



Q3 2014 RESULTS

October 28, 2014

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, 2013. Other than as required by applicable law, Sanofi does not undertake any obligation to update or revise any forward-looking information or statements.

Agenda

Key Highlights

- Christopher A. Viehbacher, *Chief Executive Officer*

Financial Performance

- Jérôme Contamine, *Executive Vice President, Chief Financial Officer*

Conclusion

- Christopher A. Viehbacher, *Chief Executive Officer*

Q&A

KEY HIGHLIGHTS

Christopher A. Viehbacher

Chief Executive Officer

Sanofi Delivered Another Solid Quarter in Q3 2014

1

Solid financial performance

- Net sales up +5.1% at CER⁽¹⁾
- Business EPS up +10.3% at CER⁽¹⁾
- Free Cash Flow up +15.8% in 9M 2014

2

Strong performance of Growth Platforms

- 78.1% of Group sales and up +10.0% at CER despite more challenging U.S. diabetes market dynamics
- Vaccines sales returned to growth
- Animal Health sales grew double digit

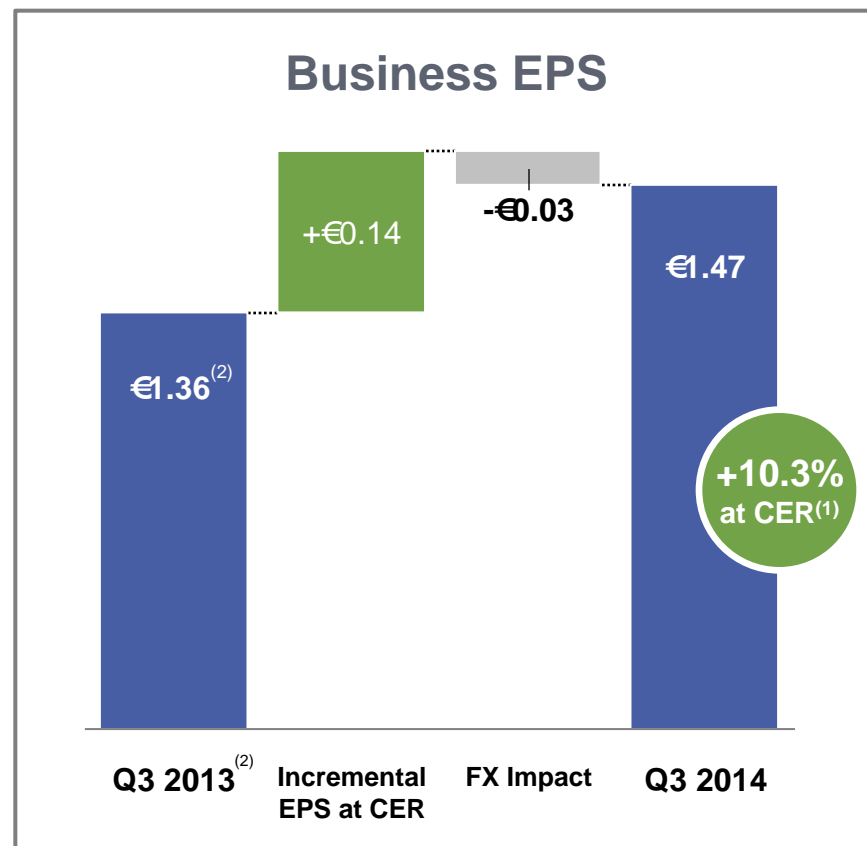
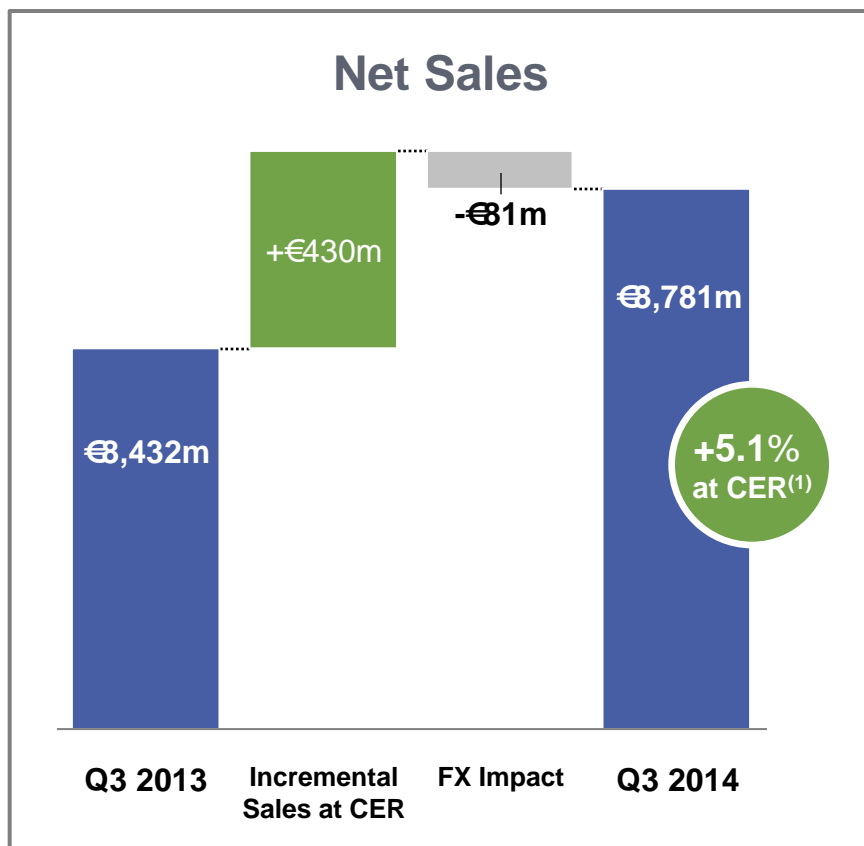
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Bringing new medicines to market

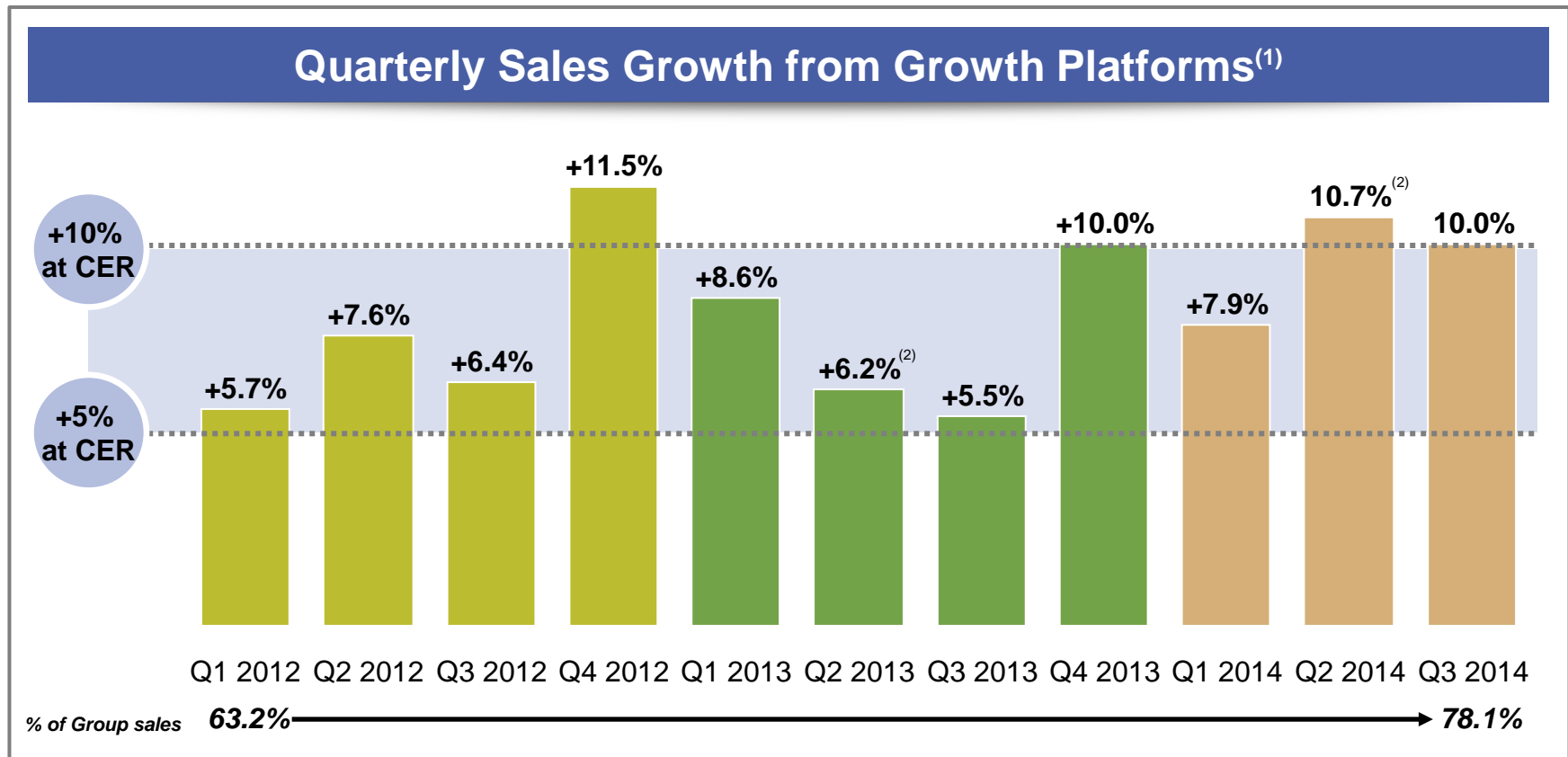
- Global licensing agreement for Afrezza®
- U.S. approval of Cerdelga™ for Gaucher disease
- Major positive Phase III readouts on alirocumab and Dengue vaccine
- Start of Phase III with dupilumab in Atopic Dermatitis










Successful Growth Strategy Continues to Deliver Solid Top and Bottom Line Growth in Q3 2014



Consistent Strong Sales Performance of Growth Platforms Demonstrates the Sustainability of our Business Model



Growth Platforms Grew +10.0%⁽¹⁾ in Q3 2014 Now Representing As Much As 78.1% of Sales

	Q3 2014 Sales & Growth at CER		9M 2014 Sales & Growth at CER	
 Emerging Markets⁽²⁾	€2,776m	+7.6%	€3,221m	+9.9%
 Diabetes Solutions	€1,799m	+8.3%	€5,249m	+12.5%
 Vaccines	€1,451m	+11.2%	€2,797m	+4.1%
 Consumer Healthcare⁽³⁾	€819m	+12.9%	€2,520m	+17.3%
 Genzyme⁽⁴⁾	€649m	+24.6%	€1,858m	+25.1%
 Animal Health	€515m	+12.7%	€1,569m	+5.3%
 Other Innovative Products⁽⁵⁾	€227m	+18.0%	€606m	+17.9%

(1) Excluding Generics in Brazil, Growth Platforms grew +9.1% in 9M 2014 at CER

(2) Excluding Generics in Brazil, Emerging Markets grew +6.1% in 9M 2014 at CER

(3) Some products recorded in prescription pharmaceuticals in 2013 were transferred as Consumer Healthcare products and totaled €64m in Q3 2013 and €205m in 9M 2014. When including this category change, sales of Consumer Healthcare grew +4.0% in Q3 2014 and +7.6% in 9M 2014 at CER

(4) Genzyme perimeter includes Rare Diseases and Multiple Sclerosis franchises

(5) Includes products launched since 2009 which do not belong to the Growth Platforms listed above: Multaq®, Jevtana®, Auvi-Q™, Mozobil® and Zaltrap®

Strong U.S. Formulary Access Secured in Q3 2014 in an Increasingly Competitive Pricing Environment

- Lantus® sales up +8.1% at CER
 - Up +9.5% in Western Europe and +19.7% in Emerging Markets at CER
 - U.S. growth of +5.8% at CER reflecting increasing competitive pressure at the payor level and impact of the Affordable Care Act
- Favorable Lantus® formulary positions secured in recent U.S. payor negotiations
 - Significant increase of rebates due to aggressive discounting by competition
 - >90% unrestricted coverage in commercial and non-commercial channels
- Sanofi total diabetes sales expected to be broadly stable in 2015

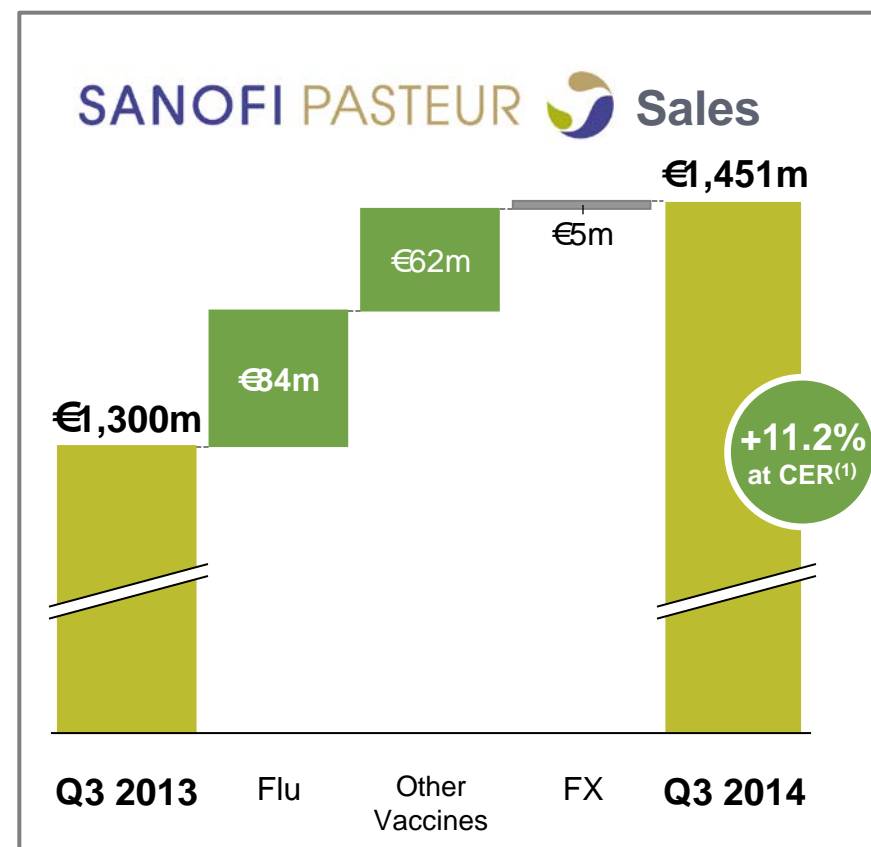


Regulatory decisions for Toujeo® expected in H1 2015 in the U.S. & EU



Strong Performance of Sanofi Pasteur in Q3 2014 in Line with Expectations

- Strong Flu vaccines sales up +15.0% at CER driven by successful differentiation strategy in the U.S.
- Other vaccines sales up +8.4% at CER given recovery in Pentacel® sales due to improved supply
- Several R&D milestones achieved:
 - Successful completion of Phase III program for first ever Dengue vaccine
 - Submission of PR5i in the U.S.⁽¹⁾
 - Phase III start with Shantha's investigational Rotavirus vaccine



Genzyme's Aubagio® Continues to See Expanded Use

- Continued solid sales ramp up of once-daily Aubagio®
- Results from 2 Phase III studies added to U.S. label of Aubagio®
 - Only oral treatment to significantly slow progression of disability in 2 Phase III in RMS (TEMPO and TOWER) and to have positive data on early MS (TOPIC) in its label
- Label expansion in EU expected in Q4 2014 following positive CHMP opinion in Sep 2014 (TOWER and TOPIC)

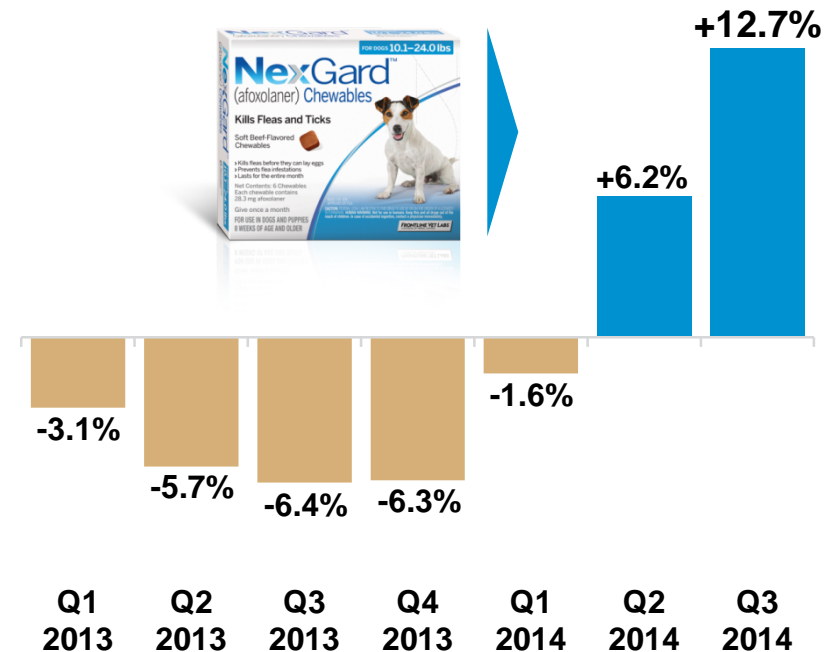


U.S. regulatory decision for Lemtrada™ expected in Q4 2014

Merial Delivers Strong Growth in Q3 2014

- Strong sales up +12.7% at CER
 - Double digit growth in Companion as well as Production Animals
- Successful launch of NexGard™
 - New soft, beef-flavored chew treating fleas and ticks for dogs with sales of €85m in 9M 2014
- Solid performance of Heartgard® and pet vaccines in Q3 2014

Merial Sales Growth at CER



Significant Progress in Q3 2014 in Advancing New Medicines and Vaccines Closer to Launch

alirocumab - Hypercholesterolemia

- 9 positive Phase III top-line readouts announced in Q3 2014
- Priority review voucher in the U.S.
- U.S. and EU regulatory submissions expected by end of 2014

Dengue Vaccine

- Positive 2nd Phase III results in LatAm released in September 2014
- Regulatory submissions in priority countries expected as of Q1 2015

R&D

Cerdelga™ (eliglustat) capsules

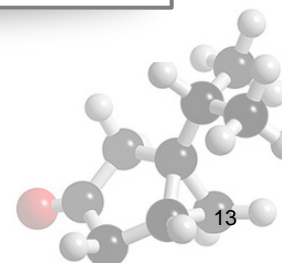


- Gaucher Disease

- FDA approval granted in August 2014 and U.S. launch underway
- CHMP opinion expected in Q4 2014

DUPILUMAB - AD / NP / Asthma

- Start of Phase III in AD in late Q3 2014
- Positive PoC top-line results in Nasal Polyposis announced in Q3 2014
- Phase IIb headline results in Moderate to Severe Asthma expected in Q4 2014



Global Licensing Agreement with Mannkind for Afrezza® in Q3 2014 Expands Diabetes Portfolio



- Afrezza® has the potential to address resistance to insulin initiation and insulin intensification, a major problem in the suboptimal treatment of diabetes
- PK profile of Afrezza®, a rapid-acting inhaled insulin, can simulate the natural prandial insulin response
- Inhaler is an innovative, unique and patient friendly device that helps patients overcome many of the barriers to insulin treatment
- Launch of Afrezza® in the U.S. is expected in Q1 2015

Innovation Momentum Set to Continue in Q4 2014

	2014	
Expected Regulatory Decisions	Q3	Q4
• Cerdelga™ (eliglustat) in Gaucher disease (U.S.)	<input checked="" type="checkbox"/>	
• Lemtrada™ (alemtuzumab) in Multiple Sclerosis (U.S.)		<input type="checkbox"/>
• Cerdelga™ (eliglustat) in Gaucher disease (EU)		<input type="checkbox"/>
• Fluzone® QIV Intradermal (U.S.)		<input type="checkbox"/>
Expected Regulatory Submissions	Q3	Q4
• PR5i 6-in-1 pediatric vaccine (U.S.)	<input checked="" type="checkbox"/>	
• Alirocumab in Hypercholesterolemia (U.S. & EU)		<input type="checkbox"/>
Expected Headline Phase III Data Releases	Q3	Q4
• Alirocumab in Hypercholesterolemia (9 ODYSSEY trials)	<input checked="" type="checkbox"/>	
• Dengue vaccine 2 nd Phase III trial in Latin America	<input checked="" type="checkbox"/>	
Expected Phase III Starts	Q3	Q4
• Dupilumab in Atopic Dermatitis	<input checked="" type="checkbox"/>	
• Rotavirus vaccine		<input checked="" type="checkbox"/>
• Insulin lispro in Diabetes		<input type="checkbox"/>

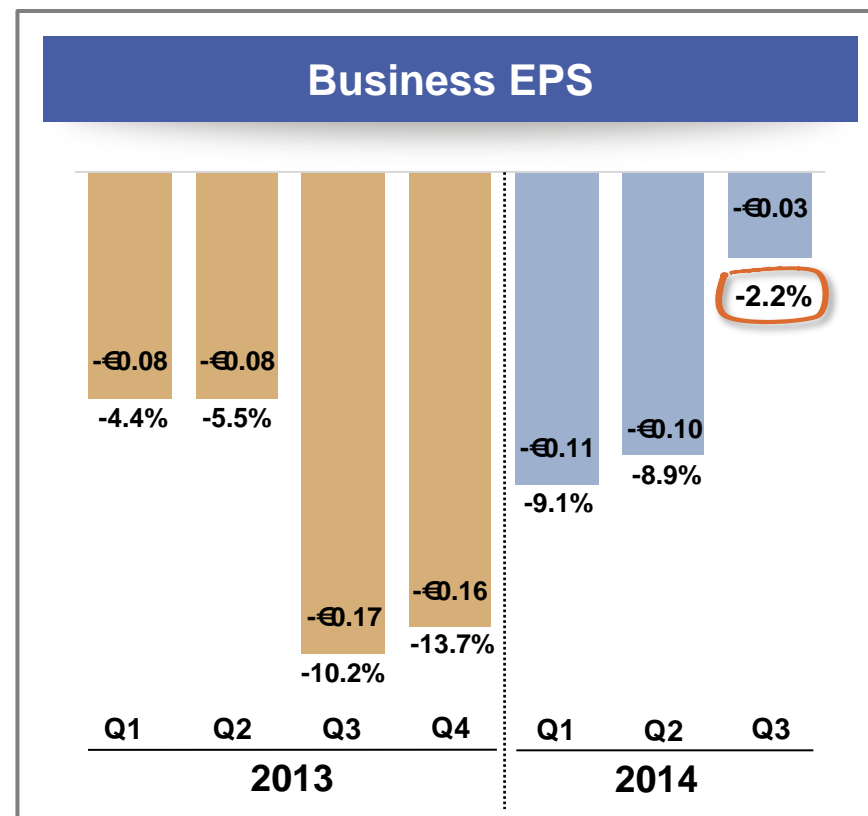
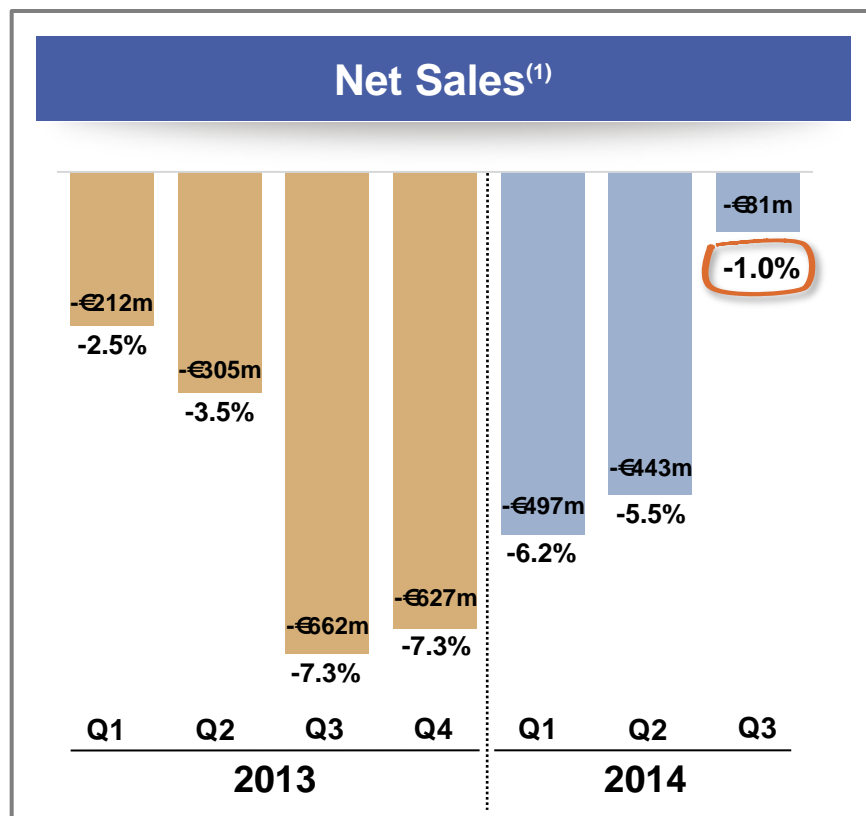
FINANCIAL PERFORMANCE

Jérôme Contamine

Executive Vice President, Chief Financial Officer

Limited FX Impact in Q3 2014 Given Strengthening of U.S. Dollar

Quarterly Currency Impact



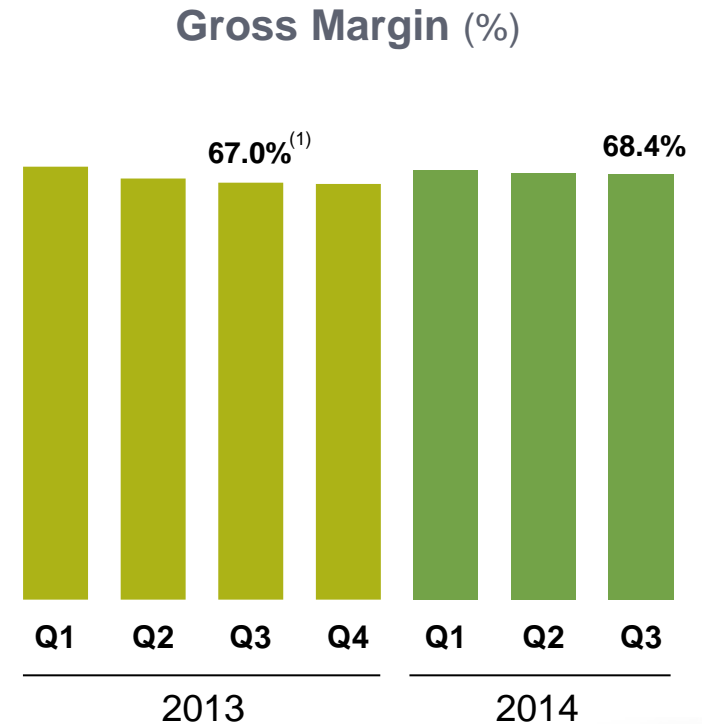
Assuming September 2014 exchange rates remain stable in Q4 2014, the foreign currency impact on Q4 2014 business EPS is expected to turn positive⁽²⁾

BOI Increased Faster than Sales Again in Q3 2014

€m	Q3 2014	Q3 2013 ⁽¹⁾	% Change (reported €)	% Change (CER)
Net sales	8,781	8,432	+4.1%	+5.1%
Other revenues	87	86	+1.2%	-
Cost of sales	(2,864)	(2,870)	-0.2%	+0.7%
Gross profit	6,004	5,648	+6.3%	+7.3%
R&D	(1 146)	(1,182)	-3.0%	-2.6%
SG&A	(2,193)	(2,012)	+9.0%	+10.0%
Other current operating income & expenses	39 ⁽²⁾	28	-	-
Share of Profit/Loss of associates	43	38	-	-
Minority interests	(31)	(36)	-	-
Business operating income	2,716	2,484	+9.3%	+11.0%
<i>Business operating margin</i>	30.9%	29.5%		

Improvement in Gross Margin in Q3 2014 vs. Q3 2013

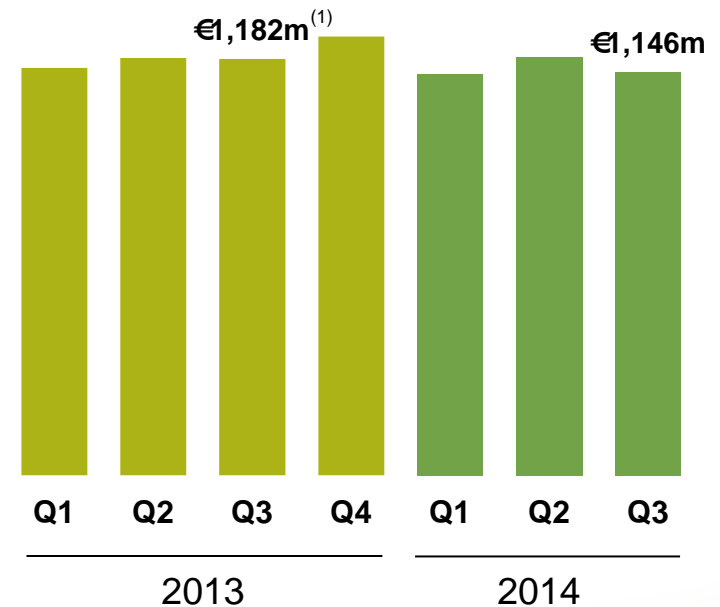
- Stable Cost of Sales (CoS) of €2,864m in Q3 2014 (+0.7% at CER)
- Gross margin up 1.4 percentage point in Q3 2014 vs. Q3 2013
 - Recovery from Sanofi Pasteur manufacturing issues in Toronto
 - Improved industrial performance of Genzyme and Aubagio® sales
 - Positive mix effects in the U.S. and China



R&D Expenses Slightly Decreased in Q3 2014

- Q3 2014 R&D expenses of €1,146m, down -2.6% at CER reflecting:
 - Lower expenses in Oncology
 - Completion of EDITION program with Toujeo® in Diabetes
 - More than offsetting higher spend on dupilumab clinical development

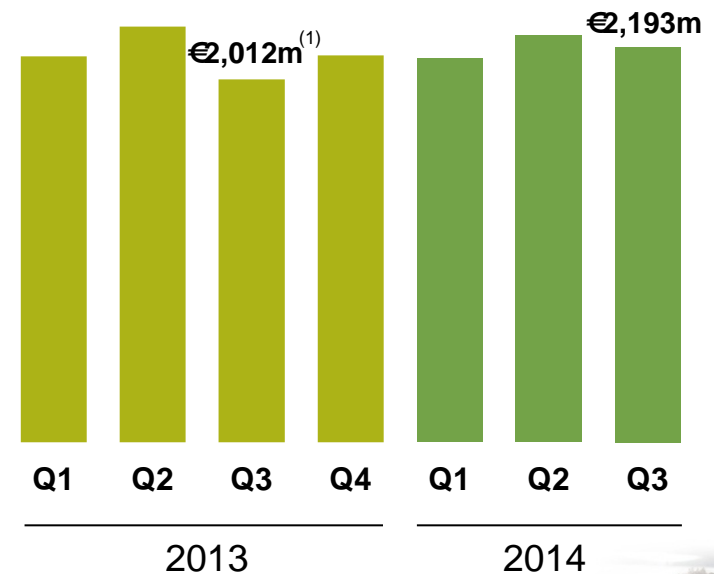
R&D Expenses (€m)



Higher SG&A to Sales Ratio in Q3 2014 vs. Q3 2013

- Q3 2014 SG&A expenses of €2,193m, up +10.0% at CER
- SG&A increase driven by:
 - Rebound from a low base for commercial activities in China
 - Higher A&P spend in the U.S. on NexGard™ and Frontline®
 - Genzyme launch investments in MS and Rare Diseases
 - Higher global pre-marketing costs

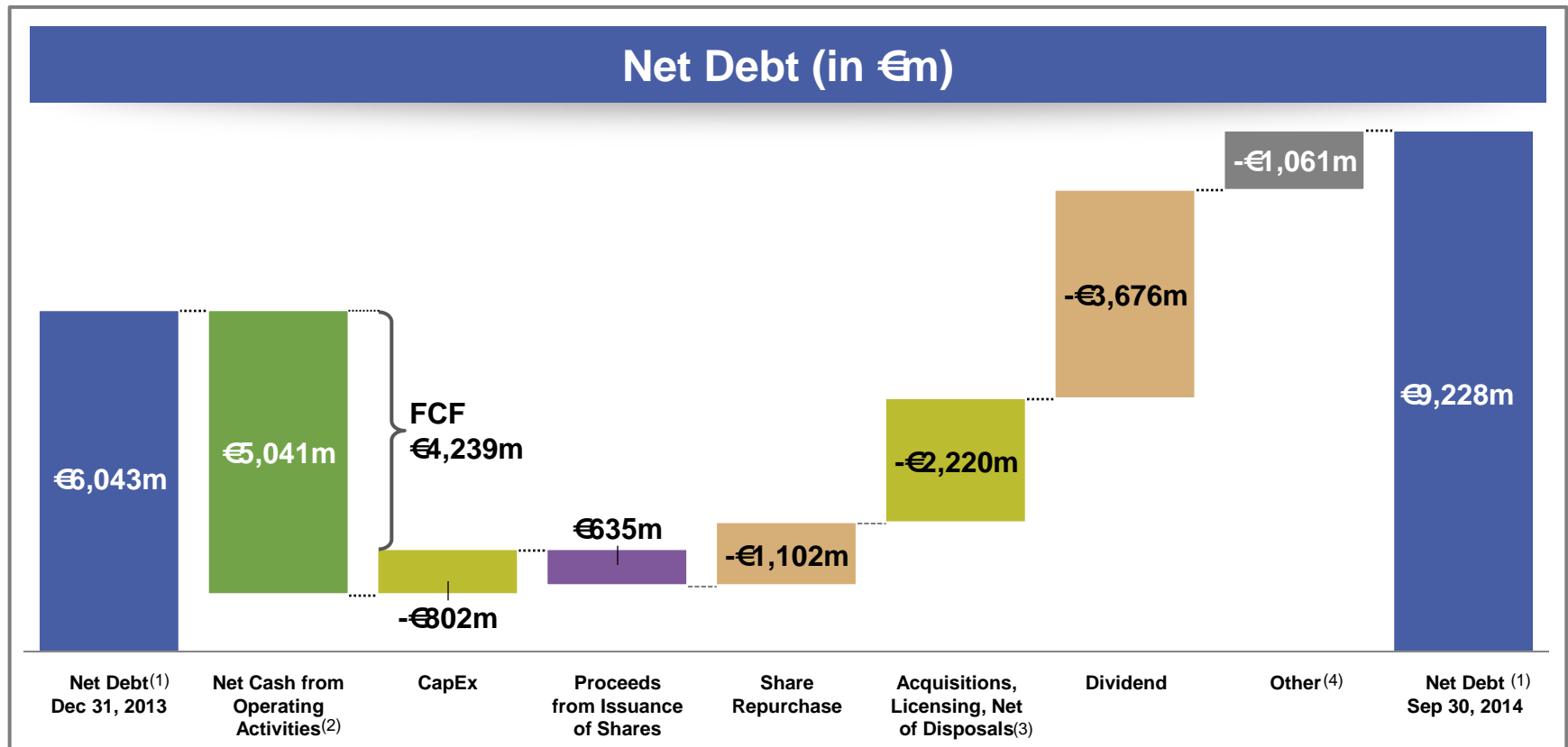
SG&A Expenses (€m)



Strong Business EPS Growth of +10.3% in Q3 2014

€m	Q3 2014	Q3 2013 ⁽¹⁾	% Change (reported €)	% Change (CER)
Business operating income	2,716	2,484	+9.3%	+11.0%
Net financial expenses	(139)	(123)	+13.0%	+15.4%
Income tax expense	(642)	(566)	+13.4%	+15.0%
<i>Effective tax rate</i>	-25.0%	-24.0%	-	-
Business net income	1,935	1,795	+7.8%	+9.4%
<i>Net margin</i>	22.0%	21.3%		
Business EPS	€1.47	€1.36	+8.1%	+10.3%
Average number of shares outstanding (m)	1,313.0	1,323.5	-	-

Free Cash Flow (FCF) Increased by 15.8% in 9M 2014



FCF: Free Cash Flow

(1) Including derivatives related to the financial debt +€290m at December 31st 2013 and +€323m at September 30th 2014

(2) Excluding Restructuring costs

(3) Including €1,492m in Regeneron and €535m in Alnylam

(4) Other including Restructuring costs

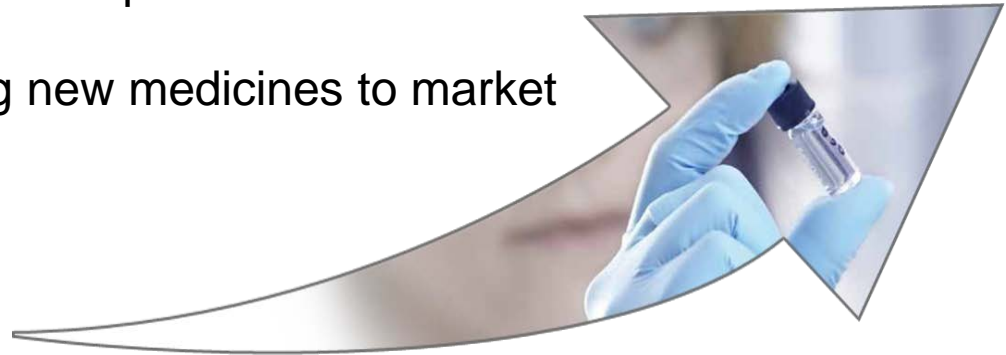
CONCLUSION

Christopher A. Viehbacher

Chief Executive Officer

Solid Performance in 9M 2014 Reflects Consistent Execution of our Growth Strategy

- ✓ Solid sales and business EPS growth in Q3 2014
- ✓ Growth platforms up +10.0% at CER and accounting for 78.1% of sales despite tougher U.S. diabetes market dynamics
- ✓ Business EPS guidance for 2014 reconfirmed given solid performance year to date and strong base for comparison in Q4⁽¹⁾
- ✓ Significant advances in bringing new medicines to market



IR Thematic Seminar on New Medicines and Vaccines on Nov 20th

APPENDICES

R&D Pipeline

Late Stage Pipeline – Pharma & Vaccines

Phase III

LixiLan lixisenatide + insulin glargine Fixed-Ratio / Type 2 diabetes	alirocumab N Anti-PCSK-9 mAb Hypercholesterolemia	Dengue Mild-to-severe dengue fever vaccine
Lyxumia® (lixisenatide) N GLP-1 agonist Type 2 diabetes, U.S.	Kynamro® (mipomersen) Apolipoprotein B-100 antisense Severe HeFH, U.S.	Clostridium difficile Toxoid vaccine
sarilumab N Anti-IL-6R mAb Rheumatoid arthritis	Jevtana® (cabazitaxel) Metastatic prostate cancer (1L)	Rotavirus Live attenuated tetravalent Rotavirus oral vaccine
dupilumab N Anti-IL4Rα mAb Atopic dermatitis	SYNVISCO-ONE® Medical device Pain in hip OA	VaxiGrip® QIV IM Quadrivalent inactivated influenza vaccine
patisiran N mRNA inhibitor Familial amyloid polyneuropathy		

Registration

Toujeo® (U300) N Insulin glargine Type 1+2 diabetes, U.S., EU
Lemtrada™ (alemtuzumab) Anti-CD52 mAb Multiple sclerosis, U.S.
Cerdelga™ (eliglustat tartrate) N Glucosylceramide synthetase inhibitor Gaucher disease, EU
PR5i DTP-HepB-Polio-Hib Pediatric hexavalent vaccine, U.S.
Fluzone® QIV ID Quadrivalent inactivated influenza vaccine intradermal
Quadracel® Diphtheria, tetanus, pertussis & polio vaccine; 4-6 y of age

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

dupilumab Anti-IL4Rα mAb Asthma; Nasal polyposis	SAR391786 N Anti-GDF8 mAb Sarcopenia	Rabies VRVg Purified vero rabies vaccine
valetizumab N Anti-VLA 2 mAb Multiple sclerosis	SAR650984 N Anti-CD38 naked mAb Multiple myeloma	Meningitis ACYW conj. 2 nd generation meningococcal conjugate infant vaccine
SAR156597 N IL4/IL13 Bi-specific mAb Idiopathic pulmonary fibrosis	SAR3419 N Maytansin-loaded anti-CD19 mAb B-cell refractory/relapsed malignancies	Tuberculosis Recombinant subunit vaccine
SAR438714 (ALN-TTRsc) N RNAi Familial amyloid cardiomyopathy	Combination N SAR245409 (XL765) / MSC1936369B Oral dual inhibitor of PI3K & mTOR / pimasertib Ovarian cancer	
sarilumab Anti-IL-6R mAb Uveitis	Combination N ferroquine / OZ439 Antimalarial Malaria	
fresolimumab N TGFβ antagonist Focal segmental glomerulosclerosis		

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

SAR405838 (MI-773) HDM2 / p53 antagonist Solid tumors	N	SAR408701 Anti-CEACAM5 ADC Solid tumors	N	GZ402663 (sFLT-01) Gene therapy Age-related macular degeneration (AMD)	N	Streptococcus pneumonia Meningitis & pneumonia vaccine
SAR566658 Maytansin-loaded anti-CA6 mAb Solid tumors	N	SAR113244 Anti-CXCR5 mAb Systemic lupus erythematosus	N	StarGen® Gene therapy Stargardt disease	N	Herpes Simplex Virus Type 2 HSV-2 vaccine
SAR125844 C-MET kinase inhibitor Solid tumors	N	SAR252067 Anti-LIGHT mAb Crohn's disease	N	UshStat® Gene therapy Usher syndrome 1B	N	
SAR260301 PI3K β selective inhibitor PTEN – Deficient tumors	N	SAR228810 Anti-protofibrillar AB mAb Alzheimer's disease	N	GZ402665 (rhASM) Niemann-Pick type B	N	
SAR307746 Anti-ANG2 mAb Solid tumors	N	SAR425899 GLP-1 / GCGR agonist Diabetes	N	GZ402671 Oral GCS Inhibitor Fabry Disease	N	
SAR245408 (XL147) Oral PI3K inhibitor Solid tumors	N	SAR342434 Insulin Lispro Diabetes		GZ402666 neo GAA Pompe Disease	N	
Combination SAR405838 / MSC1936369B Solid tumors		SAR438584 (REGN2222) anti-RSV-F protein mAb Respiratory syncytial virus	N			

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⁽¹⁾

	Phase I	Phase II	Phase III	Registration	TOTAL
Oncology	7	3	0	0	10
Diabetes Solutions	1	0	1	1	3
Cardiovascular / Renal Diseases	0	1	1	0	2
Immune Mediated Diseases	2	2	2	0	6
Infectious Diseases	1	1	0	0	2
Ophthalmology	3	0	0	0	3
Rare Diseases	3	1	1	1	6
Age Related Degenerative Diseases	1	1	0	0	2
Vaccines	2	3	4	3	12
TOTAL	20	12	9	5	

34

32

14

46

NMEs & Vaccines

Expected R&D Milestones in Q4 2014 / H1 2015

Product	Event	Timing
Dupilumab (anti-IL4R α mAb)	Start of Phase III trial in Atopic Dermatitis	Q3 2014
Rotavirus vaccine	Start of Phase III trial	Q4 2014
New Insulin Lispro (SAR342434)	Expected start of Phase III trial in Diabetes	Q4 2014
Lemtrada™ (alemtuzumab)	Expected U.S. regulatory decision in Multiple Sclerosis	Q4 2014
Cerdelga™ (eliglustat tartrate)	Expected EU regulatory decision in Gaucher disease	Q4 2014
Alirocumab (anti-PCSK9 mAb)	Expected U.S. and EU regulatory submissions in Hypercholesterolemia	Q4 2014
Fluzone® QIV ID	Expected U.S. regulatory decision	Q4 2014
Fluzone® High Dose	Expected U.S. label upgrade	Q4 2014
Dupilumab (anti-IL4R α mAb)	Expected Phase IIb top-line results in Asthma	Q4 2014
Dengue vaccine	Expected regulatory submission in priority countries	Q1 2015
PR5i (DTP-HepB-Polio-Hib)	Expected EU regulatory submission	Q1 2015
Quadracel®	Expected U.S. regulatory decision	Q1 2015
Toujeo® (U300)	Expected U.S. regulatory decisions in Diabetes	Q1 2015
Toujeo® (U300)	Expected EU regulatory decisions in Diabetes	Q2 2015
Lyxumia® (lixisenatide)	Expected ELIXA CV outcome trial top-line results	Q2 2015

APPENDICES

FINANCE

Business Net Income Statement

Third quarter 2014				Group Total			Pharmaceuticals			Vaccines			Animal Health			Others	
€million	Q3 2014	Q3 2013 ⁽¹⁾	Change	Q3 2014	Q3 2013 ⁽¹⁾	Change	Q3 2014	Q3 2013 ⁽¹⁾	Change	Q3 2014	Q3 2013 ⁽¹⁾	Change	Q3 2014	Q3 2013 ⁽¹⁾	Change	Q3 2014	Q3 2013 ⁽¹⁾
Net sales	8,781	8,432	4.1%	6,815	6,674	2.1%	1,451	1,300	11.6%	515	458	12.4%	-	-		-	-
Other revenues	87	86	1.2%	69	69	-	9	9	-	9	8	12.5%	-	-		-	-
Cost of sales	(2,864)	(2,870)	(0.2%)	(2,036)	(2,133)	(4.5%)	(629)	(580)	8.4%	(199)	(157)	26.8%	-	-		-	-
As % of net sales	(32.6%)	(34.0%)		(29.9%)	(32.0%)		(43.3%)	(44.6%)		(38.6%)	(34.2%)						
Gross profit	6,004	5,648	6.3%	4,848	4,610	5.2%	831	729	14.0%	325	309	5.2%	-	-		-	-
As % of net sales	68.4%	67.0%		71.1%	69.1%		57.3%	56.1%		63.1%	67.5%						
Research and development expenses	(1,146)	(1,182)	(3.0%)	(987)	(1,011)	(2.4%)	(121)	(133)	(9.0%)	(38)	(38)	-	-	-		-	-
As % of net sales	(13.1%)	(14.0%)		(14.5%)	(15.1%)		(8.3%)	(10.2%)		(7.4%)	(8.3%)						
Selling and general expenses	(2,193)	(2,012)	9.0%	(1,859)	(1,706)	9.0%	(170)	(154)	10.4%	(164)	(152)	7.9%	-	-		-	-
As % of net sales	(25.0%)	(23.9%)		(27.3%)	(25.6%)		(11.7%)	(11.8%)		(31.8%)	(33.2%)						
Other current operating income/expenses	39	28		57	33		2	(1)		1	(1)		(21)	(3)			
Share of profit/loss of associates* and joint ventures	43	38		22	3		21	36		-	(1)		-	-		-	-
Net income attributable to non-controlling interests	(31)	(36)		(31)	(37)		-	1		-	-		-	-		-	-
Business operating income	2,716	2,484	9.3%	2,050	1,892	8.4%	563	478	17.8%	124	117	6.0%	(21)	(3)			
As % of net sales	30.9%	29.5%		30.1%	28.3%		38.8%	36.8%		24.1%	25.5%						
Financial income and expenses	(139)	(123)															
Income tax expense	(642)	(566)															
Tax rate**	25.0%	24.0%															
Business net income	1,935	1,795	7.8%														
As % of net sales	22.0%	21.3%															
Business earnings per share*** (in euros)	1.47	1.36	8.1%														

* Net of tax.

** Determined on the basis of Business income before tax, associates and non-controlling interests.

*** Based on an average number of shares outstanding of 1,313.0 million in the third quarter of 2014 and 1,323.5 million in the third quarter of 2013.

(1) Including impact of transition to IFRIC 21.

Business Net Income Statement

Nine months 2014				Group Total			Pharmaceuticals			Vaccines			Animal Health			Others	
€million	9M 2014	9M 2013 ⁽¹⁾	Change	9M 2014	9M 2013 ⁽¹⁾	Change	9M 2014	9M 2013 ⁽¹⁾	Change	9M 2014	9M 2013 ⁽¹⁾	Change	9M 2014	9M 2013 ⁽¹⁾	Change	9M 2014	9M 2013 ⁽¹⁾
Net sales	24,698	24,494	0.8%	20,332	20,196	0.7%	2,797	2,757	1.5%	1,569	1,541	1.8%	-	-		-	-
Other revenues	241	267	(9.7%)	195	224	(12.9%)	23	21	9.5%	23	22	4.5%	-	-		-	-
Cost of sales	(7,988)	(8,085)	(1.2%)	(6,082)	(6,307)	(3.6%)	(1,329)	(1,275)	4.2%	(577)	(503)	14.7%	-	-		-	-
As % of net sales	(32.4%)	(33.0%)		(29.9%)	(31.2%)		(47.5%)	(46.3%)		(36.8%)	(32.6%)						
Gross profit	16,951	16,676	1.6%	14,445	14,113	2.4%	1,491	1,503	(0.8%)	1,015	1,060	(4.2%)	-	-		-	-
As % of net sales	68.6%	68.1%		71.0%	69.9%		53.3%	54.5%		64.7%	68.8%						
Research and development expenses	(3,473)	(3,524)	(1.4%)	(3,012)	(3,019)	(0.2%)	(351)	(382)	(8.1%)	(110)	(123)	(10.6%)	-	-		-	-
As % of net sales	(14.1%)	(14.4%)		(14.8%)	(14.9%)		(12.5%)	(13.9%)		(7.0%)	(8.0%)						
Selling and general expenses	(6,526)	(6,458)	1.1%	(5,580)	(5,507)	1.3%	(441)	(455)	(3.1%)	(505)	(496)	1.8%	-	-		-	-
As % of net sales	(26.4%)	(26.4%)		(27.4%)	(27.3%)		(15.8%)	(16.5%)		(32.2%)	(32.2%)						
Other current operating income/expenses	68	198		76	163		3	6		18	(2)		(29)	31			
Share of profit/loss of associates* and joint ventures	82	59		55	30		27	32		-	(3)		-	-		-	-
Net income attributable to non-controlling interests	(96)	(122)		(96)	(123)		-	1		-	-		-	-		-	-
Business operating income	7,006	6,829	2.6%	5,888	5,657	4.1%	729	705	3.4%	418	436	(4.1%)	(29)	31			
As % of net sales	28.4%	27.9%		29.0%	28.0%		26.1%	25.6%		26.6%	28.3%						
Financial income and expenses	(309)	(400)															
Income tax expense	(1,678)	(1,557)															
Tax rate**	25.0%	24.0%															
Business net income	5,019	4,872	3.0%														
As % of net sales	20.3%	19.9%															
Business earnings per share*** (in euros)	3.81	3.68	3.5%														

* Net of tax.

** Determined on the basis of Business income before tax, associates and non-controlling interests.

*** Based on an average number of shares outstanding of 1,315.8 million in the first nine months of 2014 and 1,323.8 million in the first nine months of 2013.

(1) Including impact of transition to IFRIC 21

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

€million	Q3 2014	Q3 2013 ⁽¹⁾	Change
Business net income	1,935	1,795	7.8%
Amortization of intangible assets ⁽²⁾	(561)	(689)	
Impairment of intangible assets	(35)	(28)	
Fair value remeasurement of contingent consideration liabilities	(45)	(68)	
Expenses arising from the impact of acquisitions on inventories	-	(1)	
Restructuring costs	(163)	(71)	
Additional year expense related to US Branded Prescription Drug Fee ⁽³⁾	(116)	-	
Tax effect of items listed above:	261	289	
<i>Amortization of intangible assets</i>	188	233	
<i>Impairment of intangible assets</i>	13	9	
<i>Fair value remeasurement of contingent consideration liabilities</i>	5	23	
<i>Expenses arising from the impact of acquisitions on inventories</i>	-	-	
<i>Restructuring costs</i>	55	24	
Other tax items	-	-	
Share of items listed above attributable to non-controlling interests	-	1	
Restructuring costs of associates and joint ventures, and expenses arising from the impact of acquisitions on associates and joint ventures	(86)	(9)	
Net income attributable to equity holders of Sanofi	1,190	1,219	(2.4%)
Consolidated earnings per share⁽⁴⁾ (in euros)	0.91	0.92	

(1) Including impact of transition to IFRIC 21

(2) Of which related to amortization expense generated by the remeasurement of intangible assets as part of business combinations: €540 million in the third quarter of 2014 and €658 million in the third quarter of 2013.

(3) Annual fee related to 2013 sales in the U.S. following the final IRS regulation issued in July 2014 that has changed the timing of liability recognition and leads to a one-time "double" expense in the year of 2014.

(4) Based on an average number of shares outstanding of 1,313.0 million in the third quarter of 2014 and 1,323.5 in the third quarter of 2013.

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

€million	9M 2014	9M 2013 ⁽¹⁾	Change
Business net income	5,019	4,872	3.0%
Amortization of intangible assets ⁽²⁾	(1,862)	(2,232)	
Impairment of intangible assets	(109)	(468)	
Fair value remeasurement of contingent consideration liabilities	(177)	(185)	
Expenses arising from the impact of acquisitions on inventories	-	(7)	
Restructuring costs	(298)	(230)	
Other gains and losses, and litigation ⁽³⁾	35	-	
Additional year expense related to US Branded Prescription Drug Fee ⁽⁴⁾	(116)	-	
Tax effect of items listed above:	783	1,038	
<i>Amortization of intangible assets</i>	639	723	
<i>Impairment of intangible assets</i>	39	189	
<i>Fair value remeasurement of contingent consideration liabilities</i>	19	43	
<i>Expenses arising from the impact of acquisitions on inventories</i>	-	2	
<i>Other gains and losses, and litigation</i>	(13)	-	
<i>Restructuring costs</i>	99	81	
Other tax items ⁽⁵⁾	(110)	(109)	
Share of items listed above attributable to non-controlling interests	4	3	
Restructuring costs of associates and joint ventures, and expenses arising from the impact of acquisitions on associates and joint ventures	(118)	(26)	
Net income attributable to equity holders of Sanofi	3,051	2,656	14.9%
Consolidated earnings per share⁽⁶⁾ (in euros)	2.32	2.01	

(1) Including impact of transition to IFRIC 21.

(2) Of which related to amortization expense generated by the remeasurement of intangible assets as part of business combinations: €1,798 million in the first nine months of 2014 and €2,147 million in the first nine months of 2013.

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

(4) Annual fee related to 2013 sales following the final IRS regulation issued in July 2014 that has changed the timing of liability recognition and leads to a one-time "double" expense in the year of 2014.

(5) Tax on dividends paid to shareholders of Sanofi.

(6) Based on an average number of shares outstanding of 1,315.8 million in the first nine months of 2014 and 1,323.8 million in the first nine months of 2013.

Consolidated Income Statements

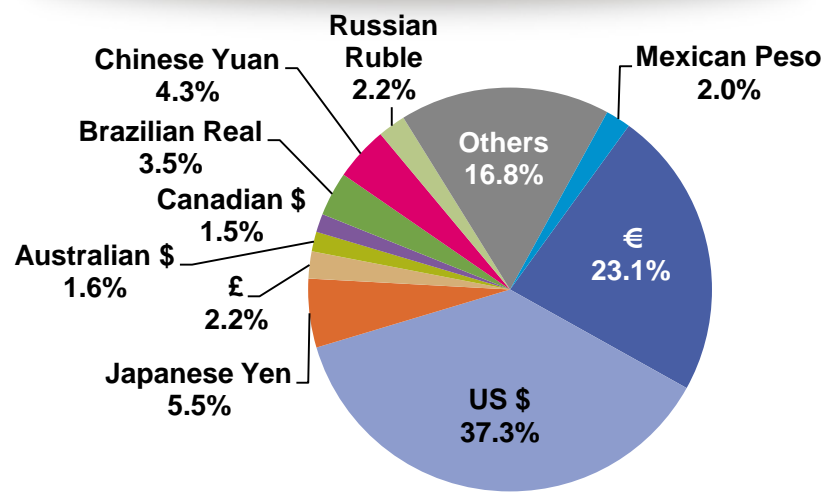
€million	Q3 2014	Q3 2013 ⁽¹⁾	9M 2014	9M 2013 ⁽¹⁾
Net sales	8,781	8,432	24,698	24,494
Other revenues	87	86	241	267
Cost of sales	(2,864)	(2,871)	(7,988)	(8,092)
Gross profit	6,004	5,647	16,951	16,669
Research and development expenses	(1,146)	(1,182)	(3,473)	(3,524)
Selling and general expenses	(2,309)	(2,012)	(6,642)	(6,458)
Other operating income	47	56	163	403
Other operating expenses	(8)	(28)	(95)	(205)
Amortization of intangible assets	(561)	(689)	(1,862)	(2,232)
Impairment of intangible assets	(35)	(28)	(109)	(468)
Fair value remeasurement of contingent consideration liabilities	(45)	(68)	(177)	(185)
Restructuring costs	(163)	(71)	(298)	(230)
Operating income	1,784	1,625	4,458	3,770
Financial expenses	(154)	(147)	(446)	(458)
Financial income	15	24	172	58
Income before tax and associates and joint ventures	1,645	1,502	4,184	3,370
Income tax expense ⁽²⁾	(381)	(277)	(1,005)	(628)
Share of profit/loss of associates and joint ventures	(43)	29	(36)	33
Net income	1,221	1,254	3,143	2,775
Net income attributable to non-controlling interests	31	35	92	119
Net income attributable to equity holders of Sanofi	1,190	1,219	3,051	2,656
Average number of shares outstanding (million)	1,313.0	1,323.5	1,315.8	1,323.8
Earnings per share (in euros)	0.91	0.92	2.32	2.01

2014 Currency Sensitivity

Business EPS Currency Sensitivity

- 1% variation in €/€/\$ corresponds to an impact of 0.5% on 2014 Business EPS
- 1% variation in €/Yen corresponds to an impact of 0.1% on 2014 Business EPS

Currency Exposure on Q3 2014 Sales



Currency Average Rates

	Q3 2013	Q3 2014	% change
€/€/\$	1.32	1.33	+0.8%
€/Yen	131.05	137.74	+5.1%
€/Real	3.03	3.01	-0.7%
€/Ruble	43.45	48.08	+10.7%