



GLOBAL MARKETS
SUMMARY OF INVESTMENT ANALYSIS

Name of the company: Sanofi-Aventis SA (ADR)
Ticker (Exchange)/Price of share: SNY (NYSE)/ 37.21 USD
Sector: Healthcare
Industry: Biotechnology and drugs

Description:

Sanofi-Aventis is a pharmaceutical group engaged in the research, development, manufacture and marketing of healthcare products. The company's business includes two main activities: pharmaceuticals and human vaccines. In its pharmaceutical segment, Sanofi-Aventis is specialized in six therapeutic areas: thrombosis, cardiovascular, metabolic disorders, oncology, central nervous system and internal medicine. The company offers vaccines in five areas: pediatric combination vaccines, influenza vaccines, adult and adolescent booster vaccines, meningitis vaccines, travel and endemic vaccines. Sanofi Aventis was founded in 1970 with headquarters in Paris, France.

Commentary:

- On September 24 Sanofi-Aventis SA announced the results of joint research of the vaccine against HIV virus, which was held in Thailand in the last 6 years. Phase III of the clinical trial demonstrated that the studied effects of HIV vaccines are safe and effective, and prevent HIV infection. Sanofi Aventis has produced vaccine Alvac HIV, which was used in combination with AidsVax B/E, manufactured by the company VaxGen. The study included more of 16,000 adult volunteers in Thailand.
- According to final results from the published study, the initial combination of both vaccines reduced the level of HIV infection by 31.2%.
- Even a modest the reduction in the risk of infection with HIV virus statistically is significant. These are the first concrete evidence after the discovery of the virus in 1983 that ultimately it is impossible not to have a vaccine against HIV, said senior vice president of Sanofi Pasteur, the primary manufacturer of the vaccine.
- Several days earlier, the company announced that it has received an additional contract from the U.S. Health Department to produce a vaccine against the virus of swine flue A (H1N1). The new contract for production of the antigen is equivalent to 27.3 million doses. So far Sanofi has committed to supply to the U.S. government a total of EUR 75.3 million doses of vaccine.
- During the second quarter of 2009, the company generated sales of 7.438 million, euro, an increase of 11.2 %, for six-month period this is an increase of 6.7% to 14.545 million, compared with the same period last year. Despite the global financial crisis, the pharmaceutical sector is one of the most profitable at the moment.
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Graph:



Short-term target price, defined using both technical and fundamental analysis: \$ 44,50*

- After the end of July the company announced increase in profit for the second quarter by 4.9%, the company increased its outlook for the whole 2009. At the moment it expects increase in EPS at least 10%



* A potential risk for the company and for the stock price could be the following: slowing economy, decreasing revenues, lower cash flows, decreasing recommendations of analysts and others. Due to a great number of factors reaching the target price is not guaranteed, all data are based on the expectations for the company development. In case of short-term speculations and abrupt changes we recommend selling in order to minimize the loss to 10%.

Basic fundamental data:

Market Capitalization:	97.16 bln. USD	P/E (price/earnings) TTM:	15.98
Beta:	0.60	P/S (price/sales) TTM:	2.22
ROA:	5.14%	P/B (price/book value) TTM:	1.49
ROE:	9.66%	Net Profit margin 5y. Average:	12.42%

Main competitors and related companies:

Roche Holding Ltd. (ADR)
Pfizer Inc.
Novartis AG (ADR)
GlaxoSmithKline plc (ADR)
Merck & Co., Inc.
Bayer AG (ADR)

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Sources: www.bloomberg.com, www.reuters.com, www.yahoo.com; www.biqcharts.com,

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