represent that euros were, could have been, or could be, converted into U.S. dollars at these rates or at any other rate. For information regarding the effect of currency fluctuations on our results of operations, see Item 5. “Operating and Financial Review and Prospects.”

Selected Exchange Rate Information

	Period-end Rate	Average Rate (1)	High	Low
		(U.S. dollar per euro)		
2001	0.89	0.89	0.95	0.84
2002	1.05	0.95	1.05	0.86
2003	1.26	1.14	1.26	1.04
2004	1.35	1.25	1.36	1.18
2005	1.18	1.24	1.35	1.17
Last 6 months				
2005				
September	1.21	1.22	1.25	1.20
October	1.20	1.20	1.21	1.19
November	1.18	1.18	1.21	1.17
December	1.18	1.19	1.20	1.17
2006				
January	1.22	1.21	1.23	1.20
February	1.19	1.19	1.21	1.19
March 1st to 28th	1.21	1.20	1.22	1.19

(1) The average of the Noon Buying Rates on the last business day of each month during the relevant period for year average, on each business day of the month for monthly average.

On March 28, 2006 the Noon Buying Rate was $1.2078 per euro.

B. Capitalization and Indebtedness

N/A

C. Reasons for Offer and Use of Proceeds

N/A

D. Risk Factors

Important factors that could cause actual financial or operating results to differ materially from expectations are disclosed in this annual report, including without limitation the following risk factors and the factors described under “Cautionary Statement Regarding Forward-Looking Statements.” In addition to the risks listed below, we may be subject to other material risks that are not currently known to us or that we deem immaterial at this time.

Risks Relating to Our Company

The integration of the new Group’s activities presents significant challenges that may result in the combined business not operating as effectively as expected or in the failure to achieve some or all of the anticipated benefits of the business combination.

The benefits and synergies expected to result from the combination of sanofi-aventis and Aventis will depend in part on whether the operations of Aventis can be integrated in a timely and efficient manner with those of sanofi-aventis. Sanofi-aventis faces significant challenges in consolidating sanofi-aventis’ functions with those of Aventis, and integrating the organizations, procedures and operations of the two businesses. The integration of the two businesses is complex and time-consuming, and management must dedicate substantial time and resources to it. These efforts could divert management’s focus and resources from other strategic opportunities and from day-to-day operational matters during the integration process. Failure to integrate successfully the

operations of sanofi-aventis and Aventis could result in delay or the failure to achieve some or all of the anticipated benefits from the business combination, including synergies and other operating efficiencies, and could have an adverse effect on our business, operating results, financial condition or prospects.

We incurred substantial debt in connection with the acquisition of Aventis, which limits our business flexibility and requires us to devote cash resources to debt service payments.

In connection with our acquisition of Aventis, our consolidated debt increased substantially, because we incurred new debt to finance the cash portion of the acquisition consideration, and because our consolidated debt includes the debt incurred by Aventis prior to the acquisition. As of December 31, 2005, our net consolidated debt (financial debt less cash and cash equivalents and short term investments) was €9.9 billion, compared to a positive consolidated net cash position of €2.4 billion as of December 31, 2003, prior to the acquisition of Aventis. We make significant debt service payments to our lenders and our current debt level could restrict our ability to engage in additional transactions or incur additional indebtedness. For more information on our debt, please see “Item 5. Operating and Financial Review and Prospectus — Liquidity and Capital Resources” in this annual report.

We depend on the United States market for a significant part of our current and future operating results. A failure to continue our strategy of profitable operations in that market could adversely affect our business, results of operations, financial condition or prospects.

We may not achieve our growth strategy if we do not maintain and continue to expand profitably our presence in the United States, the world’s largest pharmaceuticals market. We have identified the United States, which accounted for approximately 35% of our net sales in 2005, as a potential major source of continued future growth and plan to capitalize on our direct presence in the United States in the coming years to build our leadership in this market. We face a number of challenges in maintaining profitable growth in the United States, including:

- The success of the management organization that we have established in the United States.
- The targeting of new products and customer markets.
- The fact that the United States market is dominated by major U.S. pharmaceutical companies.
- Slower growth of the U.S. pharmaceutical market.
- Aggressive generic competition.
- Potential changes in health care reimbursement policies and possible cost control regulations in the United States, including possible unfavorable developments in coverage of prescription drugs by Medicare.
- Increased FDA demands, leading to a potentially longer, more costly and more restrictive approval process.
- Heightened scrutiny of the pharmaceutical industry by the public and the media.
- Exposure to the euro-dollar exchange rate.

We depend on third parties for the marketing of some of our products. These third parties may act in ways that could harm our business.

We commercialize some of our products in collaboration with other pharmaceutical companies. For example, we currently have a major collaborative arrangement with Bristol-Myers Squibb for the marketing of Plavix® and Aprovel® in the United States and several other countries, and co-marketing agreements with Procter & Gamble Pharmaceuticals for the osteoporosis treatment Actonel® and Teva for Copaxone®, as well as an agreement with Merck & Co., Inc. for the distribution of vaccines in Europe. We also have alliances with several Japanese companies for the marketing of our products in Japan. See “Item 4. Information on the Company — Business Overview — Markets — Marketing and Distribution.” When we commercialize our products through collaboration arrangements, we are subject to the risk that certain decisions, such as the establishment of budgets and promotion strategies, are subject to the control of our collaboration partners, and that deadlocks may adversely affect the activities conducted through the collaboration arrangements. For

example, our alliances with Bristol-Myers Squibb (BMS) are subject to the operational management of BMS in some countries, including the United States. We cannot be certain that our partners will perform their obligations as expected. Further, our partners might pursue their own existing or alternative technologies or product candidates in preference to those being developed or marketed in collaboration with us.

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

Many of our products are manufactured using technically complex processes requiring specialized facilities, highly specific raw materials and other production constraints. Our vaccine products in particular are subject to the risk of manufacturing stoppages or the risk of loss of inventory because of the difficulties inherent to the sterile processing of biological materials and the potential for the unavailability of adequate amounts of raw materials meeting our standards. The complexity of these processes as well as strict company and government standards for the manufacture of our products subject us to production risks. The occurrence or suspected occurrence of out-of-specification production can lead to lost inventories, and in some cases product recalls, with consequential reputational damage and the risk of product liability (See "— Product liability claims could adversely affect our business, results of operations and financial condition," below). The investigation and remediation of any identified problems can cause production delays, substantial expense, lost sales and the delay of new product launches.

We depend on third parties for the manufacture and supply of a substantial portion of our raw materials, specialized components, active ingredients and medical devices.

Availability of Raw Materials and Specialized Components. Third parties supply us with a substantial portion of our raw materials and specialized components. Some raw materials and specialized components essential to the manufacture of our products are not widely available from sources we consider reliable — for example, there is a limited number of approved suppliers of heparins, which are used in the manufacture of Lovenox®. See "Item 4. Information on the Company — Business Overview — Production and Raw Materials" for a description of these outsourcing arrangements.

Third-Party Manufacturing of Active Ingredients. Although our general policy is to manufacture the active ingredients for our products ourselves, we subcontract the manufacture of some of our active ingredients to third parties, which exposes us to the risk of a supply interruption in the event that our suppliers experience financial difficulties or are unable to manufacture a sufficient supply of our products. The manufacture of the active ingredients for Eloxatine® and Xatral® and part of the manufacture of the active ingredient for Stilnox® is currently carried out by third parties, as are some of the manufacturing steps in the production of Lovenox®. Additionally, under our collaborative arrangement with BMS, pharmaceutical production of Plavix® and Aprovel® is conducted partly in sanofi-aventis plants and partly in BMS plants.

Third-Party Supply of Medical Devices. Medical devices related to some of our products, such as certain pens used to dispense insulin, are manufactured by third parties. Reliance on third parties exposes us to the risk of supply interruptions, including as a result of third-party manufacturing problems, as well as the risk of product liability for materials not produced by the Group. See "— Product liability claims could adversely affect our business, results of operations and financial condition," below.

If disruptions or quality concerns were to arise in the third-party supply of raw materials, specialized components, active ingredients or devices, this would affect our ability to sell our products in the quantities demanded by the market and could damage our reputation and relationships with our customers. See also "— The manufacture of our products is technically complex, and supply interruptions, product recalls or inventory losses caused by unforeseen events may reduce sales, delay the launch of new products and adversely affect our operating results and financial condition," above. Even though we aim to have backup sources of supply whenever possible, including by manufacturing backup supplies of our principal active ingredients at a second or third facility when practicable, we cannot be certain they will be sufficient if our principal sources become unavailable. Any of these factors could adversely affect our business, operating results or financial condition.

Our collaborations with third parties expose us to risks that they will assert intellectual property rights on our inventions or fail to keep our unpatented technology confidential.

We occasionally provide information and materials to research collaborators in academic institutions or other public or private entities, or request them to conduct tests to investigate certain materials. In all cases we enter into appropriate confidentiality and intellectual property rights agreements with such entities. However, those entities might assert intellectual property rights with respect to the results of the tests conducted by their collaborators, and might not grant licenses to us regarding their intellectual property rights on acceptable terms.

We also rely upon unpatented proprietary technology, processes, know-how and data that we regard as trade secrets and protect them in part by entering into confidentiality agreements with our employees, consultants and certain contractors. We cannot be sure that these agreements or other trade secret protections will provide meaningful protection, or, if they are breached, that we will have adequate remedies. You should read “Item 4. Information on the Company — Business Overview — Patents, Intellectual Property and Other Rights” for more information about our patents and licenses.

Claims relating to marketing practices could adversely affect our business, results of operations and financial condition.

The marketing of our products is heavily regulated, and failure to comply fully with applicable regulations could result in civil or criminal actions against us, and in some circumstances potential disqualification from participation in government health programs. Sanofi-aventis and certain of its subsidiaries are under investigation by various federal government entities in the United States, and are defendants in a number of lawsuits, relating to antitrust and/or pricing and marketing practices, including an investigation of suspected misrepresentations in product price data provided to U.S. federal health programs allegedly leading to inflated government reimbursements. See Note D.22(c) to our consolidated financial statements included at Item 18 of this annual report.

In addition, following judgments holding the U.S. patents covering DDAVP® tablets and Lovenox® to be unenforceable, a number of civil antitrust and fair trade claims have been filed against sanofi-aventis as putative class actions alleging that the Group has prevented competition and generated excess profits.

Because many of these cases allege substantial unquantified damages, including treble damages, and seek significant punitive damages and penalties, it is possible that any final determination of liability could have a material adverse effect on our business, results of operations or financial condition.

Fluctuations in currency exchange rates could adversely affect our results of operations and financial condition.

Because we sell our products in numerous countries, our results of operations and financial condition could be adversely affected by fluctuations in currency exchange rates. We are particularly sensitive to movements in exchange rates between the euro and the U.S. dollar, the British pound, the Japanese yen, and to a lesser extent to currencies in emerging countries. In 2005, approximately 35% of our net sales were realized in the United States. While we incur expenses in those currencies, the impact of currency exchange rates on these expenses does not fully offset the impact of currency exchange rates on our revenues. As a result, currency exchange rate movements can have a considerable impact on our earnings. When deemed appropriate, we enter into transactions to hedge our exposure to foreign exchange risks. These efforts, when undertaken, may fail to offset the effect of adverse currency exchange rate fluctuations on our results of operations or financial condition. For more information concerning our exchange rate exposure, see “Item 11. Quantitative and Qualitative Disclosures About Market Risk.”

Risks Relating to Our Industry

We must invest substantial sums in research and development in order to remain competitive, and we may not fully recover these investments if our products are unsuccessful in clinical trials or fail to receive regulatory approval.

To be successful in the highly competitive pharmaceutical industry, we must commit substantial resources each year to research and development in order to develop new products. In 2005, we spent €4,044 million on

research and development, amounting to approximately 14.8% of our net sales. Our ongoing investments in new product launches and research and development for future products could result in higher costs without a proportionate increase in revenues.

The research and development process is lengthy and carries a substantial risk of product failure. If our research and development does not yield sufficient new products that achieve commercial success, our future operating results may be adversely affected.

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, and during each stage there is a substantial risk that we will not achieve our goals and will have to abandon a product in which we have invested substantial amounts.

For example, in order to develop a commercially viable product, we must demonstrate, through extensive pre-clinical and human clinical trials, that the pharmacological compounds are safe and effective for use in humans. There is also no assurance that favorable results obtained in pre-clinical trials will be confirmed by later clinical trials, or that the clinical trials will establish safety and efficacy data sufficient for regulatory approval. In the first quarter of 2006, we had 127 compounds in pre-clinical and clinical development in our targeted therapeutic areas, of which 55 were in phase II or phase III clinical trials. For additional information regarding clinical trials and the definition of the phases of clinical trials, see “Item 4. Information on the Company — Business Overview — Research and Development.” There can be no assurance that any of these compounds will be proven safe or effective, or that they will produce commercially successful products.

After completing the research and development process, we must invest substantial additional resources with a view to obtaining government approval in multiple jurisdictions, with no assurance that approval will be obtained. We must obtain and maintain regulatory approval for our pharmaceutical products from the European Union, the United States and other regulatory authorities before a given product may be sold in these markets. The submission of an application to a regulatory authority provides no assurance that the regulatory authority will grant a license to market the product. Each authority may impose its own requirements, including requiring local clinical studies, and may delay or refuse to grant approval, even though a product has already been approved in another country.

In our principal markets, the approval process for one or more indications of a new product is complex and lengthy, and typically takes from six months to two years from the date of application depending on the country. Moreover, if regulatory approval of a product is granted, the approval may place limitations on the indicated uses for which it may be marketed. A marketed product is also subject to continual review even after regulatory approval. Later discovery of previously unknown problems may result in marketing restrictions or withdrawal of the product, as well as an increased risk of litigation. See also “— Product liability claims could adversely affect our business, results of operations and financial condition,” below. In addition, we are subject to strict government controls on the manufacture, labeling, distribution and marketing of our products. Each of these factors may increase our costs of developing new products and the risk that we may not succeed in selling them successfully.

Obtaining regulatory marketing approval is not a guarantee that the product will achieve commercial success. Commercial success is dependent on a number of factors beyond our control, notably the level of reimbursement which is accorded to the product by public health entities and third-party payers, the acceptance of the product by the medical establishment and patients, and the existence and price of competing products and alternative therapies.

If we are unable to protect our proprietary rights, we may fail to compete effectively or operate profitably.

It is important for our success that we be able to effectively obtain and enforce our patents and other proprietary rights. We currently have over 50,000 patents, patent licenses and patent applications worldwide. To the extent effective patent protection of our products is not maintained, these products will become exposed to competition from generic products. The entry of a generic product into the market typically is followed by a substantial decline in the brand-name product’s sales volume and revenues.

Obtaining Patent Rights. Patent law relating to the scope of claims in the pharmaceutical field in which we operate is continually evolving and can be the subject of some uncertainty. Accordingly, we cannot be sure that:

- new, additional inventions will be patentable;
- patents for which applications are now pending will be issued or reissued to us; or
- the scope of any patent protection will be sufficiently broad to exclude competitors.

Patent protection once obtained is limited in time (typically 20 years), after which competitors may use the covered technology without obtaining a license from us. Because of the time required to obtain regulatory marketing approval, the period of effective patent protection for a marketed product is frequently substantially shorter.

Enforcing Patent Rights. Our competitors may infringe our patents or successfully avoid them through design innovation. To prevent infringement, we may file infringement claims, which are expensive and time consuming and which may result in decisions unfavorable to us. Policing unauthorized use of our intellectual property is difficult, and we may not be able to prevent misappropriation of our proprietary rights. We may also be accused of infringing the rights of others who then seek substantial damages from us. This risk is increased by the growth in the number of patent applications filed and patents granted in the pharmaceutical industry.

Even prior to the scheduled expiration of a patent, third parties may challenge the validity of the patents issued or licensed to us, which may result in the invalidation of these rights and the loss of sales derived from the related products. Such challenges have become increasingly common in recent years. Typical assertions in suits challenging a patent are that (i) the competing product does not fall within the scope of the patent, (ii) that the patent claims matters that are not in fact patentable, for example because they are not a true innovation; or (iii) that there were procedural flaws that invalidate the patent office's decision to issue the patent. Patent litigation is subject to substantial uncertainty, and we cannot be sure how much protection, if any, will be provided by our patents if we attempt to enforce them and they are challenged in court or in other proceedings.

Additionally, if a competitor chooses to take the risk of launching an infringing product prior to a court's determination that our patent rights are valid, enforceable and infringed, there can be no assurance (i) that we will be successful in obtaining a preliminary injunction to remove the infringing product from the market prior to obtaining a final injunction at trial, and (ii) that we will be able effectively to both obtain and collect sufficient damages from the competitor to repair all harm caused to us.

Significant challenges to our proprietary rights include:

Plavix®: In the first half of 2002, two pharmaceutical companies, Apotex and Dr. Reddy's Laboratories, each filed an Abbreviated New Drug Application (ANDA) with the U.S. Food and Drug Administration (FDA), seeking to market a purportedly generic form of Plavix® in the United States and challenging certain U.S. patents relating to Plavix®. Subsequently, in August 2004, Teva filed an ANDA challenging one of the U.S. patents relating to Plavix®. On January 24, 2006, we learned that the FDA had approved Apotex's ANDA. For additional information regarding ANDAs, see "Item 4. Information on the Company — Business Overview — Regulation." We have filed suit against Apotex, Dr. Reddy's Laboratories and Teva for infringement of our patent rights. See "Item 8. Financial Information — Consolidated Financial Statements and Other Financial Information — Information on Legal and Arbitration Proceedings" and Note D.22(b) to our consolidated financial statements included in this annual report at Item 18. The Plavix® patent rights are material to our business, and if we were unsuccessful in asserting them or they were deemed invalid, any resulting introduction of a generic version of Plavix® in the United States would reduce the price that we receive for this product and the volume of the product that we would be able to sell, and could materially adversely affect our business, results of operations and financial condition.

As a reference, the developed sales of Plavix® in 2005 in the United States amounted to €2,585 million out of total worldwide developed sales of sanofi-aventis for all products of €30,778 million. "Developed sales" is a non-GAAP financial measure we use to demonstrate the overall trends for our products in the market, and which consists of sales of our products, excluding sales to our alliance partners, and of sales that are made through our alliances but which are not included in our consolidated sales. In 2005, sanofi-aventis' share of the profits of the

Plavix® and Aprovel® alliance entities managed by BMS in North America amounted to €404 million after taxes. See "Item 5. Operating and Financial Review and Prospects — Results of Operations — Year Ended December 31, 2005 Compared with Year Ended December 31, 2004" herein for additional information as well as a derivation of "developed sales."

Allegra®: We have been notified that seven generic pharmaceutical companies are seeking FDA approval to market generic versions of Allegra® products in the United States. We have filed patent infringement lawsuits against all of these companies. Two of these companies, Barr and Teva, announced in September 2005, that they were launching their generic version of Allegra® immediately without first waiting for the judgment in the pending patent litigation. Although we continue to assert our patent rights against these companies, this generic launch has already resulted in a substantial decline in the Group's sales of Allegra®, which dropped to €160 million in the last quarter of 2005 compared to €373 million in the last quarter of the preceding year.

Lovenox®: In June 2003, we were notified that both Amphastar Pharmaceuticals and Teva Pharmaceuticals were seeking approval from the FDA for purportedly generic versions of Lovenox® and are challenging the patent protection of this product. In June 2005, the U.S. District Court for the Central District of California granted Amphastar's request for a summary judgment ruling our patent unenforceable on the grounds of inequitable conduct. Although we are appealing this decision, if we do not succeed in having the lower court decision overturned, we will no longer be able to assert our patent rights in the United States against purportedly generic versions of enoxaparin, the active ingredient of Lovenox®.

We are also involved in litigation challenging the validity or enforceability of patents related to a number of other products in the United States and the European Union, and challenges to other products may be expected in the future. We can give no assurance that as a result of these challenges we will not face generic competition for additional group products. See "Item 8. Financial Information — Consolidated Financial Statements and Other Financial Information — Information on Legal or Arbitration Proceedings" and Note D.22(b) to our consolidated financial statements included in this annual report at Item 18 for additional information.

Product liability claims could adversely affect our business, results of operations and financial condition.

Product liability is a significant commercial risk for us, and may become a more significant risk as we expand in the United States (where product liability claims can be particularly costly). Substantial damage awards have been made in certain jurisdictions against pharmaceutical companies based upon claims for injuries allegedly caused by the use of their products. Several pharmaceutical companies have recently recalled or withdrawn products from the market based on actual or suspected product risks, and currently face significant product liability claims. We are currently defending a number of product liability claims (see Note D.22 to the consolidated financial statements included at Item 18 of this annual report and "Item 8. Financial Information — Information on Legal or Arbitration Proceedings."), and there can be no assurance that the Group will not face additional claims in the future. Although we maintain insurance to cover the risk of product liability, we cannot be certain that our insurance will be sufficient to cover all potential liabilities. Further, we face a general trend in the insurance industry to exclude certain products from coverage and to reduce insured limits for liabilities, causing companies to rely increasingly on self-insurance. Substantial product liability claims, if successful, could adversely affect our business, results of operations and financial condition.

Use of biologically derived ingredients may face consumer resistance, which could adversely affect sales and cause us to incur substantial costs.

In line with industry practice, we manufacture our vaccines and many of our prescription pharmaceutical products with ingredients derived from animal or plant tissue. Most of these products cannot be made economically, if at all, with synthetic ingredients. We subject our products incorporating these ingredients to extensive tests and believe them to be safe. There have been instances in the past where the use of biologically derived ingredients by sanofi-aventis or its competitors has been alleged to be an actual or theoretical source of harm, including infection or allergic reaction, or instances where production facilities have been subject to prolonged periods of closure because of possible contamination. Such allegations have on occasion led to damage claims and increased consumer resistance to such ingredients. A substantial claim of harm caused by a product incorporating biologically derived ingredients or a contamination event could lead us to incur potentially substantial costs as a result of, among other things, litigation of claims, product recalls, adoption of additional

safety measures, manufacturing delays, investment in consumer education, and development of synthetic substitutes for ingredients of biological origin. Such claims could also generate consumer resistance, with a corresponding adverse effect on sales and results of operations.

We face uncertainties over the pricing of pharmaceutical products.

The commercial success of our products depends in part on the conditions under which our products are reimbursed. Price pressure is strong due to:

- price controls imposed by governments in many countries;
- removal of a number of drugs from government reimbursement schemes; and
- the tendency of governments and private health care providers to favor generic pharmaceuticals.

Price pressure is considerable in our two largest markets, Europe and the United States, which represented approximately 44% and 35%, respectively, of our net sales in 2005. Changes in the pricing environments in the United States or Europe (on an individual country basis) could have a significant impact on our sales and results of operations. See “Item 4. Information on the Company — Business Overview — Pricing” for a description of certain regulatory pricing systems that affect our Group.

Our results may also be adversely affected by parallel imports, a practice by which traders exploit price differentials among markets by purchasing in lower-priced markets for resale in higher-priced markets.

Changes in the marketing status or competitive environment of our major products could adversely affect our results of operations.

In some cases, pharmaceutical products face the risk of being switched from prescription drug status to over-the-counter (OTC) drug status by national regulatory authorities. OTC drugs may not benefit from the same reimbursement schemes and are generally priced significantly lower than brand-name prescription drugs. The competitive environment for our products could also be adversely affected if generic or OTC versions of competitors’ products were to become available.

Risks from the handling of hazardous materials could adversely affect our results of operations.

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

- fires and/or explosions from inflammable substances;
- storage tank leaks and ruptures; and
- discharges or releases of toxic or hazardous 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 our operating results.

Although we maintain property, business interruption and casualty insurance that we believe is in accordance with customary industry practices, we cannot assure you that this insurance will be adequate to cover fully all potential hazards incidental to our business. For more detailed information on environmental issues, see “Item 4. Information on the Company — Business Overview — Health, Safety and Environment.”

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

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

- that we currently own or operate;
- that we formerly owned or operated; or
- where waste from our operations was disposed.

These environmental remediation obligations could significantly reduce our operating results. In particular, our accruals for these obligations may be insufficient if the assumptions underlying these accruals prove incorrect or if we are held responsible for additional, currently undiscovered contamination. Sanofi-aventis accrues reserves for remediation when our management believes the need is probable and that it is reasonably possible to estimate the cost. These judgments and estimates may later prove inaccurate, and any shortfalls could have a material adverse effect on our results of operations. See “Item 4. Information on the Company — Business Overview — Health, Safety and Environment” for additional information regarding our environmental policies.

Furthermore, we are or may become involved in claims, lawsuits and administrative proceedings relating to environmental matters. Some current and former sanofi-aventis 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 the United States, France, Germany, Brazil and elsewhere. As a matter of statutory or contractual obligation, we and/or our subsidiaries may retain responsibility for environmental liabilities at some of the sites our predecessor companies, or our subsidiaries that we demerged, divested or may divest. We are currently involved, for example, in litigation with Albemarle and Rhodia over environmental remediation at several sites no longer owned by the Group. An adverse outcome in any of these might have a significant adverse effect on our operating results. See Note D.22(e) to the consolidated financial statements included at Item 18 of this annual report.

Finally, stricter environmental, safety and health laws and enforcement policies could result in substantial costs and liabilities to our Group and could subject our handling, manufacture, use, reuse or disposal of substances or pollutants 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 our business, results of operations or financial condition.

Risks Relating to an Investment in our Shares or ADSs

Foreign exchange fluctuations may adversely affect the U.S. dollar value of our ADSs and dividends (if any).

As a holder of ADSs, you may face exchange rate risk. Our ADSs trade in U.S. dollars and our shares trade in euro. The value of the ADSs and our shares could fluctuate as the exchange rates between these currencies fluctuate. If and when we do pay dividends, they would be denominated in euro. Fluctuations in the exchange rate between the euro and the U.S. dollar will affect the U.S. dollar amounts received by owners of ADSs upon conversion by the depositary of cash dividends, if any. Moreover, these fluctuations may affect the U.S. dollar price of the ADSs on the New York Stock Exchange (NYSE), whether or not we pay dividends in addition to the amounts, if any, that you would receive upon our liquidation or upon the sale of assets, merger, tender offer or similar transactions denominated in euro or any foreign currency other than U.S. dollars.

If you hold ADSs rather than shares it may be difficult for you to exercise some of your rights as a shareholder.

As a holder of ADSs, it may be more difficult for you to exercise your rights as a shareholder than it would be if you directly held shares. For example, if we offer new shares and you have the right to subscribe for a portion of

them, the depositary is allowed, at its own discretion, to sell for your benefit that right to subscribe for new shares instead of making it available to you. Also, to exercise your voting rights, as a holder of ADSs, you must instruct the depositary how to vote your shares. Because of this extra procedural step involving the depositary, the process for exercising voting rights will take longer for you, as a holder of ADSs, than for holders of shares. ADSs for which the depositary does not receive timely voting instructions will not be voted at any meeting.

Our two largest shareholders own a significant percentage of the share capital and voting rights of sanofi-aventis.

At December 31, 2005, Total and L'Oréal, our two largest shareholders, held approximately 12.7% and 10.2% of our issued share capital, respectively, accounting for approximately 19.5% and approximately 17.4%, respectively, of the voting rights of sanofi-aventis. See "Item 7. Major Shareholders and Related Party Transactions — Major Shareholders — Shareholders' Agreement."

To the extent these shareholders continue to hold a large percentage of our share capital and voting rights, Total and L'Oréal will remain in a position to exert heightened influence in the election of the directors and officers of sanofi-aventis and in other corporate actions that require shareholders' approval. Continued ownership of a large percentage of the share capital and voting rights of sanofi-aventis by these two principal shareholders, affiliates of whom may also continue to be members of the sanofi-aventis board of directors, may have the effect of delaying, deferring or preventing a future change in the control of sanofi-aventis and may discourage future bids for sanofi-aventis other than with the support of these shareholders.

Sales of our shares may cause the market price of our shares or ADSs to decline.

Neither Total nor L'Oréal are, to our knowledge, subject to any contractual restrictions on the sale of the shares each holds in our Company. Sales of a substantial number of our shares, or a perception that such sales may occur, could adversely affect the market price for our shares and ADSs.