

LETTER TO SHAREHOLDERS

SEPTEMBER
2017



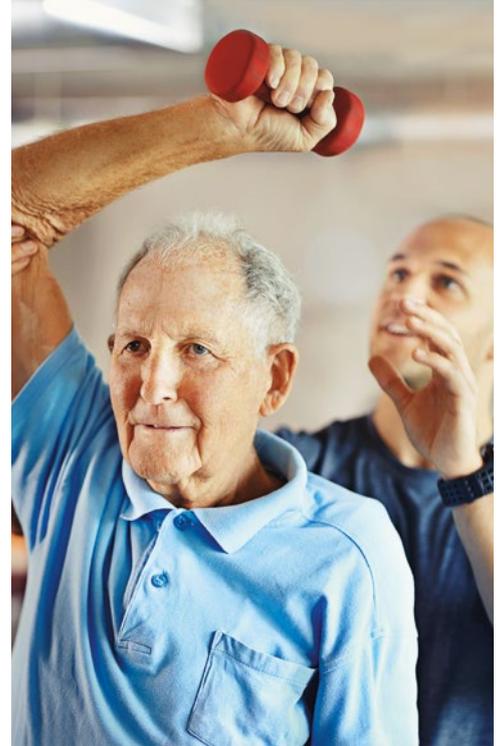
02 - INTERVIEW WITH THE CHIEF EXECUTIVE OFFICER: "DUPIXENT® RESPONDS TO AN IMPORTANT UNMET MEDICAL NEED AND HAS GAINED RAPID ACCESS TO THE MARKET"



05 - NEWS: DUPILUMAB - NEW CLINICAL DATA AND REGULATORY MILESTONES



06 - FOCUS: SANOFI ACQUIRES PROTEIN SCIENCES



04 - NEWS: KEVZARA® APPROVED IN EUROPE



07 - EVENT: SAVE THE DATE FOR SALON ACTIONARIA 2017



SANOFI

MESSAGE

FROM THE CHAIRMAN



SERGE WEINBERG, CHAIRMAN OF THE BOARD OF DIRECTORS

DEAR SHAREHOLDERS,

The second quarter 2017 was marked by the launch of our Immunology franchise with the approval of Kevzara® in moderate to severe adult rheumatoid arthritis in the United States and the European Union, and Dupixent®, a revolutionary treatment for atopic dermatitis, in the United States. These important achievements demonstrate the robustness of Sanofi's portfolio and remind us of the **importance of innovation** in meeting patients' unmet needs.

Sanofi has succeeded in developing an **innovative portfolio of biological products**. The complexity of the field has led us to collaborate with partners, in particular the U.S. biotechnology company Regeneron. These partnerships have allowed our teams to acquire strategic knowledge in order to strengthen our internal research and ensure our future developments.

The transformation of Sanofi to biologics exceeds the scope of Research & Development. Sanofi has also heavily invested in its industrial tool to ensure its biologics production capacity. On July 20th, we **welcomed French Prime Minister Edouard Philippe** to our Vitry-sur-Seine site, South-East of Paris. The story of the site is one of a successful industrial conversion, from chemistry to biologics. It hosts an R&D center as well as production and packaging facilities for biological products, illustrating the growing importance of biologics for Sanofi (which represent nearly two-thirds of our R&D portfolio).

Thank you for your trust and continuing loyalty.

“
SANOFI HAS BEEN SUCCESSFUL
DEVELOPING AN
INNOVATIVE PORTFOLIO
OF BIOLOGICAL PRODUCTS”

SECOND QUARTER

2017 RESULTS



INTERVIEW

WITH THE CHIEF EXECUTIVE OFFICER

OLIVIER BRANDICOURT,
CHIEF EXECUTIVE OFFICER



SALES SUPPORTED BY SPECIALTY CARE AND VACCINES

Net sales were €8,663M in the second quarter of 2017, an increase of 6.4% on a reported basis and 5.5% at CER, reflecting the change in scope of the Global Business Units Consumer Healthcare (acquisition of Boehringer Ingelheim's Consumer Healthcare business and the disposal of the Animal Health business) and Vaccines (consolidation of Sanofi's vaccine business in Europe). At CER and constant structure (CS), Sanofi's sales growth was 0.6%, a slight increase, despite the accelerated decline of the Diabetes franchise.

The 12.2% decrease of Diabetes franchise sales, reflecting the anticipated lower Lantus® sales in the United States, was offset by double-digit growth of Specialty Care (+13.6% at CER and CS) and Vaccines sales (+19.2% at CER and CS).

SANOFI RAISES FULL-YEAR 2017 BUSINESS EPS OUTLOOK

Net sales for the first half of 2017 were €17,311M, up 2.0% at CER and CS, and business EPS reached €2.77, up 2.7% at CER.

The strong performance and disciplined expense management enable Sanofi to raise its full-year 2017 Business EPS guidance to broadly stable at CER, barring unforeseen major adverse events.

The currency impact on 2017 business EPS is estimated to be approximately +1% at the average June 2017 exchange rates. As announced in the first quarter 2017 financial results, Sanofi previously expected full-year 2017 business EPS to be stable to -3% at CER, barring unforeseen major adverse events⁴.

Sales by franchise	Q2 2017	Change at CER	Change at CER and CS ¹
Specialty Care	€1,711 M	+13.5%	+13.6%
Diabetes & Cardiovascular	€1,772 M	-10.7%	-10.7%
Established Products	€2,559 M	-2.3%	-2.6%
Consumer Healthcare	€1,163 M	+42.5%	-0.1%
Generics	€442 M	-8.0%	-7.6%
Vaccines	€1,016 M	+26.2%	+19.2%



Dupixent® launch in the U.S.

Dupixent® was launched in March in the United States for the treatment of moderate to severe atopic dermatitis in adults and recorded sales of €26M in the second quarter. More than 5,100 physicians have prescribed Dupixent® since its launch. Cumulatively, the product was prescribed to more than 13,000 patients (data as of July 26, 2017).

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 July 31, 2017.
² - Earnings per share. ³ - CS: constant structure, adjusted for BI CHC business, termination of SPMSD and others. ⁴ - 2016 Business EPS was €5.68; view forward looking statements in the press release of July 31, 2017.

HOW WOULD YOU ASSESS THE SECOND QUARTER OF 2017?

I'm satisfied with our results in the second quarter and beyond, with the better than expected financial performance in the first half of the year.

Once again this quarter, Sanofi Genzyme, Sanofi Pasteur and Emerging Markets contributed strongly to our performance. The continued growth of these activities as well as a disciplined management of expenses, allowed us to more than offset the challenges of our diabetes franchise.

CAN YOU TELL US MORE ABOUT THE PERFORMANCE OF SANOFI GENZYME, SANOFI PASTEUR AND EMERGING MARKETS?

Sanofi Genzyme's Specialty Care franchise was up 13.6%¹, with growth in all businesses across both developed and emerging markets, and in particular continued strong sales growth in multiple sclerosis. I am also pleased with the strong start of Dupixent® (dupilumab) in the United States for the treatment of atopic dermatitis. This innovative medicine responds to a major unmet medical need and has gained rapid access to the market. In addition, the launches of Dupixent® and Kevzara® inaugurate our new Immunology franchise.

Sanofi Pasteur grew 19.2%¹ as a result of strong sales of pediatric combinations and Menactra® meningitis vaccines. Also noteworthy is the solid growth of 31.7% of our European vaccines sales that are now fully managed by Sanofi Pasteur since the termination of the SPMSD joint venture.

¹ - Growth rates are expressed at constant exchange rates (CER) and at constant structure (CS).

Emerging Markets sales (+6.6%¹) were supported by a robust contribution from China, in particular due to strong growth of vaccines sales.

WHAT ABOUT PROGRESS IN RESEARCH & DEVELOPMENT?

I would like to highlight the following major developments.

Dupilumab entered phase 3 in adolescent atopic dermatitis and pediatric asthma.

In oncology, our **PD-1 inhibitor** evaluated in multiple cancer indications has entered phase 2 studies in patients with basal cell carcinoma (skin cancer) and phase 3 studies in non-small cell lung cancer. In addition, we anticipate submitting a biologics license application for the product in metastatic cutaneous squamous cell carcinoma with the U.S. Food and Drug Administration in the first quarter of 2018.



DUPIXENT® RESPONDS TO AN
 IMPORTANT UNMET MEDICAL NEED
 AND HAS GAINED RAPID ACCESS
 TO THE MARKET

KEVZARA® APPROVED IN EUROPE

FOR ADULTS WITH MODERATELY TO SEVERELY ACTIVE RHEUMATOID ARTHRITIS



RHEUMATOID ARTHRITIS¹

2.9
MILLION PEOPLE
MAY BE AFFECTED IN EUROPE

**MOST COMMON
IN THOSE AGED**

30-60
YEARS OLD

2-3 times

MORE FREQUENT
IN WOMEN

At the end of June 2017, the European Commission granted **marketing authorization to Kevzara®** (sarilumab) in combination with methotrexate for the treatment of moderately to severely active rheumatoid arthritis in adults who have responded inadequately or who are intolerant to one or more disease modifying anti-rheumatic drugs, such as methotrexate. Kevzara® may be used as monotherapy in case of intolerance to methotrexate or when treatment with methotrexate is inappropriate.

A VERY DEBILITATING DISEASE

Rheumatoid arthritis affects approximately **2.9 million people in Europe**. It is characterized by a disorder of the immune system which causes it to attack the joints, causing inflammation, joint pain, swelling, stiffness, fatigue, and eventually joint damage and disability.

The disease affects every aspect of patients' lives: it limits their ability to perform the gestures of everyday life, work, as well as their social life.

It impacts not only their quality of life, but also their families and those around them.

RESPONSE TO AN UNMET MEDICAL NEED

Rheumatoid arthritis is a difficult-to-treat life-long disease. Despite several available products on the market, a high, unmet medical need remains: **20-40% of patients treated** with any form of therapy, including biologics, **experience an inadequate response**.

Kevzara®, which has a **different mechanism of action** than some of the most commonly used biologics, offers a significant new treatment option for patients and physicians.

¹ - Sources: World Health Organization, Centers for Disease Control, Arthritis Foundation

CEMPIPLIMAB RECEIVES BREAKTHROUGH THERAPY DESIGNATION FOR ADVANCED CUTANEOUS SQUAMOUS CELL CARCINOMA

On September 8, 2017, Sanofi and Regeneron announced that the U.S. Food and Drug Administration (FDA) has granted Breakthrough Therapy designation status to **cemiplimab, our PD-1 inhibitor**, for the treatment of adults with metastatic cutaneous squamous cell carcinoma (CSCC) and adults with locally advanced and unresectable CSCC, the second deadliest skin cancer after melanoma.

Breakthrough Therapy designation serves to **expedite the development and review of drugs that target serious or life-threatening conditions.**

APPROVAL IN EUROPE OF INSULIN LISPRO SANOFI®

The European Commission granted marketing authorization for Insulin lispro Sanofi® (100 Units/mL) in July for the treatment of diabetes in adults and children.

COLLABORATION WITH ABLYNX

In July 2017, Sanofi and the Belgian biotechnology company Aplynx signed a research collaboration and global exclusive licensing agreement for the development and commercialization of Nanobody®-based therapeutics for the treatment of various **immune-mediated inflammatory diseases.**



SANOFI RATED AA BY SCOPE RATINGS

At the beginning of September 2017, the European ratings agency Scope Ratings AG assigned Sanofi a **AA long term rating and a S-1+ short-term rating.** The outlook is stable.

Sanofi is already **rated AA by Standard & Poor's and A1 by Moody's.** Both ratings have stable outlooks. These ratings confirm Sanofi's high credit quality and provide investors with an increased diversity of independent opinions.

DUPILUMAB: NEW CLINICAL DATA AND REGULATORY MILESTONES



POSITIVE OPINION FOR MARKETING AUTHORIZATION OF DUPIXENT® (DUPILUMAB) IN EUROPE

On July 21, 2017, the European Medicine Agency's Committee for Medicinal Products for Human Use (CHMP) adopted a positive opinion for the marketing authorization of Dupixent®. It recommends its approval in Europe for use in adults with moderate-to-severe atopic dermatitis who are candidates for systemic therapy.

Dupixent® was approved in March 2017 in the U.S. for the treatment of adults with moderate-to-severe atopic dermatitis whose disease is not adequately controlled with topical prescription therapies, or when those therapies are not advisable.

NEW POSITIVE PHASE 3 STUDY RESULTS FOR DUPIXENT® IN PATIENTS WITH MODERATE-TO-SEVERE ATOPIC DERMATITIS

At the European Academy of Dermatology and Venereology (EADV) Congress in September, Sanofi and Regeneron announced positive results from a Phase 3 study of Dupixent® in adults with moderate-to-severe atopic dermatitis (AD) who are inadequately controlled with or intolerant to the broad immunosuppressant drug cyclosporine A, or when this treatment is medically inadvisable. In the study, Dupixent® with topical corticosteroids significantly improved measures of overall disease severity, skin clearing, itching, and patient reported quality of life measures.

In addition to moderate-to-severe atopic dermatitis, Sanofi and Regeneron are studying dupilumab in a broad range of clinical development programs including **uncontrolled persistent asthma, nasal polyps and eosinophilic esophagitis.**

POSITIVE DUPILUMAB TOPLINE RESULTS FROM PHASE 3 TRIAL IN UNCONTROLLED PERSISTENT ASTHMA

Sanofi and Regeneron announced that a pivotal Phase 3 study of dupilumab in a broad population of patients with uncontrolled, persistent asthma met its two primary endpoints. Dupilumab, when added to standard therapies, **reduced severe asthma attacks (exacerbations) and improved lung function.**

PROTEIN SCIENCES

A KEY ACQUISITION FOR SANOFI PASTEUR

On August 28, 2017, Sanofi completed the acquisition of Protein Sciences, a U.S. vaccines biotechnology company. This completion follows Federal Trade Commission approval, having met all the conditions required for the closing of the transaction.



David Loew, Sanofi Executive Vice President and Head of Sanofi Pasteur

“ THE ACQUISITION OF PROTEIN SCIENCES WILL ALLOW US TO BROADEN OUR FLU PORTFOLIO WITH THE ADDITION OF A NON-EGG BASED VACCINE. ”

The acquisition of Protein Sciences will help strengthen our leadership positions in the influenza vaccine market. Sanofi Pasteur is the world's largest manufacturer of influenza vaccines. In 2016, the company confirmed its leadership by completing a production of 200 million doses of seasonal influenza vaccine, which corresponds to approximately 40% of influenza vaccines distributed worldwide.

Under the terms of the agreement announced by Sanofi and Protein Sciences on July 11, 2017, Sanofi will make an upfront payment of \$650 million and pay up to \$100 million upon achievement of certain milestones.

FLUBLOK® QUADRIVALENT TO COMPLEMENT OUR INFLUENZA VACCINE PORTFOLIO

Through the acquisition, Sanofi Pasteur adds a promising product to its influenza vaccine portfolio: Flublok®, the only recombinant protein-based influenza vaccine approved by the U.S. Food and Drug Administration (FDA). In October 2016, Protein Sciences received approval from the FDA for the

quadrivalent version of Flublok® vaccine, indicated for adults 18 years and older.

AN INNOVATIVE INFLUENZA VACCINE

Protein Sciences has developed a technology using baculovirus (insect-specific virus, harmless to humans) as an expression vector for the production of recombinant proteins. This technology offers a production alternative to traditional egg-based influenza vaccines.

A STRATEGIC MILESTONE

The acquisition of Protein Sciences fits with Sanofi Pasteur's strategic initiative to explore non-egg-based influenza vaccine manufacturing technologies.

It is also consistent with our strategic ambition of expanding our presence in the respiratory vaccine market, and builds on the recently announced collaboration on an investigational respiratory syncytial virus monoclonal antibody.

VISIT TO AMBARÈS PRODUCTION SITE

BY THE SHAREHOLDERS COMMITTEE



On June 28, 2017, the Individual Shareholders Committee visited Sanofi's Ambarès production site, near Bordeaux, France. Ambarès is a major manufacturing and packaging facility specialized in two types of production: dry formulas (tablets, coated tablets, capsules) and injectables in the form of ampoules. The site manufactures some of Sanofi's key products in the areas of cardiovascular disease (Plavix®, Aprovel®), central nervous system (Tranxene®), epilepsy as well as consumer healthcare (Maxilase®, Magné B6®).

Opened in 1968, the facility is organized into three units:

- a dry forms unit dedicated to the manufacturing of large volumes, with high productivity through design of production flows,

- a dry forms unit for multiple products that uses a wide range of technologies,
- a sterile forms unit, with a production capacity of 32 million ampoules, using an aseptic filling technology.

With more than 700 people, Ambarès is one of the most important pharmaceutical sites in Aquitaine. It exports 90% of its production to both developed and emerging countries and regularly receives visits from these countries' health authorities which issue the required approvals for the production of drugs for their local markets.



THE COMMITTEE MEMBERS WERE IMPRESSED BY THE QUALITY OF THE PRODUCTION FACILITY AS WELL AS THE GREAT PROFESSIONALISM OF THE TEAMS.

SAVE THE DATE FOR SALON ACTIONARIA 2017



The Sanofi Investor Relations team will be happy to welcome you at the 20th edition of Actionaria, Europe's largest exhibition for individual shareholders:

On November 23 & 24, 2017
Palais des Congrès de Paris
2, Place de la Porte Maillot - 75017 Paris

Come and join us at Espace "Grandes Cap", Level 2 - stand E 78, from 1:00 pm to 10:00 pm CET on Thursday and from 9:30 am to 7:00 pm CET on Friday.

Our team will be on the stand to discuss the company's strategy, news and outlook. We will also answer your questions on the Sanofi share price trend, how to hold Sanofi shares and our communication tools for individual shareholders.

You will have access to our publications and the SANOFI IR mobile app on the stand.



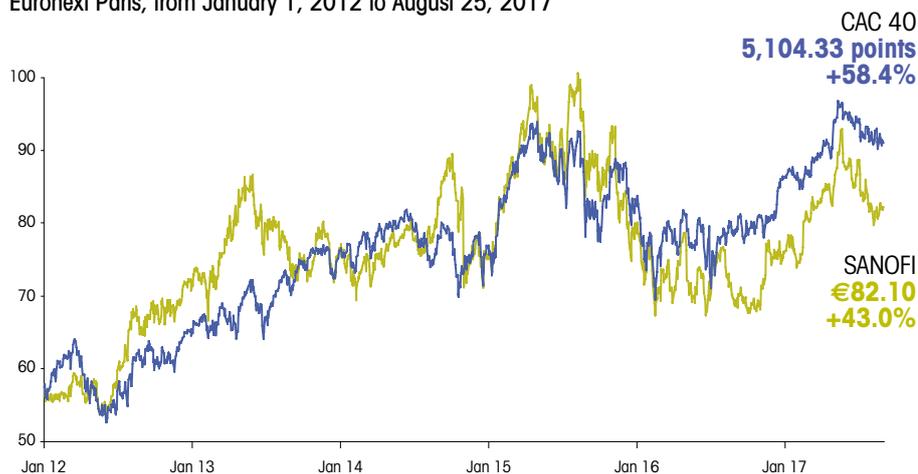
Request a free invitation:

- By calling:
+33 (0) 800 075 876
- Sending an e-mail to:
individualshareholders@sanofi.com
- Or visiting the Actionaria Website at:
www.actionaria.com

SHARE PERFORMANCE IN PARIS

SANOFI SHARE PRICE TREND OVER 5 YEARS

Euronext Paris, from January 1, 2012 to August 25, 2017



CAC 40 rebased on the Sanofi share price
Source: vwdgroup

On August 25, 2017, Sanofi had a market capitalization of more than €103bn.

UPCOMING SHAREHOLDER MEETINGS IN FRANCE

Every year, Sanofi participates in informational meetings organized in France by the F2iC (Fédération des Investisseurs Individuels et des Clubs d'Investissement) and the financial publications Le Revenu and Investir / Les Echos.



In the first half of 2017, Sanofi participated in four meetings to present Sanofi's business and news.

We warmly thank all shareholders for their participation in Lille, Nice, Versailles and Bordeaux.

Presentations of past events and invitations for future events are available on our Website at: www.sanofi.com/shareholders

In the second half of the year, we will come to meet you at three additional meetings:

- **September 19, 2017: Strasbourg**
- **October 2, 2017: Lyon**
- **December 14, 2017: Rouen**

CALENDAR

- **September 19, 2017:** Shareholder meeting in Strasbourg
- **October 2, 2017:** Shareholder meeting in Lyon
- **Novembre 23-24, 2017:** Salon Actionaria
- **December 14, 2017:** Shareholder meeting in Rouen

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)

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.

Photographs: p. 2: Marthe Lemelle, Denis FELIX - p.3: OJO Images/Getty Images - p. 4: Yuri Arcus/Getty Images - p.5: iStock by Getty Images, plainpicture/Kniel Synnatschke - p. 6: Vincent Moncorgé/Sanofi Pasteur - p. 7: Sanofi, Franck Parisot

Design/production: SEITOSEI
Status: September 18, 2017

