Interview with Jan Hendrickx, General Manager Benelux, Sanofi â?? Belgium

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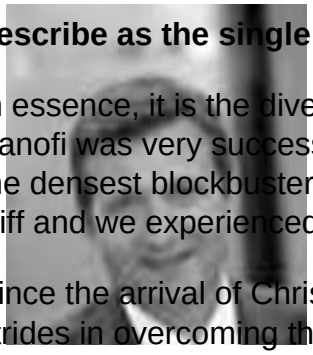

ing that you have been with Sanofi for over a decade, what would you describe as the single most important change in Sanofiâ??s business model?

In essence, it is the diversification of Sanofi into a wide range of business activities. In the past, Sanofi was very successful at focusing on blockbusters products, which explains why we had one of the densest blockbuster portfolios in the pharmaceutical world. However, with time came the patent cliff and we experienced a few setbacks.

Since the arrival of Chris Viehbacher as global CEO of Sanofi in 2008, the company has made great strides in overcoming these obstacles by diversifying its activities. Personally, I think what we have achieved in the last four years is nothing short of amazing. Today, we have become a completely diversified organization that is focused on a number of growth platforms. These include innovation through R&D (particularly in oncology and diabetes), emerging markets, consumer healthcare, vaccines and animal health (Merial). In addition to this, the acquisition of one of the worldâ??s largest biotech companies, Genzyme, in 2011 has endowed us with a major presence in the biotech industry. Naturally, one positive consequence of this is that we are now better shielded against the patent cliff.

At the same time, I would say that Sanofiâ??s transformation into a truly patient focused company is another cornerstone in its evolution, facilitated by the integration of Genzyme into its structure. Considering Genzymeâ??s focus on rare diseases with relatively minor patient pools across the world, it is easy to see how they have developed an organizational structure and culture that is highly focused on serving their patients. Illustrative of its intense patient focus, Genzymeâ??s MyozymeÂ® drug (for the treatment of Pompe disease) serves approximately 1,600 people worldwide. I think this is remarkable and never ceases to amaze me. By contrast, Sanofi has been serving millions of different patients across a range of therapeutic areas. Of course, we did have the patients in mind but not at the same individual patient level as with Genzyme. Hence, we are delighted to be able to make this shift towards making a real impact in peopleâ??s lives and Genzyme has aided us in learning how to do so. Similarly, in many countries we have launched some devices for diabetes patients (iBGStarÂ®) as well as diagnostic tests for cancer patients. Eventually, we would like to offer a holistic approach to the patient, going beyond medication and provide them with a complete solution for their disease by making products, services, devices or a combination of these available to them.

In addition to this, as a highly diversified company, Sanofi is also operating under a new business model. More specifically, we are operating in a matrix structure that has many interconnected

activities crisscrossing each of our departments and business units. Needless to say, this requires us to work in closer collaborations and in a more open and dynamic environment. That said, Sanofi today is much more complex and diversified but it also offers a more satisfying and interesting work environment.

More specifically, you have been assigned as GM of Sanofi for Benelux almost two years ago. During that time, what would you highlight as the companyâ??s most notable milestones and what are your proudest achievements?

Over the last two years we have launched a new treatment for prostate cancer, extended our consumer healthcare portfolio and introduced a new medical device. I would also consider the creation of our Benelux organization as a milestone in our companyâ??s recent history. We have successfully finalized this transformation and the combination of expertise, talent and resources has demonstrated great results so far. This has helped us truly focus on what really matters: on our patients, on our products and on working together. Another significant achievement includes the simultaneous integration of both Merial (the animal health division of Sanofi) and Genzyme into Sanofiâ??s operations. Needless to say, this was a very busy and complex period where we accomplished many new things together.

What is the strategic importance of the Belgian affiliate to Sanofiâ??s regional operations and performance?

Sanofi is among the top five companies in Belgium and as such, the country is a very important market for the company. Furthermore, the Belgian affiliate of Sanofi is considered to be among the top 10 affiliates across Europe for the group.

In particular, the Belgian affiliate is an important provider of clinical studies for Sanofi, investing heavily in these activities. Today, we are conducting studies for 15 distinct new medicines in about 100 study centers with more than 400 participating patients. Put differently, we have a presence in clinical activities in one out of every two to three hospitals in Belgium.

Interestingly, Belgium represents one of those countries in which the group deploys almost all of its activities. That is, Sanofi Belgium is composed of a commercial organization, a clinical study unit and production facility. Moreover, we are also present in each of the groupâ??s business divisions (including Merial and Genzyme of course) and are active in all the companyâ??s growth platforms. In addition to this, we are also in charge of a world class production facility in Geel which exports its production globally. Whatâ??s more, as part of a huge expansion project, known as the â??Stellaâ?? Project, we are in the process of extending the Geel production site. Of course, this makes us feel very proud and fortunate to have all these activities on Belgian soil.

Referring to the recent acquisitions Sanofi has made, what would you say have been the main synergies you have been able to realize?

Most of the synergies we have realized are a result of the capacity to combine our common activities and expertise. The core principle in the integration is that the support functions serve all the entities within our territory. Broadly speaking, I believe that a streamlined support system represents the biggest synergy, not only in terms of costs but also in terms of process efficiencies.

How tailored and complete is your portfolio to the Belgian marketâ??s needs and what upcoming products are you most excited about?

As a highly diversified company, Sanofi has a very broad portfolio covering an array of segments including: prescription medicines, consumer healthcare products, human vaccines (in a joint venture

between Sanofi Pasteur and MSD in most EU countries), rare genetic diseases (Genzyme) and animal health (Merial). Interestingly, owing to its dense network of pharmacies, Belgium is in fact among the top markets of the Sanofi group in terms of consumer healthcare products.

On the other hand, in terms of upcoming products, we have 5 new product registrations approaching. In diabetes, a therapeutic area in which we maintain a leadership position in the country, we have the upcoming introduction of LyxumiaÂ®. In addition to this, we will continue to develop our holistic approach to diabetes patients, offering them a complete range of products, services and devices. Furthermore, in oncology we expect the introduction of ZaltrapÂ® for use in second line colorectal cancer which has so far demonstrated overall survival data. We also have a rich pipeline in other oncological products that we are looking forward to making available. Moreover, we are soon releasing KynamroÂ® in Familial Hypercholesterolemia and AubagioÂ® and LemtradaÂ® in Multiple Sclerosis (MS) for which we expect a worldwide launch over the coming years and by 2014 in Belgium.

In terms of R&D, how has the company reshaped its research model to explore new horizons in your reference areas?

Since Elias Zerhouni joined Sanofi as global head of R&D in 2010, the R&D organization of Sanofi has been reshaped through an impressive number of R&D partnership agreements and the creation of a handful of R&D hubs across the world with the aim of enhancing our strategic focus on the specific growth platforms that we have identified, with greater overall efficiency. It goes without saying, although we have grown into a diversified company, we have not forgotten that our core business involves discovering new and innovative products through R&D and this will undoubtedly continue to be the case well into the future.

In essence, our R&D mission and philosophy is to seek new innovative therapies for unmet medical needs. Ultimately, we are well aware that there is a limited availability of financial means to address the populationsâ?? healthcare requirements, especially in Europe where the authorities are seeking to balance their budgets. In this respect, we also understand that we all must make certain contributions towards this goal. One way to achieve this is by continuing our research efforts in the therapeutic areas that really make a difference. A consequence of this however is that we are continuously seeking solutions for increasingly smaller populations, suggesting that we should be responsible in ensuring that only the right patients receive those drugs. For instance, we have a clinical trial program for a first-in-class human antibody targeting PCSK-9, a determinant of circulating LDL cholesterol levels in the blood. Blocking the PCSK-9 pathway has so far demonstrated a significant reduction of cholesterol in patients who have already received the maximum dosage of statins. Hence, in cases such as these, we have the responsibility to ensure that such drugs are administered only to those patients that can truly benefit from it (in this case, patients that have already received the maximum dosage of statins). However, as patient populations shrink and development costs rise, negotiating drug prices with the authorities and gaining market access becomes increasingly more challenging.

What is your view on the EU proposed harmonizing legislation on clinical trials that some claim will erode Belgiumâ??s competitive advantage of rapid approval and recruitment processes in clinical trials?

For many years, we have observed an acceleration of clinical trials in Belgium. However, as a result of economic considerations we have seen a small, but real, decline of the activity during the past few years. Nonetheless, despite the new EU regulations on clinical trials, I am confident that Belgium will remain to be a major asset for the numerous pharmaceutical companies active in clinical research here. This is because Belgium has a rich base of academic institutions with highly reputed experts

that are known for their speed of execution and quality of clinical trials; a pair of critical traits that represent cornerstone of the industry.

Nonetheless, we will of course have to continue to work hard to remain competitive. For this, we also rely on our political leaders to ensure that they continue to foster an environment that is conducive to the clinical research industry. Personally, I am under the impression that the authorities are well aware of the situation and are doing their utmost, in terms of legislation, to safeguard Belgiumâ??s leading position in the industry.

Given your significant presence in the country, how would you rate the investment environment in Belgium?

I think that the overall investment climate for pharmaceutical companies in Belgium is good. We should all recognize that our political leaders have undertaken a vast number of measures to support such investments in the country. At Sanofi, we certainly recognize that.

On the other hand, I think there is much room for improvement with regards to overregulating procedures to improve market access for new innovative drugs in Belgium. This is one area which we should further develop, together with the authorities, to define a set of solutions and provide patients with access to the latest drugs.

Building upon that, how would you describe the government authoritiesâ?? attitude and openness towards working with the industry to realize their common goals of ensuring patients access to the latest drugs?

Unfortunately, it is no secret that Belgium is among the slowest countries in the EU to provide innovative drugs with market access. Although we recognize that the budget must be kept in balance and that everyone must contribute in one way or another, we are convinced that this should not be done on behalf of new innovative drugs or solutions. They must realize that such innovations will ultimately contribute towards mending the economy and improving peopleâ??s wellbeing.

That said, I must admit that I am very excited about a recently signed â??stability pactâ?? between pharma.be â?? the Belgian association of pharmaceutical companies â?? and the Ministry of Health. This agreement recognizes the role of the innovative industry in Belgium and clearly outlines that during any future budgetary discussions, the industry will act as the preferred partner in the discussion process, allowing us to contribute in evaluating any proposed policies. I sincerely hope that what we have on paper today is translated into reality in the near future.

Considering that last year, Sanofi launched its new logo and shortened its name, how would you say the company would like to portray itself to its stakeholders and the world at large?

Sanofiâ??s new logo includes a symbol, called the â??Bird of Hopeâ??, symbolizing the hope that it brings to the 7 billion people around the world and our focus on the patient. The symbol is made up of three shapes which represent the three principles that sum up Sanofiâ??s strategy: Innovation, Adaptability, and External Growth. The shapes equally represent the diversity of Sanofiâ??s divisions, subsidiaries, affiliates and various teams, whose culture and know-how around the world illustrate how the company achieves its ambitions. On the other hand, we want to portray ourselves as a responsible organization in terms of good governance and social responsibility. To this end, all of our employees across the world are well aware that compliance and good citizenship are among our key priorities and are actively working towards these goals.

Looking ahead, where would you like to take Sanofiâ??s operations over the next 1 to 2 years and what reforms would you like to precipitate in the market?

First, together with my colleagues from Merial and Genzyme, I intend to further develop Sanofi as a respected and diversified healthcare leader, focused on the needs of our customers. Personally, I think this is probably my most important objective.

Second, we intend to ensure that our business operations are carried out in a responsible and ethical manner, maintaining compliance as a key focus of Sanofi.

Third, to further reinforce our good citizenship by continuing to support the projects that are relevant to society. Fourth, with our upcoming new product registrations, we aspire to transform our scientific innovations into therapeutic solutions for patients.

Finally, another personal objective of mine is to maintain and advance our positioning as an attractive employer for the talented people that make up Sanofi Belgium. This is critical since we are competing with numerous excellent companies in Belgium for talented individuals. Hence, in order to shape Sanofi as the attractive employer we consider it to be, we are continuously working together with our employees on new projects in order to respond to the expectations of new generations.

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