

Sanofi-aventis Canada Transforms to Support Sustainable Business Model

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MONTREAL, Quebec – May 5, 2010 – Sanofi-aventis Canada announced today that it is transforming its Canadian operations to adapt to the changing needs of patients and to continue to deliver value to the healthcare system while also recognizing challenges in its current business due to loss of patent exclusivity.

These changes are compounded by a number of policies and market issues within the Canadian marketplace. Insufficient protection of intellectual property and declining access to innovative medicines are critical issues that the governments and the pharmaceutical industry need to resolve in order to improve the quality of patient care.

Canada's largest investor in innovative biopharmaceutical R&D¹ will therefore eliminate close to 70 positions across the country. The company expects these changes to take effect by July 2010.

“Last September, we announced we would step away from the traditional pharmaceutical business model and rethink our most basic assumptions to ensure sustainable long-term growth,” said Hugh O’Neill, President and CEO of sanofi-aventis Canada. “This transformation is an example of our evolving needs to ensure sustainable growth. While the business environment is causing us to scale back our work force, the company intends to continue its investment in areas that will enable us to meet the needs of patients, deliver more value to the Canadian healthcare system and improve the prospects for sustainable growth.”

An increasingly challenging healthcare environment

Sanofi-aventis Canada calls for the industry and governments to partner in order to focus on the healthcare needs of Canadians and apply the much needed intellectual property protection regime that will result in quality medicines and cures in the future.

Contrary to the generic drug industry, Canadian innovative pharmaceutical companies have no effective right of appeal when facing intellectual property challenges. This lack of government policy leadership is leading to genericization of branded medicines even while they are still under patent protection. This threatens the company's ability to maintain its R&D investments, capital expenditures and job creation opportunities.

"Our patent protection candle is being burned at both ends," said Hugh O'Neill. "It takes us longer to get our innovative patented medicines on the market at the outset and the lack of intellectual property protection threatens to cut our patent protection short at the other end. We can't ignore this reality anymore, which runs counter to current trends in large industrialized markets. Stronger partnerships with governments will lead to a sustainable industry that continues to grow and invest in Canada and that does not become disadvantaged with respect to our international counterparts."

By way of example, access to new medicines in Canada remains a serious issue for Canadians who rely on public drug plans. The International Report on Access to Medicines commissioned by Rx&D compared public reimbursement of 82 new drugs common within 25 OECD countries. The results showed Canada ranked 20th out of 25, next to countries such as Turkey and Icelandⁱⁱ.

About sanofi-aventis Canada

Sanofi-aventis, a leading global pharmaceutical company, discovers, develops and distributes therapeutic solutions to improve the lives of everyone. Backed by a world-class R&D organization, the company is developing leading positions in several therapeutic areas: cardiology, thrombosis, oncology, metabolic disorders, the central nervous system, internal medicine and vaccines.

Sanofi-aventis is represented in Canada by the pharmaceutical company sanofi-aventis Canada Inc., based in Laval, Quebec, and by the vaccines company Sanofi Pasteur Limited, based in Toronto, Ontario. With combined R&D investments of \$211.5 million in 2008, they are leaders in Canada's pharmaceutical/biotech sector, a critical knowledge-based industry that generates jobs, business and opportunity throughout the country.

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ⁱ Research InfoSource, 2009 Top 100 Corporate R&D Spenders List, <http://www.researchinfosource.com/2009-top100-sup.pdf>

ⁱⁱ Rx&D, The Rx&D International Report on Access to Medicines 2008/2009, http://www.patientscomefirst.ca/inc/pdfs/Rx&D_InternationalReport_en.pdf