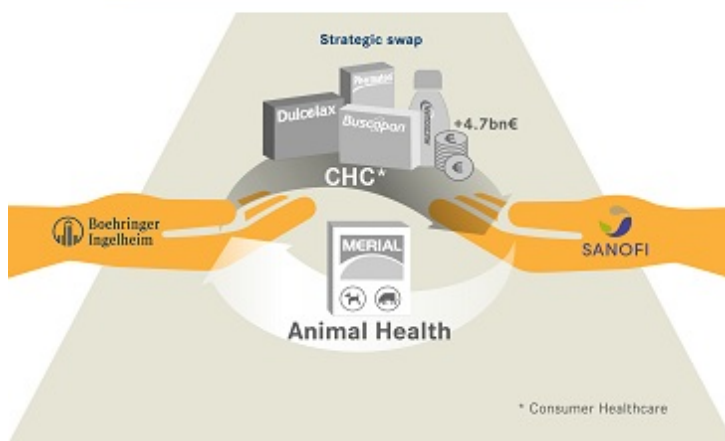


## Sanofi, Boehringer swap animal, consumer health businesses

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#### Creation of two global industry leaders



Sanofi and Boehringer Ingelheim announced the signing of contracts to secure the strategic transaction initiated in December 2015 which consists of an exchange of Sanofi's animal health business ("Merial") and Boehringer Ingelheim's consumer healthcare (CHC) business. This step marks a major milestone before closing of the transaction which is expected by year-end 2016 and remains subject to approval by all regulatory authorities in different territories. The integration of Boehringer Ingelheim's Consumer Healthcare (CHC) business into Sanofi and Merial into Boehringer Ingelheim would start after closing.

Upon closing this transaction will be a significant business swap in the pharmaceutical sector and an important event in the history of both companies

Prof Dr Andreas Barner, Chairman of the Board of Boehringer Ingelheim, said: "This is a win for Boehringer Ingelheim and Sanofi alike. Moreover, it is one of the most significant steps in our corporate history. It demonstrates the consistent orientation of our business towards innovation-driven sectors. As a research based pharmaceutical company, we will substantially enhance our position in the future market for Animal Health and will prospectively be one of the largest global players in this segment. The similarity in culture and approaches of BI and Sanofi will ensure that the businesses acquired by the other partner will develop well in the future."

Dr Olivier Brandicourt, chief executive officer, Sanofi, said: "In signing these contracts, we are meeting one of the key strategic goals of our roadmap 2020, namely to become a leader in consumer healthcare and a leading diversified global human healthcare company. This business swap will bring a complementary portfolio to our consumer healthcare activity with highly recognized brands, allowing for mid and long term value creation, and enhancement of our market penetration in some major countries."

The strategic swap lays the foundation for both companies to reach size and scale in two highly attractive pharmaceutical activities. Upon successful completion, Boehringer Ingelheim's CHC business - with an enterprise value of €6.7 bn - would

be transferred to Sanofi and Sanofi's Merial - with an enterprise value of €11.4 bn - would be transferred to Boehringer Ingelheim. The transaction includes a cash payment to Sanofi of €4.7 bn to reflect the difference in value of the two businesses. Taking into account the expected contribution from the acquired CHC business, progressive implementation of synergies and the use of part of the net proceeds to buy shares back, Sanofi expects the overall transaction to be business EPS neutral in 2017 and accretive afterwards.

Combining Merial and Boehringer Ingelheim's complementary portfolios and technology platforms in anti-parasitics, vaccines and pharmaceutical specialties would put the combined company into a more competitive position in the key growth segments of the industry and bring more value and innovation to customers globally. The Boehringer Ingelheim Animal Health business would more than double its sales to approx. €3.8 bn based upon 2015 global sales.

With this transaction, Sanofi would integrate Boehringer Ingelheim's CHC business in all countries except China. Joint CHC sales would amount to approx. €4.9 bn based upon 2015 global sales. Thanks to the addition of a highly complementary product and brand portfolio, Sanofi would enhance its position in several of its strategic categories - Pain Care, Allergy Solutions, Cough & Cold Care, Feminine Care, Digestive Health and Vitamins, Minerals and Supplements.

The signing was preceded by six months of constructive and successful negotiations which went according to plan. Both companies have reviewed and discussed the details of the transaction. This included the exact scope of the business swap as well as ensuring compliance with regulatory requirements.

In the past months, Boehringer Ingelheim and Sanofi also closely consulted with the relevant social bodies in France and Germany as well as with the appropriate regulatory authorities to lay the groundwork for the realization of the business swap. In accordance with their commitment at the beginning of the negotiations, the companies agreed that Lyon (France) and Toulouse (France) would be key operational centers of Boehringer Ingelheim's Animal Health business, including business operations, R&D and manufacturing facilities in Lyon and the production site in Toulouse.