

A woman with brown hair tied back, wearing a white lab coat and blue safety glasses, is looking through the eyepiece of a black and white microscope. The background is a blurred laboratory setting. A semi-transparent purple banner is overlaid across the middle of the image, containing the text 'Q3 2016 RESULTS' and 'October 28, 2016'. In the bottom right corner, there is a small inset image showing a hand in a blue glove holding a small white box with a blue circular logo.

Q3 2016 RESULTS

October 28, 2016

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 labelling 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 Company’s ability to benefit from external growth opportunities and/or obtain regulatory clearances, risks associated with intellectual property and any related pending or future litigation and the ultimate outcome of such litigation, trends in exchange rates and prevailing interest rates, volatile economic conditions, the impact of cost containment initiatives 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, 2015. 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

- Olivier Brandicourt - Chief Executive Officer

Update on Diabetes and Cardiovascular

- Peter Guenter - Executive Vice President, Diabetes & Cardiovascular

Financial Results

- Jérôme Contamine - Executive Vice President, Chief Financial Officer

Q&A Session

- Olivier Charmeil - Executive Vice President, General Medicines & Emerging Markets
- Carsten Hellmann - Executive Vice President, Merial
- David Loew - Executive Vice President, Sanofi Pasteur
- David P. Meeker - Executive Vice President, Sanofi Genzyme
- Elias Zerhouni - President, Global R&D

KEY HIGHLIGHTS

Olivier Brandicourt

Chief Executive Officer



2020 Strategic Roadmap Progress

1

Financial

- Q3 2016 Sales up +3.0% and Business EPS up +12.4% at CER⁽¹⁾
- Focused organization contributed to strong financial performance
- Cost savings expected to be at least €1.5bn by 2018
- Raising 2016 guidance: +3% to +5% Business EPS growth at CER
- Initiating €3.5bn share repurchase program to be completed by end of 2017

2

Portfolio

- EU Generics: definitive decision to initiate carve-out process and divest
- CHC GBU: Alan Main appointed Head; asset swap to close around year-end⁽²⁾

3

Launches

- Toujeo[®] achieved global sales of €167m in Q3 2016
- Praluent[®] U.S. TRx sequentially increased 60% in Q3 2016⁽³⁾
- Dengvaxia[®] now approved in 12 endemic countries and recommended by WHO⁽⁴⁾

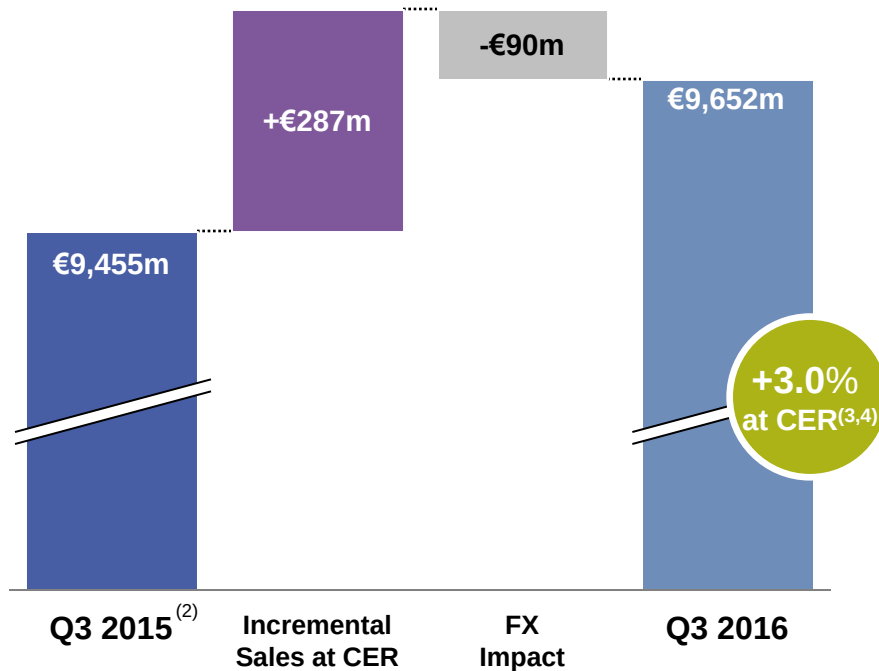
4

Innovation

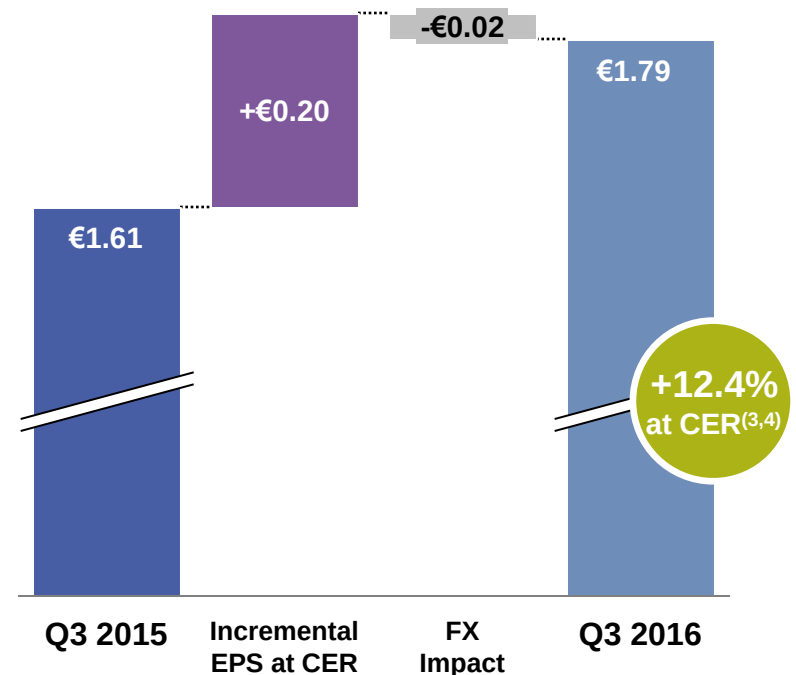
- Dupixent^{®(5)} filed in the U.S. and PDUFA date set for March 29, 2017
- Sarilumab: approval on PDUFA date could be impacted by CGMP status of facility
- LixiLan⁽⁶⁾ PDUFA date extended to November 2016

New Simplified GBU Structure Begins to Deliver Financial Benefits

Aggregate⁽¹⁾ Company Sales



Business EPS



9M Business EPS up +5.8% at CER

Sanofi Genzyme and Vaccines Remain Growth Drivers While DCV⁽¹⁾ and GEM⁽²⁾ Improve Sequentially

Q3 2016 Aggregate Sales by Global Business Unit

Company Aggregate Sales		€9,652m	Growth at CER +3.0%
	Sanofi Genzyme (Specialty Care) ⁽¹⁾	€1,270m	+16.9%
	Diabetes & Cardiovascular ⁽¹⁾	€1,585m	-2.5%
	General Medicines & Emerging Markets ^(2,3)	€4,370m	-2.4%
	Sanofi Pasteur (Vaccines) ⁽⁴⁾	€1,803m	+14.4%
	Merial (Animal Health)	€624m	+4.0%

(1) Does not include Emerging Markets sales

(2) Includes Emerging Markets sales for Diabetes & Cardiovascular and Specialty Care

(3) Emerging Markets: World excluding U.S., Canada, Western & Eastern Europe (except Eurasia), Japan, South Korea,

Australia, New Zealand and Puerto Rico

(4) Reflecting reclassification of VaxServe from Sales to Other revenues from Jan 1, 2016.

Pictures by Freepik



Emerging Markets Growth in Q3 2016 Supported by Diabetes, Specialty Care and Vaccines

Q3 2016 Aggregate Sales by Franchise

	Total Sales	Growth at CER	Developed Markets		Emerging Markets	
			Sales	Growth	Sales	Growth
Specialty Care	€1,517m	+18.5%	€1,270m	+16.9%	€247m	+26.5%
Diabetes & Cardiovascular	€1,929m	+0.3%	€1,585m	-2.5%	€344m	+14.2% ⁽¹⁾
Established Rx Products	€2,535m	-7.4%	€1,587m	-12.5% ⁽²⁾	€948m	+1.7% ⁽³⁾
Consumer Healthcare	€791m	-1.2%	€479m	+1.3%	€312m	-4.7% ⁽⁴⁾
Generics	€453m	+1.3%	€257m	+2.8%	€196m	-0.5% ⁽⁵⁾
Vaccines ⁽⁶⁾	€1,803m	+14.4%	€1,458m	+16.4%	€345m	+6.6%
Animal Health	€624m	+4.0%	€468m	+1.1%	€156m	+13.3%

(1) Excluding Venezuela sales were up +15.2% at CER

(2) Excluding Plavix® in Japan, sales were down -9.3% at CER

(3) Excluding Venezuela sales were up +3.4% at CER

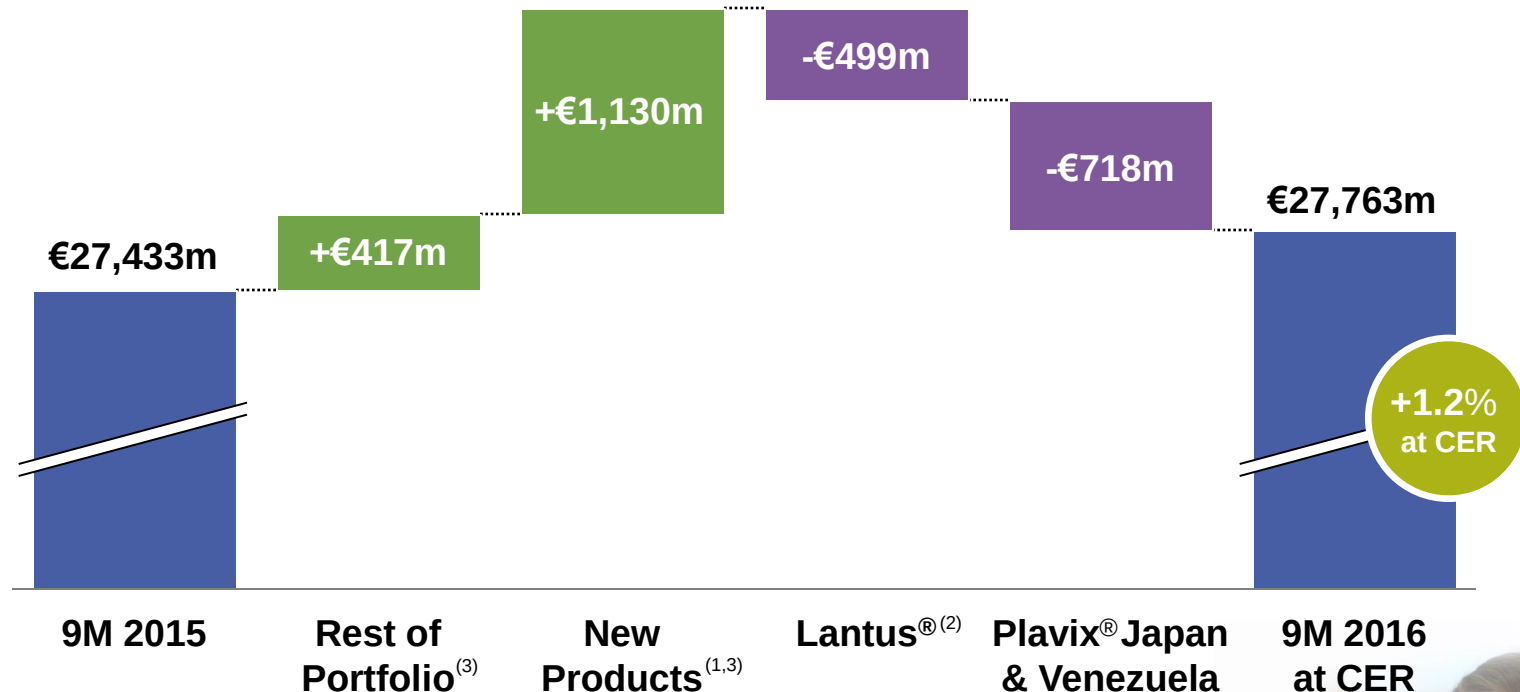
(4) Excluding Venezuela sales were down -4.1% at CER

(5) Excluding Venezuela sales were up +1.5% at CER

(6) Reflecting reclassification of VaxServe from Sales to Other revenues from Jan 1, 2016

Significant Contribution from New Products More than Offset Lantus® Sales Decline in 9M 2016

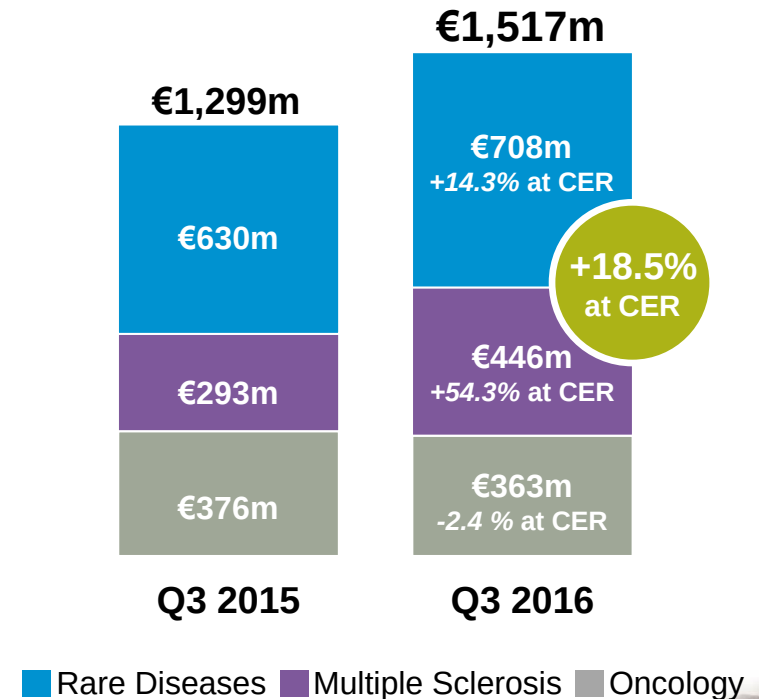
9M 2016 Aggregate Sales



Specialty Care Continues to be an Important Growth Engine for Sanofi

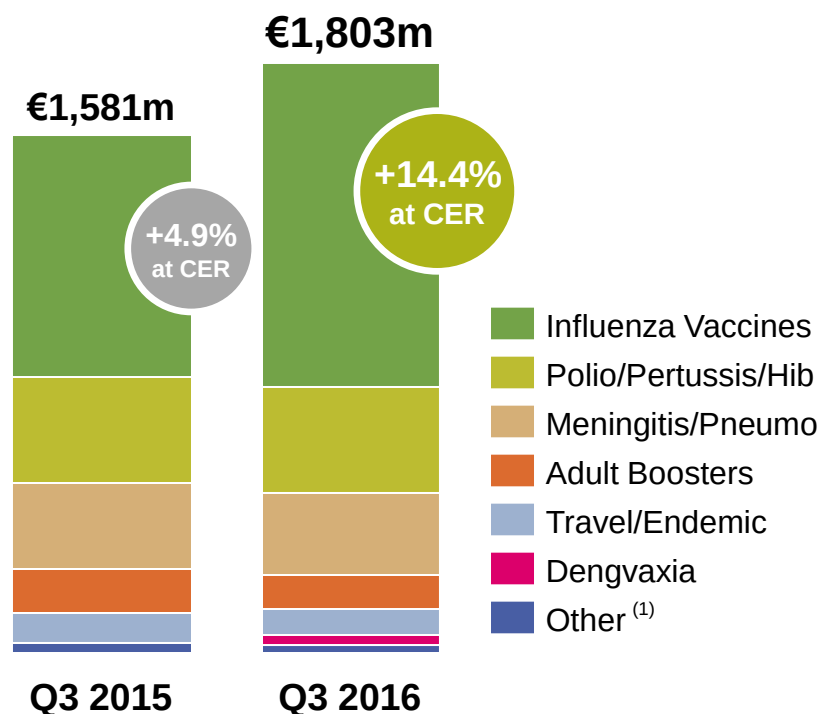
- Multiple Sclerosis franchise annualizing at €1.8bn
 - Aubagio® sales up +49.8% to €334m
 - Lemtrada® sales reached €112m
 - Positive 6-year data from the extension study in RRMS⁽¹⁾ patients presented at ECTRIMS⁽²⁾
- Rare Disease franchise grew double-digit
 - Gaucher Franchise⁽³⁾ up +6.3% at CER
 - Fabrazyme® up +20.4% at CER
 - Myozyme®/Lumizyme® up +16.0% at CER

Global Specialty Care Franchise Sales



Vaccines Growth Boosted by Early Flu Vaccine Shipment

Sanofi Pasteur Sales⁽¹⁾



- Flu vaccine franchise up 34.6% due to early U.S. shipments and benefits from differentiation strategy
 - 52m doses shipped in the U.S. in Q3 2016 vs 43m doses in Q3 2015
 - Expect to deliver similar number of doses as in 2015⁽²⁾
- Dengvaxia® Q3 sales of €30m primarily from public immunization programs in Brazil (Paraná) and the Philippines
 - Now approved in 13 countries⁽³⁾
 - WHO recommends dengue vaccination in high disease burden geographies⁽⁴⁾
- SPMSD JV on track to end around year-end⁽⁵⁾

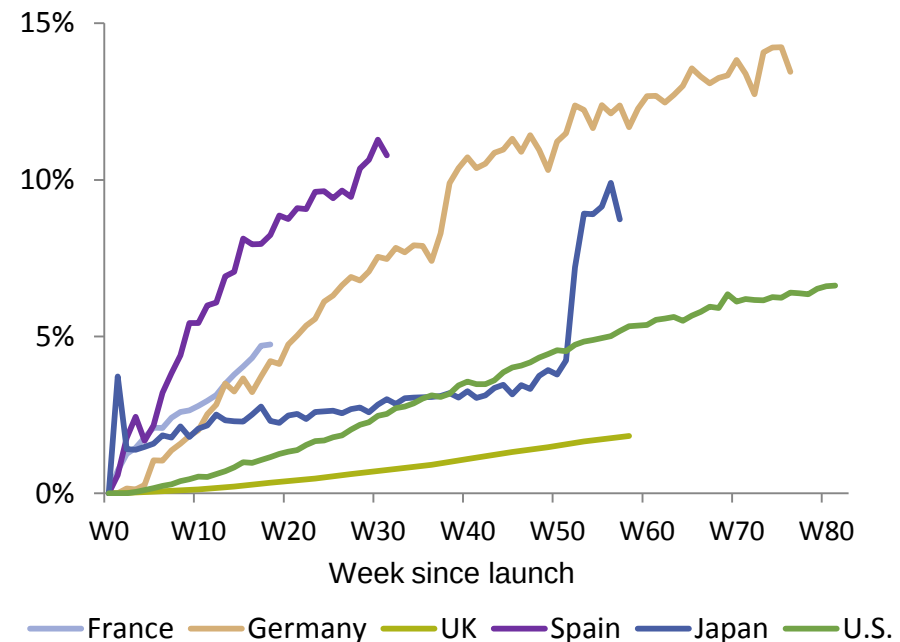
Global Diabetes and Cardiovascular Franchise Stable Despite U.S. Diabetes Pricing Pressure

- Global Diabetes sales declined -1.5% at CER in Q3 2016 to €1,805m
 - U.S. sales declined -5.4%
 - EU sales stable
 - Emerging Markets sales up +13.6%

-  **Toujeo®** reached €167m in sales
 - 6.6% TRx market share in the U.S.⁽¹⁾
 - Launched in 35 countries

-  **Praluent®** sales of €35m in Q3

Toujeo® Market Share⁽²⁾
Top EU Countries, Japan and the U.S.

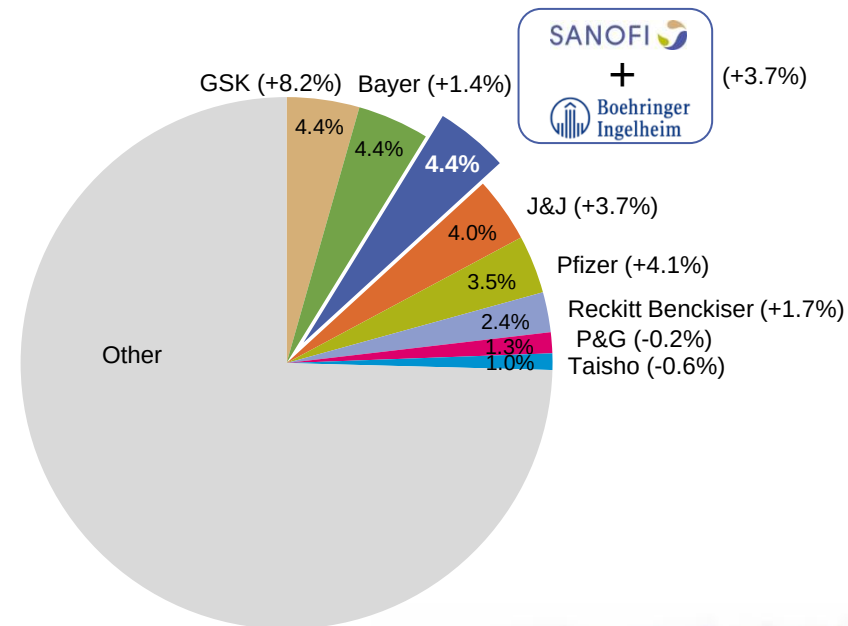


Global Diabetes Sales 2015-18 CAGR -4% to -8% reaffirmed

Q3 CHC Franchise Stable at CER and Constant Structure^(1,2)

- Developed Markets up 2.6%⁽³⁾
 - U.S. sales (+3.3%) despite mildest allergy season in the last four years
 - Europe up +1.0%⁽⁴⁾
- Emerging Markets down -4.4%⁽⁵⁾
 - Continued challenging economic environment in Russia
- Boehringer Ingelheim asset swap remains on track to close around year-end⁽⁶⁾
- Appointment of Alan Main as Head of newly created CHC Global Business Unit

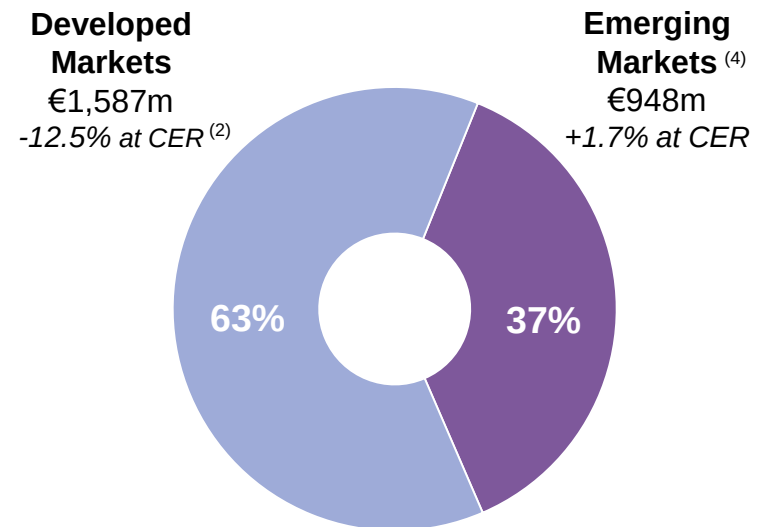
CHC Market Share⁽⁷⁾
MAT⁽⁸⁾ June 2016 (Growth in €)



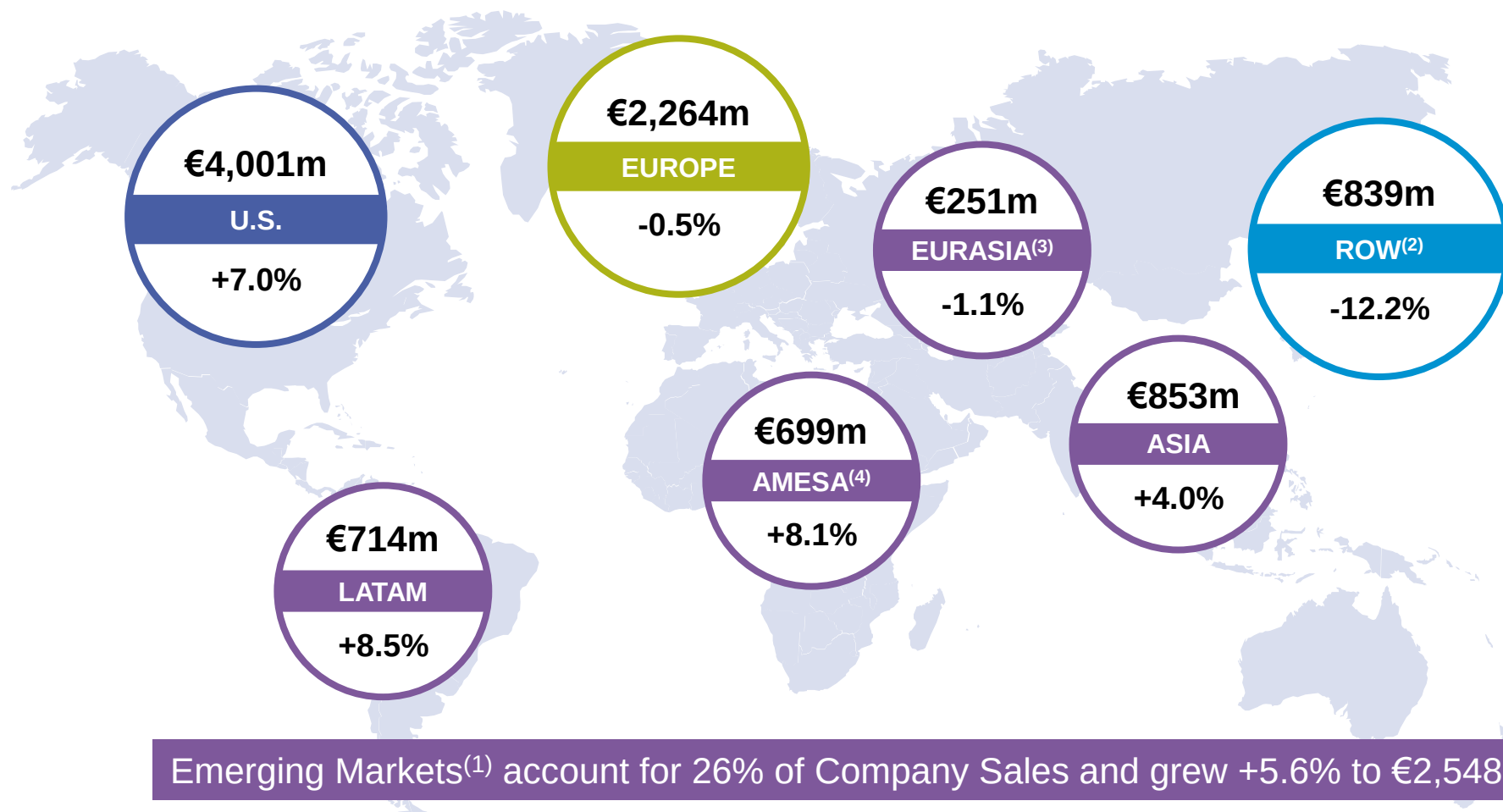
Established Products in Developed Markets Impacted by Plavix® LoE in Japan and Auvi-Q® Impact

- Developed Markets:
 - Impacted by Plavix® LoE in Japan⁽¹⁾ and high comparison base with Auvi-Q® in the U.S.
- Emerging Markets:
 - Difficult base for comparison in LatAm
 - Good performance from Plavix® (+12.8% at CER) and Aprovel® (+16.0% at CER)
- EU Generics: Review completed and definitive decision to launch carve-out process and divest

EP Sales by Market €2,535m / -7.4%^(2,3) at CER



Solid Growth in Emerging Markets in Q3 2016



All Growth at Constant Exchange Rates

(1) World excluding U.S., Canada, Europe, Japan, South Korea, Australia, New Zealand and Puerto Rico

(2) RoW: Japan, South Korea, Canada, Australia, New Zealand and Puerto Rico

(3) Eurasia: Russia, Ukraine, Georgia, Belarus, Armenia and Turkey

(4) AMESA: Africa, Middle East and South Asia

Potential Important Regulatory Approvals for Dengvaxia®, LixiLan, Sarilumab and Dupilumab in the Next 12 Months

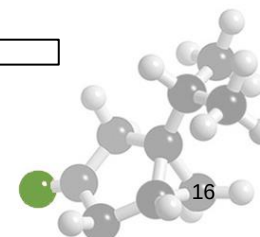
Expected Regulatory Decisions	Q3	Q4	Q1	Q2
• Dengvaxia® in endemic countries	☒	☐	☐	☐
• LixiLan in Diabetes (U.S.)	☐	☐	☐	☐
• Sarilumab in Rheumatoid Arthritis (U.S.)	☐	☐	☐	☐
• Dupixent®(1) in Atopic Dermatitis (U.S.)	☐	☐	☐	☐
Expected Regulatory Submissions	Q3	Q4	Q1	Q2
• Sarilumab in Rheumatoid Arthritis (EU)	☒	☐	☐	☐
• Dupixent®(1) in Atopic Dermatitis (U.S.)	☒	☐	☐	☐
• Dupixent®(1) in Atopic Dermatitis (EU, Japan)	☐	☐	☐	☐
Expected Phase III / IIIb Topline Data	Q3	Q4	Q1	Q2
• Insulin lispro in Diabetes (SORELLA 2)	☒	☐	☐	☐
• Praluent® ODYSSEY OUTCOMES 2 nd interim analysis ⁽²⁾	☐	☐	☐	☐
Expected Phase III Starts	Q3	Q4	Q1	Q2
• NeoGAA in Pompe	☐	☐	☐	☐
• Sotagliflozin in Diabetes	☐	☐	☐	☐
• Isatuximab in Multiple Myeloma	☐	☐	☐	☐
• Dupilumab in Nasal Polyposis	☐	☐	☐	☐
• Fitusiran (ALN-AT3) in Hemophilia	☐	☐	☐	☐
• Dupilumab in Asthma in 6-11 year-old	☐	☐	☐	☐
• Dupixent®(1) AD in 6-11 and 12-17 year-old	☐	☐	☐	☐

(1) The European Medicines Agency (EMA) and FDA have conditionally accepted Dupixent® as the trade name for dupilumab.

(2) Second interim data analysis for futility and overwhelming efficacy when ~75% of events have occurred

Eppeglenatide start of Phase III in Diabetes has been delayed from Q4 2016 into 2017 due to manufacturing delays by Hanmi.

Sanofi will provide more details once the new timelines have been finalized



UPDATE ON DIABETES AND CARDIOVASCULAR

Peter Guenter

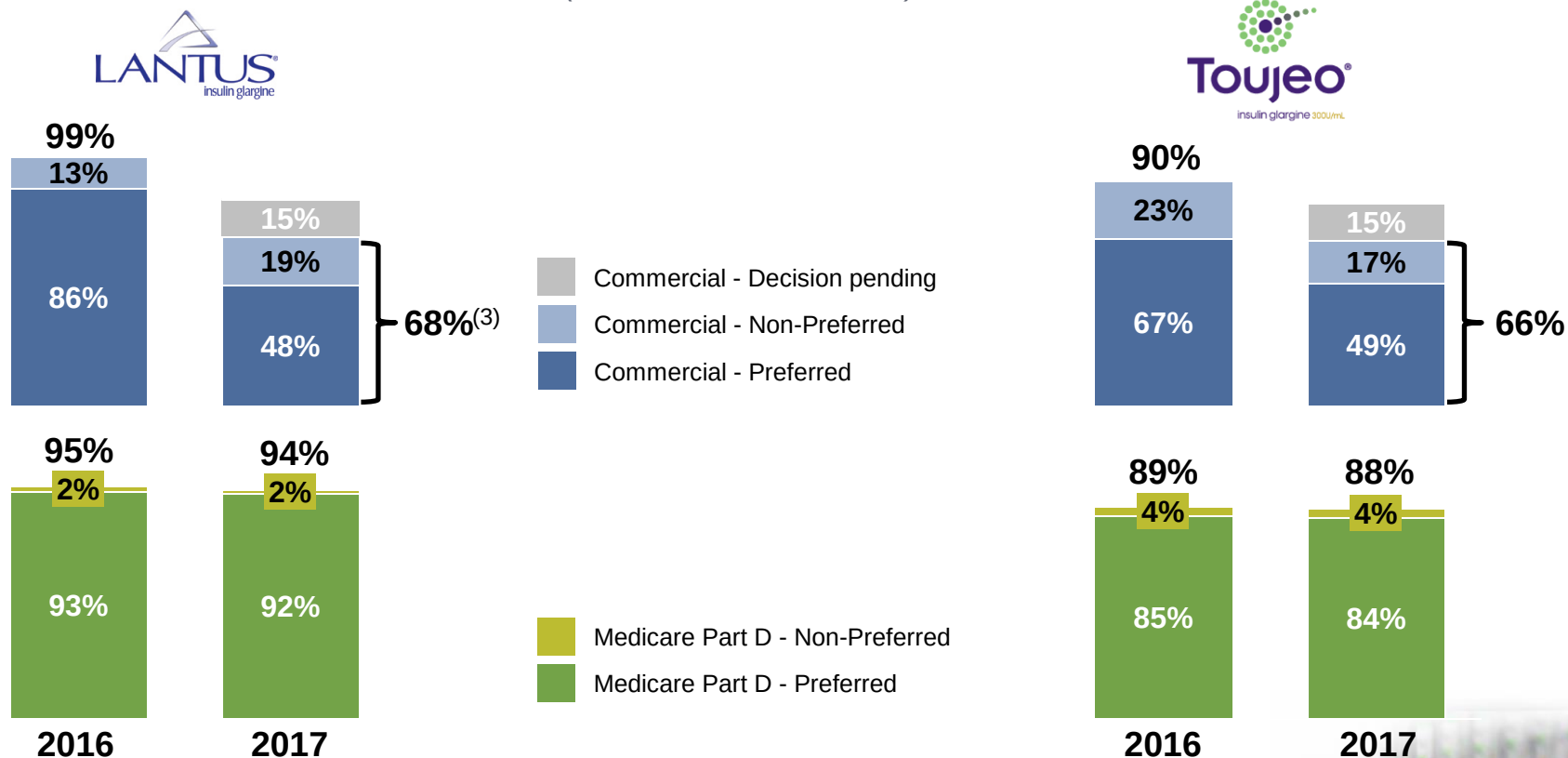
Executive Vice President, Diabetes & Cardiovascular



Glargine Franchise 2017 U.S. Formulary Status Update

Payer Coverage U.S. Commercial and Medicare Part D

(as % of Lives covered^(1,2))



Source: MMIT

(1) Number of Commercial lives: 182m in 2016 and 2017

(2) Number of Medicare Part D lives: 39mm in 2016 and 2017

(3) Individual coverage numbers do not sum to indicated total coverage due to rounding

- Praluent® U.S. TRx sequentially increased 60% in Q3 2016
- New U.S. educational campaign provides tools to support HCPs:
 - 1 Patient identification assistance
 - 2 Guide to determine Utilization Management Criteria by payer and plan
- PCSK9i now included in ESC Guidelines
- ODYSSEY studies ongoing
 - ODYSSEY OUTCOMES⁽¹⁾
 - DM-Insulin (T1D⁽²⁾ and T2D⁽³⁾ patients)
 - DM-Dyslipidemia (T2D patients)

Detailing Appropriate Patient Profiles⁽⁴⁾

Hypercholesterolemia with history of coronary revascularization (example of clinical ASCVD)

Larry, age 62

Medical History

- Uncontrolled hypercholesterolemia
- Current smoker (33 pack years)
- Percutaneous transluminal coronary angioplasty 2 years ago (left anterior descending artery)
- LDL-C was 130 mg/dL on statin alone
- BMI=30

Current Treatment Regimen

- Atorvastatin 40 mg/day (maximum tolerated dose)
 - Previously on pravastatin 80 mg/day, for 1 year
- Ezetimibe 10 mg/day
- Prasugrel 10 mg/day
- Aspirin 162 mg/day

Lipid Profile

Total Cholesterol	226 mg/dL
LDL-C	118 mg/dL
HDL-C	40 mg/dL
Non-HDL-C	186 mg/dL
Triglycerides	280 mg/dL

GOAL: Achieve targeted LDL-C reduction

*Hypothetical patient.
ASCVD = atherosclerotic cardiovascular disease; BMI = body mass index; HDL-C = high-density lipoprotein cholesterol; LDL-C = low-density lipoprotein cholesterol.

FINANCIAL RESULTS

Jérôme Contamine

Executive Vice President, Chief Financial Officer

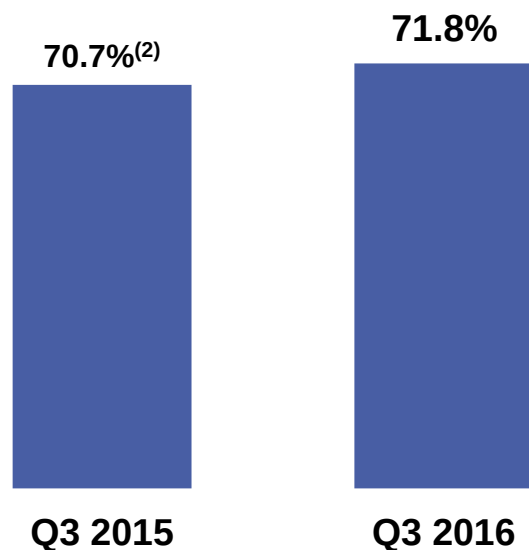


Q3 2016 Delivers Sales Growth and Operating Leverage

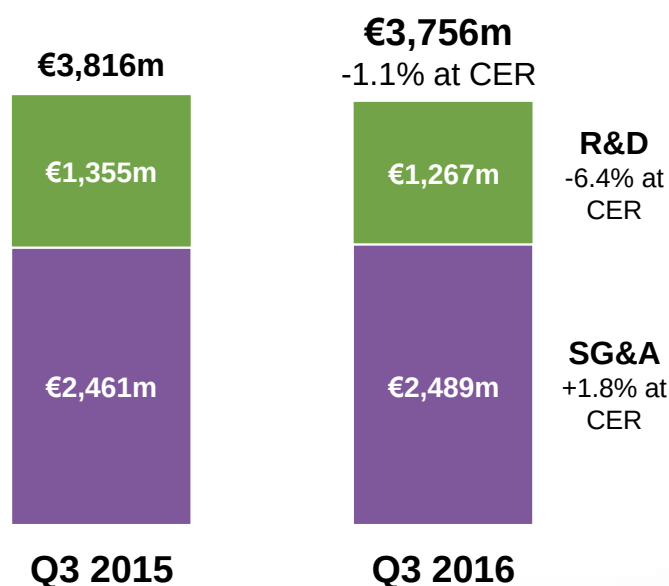
€m	Q3 2016	Q3 2015 ⁽¹⁾	% Change (reported €)	% Change (CER)
Aggregate Company sales	9,652	9,455	+2.1%	+3.0%
Aggregate Other revenues	276	225	+22.7%	+24.0%
Aggregate Gross profit	6,933	6,682	+3.8%	+4.6%
Aggregate R&D	(1,267)	(1,355)	-6.5%	-6.4%
Aggregate SG&A	(2,489)	(2,461)	+1.1%	+1.8%
Aggregate Other current operating income & expenses	(121)	(136)	-	-
Aggregate Share of profit/loss of associates	72	78	-	-
Aggregate Minority interests	(31)	(25)	-	-
Aggregate Business Operating Income	3,097	2,783	+11.3%	+12.8%
Aggregate Business operating margin	32.1%	29.4%	-	-
Effective tax rate	24.0%	22.2%	-	-
Business net income	2,300	2,096	+9.7%	+11.1%
Business EPS	€1.79	€1.61	+11.2%	+12.4%

Cost Saving Program Contributes to Margin Improvement in Q3 2016

Aggregate Gross Margin⁽¹⁾



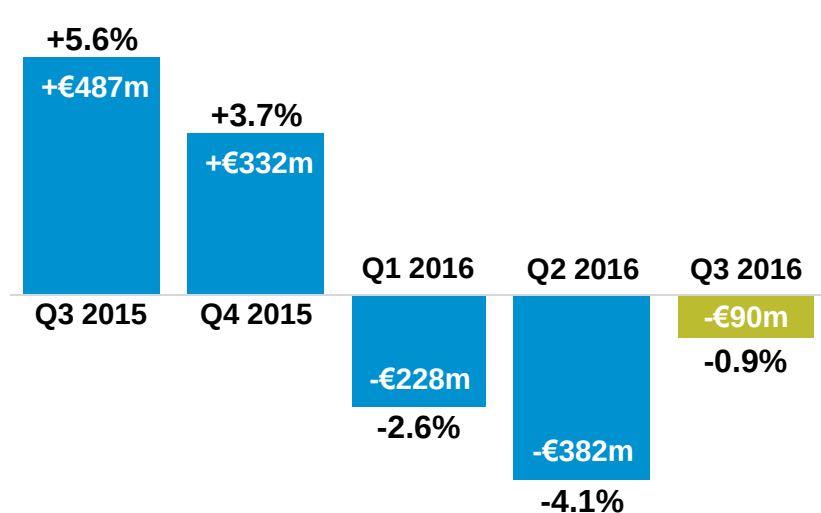
Aggregate Operating Expenses



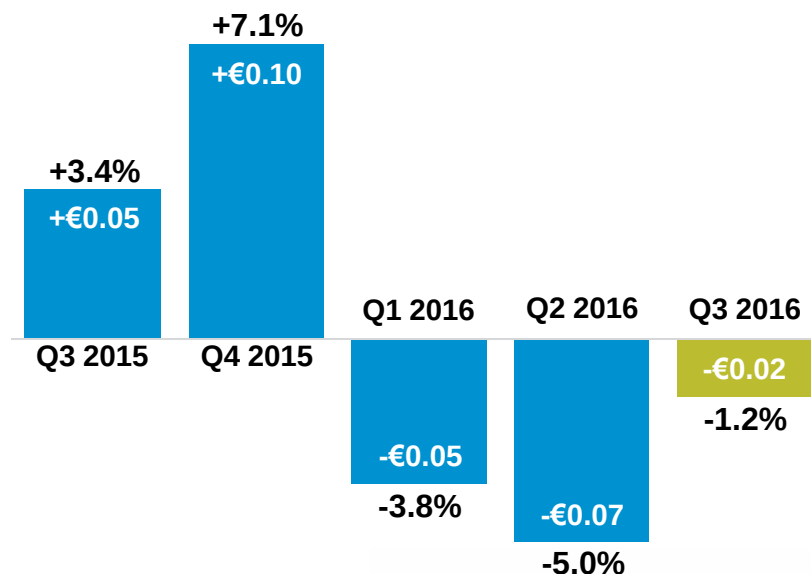
Currency Headwind Begins to Ease

Currency Impact

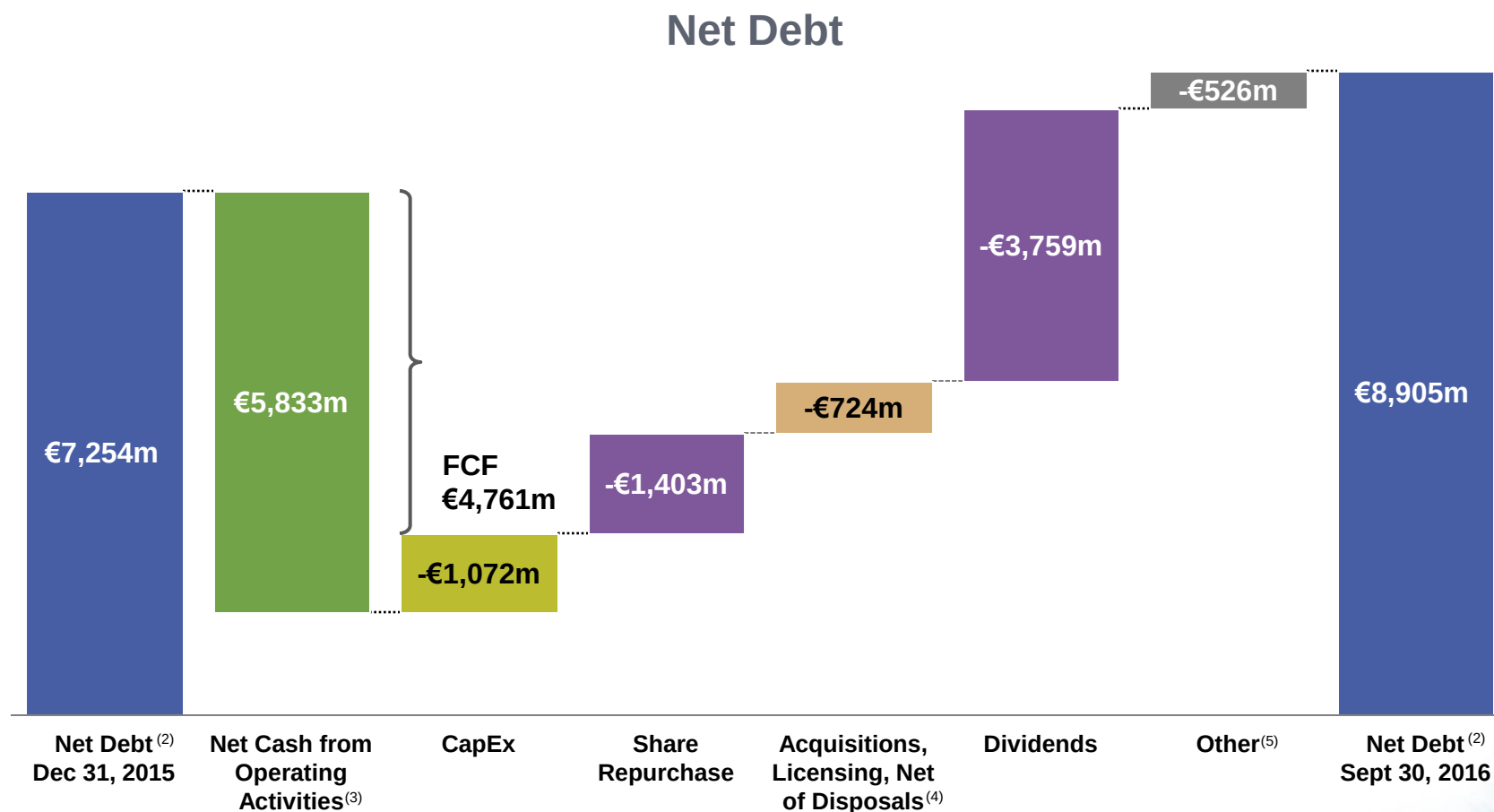
Aggregate Company Sales^(1,2)



Business EPS



Sanofi Financial Flexibility Remains Strong with Q3 2016 Net Debt Down Over Q3 2015⁽¹⁾



CLOSING REMARKS

Olivier Brandicourt

Chief Executive Officer



Raising FY 2016 Business EPS Guidance



FY 2016 Business EPS Growth

Around +3% to +5% at CER^(1,2)

FX impact on FY 2016 Business EPS

Around -4%⁽³⁾
based on Sept 2016 average exchange rates



Q&A SESSION



APPENDICES

R&D Pipeline



R&D Pipeline – Pharma & Vaccines

Phase I

Phase II

Phase III

Registration

SAR440340 / REGN3500
Immuno-Inflammation

fitusiran (ALN-AT3)
siRNA targeting Anti-Thrombin
Hemophilia

dupilumab
Anti-IL4R α mAb
Nasal polyposis;
Eosinophilic oesophagitis

GZ402671
Oral GCS inhibitor
Fabry Disease

dupilumab
Anti-IL4R α mAb
Atopic Dermatitis EU

sarilumab
Anti-IL6R mAb
Rheumatoid arthritis, U.S., EU

GZ402668
GLD52 (anti-CD52 mAb)
Relapsing multiple sclerosis

SAR425899
GLP-1R/GCGR dual agonist
Type 2 diabetes

SAR156597
IL4/IL13 Bi-specific mAb
Idiopathic pulmonary fibrosis

sotagliflozin
Oral SGLT-1&2 inhibitor
Type 2 diabetes

dupilumab
Anti-IL4R α mAb
Asthma

Dupixent®
Anti-IL4R α mAb
Atopic dermatitis, U.S.

UshStat®
Myosin 7A gene therapy
Usher syndrome 1B

SAR438335
GLP-1R/GIPR dual agonist
Type 2 diabetes

GZ389988
TRKA antagonist
Osteoarthritis

efpeglenatide
Long-acting GLP-1 receptor agonist
Type 2 diabetes

patisiran (ALN-TTR02)
siRNA inhibitor targeting TTR
Familial amyloidotic polyneuropathy

LixiLan
Fixed-Ratio insulin glargine+lixisenatide
Type 2 diabetes, U.S., EU

SAR228810
Anti-protofibrillar AB mAb
Alzheimer's disease

SAR440067 (LAPS Insulin 115)
Long acting insulin analog
Type 1 & 2 diabetes

sarilumab
Anti-IL6R mAb
Uveitis

SAR100842
LPA1 receptor antagonist
Systemic sclerosis

sotagliflozin
Oral SGLT-1&2 inhibitor
Type 1 diabetes

SAR342434
insulin lispro
Type 1+2 diabetes

SAR566658
Maytansin-loaded anti-CA6 mAb
Solid tumors

SAR247799
S1P1 agonist
cardiovascular indication

SAR422459
ABCA4 gene therapy
Stargardt disease

Combination
ferroquine / OZ439
Antimalarial

Clostridium difficile
Toxoid vaccine

Dengvaxia®(1)
Mild-to-severe
dengue fever vaccine

SAR408701
Maytansin-loaded anti-CEACAM5 mAb
Solid tumors

SAR439152
Myosin inhibitor
Hypertrophic cardiomyopathy

SAR439684
PD-1 inhibitor
Advanced CSCC (Skin cancer)

Rabies VRVg
Purified vero rabies vaccine

VaxiGrip® QIV IM
Quadrivalent inactivated
influenza vaccine (6-35 months)

PR5i
DTP-HepB-Polio-Hib
Pediatric hexav. vaccine, U.S

SAR428926
Maytansin loaded anti-Lamp1 mAb
Cancer

SAR407899
rho kinase
Microvascular angina

isatuximab
Anti-CD38 naked mAb
Multiple myeloma

Tuberculosis
Recombinant subunit vaccine

Pediatric pentavalent vaccine
DTP-Polio-Hib
Japan

VaxiGrip® QIV IM
Quadrivalent inactivated
influenza vaccine (3 years+)

GZ402666
neoGAA
Pompe Disease

Herpes Simplex Virus Type 2
HSV-2 vaccine

olipudase alfa
rhASM Deficiency
Acid Sphingomyelinase Deficiency(2)

Fluzone® QIV HD
Quadrivalent inactivated
influenza vaccine - High dose

Men Quad TT
2nd generation meningococcal
ACYW conjugate vaccine

SAR339375
Anti-miR21 RNA
Alport syndrome

N New Molecular Entity

Immuno-inflammation

MS, Neurology, Ophthalmology

Oncology

Rare Disease

Diabetes Solutions

Cardiovascular & metabolism

Infectious Diseases

Vaccines

R&D Pipeline Summary Table⁽¹⁾

	Phase I	Phase II	Phase III	Registration	TOTAL
Oncology	3	2	0	0	5
Diabetes	3	1	1	2	7
Cardiovascular Diseases	3	1	0	0	4
Immuno-inflammation	1	3	0	2	6
Infectious Diseases	0	1	0	0	1
Rare Diseases	3	2	1	0	6
Multiple Sclerosis, Neurology, Ophthalmology	3	1	0	0	4
Vaccines	1	3	3	3	10
TOTAL	17	14	5	7	

33

31

12

43

NMEs & Vaccines

Expected R&D Milestones

Product	Event	Timing
Dengvaxia®	Expected regulatory decisions in endemic countries	Throughout 2016
NeoGAA (GZ402666)	Expected start of Phase III trial in Pompe Disease	Q4 2016
LixiLan	Expected U.S. regulatory decision in Type 2 Diabetes	Q4 2016
sarilumab	Expected U.S. regulatory decision in Rheumatoid Arthritis	Q4 2016
Praluent®	Expected ODYSSEY OUTCOMES 2 nd interim analysis ⁽²⁾	Q4 2016
VaxiGrip® QIV IM (3 years+)	Expected additional EU regulatory approvals	Q4 2016
sotagliflozin	Expected start of Phase III trial in Type 2 Diabetes	Q4 2016
isatuximab (anti-CD38)	Expected start of Phase III trial in Multiple Myeloma	Q4 2016
Dupixent® ⁽¹⁾	Expected EU and Japan regulatory submission in Atopic Dermatitis	Q4 2016
Dupixent® ⁽¹⁾	Expected U.S. regulatory decision in Atopic Dermatitis	Q1 2017
dupilumab	Expected start of Phase III trial in Asthma in 6-11 year-old	Q1 2017
dupilumab	Expected start of Phase III trial in Nasal Polyposis	Q1 2017
fitusiran	Expected start of Phase III trial in Hemophilia	Q1 2017
Dupixent® ⁽¹⁾	Expected start of Phase III in Atopic Dermatitis in 6-11 and 12-17 year-old	H1 2017

APPENDICES

FINANCE

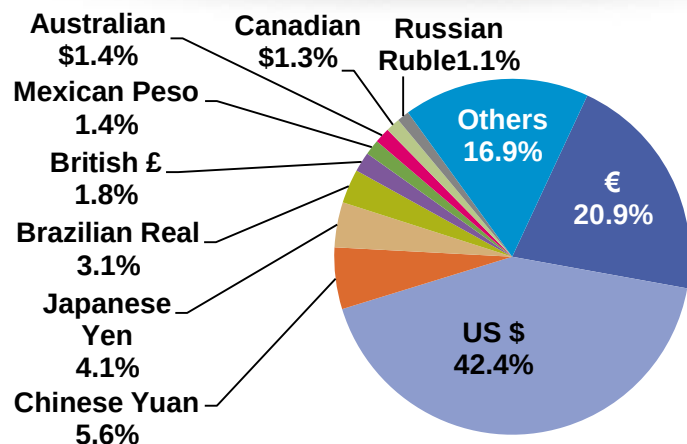


2016 - Currency Sensitivity

Business EPS Currency Sensitivity

Currency	Variation	Business EPS Sensitivity
U.S. Dollar	-0.05 USD/EUR	+EUR 0.13
Japanese Yen	+5 JPY/EUR	-EUR 0.02
Chinese Yuan	+0.2 CNY/EUR	-EUR 0.02
Brazilian Real	+0.4 BRL/EUR	-EUR 0.01
Russian Ruble	+10 RUB/EUR	-EUR 0.04

Currency Exposure on Q3 2016 Sales



Currency Average Rates

	Q3 2015	Q3 2016	% change
EUR/USD	1.11	1.12	+0.4%
EUR/JPY	135.89	114.33	-15.9%
EUR/CNY	7.01	7.45	+6.2%
EUR/BRL	3.94	3.62	-8.1%
EUR/RUB	70.46	72.10	+2.3%

Business Net Income Statement

Nine Months 2016				Pharmaceuticals			Vaccines			Others		Total Group		Animal Health ⁽¹⁾			Total: aggregate basis ⁽²⁾		
€ million	9M 2016	9M 2015	Change	9M 2016	9M 2015	Change	9M 2016	9M 2015	9M 2016	9M 2015	9M 2016	9M 2015	Change	9M 2016	9M 2015	Change			
Net sales	21,729	22,522	(3.5%)	3,225	2,955	9.1%	-	-	24,954	25,477	2,109	1,956	7.8%	27,063	27,433	(1.3%)			
Other revenues ⁽³⁾	191	197	(3.0%)	386	369	4.6%	-	-	577	566	27	32	(15.6%)	604	598	1.0%			
Cost of sales	(6,139)	(6,593)	(6.9%)	(1,607)	(1,461)	10.0%	-	-	(7,746)	(8,054)	(707)	(668)	5.8%	(8,453)	(8,722)	(3.1%)			
As % of net sales	(28.3%)	(29.3%)		(49.8%)	(49.4%)		-	-	(31.0%)	(31.6%)	(33.5%)	(34.2%)		(31.2%)	(31.8%)				
Gross profit	15,781	16,126	(2.1%)	2,004	1,863	7.6%	-	-	17,785	17,989	1,429	1,320	8.3%	19,214	19,309	(0.5%)			
As % of net sales	72.6%	71.6%		62.1%	63.0%		-	-	71.3%	70.6%	67.8%	67.5%		71.0%	70.4%				
Research and development expenses	(3,326)	(3,316)	0.3%	(409)	(402)	1.7%	-	-	(3,735)	(3,718)	(135)	(126)	7.1%	(3,870)	(3,844)	0.7%			
As % of net sales	(15.3%)	(14.7%)		(12.7%)	(13.6%)		-	-	(15.0%)	(14.6%)	(6.4%)	(6.4%)		(14.3%)	(14.0%)				
Selling and general expenses	(6,342)	(6,380)	(0.6%)	(541)	(520)	4.0%	-	-	(6,883)	(6,900)	(674)	(647)	4.2%	(7,557)	(7,547)	0.1%			
As % of net sales	(29.2%)	(28.3%)		(16.8%)	(17.6%)		-	-	(27.6%)	(27.1%)	(32.0%)	(33.1%)		(27.9%)	(27.5%)				
Other current operating income/expenses	27	(167)		-	2		(76)	(67)	(49)	(232)	(16)	9		(65)	(223)				
Share of profit/loss of associates* and joint ventures	88	118		36	20		-	-	124	138	1	1		125	139				
Net income attributable to non-controlling interests	(81)	(86)		-	(1)		-	-	(81)	(87)	-	-		(81)	(87)				
Business operating income	6,147	6,295	(2.4%)	1,090	962	13.3%	(76)	(67)	7,161	7,190	605	557	8.6%	7,766	7,747	0.2%			
As % of net sales	28.3%	28.0%		33.8%	32.6%				28.7%	28.2%	28.7%	28.5%		28.7%	28.2%				
												Financial income and expenses ⁽⁴⁾		(278)	(314)				
												Income tax expense ⁽⁴⁾		(1,786)	(1,771)				
												Tax rate**		24.0%	24.0%				
												Business net income			5,702	5,662	0.7%		
												As % of net sales			21.1%	20.6%			
												Business earnings per share*** (in euros)			4.43	4.33	2.3%		

* 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 1,287.9 million in the first nine months of 2016 and 1,306.6 million in the first nine months of 2015.

(1) Pursuant to IFRS5 presentation requirement as "discontinued operations", Animal Health business net result is reported on the single income statement line *Net income from held-for-exchange Animal Health business* for 2016 and prior years. Until the closing of the transaction, Animal Health remains an operating segment of the Group.

(2) Including Animal Health Business which is reported on a single line in the consolidated income statements in accordance with IFRS5 (Non-current held for sale and discontinued operations).

(3) As per a change in accounting presentation, VaxServe sales of non-Group products are reported in *Other revenues* from 2016 onwards. Prior period *Net sales* and *Other revenues* have been represented accordingly.

(4) Aggregate amount including Animal Health business.

SANOFI

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 1,288.5 million in the third quarter of 2016 and 1,305.5 million in the third quarter of 2015.

(1) Pursuant to IFRS5 presentation requirement as "discontinued operations", Animal Health business net result is reported on the single income statement line **Net income from held-for-exchange Animal Health business** for 2016 and prior years. Until the closing of the transaction, Animal Health remains an operating segment of the Group.

(2) Including Animal Health Business which is reported on a single line in the consolidated income statements in accordance with IFRS5 (Non-current held for sale and discontinued operations).

(3) As per a change in accounting presentation, VaxServe sales of non-Group products are reported in **Other revenues** from 2016 onwards. Prior period **Net sales** and **Other revenues** have been represented accordingly.

(4) Aggregate amount including Animal Health business.

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

€ million	Q3 2016 ⁽¹⁾	Q3 2015 ⁽¹⁾	Change
Business net income	2,300	2,096	9.7%
Amortization of intangible assets ⁽²⁾	(403)	(454)	
Impairment of intangible assets	(21)	(206)	
Fair value remeasurement of contingent consideration liabilities	(27)	90	
Restructuring costs and similar items	(63)	(56)	
Other gains and losses, and litigation ⁽³⁾	(161)	-	
Tax effect of:	198	257	
<i>Amortization of intangible assets</i>	143	158	
<i>Impairment of intangible assets</i>	7	77	
<i>Fair value remeasurement of contingent consideration liabilities</i>	8	7	
<i>Restructuring costs and similar items</i>	24	15	
<i>Other gains and losses, and litigation⁽³⁾</i>	16	-	
Other tax items	-	-	
Share of items listed above attributable to non-controlling interests	2	2	
Restructuring costs of associates and joint ventures, and expenses arising from the impact of acquisitions on associates and joint ventures	(36)	(5)	
Animal Health items ⁽⁴⁾	(86)	(96)	
Other Sanofi Pasteur MSD items ⁽⁵⁾	(29)	-	
Net income attributable to equity holders of Sanofi	1,674	1,628	2.8%
IFRS earnings per share⁽⁶⁾ (in euros)	1.30	1.25	

(1) Animal Health reported separately in accordance with IFRS 5 (Non-Current held for sale and discontinued operations).

(2) Of which related to amortization expense generated by the remeasurement of intangible assets as part of business combinations: €367million in the third quarter of 2016 and €416 million in the third quarter of 2015.

(3) Impairment loss of Alnylam investment for the difference between historical cost and market value based on the stock price as of September 30, 2016. On October 5, 2016, Alnylam announced the decision to end Revusiran development program. As a consequence, the stock price dropped by 48% on October 6, 2016.

(4) Includes the following items: Impact of the discontinuation of depreciation and impairment of Property, Plant & Equipment starting at IFRS 5 application (Non-current held for sale and discontinued operations), impact of the amortization and impairment of intangible assets until IFRS 5 application, and costs incurred as a result of the divestment as well as tax effect of these items, and outside basis deferred tax impact.

(5) Includes the following items: Impact of the discontinuation of the equity accounting of the Sanofi Pasteur MSD business net income since the announcement by Sanofi and Merck of their intent to end their joint vaccines operations in Europe, as well as outside basis deferred tax impact.

(6) Based on an average number of shares outstanding of 1,288.5 million in the third quarter of 2016 and 1,305.5 million in the third quarter of 2015.

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

€ million	9M 2016 ⁽¹⁾	9M 2015 ⁽¹⁾	Change
Business net income	5,702	5,662	0.7%
Amortization of intangible assets ⁽²⁾	(1,280)	(1,442)	
Impairment of intangible assets	(73)	(234)	
Fair value remeasurement of contingent consideration liabilities	(94)	161	
Restructuring costs and similar items	(690)	(436)	
Other gains and losses, and litigation ⁽³⁾	(161)	-	
Tax effect of items:	746	730	
<i>Amortization of intangible assets</i>	450	501	
<i>Impairment of intangible assets</i>	23	87	
<i>Fair value remeasurement of contingent consideration liabilities</i>	23	(7)	
<i>Restructuring costs and similar items</i>	234	149	
<i>Other gains and losses, and litigation⁽³⁾</i>	16	-	
Other tax items	(113)	(111)	
Share of items listed above attributable to non-controlling interests	11	5	
Restructuring costs of associates and joint ventures, and expenses arising from the impact of acquisitions on associates and joint ventures	18	(132)	
Animal Health items ⁽⁴⁾	(99)	(250)	
Other Sanofi Pasteur MSD items ⁽⁵⁾	(48)	-	
Net income attributable to equity holders of Sanofi	3,919	3,953	(0.9%)
Consolidated earnings per share⁽⁶⁾ (in euros)	3.04	3.03	

(1) Animal Health reported separately in accordance with IFRS 5 (Non-Current Assets Held for Sale and Discontinued Operations).

(2) Of which related to amortization expense generated by the remeasurement of intangible assets as part of business combinations: €1,176 million in the first nine months of 2016 and €1,347 million in the first nine months of 2015.

(3) Impairment loss of Alnylam investment for the difference between historical cost and market value based on the stock price as of September 30, 2016. On October 5, 2016, Alnylam announced the decision to end Revusiran development program. As a consequence, the stock price dropped by 48% on October 6, 2016.

(4) Includes the following items: Impact of the discontinuation of depreciation and impairment of Property, Plant & Equipment starting at IFRS 5 application (Non-current held for sale and discontinued operations), impact of the amortization and impairment of intangible assets until IFRS 5 application, and costs incurred as a result of the divestment as well as tax effect of these items.

(5) Includes the following items: Impact of the discontinuation of the equity accounting of the Sanofi Pasteur MSD business net income since the announcement by Sanofi and Merck of their intent to end their joint vaccines operations in Europe, as well as outside basis deferred tax impact.

(6) Based on an average number of shares outstanding of 1,287.9 million in the first nine months semester of 2016 and 1,306.6 million in the first nine months of 2015.

Consolidated Income Statements

€ million	Q3 2016 ⁽¹⁾	Q3 2015 ⁽¹⁾⁽²⁾	9M 2016 ⁽¹⁾	9M 2015 ⁽¹⁾⁽²⁾
Net sales	9,028	8,848	24,954	25,477
Other revenues	267	213	577	566
Cost of sales	(2,776)	(2,786)	(7,746)	(8,054)
Gross profit	6,519	6,275	17,785	17,989
Research and development expenses	(1,221)	(1,313)	(3,735)	(3,718)
Selling and general expenses	(2,274)	(2,246)	(6,883)	(6,900)
Other operating income	34	35	299	109
Other operating expenses	(153)	(175)	(348)	(341)
Amortization of intangible assets	(403)	(454)	(1,280)	(1,442)
Impairment of intangible assets	(21)	(206)	(73)	(234)
Fair value remeasurement of contingent consideration liabilities	(27)	90	(94)	161
Restructuring costs and similar items	(63)	(56)	(690)	(436)
Operating income	2,391	1,950	4,981	5,188
Financial expenses	(261)	(125)	(502)	(387)
Financial income	17	22	67	79
Income before tax and associates and joint ventures	2,147	1,847	4,546	4,880
Income tax expense	(460)	(273)	(957)	(965)
Share of profit / loss of associates and joint ventures	6	72	104	6
Net income excluding the held for exchange Animal Health business	1,693	1,646	3,693	3,921
Net income from the held for exchange Animal Health Business	10	5	296	114
Net income	1,703	1,651	3,989	4,035
Net income attributable to non-controlling interests	29	23	70	82
Net income attributable to equity holders of Sanofi	1,674	1,628	3,919	3,953
Average number of shares outstanding (million)	1,288.5	1,305.5	1,287.9	1,306.6
Earnings per share excluding the held for exchange Animal Health Business (in euros)	1.29	1.24	2.81	2.94
IFRS earnings per share (in euros)	1.30	1.25	3.04	3.03