

# FINAL TRANSCRIPT

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**SNY - Full Year 2010 Sanofi-Aventis Earnings Conference Call**

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As far as blood glucose monitoring is concerned, we believe we have good products, we have better products. We believe we can leverage the fact that we are the sole company which can offer insulin and needles. And yes, it's to some extent a bet, but first of all it's a commitment and we have to deliver.

I don't share your point of view on Lixisenatide. I strongly believe that Lixisenatide is superior to Byetta. And being it's already just for the fact that lixi is once a day and the other product is twice a day. And against the Merck product, we have ongoing trials. We have to see what comes out of this. And it's premature, but yes, of course, we have the ambition to have the better product.

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**Chris Viehbacher** - *Sanofi-Aventis - CEO*

And I would just add a few things. First of all, I don't think we have -- we're missing anything that Novo has. I am a little surprised that people can see a value in Degludec, which is essentially a me-too of Levemir, but don't want to believe the same thing about a Lixisenatide versus a Victoza. So somewhere I guess we've got to get a little bit better at investor relations perhaps.

I think we've got a GLP-1. We've got a long-acting insulin. We've got a better position in emerging market. We'll probably be faster with a combo. We are slower on GLP-1 than they are, obviously. We're into blood glucose meters and they're not yet. So there's a huge market.

Patent expiries, let's wait and see what that brings. But I don't think at this stage today that anybody really sees the patent expiry as being of a dramatic nature, certainly where we are. And especially when you start looking beyond the traditional markets of Europe and the US, we are busy switching our business in the US to the SoloSTAR. We're up to 40% conversion in the US. And we've still got another four or five years before we are really at that stage yet.

So, at the same time, I think, as Hanspeter said, we want to see some acceleration in that business. We will be investing. And that's part of the reason why we also said we need to be a diabetes company. As long as we're just going to be managing a brand, we're not going to really be developing a diabetes business. So we've got all the elements. It now has to come together and it now has to be executed. And I think we would certainly accept that we have to execute better; no question about that. But I wouldn't say that our product lineup is not as good.

Lantus is still the number-one brand in the entire diabetes world. And given everything that has happened to try to knock Lantus off its perch, I think actually it's shown a tremendous amount of brand loyalty and resilience.

Elias? The sustained budget of Merck versus budget cutting of Pfizer. I'm interested in this one too.

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**Dr. Elias Zerhouni** - *Sanofi-Aventis - President, Global R&D*

Put me in a tough spot here. But before I do this, I'd like to add something about the diabetes question, because I completely agree with what Hanspeter and Chris has said, that there's a dimension that I think people don't see why we went in this direction. And the dimension is this, that diabetes is only the tip of the iceberg for many other chronic conditions, chronic diseases that are directly related to diabetes.

The comorbidities in eye disease, hence our investment in Fovea and eye, the comorbidity in the cardiovascular system, the renal system, and the epidemiology growth of this disease, which says that there is a need for you to look at holistically diabetes not from the end of product, insulin and Lixisenatide, but the end of the other part of the spectrum, a population to which you provide a continuum across the entire spectrum.

And remember that chronic disease management is going to grow, we believe, as a part of every public health system response. You're not going to take care of a patient with diabetes in hospitals. So you're going to develop systems that are going to be