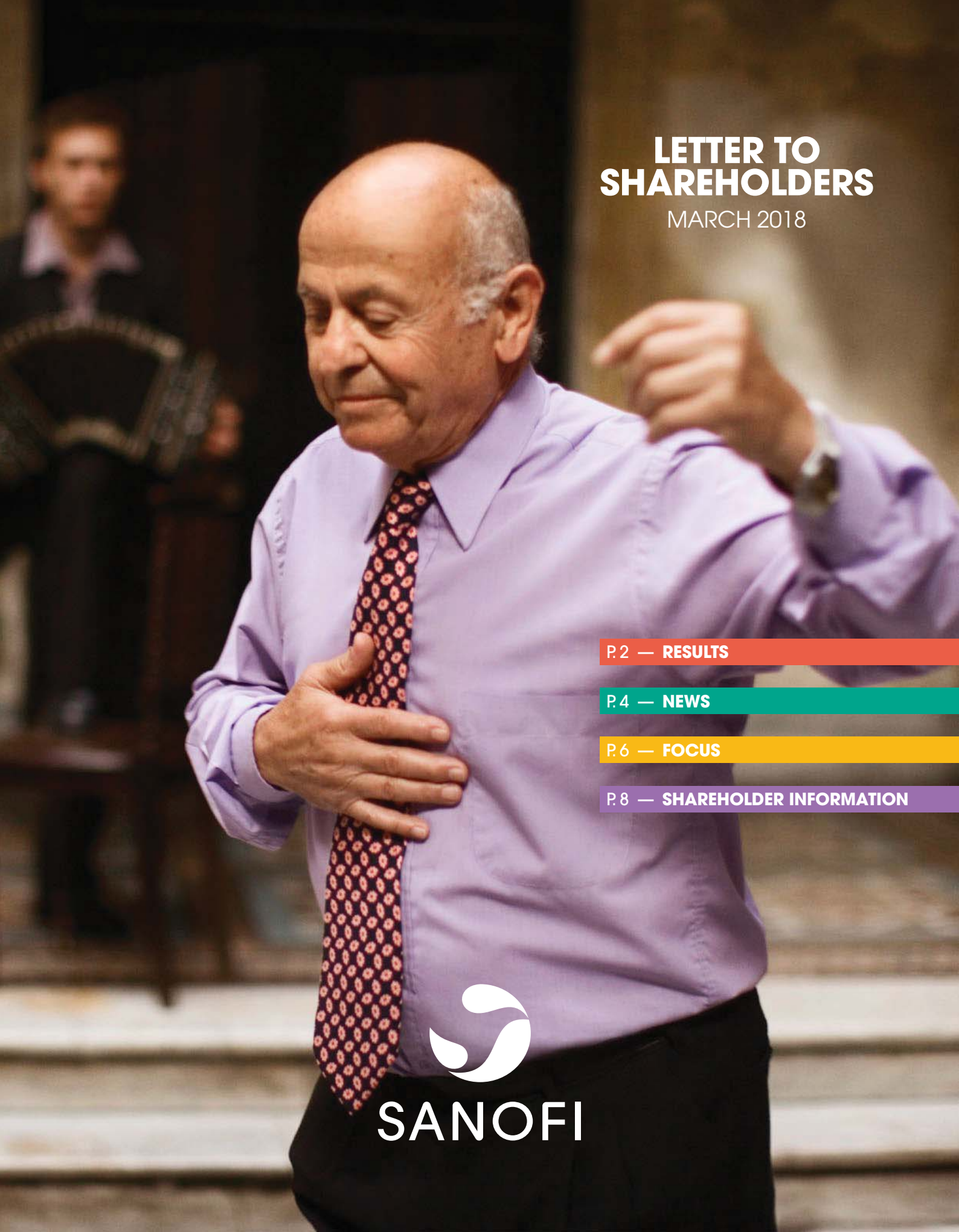


LETTER TO SHAREHOLDERS

MARCH 2018

SANOFI

MESSAGE FROM THE CHAIRMAN

Serge Weinberg, Chairman of the Board of Directors

Dear Shareholders,

In 2017, we made significant progress in implementing our priorities and executing on our strategic transformation for continued value creation thanks to the ongoing commitment of Sanofi teams. Sanofi relies on a diversified model in which the fastest growing businesses such as Vaccines, Specialty Medicine and Emerging Markets have offset the decline of the Diabetes business. The launch of the new Immunology franchise is a success. Our R&D has become more competitive and has one of the most innovative pipelines in the industry. Also, we delivered on our financial objectives for 2017. This allows us to anticipate a return to growth in 2018 and to propose a dividend of €3.03 per share, up 2.4% versus last year.

In 2018, Sanofi started at full speed. We are strengthening our position in rare diseases, and in particular in rare blood disorders as a result of the acquisition of Bioverativ and the planned acquisition of Ablynx. By joining our strengths - scientific know-how, expertise in development and new product launches as well as global footprint - we are well positioned to provide patients with new therapeutic solutions.

We have maintained our financial discipline in doing these transactions, which we expect to create long-term value.

At the General Meeting on May 2nd, we will present these acquisitions, 2017 achievements as well as upcoming opportunities and challenges in more detail.

I thank you for your trust and continuing loyalty.

« The acquisition of Bioverativ and the planned acquisition of Ablynx are strategically and financially compelling and should create long-term value for our shareholders. »

FULL-YEAR 2017 RESULTS

Company Sales[1]
€35,055M
+5.6% (+3.6%)
+0.5% at CER/CS[3]

Business Net Income[1]
€6,964M
-2.6% (-4.7%)

Business EPS[1,2]
€5.54
-0.4% (-2.5%)

2017 Dividend
€3.03
per share[4]

INTERVIEW WITH THE CEO

Olivier Brandicourt, Chief Executive Officer

Strong performance of Sanofi Genzyme, Sanofi Pasteur and Emerging Markets in 2017

Sales in 2017 reached €35,055M, up 3.6% compared to 2016. At CER[1], sales were up 5.6%, reflecting the acquisition of the Boehringer Ingelheim Consumer Healthcare business and the consolidation of the Vaccines business in Europe. At CER/CS[3], sales increased by 0.5%.
Sanofi Genzyme's Specialty Care franchise grew 14.6% at CER/CS to €6,678M, supported by the performance of the Multiple Sclerosis franchise and the very good start of Dupixent®.
Sanofi Pasteur's Vaccines franchise sales increased 8.3% at CER/CS to €5,101M, notably driven by the performance of Polio/Pertussis/Hib vaccines and influenza vaccines sales in Q4 2017.
Emerging Markets sales were up 6.0% at CER/CS supported by strong performance in China (up 15.1% at CER/CS).
These performances more than offset the decline in global **Diabetes** sales which were down 11.1% to €6,395M.

Sales by franchise	2017	Change at CER	Change at CER/CS[3]
Specialty Care	€6,678M	+14.5%	+14.6%
Diabetes & Cardiovascular	€6,905M	-9.6%	-9.6%
Established Products	€9,761M	-3.4%	-3.8%
Consumer Healthcare	€4,832M	+46.3%	+2.1%
Generics	€1,778M	-3.3%	-3.1%
Vaccines	€5,101M	+14.5%	+8.3%

2018 Financial Outlook[5]

Sanofi expects 2018 business EPS[5] to grow between 2% and 5% at CER, including the anticipated contribution from the planned and recently announced acquisitions, barring unforeseen major adverse events. Applying the average December 2017 exchange rates, the currency impact on 2018 business EPS is estimated to be -3% to -4%.

24th
consecutive year of dividend growth

THE BOARD OF DIRECTORS PROPOSED A DIVIDEND OF
€3.03,
AN INCREASE OF
2.4%

Key dates in 2018

May 2	**General Meeting**
May 11	**Ex-dividend date**
May 14	**Record date**
May 15	**Payment of the dividend**

1 - Growth rates are expressed at constant exchange rates (CER). Growth rates in brackets are expressed on a reported basis. For definitions of financial indicators, please consult the press release issued on February 7, 2018. 2 - Earnings per share. 3 - CS: constant structure: adjusted for BI CHC business, termination of SPMSD and others. 4 - Dividend to be submitted for approval by the Shareholders' General Meeting on May 2, 2018. 5 - 2017 business EPS was €5.54; see forward-looking statements in the press release of February 7, 2018.

What progress have you made on your strategy in 2017?

We have made real progress in achieving our strategic priorities in 2017. To reshape our portfolio, we finalized the acquisition of Boehringer Ingelheim's Consumer Healthcare business where we now have an industry-leading position. We advanced the carve-out of our European generics business in line with our goal of divesting it by the end of 2018. We took control of our European vaccines business and added Flublok® to our flu-vaccines portfolio with the acquisition of Protein Sciences.

Speaking of acquisitions, can you comment on the transactions announced in January 2018?

In January 2018, we announced major and complementary deals. The acquisition of Bioverativ allows us to access already marketed products in the hemophilia market and to build a franchise in rare blood disorders. With the announced acquisition of Ablynx, we are not only extending this new franchise but also strengthening our R&D through Ablynx's innovative Nanobody® technology platform which has applications in hematology, oncology and immuno-inflammatory diseases. In addition, we also renegotiated our contract with Alnylam, giving us global rights on fitusiran for the treatment of hemophilia.

These steps meet at least two of our strategic priorities: strengthen our leadership position in rare diseases and significantly strengthen our R&D.

And what about the launch of new products?

While the launches for some products have been mixed, we are very satisfied with the rollout of our Immunology franchise, especially the launch of Dupixent®. In February 2018, more than 33,000 atopic dermatitis patients in the U.S. have been prescribed this ground-breaking medicine. We also saw good progress from Kevzara® that was launched in the U.S. in the second quarter of 2017 for the treatment of rheumatoid arthritis.

Finally a word on Praluent®, our treatment for high cholesterol: we are very pleased with the results of the ODYSSEY OUTCOMES study, which has demonstrated that Praluent® significantly reduced the risk of cardiovascular events and death by any cause in high-risk patients.

These results mark a turning point in the management of cardiovascular disease. We will submit the data to regulatory authorities and work with payers to ensure appropriate access to Praluent® for high-risk patients.

NEWS

PRALUENT® SIGNIFICANTLY REDUCES RISK OF CARDIOVASCULAR EVENTS IN HIGH-RISK PATIENTS

CARDIOVASCULAR DISEASE

#1

CAUSE OF DEATH GLOBALLY[1]

80%

OF ALL CVD DEATHS ARE DUE TO HEART ATTACKS AND STROKES[1]

PRALUENT® REDUCED THE RISK OF MAJOR CARDIOVASCULAR EVENTS BY 15%

The ODYSSEY OUTCOMES trial met its primary endpoint, demonstrating that high-risk patients who added Praluent® (alirocumab) to maximally-tolerated statins experienced significantly fewer major adverse cardiovascular events.[2]

REDUCTION OF ALL CAUSE MORTALITY BY 15%

For the first time, adding a lipid-lowering therapy (Praluent®) to maximally-tolerated statins was associated with a lower risk of death overall, known as "all-cause mortality". Praluent's® safety profile was consistent with earlier trials and **no new safety issues** were observed in the trial.[2]

PATIENTS WITH HIGHEST RISK EXPERIENCED MORE PRONOUNCED EFFECT

A more pronounced effect was observed in patients with baseline LDL-C levels at or above 100 mg/dL despite maximally-tolerated statins, who are at high risk of suffering a future event. In this group, **Praluent® reduced risk of major adverse cardiovascular events by 24%** and was associated with a **29% lower risk of death overall.**[2]

Praluent® (alirocumab) Injection 75mg/mL 150mg/mL

Sanofi and Regeneron also announced plans to **make Praluent® more accessible and affordable for patients with the greatest health risk** and unmet need.

1 - World Health Organization 2 - For further information, see press releases issued on March 10, 2018.

FDA TO REVIEW DUPIXENT® FOR PERSISTENT, UNCONTROLLED ASTHMA

Early March, The U.S. Food and Drug Administration (FDA) has accepted for review the supplemental Biologics License Application of Dupixent® (dupilumab) as an add-on maintenance treatment in certain adults and adolescents (12 years of age and older) with moderate-to-severe asthma. Per the Prescription Drug User Fee Act, the target action date is October 20, 2018.

NEW MILESTONE FOR SLEEPING SICKNESS TREATMENT FEXINIDAZOLE

In January 2018, Sanofi asked the European Medicines Agency (EMA) to review fexinidazole for the treatment of sleeping sickness. Fexinidazole is being developed in collaboration with the Drugs for Neglected Disease initiative (DNDi). It would be the first all-oral treatment for both first and second stages of sleeping sickness, a fatal disease, endemic in Africa. Following the evaluation of the dossier, the EMA will publish its scientific opinion of the benefit risk of the treatment, which will facilitate the registration of fexinidazole in endemic countries.

DOMINIQUE CAROUGE APPOINTED EXECUTIVE VICE PRESIDENT, BUSINESS TRANSFORMATION

Dominique Carouge is appointed to the Executive Committee on February 15, 2018 as Executive Vice President, Business Transformation. He will be in charge of accelerating the transformation of the Company.

CREATION OF INFECTIOUS DISEASE OPEN INNOVATION R&D PLATFORM

In March 2018, Evotec AG and Sanofi have entered into exclusive negotiations for Evotec to accelerate infectious disease research and development through a new open innovation platform near Lyon, France. Sanofi will license most of its infectious disease research and early-stage development portfolio and transfer its infectious disease research unit to Evotec. The transaction excludes the vaccine R&D unit and related projects.

2017 ANNUAL REPORT ON FORM 20-F

The Annual Report on Form 20-F and the Document de référence containing its Annual Financial Report are available on the "Investors" section of the website and on the mobile app SANOFI IR.

Click here to access the document: **www.sanofi.com/en/investors/reports-and-publications**

ANNUAL GENERAL MEETING 2018 - TOPICS TO REMEMBER

Sanofi holds its General Meeting on May 2, 2018 at the Palais des Congrès in Paris.

The main items on the agenda will be:

- the approval of the 2017 financial statements and the payment of a dividend of €3.03 per share;
- the composition of the Board of Directors: reappointment of three directors and appointment of a new director (see below);
- the amendment of the articles of association to incorporate an internal rule to the Company which provides that a director cannot be appointed or have his mandate renewed after reaching the age of 70, being specified that this amendment intends to align the situation of the Chairman of the Board along with the other directors;
- the vote on the remuneration policy 2018 applicable to the Chairman of the Board and the Chief Executive Officer;
- the advisory vote on elements of compensation due or granted for the financial year 2017 and the vote on the compensation policy for 2018 applicable to the Chairman of the Board and the Chief Executive Officer;
- the renewal of financial authorizations: share repurchase program and authorizations to increase or reduce the share capital.

All information and documentation relating to the General Meeting will be available on our website: **www.sanofi.com/AGM2018**

THE BOARD OF DIRECTORS PROPOSES THE APPOINTMENT OF A NEW INDEPENDENT DIRECTOR

At its meeting held on March 6, Sanofi's Board of Directors proposed to submit the appointment of **Emmanuel Babeau** as new independent director, to a shareholders' vote during the general meeting.

Emmanuel Babeau is Deputy Chief Executive Officer and Chief Financial Officer of Schneider Electric Group, a position he has held since April 2013. Throughout his career he led successful acquisitions and developed strong financial skills with an international mindset.

The Board also proposed the renewal of the terms of Olivier Brandicourt, Patrick Kron and Christian Mulliez and the creation of a **new Scientific Committee**, which will be led by Thomas Südhof.

FOCUS

SANOFI BUILDS A NEW FRANCHISE DEDICATED TO RARE BLOOD DISORDERS

With the acquisition of Bioverativ and the planned acquisition of Ablynx, Sanofi should expand its presence in specialty care and set up a platform that should ensure its growth in rare blood disorders and meet the needs of the community of patients. The acquisition of Bioverativ and the planned acquisition of Ablynx are consistent with Sanofi's strategic priorities: sustaining leadership in areas of strength and continuing to innovate in Research & Development (R&D).

HEMOPHILIA: ONE OF THE MOST COMMON RARE DISEASES

Hemophilia is a genetic inherited disease in which the **ability of the blood to clot is severely reduced**. People with hemophilia suffer from spontaneous or prolonged bleeding. This disease, which affects mainly men, is caused by the lack of a blood protein, also called coagulation factor. The two main types of hemophilia are A and B. People with **hemophilia A**, are missing or have low levels of clotting factor VIII. People with **hemophilia B**, are missing or have low levels of clotting factor IX.

With approximately $10 billion in annual sales and **181,000 identified patients worldwide**, hemophilia represents the largest market for rare diseases and is expected to grow above 7% per year through 2022.[1]

Hemophilia A affects approximately 151,000 identified patients, or 80% of hemophiliacs; hemophilia B, which is more rare, affects approximately 30,000 identified patients.

1 - WFH 2016, MRB 2016, ATHN 2016, Evaluate Pharma.

FITUSIRAN – IN PHASE III FOR THE TREATMENT OF HEMOPHILIA A AND B

As part of an alliance concluded in 2014 with Alnylam, Sanofi has the experimental therapeutic agent **fitusiran for the treatment of hemophilia and other rare blood disorders** in its R&D portfolio.

Following a strategic restructuring of this alliance announced on January 7, 2018, Sanofi will obtain **global development and commercialization rights to fitusiran**. Global commercialization of fitusiran, upon approval, will be done by Sanofi Genzyme. Alnylam will receive royalties based on net sales of fitusiran products.

ACQUISITION OF A WORLD LEADER ON THE GROWING HEMOPHILIA MARKET

On March 8, 2018, Sanofi announced the completion of its acquisition of Bioverativ Inc. for $105 per share in cash representing an equity value of approximately $11.6 billion (on a fully diluted basis). Bioverativ thus becomes a 100% owned franchise of Sanofi.

Bioverativ's extended half-life therapies, Eloctate® and Alprolix® for the treatment of hemophilia A and B, respectively, represented the first major advancements in the hemophilia market in nearly two decades when launched.

In 2017, Bioverativ generated $1,089 million in sales and $79 million in royalties.

STANDARD OF CARE IN HEMOPHILIA A AND B

Sanofi believes factor replacement therapy will remain the standard of care in hemophilia for many years due to excellent safety and its increasingly superior long-acting profile.

Sanofi will be able to leverage Bioverativ's clinical expertise and existing commercial platform to advance fitusiran, for the treatment of hemophilia A and B; with or without inhibitors.

PLATFORM FOR GROWTH IN RARE BLOOD DISORDERS

Beyond its two marketed products, Bioverativ's pipeline includes a program in Phase 3 testing for cold agglutinin disease, and early stage research programs and collaborations in hemophilia, and other rare blood disorders.

ACCESS TO AN INNOVATIVE NANOBODY® TECHNOLOGY PLATFORM

On January 29, 2018, Sanofi and Ablynx entered into a definitive agreement under which Sanofi will offer to acquire all of the outstanding ordinary shares, including shares represented by American Depositary Shares (ADSs), warrants and convertible bonds of Ablynx at a price per Ablynx share of €45 in cash, which represents an aggregate equity value of approximately €3.9 billion. The transaction was unanimously approved by both the Sanofi and Ablynx Boards of Directors.

The acquisition of Ablynx continues Sanofi's commitment to breakthrough innovation, focused on technologies addressing multiple disease targets with single multi-specific molecules. Ablynx is at the leading edge of Nanobody® technology supporting a deep pipeline of more than 45 proprietary and partnered candidates for a wide range of therapeutic areas such as hematology, inflammation, immuno-oncology and respiratory diseases.

EXPANDING THE PLATFORM FOR RARE BLOOD DISORDERS

By acquiring Ablynx, Sanofi would further strengthen its position in rare blood disorders by adding caplacizumab to its portfolio. Ablynx's most-advanced product in development is a wholly-owned development program for the treatment of acquired thrombotic thrombocytopenic purpura (aTTP). The product is already filed in the European Union and expected to be filed in the U.S. during the first half of 2018.

As a result of the expiration of the waiting period under the HSR Act and the clearance from the FCO, the condition to the Offers relating to antitrust approvals has been satisfied. The consummation of the Offers remains subject to other conditions, including the tender of shares representing at least 75% of the outstanding shares of Ablynx at the end of the initial acceptance period. The Offers have not yet commenced. The Offers are still expected to be launched by the beginning of the second quarter 2018.

« Through a series of three strategic transactions -the addition of Bioverativ, our planned acquisition of Ablynx and our agreement for fitusiran - we are well on our way to creating a leading franchise in the field of rare blood disorders. »

Olivier Brandicourt

ACQUISITIONS DELIVERING LONG-TERM SHAREHOLDER VALUE

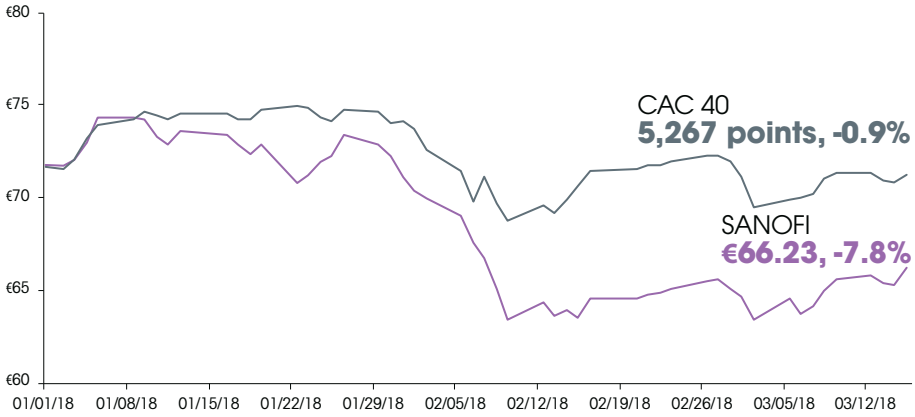
- The addition of Bioverativ is expected to drive meaningful value for Sanofi's shareholders, with strong cash flows from Bioverativ's growing products expected to increase Sanofi's financial and operational scale. The acquisition is expected to be immediately accretive to Sanofi's Business earnings per share in full year 2018.
- The planned acquisition of Ablynx is also anticipated to drive meaningful long-term value for Sanofi shareholders by enhancing its pipeline and research capabilities. Including R&D expenses, the planned acquisition is expected to be neutral to Business earnings per share in full year 2018.

SHAREHOLDER INFORMATION

Share performance in Paris

SANOFI SHARE PRICE TREND

Euronext Paris, from January 1, 2018 to March 15, 2018



CAC 40 rebased on the Sanofi share price – Source: vwdgroup

On March 15, 2018, Sanofi had a market capitalization of more than €82bn.

CALENDAR

April 3, 2018	**Shareholder meeting** in Nantes
April 27, 2018	**First quarter results 2018**
May 2, 2018	**Annual general meeting** in Paris
June 12, 2018	**Shareholder meeting** in Nice
June 27, 2018	**Shareholder meeting** in Lyon

SANOFI STOCK

\ **Euronext Paris, compartment A**
Member code: SAN
ISIN code: FR 0000120578

\ **New York Stock Exchange**
Symbol: SNY
CUSIP number: 80105N105000

SHAREHOLDER RELATIONS

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Toll-free tel. U.S.: +1 888 516 3002

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sanofi.com/shareholders

Mobile app: SANOFI IR
(available in the App Store and Google Play)

Visit your dedicated section on sanofi.com

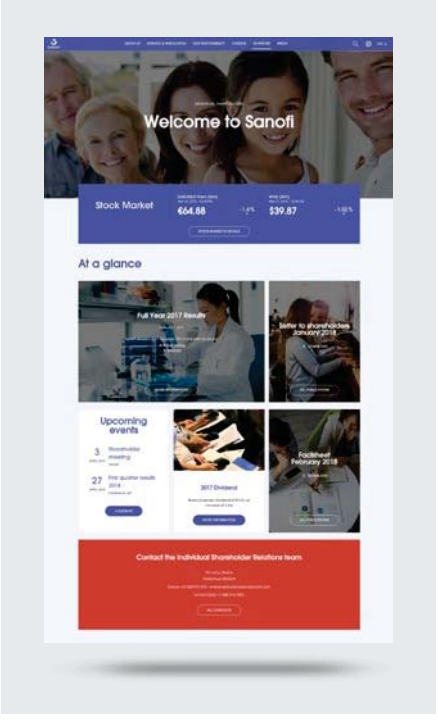
In 2018, Sanofi's website changes, and so does your dedicated Individual Shareholders' section.

Today, on sanofi.com you will find:
\ A simplified navigation structure for an intuitive user experience
\ Dynamic and easily accessible content
\ Responsive design, adapted for access on all types of media
\ A website enabling interaction with all social media channels

More pictures, harmonized sections and a user-friendly design will allow you a smooth navigation through the Sanofi Web platform to your dedicated section: "Welcome to Sanofi".

The improved Individual Shareholders homepage provides you with direct access to key content: financial news, your publications, dedicated events as well as useful information on how to manage your shares.

Access your new section here:
www.sanofi.com/shareholders



Forward-looking statement:
This letter contains projections and other forward-looking statements that are not historical facts. Although the management of Sanofi believes that these projections and forward-looking statements, and their underlying assumptions, are reasonable as of the date of this letter, investors are cautioned that such projections, assumptions, intentions and forward-looking statements are subject to various risks and uncertainties (many of which are difficult to predict and generally beyond the control of Sanofi) that could cause actual results and developments to differ materially from those expressed or implied. These risks and uncertainties include those discussed elsewhere in this letter, as well as in the filings of Sanofi with the U.S. Securities and Exchange Commission (SEC) and the French Autorité des marchés financiers (AMF), notably under the caption "Risk Factors" in the company's annual report on Form 20-F. Other than as required by applicable law, Sanofi does not undertake any obligation to update any statement that is not a historical fact.

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

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Design/production: SEITOSEI
Status: March 15, 2018

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