Q3 2017 Results

November 2, 2017

SANOFI

Forward Looking Statements

This presentation contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements are statements that are not historical facts. These statements include projections and estimates and their underlying assumptions, statements regarding plans, objectives, intentions and expectations with respect to future financial results, events, operations, services, product development and potential, and statements regarding future performance. Forward-looking statements are generally identified by the words “expects”, “anticipates”, “believes”, “intends”, “estimates”, “plans” and similar expressions. Although Sanofi’s management believes that the expectations reflected in such forward-looking statements are reasonable, investors are cautioned that forward-looking information and 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 in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include among other things, the uncertainties inherent in research and development, future clinical data and analysis, including post marketing, decisions by regulatory authorities, such as the FDA or the EMA, regarding whether and when to approve any drug, device or biological application that may be filed for any such product candidates as well as their decisions regarding labelling and other matters that could affect the availability or commercial potential of such product candidates, the absence of guarantee that the product candidates if approved will be commercially successful, the future approval and commercial success of therapeutic alternatives, the Company’s ability to benefit from external growth opportunities and/or obtain regulatory clearances, risks associated with intellectual property and any related pending or future litigation and the ultimate outcome of such litigation, trends in exchange rates and prevailing interest rates, volatile economic conditions, the impact of cost containment initiatives and subsequent changes thereto, the average number of shares outstanding as well as those discussed or identified in the public filings with the SEC and the AMF made by Sanofi, including those listed under “Risk Factors” and “Cautionary Statement Regarding Forward-Looking Statements” in Sanofi’s annual report on Form 20-F for the year ended December 31, 2016. Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.

SANOFI

Agenda

Key Highlights

- Olivier Brandicourt - Chief Executive Officer

Dupilumab Commercial and Development Update

- Bill Sibold - Executive Vice President, Sanofi Genzyme

Financial Results

- Jérôme Contamine - Executive Vice President, Chief Financial Officer

Additional Participants for Q&A Session

- Olivier Charmeil - Executive Vice President, General Medicines & Emerging Markets
- Karen Linehan - Executive Vice President, Legal Affairs and General Counsel
- David Loew - Executive Vice President, Sanofi Pasteur
- Alan Main - Executive Vice President, Consumer Healthcare
- Stefan Oelrich - Executive Vice President, Diabetes & Cardiovascular
- Elias Zerhouni - President, Global R&D

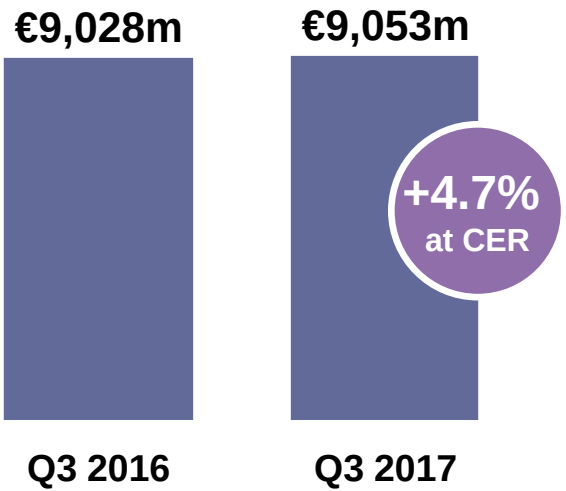
KEY HIGHLIGHTS

Olivier Brandicourt
Chief Executive Officer

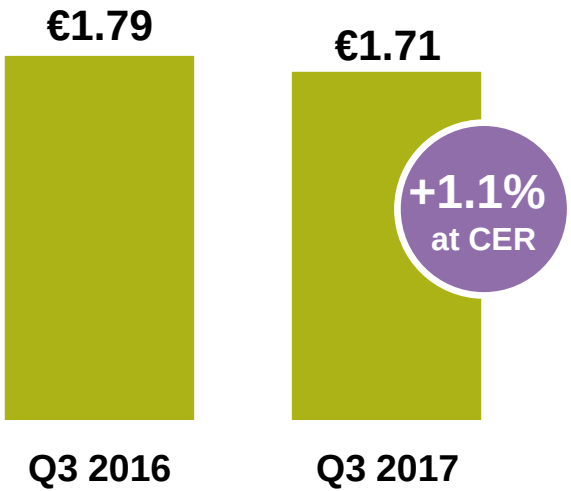
SANOFI

Company Sales and Business EPS Grew at CER

Company Sales



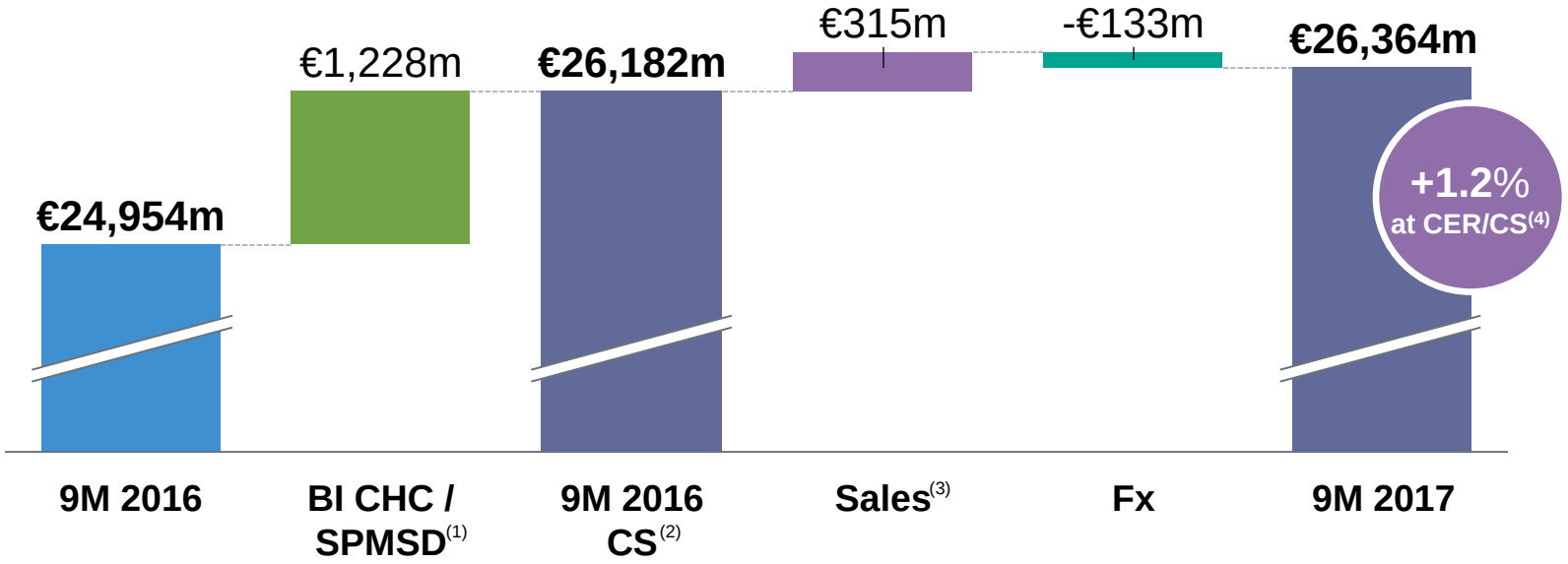
Business EPS



CER: Constant Exchange Rates

YTD Sales Slightly Higher Despite Significant LoEs

9M 2017 Company Sales



LoEs: Losses of Exclusivity

(1) Primarily includes SPMSD (€161m) and BI CHC (€1,131m on a Full Sales recognition basis; €1,073m when adjusting for progressive sales recognition) in 9M 2016. Minor disposal of CHC activities in China is also included.

(2) 9M 2016 Sales at Constant Structure

(3) Change in sales at CER

(4) Growth at Constant Exchange Rates (CER) and Constant Structure (CS)

Specialty Care and Vaccines Delivered Strong Growth while Diabetes Declined in-Line with Expectations

Q3 2017 Sales by Global Business Unit

		Growth at CER/CS[1]
Company Sales	**€9,053m**	*-0.2%*
Sanofi Genzyme (Specialty Care)[2]	**€1,390m**	*+13.9%*
Sanofi Pasteur (Vaccines)	**€1,916m**	*+7.2%*[3]
Diabetes & Cardiovascular[2]	**€1,298m**	*-14.8%*
Consumer Healthcare[4]	**€1,132m**	*+1.0%*[5]
General Medicines & Emerging Markets[6,7,8]	**€3,317m**	*-3.1%*

(1) Growth at CER and Constant Structure on the basis of Q3 2016 sales including CHC sales from Boehringer Ingelheim, SPMSD sales and others
(2) Does not include Emerging Markets sales
(3) On a CER basis, growth was +11.0%
(4) Consumer Healthcare includes sales in Emerging Markets
(5) On a CER basis, growth was +48.5%
(6) Includes Emerging Markets sales for Diabetes & Cardiovascular and Specialty Care
(7) Emerging Markets: World excluding U.S., Canada, Western & Eastern Europe (except Eurasia), Japan, South Korea, Australia, New Zealand and Puerto Rico
(8) Excluding global Consumer Healthcare sales and Vaccines

Pictures by Freepik

Strong Performance in Emerging Markets Offset by Diabetes and Established Rx in Developed Markets

Q3 2017 Sales by Franchise

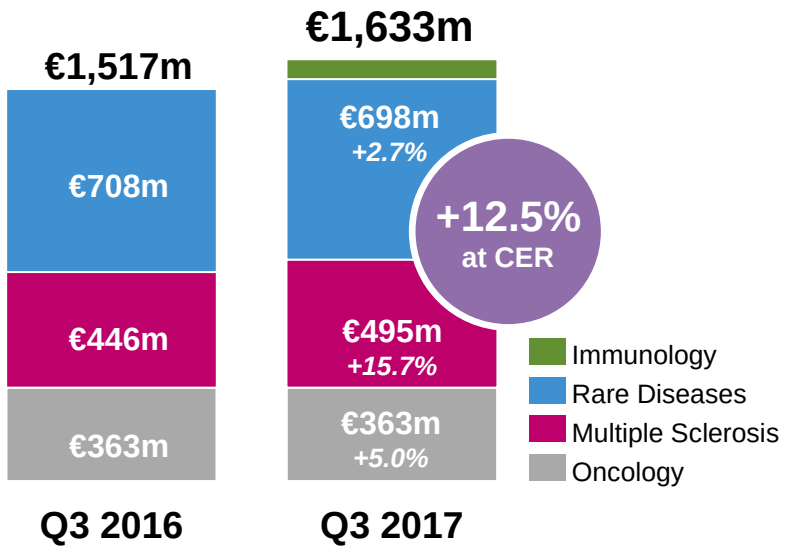
	Total Sales	Growth at CER/CS[1]	Developed Markets Sales	Developed Markets Growth at CER/CS[1]	Emerging Markets Sales	Emerging Markets Growth at CER/CS[1]
Specialty Care	€1,633m	+12.5%	€1,390m	*+13.9%*	€243m	*+5.3%*
Vaccines	€1,916m	+7.2%	€1,542m	*+6.2%*	€374m	*+11.6%*
Diabetes & Cardiovascular	€1,675m	-9.1%	€1,298m	*-14.8%*	€377m	*+17.2%*
Consumer Healthcare	€1,132m	+1.0%	€721m	*-2.0%*	€411m	*+6.7%*
Established Rx Products	€2,264m	-7.1%	€1,338m	*-13.8%*	€926m	*+4.3%*
Generics	€433m	-0.9%	€247m	*-1.9%*	€186m	*+0.5%*

(1) Growth at CER and Constant Structure

Specialty Care Delivers Another Quarter of Double-Digit Growth

- Specialty Care franchise up +12.5% (+13.8% YTD)
- Dupixent® sales reached €75m in the U.S.
- Kevzara® captured 15% NBRx market share of subcutaneously administered IL-6 in month 4 post launch in the U.S.(1)
- Rare Disease franchise up +2.7% due to phasing in EM and erosion of minor brands
- Multiple Sclerosis franchise sustained double-digit growth in a competitive market

Global Specialty Care Franchise Sales

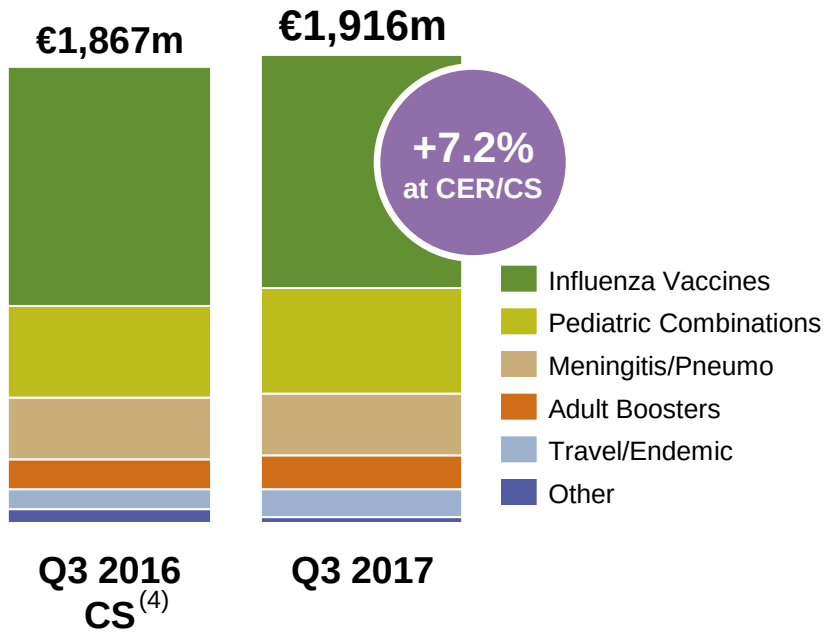


All growth at CER unless otherwise stated
(1) Source: IMS NPA MD September 2017

Sanofi Pasteur Performance Driven by Strong Growth in Europe and Emerging Markets

- Vaccines continue to deliver strong growth, up +7.2%(1) (+11% YTD)
  - Pediatric franchise(2) grew +21% supported by Emerging Markets (+36%)
  - Flu vaccines up +1.8%
- Europe sales grew +9.8%(3) following integration of the business formerly managed by SPMSD JV
  - VaxigripTetra™ launched in EU
- Acquisition of Protein Sciences completed
  - Flublok® positioned to benefit the 50+ year old demographic during 2018-19 Flu season

Sanofi Pasteur Sales



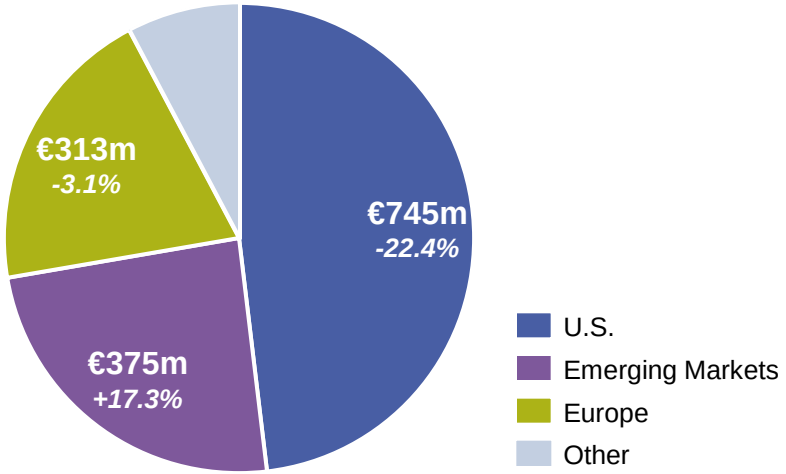
All growth at CER/CS unless otherwise stated
(1) Growth at CER was +11.0%
(2) Pediatric combination vaccines including Hexaxim®, Pentaxim®, Tetraxim®
(3) Growth at CER was +68.9%
(4) Q3 2016 Sales adjusted for SPMSD

Global Diabetes Sales Decline As Expected and Appellate Court Orders New Trial for Praluent

- Global Diabetes sales declined -10.0% at CER
- Toujeo® sales grew +23% to €198m driven by strong performance in Europe and EM
- FDA granted tentative approval for Admelog®
- In October, U.S. CAFC ordered a new trial and vacated the permanent injunction in ongoing Praluent® patent litigation

Q3 2017 Global Diabetes Sales

Growth at CER



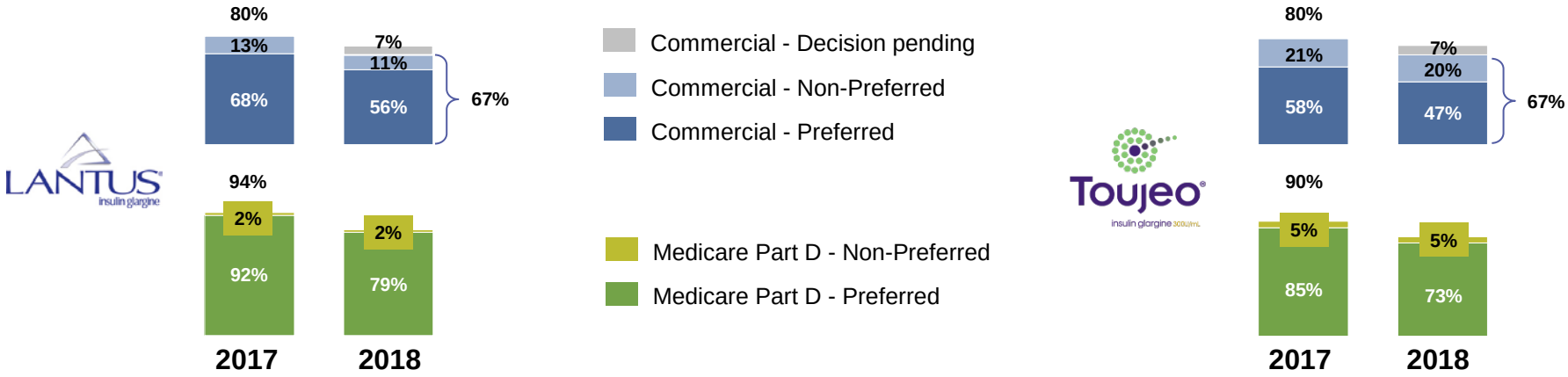
SANOFI

All growth at CER unless otherwise stated
CAFC: Court of Appeals for the Federal Circuit

U.S. Diabetes Franchise Payer Coverage Update

Payer Coverage U.S. Commercial and Medicare Part D

(as % of Lives covered[1,2])



2015-18 sales CAGR for Global Diabetes franchise expected to be -6% to -8%

Source: MMIT / Total may not sum due to rounding
(1) Number of Commercial lives: 184m in 2017 and 2018
(2) Number of Medicare Part D lives: 40.8m in 2017 and 2018
(3) Individual coverage numbers do not sum to indicated total coverage due to rounding

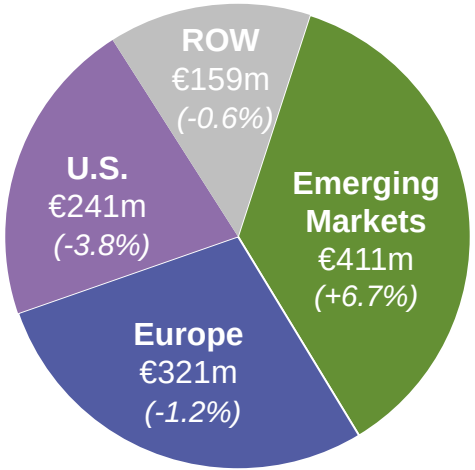
SANOFI

CHC Growth in Emerging Markets Partly offset by Increased Competition in Developed Markets

- Emerging Markets sales grew +6.7%(1) to €411m
  - Growth across all categories
  - Performance driven by Brazil and Russia
- European sales down -1.2% impacted by seasonality
- Lower U.S. performance due to increasing competitiveness from private label to Nasacort® and lower sales of Zantac®

Q3 2017 CHC Sales

Growth at CER/CS

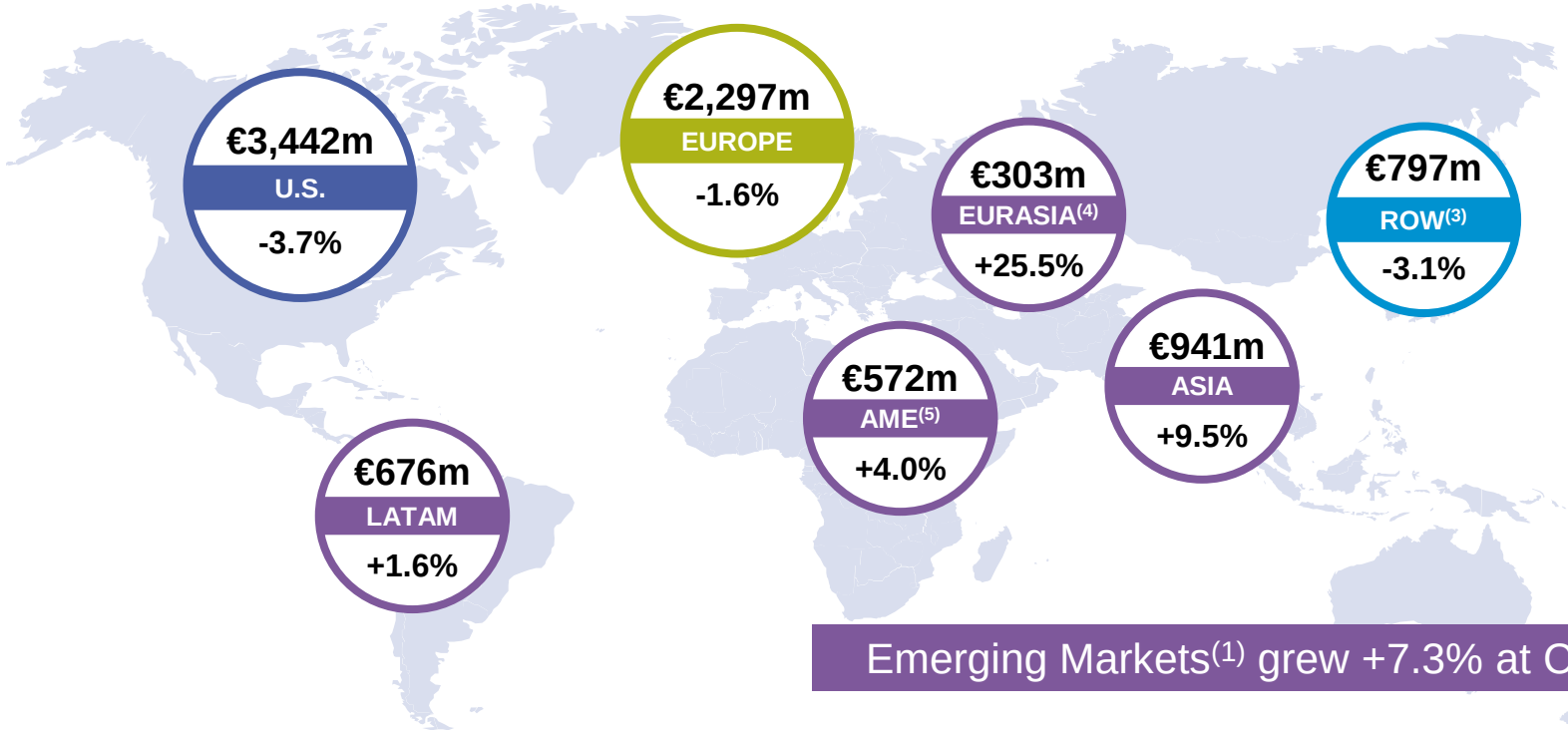


9M 2017 CHC Business grew +2.0%

All growth at CER/CS unless otherwise stated

(1) Growth at CER and Constant Structure on the basis of Q3 2016 sales including CHC sales from Boehringer Ingelheim and Others

Growth in Emerging Markets Driven by China and Russia



Emerging Markets(1) grew +7.3% at CER/CS(6)

All growth at CER/CS unless specified otherwise

(1) World excluding U.S., Canada, Europe, Japan, South Korea, Australia, New Zealand and Puerto Rico

(2) China growth was +9.7% at CER and +12.3% at CER/CS

(3) RoW: Japan, South Korea, Canada, Australia, New Zealand and Puerto Rico

(4) Eurasia: Russia, Ukraine, Georgia, Belarus, Armenia and Turkey

(5) AME: Africa and Middle East

(6) Growth at CER and Constant Structure

DUPILUMAB COMMERCIAL AND DEVELOPMENT UPDATE

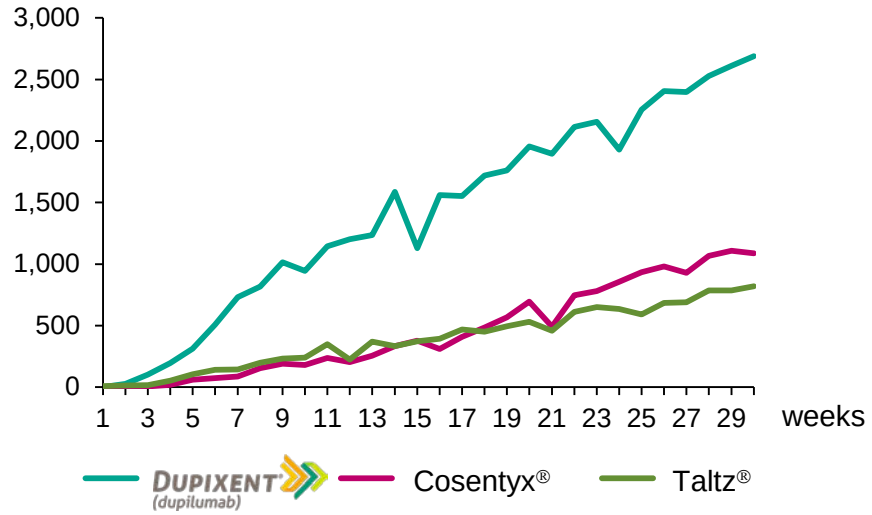
Bill Sibold
Executive Vice President
Sanofi Genzyme

SANOFI

Global Rollout Underway

- Dupixent® U.S. launch trend ahead of other recently launched biologics in dermatology
  - Cumulatively over 23,000 patients prescribed since launch
  - Over 7,100 HCPs have prescribed
  - ~70% of target physicians are repeat prescribers
- Continued progress with U.S. market access
  - 79% of commercial lives covered(1)
  - Prior Authorization approval rate >80%
- European approval received in September and launch in Germany planned by end 2017

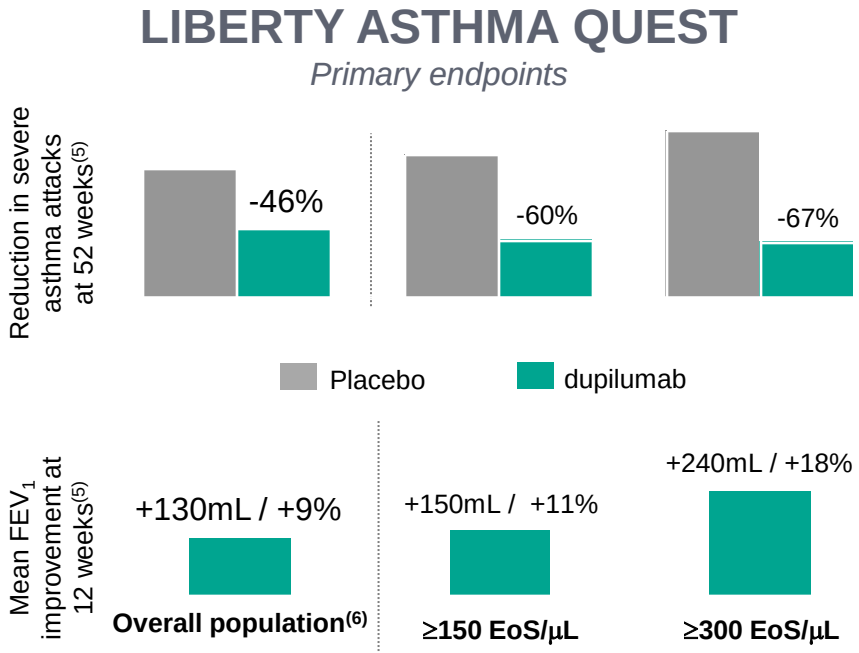
Weekly TRx since launch



Source: IMS NPA in the U.S. Last week included is October 13th 2017.
(1) Coverage by health plans that currently have a published Dupixent® policy but may not have a contract in place

Positive Phase 3 QUEST Study for Dupilumab in Asthma[1,2]

- Dupilumab Phase 3 QUEST study confirms safety and efficacy profile in uncontrolled persistent asthma[1]
  - First biologic to demonstrate both reduction in exacerbations and FEV_1 improvement in overall population in Phase 3
  - Overall rate of AEs[3] similar to placebo; ISR[4] more common with dupilumab (17%) than placebo (8%)
- On track for sBLA submission in Q4 2017



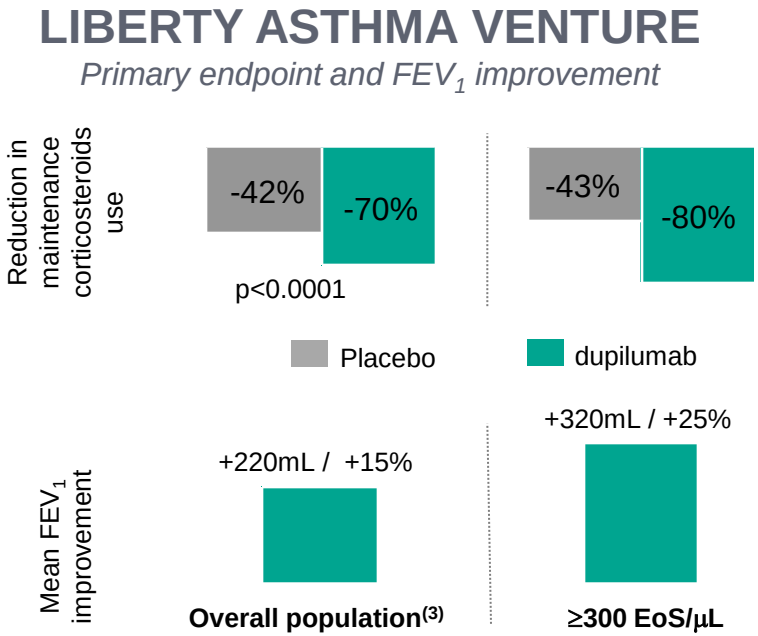
EoS: Blood eosinophils levels at baseline
FEV_1: Forced Expiratory Volume
Results for the 200mg and 300mg dose groups were generally comparable on both exacerbations and FEV_1

(1) Dupilumab is under investigation in Asthma and the safety and efficacy have not been evaluated by any regulatory authorities
(2) In adults and adolescents
(3) Adverse Events
(4) Injection Site Reactions
(5) At 300mg every 2 weeks. p<0.001 for all groups
(6) Primary Endpoint

SANOFI

Positive Phase 3 VENTURE Study Further Strengthens Dupilumab's Clinical Profile in Asthma[1,2]

- Dupilumab significantly reduced maintenance OCS use in severe asthma patients
  - 80% of dupilumab patients reduced OCS use by at least half compared to 50% for placebo in the overall population
- 59% reduction in asthma attacks in overall population despite reduced OCS use
- Dupilumab significantly increased FEV_1 (+220mL / 15%) compared to placebo
- Safety profile consistent with previous Phase 3 studies



All data at week 24
EoS: Blood eosinophils levels at baseline OCS: Oral corticosteroids
FEV_1: Forced Expiratory Volume
The overall rates of adverse events, including infections, conjunctivitis (2 events dupilumab, 3 events placebo), and herpes were comparable between the dupilumab and placebo groups. Injection site reactions were more common with dupilumab (9% of patients) than placebo (4% of patients).

(1) Dupilumab is under investigation in Asthma and the safety and efficacy have not been evaluated by any regulatory authorities
(2) In adults and adolescents
(3) Primary endpoint

FINANCIAL RESULTS

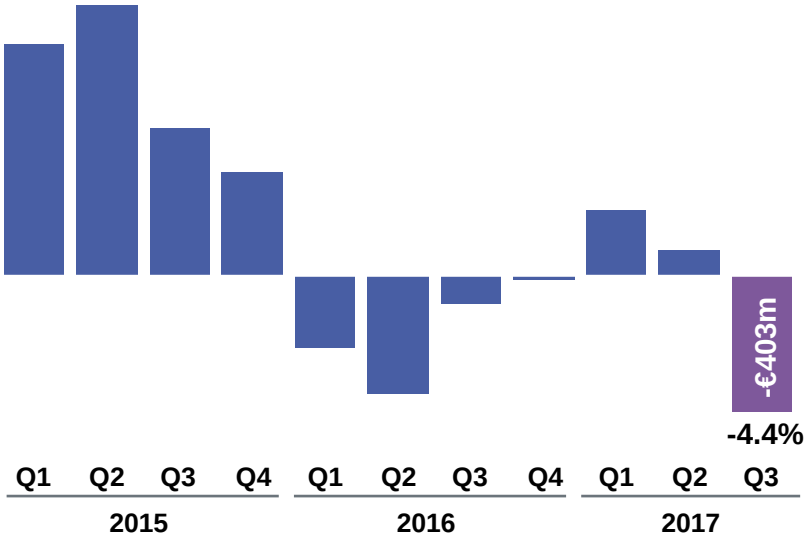
Jérôme Contamine
Executive Vice President,
Chief Financial Officer

SANOFI

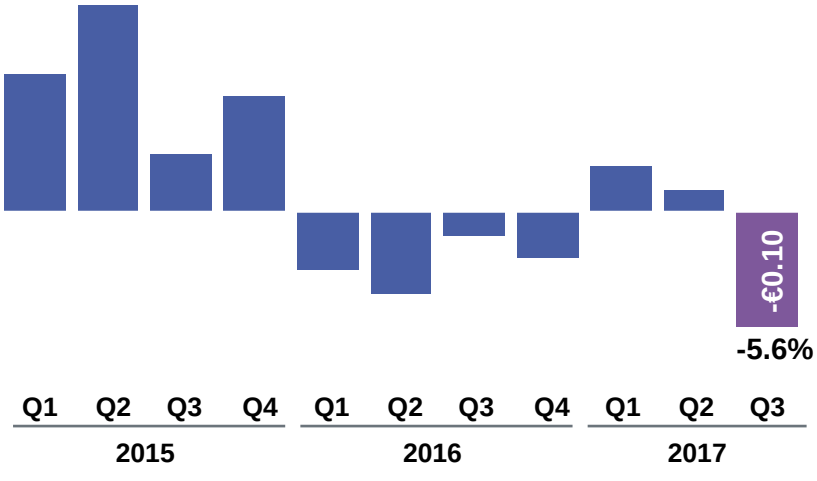
Strength of the Euro Resulted in an FX Headwind in Q3 2017

Currency Impact

Company Sales(1)



Business EPS



Note: Company sales and Business restated in 2016 to reclassify Vaxserve from sales to other revenue, and end of 2016 to exclude Animal Health sales

(1) Main currency impact on Company Sales in Q3 2017: US Dollar (-€187m), Japanese Yen (-€52m), Egyptian Pound (-€37m), Chinese Yuan (-€30m) and Turkish Lira (-€27m)

Business EPS Stable at CER but FX Movements Impacted Reported Performance

€m	Q3 2017	Q3 2016	% Change (reported €)	% Change (CER)
Net Sales	**9,053**	**9,028**	**+0.3%**	**+4.7%**
Gross Profit	6,540	6,519	+0.3%	+5.0%
Business Operating Income	2,911	2,945	-1.2%	+5.1%
Business operating margin	*32.2%*	*32.6%*	-	-
Effective tax rate[(1)]	*24.5%*	*23.3%*	-	-
Animal Health contribution to BNI	0	96	-	-
Total Business Net Income	**2,141**	**2,300**	**-6.9%**	**-1.1%**
Average number of Shares	1,254.3	1,288.5	-	-
Business EPS	**€1.71**	**€1.79**	**-4.5%**	**+1.1%**

SANOFI

CER: Constant Exchange Rates
(1) Effective tax rate excluding Animal Health

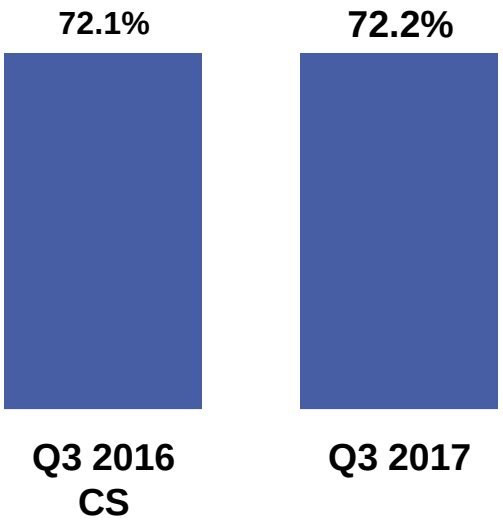
Slight Increase in Business Operating Income Despite Increase in R&D

€m	Q3 2017	Q3 2016 CS[(1)]	% Change (CER/CS)
Net Sales	**9,053**	**9,478**	**-0.2%**
Other revenues	340	259	+37.5%
Gross Profit	6,540	6,833	+0.2%
R&D	(1,341)	(1,245)	+10.7%
SG&A	(2,314)	(2,461)	-2.1%
Other current operating income & expenses	16	(94)	-
Share of profit/loss of associates	40	42	-
Minority interests	(30)	(32)	-
Business Operating Income	**2,911**	**3,043**	**+1.7%**
Business operating margin	*32.2%*	*32.1%*	

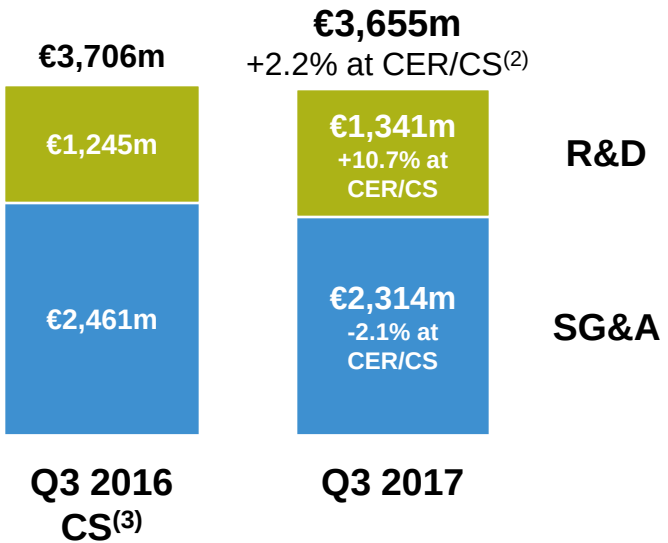
CER: Constant Exchange Rates
(1) Constant Structure P&L

Further Progress on Cost Savings Largely Offsetting R&D Spend

Gross Margin Ratio[1]

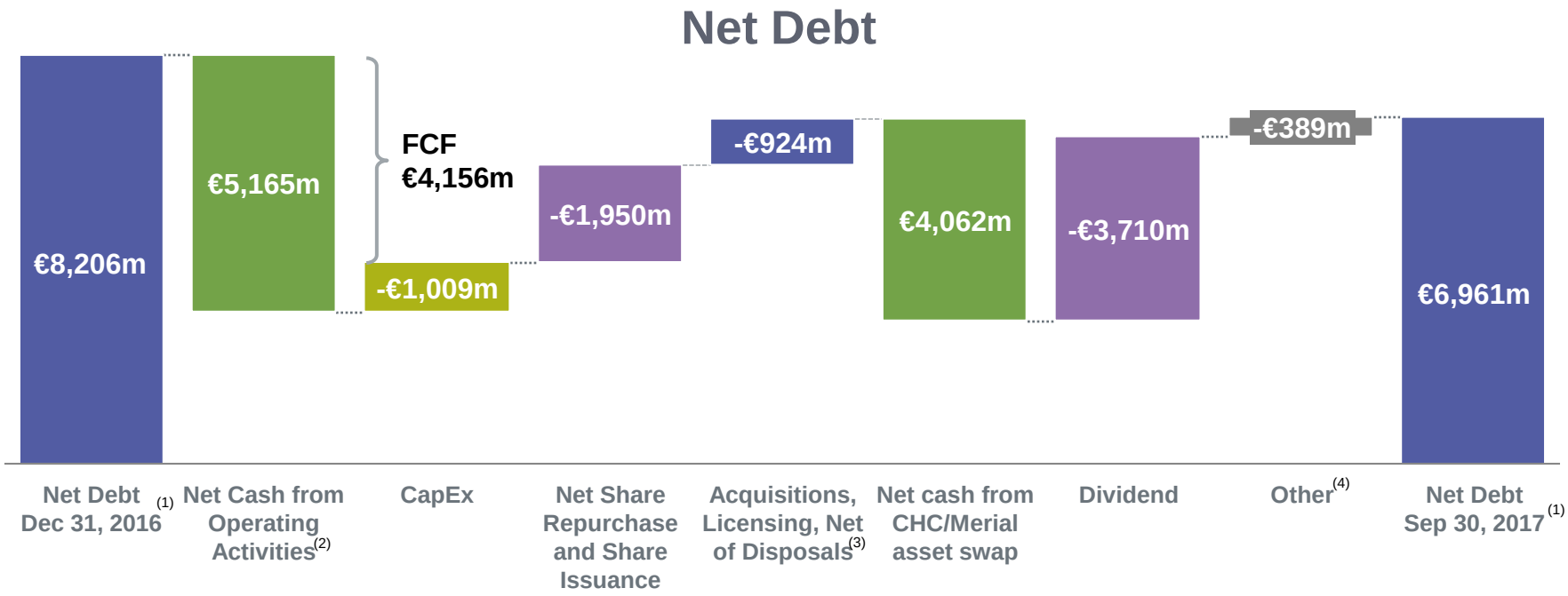


Operating Expenses



(1) Gross Margin is calculated as the ratio of Gross profit over Company sales (excluding Other revenues)
(2) At CER and Constant Structure
(3) Adjustments for BI CHC and SPMSD and Others reduces Gross Margin Ratio by 0.1% and add €187m in SG&A and €24m in R&D

Net Debt Evolution in 9M 2017



FCF: Free Cash Flow

(1) Including derivatives related to the financial debt +€100m at December 31st 2016 and +€87m at September 30th 2017

(2) Excluding Restructuring costs

(3) Including acquisition of Protein Sciences, payment of Bayer Contingent liability, acquisition of Regeneron shares, payment to MedImmune and repayment from Hanmi

(4) Other including Restructuring costs and Fx impact

Confirming 2017 Business EPS Guidance at CER

FY 2017	SANOFI
Business EPS	**Broadly Stable at CER(1,2)**
FX impact on Business EPS	**Between -1% and -2%(3)** based on September 2017 average exchange rates

(1) Compared to FY2016 and barring major unforeseen adverse events
(2) FY 2016 Business EPS of €5.68
(3) Difference between variation on a reported basis and variation at CER

CLOSING REMARKS

Olivier Brandicourt
Chief Executive Officer

SANOFI

Executing on our 2020 Strategic Roadmap

1. Focused organization driving expense discipline
2. U.S. Dupixent® launch performing ahead of expectations
3. Reported best-in-class dupilumab Phase 3 data in asthma
4. Diabetes 2018 U.S. contracting in-line with expectations
5. Progressing our pipeline and advancing our research capabilities

Invitation to Sanofi's "Sustaining Innovation" Events

December 13, 2017
Paris - France

Registration 8:00am **Day ends at 2:30pm**

Analyst meeting(1) to discuss Sanofi's R&D strategy and development pipeline

Lunch meeting with Management

Please register by December 1, 2017

December 15, 2017
Boston - U.S.

Registration 8:00am **Day ends at 2:30pm**

Series of Q&A sessions

Lunch meeting with Management

(1) A live webcast will be available on www.sanofi.com

APPENDICES

R&D PIPELINE

SANOFI

R&D Pipeline – Pharma & Vaccines

Phase 1

SAR440340 N
Anti-IL33 mAb
Asthma & COPD

SAR439794 N
TLR4 agonist
Peanut Allergy

GZ402668 N
GLD52 (anti-CD52 mAb)
Relapsing Multiple Sclerosis

UshStat® N
Myosin 7A gene therapy
Usher Syndrome 1B

SAR228810 N
Anti-protofibrillar AB mAb
Alzheimer's Disease

SAR408701 N
Maytansin-loaded anti-CEACAM5 mAb
Solid Tumors

SAR428926 N
Maytansin-loaded anti-Lamp1 mAb
Cancer

SAR439459 N
TGFb inhibition mAb
Metastatic Melanoma

cemiplimab(4)
PD-1 inhibitor
Head & Neck Cancer

SAR438335 N
GLP-1R/GIPR dual agonist
Type 2 Diabetes

SAR440181(1) N
DCM1 Myosin activation
Post Acute Heart Failure

SAR247799 N
S1P1 agonist
Cardiovascular indication

Herpes Simplex Virus Type 2
HSV-2 vaccine

Respiratory syncytial virus
Infants

Phase 2

dupilumab
Anti-IL4Rα mAb
Eosinophilic Esophagitis

SAR156597 N
IL4/IL13 Bi-specific mAb
Systemic Scleroderma

GZ389988 N
TRKA antagonist
Osteoarthritis

SAR100842 N
LPA1 receptor antagonist
Systemic Sclerosis

SAR422459 N
ABCA4 gene therapy
Stargardt Disease

R **cemiplimab**(4)
PD-1 inhibitor
Advanced CSCC (Skin cancer)

R **cemiplimab**(4)
PD-1 inhibitor
Advanced BCC

isatuximab
Anti-CD38 naked mAb
Acute Lymphoblastic Leukemia

SAR566658 N
Maytansin-loaded anti-CA6 mAb
Solid Tumors

R **olipudase alfa** N
rhASM Deficiency
Acid Sphingomyelinase Deficiency(2)

venglustat N
Oral GCS inhibitor
Gaucher related Parkinson's Disease, Gaucher Disease Type 3, Fabry Disease

efpeglenatide N
Long-acting GLP-1 receptor agonist
Type 2 Diabetes

SAR425899 N
GLP-1R/GCGR dual agonist
Type 2 Diabetes

mevacamten(5) N
Myosin inhibitor
Hypertrophic Cardiomyopathy

SAR407899 N
rho kinase
Microvascular Angina

R Combination **ferroquine / OZ439** N
Antimalarial

Rabies VRVg
Purified vero rabies vaccine

Tuberculosis
Recombinant subunit vaccine

Adacel+
Tdap booster

Shan 6
DTP-HepB-Polio-Hib
Pediatric hexavalent vaccine

HIV
Viral vector prime & rgp120 boost vaccine

RSV mAbs(3)
Respiratory syncytial virus
Monoclonal antibody

Phase 3

dupilumab
Anti-IL4Rα mAb
Asthma, Nasal Polyposis

isatuximab N
Anti-CD38 naked mAb
Relapsed Refractory Multiple Myeloma

cemiplimab(4) N
PD-1 inhibitor
1st line NSCLC, 2nd line Cervical Cancer

patisiran N
siRNA inhibitor targeting TTR
Hereditary ATTR amyloidosis

GZ402666 N
neoGAA
Pompe Disease

fitusiran(6) N
siRNA targeting Anti-Thrombin
Hemophilia

sotagliflozin N
Oral SGLT-1&2 inhibitor
Type 1 & Type 2 Diabetes

SAR341402 N
Rapid acting insulin
Type 1 & Type 2 Diabetes

Clostridium difficile
Toxoid vaccine

Fluzone® QIV HD
Quadrivalent inactivated
influenza vaccine - High dose

Pediatric pentavalent vaccine
DTP-Polio-Hib
Japan

Men Quad TT
Advanced meningococcal
ACYW conjugate vaccine

Registration

VaxiGrip® QIV IM
Quadrivalent inactivated
influenza vaccine (6-35 months)

PR5i
DTP-HepB-Polio-Hib
Pediatric hexavalent vaccine, U.S

N New Molecular Entity
R Registration Study (other than Phase 3)

- Immuno-inflammation
- MS, Neuro, Ophthalmology
- Oncology
- Rare Disease
- Diabetes Solutions
- Cardiovascular & metabolism
- Infectious Diseases
- Vaccines

(1) Also known as MYK491
(2) Also known as Niemann Pick type B
(3) Also known as SP0232 and MEDI8897
(4) Also known as SAR439684 and REGN2810
(5) Also known as SAR439152 and as MYK461
(6) On clinical hold

R&D Pipeline Summary Table(1)

	Phase 1	Phase 2	Phase 3	Registration	TOTAL
Oncology	3	1	2	0	6
Diabetes	1	2	2	0	5
Cardiovascular Diseases	2	2	0	0	4
Immuno-inflammation	2	3	0	0	5
Infectious Diseases	0	1	0	0	1
Rare Diseases	0	2	3	0	5
Multiple Sclerosis, Neurology, Ophthalmology	3	1	0	0	4
Vaccines	2	6	4	2	**14**
TOTAL	**13**	**18**	**11**	**2**	

30

31

13

44 **NMEs & Vaccines**

(1) Excluding life cycle management programs

Expected R&D Milestones

Products	Expected milestones	Timing
dupilumab	U.S. regulatory submission in Asthma in Adult/Adolescent patients	Q4 2017
Dupixent®	Start of Phase 3 trial in Atopic Dermatitis in 6-11 year-olds	Q4 2017
Dupixent®	Start of Phase 3 trial in Atopic Dermatitis in 6 months to 5 year-olds	Q4 2017
efpeglenatide	Start of Phase 3 trial in Type 2 Diabetes	Q4 2017
sotagliflozin	Start of Phase 3 trials in combination therapies in Type 2 Diabetes	Q4 2017
isatuximab	Start of additional Phase 3 trials in Multiple Myeloma and additional indications	Q4 2017
Praluent®	ODYSSEY OUTCOMES top-line results	Q1 2018
cemiplimab (PD-1)	Phase 2 (registration) results in Cutaneous Squamous Cell Carcinoma	Q1 2018
cemiplimab (PD-1)	U.S. regulatory submission in Cutaneous Squamous Cell Carcinoma	Q1 2018
dupilumab	EU regulatory submission in Asthma in Adult/Adolescent patients	Q1 2018
GZ402668 (anti-CD52 mAb)	Start of Phase 3 in Relapsing Multiple Sclerosis	Q2 2018
dupilumab	Start of Phase 3 trial in Eosinophilic Esophagitis	Q3 2018
Dengvaxia®	European License	Q3 2018
isatuximab	Phase 3 results in Multiple Myeloma in combination with PomDex	Q4 2018

SANOFI

APPENDICES

FINANCE

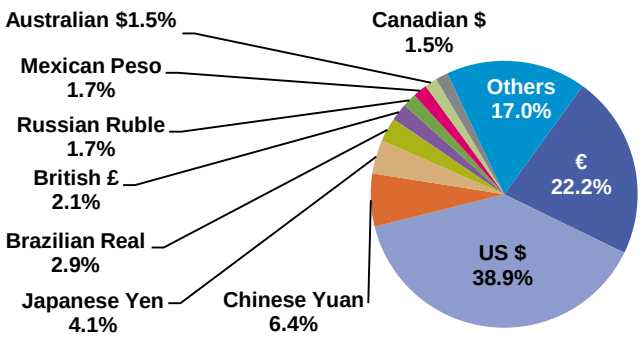
SANOFI

2017 Currency Sensitivity

2017 Business EPS Currency Sensitivity

Currency	Variation	Business EPS Sensitivity
U.S. Dollar	- 0.05 USD/EUR	+ EUR 0.13
Japanese Yen	+ 5 JPY/EUR	- EUR 0.02
Chinese Yuan	+ 0.2 CNY/EUR	- EUR 0.02
Brazilian Real	+ 0.4 BRL/EUR	- EUR 0.02
Russian Ruble	+ 10 RUB/EUR	- EUR 0.03

Currency Exposure on Q3 2017 Sales



Currency Average Rates

	Q3 2016	Q3 2017	*% change*
EUR/USD	1.12	1.17	*+5.2%*
EUR/JPY	114.33	130.38	*+14.0%*
EUR/CNY	7.45	7.84	*+5.2%*
EUR/BRL	3.62	3.71	*+2.5%*
EUR/RUB	72.10	69.28	*-3.9%*

Business Net Income Statement

Third quarter 2017	Pharmaceuticals			Vaccines			Others		Total Group		
€ million	**Q3 2017**	**Q3 2016**	*Change*	**Q3 2017**	**Q3 2016**	*Change*	**Q3 2017**	**Q3 2016**	**Q3 2017**	**Q3 2016**	*Change*
Net sales	**7,137**	**7,225**	***(1.2%)***	**1,916**	**1,803**	***6.3%***			**9,053**	**9,028**	***0.3%***
Other revenues	72	69	*4.3%*	268	198	*35.4%*			340	267	*27.3%*
Cost of Sales	(2,015)	(1,996)	*1.0%*	(838)	(780)	*7.4%*			(2,853)	(2,776)	*2.8%*
As % of net sales	*(28.2%)*	*(27.6%)*		*(43.7%)*	*(43.3%)*				*(31.5%)*	*(30.7%)*	
Gross Profit	**5,194**	**5,298**	***(2.0%)***	**1,346**	**1,221**	***10.2%***			**6,540**	**6,519**	***0.3%***
As % of net sales	***72.8%***	***73.3%***		***70.3%***	***67.7%***				***72.2%***	***72.2%***	
Research and development expenses	(1,184)	(1,080)	*9.6%*	(157)	(141)	*11.3%*			(1,341)	(1,221)	*9.8%*
As % of net sales	*(16.6%)*	*(14.9%)*		*(8.2%)*	*(7.8%)*				*(14.8%)*	*(13.5%)*	
Selling and general expenses	(2,107)	(2,081)	*1.2%*	(206)	(193)	*6.7%*	(1)	-	(2,314)	(2,274)	*1.8%*
As % of net sales	*(29.5%)*	*(28.8%)*		*(10.8%)*	*(10.7%)*				*(25.6%)*	*(25.2%)*	
Other operating income/expenses	43	(83)		(8)	1		(19)	(37)	16	(119)	
Share of profit/loss of associates* and joint-ventures	37	44		3	27				40	71	
Net income attributable to non controlling interests	(31)	(31)		1	-				(30)	(31)	
Business operating income	**1,952**	**2,067**	***(5.6%)***	**979**	**915**	***7.0%***	**(20)**	**(37)**	**2,911**	**2,945**	***(1.2%)***
As % of net sales	***27.4%***	***28.6%***		***51.1%***	***50.7%***				***32.2%***	***32.6%***	

Financial income & expenses	(77)	(83)	
Income tax expenses	(693)	(658)	
*Tax rate***	*24.5%*	*23.3%*	
Business net income excl. Animal Health business	**2,141**	**2,204**	***(2.9%)***
As % of net sales	***23.6%***	***24.4%***	
Business net income of Animal Health business	**-**	**96**	
Business net income	**2,141**	**2,300**	***(6.9%)***
Business earnings / share (in €)**	**1.71**	**1.79**	***(4.5%)***

* Net of tax.
** Determined on the basis of Business income before tax, associates, and non-controlling interests.
*** Based on an average number of shares outstanding of 1,254.3 million in the third quarter of 2017 and 1,288.5 million in the third quarter of 2016.

Business Net Income Statement

Nine months 2017	Pharmaceuticals			Vaccines			Others		Total Group		
€ million	**9M 2017**	**9M 2016**	*Change*	**9M 2017**	**9M 2016**	*Change*	**9M 2017**	**9M 2016**	**9M 2017**	**9M 2016**	*Change*
Net sales	**22,648**	**21,729**	***4.2%***	**3,716**	**3,225**	***15.2%***			**26,364**	**24,954**	***5.7%***
Other revenues	221	191	*15.7%*	638	386	*65.3%*			859	577	*48.9%*
Cost of Sales	(6,378)	(6,139)	*3.9%*	(1,969)	(1,607)	*22.5%*			(8,347)	(7,746)	*7.8%*
As % of net sales	*(28.2%)*	*(28.3%)*		*(53.0%)*	*(49.8%)*				*(31.7%)*	*(31.0%)*	
Gross Profit	**16,491**	**15,781**	***4.5%***	**2,385**	**2,004**	***19.0%***			**18,876**	**17,785**	***6.1%***
As % of net sales	***72.8%***	***72.6%***		***64.2%***	***62.1%***				***71.6%***	***71.3%***	
Research and development expenses	(3,557)	(3,326)	*6.9%*	(451)	(409)	*10.3%*			(4,008)	(3,735)	*7.3%*
As % of net sales	*(15.7%)*	*(15.3%)*		*(12.1%)*	*(12.7%)*				*(15.2%)*	*(15.0%)*	
Selling and general expenses	(6,716)	(6,342)	*5.9%*	(643)	(541)	*18.9%*	(1)	-	(7,360)	(6,883)	*6.9%*
As % of net sales	*(29.7%)*	*(29.2%)*		*(17.3%)*	*(16.8%)*				*(27.9%)*	*(27.6%)*	
Other operating income/expenses	165	27		(6)	-		(41)	(76)	118	(49)	
Share of profit/loss of associates* and joint-ventures	119	88		2	36				121	124	
Net income attributable to non controlling interests	(96)	(81)		1	-				(95)	(81)	
Business operating income	**6,406**	**6,147**	***4.2%***	**1,288**	**1,090**	***18.2%***	**(42)**	**(76)**	**7,652**	**7,161**	***6.9%***
As % of net sales	***28.3%***	***28.3%***		***34.7%***	***33.8%***				***29.0%***	***28.7%***	

Financial income & expenses	(200)	(274)	
Income tax expenses	(1,820)	(1,580)	
*Tax rate***	*24.5%*	*23.1%*	
Business net income excl. Animal Health business	**5,632**	**5,307**	***6.1%***
As % of net sales	***21.4%***	***21.3%***	
Business net income of Animal Health business	**-**	**395**	
Business net income	**5,632**	**5,702**	***(1.2%)***
Business earnings / share (in €)**	**4.48**	**4.43**	***1.1%***

* Net of tax.
** Determined on the basis of Business income before tax, associates, and non-controlling interests.
*** Based on an average number of shares outstanding of 1,258.3 million in the first nine months of 2017 and 1,287.9 million in the first nine months of 2016.

Consolidated Income Statements

€ million	Q3 2017 (1)	Q3 2016 (1)	9M 2017 (1)	9M 2016 (1)
Net sales	**9,053**	**9,028**	**26,364**	**24,954**
Other revenues	340	267	859	577
Cost of sales	(2,853)	(2,776)	(8,523)	(7,746)
Gross profit	**6,540**	**6,519**	**18,700**	**17,785**
Research and development expenses	(1,341)	(1,221)	(4,008)	(3,735)
Selling and general expenses	(2,314)	(2,274)	(7,360)	(6,883)
Other operating income	54	34	227	299
Other operating expenses	(38)	(153)	(109)	(348)
Amortization of intangible assets	(434)	(403)	(1,424)	(1,280)
Impairment of intangible assets	(19)	(21)	(31)	(73)
Fair value remeasurement of contingent consideration	(74)	(27)	(174)	(94)
Restructuring costs and similar items	(249)	(63)	(613)	(690)
Other gains and losses, and litigation	(147)	–	(154)	–
Operating income	**1,978**	**2,391**	**5,054**	**4,981**
Financial expenses	(103)	(261)	(321)	(502)
Financial income	26	17	121	67
Income before tax and associates and joint ventures	**1,901**	**2,147**	**4,854**	**4,546**
Income tax expense	(412)	(460)	(1,022)	(957)
Share of profit/(loss) of associates and joint ventures	42	6	80	104
Net income excluding the exchanged/held-for-exchange Animal Health business	**1,531**	**1,693**	**3,912**	**3,693**
Net income/(loss) of the exchanged/held-for-exchange Animal Health business	63	10	4,484	296
Net income	**1,594**	**1,703**	**8,396**	**3,989**
Net income attributable to non-controlling interests	27	29	91	70
Net income attributable to equity holders of Sanofi	**1,567**	**1,674**	**8,305**	**3,919**
Average number of shares outstanding (million)	1,254.3	1,288.5	1,258.3	1,287.9
Earnings per share excluding the exchanged/held-for-exchange Animal Health business (in euros)	**1.20**	**1.29**	**3.04**	**2.81**
IFRS Earnings per share (in euros)	**1.25**	**1.30**	**6.60**	**3.04**

(1) Animal Health results and gain on disposal are reported separately in accordance with IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations).

Reconciliation of Consolidated Net Income Attributable to Equity Holders of Sanofi to Business Net Income

€ million	Q3 2017	Q3 2016	Change
Net income attributable to equity holders of Sanofi	**1,567**	**1,674**	**(6.4%)**
Amortization of intangible assets[1]	434	403	
Impairment of intangible assets	19	21	
Fair value remeasurement of contingent consideration	74	27	
Expenses arising from the impact of acquisitions on inventories	-	-	
Restructuring costs and similar items	249	63	
Other gains and losses, and litigation[2]	147	161	
Tax effect of:	(281)	(198)	
Amortization of intangible assets	*(134)*	*(143)*	
Impairment of intangible assets	*(6)*	*(7)*	
Fair value remeasurement of contingent consideration	*(2)*	*(8)*	
Expenses arising from the impact of acquisitions on inventories	-	-	
Restructuring costs and similar items	*(90)*	*(24)*	
Other tax effects	*(49)*	*(16)*	
Other tax items	-	-	
Share of items listed above attributable to non-controlling interests	(3)	(2)	
Restructuring costs of associates and joint ventures, and expenses arising from the impact of acquisitions on associates and joint ventures	(2)	36	
Animal Health items[3]	(63)	86	
Other Sanofi Pasteur MSD items[4]	-	29	
Business net income	**2,141**	**2,300**	**(6.9%)**
IFRS earnings per share[5] (in euros)	**1.25**	**1.30**	

(1) Of which related to amortization expense generated by the remeasurement of intangible assets as part of business combinations: €400 million in the third quarter of 2017 and €367 million in the third quarter of 2016.

(2) In 2017, includes an adjustment to vendor's guarantee provision in connection with past divestment, and the carve-out costs related to the EU Generics divestment process. In 2016: impairment loss of Alnylam investment for the difference between historical cost and market value based on the stock price as of September 30, 2016. On October 5, 2016, Alnylam announced the decision to end Revusiran development program. As a consequence, the stock price dropped by 48% on October 6, 2016.

(3) In 2017, mainly price adjustment related to divestment of the Animal Health Business. In 2016, includes the following items: impact of the discontinuation of depreciation and impairment of Property, Plant & Equipment starting at IFRS 5 application (Non-current assets held for sale and discontinued operations), impact of the amortization and impairment of intangible assets until IFRS 5 application, costs incurred as a result of the divestment, as well as tax effect of these items.

(4) In 2016, includes the following items: impact of the discontinuation of the equity accounting of the Sanofi Pasteur MSD business net income since the announcement by Sanofi and Merck of their intent to end their joint vaccine operations in Europe.

(5) Based on an average number of shares outstanding of 1,254.3 million in the third quarter of 2017 and 1,288.5 million in the third quarter of 2016.

SANOFI

Reconciliation of Consolidated Net Income Attributable to Equity Holders of Sanofi to Business Net Income

€ million	9M 2017	9M 2016	Change
Net income attributable to equity holders of Sanofi	**8,305**	**3,919**	**111.9%**
Amortization of intangible assets[1]	1,424	1,280	
Impairment of intangible assets	31	73	
Fair value remeasurement of contingent consideration	174	94	
Expenses arising from the impact of acquisitions on inventories	176	-	
Restructuring costs and similar items	613	690	
Other gains and losses, and litigation[2]	154	161	
Tax effect of:	(909)	(746)	
Amortization of intangible assets	*(467)*	*(450)*	
Impairment of intangible assets	*(10)*	*(23)*	
Fair value remeasurement of contingent consideration	*(33)*	*(23)*	
Expenses arising from the impact of acquisitions on inventories	*(56)*	-	
Restructuring costs and similar items	*(216)*	*(234)*	
Other tax effects	*(127)*	*(16)*	
Other tax items	111	113	
Share of items listed above attributable to non-controlling interests	(4)	(11)	
Restructuring costs of associates and joint ventures, and expenses arising from the impact of acquisitions on associates and joint ventures	41	(18)	
Animal Health items[3]	(4,484)	99	
Other Sanofi Pasteur MSD items[4]	-	48	
Business net income	**5,632**	**5,702**	**(1.2%)**
IFRS earnings per share[5] (in euros)	**6.60**	**3.04**	

(1) Of which related to amortization expense generated by the remeasurement of intangible assets as part of business combinations: €1,319 million in the first nine months of 2017 and €1,176 million in the first nine months of 2016.

(2) In 2017, includes an adjustment to vendor's guarantee provision in connection with past divestment, and the carve-out costs related to the EU Generics divestment process. In 2016: impairment loss of Alnylam investment for the difference between historical cost and market value based on the stock price as of September 30, 2016. On October 5, 2016, Alnylam announced the decision to end Revusiran development program. As a consequence, the stock price dropped by 48% on October 6, 2016.

(3) In 2017, net gain resulting from the divestment of the Animal Health business, including a price adjustment. In 2016, includes the following items: impact of the discontinuation of depreciation and impairment of Property, Plant & Equipment starting at IFRS 5 application (Non-current assets held for sale and discontinued operations), impact of the amortization and impairment of intangible assets until IFRS 5 application, costs incurred as a result of the divestment, as well as tax effect of these items.

(4) In 2016, includes the following items: impact of the discontinuation of the equity accounting of the Sanofi Pasteur MSD business net income since the announcement by Sanofi and Merck of their intent to end their joint vaccine operations in Europe.

(5) Based on an average number of shares outstanding of 1,258.3 million in the first nine months of 2017 and 1,287.9 million in the first nine months of 2016.

SANOFI