

# Q2 2015 RESULTS

July 30, 2015

# 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 labeling 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 Group's ability to benefit from external growth opportunities, trends in exchange rates and prevailing interest rates, the impact of cost containment policies 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, 2014. Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.

# KEY HIGHLIGHTS

## Olivier Brandicourt

Chief Executive Officer



# Q2 2015 - A Solid Quarterly Performance

- 1 Delivering mid-single digit sales growth**
  - Sales up +4.9% at CER<sup>(1)</sup>
  - Sales growth across all geographies and businesses except Diabetes
- 2 Posting solid financial results**
  - Higher OpEx driven by investment in new launches
  - Business EPS up +5.1% at CER<sup>(2)</sup>
- 3 Bringing innovative medicines to market**
  - Praluent<sup>®</sup>: FDA approval and positive CHMP opinion
  - Three regulatory filings expected in H2 2015<sup>(3)</sup>
- 4 Building a sustainable path forward**
  - New alliance with Regeneron in Immuno-Oncology
  - Reorganization around five GBUs recently announced<sup>(4)</sup>

GBUs: Global Business Units

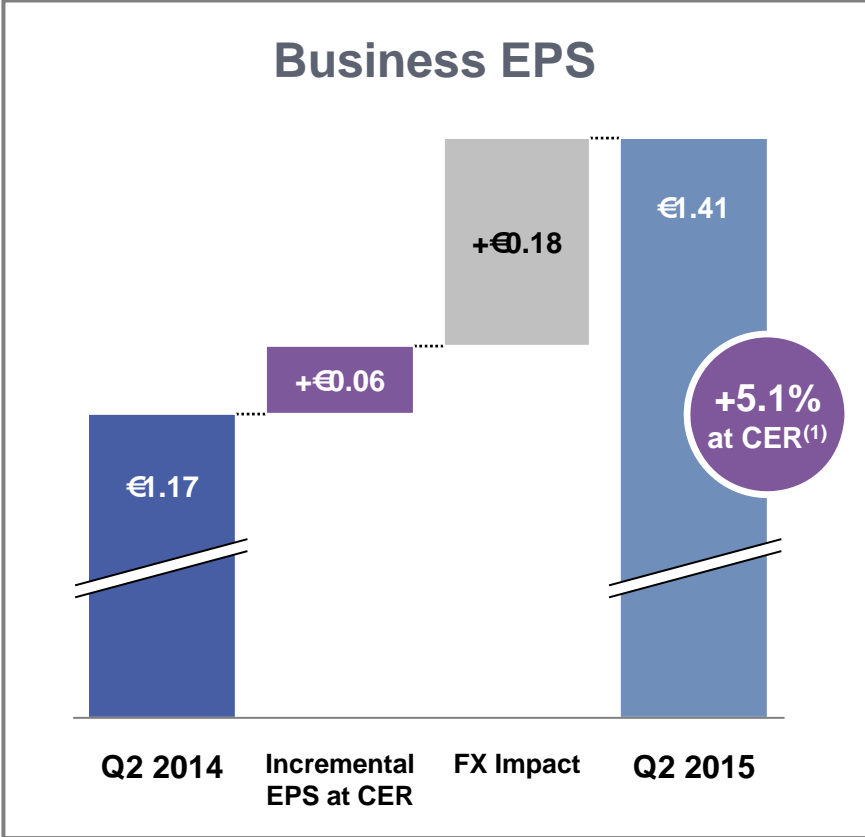
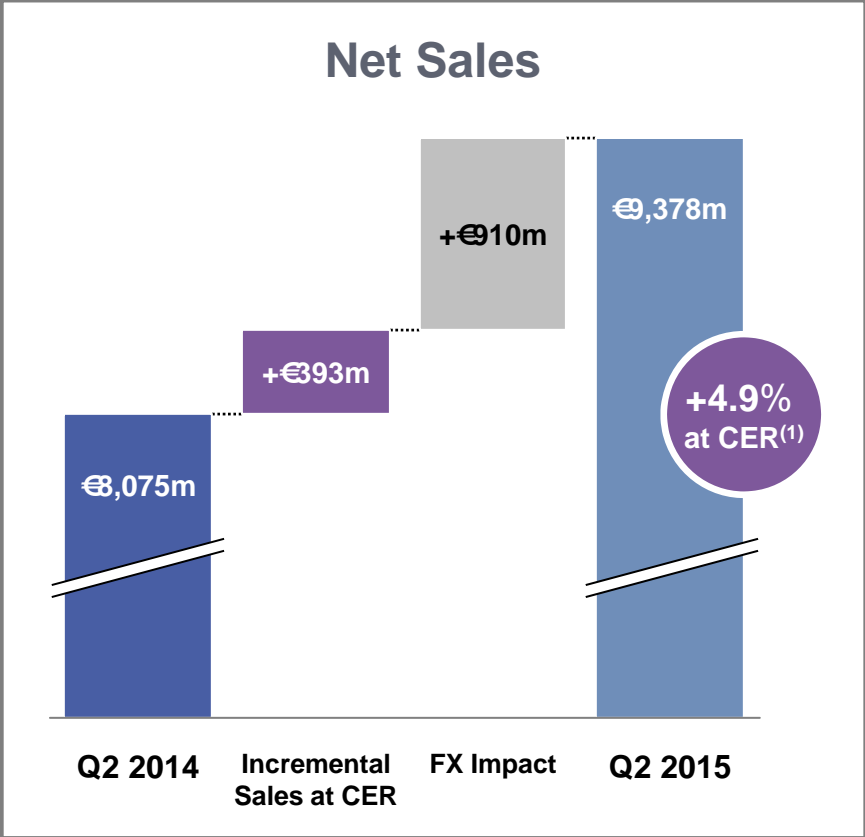
(1) On a reported basis, Q2 2015 sales were up +16.1%

(2) On a reported basis, Q2 2015 Business EPS was up +20.5%

(3) FDA submissions of lixisenatide, LixiLan and sarilumab

(4) Effective January 1, 2016

# Solid Sales and Business EPS Delivered in Q2 2015



(1) On a reported basis, Q2 2015 sales were up +16.1% and Business EPS was up +20.5%

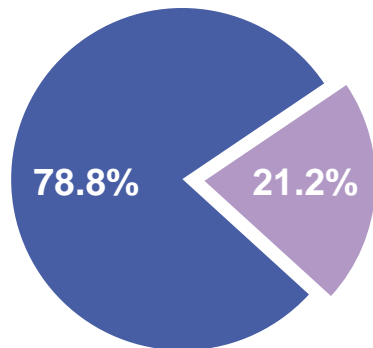
# Sales Growth Delivered Across All Businesses in Q2 2015 Except for Diabetes<sup>(1)</sup>

% of Sales	Q2 2015 Sales by Business Areas		Growth at CER
<b>83.1%</b>	<b>Pharmaceuticals</b>	<b>€7,800m</b>	<b>+3.7%</b>
21.2%	Diabetes	€1,988m	-3.8%
9.7%	Genzyme	€907m	+26.6%
9.5%	Consumer Healthcare	€890m	+1.3%
5.5%	Generics	€520m	+9.2%
4.2%	Oncology	€390m	+3.6%
33.0%	Established Products	€3,105m	+3.1%
<b>9.5%</b>	<b>Vaccines</b>	<b>€887m</b>	<b>+8.6%</b>
<b>7.4%</b>	<b>Animal Health</b>	<b>€691m</b>	<b>+14.2%</b>

# Q2 2015 Diabetes Sales Consistent with Previous Quarter

## Q2 2015 Diabetes Sales by Geographies (in €m)

**Total Group Sales  
excluding Diabetes**  
€7,390m  
+7.3% at CER



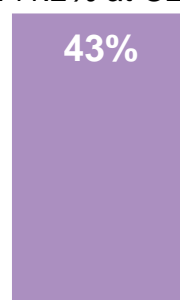
**Diabetes Sales**  
€1,988m  
-3.8% at CER

**€1,134m**  
-14.0% at CER



**U.S.**

**€854m**  
+11.2% at CER



**ex U.S.**

Sales Growth at CER	Q1 2015	Q2 2015
<b>U.S.</b>	-12.0%	-14.0%
<b>Western EU</b>	+4.7%	+6.5%
<b>Emerging Markets</b>	+18.5%	+17.0%
<b>RoW</b>	-6.0%	+4.8%
<b>Worldwide</b>	-3.2%	-3.8%

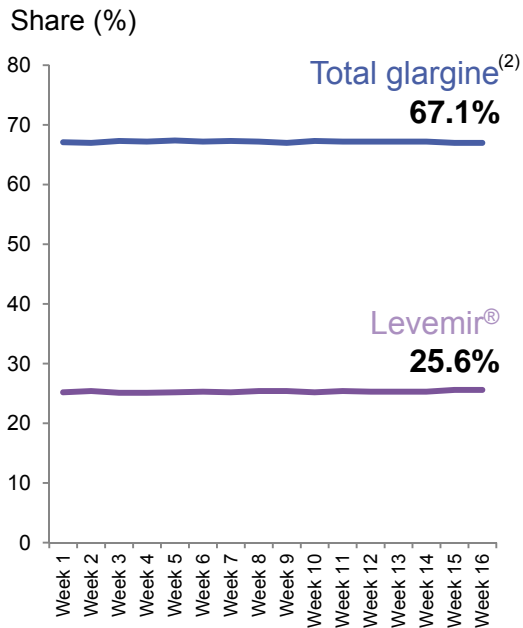
Expected launch of insulin glargine biosimilar in Europe<sup>(1)</sup> and Japan in H2 2015



# Encouraging U.S. Launch Metrics and Global Launch Ongoing

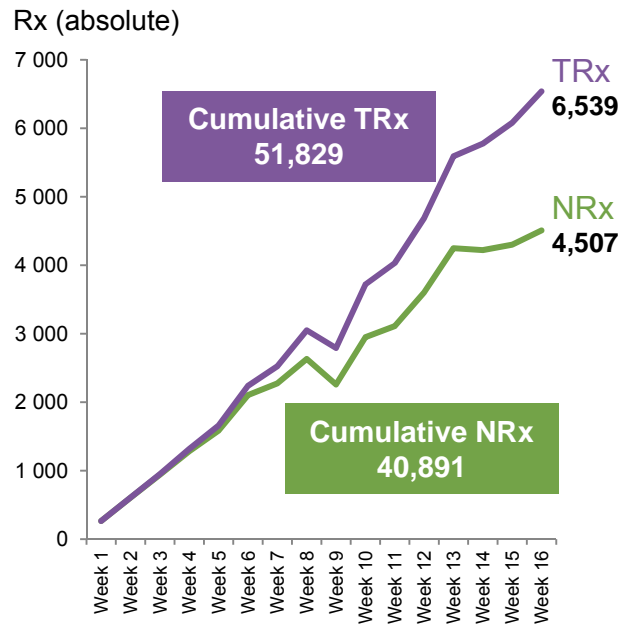
## Basal Market NRx Shares<sup>(1)</sup>

week of April 3 - week of July 17, 2015



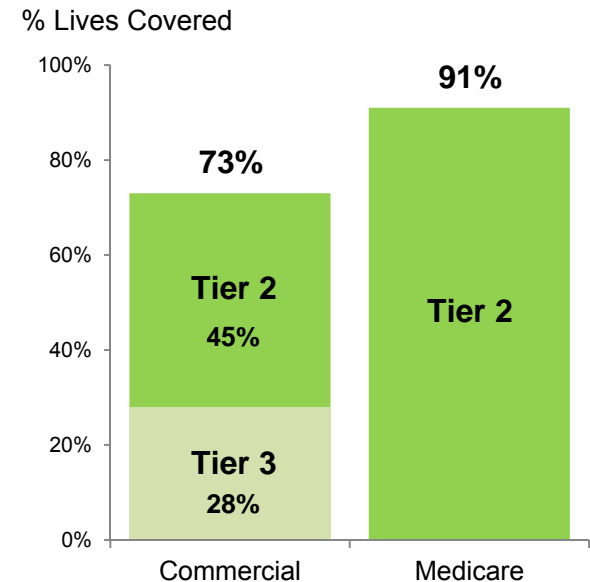
## Toujeo<sup>®</sup> TRx & NRx Volume<sup>(3)</sup>

week of April 3 - week of July 17, 2015



## Toujeo<sup>®</sup> Market Access

as of August 1, 2015



EU launch ongoing and approval in Japan, Canada, Australia recently granted

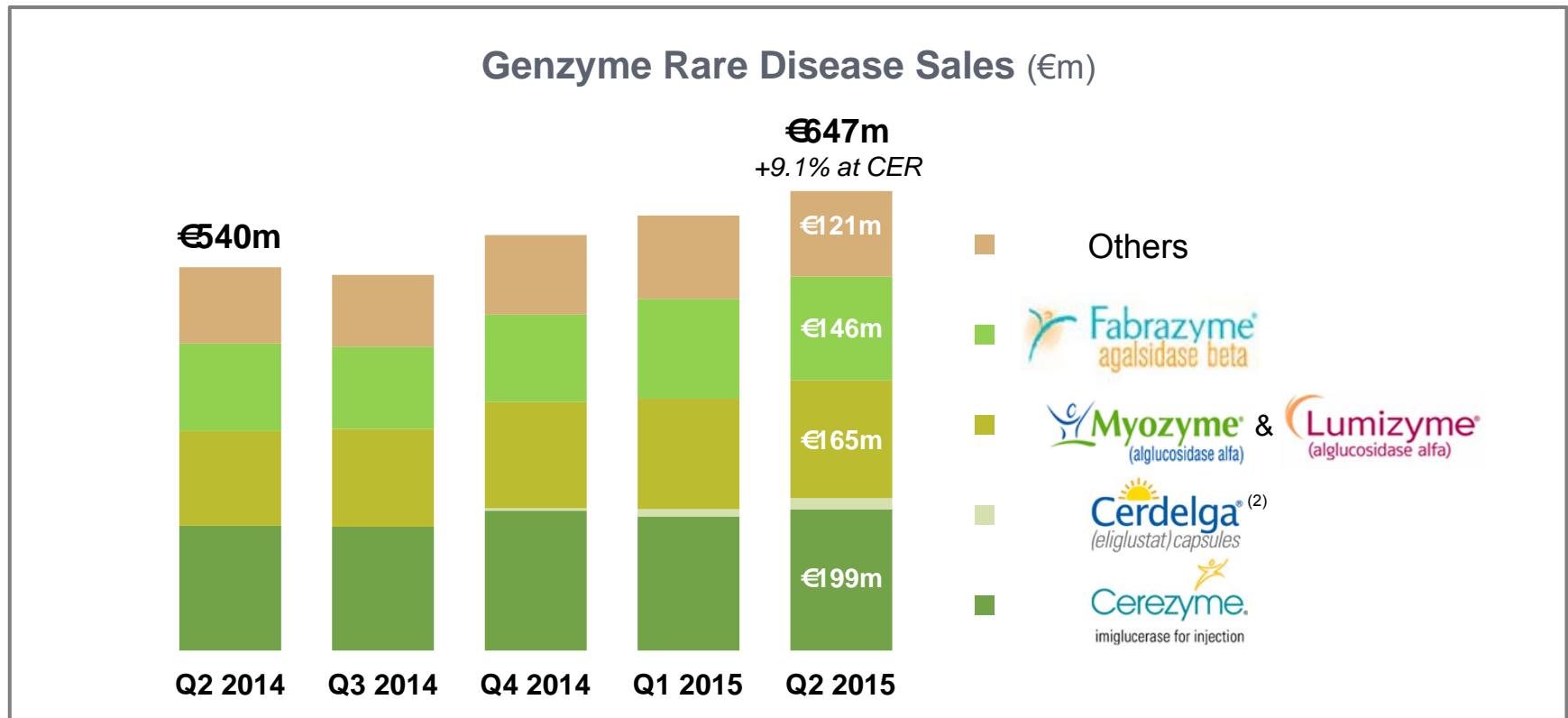
(1) Basal market includes Toujeo<sup>®</sup>, Lantus<sup>®</sup>, Levemir<sup>®</sup> (a Novo Nordisk brand) and NPH - Source: IMS Weekly Data

(2) Total glargine includes Toujeo<sup>®</sup> and Lantus<sup>®</sup>

(3) Source: IMS Weekly Data

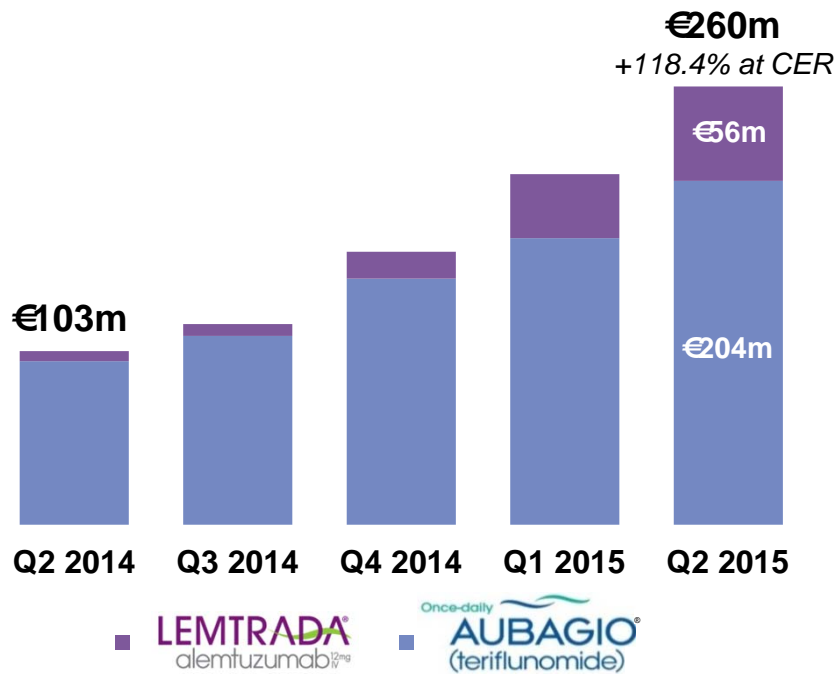


# Rare Disease Franchise Sustained Growth Momentum and Strengthened Leadership<sup>(1)</sup> in Q2 2015

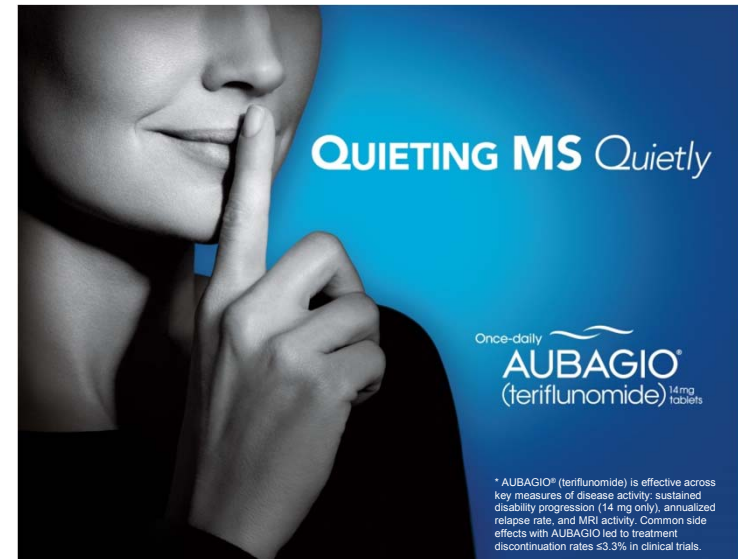


# Multiple Sclerosis Franchise Sales Now Annualizing<sup>(1)</sup> Over €1bn

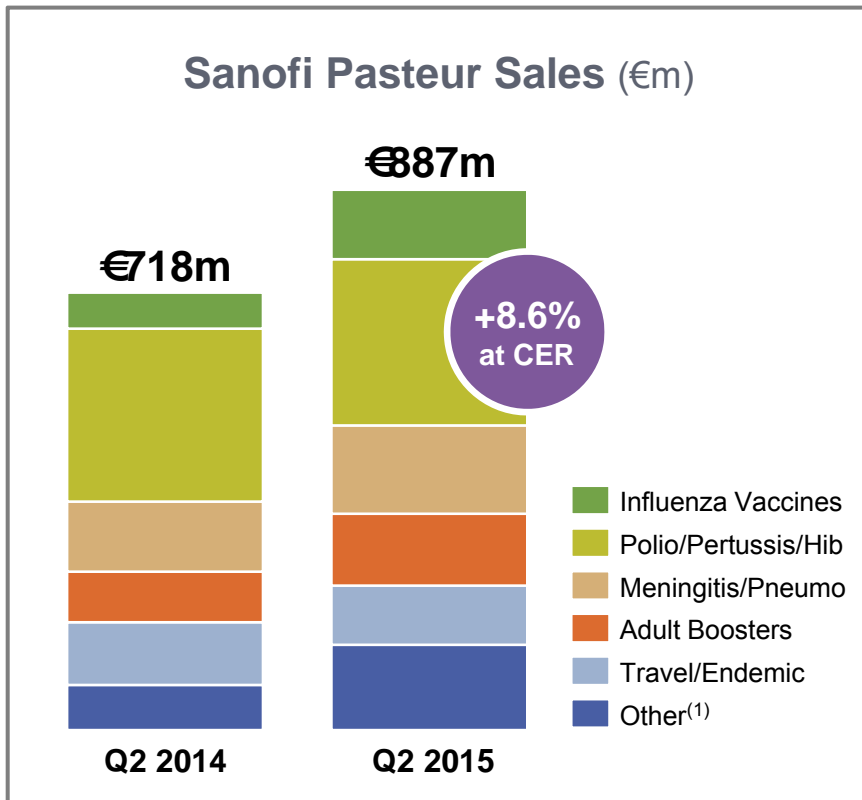
## Genzyme Multiple Sclerosis Sales (€m)



## New Global Campaign



# Vaccines Showed Broad Sales Momentum in Q2 2015



## A Breakthrough Innovation to Help Reduce the Burden of Dengue<sup>(2)</sup>



Dengue**Motion**

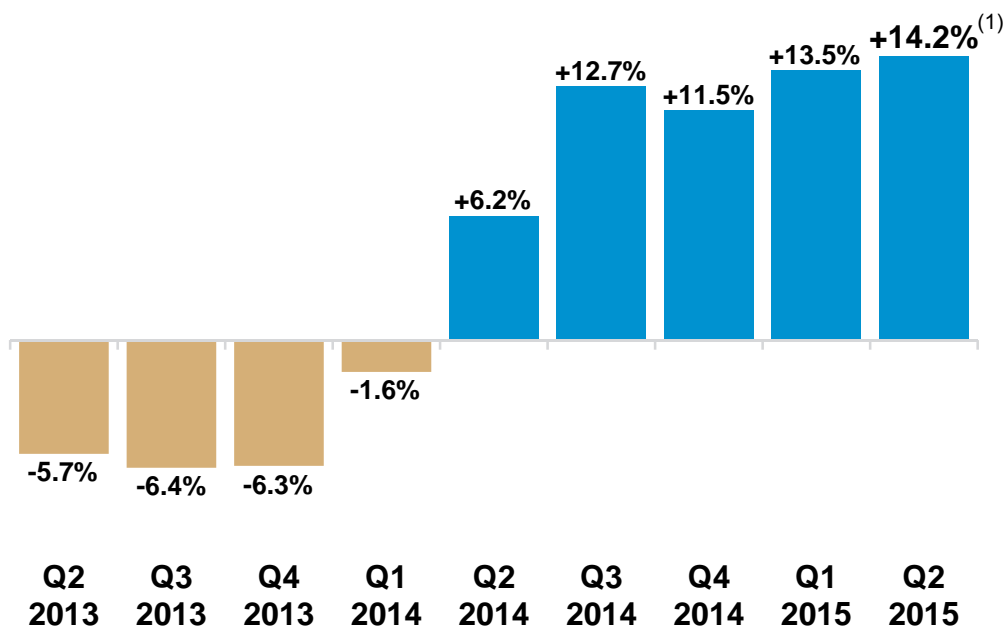
- Regulatory submissions in key endemic countries in Asia and Latin America completed in June 2015
- First license anticipated before year-end 2015



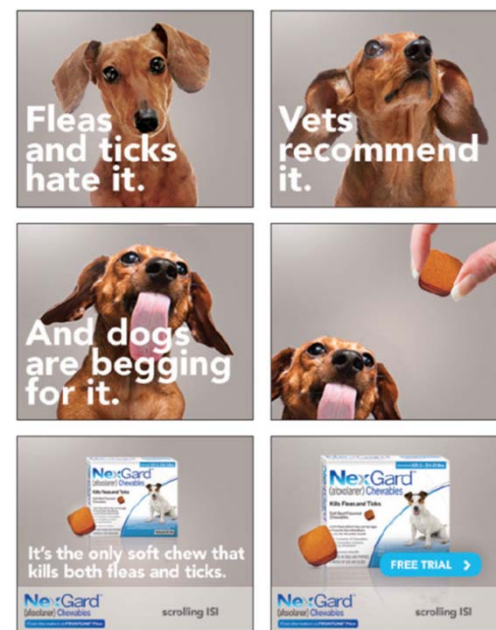
Targeting over 65m doses of flu vaccines to be distributed in the U.S. in 2015

# Animal Health Continued its Strong Recovery in Q2 2015

## Merial Sales Growth (at CER)

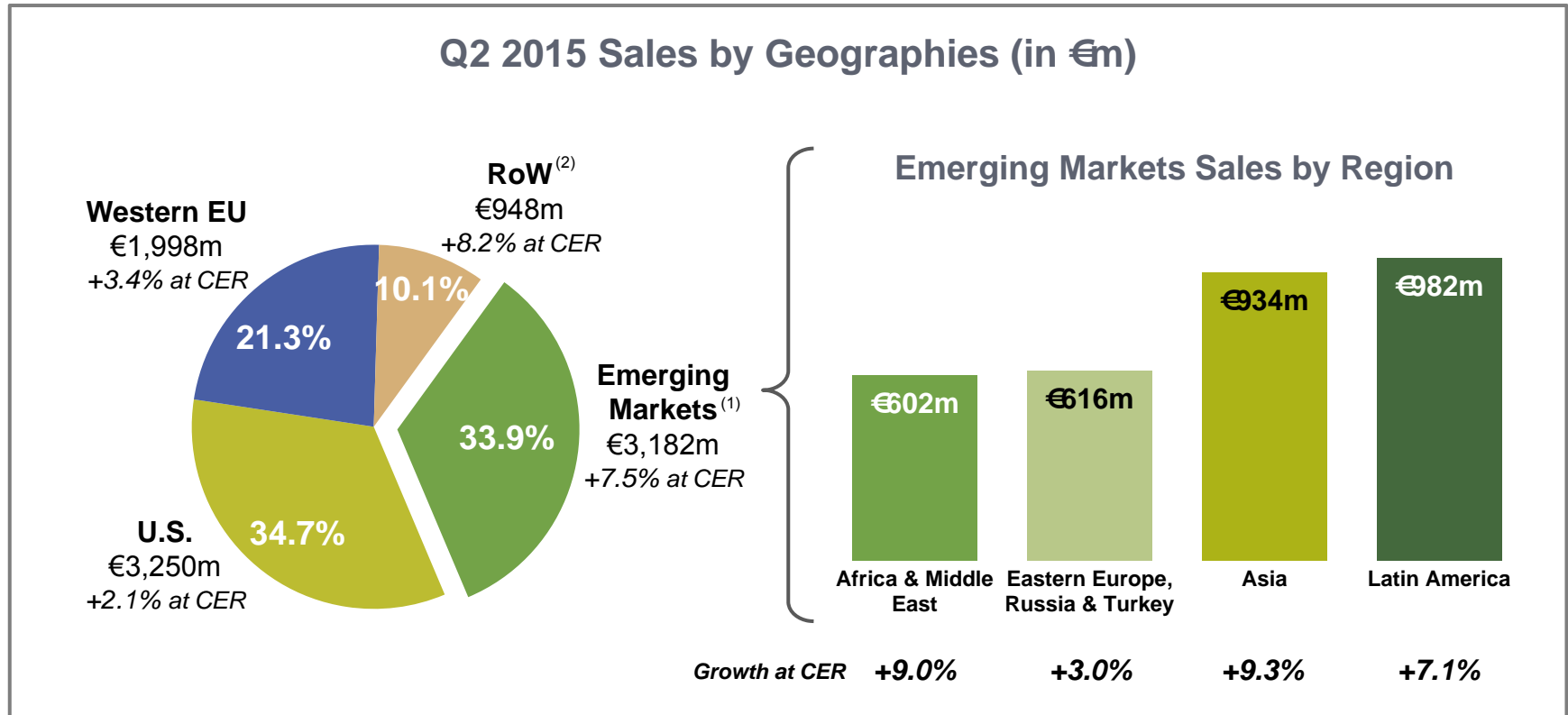


## NexGard® U.S. Campaign



Five consecutive quarters of strong sales growth

# Sales Growth Delivered Across All Geographies in Q2 2015



(1) World excluding U.S., Canada, Western Europe (France, Germany, UK, Italy, Spain, Greece, Cyprus, Malta, Belgium, Luxembourg, Portugal, the Netherlands, Austria, Switzerland, Sweden, Ireland, Finland, Norway, Iceland, Denmark), Japan, South Korea, Australia, and New Zealand  
 (2) RoW: Japan, South Korea, Canada, Australia, and New Zealand

# New Strategic Alliance with Regeneron to Develop Cancer Treatments in Emerging Field of Immuno-Oncology

## Committing to Immuno Oncology

- 1** Establish Sanofi's presence in immuno-oncology, a rapidly growing and promising approach to treat cancer
  - ➔ Significant unmet needs remain despite advances shown with checkpoint inhibitors
- 2** Expand our oncology pipeline, developing best-in-class new antibodies and novel combination products<sup>(1)</sup>
  - ➔ Alliance includes PD-1<sup>(2)</sup> in Phase I and a portfolio of antibodies, including LAG3, GITR and PD-L1 currently in Preclinical development<sup>(3)</sup>
- 3** Accelerate development of multiple drug candidates in a fast-evolving IO field with a scale and focus beyond our existing discovery agreement

PD-1: Programmed death protein 1  
PD-L1: Programmed death ligand 1  
IO: Immuno-Oncology  
(1) Including bi-specifics antibodies  
(2) REGN2810  
(3) Subject to opting in

LAG-3: Lymphocyte activation gene 3  
GITR: Glucocorticoid-Induced Tumor-necrosis-factor-Receptor-related protein



# Ready to Launch Praluent<sup>®</sup> (alirocumab) in the U.S. and EU

  
**Praluent<sup>®</sup>**  
alirocumab

**75 mg  
dose**



**150 mg  
dose**



FDA approval granted on July 24, 2015

- ➔ Indicated as adjunct to diet and maximally tolerated statin therapy for the treatment of adults with heterozygous familial hypercholesterolemia or clinical atherosclerotic cardiovascular disease, who require additional lowering of LDL cholesterol (LDL-C)



Positive CHMP opinion on July 23, 2015<sup>(1)</sup>

- ➔ Indicated in adults with primary hypercholesterolemia (HeFH and non-familial) or mixed dyslipidaemia, as an adjunct to diet in patients unable to reach their LDL-C goals with a maximally-tolerated statin and patients who are statin intolerant, or for whom a statin is contraindicated

# Additional Clinical Milestones and Regulatory Filings Expected in H2 2015

## Key Milestones in H2 2015

### lixisenatide

Type 2 Diabetes

Positive ELIXA study results supported U.S. regulatory submission in late July 2015<sup>(1)</sup>



### LixiLan<sup>(2)</sup>

Type 2 Diabetes

Positive LixiLan-O top-line results demonstrated superiority over insulin glargine or lixisenatide on HbA1c reduction<sup>(3)</sup>

LixiLan-L results expected in Q3 2015<sup>(3)</sup>

### sarilumab

Rheumatoid Arthritis

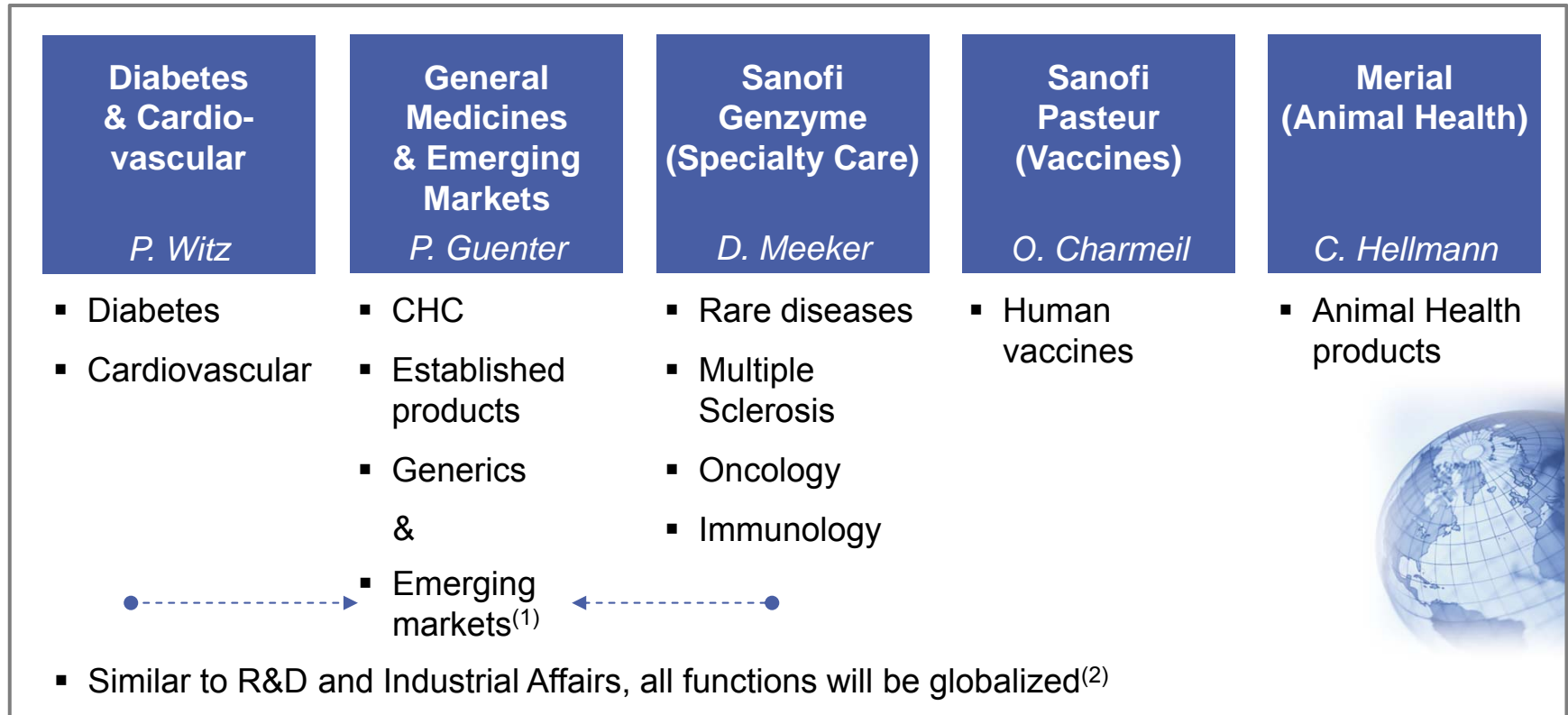
3 Phase III trials recently met their primary endpoints<sup>(4)</sup>

Regulatory submission expected in late 2015 in the U.S. and Q4 2016 in EU

- (1) ELIXA evaluated CV outcomes in Type 2 Diabetes patients after Acute Coronary Syndrome during treatment with lixisenatide  
(2) LixiLan is a once-daily fixed-ratio combination of insulin glargine and lixisenatide  
(3) LixiLan-O evaluates the combination of insulin glargine and lixisenatide in patients insufficiently controlled on OADs. LixiLan-L focuses on patients not at goal on basal insulin. The ongoing LixiLan-L study will be completed in Q3 2015. Following an analysis of results from both Phase III studies, LixiLan-O and LixiLan-L, Sanofi will determine the next steps in the regulatory process. Currently, regulatory submissions are planned for Q4 2015 in the U.S. and Q1 2016 in the EU.  
(4) SARIL-RA-TARGET, SARIL-RA-EASY and SARIL-RA-ASCERTAIN



# A New Organizational Model with Five Global Business Units Is a Necessary Step to Drive Focus and Simplification



New organization implemented beginning in January 2016<sup>(3)</sup>

(1) All pharmaceutical businesses in Emerging markets to report to General Medicine & Emerging Markets GBU

(2) Functions include Research & Development, Industrial Affairs, Finance, Human Resources, Business Development & Strategy, External Affairs, Information Systems, Medical, Legal, Compliance, Procurement (not an exhaustive list of functions)

(3) The process of legal and social consultation will be followed as required

# Sanofi to Host an IR Seminar in Q4 2015



- Outlining a roadmap towards 2020
- Sharing the outcome of the ongoing business review
- Presenting further progress of our R&D pipeline
- Offering opportunities to interact with management

Friday November 6<sup>th</sup>, 2015 from 8:30 to 16:00 in Sanofi HQ - Paris

# FINANCIAL RESULTS

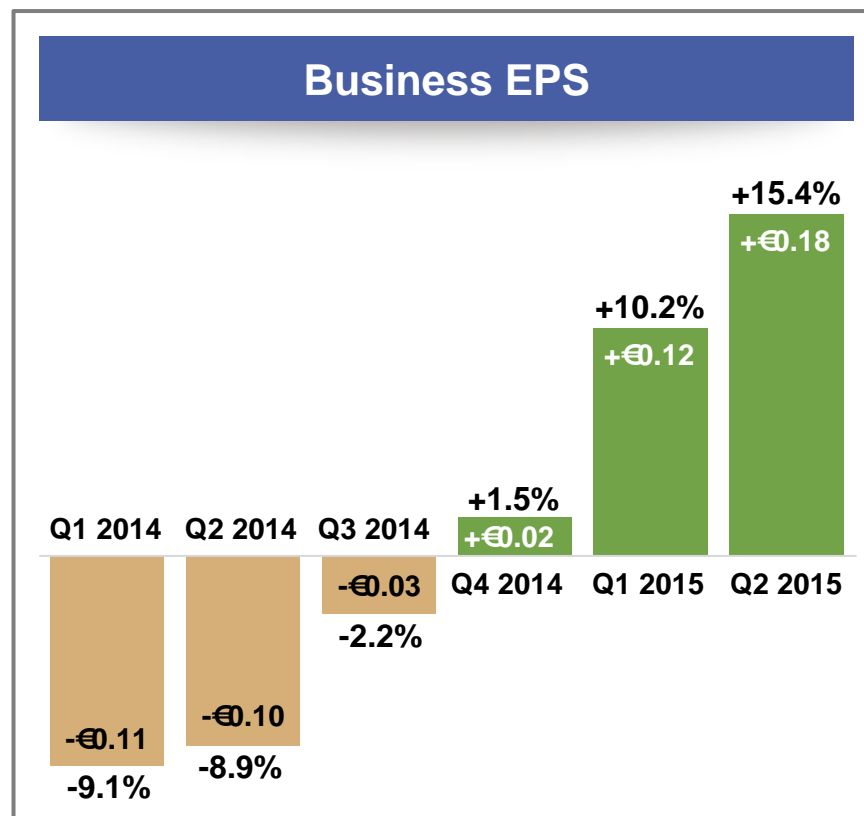
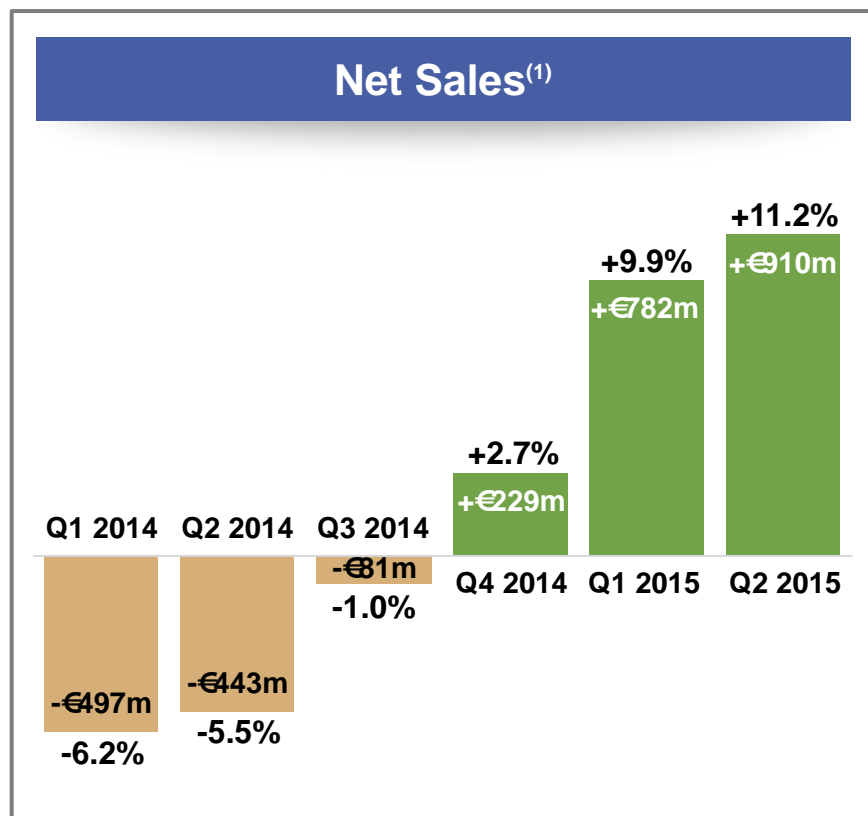
Jérôme Contamine

Executive Vice President, Chief Financial Officer



# Sustained U.S. Dollar Strength Led to Strong FX Tailwind on Top and Bottom Line Again in Q2 2015

## Quarterly Currency Impact



# Business Operating Income Up +4.7% at CER Despite OpEx Increase of +3.7% at CER in Q2 2015

€m	Q2 2015	Q2 2014	% Change (reported €)	% Change (CER)
Net sales	9,378	8,075	+16.1%	+4.9%
Other revenues	83	71	+16.9%	+0.0%
Cost of sales	(2,938)	(2,608)	+12.7%	+4.8%
Gross profit	6,523	5,538	+17.8%	+4.8%
R&D	(1,290)	(1,188)	+8.6%	-0.3%
SG&A	(2,648)	(2,255)	+17.4%	+5.9%
Other current operating income & expenses	(20)	54	-	-
Share of Profit/Loss of associates	30	26	-	-
Minority interests	(29)	(30)	-	-
Business operating income	2,566	2,145	+19.6%	+4.7%
<i>Business operating margin</i>	27.4%	26.6%	-	-

# Mid-Single Digit Business EPS Growth at CER in Q2 2015

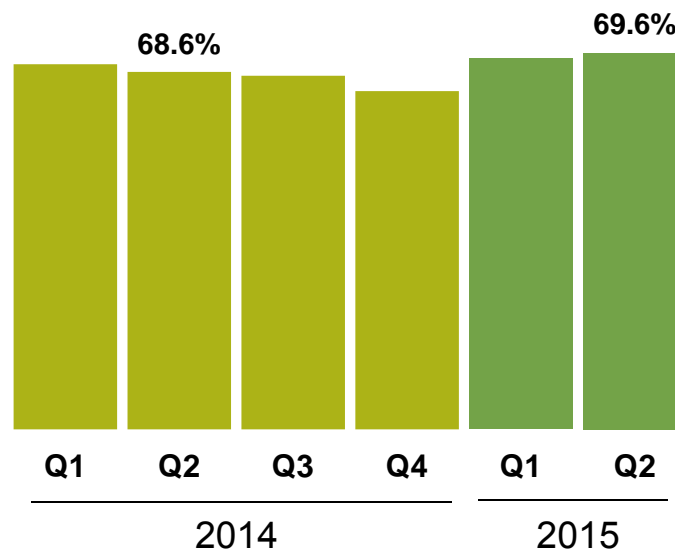
€m	Q2 2015	Q2 2014	% Change (reported €)	% Change (CER)
Business operating income	2,566	2,145	+19.6%	+4.7%
Net financial expenses	(112)	(94)	-	-
Income tax expense	(614)	(514)	-	-
<i>Effective tax rate</i>	-25.0%	-25.0%	-	-
Business net income	1,840	1,537	+19.7%	+4.2%
<i>Net margin</i>	19.6%	19.0%	-	-
Business EPS	€1.41	€1.17	+20.5%	+5.1%
<b>Average number of shares outstanding (m)<sup>(1)</sup></b>	<b>1,305.9</b>	<b>1,314.5</b>	-	-



# Gross Margin Consistent with FY 2015 Expectations

## Gross Margin (%)

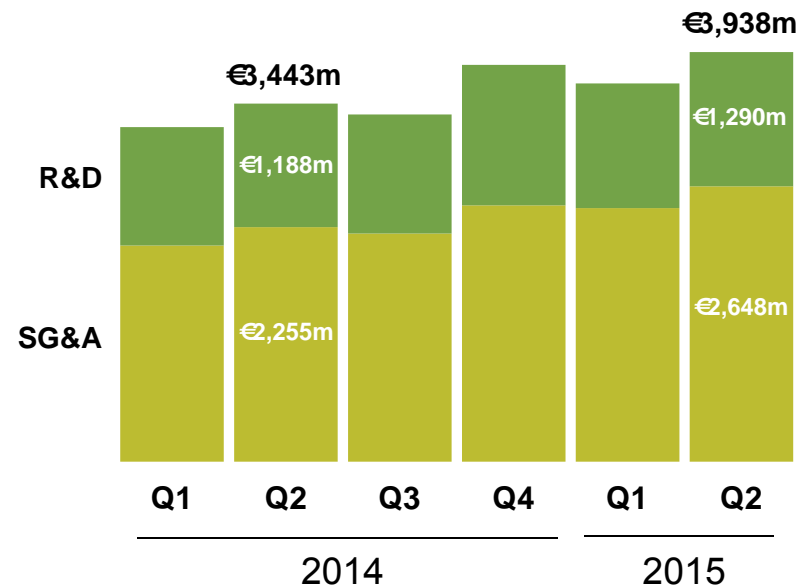
- Cost of Sales (CoS) of €2,938m in Q2 2015, up +4.8% at CER
- Gross margin of 69.6% in Q2 2015 reflecting 1.0 pt increase over Q2 2014:
  - Driven by favorable FX impact
  - Positive impact from Genzyme and Renagel® offsetting negative impact of Vaccines mix and Lantus® U.S.



# OpEx Grew +14.4% in Reported and +3.7% at CER in Q2 2015

## Operating Expenses (€m)

- Q2 2015 OpEx of €3,938m, up +3.7% at CER
  - R&D expenses of €1,290m (13.8% of sales), up +8.6% or stable at CER
  - SG&A expenses of €2,648m (28.2% of sales), up +17.4% or +5.9% at CER



Targeting mid-single digit OpEx growth at CER in 2015





# Regeneron Agreement Terms Provide Critical Investment Mass for IO Target Discovery and Antibody Development

## Key IO Collaboration Terms

- \$265m upfront payment for access to Regeneron's research capabilities and technologies in IO
- Sanofi and Regeneron will invest over \$1bn in R&D (split 75/25)
- Sanofi will re-allocate \$75m to IO from existing collaboration<sup>(1)</sup>
- Sanofi opt-in rights at Proof of Concept
- After opt-in, partners share R&D costs and alternate development lead and U.S. commercialization<sup>(2)</sup>

## Key Terms for PD-1 inhibitor (REGN2810)

- \$375m upfront payment
- Sanofi and Regeneron will invest \$650m in R&D (split 50/50)
- Worldwide profits shared 50/50
  - Regeneron leads development and consolidates U.S. sales
  - Sanofi consolidates non-U.S. sales
- \$375m milestone if sales of a PD-1 and any other collaboration antibody sold for use in combination with a PD-1 exceed \$2bn over 12 months

Exclusive IO antibody collaboration with Regeneron will last up to 8 years<sup>(3)</sup>

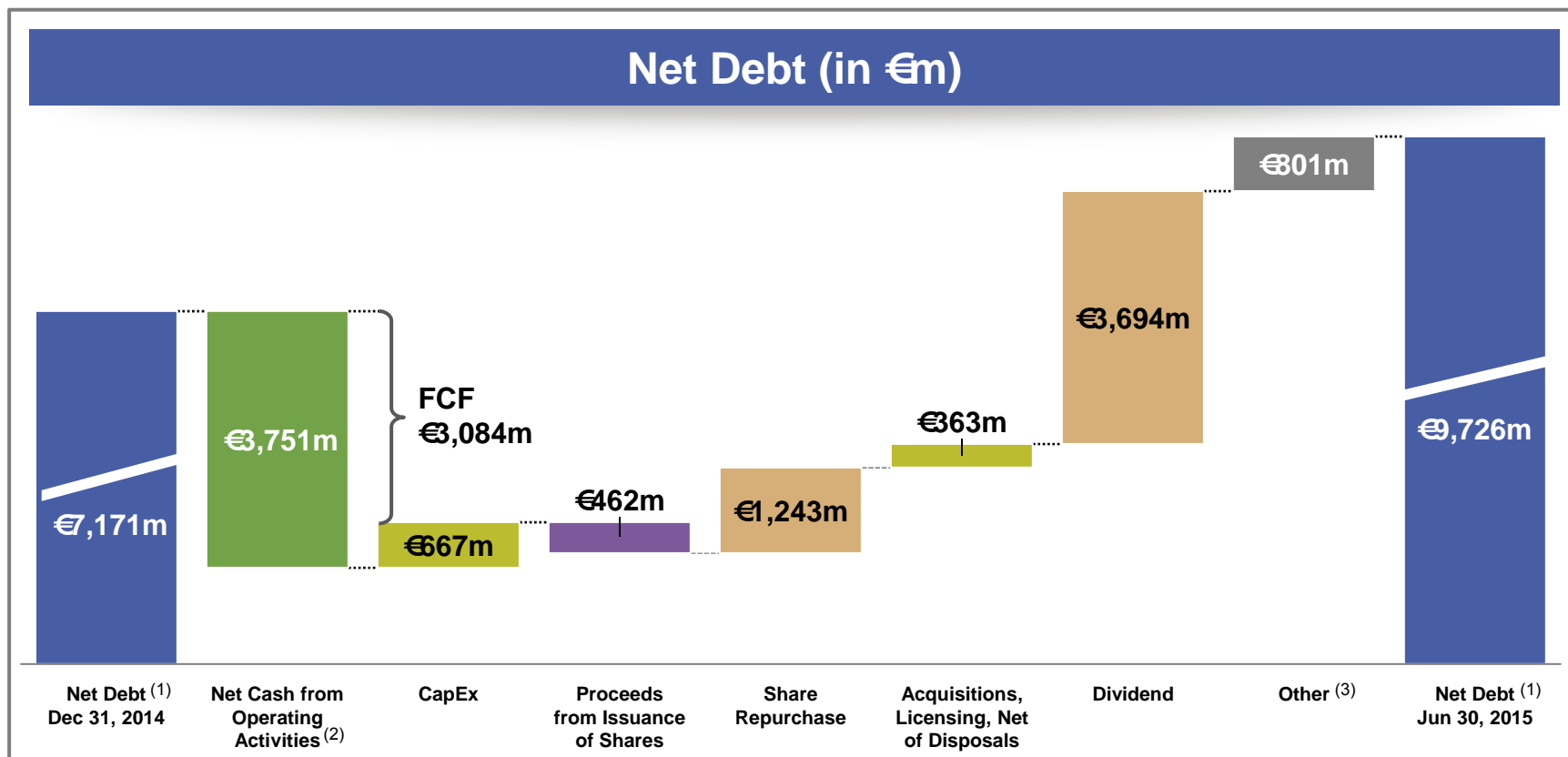
IO: Immuno-Oncology

(1) Sanofi to re-allocate \$75m (over 3 years) to IO from its \$160m annual contribution to existing collaboration

(2) For antibodies that Regeneron leads development, development costs will be shared equally. For antibodies that Sanofi leads development, Sanofi will prefund and Regeneron will reimburse 50% of the costs through the IO collaboration development balance, in an annual amount equal to 10% of the Regeneron share of profits

(3) Five years with an ability to extend the collaboration for selected ongoing programs for an additional three years

# Free Cash Flow Increased 29.0% in H1 2015



FCF: Free Cash Flow

(1) Including derivatives related to the financial debt +€302m at December 31<sup>st</sup> 2014 and +€305m at June 30<sup>th</sup> 2015

(2) Excluding Restructuring costs

(3) Other including Restructuring costs and Fx impact

# Exclusivity Losses and Higher OpEx Expected in H2 2015

## H2 2015

- Slower sales growth of **Venezuela** and **Merial**
- Expected launch of **insulin glargine biosimilar** in Europe<sup>(1)</sup> and Japan
- Generic competition to **Plavix**<sup>®</sup> in **Japan** and **Renagel**<sup>®</sup> in **Europe** and possibly the **U.S.**
- Accelerating **OpEx growth** given:
  - New R&D funding of **Immuno-Oncology alliance**, **Toujeo**<sup>®</sup> Phase IV program, **dupilumab** Phase III in Asthma
  - Investment in **Praluent**<sup>®</sup> launch and **Toujeo**<sup>®</sup> DTC campaign

# Outlook for 2015 - Investing in Future Growth Drivers

**FY 2015**

**SANOFI** 

Business EPS Growth

**Stable to slightly growing at CER<sup>(1,2)</sup>**

FX impact on Business EPS

**Approximately +10%<sup>(3)</sup>**

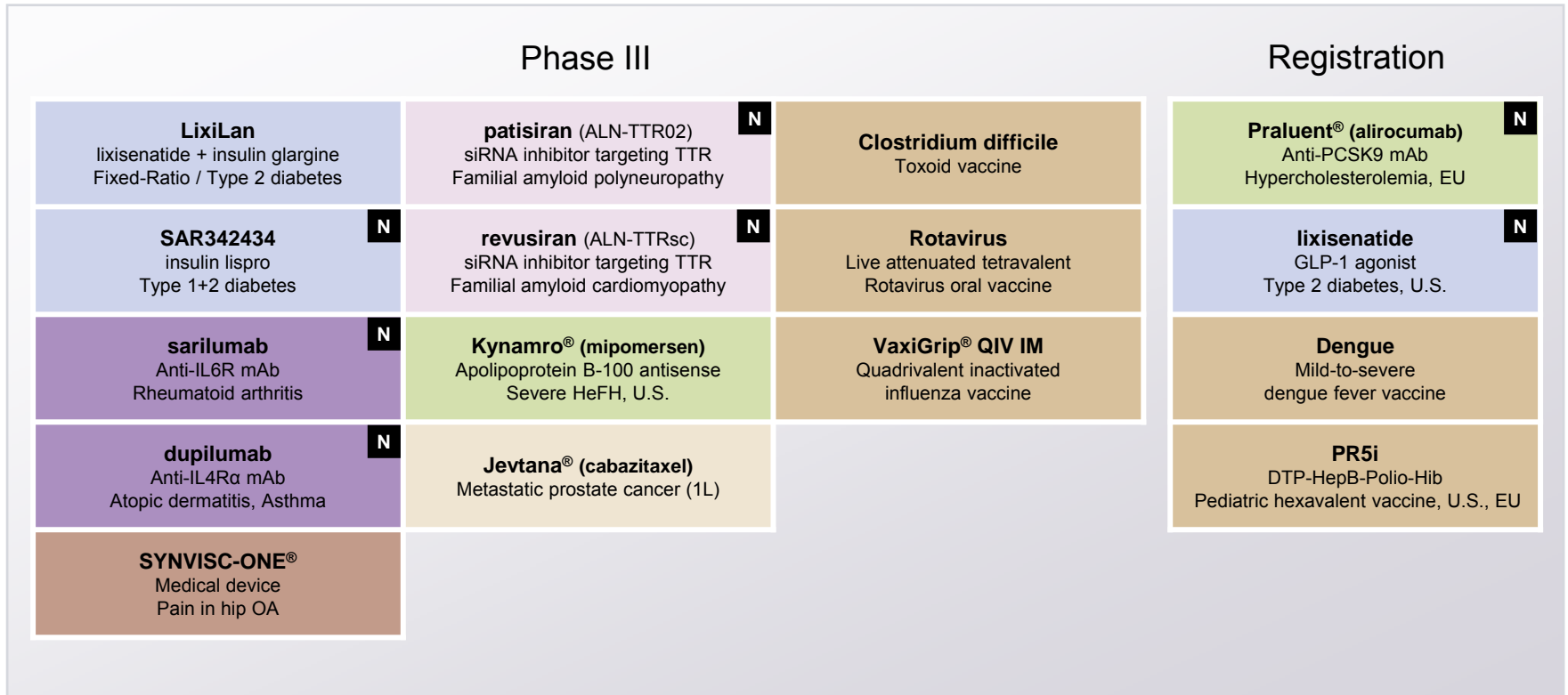


# APPENDICES

## R&D Pipeline



# Late Stage Pipeline – Pharma & Vaccines



**N** New Molecular Entity

- Oncology
- Diabetes Solutions
- Rare Diseases
- Biosurgery

- Immune Mediated Diseases
- Infectious Diseases
- Cardiovascular / Renal Diseases





- Vaccines
- Ophthalmology
- Age Related Degenerative Diseases




# Early Stage Pipeline – Pharma & Vaccines




## Phase II

<b>dupilumab</b> Anti-IL4R $\alpha$ mAb Nasal polyposis; Eosinophilic oesophagitis	<b>isatuximab</b> <b>N</b> Anti-CD38 naked mAb Multiple myeloma	<b>Rabies VRVg</b> Purified vero rabies vaccine
<b>vatelizumab</b> <b>N</b> Anti-VLA 2 mAb Multiple sclerosis	<b>SAR125844</b> <b>N</b> C-MET kinase inhibitor NSCLC	<b>Meningitis ACYW conj.</b> 2 <sup>nd</sup> generation meningococcal conjugate infant vaccine
<b>SAR156597</b> <b>N</b> IL4/IL13 Bi-specific mAb Idiopathic pulmonary fibrosis	<b>GZ402671</b> <b>N</b> Oral GCS Inhibitor Fabry Disease	<b>Tuberculosis</b> Recombinant subunit vaccine
<b>sarilumab</b> Anti-IL6R mAb Uveitis	<b>olipudase alfa</b> <b>N</b> rhASM Niemann-Pick type B	
Combination <b>ferroquine / OZ439</b> <b>N</b> Antimalarial		

**N** New Molecular Entity

 Oncology  
 Diabetes Solutions  
 Rare Diseases  
 Biosurgery

 Immune Mediated Diseases  
 Infectious Diseases  
 Cardiovascular / Renal Diseases

 Vaccines  
 Ophthalmology  
 Age Related Degenerative Diseases

# Early Stage Pipeline – Pharma & Vaccines

## Phase I

<b>GZ402668</b> GLD52 (anti-CD52 mAb) Relapsing multiple sclerosis	<b>SAR566658</b> Maytansin-loaded anti-CA6 mAb Solid tumors	<b>GZ402666</b> neo GAA Pompe Disease	<b>Streptococcus pneumonia</b> Meningitis & pneumonia vaccine
<b>SAR113244</b> Anti-CXCR5 mAb Systemic lupus erythematosus	<b>SAR408701</b> Anti-CEACAM5 ADC Solid tumors	<b>GZ389988</b> TRKA antagonist Osteoarthritis	<b>Herpes Simplex Virus Type 2</b> HSV-2 vaccine
<b>SAR228810</b> Anti-protofibrillar AB mAb Alzheimer's disease	<b>REGN2810</b> PD-1 inhibitor Cancer	<b>StarGen®</b> Gene therapy Stargardt disease	
<b>SAR425899</b> GLP-1 / GCGR agonist Diabetes	<b>SAR125844</b> C-MET kinase inhibitor Solid tumors	<b>UshStat®</b> Gene therapy Usher syndrome 1B	
<b>SAR439152</b> Myosin inhibitor Hypertrophic cardiomyopathy			

**N** New Molecular Entity

Oncology  
 Diabetes Solutions  
 Rare Diseases  
 Biosurgery

Immune Mediated Diseases  
 Infectious Diseases  
 Cardiovascular / Renal Diseases

Vaccines  
 Ophthalmology  
 Age Related Degenerative Diseases



# R&D Pipeline Summary Table<sup>(1)</sup>

	Phase I	Phase II	Phase III	Registration	TOTAL
Oncology	3	2	0	0	5
Diabetes Solutions	1	0	1	1	3
Cardiovascular / Renal Diseases	1	0	0	1	2
Immune Mediated Diseases	2	2	2	0	6
Infectious Diseases	0	1	0	0	1
Ophthalmology	2	0	0	0	2
Rare Diseases	2	2	2	0	6
Age Related Degenerative Diseases	1	0	0	0	1
Vaccines	2	3	3	2	10
<b>TOTAL</b>	<b>14</b>	<b>10</b>	<b>8</b>	<b>4</b>	<b>36</b>

# Expected R&D Milestones

Product	Event	Timing
Praluent® (alirocumab)	Expected EC regulatory decision in Hypercholesterolemia	Q3 2015
LixiLan	Expected Phase III top line results in Diabetes	Q3 2015
Vaxigrip® QIV IM (3+ years)	Expected EU regulatory submission	Q4 2015
Dengue vaccine	Expected regulatory decision in endemic countries	Q4 2015
LixiLan	Expected U.S. regulatory submission in Diabetes	Q4 2015
sarilumab	Expected U.S. regulatory submission in Rheumatoid Arthritis	Q4 2015
PR5i vaccine (DTP-HepB-Polio-Hib)	Expected U.S. regulatory decision	Q4 2015
LixiLan	Expected EU regulatory submission in Diabetes	Q1 2016
PR5i vaccine (DTP-HepB-Polio-Hib)	Expected EU regulatory decision	Q1 2016
Meningitis ACYW conj. vaccine	Expected start of Phase III trial	Q1 2016
dupilumab	Expected Phase III top line results in Atopic Dermatitis	Q1 2016
Rotavirus vaccine	Expected regulatory submission in India	Q2 2016
insulin lispro	Expected Phase III top line results in Diabetes	Q2 2016

# APPENDICES

## FINANCE

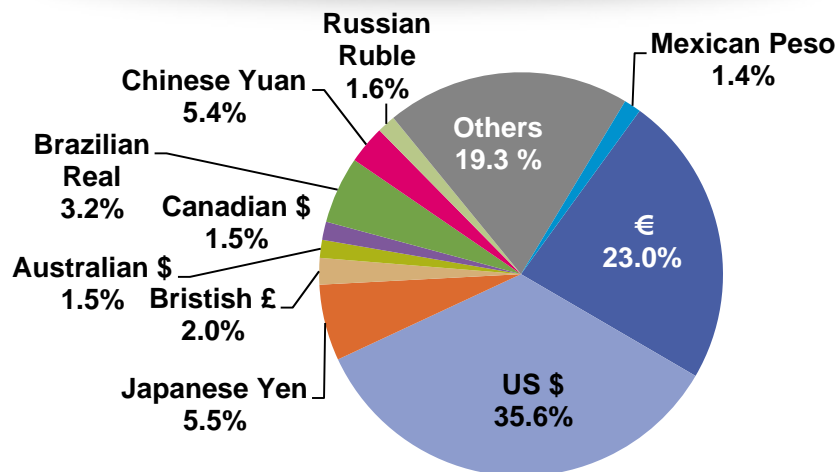


# 2015 Currency Sensitivity

## Business EPS Currency Sensitivity

Currency	Variation	Business EPS Sensitivity
U.S. Dollar	-0.05 USD/EUR	+EUR 0.10
Japanese Yen	+5 JPY/EUR	-EUR 0.03
Russian Ruble	+10 RUB/EUR	-EUR 0.06

## Currency Exposure on Q2 2015 Sales



## Currency Average Rates

	Q2 2014	Q2 2015	% change
EUR/USD	1.37	1.10	-19.7%
EUR/JPY	140.03	134.14	-4.2%
EUR/CNY	8.54	6.85	-19.8%
EUR/RUB	47,96	58,12	+21.2%

# Business Net Income Statement

Second quarter 2015		Group Total			Pharmaceuticals			Vaccines			Animal health			Other	
€million	Q2 2015	Q2 2014	change	Q2 2015	Q2 2014	change	Q2 2015	Q2 2014	change	Q2 2015	Q2 2014	change	Q2 2015	Q2 2014	
<b>Net sales</b>	<b>9,378</b>	<b>8,075</b>	<b>16.1%</b>	<b>7,800</b>	<b>6,820</b>	<b>14.4%</b>	<b>887</b>	<b>718</b>	<b>23.5%</b>	<b>691</b>	<b>537</b>	<b>28.7%</b>	-	-	
Other revenues	83	71	16.9%	67	58	15.5%	8	7	14.3%	8	6	33.3%	-	-	
Cost of sales	(2,938)	(2,608)	12.7%	(2,252)	(2,058)	9.4%	(450)	(350)	28.6%	(236)	(200)	18.0%	-	-	
<i>As % of net sales</i>	<i>(31.3%)</i>	<i>(32.3%)</i>		<i>(28.9%)</i>	<i>(30.2%)</i>		<i>(50.7%)</i>	<i>(48.8%)</i>		<i>(34.2%)</i>	<i>(37.2%)</i>				
<b>Gross profit</b>	<b>6,523</b>	<b>5,538</b>	<b>17.8%</b>	<b>5,615</b>	<b>4,820</b>	<b>16.5%</b>	<b>445</b>	<b>375</b>	<b>18.7%</b>	<b>463</b>	<b>343</b>	<b>35.0%</b>	-	-	
<i>As % of net sales</i>	<i>69.6%</i>	<i>68.6%</i>		<i>72.0%</i>	<i>70.7%</i>		<i>50.2%</i>	<i>52.2%</i>		<i>67.0%</i>	<i>63.9%</i>				
Research & development expenses	(1,290)	(1,188)	8.6%	(1,104)	(1,030)	7.2%	(142)	(123)	15.4%	(44)	(35)	25.7%	-	-	
<i>As % of net sales</i>	<i>(13.8%)</i>	<i>(14.7%)</i>		<i>(14.2%)</i>	<i>(15.1%)</i>		<i>(16.0%)</i>	<i>(17.1%)</i>		<i>(6.4%)</i>	<i>(6.5%)</i>				
Selling and general	(2,648)	(2,255)	17.4%	(2,216)	(1,930)	14.8%	(188)	(142)	32.4%	(244)	(183)	33.3%	-	-	
<i>As % of net sales</i>	<i>(28.2%)</i>	<i>(27.9%)</i>		<i>(28.4%)</i>	<i>(28.3%)</i>		<i>(21.2%)</i>	<i>(19.8%)</i>		<i>(35.3%)</i>	<i>(34.1%)</i>				
Other current operating income/expenses	(20)	54		(11)	42		1	3		5	11		(15)	(2)	
Share of profit/loss of associates <sup>(1)</sup>	30	26		29	25		1	1		-	-		-	-	
Net income attributable to non-controlling interests	(29)	(30)		(29)	(30)		-	-		-	-		-	-	
<b>Business operating income</b>	<b>2,566</b>	<b>2,145</b>	<b>19.6%</b>	<b>2,284</b>	<b>1,897</b>	<b>20.4%</b>	<b>117</b>	<b>114</b>	<b>2.6%</b>	<b>180</b>	<b>136</b>	<b>32.4%</b>	<b>(15)</b>	<b>(2)</b>	
<i>As % of net sales</i>	<i>27.4%</i>	<i>26.6%</i>		<i>29.3%</i>	<i>27.8%</i>		<i>13.2%</i>	<i>15.9%</i>		<i>26.0%</i>	<i>25.3%</i>				
Financial income and expenses	(112)	(94)													
Income tax expense	(614)	(514)													
<i>Tax rate<sup>(2)</sup></i>	<i>25.0%</i>	<i>25.0%</i>													
<b>Business net income</b>	<b>1,840</b>	<b>1,537</b>	<b>19.7%</b>												
<i>As % of net sales</i>	<i>19.6%</i>	<i>19.0%</i>													
<b>Business earnings per share<sup>(3)</sup> (in euros)</b>	<b>1.41</b>	<b>1.17</b>	<b>20.5%</b>												

(1) Net of tax

(2) Determined on the basis of Business income before tax, associates and non-controlling interests

(3) Based on an average number of shares outstanding of 1,305.9 million in the second quarter of 2015 and 1,314.5 million in the second quarter of 2014

# Business Net Income Statement

First Half 2015	Group Total			Pharmaceuticals			Vaccines			Animal health			Other	
	€million	H1 2015	H1 2014	change	H1 2015	H1 2014	change	H1 2015	H1 2014	change	H1 2015	H1 2014	change	H1 2015
<b>Net sales</b>	<b>18,188</b>	<b>15,917</b>	<b>14.3%</b>	<b>15,255</b>	<b>13,517</b>	<b>12.9%</b>	<b>1,584</b>	<b>1,346</b>	<b>17.7%</b>	<b>1,349</b>	<b>1,054</b>	<b>28.0%</b>		
Other revenues	163	154	5.8%	129	126	2.4%	14	14	-	20	14	42.9%	-	-
Cost of sales	(5,724)	(5,124)	11.7%	(4,442)	(4,046)	9.8%	(826)	(700)	18.0%	(456)	(378)	20.6%	-	-
<i>As % of net sales</i>	<i>(31.5%)</i>	<i>(32.2%)</i>		<i>(29.1%)</i>	<i>(29.9%)</i>		<i>(52.1%)</i>	<i>(52.0%)</i>		<i>(33.8%)</i>	<i>(35.8%)</i>			
<b>Gross profit</b>	<b>12,627</b>	<b>10,947</b>	<b>15.3%</b>	<b>10,942</b>	<b>9,597</b>	<b>14.0%</b>	<b>772</b>	<b>660</b>	<b>17.0%</b>	<b>913</b>	<b>690</b>	<b>32.3%</b>	-	-
<b><i>As % of net sales</i></b>	<b><i>69.4%</i></b>	<b><i>68.8%</i></b>		<b><i>71.7%</i></b>	<b><i>71.0%</i></b>		<b><i>48.7%</i></b>	<b><i>49.0%</i></b>		<b><i>67.7%</i></b>	<b><i>65.5%</i></b>			
Research and development expenses	(2,489)	(2,327)	7.0%	(2,143)	(2,025)	5.8%	(262)	(230)	13.9%	(84)	(72)	16.7%	-	-
<i>As % of net sales</i>	<i>(13.7%)</i>	<i>(14.6%)</i>		<i>(14.0%)</i>	<i>(15.0%)</i>		<i>(16.5%)</i>	<i>(17.1%)</i>		<i>(6.2%)</i>	<i>(6.8%)</i>			
Selling and general expenses	(5,086)	(4,333)	17.4%	(4,310)	(3,721)	15.8%	(344)	(271)	26.9%	(432)	(341)	26.7%	-	-
<i>As % of net sales</i>	<i>(28.0%)</i>	<i>(27.2%)</i>		<i>(28.3%)</i>	<i>(27.5%)</i>		<i>(21.7%)</i>	<i>(20.1%)</i>		<i>(32.0%)</i>	<i>(32.4%)</i>			
Other current operating income/expenses	(87)	29		(39)	19		2	1		5	17		(55)	(8)
Share of profit/loss of associates <sup>(1)</sup>	61	39		61	33		-	6		-	-		-	-
Net income attributable to non-controlling interests	(62)	(65)		(62)	(65)		-	-		-	-		-	-
<b>Business operating income</b>	<b>4,964</b>	<b>4,290</b>	<b>15.7%</b>	<b>4,449</b>	<b>3,838</b>	<b>15.9%</b>	<b>168</b>	<b>166</b>	<b>1.2%</b>	<b>402</b>	<b>294</b>	<b>36.7%</b>	<b>(55)</b>	<b>(8)</b>
<b><i>As % of net sales</i></b>	<b><i>27.3%</i></b>	<b><i>27.0%</i></b>		<b><i>29.2%</i></b>	<b><i>28.4%</i></b>		<b><i>10.6%</i></b>	<b><i>12.3%</i></b>		<b><i>29.8%</i></b>	<b><i>27.9%</i></b>			
Financial income and expenses	(209)	(170)												
Income tax expense	(1,189)	(1,036)												
<i>Tax rate<sup>(2)</sup></i>	<i>25.0%</i>	<i>25.0%</i>												
<b>Business net income</b>	<b>3,566</b>	<b>3,084</b>	<b>15.6%</b>											
<b><i>As % of net sales</i></b>	<b><i>19.6%</i></b>	<b><i>19.4%</i></b>												
<b>Business earnings per share<sup>(3)</sup> (in euros)</b>	<b>2.73</b>	<b>2.34</b>	<b>16.7%</b>											

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

€ million	Q2 2015	Q2 2014	Change
<b>Business net income</b>	<b>1,840</b>	<b>1,537</b>	<b>19.7%</b>
Amortization of intangible assets <sup>(1)</sup>	(611)	(624)	
Impairment of intangible assets	(1)	(71)	
Fair value remeasurement of contingent consideration liabilities	70	(124)	
Restructuring costs	(28)	(84)	
Other gains and losses, and litigation	-	-	
Tax effect of:	206	274	
<i>amortization of intangible assets</i>	214	207	
<i>impairment of intangible assets</i>	-	25	
<i>fair value remeasurement of contingent consideration liabilities</i>	(22)	13	
<i>other gains and losses, and litigation</i>	-	-	
<i>restructuring costs</i>	14	29	
Other tax items	(111)	(110)	
Share of items listed above attributable to non-controlling interests	2	3	
Restructuring costs of associates and joint ventures, and expenses arising from the impact of acquisitions on associates and joint ventures	(65)	(24)	
<b>Net income attributable to equity holders of Sanofi</b>	<b>1,302</b>	<b>777</b>	<b>67.6%</b>
<b>Consolidated earnings per share<sup>(2)</sup> (in euros)</b>	<b>1.00</b>	<b>0.59</b>	

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

€million	H1 2015	H1 2014	Change
<b>Business net income</b>	<b>3,566</b>	<b>3,084</b>	<b>15.6%</b>
Amortization of intangible assets <sup>(1)</sup>	(1,229)	(1,301)	
Impairment of intangible assets	(28)	(74)	
Fair value remeasurement of contingent consideration liabilities	71	(132)	
Restructuring costs	(381)	(135)	
Other gains and losses, and litigation <sup>(2)</sup>	-	35	
Tax effect of:	561	522	
<i>amortization of intangible assets</i>	431	451	
<i>impairment of intangible assets</i>	10	26	
<i>fair value remeasurement of contingent consideration liabilities</i>	(15)	14	
<i>other gains and losses, and litigation</i>	-	(13)	
<i>restructuring costs</i>	135	44	
Other tax items <sup>(3)</sup>	(111)	(110)	
Share of items listed above attributable to non-controlling interests	3	4	
Restructuring costs of associates and joint ventures, and expenses arising from the impact of acquisitions on associates and joint ventures	(127)	(32)	
<b>Net income attributable to equity holders of Sanofi</b>	<b>2,325</b>	<b>1,861</b>	<b>24.9%</b>
<b>Consolidated earnings per share<sup>(4)</sup> (in euros)</b>	<b>1.78</b>	<b>1.41</b>	

(1) Of which related to amortization expense generated by the remeasurement of intangible assets as part of business combinations: €1,172 million in the first semester of 2015 and €1,258 million in the first semester of 2014

(2) Day one profit on Alnylam shares presented in financial result

(3) Tax on dividends paid to shareholders of Sanofi

(4) Based on an average number of shares outstanding of 1,307.2 million in the first semester of 2015 and 1,317.2 million in the first semester of 2014



# Consolidated Income Statements

€million	Q2 2015	Q2 2014	H1 2015	H1 2014
<b>Net sales</b>	<b>9,378</b>	<b>8,075</b>	<b>18,188</b>	<b>15,917</b>
Other revenues	83	71	163	154
Cost of sales	(2,938)	(2,608)	(5,724)	(5,124)
<b>Gross profit</b>	<b>6,523</b>	<b>5,538</b>	<b>12,627</b>	<b>10,947</b>
Research and development expenses	(1,290)	(1,188)	(2,489)	(2,327)
Selling and general expenses	(2,648)	(2,255)	(5,086)	(4,333)
Other operating income	47	106	83	116
Other operating expenses	(67)	(52)	(170)	(87)
Amortization of intangible assets	(611)	(624)	(1,229)	(1,301)
Impairment of intangible assets	(1)	(71)	(28)	(74)
Fair value remeasurement of contingent consideration liabilities	70	(124)	71	(132)
Restructuring costs	(28)	(84)	(381)	(135)
<b>Operating income</b>	<b>1,995</b>	<b>1,246</b>	<b>3,398</b>	<b>2,674</b>
Financial expenses	(134)	(145)	(267)	(292)
Financial income	22	51	58	157
<b>Income before tax and associates and joint ventures</b>	<b>1,883</b>	<b>1,152</b>	<b>3,189</b>	<b>2,539</b>
Income tax expense <sup>(1)</sup>	(519)	(350)	(739)	(624)
Share of profit / loss of associates and joint ventures	(35)	2	(66)	7
<b>Net income</b>	<b>1,329</b>	<b>804</b>	<b>2,384</b>	<b>1,922</b>
Net income attributable to non-controlling interests	27	27	59	61
<b>Net income attributable to equity holders of Sanofi</b>	<b>1,302</b>	<b>777</b>	<b>2,325</b>	<b>1,861</b>
Average number of shares outstanding (million)	1,305.9	1,314.5	1,307.2	1,317.2
<b>Consolidated earnings per share (in euros)</b>	<b>1.00</b>	<b>0.59</b>	<b>1.78</b>	<b>1.41</b>

# Cash Flow Statements

€million	H1 2015	H1 2014
<b>Business net income</b>	<b>3,566</b>	<b>3,084</b>
Depreciation, amortization and impairment of property, plant and equipment and software	628	582
Gains and losses on disposals of non-current assets, net of tax	(44)	(97)
Other non cash items	(218)	(98)
<b>Operating cash flow before changes in working capital<sup>(1)</sup></b>	<b>3,932</b>	<b>3,471</b>
Changes in working capital <sup>(1)</sup>	(181)	(552)
Acquisitions of property, plant and equipment and software	(667)	(529)
<b>Free cash flow<sup>(1)</sup></b>	<b>3,084</b>	<b>2,390</b>
Acquisitions of intangible assets excluding software	(280)	(108)
Acquisitions of investments in consolidated undertakings including assumed debt	(169)	(1,679)
Restructuring costs	(345)	(382)
Proceeds from disposals of property, plant and equipment, intangible assets and other non-current assets net of tax	86	179
Issuance of Sanofi shares	462	240
Dividends paid to shareholders of Sanofi	(3,694)	(3,676)
Acquisition of treasury shares	(1,243)	(1,010)
Disposals of treasury shares	1	-
Transactions with non-controlling interests including dividends	(16)	(6)
Foreign exchange impact	(391)	(37)
Other items	(50)	(62)
<b>Change in net debt</b>	<b>(2,555)</b>	<b>(4,151)</b>

# Balance Sheets

ASSETS € million	June 30, 2015	Dec 31, 2014	LIABILITIES & EQUITY € million	June 30, 2015	Dec 31, 2014
Property, plant and equipment	10,540	10,396	Equity attributable to equity holders of Sanofi	56,618	56,120
Intangible assets (including goodwill)	55,062	53,740	Equity attributable to non-controlling interests	156	148
Non-current financial assets & investments in associates and deferred tax assets	10,296	9,819	<b>Total equity</b>	<b>56,774</b>	<b>56,268</b>
<b>Non-current assets</b>	<b>75,898</b>	<b>73,955</b>	Long-term debt	10,770	13,276
			Non-current liabilities related to business combinations and to non-controlling interests	1,132	1,133
			Provisions and other non-current liabilities	9,206	9,578
			Deferred tax liabilities	3,742	4,105
			<b>Non-current liabilities</b>	<b>24,850</b>	<b>28,092</b>
Inventories, accounts receivable and other current assets	17,308	16,086	Accounts payable & Other current liabilities	12,192	11,363
Cash and cash equivalents	4,701	7,341	Current liabilities related to business combinations and to non-controlling interests	141	131
<b>Current assets</b>	<b>22,009</b>	<b>23,427</b>	Short-term debt and current portion of long-term debt	3,962	1,538
			<b>Current liabilities</b>	<b>16,295</b>	<b>13,032</b>
Assets held for sale or exchange	16	10	<b>Liabilities related to assets held for sale or exchange</b>	4	-
<b>TOTAL ASSETS</b>	<b>97,923</b>	<b>97,392</b>	<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>97,923</b>	<b>97,392</b>