LETTER TO SHAREHOLDERS

N°42
SEPTEMBER
2015

Dear Shareholders,

Sanofi has announced solid results for the second quarter of 2015, thus reinforcing the trend of the first quarter. The significant growth of our diversified businesses confirms the strength of our business model.

Group sales again benefited from the strong performance of Genzyme, in Rare Diseases and Multiple Sclerosis, as well as Animal Health and Vaccines. The slow-down of our Diabetes business is in line with the previous quarter and consistent with our full-year guidance.

Clearly, the launch of new products start to contribute to the Group's performance, in particular Nexgard® in Animal Health, Cerdelga® in Rare Diseases, Lemtrada® in Multiple Sclerosis and Toujeo® in Diabetes. With the approval of Praluent® in the United States, the team's priority is to ensure the success of this major launch.

The recently announced change in the organization of our businesses has a clear objective: focus on the success of future launches in order to ensure sustainable growth for Sanofi.

Thank you for your trust and continuing loyalty.

"Across all businesses, all our teams are involved in the launch of new treatments."

Serge Weinberg
Chairman of the Board of Directors

SANOFI

Dear Shareholders,

In the second quarter, Sanofi delivered solid growth on both the top and bottom lines. We recorded a good performance across all regions and businesses, except for Diabetes, in-line with our expectations. Nevertheless, Toujeo®, our next-generation basal insulin, which was launched in the U.S. at the end of March and in some European countries in April had an encouraging start in these markets.

We continue to execute multiple product launches, in particular the commercialization of Praluent® for the treatment of hypercholesterolemia. We are excited about its recent approval in the U.S. and expect to receive European approval in late September. Praluent® is the first treatment in its class to reach the market and is poised to become an important new medical advance for the millions of patients who do not achieve recommended cholesterol levels with current standard of care.

We are also investing in our commercial infrastructure, biologic capabilities and R&D programs in order to bring new products to market that respond to unmet medical needs. We recently announced a new collaboration with Regeneron in immuno-oncology, thus confirming our commitment to the development of innovative cancer therapies.

We also announced a new organizational structure which will be implemented beginning of January 2016 and will simplify and focus Sanofi to optimize future growth. This is a necessary step for ensuring the successful launch of new products, approximately one new medicine every six months between 2016 and 2018, continuing to build on our heritage of providing innovative healthcare therapies.

“The new organizational structure will simplify and focus Sanofi to optimize future growth”

Olivier Brandicourt
Chief Executive Officer

SECOND QUARTER 2015

GROUP NET SALES
€9,378M
+16.1%
(+4.9%)

EMERGING MARKETS NET SALES
€3,182M
+14.5%
(+7.5%)

BUSINESS NET INCOME
€1,840M
+19.7%
(+4.2%)

BUSINESS EPS[1]
€1.41
+20.5%
(+5.1%)

Further information on Q2 Results:
www.sanofi.com

Growth rates are expressed on a reported basis. Growth rates in brackets are expressed at constant exchange rates (CER). For definitions of financial indicators, please consult the press release issued on July 30, 2015.

1- Earnings per share

SOLID GROWTH IN THE SECOND QUARTER OF 2015

POSITIVE IMPACT OF EXCHANGE RATES

In the second quarter of 2015, sales were up +16.1% and business EPS was up +20.5% on a reported basis. Exchange rate movements had a positive effect of 11.2 percentage points on sales and 15.4 percentage points on business EPS, reflecting mainly the strength of the U.S. Dollar against the Euro.

SOLID GROWTH OF DIVERSIFIED BUSINESSES

At constant exchange rates (CER), Group sales increased 4.9% supported by the performance across geographies and businesses, except for the Diabetes division.

The slight decline in **Diabetes** sales (-3.8% at CER) is consistent with the previous quarter, reflecting lower sales of Lantus® in the U.S., as expected.

Toujeo®, a next-generation basal insulin, was launched in the U.S. market at the end of March and significant market access has already been achieved. In Europe, Toujeo® was launched in Germany, the Netherlands and some Nordic countries. Toujeo® was also recently approved in Japan, Canada and Australia. Total sales of the product were about €13M in the second quarter of 2015.

Sales of **Genzyme** increased 26.6% at CER: Rare Disease products grew 9.1% and the Multiple Sclerosis franchise sales more than doubled, sustained by the strong performance of Aubagio® and the launch progress of Lemtrada®.

Animal Health recorded another strong quarter (+14.2% at CER) continuing the impressive recovery of this business.

Sales of **Vaccines** increased 8.6% at CER driven by influenza vaccines in the Southern Hemisphere and adult booster vaccines.

In **Emerging Markets**, sales grew 7.5% at CER supported by double-digit growth of Diabetes (+17.0%), Genzyme (+18.0%), Vaccines (+11.3%) and Animal Health (16.3%).

Vaccine production site in India

SECOND QUARTER 2015 SALES BY BUSINESS AREAS

		Growth at CER
PHARMACEUTICALS	€7,800M	+3.7%
Diabetes	€1,988M	-3.8%
Genzyme[1]	€907M	+26.6%
Consumer Healthcare	€890M	+1.3%
Generics	€520M	+9.2%
Oncology	€390M	+3.6%
Established Rx Products	€3,105M	+3.1%
VACCINES	€887M	+8.6%
ANIMAL HEALTH	€691M	+14.2%

1 - Genzyme includes Rare Diseases and Multiple Sclerosis franchises

PRALUENT® APPROVED IN THE U.S. FOR THE TREATMENT OF HYPERCHOLESTEROLEMIA

Despite significant progress over the last few decades, high cholesterol remains a leading concern in the U.S. and globally[1].

On July 24, 2015, Sanofi and Regeneron announced that the U.S. Food and Drug Administration (FDA) approved Praluent® (alirocumab) Injection. It is the first FDA-approved treatment in a new class of drugs known as PCSK9 inhibitors. In Europe, Praluent® received the same day a positive opinion from the CHMP[2]. The European Commission is expected to make a final decision on the Marketing Authorization Application in September 2015.

REDUCTION OF LDL CHOLESTEROL

Praluent® is indicated as an adjunct to diet and maximally tolerated statin therapy for the treatment of adults with heterozygous familial hypercholesterolemia or clinical atherosclerotic cardiovascular disease (ASCVD), who require additional lowering of low-density lipoprotein (LDL) cholesterol.

A GLOBAL HEALTH PROBLEM

Many patients in the U.S. face the challenge of achieving cholesterol levels recommended by healthcare providers, despite treatment with standard of care including statins. These include approximately 8-10 million patients with different forms of hypercholesterolemia, who may be candidates for the treatment with Praluent® under the indication approved by the FDA.

1- Further information in the press release published on July 24, 2015
2- Committee for Medicinal Products for Human Use

GENZYME STRENGTHENS ENDOCRINOLOGY PORTFOLIO

Genzyme announced a definitive agreement with AstraZeneca to acquire Caprelsa® (vandetanib), a rare disease therapy, indicated for the treatment of symptomatic or progressive medullary thyroid carcinoma in patients with unresectable locally advanced or metastatic disease. Caprelsa® is currently available in 28 countries. Caprelsa® is also in Phase III development for differentiated thyroid carcinoma, with the study expected to finish in the second half of 2015. The transaction is subject to closing conditions, including the receipt of antitrust clearance from the U.S. Federal Trade Commission. The transaction is expected to complete in the second half of 2015.

BREAKTHROUGH THERAPY DESIGNATION FOR GENZYME'S OLIPUDASE ALFA

In June 2015, the U.S. Food and Drug Administration has granted Breakthrough Therapy designation to Genzyme's olipudase alfa. This enzyme replacement therapy is being investigated for the treatment of patients with Niemann-Pick disease Type B, a serious and life-threatening disorder caused by insufficient activity of the enzyme acid sphingomyelinase. There are currently no approved treatment options for patients with this disease. Breakthrough Therapy designation is intended to expedite the development and review of investigational new drugs that target serious or life-threatening conditions.

MERIAL INTRODUCES ORAVET® DENTAL CHEWS FOR DOGS

In July 2015, Merial announced the launch in the U.S. of Oravet® Dental Hygiene Chews for dogs. Oravet® Chews use exclusive, new, dual-action technology to significantly reduce the formation of plaque, calculus and halitosis at their source. "An exciting expansion into a new product category, Oravet® complements Merial's focus on disease prevention, and overall health and wellness management in animals. We are launching in the United States, but we expect to introduce the dental chew in other markets in early 2016," explained Carsten Hellmann, CEO of Merial and Executive Vice President of Sanofi.

NEW STRUCTURE

FIVE GLOBAL BUSINESS UNITS TO DRIVE FUTURE GROWTH

In July 2015, Sanofi announced plans to evolve its business with the creation of five Global Business Units:

- General Medicines & Emerging Markets
- Specialty Care
- Diabetes & Cardiovascular
- Sanofi Pasteur
- Merial


1

The **General Medicines & Emerging Markets** Global Business Unit will be led by Peter Guenter (1). It will consist of Sanofi's Established Products, Generics, Consumer Healthcare, and all Sanofi's pharmaceutical businesses in Emerging Markets.


2

The **Specialty Care** Global Business Unit will be led by David Meeker (2). It will gather under the banner "Sanofi Genzyme" Sanofi's medicines in Rare Diseases, Multiple Sclerosis, Oncology and Immunology, including the two, investigational biologics, sarilumab and dupilumab.


3

The **Diabetes & Cardiovascular** Global Business Unit will be led by Pascale Witz (3) and will consist of Sanofi's Diabetes Care medicines as well as Cardiovascular, which includes Praluent®.


4

Sanofi Pasteur and its portfolio of vaccines will be managed by Olivier Charmeil (4).


5

Finally, Carsten Hellmann (5) will continue to lead **Merial** and other animal health products.

Globalization logic that prevails in Research & Development and Industrial Affairs, will apply to all business functions, enhancing support for global entities.

The leadership roles announced today are effective January 1st, 2016. The composition of the Executive Committee remains unchanged.

The process of legal and social consultation will be followed as required.

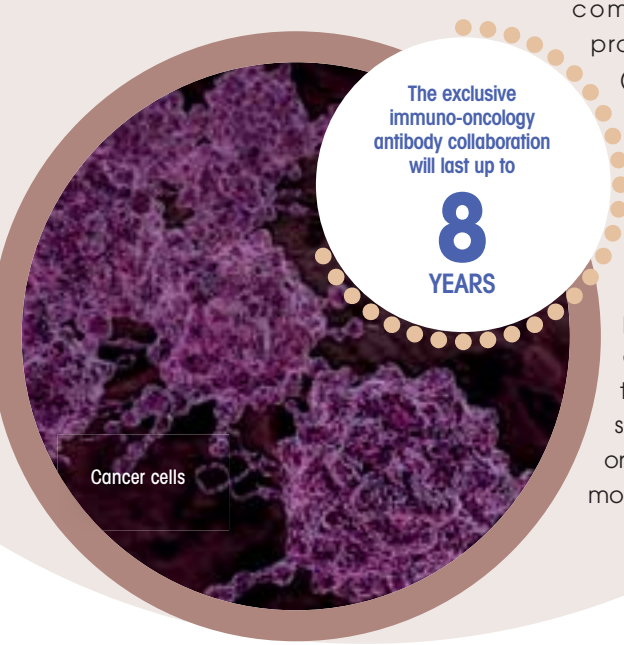
SANOFI AND REGENERON EXPAND THEIR PARTNERSHIP IN R&D

Sanofi and Regeneron Pharmaceuticals, Inc., a leading biopharmaceutical company based in Tarrytown (New York) signed their first partnership on research, development and commercialization of fully human therapeutic monoclonal antibodies in 2007. With more than eight years of successful collaboration, Sanofi and Regeneron have demonstrated their ability to translate cutting-edge science into groundbreaking medicines for patients with serious needs. Praluent®, co-developed by Sanofi and Regeneron, has just been approved in the U.S. for the treatment of hypercholesterolemia.

In July 2015, Sanofi and Regeneron entered into a new global collaboration to discover, develop and commercialize new antibody cancer treatments in the emerging field of immuno-oncology.

SANOFI CONFIRMS ITS COMMITMENT IN ONCOLOGY

The field of immuno-oncology is still in its very early days but already promises to become one of the most important drug classes. This approach has the potential to revolutionize cancer treatment. It targets the body's immune system checkpoints in order to block the mechanism that allows cancer cells to escape the body's killer cells (T cells of the immune system) in their fight against the proliferation of cancer cells.



A MAJOR ALLIANCE IN IMMUNO-ONCOLOGY

As part of the agreement, the two companies will jointly develop a programmed cell death protein 1 (PD-1) inhibitor currently in Phase I testing, and plan to initiate clinical trials in 2016 with new therapeutic candidates based on ongoing, innovative preclinical programs.

The collaboration will also focus on other biological targets in preclinical development and also develop bispecific antibodies that target hematological cancers and solid tumors, either as monotherapy or in combination with other immuno-modulatory therapies.

Sanofi commits to an initial investment of up to $2.17 billion in the exclusive collaboration.

A SUCCESSFUL PARTNERSHIP

For more than eight years, Sanofi has accessed a platform of highly productive monoclonal therapeutic antibodies. In addition to alirocumab which has just been approved in the U.S. under the brand name Praluent®, the most promising projects in co-development are:

- **Sarilumab**: in Phase III for rheumatoid arthritis and Phase II for uveitis.
- **Dupilumab**: in Phase III for atopic dermatitis and asthma, in Phase II for nasal polyposis and eosinophilic oesophagitis.

On June 30, 2015, Sanofi held 22.1% of Regeneron.

NEW COLLABORATIONS

IMMUNO-ONCOLOGY: PARTNERSHIP WITH EVOTEC AND APEIRON BIOLOGICS

In August 2015, Sanofi announced a new research collaboration and license agreement with Evotec and Apeiron Biologics to discover and develop immuno-oncology treatments. Based on Evotec's technological expertise and Apeiron Biologics' experience with immunology, the new collaboration will focus on the identification of novel small molecules and their targets to develop next-generation therapies in immuno-oncology. These treatments for solid and hematological cancers should act by enhancing the anti-tumor activity of the human immune system and complement currently available checkpoint inhibitors.

DIABETES: PARTNERSHIP WITH EVOTEC

Sanofi and Evotec also announced the conclusion of a strategic research collaboration to develop novel diabetes therapies, based on stem cell research. These next generation, beta cell-modulating treatments may reduce, or even eliminate, the need for insulin injections.

SANOFI SHAREHOLDERS COMMITTEE VISITS FRANKFURT PRODUCTION SITE

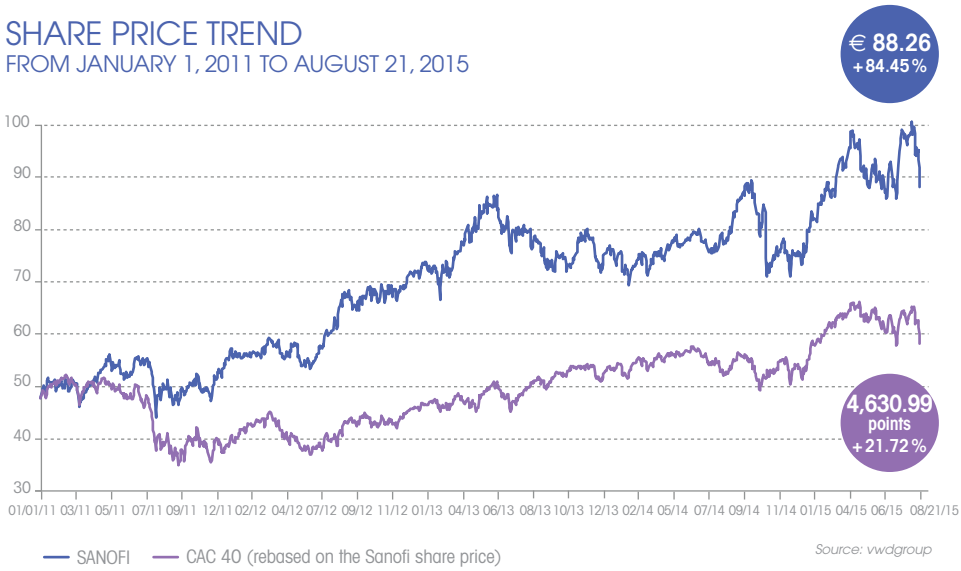
On June 5, 2015, the Individual Shareholders Committee (CCAI) went to one of Sanofi's largest integrated sites: Industriepark Höchst, in Frankfurt, Germany, headquarters of the German affiliate and the Global Diabetes division. On this site the complete diabetes product portfolio is manufactured using aseptic state-of-the-art manufacturing technologies. In Frankfurt, the whole value chain for insulins and diabetic peptides is co-located, which means R&D, production of drug substance, drug product and medical devices. All global diabetes injectable products and their medical devices are registered and, historically, all have been produced in Frankfurt.

The CCAI learned key facts and figures about Sanofi Germany and the significant contribution of the Group to diabetes care and insulin innovation since 1923: going from the first large-scale production of insulin to the success of Lantus®, the leading insulin brand worldwide, to the launch of Toujeo®, the next generation of basal insulin.

The CCAI also had the opportunity to observe the different steps of insulin production and manufacturing and visited the Solostar® and Toujeo® pen assembly line.

SHARE PERFORMANCE IN PARIS

SHARE PRICE TREND
FROM JANUARY 1, 2011 TO AUGUST 21, 2015



Source: vwdgroup

SAVE THE DATE FOR SALON ACTIONARIA 2015

Sanofi will participate in the 18th edition of Actionaria, Europe's largest exhibition for individual shareholders:
on November 20 & 21, 2015
Palais des Congrès de Paris
2 Place de la Porte Maillot, 75017 Paris

We will welcome you at
Espace « Grandes Cap »
Level 2 - Stand E 32
from 9:30 am to 7:00 pm CET.

Come and join us on the stand to discuss the Group's latest news and participate in a quiz on our business.

Request a free invitation
- by calling:
  +33 (0) 800 075 876
- sending an e-mail to:
  individualshareholders@sanofi.com
- or visiting the Actionaria Website at:
  www.actionaria.com.

CALENDAR

- **September 29, 2015 - 6pm**
  Shareholder meeting in Lille
- **October 5, 2015 - 6:30pm**
  Shareholder meeting in Lyon
- **October 29, 2015**
  Third quarter 2015 results
- **November 6, 2015**
  IR Seminar
  "Meet Sanofi Management"
- **November 20-21, 2015**
  Salon Actionaria
- **December 3, 2015**
  Shareholder meeting in Grenoble
- **December 8, 2015**
  Shareholder meeting in Bordeaux

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)

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