

LETTER TO SHAREHOLDERS

N°40
MARCH 2015

Dear Shareholders,

We have finished 2014 with a solid performance and can look back at a successful year. We returned to growth and we delivered financial results in line with our guidance. Our late stage pipeline of innovative compounds has never been so robust, and as we have entered into 2015, further milestones have been reached in bringing our new medicines and vaccines to market.

Over the past months in my role as interim CEO, I have been impressed by the resilience of our diversified businesses, the depth and breadth of our organization and the commitment of our teams across the world. Today, Sanofi is operationally and financially very strong and we are well prepared for the execution of our multiple new product launches.

The appointment of Olivier Brandicourt as the new CEO of Sanofi comes at an important time for our company. His strong experience combined with his international profile, deep knowledge of U.S. and emerging healthcare markets, and his capability to unite teams will provide new dynamism to Sanofi's strategy of innovation and diversification.

The dividend continues to be a core part of our value proposition to shareholders. The Board of Directors has decided to propose a dividend of €2.85 per share for 2014, which would mark the 21st consecutive year of dividend increase. This proposal will be submitted for approval to the shareholders' general meeting. I will be happy to meet with you on May 4, 2015 on this occasion.

Thank you for your trust and continuing loyalty.



*We have finished 2014
with a solid performance
and begin 2015
with confidence.*

Serge Weinberg

Chairman of the Board of Directors, CEO

RESULTS 3



Solid performance in 2014

NEWS 4



Afrezza®, the only inhaled insulin is available in the U.S.

FOCUS 6



Genzyme confirms its commitment to Gaucher disease patients with the launch of Cerdelga®

SHAREHOLDER INFORMATION 7



- Annual General Meeting 2015
- Sanofi rewarded for its financial communication

OLIVIER BRANDICOURT

appointed as Chief Executive Officer
of Sanofi

He will take up his new duties on April 2, 2015



On February 19, 2015, the Board of Directors unanimously appointed Olivier Brandicourt as Chief Executive Officer of Sanofi.

Olivier Brandicourt has 28 years of global experience in the pharmaceutical industry, most recently as Chairman of the Board of Management of Bayer HealthCare AG and member of the Executive Council of Bayer AG.

Previously, he held numerous positions of increasing responsibility within major global pharmaceutical groups, such as Parke-Davis/Warner-Lambert and Pfizer. Notably, Olivier Brandicourt served as a member of Pfizer's global Executive Leadership Team from 2010 to 2013.

A physician by training, Olivier Brandicourt's career includes several senior positions in Europe, Canada and the United States.

As the head of various key healthcare divisions, he has a broad range of expertise and knowledge of the pharmaceutical industry and has led the launch of numerous new medicines and the completion of strategic acquisitions and integrations.



Sanofi undertook a rigorous selection process to identify the right person to lead Sanofi forward at an important time for our company.

I am confident that Olivier Brandicourt is the very best person to take Sanofi to the next level.

Serge Weinberg

Chairman of the Board of Directors, CEO

FULL YEAR 2014



GROUP NET SALES

€33,770 M
+4.9%

BUSINESS NET INCOME

€6,847 M
+6.7%

BUSINESS EPS¹

€5.20
+7.3%

DIVIDEND PROPOSED BY THE BOARD²

€2.85



Further information on
Annual Results:
www.sanofi.com

Unless otherwise indicated, all growth rates are expressed at constant exchange rates (CER). On a reported basis, net sales were up 2.5% and Business EPS increased 3.0%. For further information on reported growth rates and the definition of financial indicators, please consult the press release issued on February 5, 2015.

1 - Earnings per share.

2 - Subject to approval by the shareholders' general meeting on May 4, 2015.

SANOFI REPORTS SOLID PERFORMANCE IN 2014

GOOD PERFORMANCE ACROSS OUR VARIOUS BUSINESSES

Group sales were up 4.9% (2.5% on a reported basis) to €33,770M thanks to the good performance of our Growth Platforms which increased 10.7%.

Genzyme continues its strong growth (+24.3% in 2014), driven by the Rare Diseases business and the launch of Aubagio® in multiple sclerosis.

The **Diabetes** division increased by 12.1% in 2014, driven by growth of Lantus® in all regions, and in particular in Emerging Markets.

In **Emerging Markets**, Sanofi confirms its leadership position in 2014, with growth of 9.3%, driven by its strong performance in Latin America.



Vaccines sales grew 7.2% in 2014, despite remaining capacity constraints which Sanofi continues to address in 2015 in a context of strong demand.

Animal Health confirmed its return to growth in 2014 (+6.7%) thanks to the good performance of the companion animal segment.

2015 FINANCIAL GUIDANCE¹

Taking into account the outlook for U.S. Diabetes as well as new product launches and late stage pipeline development, 2015 Business EPS is expected to be stable

to slightly growing versus 2014² at constant average exchange rates, barring major unforeseen adverse events.

Applying December 31, 2014 exchange rates to this full-year 2015 guidance, the additional positive currency impact on 2015 business EPS is estimated to be between 4% and 5%.

¹ - View forward looking statements in the press release of February 5, 2015.
² - 2014 business EPS: €5.20.

GROWTH PLATFORMS 2014

SALES OF €25,802M,
REPRESENTING 76.4% OF TOTAL SALES

 **Emerging Markets¹**
€11,347M
+9.3%²

 **Genzyme⁴**
€2,604M
+24.3%

 **Diabetes Solutions**
€7,273M
+12.1%

 **Animal Health**
€2,076M
+6.7%

 **Vaccines**
€3,974M
+7.2%

 **Other Innovative Products⁵**
€815M
+14.7%

 **Consumer Healthcare³**
€3,337M
+16.5%

Unless otherwise indicated, all growth rates are expressed at constant exchange rates (CER).

¹ - World excluding U.S., Canada, Western Europe, Japan, Australia, and New Zealand. Excluding sales of other growth platforms in Emerging Markets, sales were €5,723M. ² - Excluding Generics in Brazil, Emerging Markets grew +6.5% in FY 2014. ³ - Some products recorded in prescription pharmaceuticals in 2013 were transferred as Consumer Healthcare products and totaled €273M in FY 2013. Excluding this category change, sales of Consumer Healthcare grew +6.8% in FY 2014. ⁴ - Genzyme is made of rare diseases and multiple sclerosis. ⁵ - Includes products launched since 2009 which do not belong to the Growth Platforms listed above: Multaq®, Jeviana®, Auvil-Q™, Mozobil® and Zaltrap®.

AFREZZA[®], THE ONLY INHALED INSULIN, IS NOW AVAILABLE IN THE UNITED STATES



Afrezza[®] Inhaler with 8 unit and 4 unit cartridges of a dry formulation of human insulin.



Afrezza[®], a dry formulation of human insulin released by a small portable inhaler, is an innovative option for millions of patients.

Sanofi and MannKind Corporation announced that Afrezza[®], a new rapid-acting inhaled insulin, is now available by prescription in U.S. retail pharmacies.

A NEW OPTION FOR PATIENTS

Afrezza[®] is approved in the United States to control high blood sugar in adults with type 1 and type 2 diabetes¹. Now, patients have another option to control their blood sugar with a rapid-acting insulin that is not injected.

Administered at the beginning of a meal, Afrezza[®] dissolves rapidly upon inhalation to the lung and delivers insulin quickly to the bloodstream.

AN IMPORTANT ADDITION TO OUR DIABETES PORTFOLIO

By adding Afrezza[®] to Sanofi's Diabetes portfolio of integrated, personalized solutions, we are demonstrating our continued commitment to recognizing and meeting the diverse and complex needs of people living with this disease.

A WORLDWIDE EXCLUSIVE LICENSING AGREEMENT

Sanofi and MannKind have entered into a worldwide exclusive licensing agreement to develop and commercialize Afrezza[®]. Sanofi is responsible for global commercial, regulatory and development activities.

1 - See limitations of use and important safety information for Afrezza[®] in the press release published on February 3, 2015.

ALLIANCE BETWEEN GENZYME AND VOYAGER TO DEVELOP THERAPIES FOR CENTRAL NERVOUS SYSTEM DISORDERS

In February, Genzyme and Voyager Therapeutics, a gene therapy company, announced a major strategic collaboration to discover, develop and commercialize novel adeno-associated virus (AAV) gene therapies for severe central nervous system disorders. The alliance will encompass multiple gene therapy programs, including programs for Parkinson's disease, Friedreich's ataxia and Huntington's disease.

In addition to an upfront commitment of \$100 million, Voyager is eligible to receive future potential development and sales milestone payments of up to \$745 million.

PARTNERSHIP WITH BOEHRINGER INGELHEIM TO PRODUCE BIOLOGICS

Sanofi has entered into a strategic agreement with Boehringer Ingelheim for the manufacture of therapeutic monoclonal antibodies to reinforce Sanofi's manufacturing capacity to support upcoming product launches. Sanofi will have access to Boehringer Ingelheim's capabilities in Germany to transfer and manufacture therapeutic monoclonal antibodies.

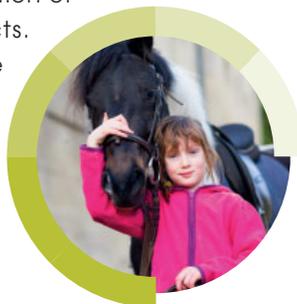
COLLABORATION WITH LEAD PHARMA IN AUTOIMMUNE DISEASES

Sanofi has entered into a research collaboration and license agreement with Dutch biotech Lead Pharma to discover, develop and commercialize small-molecule therapies to treat a broad range of autoimmune disorders, including rheumatoid arthritis, psoriasis and inflammatory bowel disease.

ACQUISITION OF TWO MAJOR PRODUCTS IN EQUINE HEALTH

Meriel has reached an agreement with Bayer Healthcare in December 2014 for the acquisition of two Bayer equine health products.

This acquisition expands the range of healthcare solutions for horses offered by Meriel.



INNOVATION

TOUJEO® APPROVED IN THE UNITED STATES AND RECOMMENDED FOR APPROVAL IN EUROPE



On February 26, 2015, the U.S. Food and Drug Administration approved Toujeo®, a once-daily long-acting basal insulin, to improve glycemic control in adults living with type 1 and type 2 diabetes.

Toujeo® will be available in the disposable prefilled pen Toujeo® SoloSTAR®, and is expected to be launched in the U.S. at the beginning of Q2 2015.

On February 27, 2015, the Committee for Medicinal Products for Human Use of the European Medicines Agency has issued a positive opinion recommending the approval of Toujeo®. The European Commission is expected to make a final decision on granting marketing authorization for Toujeo® in the European Union in the coming months.

Toujeo® is also under review by other regulatory authorities around the world.

6 LAUNCHES OF NEW DRUGS AND VACCINES UNDERWAY OR IMMINENT IN 2015

Sanofi has achieved numerous R&D milestones and is actively preparing to launch new medicines to the market. In 2015, we expect the launch of **6 new products**, some of which are already underway. These products are managed by different entities of Sanofi, whose priority is the quality of execution of these launches. Genzyme's Rare Disease team is focused on **Cerdelga®** while Genzyme's multiple sclerosis team is introducing **Lemtrada®** in the United States. The diabetes teams have launched the inhaled insulin **Afrezza®** in February in the United States, and prepare for the launch of our new basal insulin **Toujeo®**. A dedicated team is actively preparing for the launch of **Praluent™** in hypercholesterolemia in collaboration with our partner Regeneron. The launch of the **Dengue Vaccine** will be managed by Sanofi Pasteur.

GENZYME CONFIRMS ITS COMMITMENT TO GAUCHER DISEASE PATIENTS WITH THE LAUNCH OF CERDELGA®

Genzyme has long been a leader in the development and delivery of targeted therapies for patients with rare genetic diseases. Genzyme pioneered the treatments for four Lysosomal Storage Disorders (LSDs) - a group of rare genetic conditions caused by enzyme deficiencies: Gaucher disease, Fabry disease, Pompe disease and Mucopolysaccharidosis I. In 1991, Genzyme launched the first enzyme replacement therapy for Gaucher disease. Three years later, Genzyme introduced its second generation enzyme replacement therapy, using genetic engineering. Today, Genzyme innovates again with the launch of a third generation treatment: Cerdelga® (eliglustat), an oral therapy.

7,000
IDENTIFIED RARE DISEASES

LESS THAN
100
HAVE AN APPROVED
TREATMENT

GAUCHER DISEASE
PREVALENCE

1/100,000¹

WHAT IS GAUCHER DISEASE?

Lysosomal Storage Disorders (LSDs) are a group of more than 50 rare, genetic diseases caused by an enzyme deficiency due to gene mutation. All LSDs are serious and progressive, meaning that without treatment, they worsen over time.

Gaucher disease is caused by a deficiency in an enzyme called glucocerebrosidase. It affects men, women and children. Symptoms can appear at any age and vary widely among individuals: excessive fatigue, increase in the volume of spleen and liver, anemia, easy bleeding and bone abnormalities. Type 1 Gaucher disease is the most common form of the disease and does not involve the central nervous system.



ONLY FIRST-LINE ORAL TREATMENT FOR GAUCHER DISEASE

Cerezyme®, the second generation enzyme replacement therapy developed by Genzyme, is the standard of treatment for type 1 Gaucher disease. Patients receive regular intravenous infusions of Cerezyme® for life.

To continue to improve patients' lives and offer an alternative to regular infusions, Genzyme has developed a first-line oral therapy for Gaucher disease, after 15 years of research. The new treatment, Cerdelga®, was approved in August 2014 in the United States, and in January 2015 in Europe, for certain adult Gaucher disease type 1 patients².

Cerdelga® represents a valuable new treatment option for those patients and confirms Genzyme's strong commitment to respond to the needs of people living with this serious disease.

¹ - Sources: www.alliance-maladies-rares.org, www.orpha.net
² - A small number of adult patients who metabolize Cerdelga® more quickly or at an undetermined rate, as detected by an established genetic laboratory test, will not be eligible for Cerdelga® treatment.



ANNUAL GENERAL MEETING 2015

THE AGENDA AT A GLANCE

Sanofi's General Meeting will be held on May 4, 2015 at the Palais des Congrès in Paris, France. Additional information on the event is available on our website at: www.sanofi.com/AGM2015

For further information on the conditions for participation and voting, you may visit our website at: www.sanofi.com/participateAGM

APPROVAL OF THE FINANCIAL STATEMENTS

The shareholders are invited to approve the financial statements for the year ended December 31, 2014 and the payment of a dividend set at €2.85 per share.

COMPOSITION OF THE BOARD OF DIRECTORS

The shareholders will vote on the reappointment of Serge Weinberg and Suet-Fern Lee. The Board also proposes to ratify the co-opting of Bonnie Bassler and Olivier Brandicourt. Igor Landau and Gérard Van Kemmel declined to stand for an additional term and will retire from the board as of the General Meeting.

AGREEMENTS AND UNDERTAKINGS REFERRED TO IN ARTICLES L. 225-38 ET SEQ. OF THE FRENCH COMMERCIAL CODE

In accordance with the Law of August 21, 2007 on Labor, Employment and Purchasing Power, the shareholders are invited to vote on the report of the statutory auditors related to undertakings which concern the severance and non-compete conditions as well as the pension arrangements for

Olivier Brandicourt in his capacity as Chief Executive Officer. These undertakings were given in 2015.

SAY ON PAY

Pursuant to the AFEP-MEDEF Code, to which Sanofi refers, elements of compensation due or granted to each executive director of the Company for the year ended 2014 are submitted to the shareholders' advisory vote. This vote concerns Serge Weinberg, Chairman of the Board and Christopher A. Viehbacher, Chief Executive Officer.

RENEWAL OF FINANCIAL AUTHORIZATIONS: SHARE REPURCHASE PROGRAM

The General Meeting seeks to renew the authorizations granted to the Board of Directors to carry out transactions in shares issued by the Company, to increase and reduce its share capital including by share capital increase reserved to employees and by awarding restricted shares. The Board of Directors may use the financial authorization to grant options to subscribe for shares previously granted to it at the General Meeting held on May 3, 2013.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The General Meeting also seeks to update two articles of Association which concern the convening of the General Meeting and the declaration obligations in case of the passing of certain levels of ownership.



DIVIDEND OF €2.85 PER SHARE

submitted for approval by the shareholders' general meeting

- Increased for 21 consecutive years
- Payout ratio of 54.8% of 2014 business earnings per share

KEY DATES

- May 11: Ex-dividend date
- May 12: Record date
- May 13: Dividend payment date

SHARE PERFORMANCE IN PARIS

SHARE PRICE TREND FROM JANUARY 1, 2011 TO FEBRUARY 19, 2015



CALENDAR

- **April 7, 2015**
Shareholder meeting, Nantes, France
- **April 30, 2015**
First quarter results
- **May 4, 2015**
Annual General Meeting
Palais des Congrès, Paris, France

SANOFI STOCK

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

SHAREHOLDER RELATIONS

- **SANOFI - Shareholder Relations**
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- Individualshareholders@sanofi.com
- www.sanofi.com/shareholders
- Mobile app: **SANOFI IR**
(available in the App Store and Google Play)

SANOFI REWARDED FOR ITS FINANCIAL COMMUNICATION IN 2014

INVESTOR AWARDS 2014

Sanofi wins the Innovation Award 2014

This award confirms the international study published by Morningstar in November 2014, which ranked Sanofi as the second best international company for its Research & Development portfolio. It is the result of sustained efforts of the Investor Relations team since the beginning of the year to put R&D at the heart of the Group's financial communication.



SHAREHOLDER RELATIONS AWARDS 2014

Sanofi wins the *Trophée d'Or* for the best Annual General Meeting

French business magazine Le Revenu rewarded Sanofi for the quality of the organization of its Annual General Meeting in Paris last year.



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.

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

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