 1,402M€. **2** - Some products recorded in prescription pharmaceuticals in 2013 were transferred as Consumer Healthcare products and totaled €64M in Q3 2013. Including this category change, sales of Consumer Healthcare grew +4.0% in Q3 2014. **3** - Genzyme consists of rare diseases and multiple sclerosis products. **4** - Includes products launched since 2009 which do not belong to the other growth platforms: Multaq®, Jevtana®, Zaltrap®, Auvi-Q™ and Mozobil®.

THIRD QUARTER 2014

GROUP NET SALES
€8,781M
+5.1%

GROWTH PLATFORMS NET SALES
€6,862M
+10.0%

BUSINESS NET INCOME
€1,935M
+9.4%

BUSINESS EPS
€1.47
+10.3%

Further information on Q3 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) were up 8.1%. For further information on reported growth rates and definitions of financial indicators, please consult the press release issued on October 28, 2014.

1- Excluding a substitutable insulin glargine biosimilar entry on the U.S. market before 2019.

INTERVIEW
with Jérôme Contamine, Executive Vice-President, Chief Financial Officer

Jérôme Contamine, what are your comments on Sanofi's third quarter results?

Net sales and Business EPS were up 5% and 10% respectively in the third quarter despite a more challenging environment for our Diabetes division in the United States.

Our Growth Platforms were up 10% and represented 78% of total Group sales. Vaccine sales also returned to growth this quarter and Animal Health sales grew double digit.

In Diabetes, can you comment on the competitive environment in the United States?

Global sales for our Diabetes division grew 8.3% in the third quarter, at a time when we saw some slowdown in the United States, where growth was +6.4%. This reflects increasing competitive pressure at the payor level and the impact of the new Affordable Care Act. We have recently concluded payor negotiations in the United States and have secured favorable formulary positions for Lantus® with key payors in 2015. The level of rebates required to maintain these positions has increased significantly as a result of substantial discounting by competitors.

What are the consequences for the years to come?

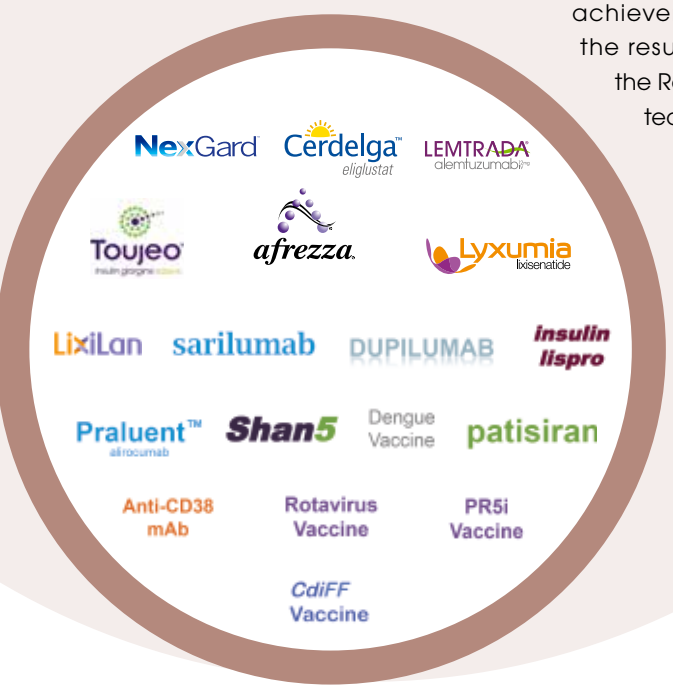
Despite the potential impact of the U.S. basal insulin market dynamics on Lantus® sales, Sanofi expects its global Diabetes sales to be flat in 2015 versus 2014, and flat to slightly growing from 2015 to 2018[1]. This assumes a substantial conversion of patients from Lantus® to Toujeo® in the U.S. and Europe, continued growth of our diabetes products in Emerging Markets and the U.S. launches of Afrezza®, Lyxumia® and LixiLan.

The launch of new medicines and vaccines in other therapeutic areas and the sustained performance of Sanofi's other growth platforms is expected to continue to further reduce the relative contribution of Lantus® to the Group's overall performance.

INVESTOR RELATIONS SEMINAR ON NEW MEDICINES

Sanofi organized a thematic seminar on new medicines and vaccines on November 20, 2014 in Cambridge, Massachusetts. Dedicated to Sanofi's late-stage pipeline assets, the event was an opportunity to present the new medicines and vaccines that the Group expects to launch in 2015, and to give an overview of the next wave of innovative products. About a hundred analysts and investors were able to exchange with management, including members of the Executive Committee and external scientific experts. Close to 1,500 people followed the webcast of the event on Sanofi's website.

UP TO
18
NEW LAUNCHES EXPECTED BETWEEN 2014 AND 2020



R&D PLAYS A MAJOR ROLE IN THE SUCCESSFUL EXECUTION OF STRATEGY

Serge Weinberg, Chairman of the Board of Directors and CEO, opened the seminar by reaffirming the Group's commitment to research and its ability to offer the best solutions for patients providing new drugs with high commercial potential. "The achievements we present today are the result of the remarkable work of the Research & Development (R&D) teams. "

Elias Zerhouni, President Global R&D, highlighted the progress of the Group's R&D. He acknowledged that the R&D teams had created an impressive dynamic that leveraged internal talents and open innovation to develop an industry-leading pipeline.

He announced that Sanofi was expecting 18 new launches between 2014 and 2020 with the potential to generate cumulatively more than €30 billion within the first 5 years of sales.[1,2] These new products have the potential to help address significant areas of need in rare diseases, cardiovascular care, diabetes, immunology and vaccines.

CERDELGA™ / LEMTRADA®

David Meeker, Executive Vice President and CEO of Genzyme introduced the first two products of the upcoming launch series. **Cerdelga™** is an oral therapy for Gaucher disease, a rare genetic disease. Cerdelga™ was approved in the United States in August 2014 and recently received

POTENTIAL CUMULATIVE FIRST 5 YEARS SALES[1,2] OF
> €30bn

Sanofi has the opportunity to generate growth driven by the solid momentum of its growth platforms and the expected accelerated sales contribution of its late-stage R&D pipeline.

Elias Zerhouni
President Global R&D

a positive opinion from the Committee for Medicinal Products for Human Use of the European Medicines Agency. **Lemtrada®**, a treatment for relapsing remitting multiple sclerosis available in Europe since the end of 2013, was approved and launched in the United States at the end of 2014 (see article on page 6).

PRALUENT™ (ALIROCUMAB)[3, 4]

The team in charge of the development and commercialization of **Praluent™** in the United States stressed the importance of this investigational monoclonal antibody developed in collaboration with Regeneron. Praluent™ has the potential to transform LDL-cholesterol management in patients that are poorly controlled with standard treatments and at high cardiovascular risk.

Regulatory submissions were filed in the United States and Europe at the end of 2014.

TOUJEO®[4] / AFREZZA® / LIXILAN

The Sanofi Diabetes team presented the new series of products broadening the portfolio and strengthening Sanofi's diabetes franchise: **Toujeo®**, a new investigational basal insulin currently under review by the U.S. and EU regulatory agencies; **Afrezza®**, a new rapid-acting inhaled insulin therapy, approved in the United States for adults with type 1 and type 2 diabetes; **LixiLan**, an investigational fixed-ratio combination of Lantus® (insuline glargine), with Lyxumia® (lixisenatide), a GLP-1 receptor agonist, in a single daily injection for the treatment of adults with type 2 diabetes. Regulatory submission of LixiLan is expected in the United States before the end of 2015.

DENGUE VACCINE[4]

The detailed presentation of the **dengue vaccine** by the Sanofi Pasteur team was the opportunity to highlight that the vaccine offered a response to a major public health issue. Efficacy of the vaccine was observed against all dengue serotypes in two large scale Phase III studies. Regulatory submissions are expected in endemic countries in 2015.

SARILUMAB[4] / DUPILUMAB[4]

Elias Zerhouni presented two important monoclonal antibodies developed in collaboration with Regeneron: sarilumab, currently being studied in patients with rheumatoid arthritis (in Phase III) ; and dupilumab, under development in allergic inflammatory diseases, such as atopic dermatitis (in Phase III), asthma (Phase III start expected in 2015) and nasal polyposis (in Phase II). He then concluded on the major contribution of R&D to future growth.

1 - At CER, 5 years for each product from and including the first full year of launch.
2 - Non-risk adjusted sales projections.
3 - Praluent™ is the intended trade name for alirocumab. The trade name is currently pre-approved in the EU but not in other regions.
4 - Investigational compounds and/or vaccines currently under clinical development. The safety and efficacy of these compounds and/or vaccines have not been fully evaluated by any regulatory authority.

LEMTRADA® APPROVED IN THE U.S. IN MULTIPLE SCLEROSIS

Multiple sclerosis patients (from left to right) : Shani (Australia), Dean (Australia), Teresa (United States) and Grethe (Denmark).

Multiple sclerosis is estimated to affect more than 2.3 million people globally. There are approximately 400,000 people living with MS in the United States[1].

1 - National Multiple Sclerosis Society
2 - More information on secondary effects in the press release published on November 15, 2014.

Sanofi and its subsidiary Genzyme obtained the approval of Lemtrada® in the United States for the treatment of patients with relapsing forms of multiple sclerosis (MS). Because of its safety profile, the use of Lemtrada® should generally be reserved for patients who have had an inadequate response to two or more drugs indicated for the treatment of MS[2]. Lemtrada® is only available through a restricted distribution program, the Lemtrada® REMS (Risk Evaluation and Mitigation Strategy).

TWO TREATMENT COURSES

Lemtrada® offers a unique dosing and administration schedule. The first treatment course is administered via intravenous infusion on five consecutive days, and the second course is administered on three consecutive days, 12 months later.

STRENGTHENED MS FRANCHISE

First approved in September 2013 in the European Union, Lemtrada® is approved in more than 40 countries. Lemtrada® is Genzyme's second MS treatment approved in the United States after the approval of Aubagio® in September 2012.

In Europe, Aubagio® received marketing authorization in August 2013. It has been available in France since November 1st, 2014 and more than 700 patients have already started their treatment.

DUPILUMAB ENTERS PHASE III IN ATOPIC DERMATITIS

In October 2014, Sanofi and Regeneron Pharmaceuticals Inc. announced that the first patients have been dosed in a Phase III clinical study of dupilumab, an investigational therapy in adults with moderate-to-severe atopic dermatitis (AD) that is not adequately controlled with topical medications (local application). The primary objective is to demonstrate the efficacy of dupilumab in adults with moderate-to-severe AD when administered concomitantly with topical corticosteroids through 16 weeks. Secondary objectives of the study will evaluate the long-term safety and efficacy of dupilumab up to 52 weeks.
The U.S. Food and Drug Administration (FDA) has granted Breakthrough Therapy designation to dupilumab for the treatment of adults with moderate-to-severe AD. Breakthrough Therapy designation was created by the FDA to expedite the development and review of drugs that target serious or life-threatening conditions.

PHASE III START FOR THE ROTAVIRUS VACCINE

Sanofi Pasteur, the vaccines division of Sanofi, announced today the start of a Phase III clinical trial in India for its investigational rotavirus vaccine, developed and manufactured by its affiliate Shantha Biotechnics in Hyderabad, India. The live, oral, ready-to-use tetravalent rotavirus vaccine is designed to protect young children from severe diarrhea.

Shanta R&D laboratory, Hyderabad

SANOFI CONTRIBUTES TO GLOBAL FIGHT AGAINST EBOLA

As part of its contribution to the global response to the Ebola epidemic, Sanofi has appointed Chief Scientific Officer Dr. Gary J. Nabel, as its Ebola response coordinator. Sanofi will work with other organizations to help find ways to advance medicines to prevent or treat Ebola virus infection. The company will share its scientific, medical, regulatory and manufacturing expertise with government and non-governmental organizations in a effort to contain the epidemic.

GOVERNANCE

SANOFI BOARD COMPOSITION

- On October 28, **Thierry Desmarest** tendered his resignation from the Board of Directors of Sanofi in order to focus on his role as Chairman of Total following the tragic passing of Christophe de Margerie.
- On October 29, the Board of Directors decided unanimously to remove **Christopher Viehbacher** as Chief Executive Officer of Sanofi. As a consequence, he resigned as a director of Sanofi.
- On November 18th, the Board of Directors announced the nomination of **Bonnie L. Bassler** as an independent director. She is a Howard Hughes Medical Institute Investigator, the Squibb Professor in Molecular Biology, and the Chair of the Department of Molecular Biology at Princeton University located in Princeton, New Jersey, United States.

PARTNERSHIPS

SANOFI PASTEUR AND IMMUNE DESIGN COLLABORATE ON A VACCINE TO TREAT HERPES SIMPLEX VIRUS

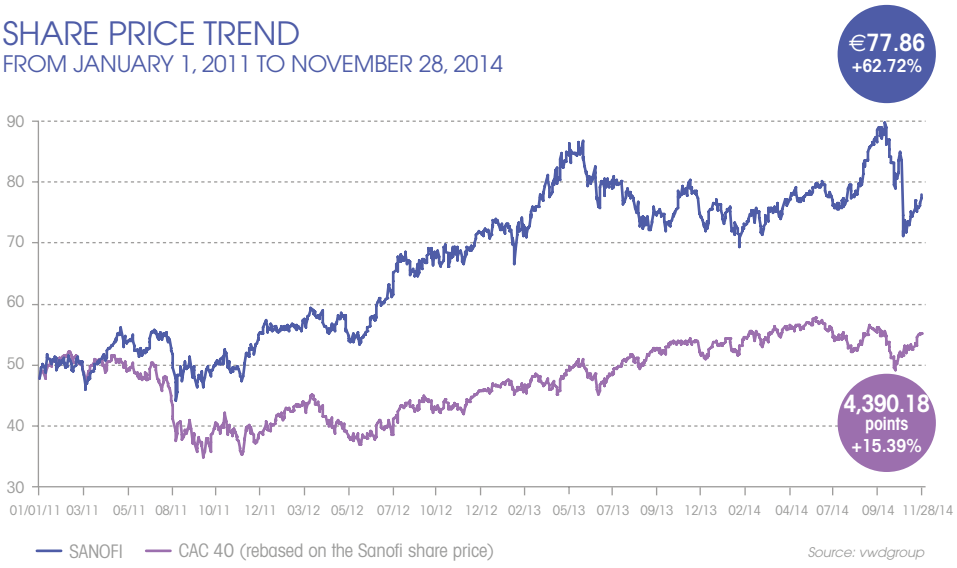
Sanofi Pasteur, the vaccines division of Sanofi and Immune Design Corp., a clinical-stage immunotherapy company, announced in October that they have entered into a broad collaboration for the development of a herpes simplex virus (HSV) immune therapy. The two companies will each contribute product candidates to the collaboration.
Sanofi Pasteur will contribute with its clinical-stage replication-defective HSV vaccine, and Immune Design will contribute with its preclinical trivalent vaccine.
The two companies will develop the products jointly through Phase II clinical trials, at which point Sanofi Pasteur intends to continue development of the most promising candidate and be responsible for commercialization.

COLLABORATION WITH MYOKARDIA FOR PATIENTS WITH GENETIC HEART DISEASE

Sanofi and MyoKardia, Inc., a privately-held company leading the development of precision therapies for genetic heart disease, announced a worldwide collaboration in September 2014.
The collaboration builds upon MyoKardia's pioneering science, which hopes to correct the disruptive effects that disease mutations have on heart muscle contraction.

SHARE PERFORMANCE IN PARIS

SHARE PRICE TREND
FROM JANUARY 1, 2011 TO NOVEMBER 28, 2014



CALENDAR

- **February 5, 2015**
  Annual Results 2014
- **April 30, 2015**
  First quarter results 2015
- **May 4, 2015**
  Annual General Meeting
  Palais des Congrès, Paris

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)

SALON ACTIONARIA 2014

This year, the Salon Actionaria was held at the Palais des Congrès in Paris on November 21-22, 2014 and welcomed more than 30,000 visitors. The Investor Relations team and members of the Individual shareholders committee welcomed Sanofi shareholders and the general public over the two days.

For the 11th consecutive year, the Salon Actionaria was an opportunity for Sanofi to meet individual shareholders and answer their questions about the Group, its prospects and the share price.

Visitors were able to pose their questions to Sanofi representatives and took part in a selection of activities at the booth, including a quiz on Sanofi's businesses and the opportunity to try out tablets connected to the SANOFI IR mobile application.

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

Photographs: p. 1: Marthe Lemelle – p. 2: Sanofi Pasteur - p.3: Randy Monceaux, R. Baltz - p. 5: Frank Parisot - p. 6: Palani Mohan, Chris Kirzeder, George P. De Torres/MultiVu - p. 7: Harsha Vadlamani / Capa Pictures – p. 8: Sanofi

Design/production: SEITOSEI

Status: December 1, 2014

SANOFI