

BASE PROSPECTUS



Sanofi

(incorporated with limited liability in France)

as Issuer

€ 12,000,000,000

Euro Medium Term Note Programme

Under this €12,000,000,000 Euro Medium Term Note Programme (the "**Programme**") Sanofi (the "**Issuer**" or "**Sanofi**" or the "**Company**"), subject to all applicable legal and regulatory requirements, may from time to time issue Euro Medium Term Notes (the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below). As more fully described herein, Notes may be issued on an unsubordinated basis ("**Unsubordinated Notes**") or on a subordinated basis ("**Subordinated Notes**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €12,000,000,000 (or its equivalent in other currencies calculated as described herein).

The Notes may be issued on a continuing basis to one or more of the dealers specified on page 29 and any additional dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "**Dealer**" and together the "**Dealers**"). References in this Base Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

Application has been made to the *Commission de Surveillance du Secteur Financier* in Luxembourg (the "**CSSF**"), which is the Luxembourg competent authority for the purpose of Directive 2003/71/EC (as amended by Directive 2010/73/EU to the extent that Directive 2010/73/EU has been implemented in any relevant Member State, the "**Prospectus Directive**") and relevant implementing measures in Luxembourg, for approval of this document, as may be amended or supplemented from time to time (the "**Base Prospectus**") as a base prospectus in compliance with Article 5.4 of the Prospectus Directive and relevant implementing measures in Luxembourg, under the *loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005, as amended by the Luxembourg law of 3 July 2012 ("**Luxembourg Prospectus Act**"), for the purpose of giving information with regard to the issue of Notes issued under the Programme described in this Base Prospectus during the period of twelve months after the date of approval hereof. Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market "*Bourse de Luxembourg*" (the "**Regulated Market**") and to be listed on the Official List of the Luxembourg Stock Exchange. References in this document to Notes being "listed" (and all related references) shall mean that such Notes have been listed on the Luxembourg Stock Exchange and references in this document to Notes being "admitted to trading" (and all related references) shall mean that such Notes have been admitted to trading as the case may be, on an EEA Regulated Market (as defined below). The Luxembourg Stock Exchange's Regulated Market is a regulated market for the purposes of the Market and Financial Instruments Directive 2004/39/EC (each such regulated market being an "**EEA Regulated Market**"). Pursuant to Article 7(7) of the Luxembourg Prospectus Act, by approving this Base Prospectus the CSSF gives no undertaking as to the economic and financial soundness of the Notes to be issued hereunder and the quality or solvency of the Issuer. The Programme provides that Notes may be listed and admitted to trading on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other specific terms and conditions (which are permitted by Article 2(a) of the Prospectus Directive Regulation (EC) No. 809/2004, as amended, to be included in the relevant final terms) not contained herein which are applicable to each Tranche (as defined on page 42) of Notes will be set forth in the final terms (the "**Final Terms**") or a Drawdown Prospectus (as defined below) which, with respect to Notes to be listed and admitted to trading, will be delivered to the Luxembourg Stock Exchange on or before the date of issue of the Notes of such Tranche.

In the case of any Notes which are to be listed and admitted to trading or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum denomination of such Notes shall be €1,000 (or its equivalent in any other currency as at the date of issue of the relevant Notes).

Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**") as more fully described herein.

Dematerialised Notes will at all times be in book entry form in compliance with Articles L.211-3 et seq. of the French *Code monétaire et financier*. No physical documents of title will be issued in respect of the Dematerialised Notes.

Dematerialised Notes may, at the option of the Issuer, be in bearer dematerialised form (*au porteur*) inscribed as from the issue date in the books of Euroclear France ("**Euroclear France**") (acting as central depository) which shall credit the accounts of Account Holders (as defined in "Terms and Conditions of the Notes - Form, Denomination and Title") including Euroclear Bank S.A./N.V. ("**Euroclear**") and the depository bank for Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder (as defined in Condition 1(c)(iv)), in either fully registered form (*au nominatif pur*), in which case they will be inscribed either with the Issuer or with the registration agent (designated in the relevant Final Terms) for the Issuer, or in administered registered form (*au nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant Noteholders.

Materialised Notes will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a "**Temporary Global Certificate**") will initially be issued in connection with Materialised Notes. Such Temporary Global Certificate will be exchanged for Definitive Materialised Notes in bearer form with, where applicable, coupons for interest attached, on or after a date expected to be on or about the fortieth day after the issue date of the Notes (subject to postponement as described in "Temporary Global Certificates issued in respect of Materialised Notes" below) upon certification as to non U.S. beneficial ownership as more fully described herein. Temporary Global Certificates will (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository on behalf of Euroclear and/or Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined above).

As of the date of this Base Prospectus, the Issuer's short-term and long-term debt are respectively rated (i) P-1 and A2, with a positive outlook, by Moody's France S.A.S ("**Moody's**") and (ii) A-1+ and AA-, with a stable outlook, by Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**"). The Notes issued under the Programme may, or may not, be rated. The rating (if any) may be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EU) No 1060/2009 as amended (the "**CRA Regulation**") will be disclosed in the relevant Final Terms. The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") is to be displayed on ESMA's website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation as of 30 July 2012. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change, or withdrawal at any time by the assigning rating agency.

See "**Risk Factors**" below for a discussion of certain factors which should be considered by prospective investors in connection with an investment in any of the Notes.

References in this Base Prospectus to "Conditions" or a numbered "Condition" are, unless the context requires otherwise, to the numbered paragraphs of the "Terms and Conditions of the Notes" below.

Arranger

BNP PARIBAS

Dealers

**BARCLAYS
CITIGROUP
HSBC
MITSUBISHI UFJ SECURITIES
INTERNATIONAL PLC
SOCIETE GENERALE CORPORATE &
INVESTMENT BANKING**

**BNP PARIBAS
CREDIT AGRICOLE CIB
ING
NATIXIS
THE ROYAL BANK OF SCOTLAND**

**BofA MERRILL LYNCH
DEUTSCHE BANK
J.P. MORGAN
SANTANDER GLOBAL BANKING & MARKETS
UNICREDIT BANK**

The date of this Base Prospectus is 27 March 2013.

Responsibility Statement and Consent to Use of Base Prospectus

The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus and in the Final Terms in respect of each issue of Notes under the Programme with respect to the Issuer, and to the Issuer and its Subsidiaries (as defined in the Terms and Conditions of the Notes) taken as a whole (the "Group") is, to the best of its knowledge, in accordance with the facts as at the date of this Base Prospectus and contains no omission likely to affect its import.

The Issuer accepts responsibility for the information contained in this Base Prospectus and in the Final Terms in respect of each issue of Notes under the Programme accordingly.

In the context of any offer of Notes that is not within an exemption from the requirement to publish a prospectus under the Prospectus Directive (a "**Non-exempt Offer**"), the Issuer accepts responsibility, in the Member State for which it has given its consent referred to herein, for the content of this Base Prospectus in relation to any person (an "**Investor**") to whom an offer of any Notes is made by any financial intermediary to whom it has given its consent to use this Base Prospectus (an "**Authorised Offeror**", as set out in the Final Terms or on the website of the Issuer as set out in the paragraph below), where the offer is made during the period for which that consent is given and where the offer is made in the Member State for which that consent was given and is in compliance with all other conditions attached to the giving of the consent. However, neither the Issuer nor the Dealers have or take any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other applicable local regulatory requirements or other securities law requirements in relation to such offer.

If so specified in the Final Terms in respect of any Tranche of Notes, the Issuer consents to the use of this Base Prospectus in connection with a Non-exempt Offer of the relevant Notes during the Offer Period specified in the relevant Final Terms (the "**Offer Period**") either (1) in the Member State(s) specified in the relevant Final Terms, by any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC) and which satisfies any conditions specified in the relevant Final Terms or (2) by the financial intermediaries, in the relevant Member State(s) and subject to the relevant conditions, in each case specified in the relevant Final Terms, for so long as they are authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2004/39/EC). The Issuer may give consent to additional financial intermediaries after the date of the relevant Final Terms and, if it does so, the Issuer will publish the above information in relation to them on www.sanofi.com. Such consent shall not extend beyond twelve months from the date of this Base Prospectus.

Any Authorised Offeror who wishes to use this Base Prospectus in connection with a Non-exempt Offer as set out in (1) above is required, for the duration of the relevant Offer Period, to publish on its website that it is using this Base Prospectus (and all the existing amendments and supplements thereto) for such Non-exempt Offer in accordance with the consent of the Issuer and the conditions attached thereto.

To the extent specified in the relevant Final Terms, a Non-exempt Offer may be made during the relevant Offer Period by any of the Issuer, the Dealers or any relevant Authorised Offeror in any relevant Member State and subject to any relevant conditions, in each case all as specified in the relevant Final Terms.

As of the date of this Base Prospectus, any references to Member State in the context of the Issuer consenting to the use of this Base Prospectus for a Non-exempt Offer shall be a reference to Luxembourg only. In the event that the Issuer wishes to make a Non-exempt Offer in any other EEA Member State, a supplement to this Base Prospectus shall be prepared.

Other than as set out above, neither the Issuer nor any of the Dealers has authorised the making of any Non-exempt Offer by any person in any circumstances and such person is not permitted to use this Base Prospectus in connection with its offer of any Notes. No such Non-exempt Offers are made on behalf of the Issuer or by any of the Dealers or Authorised Offerors and none of the Issuer or any of the Dealers or Authorised Offerors has, or takes, any responsibility or liability for the actions of any person making any such Non-exempt Offers.

An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation and settlement arrangements (the "Terms and Conditions of the Non-exempt Offer"). The Issuer will not be a party to any

such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, this Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Non-exempt Offer shall be published by that Authorised Offeror on its website at the relevant time. None of the Issuer, any of the Dealers or other Authorised Offerors has, or takes, any responsibility or liability for such information.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Base Prospectus contains forward-looking statements. Sanofi may also make written or oral forward-looking statements in any documents incorporated by reference herein, in any supplements to this Base Prospectus or any documents incorporated by reference therein. Examples of such forward-looking statements include:

- projections of operating revenues, net income, business net income, earnings per share, business earnings per share, capital expenditures, cost savings, restructuring costs, positive or negative synergies, dividends, capital structure or other financial items or ratios;
- statements of its profit forecasts, trends, plans, objectives or goals, including those relating to products, clinical trials, regulatory approvals and competition; and
- statements about its future events and economic performance or that of France, the United States or any other countries in which Sanofi operates.

This information is based on data, assumptions and estimates considered reasonable by the Company as at the date of this Base Prospectus and undue reliance should not be placed on such statements.

Words such as "believe", "anticipate", "plan", "expect", "intend", "target", "estimate", "project", "predict", "forecast", "guideline", "should" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements involve inherent, known and unknown, risks and uncertainties associated with the regulatory, economic, financial and competitive environment, and other factors that could cause future results and objectives to differ materially from those expressed or implied in the forward-looking statements.

Risk factors which could affect the future results and cause actual results to differ materially from those contained in any forward-looking statements are discussed under "Risk Factors" section of this Base Prospectus. Additional risks, not currently known or considered immaterial by the Company, may have the same unfavorable effect and investors may lose all or part of their investment.

Forward-looking statements speak only as of the date they are made. Other than required by law, Sanofi does not undertake any obligation to update them in light of new information or future developments.

This Base Prospectus (together with any supplements hereto published from time to time (each a "**Supplement**" and together the "**Supplements**")) comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer, the Group and the Notes which, according to the particular nature of the Issuer and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer and of the rights attaching to the Notes to be issued under the Programme.

This Base Prospectus is to be read in conjunction with any Supplements hereto and with all documents which are incorporated herein by reference (see "Documents Incorporated by Reference" below) and in relation to any Series (as defined in "Terms and Conditions of the Notes" below) with the relevant Final Terms. This Base Prospectus shall, save as specified herein, be read and construed on the basis that such documents are so incorporated and form part of this Base Prospectus.

The Dealers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme or the Notes or their distribution.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any other information supplied by the Issuer in connection with the Programme or the Notes (including without limit any Supplements) and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any Notes.

The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme. Investors should review, *inter alia*, the most recently published financial statements of the Issuer when deciding whether or not to purchase any Notes.

The distribution of this Base Prospectus and any Final Terms and the offer, sale and delivery of Notes may be restricted by law in certain jurisdictions. Neither the Issuer nor the Dealers represent that this document and any Final Terms may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by either the Issuer or the Dealers (save for the approval of this document by the CSSF) which would permit a public offering of any Notes or distribution of this document or any Final Terms in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus, any Final Terms nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Base Prospectus, any Supplement thereto, or any Final Terms or any Notes come are required by the Issuer and the Dealers to inform themselves about, and observe, any such restrictions. For a description of certain restrictions on offers and sales of the Notes and distribution of this Base Prospectus or any Final Terms, see "Subscription and Sale" below.

The Notes have not been nor will be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority of any state or other jurisdiction of the United States and may include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")). See "Subscription and Sale" below.

All references in this Base Prospectus to "**U.S. dollars**", "**U.S.\$**", "**\$**" and "**U.S. cent**" refer to the currency of the United States of America, those to "**Japanese yen**" and "**Yen**" refer to the currency of Japan, those to "**Sterling**" and "**£**" refer to the currency of the United Kingdom, those to "**€**", "**EUR**", "**Euro**" or "**euro**" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, those to "**Swiss francs**" or "**CHF**" are to the lawful currency of the Helvetic Confederation and those to "**Renminbi**" or "**CNY**" mean Renminbi Yuan and are to the lawful currency of the People's Republic of China, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan (the "**PRC**"). References in this document to "**billions**" are to thousands of millions. Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager(s) (or persons acting on behalf of the Stabilising Manager(s)), in accordance with all applicable laws and rules.

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SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "Not Applicable".

		Section A – Introduction and Warnings
A.1	Introduction:	<p>Warning that:</p> <ul style="list-style-type: none"> • this summary should be read as introduction to the Base Prospectus; • any decision to invest in the Notes should be based on consideration of the Base Prospectus as a whole by the investor; • where a claim relating to the information contained in the Base Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated; and • civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such securities.
A.2	Consent:	<p>The Issuer [consents/does not consent] to the use of the Base Prospectus in connection with a Non-exempt Offer of the Notes subject to the following conditions:</p> <p>(i) the consent is only valid during the period from [[•] until [•]/[the Issue Date]/[the date which falls [•] Business Day thereafter]] (the "Offer Period");</p> <p>(ii) the only offerors authorized to use the Base Prospectus to make the Non-exempt Offer of the Notes are the relevant [Dealer/Managers] and[(i) [•] [and[•]] and/or (ii) if the Issuer appoints additional financial intermediaries after [•] (being the date of the Final Terms) and shall have published details of them on its website (www.sanofi.com), each financial intermediary whose details are so published]/[any financial intermediary which is authorized to make such an offer under the Markets in Financial Instrument Directive (Directive 2004/39/EC), which acknowledges on its website that is it relying on the Base Prospectus to offer the Notes during the Offer Period; [and]</p> <p>(iii) the consent only extends to the use of the Base Prospectus to make Non-exempt Offers of the Notes in Luxembourg; [and]</p> <p>[(iv) the consent is subject to the following other conditions[s]: [•] .]</p> <p>[Any offeror falling within sub-paragraph (ii) above who meets all of the other</p>

		<p>conditions stated above and wishes to use the Prospectus in connection with a Non-exempt Offer is required, at the relevant time, to publish on its website that it is relying on the Base Prospectus for such Non-exempt Offer with the consent of the Issuer.]</p> <p>[An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocation and settlement arrangements (the "Terms and Conditions of the Non-exempt Offer"). The Issuer will not be a party to any such arrangements with Investors (other than Dealers) in connection with the offer or sale of the Notes and, accordingly, the Base Prospectus and the Final Terms will not contain such information. The Terms and Conditions of the Non-exempt Offer shall be published by that Authorised Offeror on its website at the relevant time. None of the Issuer nor any of the Dealers or other Authorised Offerors has, or takes, any responsibility or liability for such information.]</p>
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		Section B – Issuer
B.1	Legal name and commercial name of the Issuer:	Sanofi
B.2	Domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation:	Sanofi was incorporated under the laws of France in 1994 as a <i>société anonyme</i> , a form of limited liability company, for a term of 99 years. Its registered office is located at 54 rue La Boétie 75008 Paris, France. Sanofi operates under the laws of France.
B.4b	Trends:	<p>Like other groups active in the pharmaceutical industry, Sanofi has been facing competition from generics for several of its major products, in an environment subject to cost containment pressures from both third party payers and healthcare authorities. Sanofi is responding to these major challenges by implementing a strategy with the objective of repositioning Sanofi for more stable and sustainable revenue and earnings growth. Over the past years, the Group has been transformed by decreasing its reliance on existing "blockbuster" medicines (medicines with over \$1 billion in global sales), optimizing its approach to Research & Development, increasing its diversification, and investing in seven growth platforms (Emerging Markets, Diabetes Solutions, Vaccines, Consumer Health Care, Animal Health, New Genzyme, and Innovative Products).</p> <p>Sanofi expects erosion from generic competition to continue in 2013, with a negative impact on net income.</p> <p>In 2012, aggregate consolidated net sales generated by all the products in countries where generic competition currently exists or is expected in 2013 (excluding Plavix® and Avapro® in the U.S., and industrial sales of these two products worldwide) were €2,996 million, including €1,221 million in the U.S., €880 million in Europe and €895 million in Japan (Allegra®, Myslee® and Taxotere®). The negative impact on its 2013 net sales is liable to represent a substantial portion of this amount, but the actual impact will depend on a number of factors such as the actual launch dates of generic</p>

		<p>products in 2013, the prices at which they are sold, and potential litigation outcomes.</p> <p>In addition, the loss of Plavix® and Avapro® exclusivity in the U.S. in the first half of 2012 is expected to negatively impact its net income by €0.8 billion in 2013 relative to 2012. Although sales of Plavix® and Avapro® in the U.S. are not included in its consolidated net sales, these products nonetheless have an impact on the net income of the Group.</p>																																																
B.5	The Group and the Issuer's position within the Group:	<p>The Issuer is the holding company of a consolidated group of subsidiaries.</p> <p>Sanofi and its subsidiaries form a group (together, the "Group") organised around three activities: Pharmaceuticals, Human Vaccines (Vaccines) and Animal Health.</p> <p>Sanofi is an integrated, global healthcare company focused on patient needs and engaged in the research, development, manufacture and marketing of healthcare products.</p>																																																
B.9	Profit Forecast or Estimate:	Not Applicable. The Issuer does not provide profit forecasts or estimates in the Annual Report 2012 on Form 20-F.																																																
B.10	Audit Report Qualifications:	Not Applicable. There are no qualifications in the audit report to the Annual Report 2012 on Form 20-F.																																																
B.12	Selected Key Historical Financial Information:	<p>Key consolidated audited financial information as at 31 December 2011 and 31 December 2012. This information has been extracted from the 2012 Annual Report on Form 20-F which is incorporated by reference into the Base Prospectus.</p> <table border="1"> <thead> <tr> <th>(Euro million, except per share data)</th> <th>2011</th> <th>2012</th> </tr> </thead> <tbody> <tr> <td>IFRS Income statement data</td> <td></td> <td></td> </tr> <tr> <td>Net sales</td> <td>33,389</td> <td>34,947</td> </tr> <tr> <td>Gross profit</td> <td>24,156</td> <td>24,839</td> </tr> <tr> <td>Operating income</td> <td>5,731</td> <td>6,337</td> </tr> <tr> <td>Net income attributable to equity holders of the Company</td> <td>5,693</td> <td>4,967</td> </tr> <tr> <td>Basic earnings per share (Euro)</td> <td></td> <td></td> </tr> <tr> <td>Net income attributable to equity holders of the Company</td> <td>4.31</td> <td>3.76</td> </tr> <tr> <td>Diluted earnings per share (Euro)</td> <td></td> <td></td> </tr> <tr> <td>Net income attributable to equity holders of the Company</td> <td>4.29</td> <td>3.74</td> </tr> <tr> <td>IFRS Balance sheet data</td> <td></td> <td></td> </tr> <tr> <td>Goodwill and other intangible assets</td> <td>62,221</td> <td>58,265</td> </tr> <tr> <td>Total assets</td> <td>100,668</td> <td>100,407</td> </tr> <tr> <td>Outstanding share capital</td> <td>2,647</td> <td>2,646</td> </tr> <tr> <td>Equity attributable to equity holders of the Company</td> <td>56,203</td> <td>57,338</td> </tr> <tr> <td>Long term debt</td> <td>12,499</td> <td>10,719</td> </tr> </tbody> </table>	(Euro million, except per share data)	2011	2012	IFRS Income statement data			Net sales	33,389	34,947	Gross profit	24,156	24,839	Operating income	5,731	6,337	Net income attributable to equity holders of the Company	5,693	4,967	Basic earnings per share (Euro)			Net income attributable to equity holders of the Company	4.31	3.76	Diluted earnings per share (Euro)			Net income attributable to equity holders of the Company	4.29	3.74	IFRS Balance sheet data			Goodwill and other intangible assets	62,221	58,265	Total assets	100,668	100,407	Outstanding share capital	2,647	2,646	Equity attributable to equity holders of the Company	56,203	57,338	Long term debt	12,499	10,719
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		Cash dividend paid per share (euro)	2.65	2.77
	Material Adverse Change and Significant Change:	Not Applicable. There has been no material adverse change in the prospects of Sanofi since 31 December 2012 and there has been no significant change in the financial or trading position of Sanofi or of the Group since 31 December 2012.		
B.13	Recent Events materially relevant to evaluation of solvency:	Not Applicable. There have been no recent events which Sanofi considers materially relevant to the evaluation of its solvency since the publication of the 2012 Annual Report on Form 20-F.		
B.14	Dependence upon other Entities within the Group:	Sanofi is a holding company and as a result its financial and trading position depends on the financial and trading position of its principal subsidiaries.		
B.15	The Issuer's Principal Activities:	<p>Sanofi is an integrated, global healthcare company focused on patient needs and engaged in the research, development, manufacture and marketing of healthcare products.</p> <p>The business of the Group is organized around three principal activities: Pharmaceuticals, Human Vaccines through Sanofi Pasteur and Animal Health through Merial Limited (Merial).</p> <p>In parallel, the Group operates through seven growth platforms: Emerging Markets¹, Diabetes, Vaccines, Consumer Health Care, Animal Health, New Genzyme², and Other Innovative Products³.</p> <p>In its Pharmaceuticals activity, its major product categories are:</p> <ul style="list-style-type: none"> • Diabetes Solutions • Rare Diseases • Multiple sclerosis (MS) <p>Rare Diseases and multiple sclerosis are the therapeutic areas of the “New Genzyme” growth platform.</p> <ul style="list-style-type: none"> • Oncology • Other prescription products • The global pharmaceutical portfolio of Sanofi also includes a wide range of other products in Consumer Health Care (CHC), a category in which we have become the third largest player in terms of global sales, and other prescription drugs including generics. <p>Sanofi is a world leader in the vaccines industry with leading vaccines in five areas: paediatric vaccines, influenza vaccines, adult and adolescent booster vaccines,</p>		

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

² “New Genzyme” covers rare diseases and treatment for multiple sclerosis.

³ “Other Innovative Products” covers new product launches which do not belong to the other growth platforms listed: Multaq®, Jevtana®, Mozobil® and Zaltrap®.

		<p>meningitis vaccines, and travel and endemics vaccines.</p> <p>Its Animal Health activity is carried out through Merial, one of the world's leading animal healthcare companies dedicated to the research and development, manufacture and delivery of innovative pharmaceuticals and vaccines for production and companion animals.</p> <p>Partnerships are essential to the business of the Group, and many of its products on the market or in development have been in-licensed from third parties or rely on third party technologies and rights.</p>
B.16	Controlling Persons:	Not Applicable. Sanofi is not controlled by any other entity.
B17	Credit Ratings:	<p>As of the date of the Base Prospectus, the Issuer's short-term and long-term debt are respectively rated (i) P-1 and A2, with a positive outlook, by Moody's and (ii) A-1+ and AA-, with a stable outlook, by Standard & Poor's.</p> <p>[[The Notes have been rated [[[●]] by Moody's] [and] [[●]] by Standard and Poor's.]] / [Not Applicable. The Notes have not been rated.]</p>

		Section C - The Notes
C.1	Type of Security:	The Notes are [Fixed Rate/Floating Rate/Zero Coupon] Notes.
	Securities Identification Numbers:	<p>The ISIN is [●].</p> <p>The Common Code is [●].</p>
C.2	Currencies:	The currency of the Notes is [●].
C.5	Restriction on Transferability:	Not Applicable. There are no transfer restrictions.
C.8	The Rights attaching to the Notes, Ranking and Limitations:	<p>Voting: One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. Each Note carries the right to one vote or, in the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the aggregate principal amount of the Series to which such Note belongs.</p> <p>Redemption: Each Note will be redeemed at par on the Maturity Date. Notes may be redeemed early for tax reasons, at the option of the Issuer, at the option of the Holders or by way of the Issuer exercising a Make-whole option. Notes may also be redeemed or purchased for cancellation.</p> <p>Status of the Notes: The Notes shall be issued on [a subordinated] / [an unsubordinated basis].</p> <p>Ranking: [The Unsubordinated Notes will be direct, unsecured (subject to Condition 4 (<i>Negative Pledge</i>)) and unsubordinated obligations of the Issuer which will rank <i>pari passu</i>, without any preference or priority by reason of date of issue, currency of payment or otherwise, subject to such exceptions as are from time to time mandatory under the laws of France, among themselves and with all other unsecured and</p>

		<p>unsubordinated Indebtedness (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.] / [Payments in respect of the Notes will be subordinated.]</p> <p>Negative Pledge: [The Unsubordinated Notes have the benefit of a negative pledge provision in respect of Relevant Indebtedness which is in the form of any bonds, debentures, or other form of debt securities which are, or which are capable of being listed, quoted or ordinarily traded on any stock exchange, over-the counter market or securities market.] / [The [Subordinated] Notes do not have the benefit of a negative pledge provision in respect of Relevant Indebtedness.]</p> <p>Limitations to the Rights: Not Applicable. There are no limitations to the rights.</p>
C.9	Interest, Redemption, Representation and Yield:	<p>See item C.8 for the Rights attached to the Notes, Ranking and Limitations.</p> <p>Interest: Interest on the Notes in respect of each Interest Period will be payable <i>[on the first day of the next Interest Period/on the Interest Payment Date falling in the Redemption Month]</i> and shall be <i>[calculated on the basis of [•]]</i> / <i>[•]</i>.</p> <p>[Floating Rate Notes: The Notes will bear interest at a rate determined <i>[on the same basis as the floating rate under a notional interest rate swap transaction in the Specified Currency governed by an agreement incorporating the [2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc./ FBF Definitions (as published by the Fédération Bancaire Française)], and as amended and updated as at the Issue Date of the first Tranche of the Notes of the Series)]</i> / <i>[on the basis of a reference rate appearing on [screen page] of [quotation service]]</i> / <i>[•]</i>. <i>[The Notes have [maximum interest rate / a minimum interest rate / minimum/maximum variation between two consecutive coupons / other].]</i></p> <p>[Zero Coupon Notes: <i>[Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.]</i></p> <p>Maturity Date: <i>[•]</i></p> <p>Make-whole Redemption: The Issuer may redeem, in whole or in part, the Notes then outstanding, at any time prior to the Maturity Date, at their relevant Make-whole Redemption Amount.</p> <p>Yield: <i>[•]</i></p> <p>Representative of the Noteholders: Noteholders may call or be called to a Noteholders' meeting. The Noteholders will be grouped automatically for the defence of their respective common interests in a masse governed by the provisions of the French Code de commerce subject to certain exceptions and provisions (the "Masse"). The Masse will be a separate legal entity, and will be acting in part through one Representative and in part through a general assembly of the Noteholders. The Representative and the Alternative Representative will be appointed in the relevant Final Terms for each issue of Notes.</p>
C.10	Derivative component in interest payment:	<p>See Element. C.9</p> <p>Not Applicable. Payments of interest on the Notes shall not involve any derivative component.</p>
C.11	Admission to Trading:	<p>[Application has been made to the Luxembourg Stock Exchange for the Notes to be admitted to the official list and traded on the regulated market of the Luxembourg Stock</p>

	Exchange] [●]/ [Not Applicable. The Notes are unlisted.]]
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		Section D – Risks
D.2	Key Risks Specific to the Issuer:	<p>The following outline the risks associated with the Issuer and its ability to fulfil its obligations under Notes issued under the Programme:</p> <ul style="list-style-type: none"> • Sanofi relies on its patents and proprietary rights to provide exclusive rights to market certain of its products and if such patents and other rights were limited or circumvented, its financial results could be materially and adversely affected; • Product liability claims could adversely affect Sanofi's business, results of operations and financial condition; • Claims and investigations relating to competition law, marketing practices, pricing, compliance issues, as well as other legal matters, could adversely affect Sanofi's business, results of operations and financial condition; • Changes in the laws or regulations that apply to Sanofi could affect the Group's business, results of operations and financial condition; • Sanofi's strategic objectives may not be fully realized; • Sanofi's research and development efforts may not succeed in adequately renewing its product portfolio; • Sanofi may lose market share to competing remedies or generic brands if they are perceived to be equivalent or superior products; • A substantial share of the revenue and income of the Group continues to depend on the performance of certain flagship products; • Sanofi may fail to successfully identify external business opportunities or realize the anticipated benefits from its strategic investments; • The diversification of the Group's business exposes it to increased risks; • The globalization of the Group's business exposes it to increased risks; • Sanofi's products and manufacturing facilities are subject to significant government regulations and approvals, which are often costly and could result in adverse consequences to its business if Sanofi fails to comply with the regulations or maintain the approvals; • Sanofi's indebtedness may limit its business flexibility compared to some of its peers; • Sanofi faces increasing pricing and reimbursement pressure on its pharmaceutical products that could negatively affect its revenues and/or margins; • The ongoing slowdown of global economic growth and the financial crisis could have negative consequences for Sanofi's business;

		<ul style="list-style-type: none"> • The manufacture of Sanofi's products is technically complex, and supply interruptions, product recalls or inventory losses caused by unforeseen events may reduce sales, adversely affect its operating results and financial condition and delay the launch of new products; • Sanofi relies on third parties for the discovery, manufacture and marketing of some of its products; • Counterfeit versions of Sanofi's products harm its business; • Sanofi is subject to the risk of non-payment by its customers; • Sanofi's pension liabilities are affected by factors such as the performance of plan assets, interest rates, actuarial data and experience and changes in laws and regulations; • Impairment charges or write downs in Sanofi's books and changes in accounting standards could have a significant adverse effect on the Group's results of operations and financial results; • Sanofi is increasingly dependent on information technologies and networks; • The expansion of social media platforms and mobile technologies presents new risks and challenges; • Natural disasters prevalent in certain regions in which Sanofi does business could affect its operations; • Risks from the handling of hazardous materials could adversely affect Sanofi's results of operations; • Environmental liabilities and compliance costs may have a significant adverse effect on Sanofi's results of operations; • Fluctuations in currency exchange rates could adversely affect Sanofi's results of operations and financial condition; and • In the context of the worldwide financial crisis, Sanofi's liquidity may be constrained.
D.3	Key Risks Specific to the Notes:	<p>The following are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme:</p> <ul style="list-style-type: none"> • The trading market for debt securities may be volatile and may be adversely impacted by many events; • An active trading market for the Notes may not develop; • The Notes may be redeemed prior to maturity; • Any early redemption at the option of the Issuer, if provided for in any Final Terms for a particular issue of Notes, could cause the yield anticipated by Noteholders to be considerably less than anticipated; • Investors will not be able to calculate in advance their rate of return on Floating Rate Notes;

		<ul style="list-style-type: none"> • Zero Coupon Notes are subject to higher price fluctuations than non-discounted bonds; • Exchange rate risks and exchange controls; • Credit ratings may not reflect all risks; • Risks relating to French insolvency law; and • Risk relating to Renminbi-denominated Notes.
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		Section E – Offer
E.2b	Reasons for the Offer and Use of Proceeds:	The reason for the Offer is to raise proceeds that can be applied by the Issuer for its general funding purposes, which include making a profit, and other particular uses as determined by the Issuer.
E.3	Terms and Conditions of the Offer:	<p><i>Conditions, offer statistics, expected timetable and action required to apply for the offer</i></p> <p>The conditions to which the offer is subject are [•].</p> <p>The total amount of the offer is [•]. <i>[If the offer is not fixed, describe the arrangements and time for announcing to the public the definitive amount of the offer.]</i></p> <p>The Offer Period is [•]. <i>[Describe the application process]</i></p> <p><i>Describe the possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants.</i></p> <p><i>Detail the minimum and/or maximum amount of application, (whether the number of securities or the aggregate amount to be invested).</i></p> <p><i>Describe the method and time limits for paying up the securities and for delivery of the securities.</i></p> <p><i>Describe fully the manner and date on which results of the offer are to be made public.</i></p> <p><i>Describe the procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.</i></p> <p>Plan of distribution and allotment</p> <p><i>If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.</i></p> <p><i>Describe the process for notification to applicants of the amount allotted and indicate whether dealing may begin before notification is made.</i></p> <p>Pricing</p> <p>The Issue Price is [•]</p> <p>Placing and Underwriting</p> <p><i>Provide the name and address of the co-ordinator of the global offer and of single parts of the offer and, to the extent known to the Issuer, of the placers in the various</i></p>

		<p><i>countries where the offer takes place.</i></p> <p><i>Provide the name and address of any paying agents and depository agents in each country.</i></p> <p><i>Provide the name and address of the entities agreeing to underwrite the issue on a firm commitment basis and the address of the entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements.</i></p> <p><i>Indicate the material features of the agreements, including the quotas. Where not all of the issue is underwritten, a statement of the portion not covered.</i></p> <p><i>Indicate the overall amount of the underwriting commission and of the placing commissions.</i></p> <p><i>Indicate when the underwriting agreement has been or will be reached.</i></p>
E.4	Interests Material to the Issue:	Not Applicable. As far as the Issuer is aware, there are no interests, including conflicting ones, in relation to the [issue/offer].
E.7	Estimated Expenses charged by the investor by the Issuer:	[Not Applicable. No expenses are being charged to an investor by the Issuer.]/[•]

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme. Prospective investors should however read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein), reach their own views prior to making any investment decision as investors may lose the value of their entire investment or part of it and should consult with their own professional advisers if they consider necessary.

In addition to the risks listed herein, Sanofi may be subject to other material risks that are not currently known to it.

1. Risk Factors relating to Sanofi

A Risks Relating to Legal Matters

Sanofi relies on its patents and proprietary rights to provide exclusive rights to market certain of its products and if such patents and other rights were limited or circumvented, its financial results could be materially and adversely affected.

Through patent and other proprietary rights, such as supplementary protection certificates in Europe for instance, Sanofi holds exclusivity rights for a number of its research-based products. However, the protection that Sanofi is able to obtain varies from product to product and country to country and may not be sufficient to maintain effective product exclusivity because of local variations in the patents, differences in national law or legal systems, development in law or jurisprudence, or inconsistent judgments. Moreover, some countries are becoming more likely to consider granting a compulsory license to patents protecting an innovator's product; India's decision of March 2012 granting a compulsory license to a generic company to a Bayer patent is illustrative of this risk. Sanofi is involved in litigation worldwide to enforce certain of these patent rights against generics and proposed generics (see "Item 8. Financial Information — A. Consolidated Financial Statements and Other Financial Information — Information on Legal or Arbitration Proceedings" of the 2012 Annual Report on Form 20-F incorporated herein by reference for additional information). Moreover, patent rights are limited in time and do not always provide effective protection for Sanofi's products: competitors may successfully avoid patents through design innovation, Sanofi may not hold sufficient evidence of infringement to bring suit, manufacturers of generic products are also increasingly seeking to challenge patents before they expire, and Sanofi's infringement claim may not result in a decision that its rights are valid, enforceable or infringed. Even in cases where Sanofi ultimately prevails in its infringement claim, legal remedies available for harm caused to Sanofi by infringing products may be inadequate to make it whole. A competitor may launch a generic product "at risk" before the initiation or completion of the court proceedings, and the court may decline to grant it a preliminary injunction to halt further "at risk" sales and remove the infringing product from the market. Additionally, while Sanofi would be entitled to obtain damages in such a case, the amount that Sanofi may ultimately be awarded and able to collect may be insufficient to compensate all harm caused to it.

Further, its successful assertion of a given patent against one competing product is not necessarily predictive of its future success or failure in asserting the same patent against a second competing product because of such factors as possible differences in the formulations. Also a successful result in one country may not predict success in another country because of local variations in the patents and patent laws.

To the extent valid third-party patent rights cover its products, Sanofi or its partners may be required to obtain licenses from the holders of these patents in order to manufacture, use or sell these products, and payments under these licenses may reduce its profits from these products. Sanofi may not be able to obtain these licenses on favorable terms, or at all. If

Sanofi fails to obtain a required license or is unable to alter the design of its technology to fall outside the scope of a third-party patent, Sanofi may be unable to market some of its products, which may limit its profitability.

Product liability claims could adversely affect Sanofi's business, results of operations and financial condition.

Product liability is a significant business risk for any pharmaceutical company, and the Group's ongoing diversification could increase its product liability exposure (see notably "— The diversification of the Group's business exposes it to increased risks." below). Substantial damage awards and/or settlements have been handed down — notably in the United States and other common law jurisdictions — against pharmaceutical companies based on claims for injuries allegedly caused by the use of their products. Such claims can also be accompanied by consumer fraud claims by customers or third-party payers seeking reimbursement of the cost of the product.

Often the side effect profile of pharmaceutical drugs cannot be fully established based on preapproval clinical studies involving only several hundred to several thousand patients. Routine review and analysis of the continually growing body of post-marketing safety surveillance and clinical trials provide additional information — for example, potential evidence of rare, population-specific or long-term adverse reactions or of drug interactions that were not observed in preapproval clinical studies — and may cause product labeling to evolve, including restrictions of therapeutic indications, new contraindications, warnings or precautions, and occasionally even the suspension or withdrawal of a product marketing authorization. Several pharmaceutical companies have withdrawn products from the market because of newly detected or suspected adverse reactions to their products, and as a result of such withdrawal now face significant product liability claims. Sanofi is currently defending a number of product liability claims (see Note D.22.a) to the consolidated financial statements included at Item 18 of the 2012 Annual Report on Form 20-F incorporated herein by reference) and there can be no assurance that the Group will be successful in defending against each of these claims or will not face additional claims in the future. Furthermore, Sanofi commercializes several devices using new technologies which, in case of malfunction, could cause unexpected damages lead to its liability (see "— Sanofi is increasingly dependent on information technologies and networks." below).

Although Sanofi continues to insure a portion of its product liability with third-party carriers, product liability coverage is increasingly difficult and costly to obtain, particularly in the United States, and in the future it is possible that self-insurance may become the sole commercially reasonable means available for managing the product liability financial risk of its pharmaceutical and vaccines businesses. Due to insurance conditions, even when the Group has insurance coverage, recoveries from insurers may not be totally successful. Moreover the insolvency of a carrier could negatively affect Sanofi's ability to achieve the practical recovery of the coverage for which Sanofi has already paid a premium.

Product liability claims, regardless of their merits or the ultimate success of the Group's defense, are costly, divert management attention, may harm its reputation and can impact the demand for its products. Substantial product liability claims, if successful, could adversely affect its business, results of operations and financial condition.

Claims and investigations relating to competition law, marketing practices, pricing, compliance issues, as well as other legal matters, could adversely affect Sanofi's business, results of operations and financial condition.

The marketing of the products of the Group is heavily regulated. The Group's business covers an extremely wide range of activities worldwide and involves numerous partners. Despite Sanofi's efforts any failure to comply directly or indirectly (including as a result of a business partners' breach) with law could lead to substantial liabilities. Governments and regulatory authorities around the world have been strengthening enforcement activities in recent years. Sanofi and certain of its subsidiaries are under investigation by various government entities and are defending a number of lawsuits relating to antitrust and/or pricing and marketing practices, including, for example in the United States, class action lawsuits and whistle blower litigation. The Group also faces significant litigation and government investigations or audits, including allegations of securities law violations, corruption, claims related to employment matters, patent and intellectual property disputes, consumer law claims and tax audits. See "Item 8. Financial Information — A. Consolidated Financial Statements and Other Financial Information — Information on Legal or Arbitration Proceedings" and Note D.22. to the consolidated financial statements included at Item 18 of the 2012 Annual Report on Form 20-F incorporated herein by reference. Responding to such investigations is costly and distracts management's attention from its business.

Unfavorable outcomes in any of these matters, or in similar matters to be faced in the future, could preclude the commercialization of products, harm its reputation, negatively affect the profitability of existing products and subject

Sanofi to substantial fines (including treble damages), punitive damages, penalties and injunctive or administrative remedies, potentially leading to the imposition of additional regulatory controls or exclusion from government reimbursement programs and could have a material adverse effect on Sanofi's business, results of operations or financial conditions. These risks may encourage the company to enter into settlement agreement with governmental authorities including with no admission of wrongdoing. Those settlements may involve large cash payments and penalties. Settlement of healthcare fraud cases may require companies to enter into a corporate integrity agreement, which is intended to regulate company behavior for a period of years. For instance in December 2012, Sanofi U.S. entered into a settlement agreement with the U.S. Attorney's Office, District of Massachusetts, the United States Department of Justice and multiple states to resolve all claims arising out of an investigation into sampling of Sanofi's former viscosupplement product, Hyalgan®. As part of the settlement, Sanofi U.S. paid U.S.\$109 Million to the settling parties and will enter into a Corporate Integrity Agreement with the Office of the Inspector General of the United States Department of Health and Human Services.

Changes in the laws or regulations that apply to Sanofi could affect the Group's business, results of operations and financial condition.

Governmental authorities are increasingly looking to facilitate generic and biosimilar competition to existing products through new regulatory proposals intended to, or resulting in, changes to the scope of patent or data exclusivity rights and use of accelerated regulatory pathways for generic and biosimilar drug approvals. Such regulatory proposals, if enacted, could make prosecution of patents for new products more difficult and time consuming or could adversely affect the exclusivity period for Sanofi's products, thereby materially and adversely affecting its financial results.

This new competitive environment and potential regulatory changes may further limit the exclusivity enjoyed by innovative products on the market and directly impact pricing and reimbursement levels, which may adversely affect Sanofi's business and future results.

In addition, changes in tax laws or in their application with respect to matters such as tax rates, transfer pricing, dividends, controlled companies or a restriction in certain forms of tax relief, could affect Sanofi's effective tax rate and its future results.

For information regarding risks related to changes in environmental rules and regulations, see "— Environmental liabilities and compliance costs may have a significant adverse effect on its results of operations" below.

B Risks Relating to its Business

Sanofi's strategic objectives may not be fully realized.

Sanofi's strategy is focused on four pillars in order to deliver sustainable long-term growth and maximize shareholder returns: grow a global healthcare leader with synergistic platforms, bring innovative products to market, seize value-enhancing growth opportunities, and adapt its structure for future opportunities and challenges. Sanofi may not be able to fully realize its strategic objectives and, even if Sanofi is able to do so, these strategic objectives may not deliver the expected benefits.

For example, its strategy involves concentrating efforts around identified growth platforms and meeting significant growth objectives over 2012-2015. There is no guarantee that Sanofi will meet these objectives or that these platforms will grow in line with anticipated growth rates. A failure to continue to expand its business in targeted growth platforms could affect its business, results of operations or financial condition.

As a further example, Sanofi is pursuing a Group-wide cost savings program which it expects, together with the expected synergies from the acquisition of Genzyme, to generate additional incremental cost savings by 2015. This also includes an adaptation plan regarding the activities of the Group in France. There is no assurance that the Group will successfully realize this plan. Moreover, the publicity given to this adaptation plan, may prejudice the Group's image and its reputation (see "— The expansion of social media platforms and mobile technologies present new risks and challenges." below). Sanofi may fail to realize all the expected cost savings resulting from these initiatives, which could materially and adversely affect its financial results.

Sanofi's research and development efforts may not succeed in adequately renewing its product portfolio.

To be successful in the highly competitive pharmaceutical industry, Sanofi must commit substantial resources each year to research and development in order to develop new products to take the place of products facing expiration of patent and regulatory data exclusivity, or competition from new products that are perceived as being superior. In 2012, Sanofi spent €4,922 million on research and development, amounting to approximately 14.1 per cent. of its net sales.

Sanofi may not be investing in the right technology platforms, therapeutic area, and products classes in order to build a robust pipeline and fulfill unmet medical needs. Fields of discovery and especially biotechnology are highly competitive and characterized by significant and rapid technological changes. Numerous companies are working on the same targets and a product considered as promising at the very beginning may become less attractive if a competitor addressing the same unmet need reaches the market earlier.

Developing a product is a costly, lengthy and uncertain process. The research and development process typically takes from 10 to 15 years from discovery to commercial product launch. This process is conducted in various stages in order to test, along with other features, the effectiveness and safety of a product. There can be no assurance that any of these compounds will be proven safe or effective. Accordingly, there is a substantial risk at each stage of development that Sanofi will not achieve its goals of safety and/or effectiveness including during the course of a development trial and that Sanofi will have to abandon a product in which Sanofi has invested substantial amounts and human resources, including in late stage development (Phase III). There can be no assurance that Sanofi's research and development strategy will deliver the expected result in the targeted timeframe or at all, which could affect its profitability in the future.

Decisions concerning the studies to be carried out can have a significant impact on the marketing strategy for a given product. Multiple in-depth studies can demonstrate that a product has additional benefits, facilitating the product's marketing, but such studies are expensive and time consuming and may delay the product's submission to health authorities for approval. Sanofi's ongoing investments in new product launches and research and development for future products could therefore result in increased costs without a proportionate increase in revenues which may negatively affect its operating results.

Obtaining regulatory marketing approval is not a guarantee that the product will achieve commercial success. Following each product marketing approval, the medical need served by the product and the corresponding reimbursement rate are evaluated by other governmental agencies which may in some cases require additional studies, including comparative studies, which may both effectively delay marketing of the new product and add to its development costs.

The success of a product depends on its ability to educate patients and healthcare providers and provide them with innovative data about the product and its uses. If these education efforts are not effective, then Sanofi may not be able to increase the sales of its new products to the market to realize the full value of its investment in its development.

On the same topic, for the research and development of drugs in rare diseases, Sanofi produces relatively small amounts of material at early stages. Even if a product candidate receives all necessary approvals for commercialization, Sanofi may not be able to successfully scale-up production of the product material at a reasonable cost or at all and Sanofi may not receive additional manufacturing approvals in sufficient time to meet product demand, which could lead to a significant loss of sales of that drug and could affect its business, results of operations or financial condition.

Sanofi may lose market share to competing remedies or generic brands if they are perceived to be equivalent or superior products.

Sanofi is faced with intense competition from generic products and brand-name drugs. Doctors or patients may choose these products over its' if they perceive them to be safer, more reliable, more effective, easier to administer or less expensive, which could cause Sanofi's revenues to decline and affect its results of operations.

In 2012, its patented pharmaceutical business faced important patent expirations and generic competition. For example Avapro®, Plavix®, and Eloxatin® lost their market exclusivity in the U.S in March, May and August 2012, and Aprovel® lost its market exclusivity in the E.U in August 2012.

The introduction of a generic version of a branded medicine typically results in a significant and rapid reduction in net sales for the branded product because generic manufacturers typically offer their unbranded versions at sharply lower

prices. Approval and market entry of a generic product often reduces the price that Sanofi receives for these products and/or the volume of the product that it would be able to sell and could materially and adversely affect its business, results of operations and financial condition. The extent of sales erosion also depends on the number of generic versions of its products that are actually marketed.

Additionally, in many countries such as the United States or France, applicable legislation encourages the use of generic products to reduce spending on prescription drugs. Therefore, the market for its products could also be affected if a competitor's innovative drug in the same market were to become available as generic because a certain number of patients can be expected to switch to a lower-cost alternative therapy.

Additional products of the Group could become subject to generic competition in the future as Sanofi expects this generic competition to continue and to implicate drug products even those with relatively modest revenues.

A substantial share of the revenue and income of the Group continues to depend on the performance of certain flagship products.

Sanofi generates a substantial share of its revenues from the sale of certain key products, which represented 42.2% of the Group's consolidated revenues in 2012. Among these products is Lantus®, which was the Group's leading product with revenues of €4,960 million in 2012, representing 14.2% of the Group's consolidated revenues for the year. Lantus® is a flagship product of the Diabetes division, one of the Group's growth platforms.

In general, if the products referred to above were to encounter problems such as loss of patent protection, material product liability litigation, unexpected side effects, regulatory proceedings, publicity affecting doctor or patient confidence, pressure from existing competitive products, changes in labeling, or if a new, more effective treatment were introduced, or if there were a reduction in sales of one or more of its flagship products or in their growth, the impact on the business of Sanofi, results of operations and financial condition could be significant.

Sanofi may fail to successfully identify external business opportunities or realize the anticipated benefits from its strategic investments.

As a complement to its portfolio of products, Sanofi pursues a strategy of selective acquisitions, in-licensing and partnerships in order to develop growth opportunities. The implementation of this strategy depends on its ability to identify business development opportunities and execute them at a reasonable cost and under acceptable conditions of financing. Moreover, entering into in-licensing or partnership agreements generally requires the payment of significant "milestones" well before the relevant products are placed on the market without any assurance that such investments will ultimately become profitable in the long term (see Note D.21.1. to the consolidated financial statements included at Item 18 of the 2012 Annual Report on Form 20-F incorporated herein by reference).

Because of the active competition among pharmaceutical groups for such business development activities, there can be no assurance of Sanofi's success in completing these transactions when such opportunities are identified.

Once identified, the inability to quickly or efficiently integrate newly acquired activities or businesses; a longer integration than expected; the loss of key employees; or higher than anticipated integration costs, could delay its growth objectives and prevent Sanofi from achieving expected synergies.

Moreover, Sanofi may miscalculate the risks associated with newly acquired activities or businesses at the time they are acquired or not have the means to evaluate them properly, including with regards to the potential of research and development pipelines, manufacturing issues, compliance issues, or the outcome of ongoing legal and other proceedings. It may also take a considerable amount of time and be difficult to implement a risk analysis and risk mitigation plan after the acquisition is completed due to lack of historical data. As a result, risk management and the coverage of such risks, particularly through insurance policies, may prove to be insufficient or ill-adapted.

The diversification of the Group's business exposes it to increased risks.

While pursuing its objective to become a global and diversified leader within the health industry, Sanofi is exposed to a number of new risks inherent in sectors in which, in the past, Sanofi has been either less active or not present at all. As an example:

- the contribution of its animal health business to the Group's income may be adversely affected by a number of risks including some which are specific to this business: i.e., the outbreak of an epidemic or pandemic that could kill large numbers of animals, and the effect of reduced veterinary expenditures during an economic crisis (see "— The ongoing slowdown of global economic growth and the financial crisis could have negative consequences for Sanofi's business" below).
- the margins of consumer health and generic products are generally lower than those of the traditional branded prescription pharmaceutical business. Moreover, the periodic review of the effectiveness, safety and use of certain over-the-counter drug products by health authorities or lawmakers may result in modifications to the regulations that apply to certain components of such products, which may require them be withdrawn from the market and/or that their formulation be modified.
- specialty products (such as those developed by Genzyme) that treat rare, life threatening diseases that are used by a small number of patients are often expensive to develop compared to the market opportunity. Third-party payers trying to limit health-care expenses may become less willing to support their per-unit cost.

Moreover, losses that may be sustained or caused by these new businesses may differ, with regards to their nature, scope and level, from the types of product liability claims that Sanofi has handled in the past (see "— Product liability claims could adversely affect Sanofi's business, results of operations and financial condition" above), and thus its current risk management and insurance coverage may not be adapted to such losses. These risks could affect its business, results of operations or financial condition.

The globalization of the Group's business exposes it to increased risks.

Emerging markets have been identified as one of Sanofi's growth platforms and are among the pillars of its overall strategy. Difficulties in adapting to emerging markets and/or a significant decline in the anticipated growth rate in these regions could impair its ability to take advantage of these growth opportunities and could affect its business, results of operations or financial condition.

There is no guarantee that Sanofi's efforts to expand sales in emerging markets will continue to succeed. The significant expansion of its activities in emerging markets may further expose it to more volatile economic conditions, political instability, competition from companies that are already well established in these markets, the inability to adequately respond to the unique characteristics of these markets, particularly with respect to their regulatory frameworks, difficulties in recruiting qualified personnel, potential exchange controls, weaker intellectual property protection, higher crime levels (particularly with respect to counterfeit products (see "— Counterfeit versions of Sanofi's products harm its business," below)), and compliance issues corruption and fraud, as Sanofi operates in many parts of the world where these problems exist. Sanofi's existing policies and procedures, which are designed to help ensure that Sanofi, its employees, its agents, intermediaries, and other third-parties comply with the U.S. Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, and other anti-bribery laws, may not adequately protect it against liability under these laws for actions Sanofi or they may take with respect to its business.

Failure to comply with domestic or international laws could result in various adverse consequences, including possible delay in the approval or refusal to approve a product, recalls, seizures, withdrawal of an approved product from the market, or the imposition of criminal or civil sanctions, including substantial monetary penalties.

Sanofi's products and manufacturing facilities are subject to significant government regulations and approvals, which are often costly and could result in adverse consequences to its business if Sanofi fails to comply with the regulations or maintain the approvals.

The industry in which Sanofi operates faces a changing regulatory environment and heightened public scrutiny worldwide, which simultaneously require greater assurances than ever as to the safety and efficacy of medications and health products on the one hand, and effectively provide reduced incentives for innovative pharmaceutical research on the other hand.

Each regulatory authority may also impose its own requirements either at the time of the filing of the dossier or later during its review in order to grant a license to market the product, including requiring local clinical studies, and may delay or refuse to grant approval, even though a product has already been approved in another country. For example in

August 2012, Genzyme received a Refuse to File letter from the FDA in response to the supplemental Biologics License Application to the FDA seeking approval of Lemtrada™. The FDA did not request additional data or further studies but requested a modified presentation of the data sets to enable agency to better navigate the application. Finally, Genzyme resubmitted at the end of November 2012 the Lemtrada™ file and the FDA accepted on January 28, 2013 the application for review. In December 2012, the CHMP of the European Medicines Agency (EMA) has adopted a negative opinion for the marketing authorization application for Kynamro™, but this product was approved by the FDA in January 2013.

Health authorities, are increasingly focusing on product safety and on the risk/benefit profile of pharmaceutical products. In particular, the FDA and the EMA have imposed increasingly burdensome requirements on pharmaceutical companies, particularly in terms of the volume of data needed to demonstrate a product's efficacy and safety. For the same reasons, the marketed products are subject to continual review, risk evaluations or comparative effectiveness studies even after regulatory approval. These requirements have resulted in increasing the costs associated with maintaining regulatory approvals and achieving reimbursement for its products.

Later discovery of previously undetected problems may result in marketing restrictions or the suspension or withdrawal of the product, as well as an increased risk of litigation for both pharmaceutical and animal health products. These post-regulatory approval reviews and data analyses can lead to the issuance of recommendations by government agencies, health professional and patient organizations or other specialized organizations regarding the use of products, which may result in a reduction in sales volume, such as, for example, a recommendation to limit the patient scope of a drug's indication. For instance in September 2011, the EMA defined a more restrictive indication for Multaq®, one of Sanofi's cardiovascular products. Such reviews may result in the discovery of significant problems with respect to a competing product that is similar to one sold by the Group, which may in turn cast suspicion on the entire class to which these products belong and ultimately diminish the sales of the relevant product of the Group. When such issues arise, the contemplative nature of evidence-based health care and restrictions on what pharmaceutical manufacturers may say about their products are not always well suited to rapidly defending the Group or the public's legitimate interests in the face of the political and market pressures generated by social media and rapid news cycles, and this may result in commercial harm, overly restrictive regulatory actions and erratic share price performance.

Government authorities and regulators in the U.S. and in E.U. are considering measures to reduce the risk of supply shortages of life-saving medicine in particular if there are no viable therapeutic alternatives. It cannot be ruled out that these ongoing initiatives may generate additional costs for the Group if they result in a requirement to set-up back up supply channels or to increase the level of the inventories to avoid shortages.

In addition, to the extent that new regulations raise the costs of obtaining and maintaining product authorization, or limit the economic value of a new product to its inventor, the growth prospects of its industry and of the Group are diminished. Also about 50 per cent. of its current research and development portfolio is constituted by biological products, that may bring in the future new therapeutic responses to current unmet medical needs but which may also lead to more technical constraints and costly investments from an industrial standpoint.

Moreover, Sanofi and certain of its third-party suppliers are also required to comply with applicable regulations, known as good manufacturing practices, which govern the manufacture of pharmaceutical products. To monitor its compliance with those applicable regulations, the FDA, the EMA and comparable agencies in other jurisdictions routinely conduct inspections of its facilities and may identify potential deficiencies which might be expensive and time consuming to address. For example, in July 2012, Sanofi Pasteur received a Warning Letter from the FDA following regular inspections conducted at manufacturing facilities in Canada and France. If Sanofi fails to adequately respond to a warning letter identifying a deficiency, or otherwise fails to comply with applicable regulatory requirements, Sanofi could be subject to enforcement, remedial and/or punitive actions by the FDA, the EMA or other regulatory authorities.

In 2010, Genzyme entered into a consent decree with the FDA relating to its Allston facility and paid U.S.\$175.0 million to the U.S. Federal Government as disgorgement of past profits. The consent decree required Genzyme to implement a plan to bring the Allston facility into compliance with applicable laws and regulations. Genzyme submitted a comprehensive remediation plan to FDA in April 2011 and the plan was accepted by the FDA. Remediation of the Allston facility in accordance with that plan is underway and is currently expected to continue for three more years.

Sanofi's indebtedness may limit its business flexibility compared to some of its peers.

Sanofi's consolidated debt increased substantially in connection with the acquisition of Genzyme in 2011. Although it continued to reduce its debt in 2012 (as of December 31, 2012, the debt, net of cash and cash equivalents amounted to €7.7 billion), Sanofi still makes significant debt service payments to its lenders and this could limit its ability to engage in new transactions which could have been part of its strategy.

Sanofi faces increasing pricing and reimbursement pressure on its pharmaceutical products that could negatively affect its revenues and/or margins.

The commercial success of its existing products and its products candidates depends in part on the conditions under which its products are reimbursed. Sanofi's products continue to be subject to increasing price and reimbursement pressure due to, amongst others:

- price controls imposed by governments in many countries;
- removal of a number of drugs from government reimbursement schemes (for instance products determined to be less cost-effective than alternatives);
- increased difficulty in obtaining and maintaining satisfactory drug reimbursement rates; and
- the tendency of governments and private health care providers to favor generic pharmaceuticals.

In addition to the pricing pressures they exert, governmental and private third-party payers and purchasers of pharmaceutical products may reduce volumes of sales by restricting access to formularies or otherwise discouraging physician prescriptions of its products. In the United States, the new federal health care reform law is increasing the government's role with respect to price, reimbursement and the coverage levels for healthcare services and products within the large government health care sector. This law also imposed cost containment measures and rebates and fees on pharmaceutical companies. Implementation of health care reform has affected and could still affect Sanofi's revenues and/or margins (for further details concerning this law and a description of certain regulatory pricing systems that affect the Group see "Item 4. Information on the Company — B. Business Overview — Pricing & Reimbursement" of the 2012 Annual Report on Form 20-F incorporated herein by reference). Some U.S. states are also considering legislation that would influence the marketing of prices of and access to drugs, and U.S. federal and state officials will likely continue to focus on healthcare reform implementation in the future.

Sanofi encounters similar cost containment issues in countries outside the United States. In certain countries, including countries in the EU and Canada, the coverage of prescription drugs, pricing and levels of reimbursement are subject to governmental control. For instance early 2013, in China the National Development and Reform Commission set new national retail ceiling prices for 700 formulations of 400 drugs; among them was Lantus[®] whose price was cut by 12.9% (effective February 1, 2013).

Due to the ongoing cost containment policies being pursued in many jurisdictions in which Sanofi operates, Sanofi is unable to predict the availability or amount of reimbursement for its product candidates.

In addition, Sanofi's operating results may also be affected by parallel imports, particularly within the European Union, whereby distributors engage in arbitrage based on national price differences to buy products on low cost markets for resale on higher cost markets.

The ongoing slowdown of global economic growth and the financial crisis could have negative consequences for Sanofi's business⁴.

Over the past several years, growth of the global pharmaceutical market has become increasingly tied to global economic growth. In this context, a substantial and lasting slowdown of the global economy or major national economies could negatively affect growth in the global pharmaceutical market and, as a result, adversely affect its business. Such a slowdown has reduced the sources of funding for national social security systems, leading to heightened pressure on drug prices, increased substitution of generic drugs, and the exclusion of certain products from formularies.

Further, Sanofi believes its net sales may be negatively impacted by the continuing challenging global economic environment, as high unemployment levels and increases in co-pays, lack of developed third party payer system, may lead some patients to switch to generic products, delay treatments, skip doses or use less effective treatments to reduce their costs. Moreover, current economic conditions in the United States have resulted in an increase in the number of patients in the Medicaid program, under which sales of pharmaceuticals are subject to substantial rebates and, in many U.S. states, to formulary restrictions limiting access to brand-name drugs, including Sanofi's drugs.

The growth of its OTC and CHC business may also be negatively affected by the current slowdown in global economic growth as consumer spending is closely tied to the global economy. Also its animal health business could be impacted. For example, tight credit conditions may limit the borrowing power of livestock producers, causing some to switch to lower-priced products.

Although macroeconomic and financial measures have been taken in 2012 by governments and monetary authorities, notably in Europe reducing thus the risk of failure of a State, the slowing economic environment, the default or failure of major players including wholesalers or public sector buyers financed by insolvent States may affect the financial situation of the Group but can also cause the Group to experience disruptions in the distribution of its products as well as the adverse effects described below at "Sanofi is subject to the risk of non-payment by its customers". Moreover, to the extent that the economic and financial crisis is directly affecting business, it may also lead to a disruption or delay in the performance of third parties on which Sanofi relies for parts of its business, including collaboration partners and suppliers. Such disruptions or delays could have a material and adverse effect on its business and results of operations. See "— Sanofi relies on third parties for the discovery, manufacture and marketing of some of its products" below.

The manufacture of Sanofi's products is technically complex, and supply interruptions, product recalls or inventory losses caused by unforeseen events may reduce sales, adversely affect its operating results and financial condition and delay the launch of new products.

Many of Sanofi's products are manufactured using technically complex processes requiring specialized facilities, highly specific raw materials and other production constraints. Sanofi must also be able to produce sufficient quantities of the products to satisfy demand. Its biologic products (including vaccines) in particular are subject to the risk of manufacturing stoppages or the risk of loss of inventory because of the difficulties inherent to the processing of biological materials and the potential unavailability of adequate amounts of raw materials meeting its standards. Sanofi may not have redundant manufacturing capacity for certain products particularly biologic products. For instance all of its bulk Cerezyme[®] products are produced solely at its Allston, Massachusetts facility. Even though Sanofi aims to have backup sources of supply whenever possible, including by manufacturing backup supplies of its principal active ingredients at a second or third facility when practicable, it cannot be certain they will be sufficient if its principal sources become unavailable. Switching sources and manufacturing facilities may require significant time.

Additionally, specific conditions must be respected both by the Group and its customers for the storage and distribution of many of its products, *e.g.*, cold storage for certain vaccines and insulin-based products. The complexity of these processes, as well as strict internal and government standards for the manufacture of its products, subject it to risks. The occurrence or suspected occurrence of out-of-specification production or storage can lead to lost inventories, and in some cases product recalls, with consequential reputational damage and the risk of product liability (see "— Product liability

⁴ Information in this section is complementary to Note B.8.8. to the consolidated financial statements included at Item 18 of the 2012 Annual Report on Form 20-F incorporated herein by reference, with respect to information required by IFRS 7, and is covered by Sanofi's independent registered public accounting firms' report on the consolidated financial statements.

claims could adversely affect its business, results of operations and financial condition," above). Group products are increasingly reliant on the use of product-specific devices for administration; a technical problem in these devices could jeopardize the approval or the commercialization of the products or require a recall.

Supply shortages are subject to public scrutiny and are subject to even greater public criticism when they occur with respect to life saving medicines with limited therapeutic alternatives. Such shortages can have a negative impact on the image of the Group independent of the level of revenues lost as a result of the shortage of a particular product. The investigation and remediation of any identified manufacturing problems can cause production delays, substantial expense, lost sales and delay the launch of new products, which could adversely affect its operating results and financial condition.

Like many of its competitors, Sanofi has faced and may face in the future manufacturing issues. For example, Genzyme experienced in the past significant difficulties in manufacturing Cerezyme® and Fabrazyme® for several years. In summer 2011 a technical incident occurred in the filling line used for Apidra 3mL cartridges at its manufacturing site in Frankfurt which caused temporary shortages for Apidra 3mL cartridges. In April 2012 Sanofi Pasteur temporarily imposed supply limitations for Pentacel® and Daptacel® vaccines in the U.S. due to a manufacturing delay that temporarily reduced the effective capacity to below the level needed to fully satisfy market demand in the U.S. In June 2012 Sanofi Pasteur voluntarily recalled the Bacille Calmette-Guérin (BCG) vaccine produced in its Canadian facility due to manufacturing issues. This withdrawal is expected to last several months while the renovation of the building is completed. There can be no guarantee that Sanofi will not face similar issues in the future or that it will successfully manage such issues when they arise.

Sanofi relies on third parties for the discovery, manufacture and marketing of some of its products.

The industry is highly collaborative, whether in the discovery and development of new products, in-licensing, the marketing and distribution of approved products, or manufacturing activities. Sanofi expects that the reliance on third parties for key aspects of its business will continue to characterize its activities.

Third parties supply Sanofi with a substantial portion of its raw materials, active ingredients and medical devices, which exposes it to the risk of a supply interruption in the event that these suppliers experience financial difficulties or are unable to manufacture a sufficient supply of its products meeting Group quality standards. It also increases the risk of quality issues, even with the most scrupulously selected suppliers.

Further, some raw materials essential to the manufacture of its products are not widely available from sources Sanofi considers reliable; for example, Sanofi has approved only a limited number of suppliers of heparins for use in the manufacture of Lovenox®. Heparin purchase prices can also fluctuate. Any of these factors could adversely affect its business, operating results or financial condition.

If disruptions or quality concerns were to arise in the third-party supply of raw materials, active ingredients or medical devices, this could adversely affect its ability to sell its products in the quantities demanded by the market and could damage its reputation and relationships with its customers. See also "— The manufacture of its products is technically complex, and supply interruptions, product recalls or inventory losses caused by unforeseen events may reduce sales, adversely affect its operating results and financial condition and delay the launch of new products" above.

Sanofi also conducts a number of significant research and development programs and market some of its products in collaboration with other biotechnology and pharmaceutical companies. For example, it currently has collaborative arrangements with Regeneron for the discovery, development and commercialization of therapies based on monoclonal antibodies, Warner Chilcott for the osteoporosis treatment Actonel®, and with Merck & Co., Inc. for the distribution of vaccines in Europe (See "Item 4. Information on the Company — B. Business Overview — Pharmaceutical Products — Main pharmaceutical products" and "Item 4. Information on the Company — B. Business Overview — Vaccine Products" of the 2012 Annual Report on Form 20-F incorporated herein by reference for more information on its alliances). Sanofi may also rely on partners to design and manufacture medical devices, notably for the administration of its products. When it researches and markets its products through collaboration arrangements, Sanofi is subject to the risk that certain decisions, such as the establishment of budgets, development and promotion strategies and specific tasks, are under the control of its collaboration partners, and that deadlocks, failures in the development or differing priorities may adversely affect the activities conducted through the collaboration arrangements. Any conflicts that Sanofi may have with its partners

during the course of these agreements or at the time of their renewal or renegotiation may affect the marketing of certain of its products and may cause a decline in its revenues and affect its results of operations.

Counterfeit versions of Sanofi's products harm its business.

The drug supply has been increasingly challenged by the vulnerability of distribution channels to illegal counterfeiting and the presence of counterfeit products in a growing number of markets and over the Internet. Counterfeit products are frequently unsafe or ineffective, and can be potentially life-threatening. To distributors and users, counterfeit products may be visually indistinguishable from the authentic version. Reports of adverse reactions to counterfeit drugs or increased levels of counterfeiting could materially affect patient confidence in the authentic product, and harm the business of companies such as Sanofi. Additionally, it is possible that adverse events caused by unsafe counterfeit products will mistakenly be attributed to the authentic product. If a Group product was the subject of counterfeits, the Group could incur substantial reputational and financial harm. See "Item 4. Information on the Company — B. Business Overview — Competition." of the 2012 Annual Report on Form 20-F incorporated herein by reference.

Sanofi is subject to the risk of non-payment by its customers⁵.

Sanofi runs the risk of delayed payments or even non-payment by its customers, which consist principally of wholesalers, distributors, pharmacies, hospitals, clinics and government agencies. This risk is accentuated by the current worldwide financial crisis. The United States poses particular client credit risk issues, because of the concentrated distribution system in which approximately 58 per cent. of its consolidated U.S. pharmaceutical sales are accounted for by just three wholesalers. In addition, the Group's three main customers represent 17.0 per cent. of its gross total revenues. Sanofi is also exposed to large wholesalers in other markets, particularly in Europe. An inability of one or more of these wholesalers to honor their debts to it could adversely affect its financial condition (see Note D.34. to the consolidated financial statements included at Item 18 of the 2012 Annual Report on Form 20-F incorporated herein by reference).

Since 2010, some countries of southern Europe have faced important financial difficulties. Some customers in these countries are public or subsidized health systems. The deteriorating economic and credit conditions in these countries may lead to longer payment terms. Because of this trend Sanofi may need to reassess the recoverable amount of its debts in these countries during the coming financial years.

Sanofi's pension liabilities are affected by factors such as the performance of plan assets, interest rates, actuarial data and experience and changes in laws and regulations.

Sanofi's future funding obligations for its main defined-benefit pension plans depend on changes in the future performance of assets held in trust for these plans, the interest rates used to determine funding levels (or company liabilities), actuarial data and experience, inflation trends, the level of benefits provided for by the plans, as well as changes in laws and regulations. Adverse changes in those factors could increase its unfunded obligations under such plans, which would require more funds to be contributed and hence negatively affect its cash flow and results (see Note D.19.1 to the consolidated financial statements included at Item 18 of the 2012 Annual Report on Form 20-F incorporated herein by reference).

Impairment charges or write downs in Sanofi's books and changes in accounting standards could have a significant adverse effect on the Group's results of operations and financial results.

New or revised accounting standards, rules and interpretations issued from time to time by the IASB (International Accounting Standards Board) could result in changes to the recognition of income and expense that may materially and adversely affect the Group's financial results.

⁵ Information in this section is complementary to Note B.8.8. to the consolidated financial statements included at Item 18 of the 2012 Annual Report on Form 20-F incorporated herein by reference, with respect to information required by IFRS 7, and is covered by the independent registered public accounting firms' report on the consolidated financial statements and by Notes D.10. and D.34. to the consolidated financial statements included at Item 18 of the 2012 Annual Report on Form 20-F incorporated herein by reference.

In addition, substantial value is allocated to intangible assets and goodwill resulting from business combinations, as disclosed at Note D.4. to the consolidated financial statements included in the 2012 Annual Report on Form 20-F incorporated herein by reference, which could be substantially impaired upon indications of impairment (primarily relating to pharmacovigilance, patent litigation and the launch of competing products), with adverse effects on its financial condition and the value of its assets.

Also if any of its strategic equity investments decline in value and remain below cost for an extended duration, Sanofi may be required to write down its investment.

In addition the global financial crisis and in particular the ongoing sovereign debt crisis affecting certain European countries could also negatively affect the value of its assets (see "— The ongoing slowdown of global economic growth and the financial crisis could have negative consequences for its business" above and "— Fluctuations in currency exchange rates could adversely affect its results of operations and financial condition" below).

Sanofi is increasingly dependent on information technologies and networks.

Sanofi's business depends on the use of information technologies, which means that certain key areas such as research and development, production and sales are to a large extent dependent on its information technology capabilities. Sanofi is commercializing a number of devices using new technologies which, in case of malfunctions could lead to a risk of harm to patients (see "— Product liability claims could adversely affect its business, results of operations and financial condition" above) or the unavailability of its products. While Sanofi has invested heavily in the protection of data and information technology, there can be no assurance that its efforts or those of its third-party service providers (for instance the accounting of some of its subsidiaries has been externalized) to implement adequate security and quality measures for data processing would be sufficient to protect against data deterioration or loss in the event of a system malfunction, or prevent data from being stolen or corrupted in the event of a security breach, which could have a material adverse effect on its business, operating results and financial condition.

The expansion of social media platforms and mobile technologies presents new risks and challenges.

New technologies are increasingly used to communicate about Sanofi's products or the diseases they are intended to treat. The use of these media requires specific attention, monitoring programs and moderation of comments. For instance, patients may use these channels to comment on the effectiveness of a product and to report an alleged adverse event. Negative posts or comments about the Company, its business, its directors or officers on any social networking web site could seriously damage its reputation. In addition, its' associates may use the social media tools and mobile technologies inappropriately which may give rise to liability, or which could lead to the exposure of sensitive information. In either case, such uses of social media and mobile technologies could have a material adverse effect on its business, financial condition and results of operations.

Natural disasters prevalent in certain regions in which Sanofi does business could affect its operations.

Some of its production sites are located in areas exposed to natural disasters, such as earthquakes (in North Africa, Middle East, Asia, Pacific, Europe, Central and Latin Americas), floods (in Africa, Asia Pacific and Europe) and hurricanes. In the event of a major disaster Sanofi could experience severe destruction or interruption of its operations and production capacity. As a result, its operations could suffer serious harm which could have a material adverse effect on its business, financial condition and results of operations.

C Environmental Risks of Sanofi's Industrial Activities

Risks from the handling of hazardous materials could adversely affect Sanofi's results of operations.

Manufacturing activities, such as the chemical manufacturing of the active ingredients in its products and the related storage and transportation of raw materials, products and wastes, expose it to various risks, including:

- fires and/or explosions;
- storage tank leaks and ruptures; and

- discharges or releases of toxic or pathogen substances.

These operating risks can cause personal injury, property damage and environmental contamination, and may result in:

- the shutdown of affected facilities; and
- the imposition of civil or criminal penalties.

The occurrence of any of these events may significantly reduce the productivity and profitability of a particular manufacturing facility and adversely affect its operating results.

Although Sanofi maintains property, business interruption and casualty insurance that Sanofi believes is in accordance with customary industry practices, Sanofi cannot assure you that this insurance will be adequate to cover fully all potential hazards incidental to its business.

Environmental liabilities and compliance costs may have a significant adverse effect on Sanofi's results of operations.

The environmental laws of various jurisdictions impose actual and potential obligations on the Group to remediate contaminated sites. These obligations may relate to sites:

- that Sanofi currently owns or operates;
- that Sanofi formerly owned or operated; or
- where waste from its operations was disposed.

These environmental remediation obligations could significantly reduce its operating results. Sanofi accrues provisions for remediation when its management believes the need is probable and that it is reasonably possible to estimate the cost. In particular, its provisions for these obligations may be insufficient if the assumptions underlying these provisions prove incorrect or if Sanofi is held responsible for additional, currently undiscovered contamination. These judgments and estimates may later prove inaccurate, and any shortfalls could have a material adverse effect on its results of operations and financial condition.

Furthermore, Sanofi is or may become involved in claims, lawsuits and administrative proceedings relating to environmental matters. Some current and former Sanofi's subsidiaries have been named as "potentially responsible parties" or the equivalent under the U.S. Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (also known as "Superfund"), and similar statutes in France, Germany, Italy, Brazil and elsewhere. As a matter of statutory or contractual obligation, Sanofi and/or its subsidiaries may retain responsibility for environmental liabilities at some of the sites of its predecessor companies, or its subsidiaries that Sanofi demerged, divested or may divest. Sanofi has disputes outstanding regarding certain sites no longer owned by the Group. An adverse outcome in such disputes might have a significant adverse effect on its operating results. See Note D.22.e) to the consolidated financial statements included at Item 18 and "Item 8. Financial Information — A. Consolidated Financial Statements and Other Financial Information — Information on Legal or Arbitration Proceedings" of the 2012 Annual Report on Form 20-F incorporated herein by reference.

Environmental regulations are evolving (*i.e.*, in Europe, REACH, CLP/GHS, SEVESO, IPPC/IED, the Waste Framework Directive, the Emission Trading Scheme Directive, the Water Framework Directive and the Directive on Taxation of Energy Products and Electricity and several other regulations aiming at preventing global warming). Stricter environmental, safety and health laws and enforcement policies could result in substantial costs and liabilities to its Group and could subject its handling, manufacture, use, reuse or disposal of substances or pollutants, site restoration and compliance costs to more rigorous scrutiny than is currently the case. Consequently, compliance with these laws could result in significant capital expenditures as well as other costs and liabilities, thereby adversely affecting its business, results of operations or financial condition.

D Risks Related to Financial Markets⁶

Fluctuations in currency exchange rates could adversely affect Sanofi's results of operations and financial condition.

Because Sanofi sells its products in numerous countries, its results of operations and financial condition could be adversely affected by fluctuations in currency exchange rates. Sanofi is particularly sensitive to movements in exchange rates between the euro and the U.S. dollar, the British pound, the Japanese yen, and to currencies in emerging countries. In 2012, 31 per cent. of its net sales were realized in the United States. While Sanofi incurs expenses in those currencies, the impact of currency exchange rates on these expenses does not fully offset the impact of currency exchange rates on its revenues. As a result, currency exchange rate movements can have a considerable impact on its earnings. When deemed appropriate and when technically feasible, Sanofi enters into transactions to hedge its exposure to foreign exchange risks. These efforts, when undertaken, may fail to offset the effect of adverse currency exchange rate fluctuations on its results of operations or financial condition. In addition, in the specific context of the sovereign debt crisis affecting certain European countries, the threatened or actual withdrawal of the euro as currency in one or more European Monetary Union countries and the associated fluctuations in currency exchange rates could have a material effect on its financial condition and earnings, the magnitude and consequences of which are unpredictable.

In the context of the worldwide financial crisis, Sanofi's liquidity may be constrained.

As of December 31, 2012, the Group's net debt amounted approximately to €7.7 billion. In addition to debt outstanding, the Group has contracted a number of credit lines and put into place commercial paper and medium term note programs with the aim of providing liquidity. In the event of a market-wide liquidity crisis, the Group might be faced with reduced access to sources of financing, including under programs currently in place, or less favorable conditions.

2. Risk factors associated with Notes issued under the Programme

The trading market for debt securities may be volatile and may be adversely impacted by many events.

The market for debt securities issued by issuers is influenced by economic and market conditions and, to varying degrees, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in Luxembourg, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.

An active trading market for the Notes may not develop.

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. The Issuer is entitled to buy the Notes, as described in Condition 7(h), and the Issuer may issue further notes, as described in Condition 15 (*Further Issues and Consolidation*). Such transactions may favourably or adversely affect the price development of the Notes. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

The Notes may be redeemed prior to maturity.

Unless in the case of any particular Tranche of Notes the relevant Final Terms specify otherwise, in the event that the Issuer would be obliged to pay additional amounts in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties of whatever nature imposed or levied, by or on behalf of the Republic of France or any political subdivision or any authority thereof or therein having power to tax, the Issuer may, and in certain circumstances shall be obliged to, redeem all outstanding Notes in accordance with the "Terms and Conditions of the Notes".

⁶ Information in this section is complementary to Note B.8.8. to the consolidated financial statements included at Item 18 of the 2012 Annual Report on Form 20-F incorporated herein by reference, with respect to information required by IFRS 7, and is covered by the independent registered public accounting firms' report on the consolidated financial statements.

Any early redemption at the option of the Issuer, if provided for in any Final Terms for a particular issue of Notes, could cause the yield anticipated by Noteholders to be considerably less than anticipated.

The Final Terms for a particular issue of Notes may provide for early redemption at the option of the Issuer. Such right of early redemption is often provided for bonds or notes in periods of high interest rates. If the market interest rates decrease, the risk to Noteholders that the Issuer will exercise its right of termination increases. As a consequence, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

Investors will not be able to calculate in advance their rate of return on Floating Rate Notes.

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having fixed interest periods. If the Final Terms provide for several interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Zero Coupon Notes are subject to higher price fluctuations than non-discounted bonds.

Changes in market interest rates have a stronger impact on the prices of Zero Coupon Notes than on the prices of ordinary Notes because the discounted issue prices are below par. If market interest rates increase, Zero Coupon Notes can suffer higher price losses than other Notes having the same maturity and credit rating. Due to their leverage effect, Zero Coupon Notes are a type of investment associated with a particularly high price risk.

Exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in "Terms and Conditions of the Notes" below). This presents certain risks relating to currency conversions if an investor's financial activities or financial statements are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency or central bank interventions in the relevant currency markets) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes. Furthermore, Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings may not reflect all risks.

One or more independent credit rating agencies may assign credit ratings to the Notes or to the Issuer. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

French insolvency law

Under French insolvency law as amended by ordinance no. 2008-1345 dated 18 December 2008 and Law No 2010-1249 dated 22 October 2010, holders of debt securities are automatically grouped into a single assembly of holders (the "**Assembly**") during a preservation (*procédure de sauvegarde* or, if initiated by the Issuer, *procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) of the Issuer, in order to defend their common interests. The Assembly comprises holders of all debt securities issued by the Issuer (including

the Notes), whether or not under a debt issuance programme (EMTN) and regardless of their governing law. The Assembly deliberates on a draft safeguard (*projet de plan de sauvegarde* or *projet de plan de sauvegarde financière accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (charges) of holders of debt securities (including the Noteholders) by rescheduling and/or writing-off debts;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into shares.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required on convocation of the Assembly.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in the Terms and Conditions of the Notes set out in this Base Prospectus will not be applicable with respect to the Assembly to the extent they conflict with compulsory insolvency law provisions that apply in these circumstances.

Risks relating to Renminbi-denominated Notes

Notes denominated in CNY ("**CNY Notes**") may be issued under the Programme. CNY Notes contain particular risks for potential investors, including the following:

(i) *Renminbi is not freely convertible*

There are significant restrictions on remittance of Renminbi into and outside the PRC.

Renminbi is not freely convertible at present and despite a movement towards liberalisation of cross-border CNY remittances, notably in the current account activity, there is no assurance that the PRC government will continue such movement in the future or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC.

Holders of CNY Notes may be required to provide certifications and other information (including Renminbi account information) in order to allow such Holder to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

(ii) *Limited availability of Renminbi*

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of CNY Notes and the Issuer's ability to source Renminbi outside the PRC to service such CNY Notes.

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. However, pursuant to arrangements between the PRC Central Government and the Hong Kong government, all corporations are now allowed to open CNY accounts in Hong Kong. There is no longer any limit on the ability of corporations to convert CNY and there is no longer any restriction on the transfer of CNY funds between different accounts in Hong Kong.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. In addition, participating banks are also required by the Hong Kong Monetary Authority to maintain a total amount of CNY (in the form of cash and its settlement account balance with the CNY Clearing Bank) of no less than 25 per cent. of their CNY deposits, which further limits the availability of CNY that participating banks can utilise for conversion services for their customers. There is no assurance that a change in PRC regulations will not have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of the CNY Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service its

CNY Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

- (iii) *CNY Notes issued under the Programme may only be held in Euroclear France, Euroclear and Clearstream, Luxembourg*

Noteholders may only hold CNY Notes if they have an account with Euroclear France or maintained with an Account Holder which itself has an account with Euroclear France (which include Euroclear and Clearstream, Luxembourg).

- (iv) *Investment in CNY Notes is subject to exchange rate risks*

The value of Renminbi against the Euro, the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. All payments of interest and principal with respect to CNY Notes will be made in Renminbi. As a result, the value of these Renminbi payments in Euro or U.S. dollar terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the Euro, the U.S. dollar or other foreign currencies, the value of investment in Euro, U.S. dollar or other applicable foreign currency terms will decline.

- (v) *Investment in CNY Notes is also subject to interest rate risks*

The PRC government has gradually liberalised the regulation of interest rates in recent years. Further liberalisation may increase interest rate volatility. CNY Notes will generally carry a fixed interest rate. Consequently, the trading price of such CNY Notes will vary with fluctuations in Renminbi interest rates. If a Noteholder tries to sell such CNY Notes before their maturity, he may receive an offer that is less than his original investment.

- (vi) *CNY currency risk*

Except in limited circumstances, all payments of Renminbi under the CNY Notes will be made solely by transfer to a Renminbi bank account maintained in Hong Kong in accordance with the prevailing rules and regulations for such transfer and in accordance with the terms and conditions of the CNY Notes. The Issuer cannot be required to make payment by any other means (including by transfer to a bank account in the PRC or anywhere else outside Hong Kong). For persons holding CNY Notes through Euroclear France, Euroclear or Clearstream, Luxembourg, payments will also be made subject to the procedures of Euroclear France, Euroclear or Clearstream, Luxembourg, as applicable.

- (vii) *Developments in other markets may adversely affect the market price of any CNY Notes*

The market price of CNY Notes may be adversely affected by declines in the international financial markets and world economic conditions. The market for CNY denominated securities is, to varying degrees, influenced by economic and market conditions in other markets, especially those in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can affect the securities markets and the securities of issuers in other countries, including the PRC. Since the sub-prime mortgage crisis in 2008, the international financial markets have experienced significant volatility. Should similar developments occur in the international financial markets in the future, the market price of CNY Notes could be adversely affected.

- (viii) *The Issuer may make payments of interest and principal in U.S. dollars in certain circumstances*

Although the primary obligation of the Issuer is to make all payments of interest and principal with respect to the CNY Notes in Renminbi, in the event access to Renminbi deliverable in Hong Kong becomes restricted by reason of Inconvertibility, Non-transferability or Illiquidity (each as defined the Terms and Conditions of the Notes), the terms of such CNY Notes allow the Issuer to make such payment in U.S. dollars at the prevailing spot rate of exchange, all as provided for in more detail in the Terms and Conditions of the Notes. As a result, the value of such payments in Renminbi may vary with the prevailing exchange rates in the marketplace. If the value of the Renminbi depreciates against the U.S. dollar the value of a Noteholder's investment in U.S. dollar will decline.

In certain circumstances Noteholders may be subject to U.S. withholding tax

The United States has passed legislation (commonly referred to as "FATCA") that may impose U.S. withholding tax on certain payments made by non-U.S. issuers. Based on the current guidance under FATCA and the manner in which Sanofi conducts its business, it does not expect that payments on or with respect to the Notes to be subject to withholding under FATCA. However, because there are numerous uncertainties about how to apply the relevant guidance and the nature of how Sanofi conduct parts of its business can change from time to time or the U.S. taxing authorities may take a different view about how to treat those activities no assurance can be given that FATCA will not apply to payments on Notes. Any such withholding would not apply before 1 January 2017. Notes issued prior to 1 January 2017 (or, if later, the date that is six months after the publication of final regulations under FATCA defining the term "Foreign pass thru payment" that are classified as debt for U.S. federal income tax purposes are generally exempt from these rules.

In the event that any withholding imposed because of FATCA, the Issuer will have no obligation to make additional payments in respect of such withholding.

General Description of the Programme and the Terms and Conditions of the Notes

The following general description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the relevant Final Terms. Words and expressions defined in "Terms and Conditions of the Notes" below shall have the same meanings in this general description.

Issuer: Sanofi
Description: Euro Medium Term Note Programme (the "**Programme**")

Arranger: BNP Paribas

Dealers: Banco Santander, S.A.
Barclays Bank PLC
BNP Paribas
Citigroup Global Markets Limited
Crédit Agricole Corporate and Investment Bank
Deutsche Bank AG, London Branch
HSBC Bank plc
ING Bank N.V., Belgian Branch
J.P. Morgan Securities plc
Merrill Lynch International
Mitsubishi UFJ Securities International plc
Natixis
Société Générale
The Royal Bank of Scotland plc
UniCredit Bank AG

Pursuant to the terms of the Dealer Agreement (as defined in "Subscription and Sale" below) the appointment of any Dealer may be terminated or further Dealers appointed for a particular Tranche of Notes or as Dealers under the Programme.

Each issue of Notes denominated in a currency or distributed in a jurisdiction in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "Subscription and Sale" below).

Fiscal Agent, Principal Paying Agent, Calculation Agent Redenomination Agent and Calculation Agent: BNP Paribas Securities Services

Size: Up to Euro 12,000,000,000 (or its equivalent in other currencies) outstanding at any time. The amount of the Programme may be increased in accordance with the

terms of the Dealer Agreement.

Final Terms or Drawdown Prospectus:

Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms (as defined below) or (2) pursuant to a drawdown prospectus (each a "**Drawdown Prospectus**") prepared in connection with a particular Tranche of Notes and incorporating by reference this Base Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete the Terms and Conditions of the Notes and this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of final terms ("**Final Terms**") are the Terms and Conditions of the Notes as completed by the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Terms and Conditions of the Notes as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus.

Distribution:

Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. Notes may be offered to retail and institutionalised investors.

Currencies:

Subject to any applicable legal and/or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer, including, without limitation, Australian dollars, Canadian dollars, Danish kroner, euro, Hong Kong dollars, Japanese yen, New Zealand dollars, Norwegian kroner, Renminbi, South African rand, Sterling, Swedish kronor, Swiss francs and United States dollars (as indicated in the relevant Final Terms).

Maturities:

Any maturity as indicated in the relevant Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency.

Where Notes have a maturity of less than one year from the date of issue and either (a) the issue proceeds are received by the Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer.

Under the Luxembourg Prospectus Act on prospectuses for securities (as amended by the Luxembourg law of 3 July 2012), which implements the Prospectus Directive, prospectuses relating to money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are

not subject to the approval provisions of Part II of such law.

Issue Price: Notes will be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes: Notes may be issued in either dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**").

Dematerialised Notes may, at the option of the Issuer, be issued in bearer dematerialised form (*au porteur*) or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder, in either fully registered form (*au nominatif pur*) or administered registered form (*au nominatif administré*) form. No physical documents of title will be issued in respect of Dematerialised Notes. See "Terms and Conditions of the Notes - Form, Denomination and Title".

Materialised Notes will be in bearer materialised form only. A temporary Global Certificate will be issued initially in respect of each Tranche of Materialised Notes. Materialised Notes may only be issued outside France. See "Terms and Conditions of the Notes - Form, Denomination and Title" below.

Fixed Rate Notes: Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer (as indicated in the relevant Final Terms) and on redemption.

Interest will be calculated on the basis of the Day Count Fraction as may be agreed and as specified in the relevant Final Terms.

Floating Rate Notes: Floating Rate Notes will bear interest at a rate determined either:

- (i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (published by the International Swaps and Derivatives Association, Inc.) or the FBF Definitions (as published by the *Fédération Bancaire Française*), each as amended and updated as at the Issue Date of the first Tranche of the Notes; or
- (ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or
- (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer,

as indicated in the relevant Final Terms.

The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Other provisions relating to Floating Rate Notes: Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both (as indicated in the relevant Final Terms).

Interest on Floating Rate Notes in respect of each Interest Period, as selected prior to issue by the Issuer and the relevant Dealer, will be payable on such Interest Payment Dates specified in, or determined pursuant to, the relevant Final Terms and will be calculated on the basis of the Day Count Fraction as may be agreed and as specified in the relevant Final Terms.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest other than in the case of late payment.

Redemption:

The Final Terms relating to each Tranche of Notes will indicate either that the Notes of such Tranche cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders, upon giving not less than 15 nor more than 30 days' irrevocable notice (or such other notice period (if any) as is indicated in the relevant Final Terms) to the Noteholders or the Issuer on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the relevant Final Terms.

The Issuer may reserve the right to redeem and pay before maturity all or any part of the Notes of any Series as set forth in the relevant Final Terms.

Unless otherwise permitted by then current laws and regulations, Notes in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom and having a maturity of less than one year, (a) shall have a redemption value of not less than £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than sterling), and (b) no part of any such Note may be transferred unless the redemption value of that part is not less than £100,000 (or such equivalent amount).

Unless otherwise specified in the relevant Final Terms, the Issuer may redeem, in whole or in part, the Notes then outstanding at any time prior to their stated maturity, at their relevant Make-whole Redemption Amount as specified in the relevant Final Terms.

Denominations:

Notes will be issued in such denominations as indicated in the relevant Final Terms save that the minimum denomination of each Note will be such as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each Note listed and admitted to trading on a regulated market of a member state of the European Economic Area (a "**Member State**") or which is offered to the public in a Member State in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date).

Unless otherwise permitted by then current laws and regulations, Notes in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom and having a maturity of less than one year, (a) shall have a redemption value of not less than £100,000 (or an amount of equivalent value denominated wholly or partly in a currency other than sterling), and (b) no part of any such Note may be transferred unless the redemption value of that part is not less than £100,000 (or such equivalent amount).

Taxation:

1. All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.
2. Notes (except Notes which are to be consolidated (*assimilables* for the

purpose of French law) and form a single series with Notes issued before 1 March 2010 having the benefit of Article 131 *quater* of the French General Tax Code) will fall under the French withholding tax regime pursuant to the French *loi de finances rectificative pour 2009 no. 3* (n°2009-1674 dated 30 December 2009), applicable as from 1 March 2010 (the "**Law**"). Payments of interest and other revenues made by the Issuer on such Notes will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French General Tax Code (a "**Non-Cooperative State**"). If such payments under the Notes are made in a Non-Cooperative State, a 50 per cent. withholding tax will be applicable (subject to certain exceptions described below and the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French General Tax Code. The Finance Act for 2013 (*loi de finances pour 2013*) n°2012-1509 dated 29 December 2012 increases the 50 per cent. to 75 per cent. as from 1 January 2013.

Furthermore, interest and other revenues on such Notes will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French General Tax Code, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* of the French General Tax Code, at a rate of 30 per cent. or 55 per cent. subject to the more favourable provisions of a tax treaty, if applicable. The finance Act for 2013 (*loi de finances pour 2013*) n°2012-1509 dated 29 December 2012 increases the 55 per cent. rate to 75 per cent. as from 1 January 2013.

Notwithstanding the foregoing, the Law provides that neither the 50 per cent. withholding tax nor the non-deductibility will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the *Bulletin Officiel de Finances Publiques-Impôts* BOI-ANX-000364-20120912 and BOI-ANX-000366-20120912, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411.1 of the French Monetary and Financial Code or pursuant to an equivalent offer in a state other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system *provided that* such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign

entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

- (iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositories or operators *provided that* such depository or operator is not located in a Non-Cooperative State.

- 3. Interest and other revenues on Notes which are to be consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued prior to 1 March 2010 will continue to be exempt from the withholding tax set out under Article 125 A III of the French General Tax Code.

In addition, interest and other revenues paid by the Issuer on Notes which are to be consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued prior to 1 March 2010 will not be subject to the withholding tax set out in Article 119 *bis* of the French General Tax Code solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Pursuant to Article 9 of 2013 Finance Law (*loi n°2012-1509 du 29 décembre 2012 de finances pour 2013*) subject to certain exceptions, interest and other similar revenues received from 1 January 2013 by individuals who are fiscally domiciled in France are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest and other similar revenues paid to individuals who are fiscally domiciled in France.

Negative Pledge:

The terms of the Unsubordinated Notes will contain a negative pledge provision as further described in Condition 4 (*Negative Pledge*).

Cross Default:

The terms of the Unsubordinated Notes will contain a cross default provision as further described in Condition 10A (*Events of Default – Unsubordinated Notes*).

Status of the Notes:

The Unsubordinated Notes will constitute direct, unsecured (subject to Condition 4 (*Negative Pledge*)), unsubordinated obligations of the Issuer which will rank *pari passu* without any preference or priority among themselves and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer other than obligations as may be preferred by mandatory provisions of applicable law.

The Subordinated Notes will constitute direct, unsecured and subordinated obligations of the Issuer and will rank *pari passu* without any preference or priority among themselves.

Rating:

As of the date of this Base Prospectus, the Issuer's short-term and long-term debt are respectively rated (i) P-1 and A2, with a positive outlook, by Moody's and (ii) A-1+ and AA-, with a stable outlook, by Standard & Poor's. Tranches of Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of

Notes will be (1) issued by a credit rating agency established in the European Union and registered (or which has applied for registration and not been refused) under the CRA Regulation and included in the list of credit rating agencies published by the European Securities and Market Authority on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) or (2) issued by a credit rating agency which is not established in the European Union but will be endorsed by a credit rating agency which is established in the European Union and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the European Union but which is certified under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration has not been refused, or (2) the rating is provided by a credit rating agency not established in the European Union but is endorsed by a credit rating agency established in the European Union and registered under the CRA Regulation or (3) the rating is provided by a credit rating agency not established in the European Union which is certified under the CRA Regulation. A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

- Listing and admission to trading:** Application has been made for the Notes issued under the Programme to be listed on the Official List of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange "*Bourse de Luxembourg*". The Notes may also be listed and admitted to trading on such other or further stock exchange(s) as may be agreed between the Issuer, and the relevant Dealer in relation to each Series. Unlisted Notes may also be issued. The Final Terms relating to each Tranche of Notes will state whether or not and, if so, on which stock exchange(s) the Notes are to be listed and admitted to trading.
- Governing Law:** French law.
- Clearing Systems:** Euroclear France as central depository in relation to Dematerialised Notes and, in relation to Materialised Notes, Clearstream, Luxembourg and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.
- Initial Delivery of Dematerialised Notes:** Not later than one Paris business day before the issue date of each Tranche of Dematerialised Notes, the *lettre comptable* relating to such Tranche shall be deposited with Euroclear France as central depository.
- Initial Delivery of Materialised Notes:** On or before the issue date for each Tranche of Materialised Notes, the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depository for Euroclear and Clearstream, Luxembourg or with any other clearing system or may be delivered outside any clearing system *provided that* the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.
- Selling Restrictions:** There are selling restrictions in relation to the United States, Japan and the European Economic Area, including the United Kingdom, France, Hong Kong, the Netherlands, Italy, the PRC and Singapore. See "Subscription and Sale" herein.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the following documents which have been filed with the CSSF and shall be incorporated in, and form part of, this Base Prospectus:

- the Issuer's annual report on the United States Securities and Exchange Commission's Form 20-F for the financial year ended 31 December 2012 (the "**2012 Annual Report on Form 20-F**"); and
- the terms and conditions set out on pages 51 to 79 of the base prospectus dated 3 May 2012 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2012 Conditions**").

In accordance with Article 28.4 of the Regulation 809/2004, the non-incorporated parts of the base prospectus dated 3 May 2012 are not relevant for investors.

Any statement contained in this Base Prospectus, including through incorporation by reference shall be modified or superseded for the purpose of this Base Prospectus to the extent that it is modified or incorporated by way of a supplement prepared in accordance with Article 16 of the Prospectus Directive.

The non-incorporated parts of the 2012 Annual Report on Form 20-F are either not relevant for the investor or are covered elsewhere in the Base Prospectus.

The Issuer, or the relevant Paying Agent on behalf of the Issuer will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the written or oral request of such person, a copy of any or all of the documents incorporated herein by reference. Provision of such documents does not constitute a representation that such documents have not been modified or superseded in whole or in part as specified above. Written or oral requests for such documents should be directed to the principal office of BNP Paribas Securities Services in its capacity as Fiscal Agent (as defined in the "Terms and Conditions" of the Notes below). All documents incorporated by reference in this Base Prospectus will also be available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

In addition, if the Notes are offered to the public or listed and admitted to trading on a stock exchange other than the Luxembourg Stock Exchange (*Bourse de Luxembourg*), the relevant Final Terms will provide whether additional methods of publication are required and what they consist of. The Final Terms will also provide whether or not there will be a public offer.

The relevant documents and page references for the information incorporated by reference herein in response to specific requirements of Annex IV of the Prospectus Directive Regulations are as follows:

Information Incorporated by Reference

2012 Annual Report on Form 20-F

Prospectus Directive Regulations – Annex IV		2012 Annual Report on Form 20-F
A.4.2	STATUTORY AUDITORS	
A4.2.1	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	F2
A4.3	SELECTED FINANCIAL INFORMATION	
A4.3.1	Selected historical financial information regarding the issuer, presented, for each financial year for the period covered by the historical financial information, and any subsequent interim financial period, in the same currency as the financial information.	1 to 2

	The selected historical financial information must provide key figures that summarise the financial condition of the issuer.	
A4.5	INFORMATION ABOUT THE ISSUER	
A4.5.1	<u>History and development of the Issuer:</u>	
A4.5.1.1	the legal and commercial name of the issuer;	21
A4.5.1.2	the place of registration of the issuer and its registration number;	21; 204
A4.5.1.3	the date of incorporation and the length of life of the issuer, except where indefinite;	21
A4.5.1.4	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office);	21
A4.5.2	<u>Investments</u>	83-89; 104-106; F44-F45
A4.6	BUSINESS OVERVIEW	
A4.6.1	<u>Principal activities:</u>	
A4.6.1.1	A description of the issuer's principal activities stating the main categories of products sold and/or services performed; and	22-56
A4.6.1.2	an indication of any significant new products and/or activities.	22-56
A4.6.2	<u>Principal markets</u> A brief description of the principal markets in which the issuer competes.	70-73
A4.6.3	The basis for any statements made by the issuer regarding its competitive position.	1 st and 2 nd page under heading "Presentation of Financial and Other Information" ; 70-73
A4.7	ORGANISATIONAL STRUCTURE	
A4.7.1	If the issuer is part of a group, a brief description of the group and of the issuer's position within it.	83-84
A4.7.2	If the issuer is dependent upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	83-84
A4.8	TREND INFORMATION	
A4.8.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer 's prospects for at least the	22-23; 80-81; 92-93

	current financial year	
A4.10	ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES	
A4.10.1	<p>Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:</p> <p>(a) members of the administrative, management or supervisory bodies; and</p> <p>(b) partners with unlimited liability, in the case of a limited partnership with a share capital.</p>	148-167
A4.11	BOARD PRACTICES	
A4.11.1	Details relating to the issuer's audit committee, including the names of committee members and a summary of the terms of reference under which the committee operates.	183-184
A4.11.2	A statement as to whether or not the issuer complies with its country's of incorporation corporate governance regime(s). In the event that the issuer does not comply with such a regime a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.	244-245
A4.12	MAJOR SHAREHOLDERS	
A4.12.1	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control, and describe the measures in place to ensure that such control is not abused.	194-195
A4.13	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	
A4.13.1	<p><u>Historical Financial Information</u></p> <p>Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year. Such financial information must be prepared according to Regulation (EC) No 1606/2002, or if not applicable to a Member States national accounting standards for issuers from the Community.</p> <p>For third country issuers, such financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. If such financial information is not equivalent to these standards, it must be presented in the form of restated financial</p>	F1 – F122

	statements.	
	<p>The most recent year's historical financial information must be presented and prepared in a form consistent with that which will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.</p> <p>If the issuer has been operating in its current sphere of economic activity for less than one year, the audited historical financial information covering that period must be prepared in accordance with the standards applicable to annual financial statements under the Regulation (EC) No 1606/2002, or if not applicable to a Member States national accounting standards where the issuer is an issuer from the Community. For third country issuers, the historical financial information must be prepared according to the international accounting standards adopted pursuant to the procedure of Article 3 of Regulation (EC) No 1606/2002 or to a third country's national accounting standards equivalent to these standards. This historical financial information must be audited.</p> <p>If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least:</p> <p>(a) balance sheet;</p> <p>(b) income statement;</p> <p>(c) cash flow statement; and</p> <p>(d) accounting policies and explanatory notes.</p> <p>The historical annual financial information must have been independently audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view, in accordance with auditing standards applicable in a Member State or an equivalent standard.</p>	<p>F4 – F5</p> <p>F6</p> <p>F9</p> <p>F11 to F36 and F10 to F122</p>
A4.13.2	<p><u>Financial statements</u></p> <p>If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.</p>	F1-F122
A4.13.3	<p><u>Auditing of historical annual financial information</u></p>	
A4.13.3.1	<p>A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full</p>	F2-F3

	and the reasons given.	
A4.13.4	<u>Age of latest financial information</u>	
A4.13.4.1	The last year of audited financial information may not be older than 18 months from the date of the registration document.	F1-F122
A4.13.6	<u>Legal and arbitration proceedings</u> Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	198-201; F95-F103
A4.14	ADDITIONAL INFORMATION	
A4.14.1	<u>Share Capital</u>	
A4.14.1.1	The amount of the issued capital, the number and classes of the shares of which it is composed with details of their principal characteristics, the part of the issued capital still to be paid up, with an indication of the number, or total nominal value, and the type of the shares not yet fully paid up, broken down where applicable according to the extent to which they have been paid up.	205-206
A4.14.2	<u>Memorandum and Articles of Association.</u>	
A4.14.2.1	The register and the entry number therein, if applicable, and a description of the issuer's objects and purposes and where they can be found in the memorandum and articles of association.	204-221
A4.15	MATERIAL CONTRACTS	
A4.15	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued.	221-223

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation.

SUPPLEMENT TO THE BASE PROSPECTUS

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to the provisions of the *Loi relative aux prospectus pour valeurs mobilières* in Luxembourg implementing Article 16 of the Prospectus Directive following the occurrence of a significant new factor, material mistake or inaccuracy relating to the information included in this Base Prospectus which is capable of affecting the assessment of any Notes, the inclusion of which would reasonably be required by investors and their professional advisers, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus, which in respect of any subsequent issue of Notes to be listed and admitted to trading, shall constitute a supplement to the Base Prospectus for the purpose of the relevant provisions of the *Loi relative aux prospectus pour valeurs mobilières*.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion by the relevant Final Terms, shall be applicable to the Notes.

In the case of Dematerialised Notes, the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed by the relevant Final Terms. In the case of Materialised Notes, either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed or attached on Definitive Materialised Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued by Sanofi (the "Issuer") with the benefit of an agency agreement dated 27 March 2013 between the Issuer and BNP Paribas Securities Services as Fiscal Agent, Principal Paying Agent, Redenomination Agent, Consolidation Agent and Calculation Agent (the "Agency Agreement"). The fiscal agent, the paying agents, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the "Fiscal Agent", the "Paying Agents" (which expression shall include the Fiscal Agent), the "Redenomination Agent", the "Consolidation Agent" and the "Calculation Agent(s)".

References below to "Conditions" are, unless the context requires otherwise, to the numbered paragraphs below.

The specific terms of each Tranche (which will be completed, where necessary, with additional terms and conditions) will be set out in the Final Terms to this Base Prospectus (the "Final Terms").

As used herein, "Tranche" means Notes which are identical in all respects (including as to listing). As used herein, "Series" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are expressed to be consolidated (*assimilées*) and form a single series and are identical in all respects (including as to listing) except that the Issue Price, Issue Date, Interest Commencement Date (if any) and/or the amount of the first payment of interest (if any) may be different in respect of different Tranches.

A copy of the Agency Agreement is available for inspection and the Final Terms applicable to the Notes are available free of charge during normal business hours at the specified office of the Paying Agent, save that the relevant Final Terms in relation to an unlisted Note will only be available for inspection by a Holder holding one or more Notes of that Series and such Holder must produce evidence satisfactory to the relevant Paying Agent as to its holding of Notes and as to its identity. The Holders of Notes, Coupons and Talons are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement and the relevant Final Terms which are applicable to them.

Words and expressions defined in the Agency Agreement or used in the relevant Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and *provided that*, in the event of inconsistency between the Agency Agreement and the relevant Final Terms, the relevant Final Terms will prevail.

For the purposes of these Terms and Conditions, "Regulated Market" means any regulated market situated in a Member State of the European Economic Area ("EEA"), as defined in the Directive 2004/39/EC.

1 FORM, DENOMINATION AND TITLE

(a) **Form:**

Notes may be issued either in dematerialised form ("**Dematerialised Notes**") or in materialised form ("**Materialised Notes**").

- (i) Title to Dematerialised Notes will be evidenced in accordance with Articles L.211-3 *et seq.* and R.211-1 of the French *Code monétaire et financier* by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Dematerialised Notes.

Dematerialised Notes are issued, at the option of the Issuer, in either bearer dematerialised form (*au porteur*), which will be inscribed in the books of Euroclear France ("**Euroclear France**") (acting as central depository) which shall credit the accounts of Account Holders, or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant Noteholder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder designated by the relevant Noteholder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or the registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the "**Registration Agent**").

For the purpose of these Conditions, "**Account Holder**" means any authorised intermediary institution entitled to hold, directly or indirectly, accounts on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and the depository bank for Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**").

- (ii) Materialised Notes are issued in bearer form only. Materialised Notes are serially numbered and are issued with coupons (each, a "**Coupon**") and, where appropriate, a talon (a "**Talon**") attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

In accordance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier*, securities (such as the Notes) which are governed by French law and are in materialised form must be issued outside the French territory.

(b) **Denomination(s):**

Notes shall be issued in the specified denomination(s) as set out in the relevant Final Terms (the "**Specified Denomination(s)**") save that the minimum denomination of each Note admitted to trading on a Regulated Market in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency). Dematerialised Notes shall be issued in one Specified Denomination only.

(c) **Title:**

- (i) Title to Dematerialised Notes in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Account Holders. Title to Dematerialised Notes in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such Notes may only be effected through, registration of the transfer in the accounts of the Issuer or the Registration Agent.
- (ii) Title to Materialised Notes in definitive form having, where appropriate, Coupons and/or a Talon attached thereto on issue ("**Definitive Materialised Notes**"), shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note (as defined below), Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.

- (iv) In these Conditions, "**holder of Notes**" or "**holder of any Note**", or "**Noteholder**" means (a) in the case of Dematerialised Notes, the individual or entity whose name appears in the account of the relevant Account Holder, the Issuer or the Registration Agent (as the case may be) as being entitled to such Notes and (b) in the case of Materialised Notes, the bearer of any Definitive Materialised Note and the Coupons ("**Couponholder**" being construed accordingly), or Talon relating to it, and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 CONVERSION AND EXCHANGES OF NOTES

(a) Dematerialised Notes

- (i) Dematerialised Notes issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised Notes in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (ii) Dematerialised Notes issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised Notes in bearer dematerialised form (*au porteur*).
- (iii) Dematerialised Notes issued in fully registered form (*au nominatif pur*) may, at the option of the Noteholder, be converted into Notes in administered registered form (*au nominatif administré*), and *vice versa*. The exercise of any such option by such Noteholder shall be made in accordance with Article R.211-4 of the French *Code monétaire et financier*. Any such conversion shall be effected at the cost of such Noteholder.

(b) Materialised Notes

Materialised Notes of one Specified Denomination may not be exchanged for Materialised Notes of another Specified Denomination.

3 STATUS OF THE NOTES AND SUBORDINATION

(A) Status of the Notes – Unsubordinated Notes

- (a) This Condition 3A, is applicable to Notes specified in the relevant Final Terms as being unsubordinated or not specified as being subordinated ("**Unsubordinated Notes**").
- (b) The Unsubordinated Notes and, where applicable, any relative Coupons (subject to Condition 4 (*Negative Pledge*)) constitute direct, unsecured and unsubordinated obligations of the Issuer and rank *pari passu* without any preference or priority among themselves and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer other than obligations as may be preferred by mandatory provisions of applicable law.

(B) Status of the Notes – Subordinated Notes

- (a) This Condition 3B, is applicable to Notes specified in the relevant Final Terms as being subordinated notes ("**Subordinated Notes**").
- (b) The Subordinated Notes constitute direct, unsecured and subordinated obligations of the Issuer and rank, *pari passu* without any preference or priority among themselves and *pari passu* with all other present and future Subordinated Notes issued by the Issuer all in accordance with Article L. 228-97 of the *Code de commerce*.
- (c) In the event of a Repayment Event (as defined in Condition 10B (*Repayment Event – Subordinated Notes*)), the claims of the Holders of Subordinated Notes will be subordinated in right of payment.

4 NEGATIVE PLEDGE

In respect of Unsubordinated Notes only, so long as any Note of the relevant Series remains outstanding, the Issuer shall not create or permit to subsist any mortgage, charge, pledge, lien (other than any lien arising by operation of law) or other encumbrance or security interest over any or all of its present or future assets or revenues (i) to secure any Relevant Indebtedness issued by it or (ii) to secure any guarantee or indemnity given by it of any Relevant Indebtedness issued by others without (a) at the same time or prior thereto securing the Unsubordinated Notes equally and rateably therewith or (b) providing such other security for the Notes as may be approved by a General Meeting of Holders of Notes of the relevant Series.

"**Relevant Indebtedness**" means any obligation whether present or future (including, without limitation, any contingent obligation, any surety or other obligation) which is for, or in respect of, or represented by any bonds, debentures, or other form of debt securities capable of being listed, quoted or ordinarily dealt in on any stock exchange, over-the-counter market or securities market.

5 INTEREST

(a) Interest on Fixed Rate Notes

- (i) Each Fixed Rate Note bears interest on its nominal amount from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Fixed Rate(s) of Interest payable in arrear on the Fixed Interest Date(s) in each year and on the Maturity Date if that does not fall on a Fixed Interest Date. The first payment of interest will be made on the Fixed Interest Date next following the Interest Commencement Date and, if the first anniversary of the Interest Commencement Date is not a Fixed Interest Date, will amount to the Initial Broken Amount. If the Maturity Date is not a Fixed Interest Date, interest from (and including) the preceding Fixed Interest Date (or the Interest Commencement Date, as the case may be) to (but excluding) the Maturity Date will amount to the Final Broken Amount.
- (ii) The amount of interest payable in respect of each Fixed Rate Note for any Fixed Rate Interest Period (as defined below) shall be specified in the Final Terms (the "**Fixed Coupon Amount**").
- (iii) The amount of interest payable in respect of each Fixed Rate Note payable in euro for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Fixed Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.
- (iv) If, in respect of a Fixed Rate Note which is not payable in euro, interest is required to be calculated for a period of other than a full year, such interest shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed or on such other basis as is specified in the relevant Final Terms.

"**Fixed Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (the "**Calculation Period**"):

If **Actual/Actual (ICMA)** is specified hereon:

- (i) if such Calculation Period falls within a single Fixed Rate Interest Period, means the actual number of days in such Calculation Period divided by the product of the number of days in the Fixed Rate Interest Period in which it falls and the number of Fixed Rate Interest Periods in any year; and
- (ii) if such Calculation Period does not fall within a single Fixed Rate Interest Period, means the

sum of (x) the actual number of days in such Calculation Period falling in the Fixed Rate Interest Period in which it begins divided by the product of the actual number of days in that Fixed Rate Interest Period and the number of Fixed Rate Interest Periods in any year and (y) the actual number of days in such Calculation Period falling in the subsequent Fixed Rate Interest Period divided by the product of the actual number of days in the subsequent Fixed Rate Interest Period and the number of Fixed Rate Interest Periods in any year.

If **Actual/360** is specified hereon, the actual number of days in the Calculation Period divided by 360.

If **30/360** is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M₂**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30";

"**euro**" means the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

"**Fixed Rate Interest Period**" means the period from (and including) a Fixed Interest Date (or the Interest Commencement Date) to (but excluding) the next (or first) Fixed Interest Date.

"**Sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

"**Treaty**" means the Treaty on the Functioning of the European Union.

(b) **Interest on Floating Rate Notes**

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest on its nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(A) the Interest Payment Date(s) in each year specified in the relevant Final Terms; or

- (B) if no express Interest Payment Date(s) is/are specified in the relevant Final Terms, each date (each an "**Interest Payment Date**") which falls the number of months or other period specified as the Interest Period in the relevant Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, unless specified in the relevant Final Terms in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date, each an "**Interest Period**").

If a business day convention is specified in the relevant Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day then, if the business day convention specified is:

- (1) in any case where Interest Periods are specified in accordance with Condition 5(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below of this subparagraph (1) shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Interest Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In addition, if (i) the Floating Rate Convention is specified in the relevant Final Terms, (ii) Interest Periods are specified in accordance with Condition 5(b)(i)(B) above and (iii) any Interest Payment Date falls on the last Business Day in any month, then each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Interest Period after the preceding applicable Interest Payment Date occurred.

In this Condition, "**Business Day**" means a day which is both:

- (A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Paris and any Business Centre specified in the relevant Final Terms; and
- (B) either (1) in relation to interest payable in a Specified Currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle

payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than Paris and any Business Centre) or (2) in relation to any sum payable in euro, a day on which TARGET2 is operating; or (3) in relation to any sum payable in Renminbi, a day on which commercial banks and foreign exchange markets settle payments in Renminbi in Hong Kong and in the relevant Business Centre(s) (if any).

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the relevant Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Fiscal Agent under an interest rate swap transaction if the Fiscal Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. as amended from time to time (the "**ISDA Definitions**") and under which:

- (1) the Floating Rate Option is as specified in the relevant Final Terms;
- (2) the Designated Maturity is a period specified in the relevant Final Terms; and
- (3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate ("**LIBOR**") or on the Euro-zone inter-bank offered rate ("**EURIBOR**") for a currency, the first day of that Interest Period or (ii) in any other case, as specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions; (B) the definition of "**Banking Day**" in the ISDA Definitions shall be amended to insert the words "are open for" in the second line after the word "**general**"; and (C) "**Euro-zone**" means the region comprised of member states of the European Union that adopt the euro.

When this sub-paragraph (A) applies, in respect of each relevant Interest Period the Fiscal Agent will be deemed to have discharged its obligations under Condition 5(b)(iv) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (A).

(B) FBF Determination for Floating Rate Notes

Where FBF Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant FBF Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**FBF Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Transaction under the terms of an agreement incorporating the FBF Definitions and under which:

- (1) the Floating Rate is as specified in the relevant Final Terms, and
- (2) the relevant Floating Rate Determination Date (*Date de Détermination du Taux Variable*) is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (B), "**Floating Rate**" (*Taux Variable*), "**Calculation Agent**" (*Agent*), "**Floating Rate Determination Date**" (*Date de Détermination du Taux Variable*) and "**Transaction**" (*Transaction*) have the meanings given to those terms in the FBF Definitions, *provided that* Euribor means the rate calculated for deposits in euro which appears on Reuters Page EURIBOR01, as more fully described in the relevant Final Terms. "**FBF Definitions**" means the definitions set out in the 2007 FBF Master Agreement relating to transactions on forward financial instruments as supplemented by the Technical Schedules (Additifs Techniques) as published by the *Fédération Bancaire Française* (together the "**FBF Master Agreement**"), unless otherwise specified in the relevant Final Terms.

(C) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (1) the offered quotation (if there is only one quotation on the Relevant Screen Page); or
- (2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time) in the case of LIBOR or 11.00 a.m. (Brussels time) in the case of EURIBOR on the Interest Determination Date in question plus or minus (as indicated in the relevant Final Terms) the Margin (if any), all as determined by the Fiscal Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Fiscal Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

If, in the case of (1) above, such rate does not appear on that page or, in the case of (2) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Fiscal Agent will:

- (A) request the principal financial centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the relevant time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
- (B) determine the arithmetic mean of such quotations.

If fewer than two such quotations are provided as requested, the Fiscal Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Fiscal Agent) quoted by major banks in the principal financial centre of the Specified Currency, selected by the Fiscal Agent, at approximately 11.00 a.m. (local time in the principal financial centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time.

If the Reference Rate from time to time in respect of the Floating Rate Notes is specified as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the relevant Final Terms.

For the purposes of this sub-paragraph (C), "**Reference Banks**" means four major banks selected by the Fiscal Agent in the market that are most closely connected with the Reference Rate, unless otherwise specified in the relevant Final Terms.

(iii) *Minimum and/or Maximum Interest Rate*

If the relevant Final Terms specify a Minimum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such Minimum Interest Rate, the Rate of Interest for such Interest Period shall be such Minimum Interest Rate. If the relevant Final Terms specify a Maximum Interest Rate for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

(iv) *Determination of Rate of Interest and Calculation of Interest Amounts*

The Fiscal Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Fiscal Agent will calculate the amount of interest (the "**Interest Amount**") payable on the Floating Rate Notes in respect of the Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified Denomination, multiplying such sum by the applicable Day Count Fraction and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest for any Interest Period:

- (1) if "**Actual/Actual**" or "**Actual/365 (FBF)**" is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the

actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

- (2) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365;
- (3) if "**Actual/Actual (FBF)**" is specified in the relevant Final Terms, the fraction whose numerator is the actual number of days elapsed during such period and whose denominator is 365 (or 366 if 29 February falls within the Calculation Period). If the Calculation Period is of a duration of more than one (1) year, the basis shall be calculated as follows:
 - (x) the number of complete years shall be counted back from the last day of the Calculation Period; and
 - (y) this number shall be increased by the fraction for the relevant period calculated as set out in the first paragraph of this definition;
- (4) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 360;
- (5) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M₂**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Interest Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (6) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"**M₂**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**D₁**" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case **D₁** will be 30; and

"**D₂**" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case **D₂** will be 30;

- (7) if "**30E/360 (FBF)**" is specified in the relevant Final Terms, in respect of each Calculation Period, the fraction whose denominator is 360 and whose numerator is the number of days elapsed during such period, calculated on the basis of a year comprising 12 months of 30 days, subject to the following the exception:

if the last day of the Calculation Period is the last day of the month of February, the number of days elapsed during such month shall be the actual number of days,

where:

D1 (dd1, mm1, yy1) is the date of the beginning of the period

D2 (dd2, mm2, yy2) is the date of the end of the period

the fraction is:

$$\frac{1}{360} \times [(yy2 - yy1) \times 360 + (mm2 - mm1) \times 30 + \text{Min}(dd2, 30) - \text{Min}(dd1, 30)]$$

- (8) if "**30E/360 (ISDA)**" is specified in the relevant Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y₁**" is the year, expressed as a number, in which the first day of the Interest Period falls;

"**Y₂**" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"**M₁**" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date (as specified in the relevant Final Terms) or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case, the number of days in the Interest Period is calculated from and including the first day of the Interest Period to but excluding the last day of the Interest Period.

(v) *Notification of Rate of Interest and Interest Amounts*

The Fiscal Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes are for the time being listed and notice thereof to be published in accordance with Condition 12 (*Notices*) as soon as possible after their determination but in no event later than the fourth Paris Business Day (as defined in Condition 5(b)(i)) thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Issuer, each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to Holders of Notes in accordance with Condition 12 (*Notices*).

(vi) *Certificates to be Final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5(b), whether by the Fiscal Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Fiscal Agent, the Calculation Agent (if applicable), the other Paying Agents and all Holders of Notes and Coupons and (in the absence as aforesaid) no liability to the Issuer, the Holders of Notes and the Coupons shall attach to the Fiscal Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) **Accrual of Interest**

Each Note (or in the case of the redemption of part only of a Note that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (i) the date on which all amounts due in respect of such Note have been paid; and
- (ii) five days after the date on which the full amount of the moneys payable has been received by the Fiscal Agent and notice to that effect has been given in accordance with Condition 12 (*Notices*).

(d) **Additional Provisions for Interest on Subordinated Notes**

In the case of Subordinated Notes, any additional or alternative provisions in respect of the rate or amount of interest payable shall be specified in the relevant Final Terms.

(e) **CNY Notes**

Notwithstanding the foregoing, each CNY Note which is a Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate per annum equal to the Rate of Interest. For the purposes of calculating the amount of interest, if any Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month in which case it shall be brought forward to the immediately preceding Business Day. Interest will be payable in arrear on each Interest Payment Date. The Calculation Agent will, as soon as practicable after 11.00 a.m. (Hong Kong time) on each Interest Determination Date, calculate the amount of interest payable per Specified Denomination for the relevant Interest Period. The determination of the amount of interest payable per Specified Denomination by the Calculation Agent shall (in the absence of manifest error and after confirmation by the Issuer) be final and binding upon all parties. The Calculation Agent will cause the amount of interest payable per Specified Denomination for each Interest Period and the relevant Interest Payment Date to be notified to each of the Paying Agents and to be notified to Noteholders as soon as possible after their determination but in no event later than the fourth Business Day thereafter. The amount of interest payable per Specified Denomination and Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10 (*Events of Default and Repayment Events*), the accrued interest per Specified Denomination shall nevertheless continue to be calculated as previously by the Calculation Agent in accordance with this provision but no publication of the amount of interest payable per Specified Denomination so calculated need be made. Unless otherwise agreed in the relevant Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to the Specified Denomination, multiplying such product by the actual number of days in the relevant Interest Period or, as applicable, other period concerned and dividing it by 365, and rounding the resultant figure to the nearest Renminbi sub-unit, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

6 PAYMENTS

(a) **Dematerialised Notes**

Payments of principal and interest in respect of Dematerialised Notes shall (in the case of Dematerialised Notes in bearer dematerialised form or administered registered form) be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the Noteholders and, (in the case of Dematerialised Notes in fully registered form), to an account denominated in the relevant currency with a Bank (as defined below) designated by the Noteholders. Any payment validly made to any such Account Holders, or to any such Bank (as defined below) designated by any Noteholder, will be an effective discharge of the Issuer in respect of such payment.

(b) **Materialised Notes**

Payments of principal and interest in respect of Materialised Notes shall, subject as mentioned below, be made against presentation and surrender during usual business hours of the relevant Materialised Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 6(f)(vi) or Coupons (in the case of interest, save as specified in Condition 6(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the Noteholder, by transfer to an account denominated in such currency with, a Bank (as defined below).

"**Bank**" means a bank in the principal financial centre of the country for such Specified Currency or, in the case of euro, in a city in which banks have access to the TARGET 2 System.

(c) **Payments in the United States**

Notwithstanding the foregoing, if any Materialised Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) **Payments subject to Fiscal Laws**

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 (*Taxation*). References to "**Specified Currency**" will include any successor currency under applicable law.

(e) **Appointment of Agents**

The Fiscal Agent, the Paying Agents, the Calculation Agent, the Redenomination Agent and the Consolidation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Redenomination Agent, the Consolidation Agent and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each such case, do not assume any obligation or relationship of agency for any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents, *provided that* the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) a Paying Agent having its specified offices in at least one major European city, including in the case of Notes admitted to trading on a Regulated Market and so long as the rules of, or applicable to, the relevant Regulated Market so require, in such other city where the Notes are admitted to trading, (v) in the case of Materialised Notes, a Paying Agent with a specified office in a European Union Member State (which may be any of the Paying Agents referred to in (iv) above) that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments, or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive, (vi) in the case of Dematerialised Notes, in fully registered form, a Registration Agent and (vii) such other agents as may be required by any other Regulated Market on which the Notes may be admitted to trading.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Materialised Notes denominated in U.S. Dollars in the circumstances described in paragraph (c) above.

On a redenomination of the Notes of any Series pursuant to Condition 16 (*Redenomination, Renominalisation and Reconventioning*) with a view to consolidating such Notes with one or more other Series of Notes, in accordance with Condition 15 (*Further Issues and Consolidation*), the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such Notes and such other Series of Notes to be so consolidated with such Notes.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders in accordance with Condition 12 (*Notices*).

(f) **Unmatured Coupons and unexchanged Talons**

- (i) Unless Materialised Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Materialised Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (together, where applicable, with the amount of any accrued interest corresponding to such Coupon) (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon (together, where applicable, with the amount of any accrued interest corresponding to such Coupon) that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Amortised Face Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9 (*Prescription*)).
- (ii) If Materialised Notes so provide, upon the due date for redemption of any such Materialised Note, unexpired Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- (iii) Upon the due date for redemption of any Materialised Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- (iv) Where any Materialised Note that provides that the relative unexpired Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unexpired Coupons, and where any Materialised Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
- (v) If the due date for redemption of any Materialised Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, (including, for the avoidance of doubt, any accrued interest if applicable) shall only be payable against presentation (and surrender if appropriate) of the relevant Definitive Materialised Note. Interest accrued on a Materialised Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Materialised Notes.

(g) **Talons**

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Materialised Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9 (*Prescription*)).

(h) **Payment Day**

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the Holder thereof shall not be entitled to payment of the relevant amount due until the next following Payment Day in the relevant place and shall not be entitled to any interest or other payment in respect of such delay. In this Condition, "**Payment Day**" means any day which is:

- (i) in the case of Dematerialised Notes, on which Euroclear France is open for business, or in the case of Materialised Notes, on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "**Financial Centres**" in the relevant Final Terms; and

(ii) a Business Day (as defined in Condition 5(b)(i)).

(i) **Alternative Payment in U.S. Dollars**

If Inconvertibility, Non-transferability or Illiquidity (each as defined below) occurs, the Issuer, on giving not less than five nor more than 30 days irrevocable notice in accordance with Condition 12 (*Notices*) to the Noteholders prior to the due date for payment, shall be entitled to satisfy its obligations in respect of such payment by making such payment in U.S. dollars on the basis of the Spot Rate on the second FX Business Day prior to such payment or, if such rate is not available on such second FX Business Day, on the basis of the rate most recently available prior to such second FX Business Day.

Any payment made under such circumstances in U.S. dollars will constitute valid payment, and will not constitute a default in respect of the Notes.

"**FX Business Day**" shall mean a day (other than a Saturday, Sunday or public holiday) on which commercial banks and foreign exchange markets settle payments in U.S. dollars in Hong Kong and New York.

"**Governmental Authority**" means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong.

"**Illiquidity**" means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest and principal (in whole or in part) in respect of the CNY Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two CNY Dealers.

"**Inconvertibility**" means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the CNY Notes in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation becomes effective on or after the issue date of such CNY Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

"**Non-transferability**" means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation becomes effective on or after the issue date of the relevant CNY Notes and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

"**CNY Dealer**" means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong.

"**Spot Rate**" means the spot U.S. dollar/CNY exchange rate for the purchase of U.S. dollars with CNY in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the date of determination, on a deliverable basis by reference to the most recently available U.S. dollar/CNY official fixing rate for settlement in two FX Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuters Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

The Calculation Agent will not be responsible or liable to the Issuer or any holder of the Notes for any determination of any Spot Rate determined in accordance with this provision in the absence of its own gross negligence, bad faith or wilful misconduct.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 (*Payments*) by the Calculation Agent, will (in the absence of manifest error) be binding on the Issuer, the Paying Agents and all Noteholders.

(j) **Interpretation of Principal and Interest**

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable with respect to principal under Condition 8 (*Taxation*);
- (ii) the Final Redemption Amount of the Notes;
- (iii) the Early Redemption Amount of the Notes;
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined below); and
- (vi) any premium and any other amounts which may be payable by the Issuer under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 (*Taxation*).

7 **REDEMPTION AND PURCHASE**

(a) **At Maturity**

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its principal amount in the relevant Specified Currency on the Maturity Date.

(b) **Redemption for Tax Reasons**

The Notes of any Series may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than 30 nor more than 60 days' notice to the Fiscal Agent and, in accordance with Condition 12 (*Notices*), the Holders (which notice shall be irrevocable), if:

- (i) on the occasion of the next payment due under the Notes the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Republic of France or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including the cessation of tax exemptions presently applicable), which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes; and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Fiscal Agent a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion, of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

In addition, if the Issuer would on the occasion of the next payment due under the Notes be prevented by French law from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained above, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall forthwith redeem all, but not some only, of the Notes then outstanding, upon giving not less than 30 nor more than 60 days' irrevocable notice to the Noteholders, *provided that* the due date for redemption of which notice hereunder shall be given, shall be the latest practicable date on which the Issuer could make payment without withholding for French taxes, or if such date has passed, as soon as practicable thereafter.

Notes redeemed pursuant to this Condition 7(b) will be redeemed at their Early Redemption Amount referred to in paragraph (f) below together (if appropriate) with interest accrued to (but excluding) the date of redemption notified by the Issuer. No further interest shall accrue on the Notes following such date of redemption.

(c) Redemption at the Option of the Issuer (Call Option)

If the Issuer is specified in the relevant Final Terms as having an option to redeem, the Issuer shall, having given:

- (i) not less than 20 nor more than 30 days' notice to the Holders in accordance with Condition 12 (*Notices*); and
- (ii) not less than 20 days before the giving of the notice referred to in (i), notice to the Fiscal Agent,

(which notices shall be irrevocable), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the relevant Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date.

In the case of a partial redemption or a partial exercise of an Issuer's option in respect of Materialised Notes, the notice to holders of such Materialised Notes shall also contain the number of the Definitive Materialised Notes to be redeemed or in respect of which such option has been exercised, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and Regulated Market requirements.

In the case of a partial redemption of or a partial exercise of an Issuer's option in respect of Dematerialised Notes, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised Notes in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised Notes and, in such latter case, the choice between those Dematerialised Notes that will be fully redeemed and those Dematerialised Notes of any Series that will not be redeemed shall be made in accordance with Article R.213-16 of the French *Code monétaire et financier* and the provisions of the relevant Final Terms, subject to compliance with any other applicable laws and Regulated Market requirements.

So long as the Notes are admitted to trading on a Regulated Market and the rules of, or applicable to, such Regulated Market require, the Issuer shall, each time there has been a partial redemption of the Notes, cause to be published (i) as long as such Notes are listed and admitted to trading on the Luxembourg Stock Exchange and the rules of such Stock Exchange so permit, on the website of the Luxembourg Stock Exchange (www.bourse.lu) or (ii) in a leading newspaper with general circulation in the city where the Regulated Market on which such Notes are admitted to trading is located, which in the case of the Luxembourg Stock Exchange is expected to be the Luxemburger Wort, a notice specifying the aggregate nominal amount of Notes outstanding and, in the case of Materialised Notes, a list of any Definitive Materialised Notes drawn for redemption but not surrendered.

(d) **Redemption of the Notes at the Option of the Holders (Put Option)**

If the Holders of Notes are specified in the relevant Final Terms as having an option to redeem, upon the Holder of any Note giving to the Issuer in accordance with Condition 12 (*Notices*) not less than 15 nor more than 30 days' notice or such other period of notice as is specified in the relevant Final Terms the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the relevant Final Terms, in whole (but not in part), such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the relevant Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. If the Holders of Notes are not specified in the relevant Final Terms as having an option to redeem then the Holders of Notes shall not have any option to redeem such Notes as described in this sub-paragraph (d).

To exercise the right to require redemption of a Note the Holder of such Note must deliver a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a "**Put Notice**"), at any time within the notice period during normal business hours of such Paying Agent. In the Put Notice the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition. Such notice shall, in the case of Materialised Notes, have attached to it such Note (together with all unmatured Coupons and unexchanged Talons). In the case of Dematerialised Notes, the Noteholder shall transfer, or cause to be transferred, the Dematerialised Notes to be redeemed to the account of the Paying Agent specified in the Put Notice. No option so exercised and, where applicable, no Note so deposited or transferred may be withdrawn without the prior consent of the Issuer.

(e) **Make-whole Redemption by the Issuer**

Unless specified as not being applicable in the relevant Final Terms, the Issuer may, having given:

- (i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 12 (*Notices*); and
- (ii) not less than 15 days before the giving of notice referred to in (i) above, notice to the Fiscal Agent, the Quotation Agent and such other parties as may be specified in the Final Terms,

(which notices shall be irrevocable and shall specify the date fixed for redemption (each such date, a "**Make-whole Redemption Date**") redeem, in whole or in part, the Notes then outstanding at any time prior to their Maturity Date at their relevant Make-whole Redemption Amount.

"**Calculation Date**" means the third Business Day (as defined in Condition 5(b)(i)) prior to the Make-whole Redemption Date.

"**Make-whole Redemption Amount**" means the sum of:

- (i) the greater of (x) the Final Redemption Amount of the Notes so redeemed and (y) the sum of the then present values of the remaining scheduled payments of principal and interest on such Notes (excluding any interest accruing on the Notes to, but excluding, the relevant Make-whole Redemption Date) discounted to the relevant Make-whole Redemption Date on either an annual or a semi-annual basis (as specified in the relevant Final Terms) at the Make-whole Redemption Rate plus a Make-whole Redemption Margin; and
- (ii) any interest accrued but not paid on the Notes to, but excluding, the Make-whole Redemption Date,

as determined by the Quotation Agent and as notified on the Calculation Date by the Quotation Agent to the Issuer, the Fiscal Agent and such other parties as may be specified in the Final Terms.

"**Make-whole Redemption Margin**" means the margin specified as such in the relevant Final Terms.

"**Make-whole Redemption Rate**" means the average of the four quotations given by the Reference Dealers of the mid-market yield to maturity of the Reference Security on the third Business Day preceding the Make-whole Redemption Date at 11:00 a.m. (Central European Time ("CET")) ("**Reference Dealer Quotation**").

"**Quotation Agent**" means any Dealer or any other international credit institution or financial services institution appointed by the Issuer for the purpose of determining the Make-whole Redemption Amount, in each case as such Quotation Agent is identified in the relevant Final Terms.

"**Reference Dealers**" means each of the four banks, as specified in the relevant Final Terms, selected by the Quotation Agent, which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

"**Reference Screen Rate**" means the screen rate specified as such in the relevant Final Terms.

"**Reference Security**" means the security specified as such in the relevant Final Terms. If a Reference Security is no longer outstanding, a Similar Security will be chosen by the Quotation Agent at 11:00 a.m. (CET) on the third Business Day preceding the Make-whole Redemption Date, quoted in writing by the Quotation Agent to the Issuer and published in accordance with Condition 12 (*Notices*).

"**Similar Security**" means a reference bond or reference bonds issued by the same issuer as the Reference Security having actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Quotation Agent shall (in the absence of manifest error) be final and binding upon all parties.

In the case of a partial redemption of Notes, the relevant provisions of Condition 7(c) shall apply mutatis mutandis to this Condition 7(e).

(f) **Early Redemption Amounts**

For the purpose of paragraph (b) above and Condition 10, the Notes will be redeemed at the Early Redemption Amount calculated as follows:

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;
- (ii) in the case of Notes (other than Zero Coupon Notes) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount specified in the relevant Final Terms or, if no such amount or manner is so specified in the Final Terms, at their nominal amount; or
- (iii) in the case of Zero Coupon Notes, at an amount (the "**Amortised Face Amount**") equal to the sum of:
 - (A) the Reference Price; and
 - (B) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable.

Where such calculation is to be made for a period which is not a whole number of years, it shall be made (i) in the case of a Zero Coupon Note other than a Zero Coupon Note payable in euro, on the basis of a 360-day year consisting of 12 months of 30 days each and, in the case of an incomplete month, the number of days elapsed; and (ii) in the case of a Zero Coupon Note payable in euro, on the basis of the actual number of days elapsed divided by 365 (or, if any of the days elapsed falls in a leap year, the sum of (x) the number of those days falling in a leap year divided by 366 and (y) the number of those days falling in a non-leap year divided by 365) or (in either case) on such other calculation basis as may be specified in the relevant Final Terms.

(g) **Purchases**

The Issuer may at any time purchase Notes at any price in the open market or otherwise. Such Notes may be surrendered to any Paying Agent for cancellation or, unless otherwise specified in the Final Terms, held in custody by or on behalf of the Issuer and/or sold, resold or otherwise disposed of by the Issuer in accordance and within the limits set by Article L.213-1A of the French Monetary and Financial Code as amended from time to time.

(h) **Cancellation**

All Notes redeemed or purchased for cancellation by or on behalf of the Issuer will be cancelled, in the case of Dematerialised Notes, together with all rights relating to payment of interest and other amounts relating to such Dematerialised Notes, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Materialised Notes, together with all unmatured Coupons and unexchanged Talons attached thereto or surrendered therewith, by surrendering to the Fiscal Agent the Temporary Global Certificate and the Definitive Materialised Notes in question together with all unmatured Coupons and all unexchanged Talons. Any Notes so cancelled or, where applicable, transferred or surrendered for cancellation may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

(i) **Late payment on Zero Coupon Notes**

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to paragraph (a), (b), (c), (d) or (e) above or upon its becoming due and repayable as provided in Condition 10 (*Events of Default and Repayment Events*) is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in paragraph (f)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (ii) the date on which the full amount of the moneys payable has been received by the Fiscal Agent and notice to that effect has been given to the Holders in accordance with Condition 12 (*Notices*).

(j) **Obligation to redeem**

Upon the expiry of any notice as is referred to in paragraph (b), (c),(d) or (e) above, the Issuer shall be bound to redeem the Notes to which the notice referred at the relevant redemption price applicable at the date of such redemption together with, if appropriate, interest accrued to (but excluding) the relevant redemption date.

8 TAXATION

All payments of principal and interest in respect of the Notes and Coupons by the Issuer will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Republic of France or any political subdivision or any authority thereof or therein having power to tax unless

such withholding or deduction is required by law. In such event, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as shall be necessary in order that the net amounts received by the Holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction, except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (i) presented for payment by or on behalf of a Holder of a Note or Coupon who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with the Republic of France other than the mere holding of such Note or Coupon; or
- (ii) in the case of Definitive Materialised Notes, more than 30 days after the Relevant Date (as defined below) except to the extent that the Holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day; or
- (iii) where such withholding or deduction is imposed on payments to an individual and is required to be made pursuant to the EU Directive 2003/48/EC of 3 June 2003 on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000, or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- (iv) in respect of Definitive Materialised Notes presented for payment by or on behalf of a Holder who would be able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the EU.

As used herein, the "**Relevant Date**" means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Fiscal Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Holders in accordance with Condition 12 (*Notices*).

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of France, references in these Conditions to the Republic of France shall be construed as references to the Republic of France and/or such other jurisdiction.

The Issuer shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service ("**FATCA withholding**") as a result of the Holder, beneficial owner or an intermediary (that is not an agent of the Issuer) not being entitled to receive payments free of FATCA withholding. The Issuer shall not be liable for, or otherwise obliged to pay, any FATCA withholding deducted or withheld by the Issuer, any paying agent or any other party.

9 **PRESCRIPTION**

Claims against the Issuer for payment in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within ten (10) years (in the case of principal) or five (5) years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 **EVENTS OF DEFAULT AND REPAYMENT EVENTS**

10A. *Events of Default – Unsubordinated Notes*

This Condition 10A is applicable only to Notes specified in the relevant Final Terms as being unsubordinated or not specified as being subordinated.

The Representative (as defined in Condition 13 (*Meetings of Holders and Waivers*)), upon request of any Noteholder, may, upon written notice to the Issuer and the Fiscal Agent given before all defaults shall have been cured, cause all the Notes (but not some only) held by such Noteholder to become immediately due and payable at their principal amount, together with any accrued interest thereon (including, where applicable, any accrued interest), as of the date on which such notice for payment is received by the Issuer and the Fiscal Agent without further formality, if one or more of the following events (each an "**Event of Default**") shall have occurred and is continuing:

- (i) any amount in respect of the Notes shall not be paid on its due date, and such default shall not be remedied within a period of 30 days from and including such date in the case of interest and within a period of 15 days from and including such date in the case of principal unless in any such event the amount due is not paid due to circumstances affecting the making or clearing of the payment which are outside the control of the Issuer, in which case such event shall not constitute an Event of Default so long as such circumstances continue in existence; or
- (ii) any other obligation relating to the Notes shall not be fulfilled within a period of 30 days from and excluding the date of receipt by the Issuer or the Fiscal Agent of a written notification requiring the same to be remedied which shall have been given, by any Holder of a Note or Coupon; or
- (iii) (a) any borrowed money of the Issuer or of any Principal Subsidiary becomes due and repayable prematurely by reason of a default in relation thereto or (b) any such borrowed money is not paid at maturity as extended by any applicable grace period or (c) any guarantee or indemnity in respect of any borrowed money of a third party given by the Issuer or any Principal Subsidiary is not honoured when due and called upon or within any applicable grace period, unless the Issuer or such Principal Subsidiary, as the case may be, has disputed in good faith that any such borrowed money is due or payable or that any such guarantee or indemnity is callable, and such dispute has been submitted to a competent court, in which case such event shall not constitute an Event of Default hereunder so long as the dispute shall not have been finally adjudicated and *provided that* in the case of (a), (b) or (c) of this Condition 10A(iii), such borrowed money of the Issuer or such Principal Subsidiary, or the amount of the failure to pay by the Issuer or the relevant Principal Subsidiary under such guarantee or indemnity given in respect of such third party borrowed money, is in an aggregate nominal amount of at least € 100,000,000 (or its equivalent in any other currency), unless in any such event the amount due is not paid due to circumstances affecting the making or clearing of the payment which are outside the control of the Issuer or the Principal Subsidiary, as the case may be, in which case such event shall not constitute an Event of Default so long as such circumstances continue in existence; or
- (iv) the Issuer or any Principal Subsidiary makes any proposal for a general moratorium in relation to its debts or ceases its payments (including, without limitation, a *cessation des paiements* under French law) or enters into a conciliation procedure (*procédure de conciliation* under French law) with its creditors or a judgment is issued for the judicial liquidation (including, without limitation, a *liquidation judiciaire* under French law) or for a transfer of the whole of the business (including, without limitation, a *cession totale de l'entreprise* under French law) of the Issuer or of any Principal Subsidiary or anything equivalent to such a proposal, settlement or transfer occurs with respect to the Issuer or any Principal Subsidiary or if the Issuer or any Principal Subsidiary makes a conveyance, assignment or other arrangement for the benefit of its creditors or enters into a composition with its creditors; or
- (v) an order is made by any competent authority or an effective resolution is passed for the winding up, liquidation or dissolution of any of the Issuer's Principal Subsidiaries (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation, merger, consolidation, or restructuring or other similar arrangement whilst solvent (including, without limitation, any *fusion-absorption* or any *apport partiel d'actifs* under French law)) or an order is made by any competent authority or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation, merger, consolidation, or restructuring or other similar arrangement whilst solvent (including, without limitation, any *fusion-absorption* or any

apport partiel d'actifs under French law) where the entity resulting from or surviving following such amalgamation, reorganisation, merger, consolidation or restructuring or similar arrangement, assumes or owes the obligations resulting from the Notes).

For the purposes of this Condition 10 (*Events of Default and Repayment Events*):

- (i) a "**Principal Subsidiary**" means any company or other entity the accounts of which are consolidated with those of the Issuer and which, together with its own Subsidiaries, accounts for at least 15 per cent. of the net consolidated annual sales of the Issuer as disclosed from time to time in the Issuer's latest consolidated annual financial statements.
- (ii) a "**Subsidiary**" means, in respect of any entity (the "**First Entity**") at any particular time, any other entity:
 - (a) whose affairs and policies the First Entity controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of such other entity or otherwise; or
 - (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles or standards, consolidated with those of the First Entity.

10B. Repayment Events – Subordinated Notes

This Condition 10B is applicable to Notes specified in the relevant Final Terms as being subordinated.

The Representative (as defined in Condition 13 (*Meetings of Holders and Waivers*)), upon request of any Holder of any Subordinated Note, may, upon written notice to the Issuer and the Fiscal Agent given before all defaults shall have been cured, cause all the Notes (but not some only) held by such Noteholder to become immediately due and payable at their principal amount, together with any accrued interest thereon (including, where applicable, any accrued interest), as of the date on which such notice for payment is received by the Issuer and the Fiscal Agent without further formality, if one or more of the events described as "**Repayment Events**" in the relevant Final Terms shall have occurred.

11 REPLACEMENT OF NOTES, COUPONS AND TALONS

If, in the case of any Materialised Notes, a Definitive Materialised Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Definitive Materialised Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Definitive Materialised Notes, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Materialised Notes, Coupons or Talons must be surrendered before replacements will be issued.

12 NOTICES

- (a) Notices to the holders of Dematerialised Notes in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or (ii) at the option of the Issuer, they are published in a leading daily newspaper of general circulation in Europe. *Provided that*, so long as such Notes are admitted to trading on any Regulated Market(s), notices shall be valid if published (x) as long as such Notes are listed and admitted to trading on the Luxembourg Stock Exchange, and the rules of such Stock Exchange so permit, on the website of the Luxembourg Stock Exchange (www.bourse.lu) or (y) in a daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such Notes are admitted to trading is/are situated, which in the case of the Luxembourg Stock Exchange, is expected to be the *Luxemburger Wort*.

- (b) Notices to the holders of Materialised Notes and Dematerialised Notes in bearer form shall be valid if (i) published in a daily leading newspaper of general circulation in Europe or (ii) so long as such Notes are admitted to trading on a Regulated Market, published (x) as long as such Notes are listed and admitted to trading on the Luxembourg Stock Exchange, and the rules of such Stock Exchange so permit, on the website of the Luxembourg Stock Exchange (www.bourse.lu) or (y) in a daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such Notes are admitted to trading is/are situated, which in the case of the Luxembourg Stock Exchange, is expected to be the *Luxemburger Wort*.
- (c) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe.
- (d) Notices required to be given to the holders of Dematerialised Notes (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the Notes are for the time being cleared in substitution for the mailing and publication as required by Conditions 12 (a), (b) and (c) above; except that so long as such Notes are admitted to trading on any Regulated Market(s) and the rules of, or applicable to, that Regulated Market so require, notices will be published (x) as long as such Notes are listed and admitted to trading on the Luxembourg Stock Exchange, and the rules of such Stock Exchange so permit, on the website of the Luxembourg Stock Exchange (www.bourse.lu) or (y) in a daily newspaper with general circulation in the city/ies where the Regulated Market(s) on which such Notes are admitted to trading are/is situated which, in the case of the Luxembourg Stock Exchange, is expected to be the *Luxemburger Wort* and notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 13 (*Meetings of Holders and Waivers*) shall also be published in a leading newspaper of general circulation in Europe.
- (e) Any notice published pursuant to this Condition 12 (*Notices*) shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.
- (f) Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Materialised Notes in accordance with this Condition.

13 MEETINGS OF HOLDERS AND WAIVERS

(a) **Representation of Noteholders**

Noteholders will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a masse (in each case, the "**Masse**").

Unless the relevant Final Terms specify that this Condition 13 shall be replaced by the full provisions of the French *Code de commerce* relating to the Masse, the Masse will be governed by the provisions of the French *Code de commerce* with the exception of Articles L.228-48, L.228-59, R.228-63, R.228-67 and R.228-69, subject to the following provisions:

(b) **Legal Personality**

The Masse will be a separate legal entity and will act in part through a representative (the "**Representative**") and in part through a general meeting of the Noteholders (the "**General Meeting**").

The Masse alone, to the exclusion of all individual Noteholders, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the Notes.

(c) **Representative**

The office of Representative may be conferred on a person of any nationality who agrees to perform such function. However, the following persons may not be chosen as Representatives:

- (i) the Issuer, the members of its Board of Directors (*Conseil d'administration*), or, as the case may be, the members of its Executive Board (*Directoire*) and its Supervisory Board (*Conseil de surveillance*), and its general managers (*directeurs généraux*), its statutory auditors, or its employees as well as their respective ascendants, descendants and spouse; or
- (ii) companies guaranteeing all or part of the obligations of the Issuer, their respective managers (*gérants*), general managers (*directeurs généraux*), members of their Board of Directors, Executive Board (*Directoire*), or Supervisory Board (*Conseil de surveillance*), their statutory auditors, or employees as well as their respective ascendants, descendants and spouse; or
- (iii) companies holding 10 per cent. or more of the share capital of the Issuer or companies having 10 per cent. or more of their share capital held by the Issuer; or
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the Masse and its alternate will be set out in the relevant Final Terms. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all Tranches in such Series.

The Representative will be entitled to such remuneration in connection with its functions or duties as set out in the relevant Final Terms.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by another Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate Representative will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

(d) **Powers of Representative**

The Representative shall (in the absence of any decision to the contrary of the General Meeting) have the power to take all acts of management necessary in order to defend the common interests of the Noteholders.

All legal proceedings against the Noteholders or initiated by them, must be brought by or against the Representative.

The Representative may not interfere in the management of the affairs of the Issuer.

(e) **General Meeting**

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more Noteholders, holding together at least one-thirtieth of the principal amount of the Notes outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the Noteholders may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, time, place and agenda of any General Meeting will be published as provided under Condition 12 (*Notices*).

Each Noteholder has the right to participate in a General Meeting in person, by proxy correspondence, or, if the *statuts* of the Issuer so specify, videoconference or any other means of telecommunication allowing the identification of the participating Noteholders. Each Note carries the right to one vote or, in

the case of Notes issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such Note.

(f) **Powers of the General Meetings**

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Notes, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) of Noteholders, nor establish any unequal treatment between the Noteholders, nor decide to convert Notes into shares.

General Meetings may deliberate validly on first convocation only if Noteholders present or represented hold at least a fifth of the principal amount of the Notes then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by the Noteholders attending such General Meetings or represented thereat.

In accordance with Article R.228-71 of the French Code de commerce, the right of each Noteholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 12 (*Notices*).

(g) **Information to Noteholders**

Each Noteholder or Representative thereof will have the right, during the 15-day period preceding the holding of the General Meeting on first convocation and, during the 10-day period preceding the holding of the General Meeting on second convocation, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant Noteholders at the registered office of the Issuer, at the specified offices of any of the Paying Agents during normal business hours and at any other place specified in the notice of the General Meeting.

(h) **Expenses**

The Issuer will pay all expenses relating to the operation of the Masse, including expenses relating to the calling and holding of General Meetings, expenses of the Representative of the Masse in the performance of its duties and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable under the Notes.

(i) **Single Masse**

The holders of Notes of the same Series, and the holders of Notes of any other Series which have been assimilated with the Notes of such first mentioned Series in accordance with Condition 15 (*Further Issues and Consolidation*), shall, for the defence of their respective common interests, be grouped in a single Masse. The Representative appointed in respect of the first Tranche of any Series of Notes will be the Representative of the single Masse of all such Series.

For the avoidance of doubt, in this Condition 13 (*Meetings of Holders and Waivers*), the term "outstanding" shall not include those Notes that are held by the Issuer and not cancelled.

14 CURRENCY INDEMNITY

If any sum due from the Issuer in respect of the Notes, Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Terms and Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

15 FURTHER ISSUES AND CONSOLIDATION

- (a) Further Issues: The Issuer shall be at liberty from time to time without the consent of the Holders of Notes or Coupons to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and so that the same shall be consolidated (*assimilées*) and form a single Series with the outstanding Notes.
- (b) Consolidation: The Issuer may, with the prior approval (which shall not be unreasonably withheld) of the Redenomination and Consolidation Agent, from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 days' prior notice to the Noteholders in accordance with Condition 15 (*Further Issues and Consolidation*), without the consent of the Holders of Notes or Coupons, consolidate the Notes of one Series with the Notes of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in Euro, provided such other Notes have been redenominated in Euro (if not originally denominated in Euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the Notes.

16 REDENOMINATION, RENOMINALISATION AND RECONVENTIONING

- (a) Application: This Condition 16 is applicable to the Notes only if it is specified in the relevant Final Terms as being applicable.
- (b) Notice of redenomination: If the country of the Specified Currency becomes or, announces its intention to become, a Participating Member State (as defined below), the Issuer may, without the consent of the Holders of Notes or Coupons, on giving at least 30 days' prior notice to such Holders and the Paying Agents, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Notes falling on or after the date on which such country becomes a Participating Member State.
- (c) Redenomination and Renominalisation: Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:

the Notes shall be deemed to be redenominated into euro in the denomination of euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into euro at the rate for conversion of such currency into euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Union regulations); *provided, however, that*, if the Issuer determines, with the agreement of the Fiscal Agent then market practice in respect of the redenomination into euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Holders, each stock exchange (if any) on which the Notes are then listed and the Paying Agents of such deemed amendments;

- (vi) if Materialised Notes have been issued:
 - (A) all unmatured Coupons denominated in the Specified Currency (whether or not attached to the Notes) will become void with effect from the date (the "**Euro Exchange Date**") on which the Issuer gives notice (the "**Euro Exchange Notice**") to the Holders that replacement Notes and Coupons denominated in euro are available for exchange (*provided that* such Notes and Coupons are available) and no payments will be made in respect thereof;
 - (B) the payment obligations contained in all Notes denominated in the Specified Currency will become void on the Euro Exchange Date but all other obligations of the Issuer thereunder (including the obligation to exchange such Notes in accordance with this Condition 16) shall remain in full force and effect; and
 - (C) new Notes and Coupons denominated in euro will be issued in exchange for Notes and Coupons denominated in the Specified Currency in such manner as the Fiscal Agent may specify and as shall be notified to the Holders in the Euro Exchange Notice; and
- (vii) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a sub-division of the euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in euro by cheque drawn on, or by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any Member State of the European Union.
- (d) Interest and Reconditioning: Following redenomination of the Notes pursuant to this Condition 16, where Materialised Notes have been issued, the amount of interest due in respect of the Notes will be calculated by reference to the aggregate nominal amount of the Notes presented (or, as the case may be, in respect of which Coupons are presented) for payment by the relevant Holder. In addition, the Issuer may make such changes to the day count fraction and business days applicable to the Notes in accordance with current market practice for Notes denominated in euro.
- (e) Interest Determination Date: If the Floating Rate Note provisions are specified in the relevant Final Terms as being applicable and Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date the Interest Determination Date shall be deemed to be the second TARGET Settlement Day before the first day of the relevant Interest Period.

For the purposes of this Condition 16,

"**Participating Member State**" means a Member State of the European Union which adopts or has adopted the euro as its lawful currency in accordance with the Treaty; and

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro.

17 GOVERNING LAW AND JURISDICTION

- (i) *Governing law*: The Notes (and where applicable, the Coupons and the Talons) are governed by, and shall be construed in accordance with, French law.
- (ii) *Jurisdiction*: Any claim against the Issuer in connection with any Notes, Coupons or Talons will be submitted to the exclusive jurisdiction of the competent courts in Paris.

TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF MATERIALISED NOTES

Temporary Global Certificates

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Materialised Notes. Upon the initial deposit of such Temporary Global Certificate with a common depository for Euroclear and Clearstream, Luxembourg (the "**Common Depository**"), Euroclear or Clearstream, Luxembourg will credit the accounts of each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depository may also credit with a nominal amount of Notes the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, a nominal amount of Notes that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Exchange

Each Temporary Global Certificate issued in respect of Notes will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Subscription and Sale" below), in whole, but not in part, for the Definitive Materialised Notes; and
- (ii) otherwise, in whole but not in part upon certification as to non-U.S. beneficial ownership (a form of which shall be available at the specified offices of any of the Paying Agents) for Definitive Materialised Notes.

Delivery of Definitive Materialised Notes

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Materialised Notes. In this Base Prospectus, Definitive Materialised Notes means, in relation to any Temporary Global Certificate, the Definitive Materialised Notes for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that has not already been paid on the Temporary Global Certificate and a Talon). Definitive Materialised Notes will be security printed in accordance with any applicable legal and Regulated Market requirements. Forms of such Definitive Bearer Materialised Notes shall be available at the specified offices of any of the Paying Agent(s).

Exchange Date

"**Exchange Date**" means, in relation to a Temporary Global Certificate, the day falling after the expiry of 40 days after its issue date, *provided that*, in the event any further Materialised Notes are issued prior to such day pursuant to Condition 15(a), the Exchange Date for such Temporary Global Certificate shall be postponed to the day falling after the expiry of 40 days after the issue of such further Materialised Notes.

USE OF PROCEEDS

Unless otherwise specified in any relevant Final Terms, the net proceeds from the issue of any Notes, after deduction of any management and underwriting commissions, any selling concessions and the expenses incurred in connection with the issue of any Notes, will be used by the Issuer for general financing and corporate purposes.

BUSINESS OF SANOFI

Information on the Company

Sanofi is an integrated, global healthcare company focused on patient needs and engaged in the research, development, manufacture and marketing of healthcare products. In 2012, its net sales amounted to €34,947 million. The issuer is the fourth largest pharmaceutical group in the world and the third largest pharmaceutical group in Europe (source: IMS sales 2012). Sanofi is the parent of a consolidated group of companies. Sanofi operates under the laws of France.

The business of the Group is organized around three principal activities: Pharmaceuticals, Human Vaccines through Sanofi Pasteur and Animal Health through Merial Limited (Merial). These activities are operating segments within the meaning of the IFRS accounting standard (see Note D.35. to the consolidated financial statements to the consolidated financial statements included at Item 18 of the 2012 Annual Report on Form 20-F incorporated herein by reference).

In parallel, the Group operates through seven growth platforms: Emerging Markets⁷, Diabetes, Vaccines, Consumer Health Care, Animal Health, New Genzyme⁸, and Other Innovative Products⁹. Unlike the other growth platforms, the Vaccines and Animal Health growth platforms are also operating segments within the meaning of IFRS 8. The Diabetes Solutions, Consumer Health Care, New Genzyme, and Other Innovative Products growth platforms are units whose performance is monitored primarily on the basis of their net sales; the products they sell are part of our Pharmaceuticals segment. The Emerging Markets growth platform is a unit whose performance is monitored primarily on the basis of its net sales; the products it sells are derived from all three of our principal activities: pharmaceuticals, human vaccines and animal health.

In its Pharmaceuticals activity, which generated net sales of €28,871 million in 2012, its major product categories are:

- *Diabetes Solutions*: its main products are Lantus[®], a long acting analog of human insulin which is the leading brand in the insulin market; Apidra[®], a rapid-acting analog of human insulin; Insuman[®], a range of human insulin solutions and suspensions; Amaryl[®], an oral once-daily sulfonylurea; and BGStar[®] and iBGStar[®] blood glucose meters.
- *Rare Diseases*: its principle products are enzyme replacement therapies: Cerezyme[®], to treat Gaucher disease; Fabrazyme[®] to treat Fabry disease and Myozyme[®]/Lumizyme[®] to treat Pompe disease.
- *Multiple sclerosis (MS)*: with Aubagio[®] a once daily, oral immunomodulator launched in October 2012 in the United States.

Rare Diseases and multiple sclerosis are the therapeutic areas of the “New Genzyme” growth platform.

- *Oncology*: with Taxotere[®], a taxane derivative representing a cornerstone therapy in several cancer types; Eloxatine[®], a platinum agent, which is a key treatment for colorectal cancer; Jevtana[®], a taxane derivative, indicated for patients with prostate cancer; Mozobil[®], a hematopoietic stem cell mobilizer for patients with hematologic malignancies; and Zaltrap[®], a recombinant fusion protein, indicated for patients with metastatic colorectal cancer (mCRC) that is resistant to or has progressed following an oxaliplatin-containing regimen, launched in August 2012 in the United States.
- *Other prescription products*: its thrombosis medicines include Plavix[®], an anti-platelet agent indicated for a number of atherothrombotic conditions; and Lovenox[®], a low molecular weight heparin indicated for prevention and treatment of deep vein thrombosis and for unstable angina and myocardial infarction. Its cardiovascular medicines include Multaq[®], an anti-arrhythmic agent; and Aprovel[®]/CoAprovel[®], two hypertension treatments. Its renal business

⁷ World excluding the United States, Canada, Western Europe (France, Germany, UK, Italy, Spain, Greece, Cyprus, Malta, Belgium, Luxembourg, Sweden, Portugal, the Netherlands, Austria, Switzerland, Ireland, Finland, Norway, Iceland and Denmark), Japan, Australia and New Zealand.

⁸ “New Genzyme” covers rare diseases and treatment for multiple sclerosis.

⁹ “Other Innovative Products” covers new product launches which do not belong to the other growth platforms listed: Multaq[®], Jevtana[®], Mozobil[®] and Zaltrap[®].

includes Renagel®/Renvela® oral phosphate binders used in patients with chronic kidney disease on dialysis to treat high phosphorus levels. Its biosurgery business includes Synvisc® and Synvisc-One®, viscosupplements used to treat pain associated with osteoarthritis of certain joints.

- The global pharmaceutical portfolio of Sanofi also includes a wide range of other products in Consumer Health Care (CHC), a category in which it has become the third largest player in terms of global sales, and other prescription drugs including generics.

Sanofi is a world leader in the vaccines industry. Its net sales amounted to €3,897 million in 2012, with leading vaccines in five areas: paediatric vaccines, influenza vaccines, adult and adolescent booster vaccines, meningitis vaccines, and travel and endemics vaccines.

Its Animal Health activity is carried out through Merial, one of the world's leading animal healthcare companies, dedicated to the research, development, manufacture and delivery of innovative pharmaceuticals and vaccines used by veterinarians, farmers and pet owners providing a comprehensive range of products to enhance the health, well-being and performance of a wide range of production and companion animals. Its net sales amounted to €2,179 million in 2012.

Partnerships are essential to the business of the Group, and many of its products on the market or in development have been in-licensed from third parties or rely on third party technologies and rights. The contact address of the directors and senior management, as described under "Item 6. Directors, Senior Management and Employees" of the 2012 Annual Report on Form 20-F incorporated by reference herein, is the same as the registered office of the Issuer as found on page 99 of this Base Prospectus.

Recent Developments

Issue of U.S. commercial paper

As at 31 December 2012, no U.S. commercial paper of Sanofi was outstanding. An aggregate amount of U.S.\$ 4,020 million of U.S. commercial paper has been issued by Sanofi since 31 December 2012 and an aggregate amount of U.S.\$ 2,020 million of U.S. commercial paper has been repaid by Sanofi since the same date. The total aggregate amount of U.S. commercial paper outstanding as at 26 March 2013 was U.S.\$ 2,000 million.

Short-term euro commercial paper

Since 31 December 2012, there has been no change in the level of outstanding short-term euro commercial paper (*billets de trésorerie*) issued by Sanofi.

Update on the adaptation plan regarding the activities of the Group in France

On 11 March 2013, the Court of Appeals of Paris (*Cour d'appel de Paris*) cancelled the plan presented by sanofi-aventis Recherche et Développement and ordered that the information and consultation procedure of the central works council (*comité central d'entreprise*) of sanofi-aventis Recherche et Développement be re-initiated from the beginning.

Acquisition of Genfar

The closing of the acquisition of Genfar S.A. (Genfar) took place on 20 March 2013.

Update on Zimulti®/Acomplia® (rimonabant) Class Action

On 21 March 2013, a U.S. court agreed to certify a class of ADR holders, but rejected the plaintiffs' proposed class of ordinary shareholders.

R&D portfolio

On 21 March 2013, following a re-examination of its 13 December 2012 negative opinion refusing marketing authorization for Kynamro™ (mipomersen), the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) confirmed the refusal of the marketing authorization.

On 22 March 2013, the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMA) has issued a positive opinion regarding the approval of once-daily, oral Aubagio® (teriflunomide) for the treatment of adult patients with relapsing-remitting multiple sclerosis (MS) but did not recommend that Aubagio® receive a new active substance (NAS) designation. Sanofi is considering all options and planning to request a re-examination of the new active substance designation.

PRO FORMA FINAL TERMS

Final Terms dated [●]

Sanofi

Issue of [Aggregate Principal Amount of Tranche] [Title of Notes]

under the Euro 12,000,000,000

Euro Medium Term Note Programme

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so in:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 32 of Part A below, provided such person is one of the persons mentioned in Paragraph 32 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

With respect to any subsequent resale or final placement of Notes as provided in sub-paragraph (ii) above, the Issuer consents to the use of the Base Prospectus (as defined below) and accepts responsibility for the content of the Base Prospectus and these Final Terms. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression **2010 PD Amending Directive** means Directive 2010/73/EU.¹⁰

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances. The expression **Prospectus Directive** means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression **2010 PD Amending Directive** means Directive 2010/73/EU]¹¹.

¹⁰ Insert this legend where a non-exempt offer of Notes is anticipated.

¹¹ Insert this legend where an exempt offer of Notes is anticipated.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 27 March 2013 [and the Supplement[s] to the Base Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (as defined in the Base Prospectus dated 27 March 2013) (the "**Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. [However, a summary of the issue of the Notes is annexed to these Final Terms.]¹² [The Base Prospectus [and the Supplement to the Base Prospectus] and the Final Terms are available for viewing at [address] during normal business hours [and] [website] and copies may be obtained from [address] and will be available on the Luxembourg Stock Exchange website (www.bourse.lu).]

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 27 March 2013 [and the Supplement to the Base Prospectus dated [•]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (as defined in the Base Prospectus dated 27 March 2013) and must be read in conjunction with the Base Prospectus dated 27 March 2013 [and the Supplement to the Base Prospectus dated [•]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Base Prospectus dated 3 May 2012 and are attached hereto. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated 27 March 2013 and 3 May 2012 [and the Supplements to the Base Prospectus dated [•] and [•]]. [The Base Prospectus [and the Supplements to the Base Prospectus] are available for viewing at [address] during normal business hours [and] [website] and copies may be obtained from [address] and will be available on the Luxembourg Stock Exchange website (www.bourse.lu).]

1. (i) Series Number: [•]
[(ii) Tranche Number: [•]]
[(iii) Date on which Notes become fungible: [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [identify earlier tranche] on [•]/the Issue Date which is expected to occur on or about [•]]
2. Specified Currency or Currencies: [•]
3. Aggregate Nominal Amount of Notes: [•]
(i) Series: [•]
[(ii) Tranche: [•]]
4. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]] (*in the case of fungible notes only, if applicable*)
5. Specified Denomination(s): [•] (*one denomination only for Dematerialised Notes*)
[•]
6. (i) Issue Date: [•]
[(ii) Interest Commencement Date:] [[•]/Issue Date/Not Applicable]

¹² Applicable for retail issues only

7. Maturity Date: [[•] or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]
8. Interest Basis: [•] per cent. Fixed Rate]
[[•] +/- [•] per cent. Floating Rate]
[Zero Coupon]
(further particulars specified below)
9. Change of Interest or Redemption/Payment Basis: For the period from (and including) the Interest Commencement Date, up to (but excluding) [•] paragraph [13]/[14] applies and for the period from (and including) [•], up to (and including) the Maturity Date, paragraph [13]/[14] applies/ [Not Applicable].
10. Put/Call Options: [Investor Put]
[Issuer Call]
[(further particulars specified below)]
11. (i) Status of the Notes: [Unsubordinated Notes/Subordinated Notes]
- (ii) Date of Board approval for issuance of Notes obtained:] [•] [and [•], respectively]]
12. Method of Distribution: [Syndicated/Non-Syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13. **Fixed Rate Note Provisions** [Applicable/Not Applicable]
(Condition 5(a)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/other [•]] in arrear]
- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with /specify insert Business Day Convention and any applicable Additional Business Centre(s) for the definition of "Business Day"]¹³ [not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [•] per [•] in Nominal Amount¹⁴
- (iv) Broken Amount(s): [[•] per Specified Denomination, payable on the Interest Payment Date falling [in/on] [•]]/[Not Applicable]
- (v) Day Count Fraction: [30/360]/[Actual/Actual (ICMA)]/[Actual/360]
- (vi) Fixed Interest Dates: [•] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. Only relevant where Day Count Fraction is Actual/Actual (ICMA))*
- (vii) Party responsible for calculation of Interest Amounts (if not the Calculation Agent)¹⁵: [[•]/Not Applicable]

¹³ Applicable for CNY Notes

¹⁴ Not applicable for CNY Notes

¹⁵ Applicable for CNY Notes

14. **Floating Rate Note Provisions** [Applicable/Not Applicable]
 (Condition 5(b)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s): [•]
 - (ii) Interest Payment Dates: [•]
 - (iii) First Interest Payment Date: [•]
 - (iv) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
 - (v) Additional Business Centre(s): [•]
 - (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
 - (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Fiscal Agent]): [•]
 - (viii) Screen Rate Determination:
 - Reference Rate: [LIBOR/EURIBOR/[•]]
 - Interest Determination Date(s): [•]
 - Relevant Screen Page: [•]
 - (ix) FBF Determination
 - Floating Rate: [•]
 - Floating Rate Determination Date (*Date de Détermination du Taux Variable*): [•]
 - FBF Definitions: (if different from those set out in the Conditions) [•]
 - (x) ISDA Determination:
 - Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Relevant Financial Centre: [•]
 - Reset Date: [•]
 - (xi) Margin(s): [+/-][] per cent. per annum

- (xii) Minimum Rate of Interest: [•] per cent. per annum
- (xiii) Maximum Rate of Interest: [•] per cent. per annum
- (xiv) Day Count Fraction: [Actual/Actual (ICMA)] / [Actual/Actual (ISDA)] / [Actual/365 (Fixed)] / [Actual/360 (adjusted/unadjusted)] / [30/360] / [360/360] / [30E/360 (ISDA)]/[Not Applicable]

15. **Zero Coupon Note Provisions** [Applicable/Not Applicable]
(If not applicable, delete the remaining sub-paragraphs of this paragraph)

- (i) Accrual Yield: [•] per cent. per annum
- (ii) Reference Price: [•]

PROVISIONS RELATING TO REDEMPTION

16. **Call Option** [Applicable/Not Applicable]
 (Condition 7(c)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s) (Call): [•]
- (ii) Optional Redemption Amount(s) (Call) of each Note: [•] per Note of [•] specified denomination
- (iii) If redeemable in part:
 - (a) Minimum Redemption Amount: [•]
 - (b) Maximum Redemption Amount: [•]
- (iv) Notice period: [•]

17. **Put Option** [Applicable/Not Applicable]
 (Condition 7(d)) *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Optional Redemption Date(s) (Put): [•]
- (ii) Optional Redemption Amount(s) (Put) of each Note and method, if any, of calculation of such amount(s): [•] per Note of [•] specified denomination
- (iii) Notice period: [•]

18. **Make-whole Redemption** [Applicable/Not Applicable]
 (Condition 7(e)) *(If Not Applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Parties to be notified by Issuer of Make-whole Redemption Date and Make-whole Redemption Amount (if other than set out in Condition 6(e)): [[•]/Not Applicable]

- (ii) Make-whole Redemption Margin: [●]
- (iii) Discounting basis for purposes of calculating sum of the present values of the remaining scheduled payments of principal and interest on Redeemed Notes in the determination of the Make-whole Redemption Amount: [Annual/Semi-Annual]
- (iv) Reference Security: [Not Applicable/*give details*]
- (vi) Reference Dealers: [Not Applicable/*give details*]
- (vii) Quotation Agent: [●] / [Not Applicable]
19. **Early Redemption Amount (taxation reasons) [or Early Termination Amount]** (Condition 7(b) and 7(f)) (Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons [or early Termination Amount(s) payable] on an event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):
- [Not Applicable]/[100]/ [●] per cent.

GENERAL PROVISIONS APPLICABLE TO THE NOTES

20. Form of Notes: **[Dematerialised Notes/Materialised Notes]** (*Materialised Notes are only in bearer form*) (*Delete as appropriate*)
- (i) Form of Dematerialised Notes: [Not Applicable/Bearer dematerialised form (*au porteur*)]/[Registered dematerialised form (*au nominatif*)]
- (ii) Registration Agent: [Not Applicable/ [Applicable] (*if Applicable give name and details. Note that a Registration Agent must be appointed in relation to Registered Notes only.*)
- (iii) Temporary Global Certificate: Temporary Global Certificate exchangeable for Definitive Materialised Notes on [●] (the "**Exchange Date**"), being 40 days after the Issue Date subject to postponement as provided in the Temporary Global Certificate
21. Additional Financial Centre(s) or other special provisions relating to Payment Business Days: [Not Applicable]/[Applicable] (*Note that this item relates to the date and place of payment, and not interest period end dates, to which items 13(ii) and 14(iv) relates*)
22. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes]/[No] (*Only applicable to Materialised Notes*)
23. Redenomination, renominatisation and reconventioning provisions: [Not Applicable]/[The provisions [in Condition 16] apply]
24. Consolidation provisions: [Not Applicable]/[The provisions [in Condition 15] apply]

25. Representation of holders of Notes¹⁶/Masse: [Condition 13 applies]/[Condition 13 replaced by the full provisions of French Code of Commerce relating to the Masse] (*Note that in respect of any Tranche of Notes issued inside France, Condition 13 must be disapplied in its entirety and replaced by the provisions of French Code of Commerce relating to the Masse.*)
- [The Initial Representative shall be: [•]]
- [The Alternative Representative shall be: [•]]
- [The Representative will be entitled to a remuneration of [•] per year/The Representative will not be entitled to a remuneration]

DISTRIBUTION

26. (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/[•]]
- (Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*
- (ii) Date of [Subscription] Agreement: [•]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/[•]] (*If applicable, give name and address*)
27. If non-syndicated, name and address of Dealer: [Not Applicable/[•]]
28. Total commission and concession: [•] per cent. of the Aggregate Nominal Amount
29. US Selling Restrictions: [Reg. S Compliance Category 2; TEFRA C/TEFRA D/TEFRA not applicable]
30. Non-exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and [Name of Authorised Offeror]] other than pursuant to Article 3(2) of the Prospectus Directive in (*specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported*) ("**Public Offer Jurisdictions**") during the period from [•] until [•] ("**Offer Period**").

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the Luxembourg Stock Exchange of the Notes described herein pursuant to the Euro 12,000,000,000 Euro Medium Term Note Programme of Sanofi.

Signed on behalf of the Issuer:

By:
Duly authorised

¹⁶ The provisions of the French *Code de Commerce* relating to the Masse of holders of Notes are applicable in full to French domestic issues of Notes. Pursuant to Article L.228-90 of the French *Code de Commerce*, the *Masse* provisions contained in the French *Code de Commerce* are NOT mandatory for international issues (*emprunts émis à l'étranger*); accordingly for international issues the *Masse* provisions contained in the French *Code de Commerce* may be varied along the lines of the provisions of Condition 13.

PART B – OTHER INFORMATION

1. ADMISSION TO TRADING AND LISTING

- (i) Admission to trading and listing: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading and to be listed on the Official List of the Luxembourg Stock Exchange on [•] with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Luxembourg Stock Exchange (*Bourse de Luxembourg*) and to be listed on the Official List of the Luxembourg Stock Exchange with effect from [•].]/[Not Applicable.]

(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

- (ii) Estimate of total expenses related to admission to trading: [•]

2. RATINGS

Ratings: The Notes to be issued have been rated:

[S&P: [•]]

[Moody's: [•]]

[[Fitch: [•]]

[[Other]: [•]]

[[Insert the full name of the credit rating agency/ies] [is/are] established in the European Union and [has/have] applied for registration under Regulation (EU) No 1060/2009 (the "**CRA Regulation**"), as amended, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]¹⁷

[[Insert the full name of the credit rating agency/ies] [is/are] established in the European Union and registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**"), as amended. As such, [insert credit rating agency/ies] [is/are] included in the list of credit rating agencies published by the European Securities and Markets Authority on its website (<http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) in accordance with the CRA Regulation.]

[[Insert the full name of the credit rating agency/ies] [is/are] not established in the European Union but will be endorsed by a credit rating agency which is established in the European Union and registered under Regulation (EC) No 1060/2009 (the "**CRA**

¹⁷ It is important to liaise with the Issuer and/or the relevant credit rating agencies to determine (i) the specific legal entity which will issue the credit ratings and (ii) the status of any application which has been made to the relevant competent authority by that entity. It is recommended that these enquiries are made at an early stage to allow sufficient time for the information to be obtained.

Regulation"), as amended.]

[[*Insert the full name of the credit rating agency/ies*] [is/are] not established in the European Union and [has/have] not applied for registration under Regulation (EC) No 1060/2009 (the "**CRA Regulation**"), as amended, but which is certified under the CRA Regulation.]

(Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.)

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

(Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement)

["Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]/ [●]

(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

4. [REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer: [General financing purposes of the Issuer and its consolidated subsidiaries.]/ [●]

(See ["Use of Proceeds"] wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)

[(ii) Estimated net proceeds: [●].

(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)

[(iii) Estimated total expenses: [●].

5. [Fixed Rate Notes only – YIELD

Indication of yield: [●].]

6. [Floating Rate Notes only - HISTORIC INTEREST RATES

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

8. [TERMS AND CONDITIONS OF THE OFFER]

(i) Conditions, offer statistics, [●]
expected timetable and action
required to apply for the offer:

- (ii) Conditions to which the offer is subject: [•]
- (iii) Description of the application process (including the time period during which the offer will be open and any possible amendments): [•]
- (iv) Details of the minimum and/or maximum amount of application:¹⁸ [•]
- (v) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [•]
- (vi) Details of method and time limits for paying up and delivering securities: [•]
- (vii) Manner in and date in which results of the offer are to be made public: [•]
- (viii) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [•]
- (ix) Categories of potential investors to which the securities are offered and whether tranche(s) have been reserved for certain countries:¹⁹ [•]
 - [For example:*
 - "Legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities.*
 - Any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts."*]
- (x) Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made: [•]

¹⁸ Whether in number of securities or aggregate amount to invest.

¹⁹ If the offer is being made simultaneously in the markets of two or more countries and if a tranche has been or is being reserved for certain of these, indicate any such tranche.

- (xi) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [•]
- (xii) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. [•]

9. [PLACING AND UNDERWRITING]²⁰

- (i) Name and address of the coordinator(s) of the global offer and of single parts of the offer:⁴ [•]
- (ii) Name and address of any paying agents and depository agents in each country (in addition to the Principal Paying Agent): [•]
- (iii) Names and addresses of entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements:²¹ [•]
- (iv) When the underwriting agreement has been or will be reached: [•]

10. OPERATIONAL INFORMATION

- (i) ISIN Code: [•]
- (ii) Common Code: [•]
- (iii) Depositaries:
 - (a) Euroclear France to act as Central Depository: [Yes/No] (Address)
 - (b) Common Depository for Euroclear Bank and Clearstream Banking, *société anonyme*: [Yes/No](Address)
- (iv) Any clearing system(s) other than Euroclear France, Euroclear Bank SA/NV and Clearstream Banking société anonyme and the relevant [Not Applicable/[•]] (If applicable, give name(s) and number(s) [and address(es)])

²⁰To the extent known to the Issuer, of the placers in the various countries where the offer takes place.

²¹Where not all of the issue is underwritten, a statement of the portion not covered.

identification number(s):

- (v) Delivery: Delivery [against/free of] payment
- (vi) Names and addresses of initial Paying Agents: [BNP Paribas Securities Services
(affiliated with Euroclear France under number 29106)
9, rue Débarcadère
93761 Pantin cedex
France]
[•]
- (vii) Names and addresses of additional Paying Agent(s) (if any): [•]

11. GENERAL

The aggregate principal amount of Notes issued has been translated into Euro at the rate of [•], producing a sum of (for Notes not denominated in Euro): [Not Applicable/Euro [•]]

TAXATION

The following is an overview limited to certain tax considerations in France, in Luxembourg and in the European Union relating to the Notes that may be issued under the Programme and specifically contains information on taxes on the income from the securities withheld at source. This overview is based on the laws in force in France and in Luxembourg as of the date of this Base Prospectus and is subject to any changes in law. It does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes and should not apply information set out below to other areas including (but not limited to) the legality of transactions involving the Notes.

French Tax Considerations

1. Pursuant to the introduction of the French *loi de finances rectificative pour 2009 no. 3* (n° 2009-1674 dated 30 December 2009) (the "**Law**"), payments of interest and other revenues made with respect to the Notes (other than Notes (described below) which are consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued prior to 1 March 2010 having the benefit of Article 131 *quater* of the French General Tax Code) will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French General Tax Code (a "**Non-Cooperative State**"). If such payments under Notes issued by the Issuer are made in a Non-Cooperative State, a 50 per cent. withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French General Tax Code. The Finance Act for 2013 (*loi de finances pour 2013*) n°2012-1509 dated 29 December 2012 increases the 50 per cent. to 75 per cent. as from 1 January 2013.

Furthermore, interest and other revenues on such Notes will not be deductible from the Issuer's taxable income, if they are paid or accrued to persons established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French general tax code, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* of the French General Tax Code, at a rate of 30 per cent. or 55 per cent. subject to the more favourable provisions of a tax treaty, if applicable. The finance Act for 2013 (*loi de finances pour 2013*) n°2012-1509 dated 29 December 2012 increases the 55 per cent. rate to 75 per cent. as from 1 January 2013.

Notwithstanding the foregoing, the Law provides that neither the 50 per cent. withholding tax nor the non-deductibility will apply in respect of a particular issue of Notes if the Issuer can prove that the principal purpose and effect of such issue of Notes was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the *Bulletin Officiel de Finances Publiques-Impôts* BOI-ANX-000364-20120912 and BOI-ANX-000366-20120912, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French Monetary and Financial Code or pursuant to an equivalent offer in a state other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system *provided that* such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the

French Monetary and Financial Code, or of one or more similar foreign depositaries or operators *provided that* such depositary or operator is not located in a Non-Cooperative State.

2. Payments of interest and other revenues with respect to Notes which are to be consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued (or deemed issued) outside France as provided under Article 131 *quater* of the French General Tax Code, before 1 March 2010, will continue to be exempt from the withholding tax set out under Article 125 A III of the French General Tax Code.

In addition, interest and other revenues paid by the Issuer on Notes which are to be consolidated (*assimilables* for the purpose of French law) and form a single series with Notes issued (or deemed issued) outside France as provided under Article 131 *quater* of the French General Tax Code, before 1 March 2010 will not be subject to the withholding tax set out in Article 119 *bis* of the French General Tax Code solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

3. Pursuant to Article 9 of 2013 Finance Law (loi n°2012-1509 du 29 décembre 2012 de finances pour 2013) subject to certain exceptions, interest and other similar revenues received from 1 January 2013 by individuals who are fiscally domiciled in France are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on interest and other similar revenues paid to individuals who are fiscally domiciled in France.

Luxembourg Taxation

All payments of interest and principal by the Issuer in the context of the holding, disposal, redemption or repurchase of the Notes, which are not profit sharing, can be made free and clear of any withholding or deduction for or on account of any taxes of whatsoever nature imposed, levied, withheld, or assessed by Luxembourg or any political subdivision or taxing authority thereof or therein, in accordance with the applicable Luxembourg law, subject however to:

- (i) the application of the Luxembourg laws of 21 June 2005 implementing the European Union Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the "**EU Savings Directive**") and several agreements concluded with certain dependent or associated territories and providing for the possible application of a withholding tax (of 35 per cent. as from 1 July 2011) on interest paid to certain non Luxembourg resident investors (individuals and certain types of entities called "Residual Entities") (see, paragraph "EU Savings Directive" below, which may be applicable in the event of the Issuer appointing a paying agent in Luxembourg within the meaning of the above-mentioned EU Savings Directive or agreements);
- (ii) the application as regards Luxembourg resident individuals of the Luxembourg law of 23 December 2005 which has introduced a 10 per cent. withholding tax (which is final when Luxembourg resident individuals are acting in the context of the management of their private wealth) on savings income (i.e. with certain exemptions, savings income within the meaning of the Luxembourg laws of 21 June 2005 implementing the EU Savings Directive) paid by a paying agent within the meaning of the EU Savings Directive established in Luxembourg.
- (iii) In addition, pursuant to the law of 23 December 2005 as amended by the law of 17 July 2008, Luxembourg resident individuals who are the beneficial owners of savings income paid by a paying agent within the meaning of the EU Savings Directive established outside Luxembourg, in a Member State of either the European Union or the European Economic Area, or in a jurisdiction having concluded an agreement with Luxembourg in connection with the EU Savings Directive, can opt to self declare and pay a 10 per cent. tax on these savings income. This 10 per cent. tax is final when Luxembourg resident individuals are acting in the context of the management of their private wealth.

Responsibility for the withholding of tax in application of the above-mentioned Luxembourg laws of 21 June 2005 and 23 December 2005 is assumed by the Luxembourg paying agent within the meaning of these laws and not by the Issuer.

EU Savings Directive

Under the EU Savings Directive, each EU Member State is required to provide to the tax authorities of another EU Member State details of payments of interest or other similar income (within the meaning of the EU Savings Directive) paid by a paying agent within the meaning of the EU Savings Directive to an individual resident or certain types of entities called "residual entities", within the meaning of Article 4.2 of the EU Savings Directive (the "**Residual Entity**" or "**Residual Entities**"), established in that other EU Member State (or certain dependent or associated territories, i.e. Jersey, Guernsey, Isle of Man, Montserrat, British Virgin Islands, the former Netherlands Antilles and Aruba). However, for a transitional period, Luxembourg and Austria are instead permitted (unless during that period they elect otherwise) to apply an optional information reporting system whereby if a beneficial owner, within the meaning of the EU Savings Directive, does not comply with one of two procedures for information reporting, the relevant EU Member State will levy a withholding tax on payments to such beneficial owner. The withholding tax system applies for a transitional period during which the rate of the withholding is 35 per cent. as from 1 July 2011. The transitional period is to terminate at the end of first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also with effect from 1 July 2005, a number of non-EU countries (Switzerland, Andorra, Liechtenstein, Monaco and San Marino) and certain dependent or associated territories (Jersey, Guernsey, Isle of Man, Montserrat, British Virgin Islands, the former Netherlands Antilles and Aruba) have agreed to adopt similar measures (either provision of information or transitional with-holding) in relation to payments made by a paying agent (within the meaning of the EU Savings Directive) within its jurisdiction to, or collected by such a paying agent for, an individual resident or a Residual Entity established in a Member State. In addition, Luxembourg has entered into reciprocal provision of information or transitional withholding arrangements with those dependent or associated territories in relation to payments made by a paying agent (within the meaning of the EU Savings Directive) in a Member State to, or collected by such a paying agent for, an individual resident or a Residual Entity established in one of those territories.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on a payment made by a Paying Agent, the Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the EU Savings Directive.

In relation to French taxation, the EU Savings Directive has been implemented in French law under Article 242 ter of the French *Code Général des Impôts* and Articles 49 I ter to 49 I sexies of the Schedule III to the *Code Général des Impôts*.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

PRC Taxation

The holders of CNY Notes who are not resident in the PRC for PRC tax purposes will not be subject to withholding tax, income tax or any other taxes or duties imposed by any governmental authority in the PRC in respect of their CNY Notes or any repayment of principal and payment of interest made thereon.

SUBSCRIPTION AND SALE

The Dealers have in an amended and restated dealer agreement (the "**Dealer Agreement**") dated 27 March 2013, agreed with the Issuer a basis upon which they or any of them may from time to time agree to subscribe or procure subscribers for Notes. Any such agreement will extend to those matters stated under "Terms and Conditions of the Notes" above. In the Dealer Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the maintenance of the Programme and the issue of Notes under the Programme.

United States of America

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that the Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that Materialised Notes having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree, except as permitted by the Dealer Agreement, it will not offer, sell or, in the case of Materialised Notes, deliver Notes, of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of any identifiable Tranche as determined, and certified to the Issuer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager (as specified in the relevant Subscription Agreement), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Tranche of Notes) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive (as defined below) is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) **Approved Prospectus:** if the Final Terms or Drawdown Prospectus in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, *provided that* any such prospectus which is not a Drawdown Prospectus has subsequently been completed by the Final Terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Final Terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) **Qualified investors:** at any time to any individual or legal entity being a qualified investor as defined in the Prospectus Directive;
- (c) **Fewer than 100 offerees:** at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive (as defined below), 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) **Other exempt offers:** at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) **No deposit-taking:** *in relation to any Notes having a maturity of less than one year:*
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

- (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken, and each further Dealer appointed under the Programme will be required to undertake, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, "Japanese Person" shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

France

Each of the Issuer and the Dealers has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) Offer to the public in France:

it has only made and will only make an offer of Notes to the public in France in the period beginning on the date of notification to the *Autorité des marchés financiers* ("**AMF**"), all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, of the approval of the Base Prospectus and, if any, the Drawdown Prospectus relating to those Notes by the competent authority of a member state of the European Economic Area, other than the AMF, which has implemented the EU Prospectus Directive 2003/71/EC, as amended, and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus; or

- (b) Private placement in France:

it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

Selling Restrictions Addressing Additional Netherlands Securities Laws

For selling restrictions in respect of The Netherlands, see "Public Offer Selling Restriction under the Prospectus Directive" above and in addition, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) *Specific Dutch selling restriction for exempt offers*: it will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus, as completed by the Final Terms or Drawdown Prospectus in relation thereto, to the public in The Netherlands and in reliance on Article 3(2) of the Prospectus Directive, unless:
- (i) such offer is made exclusively to persons or legal entities which are qualified investors (as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the "FSA") and which includes authorised discretionary asset managers acting for the account of retail investors under a discretionary investment management contract) in The Netherlands; or
 - (ii) standard logo and exemption wording are incorporated in the Final Terms or Drawdown Prospectus, as required by article 5:20(5) of the FSA; or
 - (iii) such offer is otherwise made in circumstances in which article 5:20(5) of the FSA is not applicable,

provided that no such offer of Notes shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expressions (i) an "offer of Notes to the public" in relation to any Notes in The Netherlands; and (ii) "Prospectus Directive", have the meaning given to them above in the paragraph headed with "Public Offer Selling Restriction Under the Prospectus Directive".

- (b) *Compliance with Dutch Savings Certificates Act*: Zero Coupon Notes (as defined below) in the form of Materialised Notes may only be transferred and accepted, directly or indirectly, within, from or into The Netherlands through the mediation of either the Issuer or a member firm of NYSE Euronext (Amsterdam) admitted in a function on one or more of the markets or systems operated by Euronext Amsterdam N.V., in full compliance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended) and its implementing regulations. No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Zero Coupon Note in the form of Materialised Notes, or (b) in respect of the initial issue of Zero Coupon Notes in definitive form to the first holders thereof, or (c) in respect of the transfer and acceptance of Zero Coupon Notes in definitive form between individuals not acting in the conduct of a business or profession, or (d) in respect of the transfer and acceptance of such Zero Coupon Notes within, from or into The Netherlands if all Zero Coupon Notes of any particular Series or Tranche of Notes are issued outside The Netherlands and are not distributed into The Netherlands in the course of initial distribution or immediately thereafter. As used herein "Zero Coupon Notes" are Notes that are in the form of Materialised Notes and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.

Republic of Italy

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed that, save as set out below, it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy in an offer to the public and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Accordingly, each of the Dealers has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of this Base Prospectus and any other document relating to the Notes in the Republic of Italy except:

- (1) to "qualified investors", as referred to in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "Decree No. 58") and defined in Article 34-ter, paragraph 1, let. b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("Regulation No. 11971") or
- (2) that it may offer, sell or deliver Notes or distribute copies of any prospectus relating to such Notes in an offer to the public in the period commencing on the date of publication of such prospectus, provided that such prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Prospectus Directive, as implemented in Italy under Decree 58 and Regulation No. 11971, and ending on the date which is 12 months after the date of approval of such prospectus; or
- (3) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Decree No. 58 or Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended, Decree No. 58, CONSOB Regulation No. 16190 of 29 October 2007, as amended and any other applicable laws and regulations; and
- (b) in compliance with any other applicable notification requirement or limitation which may be imposed by CONSOB or the Bank of Italy.

Provisions relating to the secondary market in the Republic of Italy

Investors should also note that, in any subsequent distribution of the Notes in the Republic of Italy, Article 100-bis of Decree No. 58 may require compliance with the law relating to public offers of securities. Furthermore, where the Notes are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under Decree No. 58 applies.

Hong Kong

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong) other than (i) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to

the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

People's Republic of China

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Notes are not being offered or sold and may not be offered or sold directly or indirectly in the PRC, for such purpose, not including the Hong Kong and Macau Special Administrative Regions or Taiwan, except as permitted by the securities laws and regulations of the PRC.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) (a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law; or
- (iv) as specified in Section 276(7) of the SFA.

General

Other than with respect to the listing of the Notes on such stock exchange as may be specified in the Final Terms, no action has been or will be taken in any country or jurisdiction by the Issuer or the Dealers that would permit a public offering of Notes, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed "General" above.

Selling restrictions may be supplemented or modified with the agreement of the relevant Dealer or, as the case may be, the Dealers. Any such supplement or modification will be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or (in any other case) in a supplement to this document. The relevant Dealers will be required to comply with such selling restrictions as so supplemented and/or modified.

Each of the Dealers and the Issuer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that Materialised Notes may only be issued outside France.

GENERAL INFORMATION

1. Authorisation

The issue of Notes under the Programme constituting *obligations* under French law has been duly authorised by a resolution of the *Conseil d'Administration* (Board of Directors) of the Issuer dated 6 February 2013. The issue of Notes constituting *obligations* under French law requires a resolution of the *Conseil d'Administration* (Board of Directors) of the Issuer and a decision of the *Directeur Général* (Chief Executive Officer).

2. Listing and admission to trading of Notes on the Luxembourg Stock Exchange

Application has been made to the Luxembourg Stock Exchange for Notes issued under this Base Prospectus to be admitted to trading on the Luxembourg Stock Exchange's Regulated Market and to be listed on the Official List of the Luxembourg Stock Exchange.

However, Notes may be issued pursuant to the Programme which will not be listed and admitted to trading on the Luxembourg Stock Exchange or any other stock exchange or which will be listed or admitted to trading on such stock exchange as the Issuer and the relevant Dealer may agree.

3. Dealers transacting with the Issuer

Certain of the Dealers and their affiliates (including their parent companies) have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer, and their affiliates in the ordinary course of business.

4. Documents Available

So long as any Notes are capable of being issued under the Programme and/or remain outstanding, copies of the following documents will, when published, be available from the registered office of the Issuer, and from the specified office of the Fiscal Agent in Luxembourg:

- (i) the constitutional documents (together with an English translation) of the Issuer;
- (ii) the 2012 Annual Report on Form 20-F;
- (iii) the Agency Agreement;
- (iv) a copy of this Base Prospectus; and
- (v) any future prospectuses (including Final Terms (save those Final Terms relating to an unlisted Note will only be available for inspection by a Holder of such Note and such Holder must produce evidence satisfactory to the Fiscal Agent as to the identity of such Holder)) and supplements to this Base Prospectus and any other documents incorporated herein or therein by reference.

This Base Prospectus and all documents incorporated by reference herein, will be made available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

5. Clearing Systems

Application may be made for the Notes to be accepted for clearance through the Euroclear and Clearstream, Luxembourg systems which are entities in charge of keeping the records. The Common Code and the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

Dematerialised Notes will be inscribed in the books of Euroclear France (acting as central depository). Dematerialised Notes which are in registered form (*au nominatif*) are also inscribed either with the Issuer or with the registration agent. The address of Euroclear France is 115, rue Réaumur, 75081 Paris Cedex 02, France.

If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the relevant Final Terms.

6. Trend Information and No Significant Change

There has been no material adverse change in the prospects of the Issuer since 31 December 2012, nor has there been any significant change in the financial or trading position (*situation commerciale*) of the Issuer or of the Group since 31 December 2012.

7. Litigation and Arbitration Proceedings

Save as disclosed under the heading "Information on Legal or Arbitration Proceedings" on pages 198 to 201 and pages F95 to F103 of the 2012 Annual Report on Form 20-F incorporated by reference herein, the Issuer has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months before the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and /or the Group.

8. Administrative, Management and Supervisory Bodies Conflicts of Interest

Sanofi's corporate governance structure is disclosed at "Item 6. Directors, Senior Management and Employees" on pages 148 to 193 of the 2012 Annual Report on Form 20-F incorporated by reference herein, there has been no change to such corporate governance structure as of the date of this Base Prospectus. The Issuer believes that there are currently no potential conflicts of interest between it and its directors and chief corporate officers.

9. Statutory Auditors

Ernst & Young et Autres and PricewaterhouseCoopers Audit have audited the Issuer's consolidated financial statements as of and for the years ended 31 December 2012, 2011 and 2010. The Issuer's consolidated financial statements are in conformity with International Financial Reporting Standards as adopted by the European Union. Ernst & Young et Autres and PricewaterhouseCoopers Audit are members of the *Compagnie Régionale des Commissaires aux Comptes de Versailles*, and carry out their duties in accordance with French audit standards and with the standards of the Public Company Accounting Oversight Board (United States).

10. Yield

The yield in respect of the Notes is calculated on the basis of the issue price of the Notes and will be specified in the relevant Final Terms. It is not an indication of future yield.

11. Interests of Natural and Legal Person involved in the Issue/Offer

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

SANOFI
REGISTERED AND HEAD OFFICE

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**FISCAL AGENT, PRINCIPAL PAYING AGENT, REDENOMINATION AGENT, CONSOLIDATION AGENT
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