SANOFI-AVENTIS
Form 11-K
June 28, 2010
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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11- K

(Mark One)

x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

or

o TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the transition period from to

Commission file number 1-18378

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

sanofi-aventis U.S. Savings Plan

55 Corporate Drive

Bridgewater, NJ 08807-5925

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

SANOFI-AVENTIS

174 AVENUE DE FRANCE

Paris, France 75013

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FINANCIAL STATEMENTS AND
SUPPLEMENTAL SCHEDULE

sanofi-aventis U.S. Savings Plan
Years Ended December 31, 2009 and 2008
With Report of Independent Auditors

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sanofi-aventis U.S. Savings Plan

Financial Statements
and Supplemental Schedule

December 31, 2009 and 2008

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Report of Independent Registered Public Accounting Firm

The Pension Committee

sanofi-aventis U.S. Savings Plan

We have audited the accompanying statements of net assets available for benefits of the sanofi-aventis U.S. Savings Plan as of December 31, 2009 and 2008, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan s internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2009 and 2008, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2009 is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan s management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young, LLP

Metropark, New Jersey

June 25, 2010

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sanofi-aventis U.S. Savings Plan

Statements of Net Assets Available for Benefits

	December 31 2009	2008
Assets		
Investments at fair value:		
Investment in Master Trust	**$ 551,135,970**	$ 461,897,774
Mutual funds	**1,630,084,399**	1,137,731,892
Common and commingled trusts	**73,625,311**	53,448,412
Participant loans	**32,326,886**	30,927,861
	2,287,172,566	1,684,005,939
Income receivable	**541,118**	515,958
Plan conversion receivable		682,417
Contributions receivable employee	**2,961,303**	3,210,099
Contributions receivable employer	**9,965,621**	10,449,982
	13,468,042	14,858,456
Total assets	**2,300,640,608**	1,698,864,395
Liabilities		
Accrued expenses	**34,010**	32,649
Net assets reflecting investments at fair value	**2,300,606,598**	1,698,831,746
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	**(10,259,172)**	4,032,465
Net assets available for benefits	**$ 2,290,347,426**	$ 1,702,864,211

See accompanying notes.

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sanofi-aventis U.S. Savings Plan

Statements of Changes in Net Assets Available for Benefits

	Year Ended December 31	
	2009	**2008**
Investment Activity		
Contributions:		
Employee	**$ 122,316,886**	$ 127,771,881
Employer	**102,085,969**	100,122,504
Investment income:		
Interest and dividends	**35,847,941**	59,513,266
Net realized and unrealized appreciation (depreciation) in fair value of investments	**380,605,223**	(712,105,392)
Net investment income (loss) from Master Trust	**62,506,328**	(10,723,927)
Transfer from other plans	**31,034**	2,099,015
Total additions	**703,393,381**	(433,322,653)
Deductions		
Distributions	**115,154,190**	134,381,743
Fees and administrative expenses	**653,836**	354,136
Transfer to other plans	**102,140**	252,200
Total deductions	**115,910,166**	134,988,079
Increase (decrease) in net assets available for benefits	**587,483,215**	(568,310,732)
Net assets available for benefits at beginning of year	**1,702,864,211**	2,271,174,943
Net assets available for benefits at end of year	**$ 2,290,347,426**	$ 1,702,864,211

See accompanying notes.

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sanofi-aventis U.S. Savings Plan

Notes to Financial Statements

December 31, 2009

1. Description of the Plan

The following description of the sanofi-aventis U.S. Saving Plan (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan s provisions.

Plan Description

The Plan is a defined contribution plan that covers substantially all employees of sanofi-aventis U.S. Inc. and sanofi-aventis U.S. LLC (the Company) as they meet the prescribed eligibility requirements. All employees are eligible to participate in the Plan beginning on the first day of employment. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Master Trust

Effective January 1, 2008, sanofi-aventis U.S. LLC, sanofi-aventis Puerto Rico Inc. and T. Rowe Price Trust Company (the Trustee) entered into an amended and restated Master Trust Agreement (the Master Trust) to serve as a funding vehicle for certain commingled assets of the Plan and the sanofi-aventis Puerto Rico Savings Plan (the Puerto Rico Savings Plan). Accordingly, certain assets of the Plan are maintained, for investment purposes only, on a commingled basis with the assets of the Puerto Rico Savings Plan. The investments included in the Master Trust are mutual funds, company stock, and guaranteed investments contracts. Neither plan has any interest in the specific assets of the Master Trust, but maintains beneficial interests in such assets. The portion of assets, net earnings, gains and/or losses and administrative expenses allocable to each plan is based upon the relationship of the Plan s beneficial interest in the Master Trust to the total beneficial interest of all plans in the Master Trust (see Note 5).

Trustee and Recordkeeper

The T. Rowe Price Trust Company is the Plan s trustee. The Trustee is party to the Master Trust agreement discussed above which governs and maintains the Plan s commingled assets, as well as a general trust agreement for all other Plan assets. T. Rowe Price Retirement Plan Services

Inc. is the Plan s recordkeeper (see Note 8).

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sanofi-aventis U.S. Savings Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Plan Administration

The sanofi-aventis U.S. Administrative Committee (the Committee), as appointed by the Company s Pension Committee, is responsible for the general administration of the Plan. The Board of Directors has appointed the Trustee with the responsibility for the administration of the Trust Agreement and the management of the assets.

Participant Accounts

Each participant s account is credited with the participant s contributions and allocations of the Company s contributions and plan earnings, and is charged with an allocation of administrative expenses. Allocations are based on participant earnings or account balances. Forfeited balances of terminated participants nonvested accounts are used to reduce future company contributions. Unallocated forfeitures balances as of December 31, 2009 and 2008 were approximately $154,852 and $753,776, respectively, and forfeitures used to reduce Company contributions for 2009 were approximately $916,641. The benefit to which a participant is entitled upon leaving the Company is the benefit that can be provided from the participant s account.

Contributions

The Plan provides that participants may make elective deferral contributions, which allows participants to save up to 30% of their eligible pay for 2009 and 2008 in whole percentages (up to the allowable IRS annual maximum $16,500 and $15,500 for 2009 and 2008, respectively) on a pre-tax basis, pursuant to Internal Revenue Code (IRC) Section 401(k). Employees of 50 or older may make a catch-up contribution of up to $5,500 and $5,000 for 2009 and 2008, respectively. After tax contributions of up to 70% are also available.

Plan participants may make a direct or indirect rollover contribution to the Plan from a former employer s tax qualified plan. Participants can also rollover IRA distributions (excluding minimum required distributions and nondeductible contributions).

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sanofi-aventis U.S. Savings Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Contributions (continued)

The Company provides a matching contribution based upon a participant s years of service and the total amount of their pre-tax, after-tax, and catch-up contributions. The Company match contribution is up to a maximum of 6% of eligible compensation in 3 tiers according to service years shown in the table below:

Years of Service	Company Match of Employee Contribution
0 2	100%
3 6	125%
7 years or more	150%

Effective January 1, 2009, the Plan was amended so that years of services are adjusted in January and July of each year. There are certain defined limitations on the amount of contributions that may be credited to a participant s account and the annual amount of the Company contribution is limited to the maximum deductible for federal income tax purposes.

Upon plan enrollment, a participant may direct employee contributions into any of the Plan s fund options. Participants may change their investment options at any time. The Company s contributions are allocated in the same manner as that of the participant s elective contributions.

Vesting

Participants are always 100% vested in their pre-tax, catch up, and after-tax contributions accounts (contributions and related earnings). Employees who were participants on or before December 31, 2005 are 100% vested in their Company matching contribution account (contribution and related earnings). Employees hired on or after January 1, 2006 are 100% vested in their Company matching contribution account after three years of service.

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sanofi-aventis U.S. Savings Plan

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Distributions

Plan participants who leave the Company as a result of death, disability, retirement, or termination may choose one or a combination of the following distribution methods: receive the entire amount of their account balance in one lump-sum payment or receive the distribution in the form of recurring annual installments over a period of between three and fifteen years. If a participant dies, the participant s designated beneficiary will receive the payments.

In-service withdrawals are available in certain limited circumstances, as defined by the Plan.

Participants Loans

Plan participants may borrow from $1,000 up to a maximum equal to the lesser of 50% of the value of their account balance or $50,000 less their highest outstanding loan balance in the preceding 12 months, subject to certain limitations described in the plan document. Loans bear interest at a rate commensurate with the prevailing market rate, as determined by the Plan Administrator. Currently, interest rates associated with participant loans range from 5.0% to 10.5%. Loan balances are payable in semi-monthly installments generally over a term of up to five years. A participant may not have more than three loans outstanding at any point in time. Extended terms of up to 15 years are available should the loan relate to the purchase of a primary residence.

Fees and Administrative Expenses

All expenses incidental to the maintenance and administration of the Plan are paid by the Plan, unless they are paid by the Company.

Transfers from/to Other Plans

The Plan allows transfers between plans within the Plan sponsor. Transfers from the former Roussel Corporation Savings Plan to the Plan were $13,363 and $682,417 for the years ended December 31, 2009 and 2008, respectively. Transfers from the Plan to the Puerto Rico Savings Plan were $102,140 and $252,200 for the years ended December 31, 2009 and 2008, respectively. For the year ended December 31, 2009, the transfer to the Plan from Puerto Rico Savings Plan was $17,671. For the year ended December 31, 2008, the transfer to the Plan from the former sanofi-aventis Hourly Savings Plan was $1,416,598.

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sanofi-aventis U.S. Savings Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

Benefit Payments

Benefits are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes and supplemental schedule. Actual results could differ from those estimates.

Reporting of Fully Benefit Responsive Investment Contracts

Investment contracts held by a defined contribution plan, such as those that are part of the Stable Value Fund investment option of the Plan included in the Master Trust, are required to be reported at fair value rather than contract value, with an offsetting asset or liability in the Statements of Net Assets Available for Benefits to reflect the investment at contract value. The Statement of Changes in Net Assets Available for Benefits, however, is prepared on a contract value basis because contract value is the amount participants would receive if they were to transfer amounts out of this investment option or receive a distribution from the Plan. The contract value of the fully-benefit responsive investment contracts represents contributions plus earnings, less participant withdrawals and administrative expenses.

Investment Valuation and Income Recognition

The fair value of the Plan s interest in the Master Trust is based on the beginning of year value of the Plan s interest in the trust plus actual contributions and allocated investment income or loss less actual distributions and allocated administrative expenses. Quoted market prices are used to value mutual fund investments in the Master Trust.

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sanofi-aventis U.S. Savings Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition (continued)

The Plan s investments in mutual funds and common and commingled trusts are stated at fair value. Quoted market prices are used to value mutual fund investments. Shares of mutual funds are valued at the net asset value of shares held by the Plan at year-end. Common and commingled trusts are valued at the net asset value of shares held by the Plan at year end for the underlying securities in all of the Master Trust s commingled accounts. Participant loans are valued at their outstanding balances, which are not materially different from fair value. Securities transactions are recorded on the trade-date (the day the order to buy or sell is executed). Dividend income is recorded on the ex-dividend date.

The Stable Value Fund, which is included in the Master Trust, invests primarily in investment contracts issued by high-quality insurance companies and banks as rated by T. Rowe Price Associates, Inc. (the advisor to the Master Trust s sponsor). These are interest bearing contracts in which the principal and interest are guaranteed by the issuing companies. The contracts are considered fully benefit-responsive and comprised of Guaranteed Investment Contracts (GICs) and Synthetic GICs. The investments in Synthetic GICs are presented at fair value on the table of the investments held in the Master Trust (see Note 5). The fair value of GICs equals the total of the fair value of the underlying assets calculated using the present value of contract cash flows. The fair value of Synthetic GICs equals the total of the fair value of the underlying assets plus the total wrap rebid value. The wrapper rebid value is $468,988 and $434,639 at December 31, 2009 and 2008, respectively.

The Stable Value Fund is credited with earnings on the underlying investments and charged for participant withdrawals and administrative expenses. The issuers of the Synthetic GICs are contractually obligated to repay the principal and a specified interest rate that is guaranteed to the Plan. The fund deposits a lump sum with the issuer and receives a guaranteed interest rate for a specified time. Interest is accrued on either a simple interest or fully compounded basis and paid either periodically or at the end of the contract term. There are currently no reserves against contract values for credit risk of the contract issuers or otherwise.

Certain events could limit the ability of the Plan to transact at contract value with the issuer. Such events include the following: (i) amendments to the plan documents (including complete or partial plan termination or merger with another plan); (ii) changes to plan s prohibition on competing investment options or deletion of equity wash provisions; (iii) bankruptcy of the plan sponsor or other plan sponsor events (e.g. divestures or spin-offs of a subsidiary) which cause a

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sanofi-aventis U.S. Savings Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investment Valuation and Income Recognition (continued)

significant withdrawal from the Plan or (iv) the failure of the trust to qualify for exemption from federal income taxes or any required prohibited transaction exemption under ERISA. The Plan Administrator does not believe that the occurrence of any such event, which would limit the Plan s ability to transact at contract value with participants, is probable.

The Synthetic GICs do not permit the insurance companies to terminate the agreement prior to the scheduled maturity date. Each contract is subject to early termination penalties that may be significant.

The average crediting rate for the investment contracts was 4.66% and 4.27% and the average yield was 4.33% and 3.68% during 2009 and 2008, respectively. The Plan s interest in the GICs within the Master Trust was approximately 99% at December 31, 2009 and 2008.

New Accounting Pronouncements

In April 2009, the Financial Accounting Standards Board (FASB) issued FASB Staff Position 157-4*, Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly* (FSP 157-4). FSP 157-4 amended FASB Statement No. 157 (codified as Accounting Standards Codification (ASC) 820) to provide additional guidance on estimating fair value when the volume and level of activity for an asset or liability have significantly decreased in relation to its normal market activity. FSP 157-4 also provided additional guidance on circumstances that may indicate that a transaction is not orderly and on defining major categories of debt and equity securities to comply with the disclosure requirements of ASC 820. The Plan adopted the guidance in FSP 157-4 for the reporting period ended December 31, 2009. Adoption of FSP 157-4 did not have a material effect on the Plan s net assets available for benefits or its changes in net assets available for benefits as of and for the year ended December 31, 2009.

In May 2009, the FASB issued FASB Statement No. 165, *Subsequent Events,* which was codified into ASC 855, *Subsequent Events,* to provide general standards of accounting for and disclosure of events that occur after the statement of net assets available for benefits date, but before financial statements are issued or are available to be issued. ASC 855 was amended in February 2010. The Plan has adopted ASC 855, as amended.

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sanofi-aventis U.S. Savings Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements (continued)

In September 2009, the FASB issued Accounting Standards Update 2009-12, *Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent)* (ASU 2009-12). ASU 2009-12 amended ASC 820 to allow entities to use net asset value (NAV) per share (or its equivalent), as a practical expedient, to measure fair value when the investment does not have a readily determinable fair value and the net asset value is calculated in a manner consistent with investment company accounting. The Plan adopted the guidance in ASU 2009-12 for the reporting period ended December 31, 2009 and has utilized the practical expedient to measure the fair value of its common and commingled trusts investments which are within the scope of this guidance based on the investment s NAV. In addition, as a result of adopting ASU 2009-12, the Plan has provided additional disclosures regarding the nature and risks of investments within the scope of this guidance (refer to Note 3). Adoption of ASU 2009-12 did not have a material effect on the Plan s net assets available for benefits or its changes in net assets available for benefits as of and for the year ended December 31, 2009.

In January 2010, the FASB issued Accounting Standards Update 2010-06, *Improving Disclosures about Fair Value Measurements,* (ASU 2010-06). ASU 2010-06 amended ASC 820 to clarify certain existing fair value disclosures and require a number of additional disclosures. The guidance in ASU 2010-06 clarified that disclosures should be presented separately for each class of assets and liabilities measured at fair value and provided guidance on how to determine the appropriate classes of assets and liabilities to be presented. ASU 2010-06 also clarified the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. In addition, ASU 2010-06 introduced new requirements to disclose the amounts (on a gross basis) and reasons for any significant transfers between Levels 1, 2 and 3 of the fair value hierarchy and present information regarding the purchases, sales, issuances and settlements of Level 3 assets and liabilities on a gross basis. With the exception of the requirement to present changes in Level 3 measurements on a gross basis, which is delayed until 2011, the guidance in ASU 2010-06 becomes effective for reporting periods beginning after December 15, 2009. Plan management is currently evaluating the effect that the provisions of ASU 2010-06 will have on the Plan s financial statements.

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sanofi-aventis U.S. Savings Plan

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Risks and Uncertainties

The Plan provides for various investment options representing varied combinations of stocks, bonds, fixed income securities, mutual funds and other investment securities. Investment securities are exposed to various risks, such as interest rate, market volatility and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants account balances and the amounts reported in the statements of net assets available for benefits.

3. Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets and liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;

- Quoted prices for identical or similar assets or liabilities in inactive markets;

- Inputs other than quoted prices that are observable for the asset or liability;

- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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sanofi-aventis U.S. Savings Plan

Notes to Financial Statements (continued)

3. Fair Value Measurement (continued)

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 inputs include management s own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

The asset s or liability s fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The valuation technique used needs to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2009.

Mutual funds: Valued at the net asset value (NAV) of shares held by the Plan at year end, which are based on quoted market prices.

Participant loans: Valued at amortized cost, which approximates fair value.

Guaranteed investment contracts: Valued at fair value by discounting the related cash flows based on current yields of a similar instrument with comparable durations considering the credit-worthiness of the issuer (See Note 2 regarding the Stable Value fund).

Company stock: Valued at the net asset value (NAV) of shares held by the Plan at year end for the underlying publicly traded securities held in all of the Master Trust s separate accounts.

Common and commingled trusts: Valued at the net asset value (NAV) of shares held by the Plan at year end for the underlying securities held in all of the Master Trust s commingled accounts.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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sanofi-aventis U.S. Savings Plan

Notes to Financial Statements (continued)

3. Fair Value Measurements (continued)

The following tables sets forth by level, within the fair value hierarchy, the Plan s assets at fair value as of December 31, 2009 and December 31, 2008, respectively:

	Assets at Fair Value as of December 31, 2009			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds:				
Lifecycle funds(a)	$ 954,861,188			$ 954,861,188
U.S. equities and bonds	675,223,211			675,223,211
Common and commingled trusts:				
Wellington Lg Cap Research Fund(b)		$ 73,625,311		73,625,311
Participant loans			$ 32,326,886	32,326,886
Total assets at fair value	$ 1,630,084,399	$ 73,625,311	$ 32,326,886	$ 1,736,036,596

	Assets at Fair Value as of December 31, 2008			
	Level 1	**Level 2**	**Level 3**	**Total**
Mutual funds:				
Lifecycle funds(a)	$ 673,548,989			$ 673,548,989
U.S. equities and bonds	464,182,903			464,182,903
Common and commingled trusts:				
Wellington Lg Cap Research Fund(b)		$ 53,448,412		53,448,412
Participant loans			$ 30,927,861	30,927,861
Total assets at fair value	$ 1,137,731,892	$ 53,448,412	$ 30,927,861	$ 1,222,108,165

(a) This category includes investments in highly diversified funds designed to remain appropriate for investors in terms of risk throughout a variety of life circumstances.

(b) This common/collective trust has the goal of first growing and then later preserving principal and contains a mix of U.S. common stocks, U.S. issued bonds and cash. There are currently no redemption restrictions on this investment. The fair value of the investment in this category has been estimated using the net asset value per share.

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sanofi-aventis U.S. Savings Plan

Notes to Financial Statements (continued)

3. Fair Value Measurements (continued)

The table below sets forth a summary of changes in the fair value of the Plan s level 3 assets.

	Year Ended December 31			
	2009 Participant Loans		2008 Participant Loans	
Balance at beginning of year	**$**	**30,927,861**	$	28,790,672
Purchase, sales, issuances and settlements (net)		**1,399,025**		2,137,189
Balance at end of year	**$**	**32,326,886**	$	30,927,861

4. Investments

The following table presents the fair value of investments that represent 5 percent or more of the net assets available for benefits:

	December 31			
	2009		2008	
Master Trust				
Guaranteed investment contracts**	**$**	**329,625,409**	$	311,792,563
Mutual Funds				
AF Growth of America		**126,860,396**		*
PIMCO Total Return Fund		**130,783,806**		95,312,621
Retirement 2020		**156,596,174**		111,619,393
Retirement 2025		**165,382,025**		116,612,616
Retirement 2030		**190,506,371**		130,548,514
Retirement 2035		**130,741,482**		*
T. Rowe Price Small Cap Stock Fund		**118,576,856**		*

* *Asset balances did not represent 5% or more of the net assets available for benefits*

** *No individual contract accounts for more than 5% of net assets available for benefits.*

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sanofi-aventis U.S. Savings Plan

Notes to Financial Statements (continued)

4. Investments (continued)

The Plan s investments (including investments bought, sold, and held during the year) appreciated (depreciated) as follows:

	Year Ended December 31	
	2009	**2008**
Mutual funds	**$ 363,277,418**	$ (673,904,034)
Common and commingled trusts	**17,327,805**	(38,201,358)
	$ 380,605,223	$ (712,105,392)

5. Master Trust

At December 31, 2009 and 2008, the Plan s interest in the Master Trust was approximately 98.9% and 98.7%, respectively.

The following table presents the fair value of investments held in the Master Trust:

	Year Ended December 31	
	2009	**2008**
Investments		
Company stock	**$ 82,232,794**	$ 66,155,567
Mutual funds:		
International equities	**100,134,450**	60,974,304
Stable value fund:(a)		
Short-term investment fund(b)	**40,669,224**	23,996,183
Synthetic guaranteed investment contracts	**320,738,143**	292,958,497
Guaranteed investment contracts	**13,706,592**	23,870,616
Total assets	**557,481,203**	467,955,167
Adjustment from fair value to contract value for fully benefit-responsive investment contracts	**(10,409,172)**	4,097,610
	$ 547,072,031	$ 472,052,777

(a) This category includes a common/collective trust fund that is designed to deliver safety and stability by preserving principal and accumulating earnings. This fund is primarily invested in guaranteed investment contracts and synthetic investment contracts. Participant-directed redemptions have no restrictions; however, the Plan is required to provide a one-year redemption notice to liquidate its entire share in the fund. The fair value of this fund has been estimated based on the fair value of the underlying investment contracts in the fund as reported by the issuer of the fund. The fair value differs from the contract value. As previously described in Note 2, contract value is the relevant measurement basis attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan.

(b) This category includes a common/collective trust fund that is designed to protect capital with low-risk investments and includes cash, bank notes, corporate notes, government bills and various short-term debt instruments. There are currently no redemption restrictions on this investment. The fair value of the investment in this category has been estimated using the net asset value per share.

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sanofi-aventis U.S. Savings Plan

Notes to Financial Statements (continued)

5. Master Trust (continued)

The following table presents the investment income (loss) for the Master Trust:

	Year Ended December 31	
	2009	**2008**
Dividends	**$ 2,316,320**	$ 2,458,806
Interest	**14,284,462**	14,090,787
Net depreciation in fair value of Common stock and Mutual funds	**46,333,284**	(27,282,562)
	$ 62,934,066	$ (10,732,969)

The following table sets forth by level, within the fair value hierarchy, the Master Trust assets at fair value as of December 31, 2009 and 2008, respectively:

	Assets at Fair Value as of December 31, 2009			
	Level 1	**Level 2**	**Level 3**	**Total**
Company stock	$ 82,232,794			$ 82,232,794
Mutual fund:				
International equities		$ 100,134,450		100,134,450
Stable value fund:				
Short-term investment fund	40,669,224			40,669,224
Synthetic guaranteed investment contracts		320,738,143		320,738,143
Guaranteed investment contracts			$ 13,706,592	13,706,592
Total assets at fair value	$ 122,902,018	$ 420,872,593	$ 13,706,592	$ 557,481,203

	Assets at Fair Value as of December 31, 2008			
	Level 1	**Level 2**	**Level 3**	**Total**
Company stock	$ 66,155,567			$ 66,155,567
Mutual fund:				
International equities		$ 60,974,304		60,974,304
Stable value fund:				
Short-term investment fund	23,996,183			23,996,183
Synthetic guaranteed investment contracts		292,958,497		292,958,497

Guaranteed investment contracts					$	23,870,616		23,870,616
Total assets at fair value	$	90,151,750	$	353,932,801	$	23,870,616	$	467,955,167

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sanofi-aventis U.S. Savings Plan

Notes to Financial Statements (continued)

5. Master Trust (continued)

The table below sets forth a summary of changes in the fair value of the Master Trust level 3 assets for the year ended:

	December 31	
	2009	**2008**
Balance at beginning of year	**$ 23,870,616**	$ 46,445,095
Realized gain (losses)	**195,083**	972,681
Unrealized gain relating to instruments still held at the reporting date	**(2,487)**	112,674
Purchase, sales, issuances and settlements (net)	**(10,432,724)**	(23,659,834)
Adjustment from fair value to contract value for fully benefit responsive investment contracts	**76,104**	
Balance at end of year	**$ 13,706,592**	$ 23,870,616

6. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated July 20, 2009, stating that the Plan is qualified under Section 401(a) of the IRC and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the Internal Revenue Service, the Plan was amended. Once qualified, the Plan is required to operate in conformity with the IRC to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the IRC and, therefore, believes that the Plan, as amended, is qualified and the related trust is tax exempt.

7. Reconciliation of Financial Statements to Form 5500

GICs and Synthetic GICs are reported at fair value for Form 5500 purposes. For financial statement purposes, such items are recorded at gross fair value and adjusted to net contract value. Such differing treatments result in a reconciling item between the total net assets available for benefits recorded on the Form 5500 and the total net assets available for benefits included in the accompanying financial statements.

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sanofi-aventis U.S. Savings Plan

Notes to Financial Statements (continued)

7. Reconciliation of Financial Statements to Form 5500 (continued)

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

	December 31, 2009		December 31, 2008	
Net assets available for benefits per the financial statements	**$**	**2,290,347,426**	$	1,702,864,211
Adjustment from fair value to contract value for fully benefit-responsive investment contracts		**10,259,172**		(4,032,465)
Net assets available for benefits per Form 5500	**$**	**2,300,606,598**	$	1,698,831,746

8. Party-In-Interest Transactions

Certain Plan investments are shares of mutual funds managed by T. Rowe Price Trust Company, the Trustee of the Plan. T. Rowe Price Retirement Plan Services Inc. is the recordkeeper of the Plan. Therefore, these transactions qualify as party-in-interest transactions.

The Plan also invests in shares of the Company. The Company is the plan sponsor and, therefore, these transactions qualify as party-in-interest transactions.

9. Termination of the Plan

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. Upon such termination of the Plan, the interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the IRC.

10. Subsequent Event

Subsequent to December 31, 2009, the Master Trust Agreement was amended such that the Sanofi Pasteur Inc. 401(k) Plan will become a participant in the Master Trust effective July 1, 2010.

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Supplemental Schedule

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sanofi-aventis U.S. Savings Plan

EIN: #36-4406953 Plan: #005

Schedule H, Line 4(i) Schedule of Assets (Held at End of Year)

December 31, 2009

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment	(d) Cost		(e) Current Value
	Mutual Funds				
*	Summit Cash Reserves Fund	Mutual fund 740,386 shares	**	$	740,386
*	AF Growth of America	Mutual fund 4,650,308 shares	**		126,860,396
*	PIMCO Total Return Fund	Mutual fund 12,109,612 shares	**		130,783,806
*	Principal U.S. Property Fund	Mutual fund 21 shares	**		9,141
*	Retirement 2005	Mutual fund 1,635,160 shares	**		17,071,072
*	Retirement 2010	Mutual fund 4,417,344 shares	**		61,621,944
*	Retirement 2015	Mutual fund 8,544,427 shares	**		91,169,035
*	Retirement 2020	Mutual fund 10,725,765 shares	**		156,596,174
*	Retirement 2025	Mutual fund 15,587,373 shares	**		165,382,025
*	Retirement 2030	Mutual fund 12,599,628 shares	**		190,506,369
*	Retirement 2035	Mutual fund 12,276,196 shares	**		130,741,482
*	Retirement 2040	Mutual fund 6,146,277 shares	**		93,116,103
*	Retirement 2045	Mutual fund 2,740,357 shares	**		27,677,605
*	Retirement 2050	Mutual fund 400,204 shares	**		3,393,726
*	Retirement Income Fund	Mutual fund 1,440,266 shares	**		17,585,651
*	Tradelink Investments	Mutual fund N/A shares	**		45,440,384
*	T. Rowe Price Small-Cap Stock Fund	Mutual fund 4,401,517 shares	**		118,576,856
*	Vanguard Inst Index Fund	Mutual fund 802,919 shares	**		81,881,697
*	Vanguard Mid-Cap Index, Inst	Mutual fund 6,074,660 shares	**		99,624,423
*	Vanguard Windsor II Admiral	Mutual fund 1,696,553 shares	**		71,306,124
	Total Mutual Funds			$	1,630,084,399
	Common and Commingled Trusts				
*	Wellington Management Large-Cap Research Fund	Commingled fund 8,300,486 shares	**		73,625,311
	Total Common and Commingled Trusts			$	73,625,311
	Loans				
*	Participant loans	Participant loans interest rates ranging from 5.0% to 10.5%	**	$	32,326,886

* *Indicates party-in-interest to the Plan.*

** *As permitted, cost information has been omitted for participant directed investments as the Plan maintains individual accounts for each participant.*

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan administrator has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

	SANOFI-AVENTIS U.S. SAVINGS PLAN	
Date: June 25, 2010	By:	/s/ Liz Donnelly Liz Donnelly, for the Retirement Plan Administrative Committee, Plan Administrator

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Exhibits

Exhibit No.	Document
23	Consent of Independent Registered Public Accounting Firm Ernst & Young LLP

balances and cash	269,420	269,420	241,796	241,796	25,718	25,718	3,709	3,709	11,470	11,470
Property, plant and equipment	8,198,754	7,347,394	4,723,925	3,929,268	626,551	552,971	303,255	303,255	4,224	4,224
Land use rights	1,328,452	412,525	1,312,397	186,236	81,075	20,104	12,420	12,420	32,707	32,707
Deferred income tax assets	–	109,888	–	3,727	–	–	–	–	–	–
Investment in an associate	136,243	136,243	–	–	–	–	–	–	–	–
Available-for-sale financial assets	–	–	–	–	2,746	2,746	–	–	105	105
Other non-current assets	26,824	25,181	–	–	406	406	–	–	207	207
Inventories	167,476	167,476	234,750	234,750	25,508	25,508	92	92	359	359
Receivables and other current assets	677,902	677,902	459,640	459,640	37,336	37,336	3,451	3,451	3,090	3,090
Payables and other current liabilities	(586,322)	(586,322)	(480,956)	(480,956)	(95,216)	(95,216)	(9,959)	(9,959)	(32,021)	(32,021)
Salary and welfare payables	(74,801)	(74,801)	(20,336)	(20,336)	(4,270)	(4,270)	–	–	(2,387)	(2,387)
Borrowings	(5,380,813)	(5,380,813)	(2,844,530)	(2,844,530)	(230,000)	(230,000)	(199,187)	(199,187)	(10,000)	(10,000)
Deferred income tax liabilities	(332,344)	–	(476,477)	–	(33,638)	–	–	–	–	–
Other non-current liabilities	(2,700)	(2,700)	(40,037)	(40,037)	(7,176)	(7,176)	(760)	(760)	–	–
Total identifiable net assets	4,428,091	3,101,393	3,110,172	1,669,558	429,040	328,127	113,021	113,021	7,754	7,754

	Chaohu Power		Ruijin Power		Anyuan Power		Jingmen Thermal Power		
	Fair value	Acquiree's carrying amount	Fair value	Acquiree's carrying amount	Fair value	Acquiree's carrying amount	Fair value	Acquiree's carrying amount	F
Bank balances and cash	30,210	30,210	53,381	53,381	188,402	188,402	61,508	61,508	87
Property, plant and equipment	3,170,347	2,598,201	2,028,220	1,942,631	3,330,391	3,323,710	2,467,152	2,465,509	1,6
Land use rights	4,603	3,344	52,269	53,909	89,264	89,264	6,615	6,784	76
Other non-current assets	230	230	294	294	83,030	83,030	88	88	–
Inventories	131,697	131,697	115,013	115,013	1,984	1,984	30,529	30,529	–
Receivables and other current assets	252,004	252,004	184,600	184,600	29,401	29,401	102,822	102,822	1,
Payables and other current liabilities	(275,897)	(275,897)	(161,977)	(161,977)	(700,972)	(700,972)	(379,138)	(379,138)	(3
Salary and welfare payables	(916)	(916)	(1,596)	(1,596)	(56,984)	(56,984)	(868)	(868)	–
Borrowings	(1,690,220)	(1,690,220)	(1,868,750)	(1,868,750)	(3,082,500)	(3,082,500)	(1,886,834)	(1,886,834)	(1
Deferred income tax liabilities	(143,351)	–	(20,987)	–	(1,670)	–	(369)	–	(1
Other non-current liabilities	(932)	(932)	(110)	(110)	(25,288)	(25,288)	–	–	(5
Total identifiable net assets	1,477,775	1,047,721	380,357	317,395	144,942	149,953	401,505	400,400	20

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B. FINANCIAL INFORMATION EXTRACTED FROM CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER PRC GAAP

(Amounts expressed in RMB Yuan unless otherwise stated)

1. FINANCIAL HIGHLIGHTS AND FINANCIAL RATIOS (UNAUDITED)

	Unit	As at 30 June 2015	As at 31 December 2014 (Restated)	Variance (%)
Total assets	Yuan	296,405,410,994	300,880,856,737	(1.49)
Shareholders’ equity attributable to shareholders of the Company	Yuan	70,013,430,475	74,992,915,078	(6.64)
Net assets per share attributable to shareholders of the Company	Yuan/per share	4.86	5.32	(8.65)

		For the six months ended 30 June		
	Unit	2015	2014 (Restated)	Variance (%)
Operating revenue	Yuan	65,305,472,046	72,183,296,095	(9.53)
Profit before taxation	Yuan	14,794,078,770	12,902,961,517	14.66
Net profit attributable to shareholders of the Company	Yuan	9,058,575,901	7,581,871,186	19.48
Net profit attributable to shareholders of the Company (excluding non-recurring items)	Yuan	8,693,338,241	6,788,160,770	28.07
Basic earnings per share	Yuan/per share	0.63	0.54	16.67
Basic earnings per share (excluding non-recurring items)	Yuan/per share	0.60	0.48	25
Diluted earnings per share	Yuan/per share	0.63	0.54	16.67
Return on net assets (weighted average)	%	12.58	10.80	increased by 1.78 percents
Net cash flow from operating activities	Yuan	24,048,248,099	18,056,149,251	33.19
Net cash flow from operating activities per share	Yuan/per share	1.67	1.28	30.47

Note: Formula of key financial ratios:

Basic earnings per share = Net profit attributable to shareholders of the Company for the period/Weighted average number of ordinary shares

Return on net assets (weighted average) = Net profit attributable to shareholders of the Company for the period/weighted average shareholders' equity (excluding non-controlling interests) 100%

2. ITEMS AND AMOUNTS OF NON-RECURRING ITEMS

(Amounts Expressed in RMB Yuan)

Non-recurring Items	For the six months ended 30 June 2015
Net loss from disposal of non-current assets	(68,355,043)
Government grants recorded in the profit and loss	556,172,311
The gain on fair value change of held-for-trading financial assets and liabilities (excluding effective hedging instruments related to operating activities of the Company) and disposal of held-for-trading financial assets and liabilities and available-for-sale financial assets	(2,259,149)
Reversal of doubtful accounts receivable individually tested for impairments	2,563,704
Non-operating income and expenses (excluding items above)	(38,683,965)
Other items recorded in the profit and loss in accordance with the definition of non-recurring items	18,805,688
Sub total	468,243,546
Impact of income tax	(112,267,969)
Impact of non-controlling interests (net of tax)	9,262,083
Total	365,237,660

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3. INCOME STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

		For the six months ended 30 June			
		2015	2014 (Restated)	2015	2014
		Consolidated	Consolidated	The Company	The Company
1. Operating revenue		65,305,472,046	72,183,296,095	25,743,100,501	27,823,508,484
Less:	Operating cost	45,409,328,816	53,485,314,477	17,045,051,095	19,412,525,612
	Tax and levies on operations	610,521,003	555,091,125	287,210,640	272,170,407
	Selling expenses	1,950,208	2,314,452	–	–
	General and administrative expenses	1,783,966,344	1,724,967,438	996,508,042	964,567,094
	Financial expenses, net	3,846,419,224	4,093,414,136	2,298,538,478	2,594,944,429
	Assets impairment loss	177,180,401	442,530,000	178,127,559	120,028,667
Add:	(loss)/gain from changes in fair value	(40,574,254)	4,119,358	–	–
	Investment income	909,413,671	783,128,177	4,277,597,298	2,488,502,175
	Including: investment income from associates and joint ventures	752,229,194	725,216,701	509,842,982	578,210,566
2. Operating profit		14,344,945,467	12,666,912,002	9,215,261,985	6,947,774,450
Add:	Non-operating income	612,765,905	658,995,571	548,900,198	2,628,796,337
	Including: gain on disposal of non-current assets	10,890,312	3,803,478	4,724,217	2,062,604,339
Less:	Non-operating expenses	163,632,602	422,946,056	96,945,613	218,378,984
	Including: loss on disposal of non-current assets	79,245,355	323,202,137	50,718,778	200,970,411
3. Profit before taxation		14,794,078,770	12,902,961,517	9,667,216,570	9,358,191,803
Less:	Income tax expense	3,611,791,478	3,504,114,032	1,629,913,587	2,211,840,050
4. Net profit		11,182,287,292	9,398,847,485	8,037,302,983	7,146,351,753
		–	1,075,856,271	–	–

-Including: net profit of acquires before the acquisition date	

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		For the six months ended 30 June			
		2015	2014 (Restated)	2015	2014
		Consolidated	Consolidated	The Company	The Company
	Attributable to:				
	-Shareholders of the Company	9,058,575,901	7,581,871,186	8,037,302,983	7,146,351,753
	-Non-controlling interests	2,123,711,391	1,816,976,299	——	——
5.	Earnings per share (based on the net profit attributable to shareholders of the Company)				
	Basic earnings per share	0.63	0.54	——	——
	Diluted earnings per share	0.63	0.54	——	——
6.	Other comprehensive income/(loss), net of tax	1,140,390,807	403,049,790	849,161,438	(11,751,501)
	Items that may be reclassified subsequently to profit or loss, net of tax, attributable to shareholders of the Company:	1,140,558,771	402,690,675	849,161,438	(11,751,501)
	Including:				
	Fair value changes of available-for-sale financial asset	784,269,439	(19,316,981)	784,269,439	(19,316,981)
	Share of other comprehensive income of investees accounted for under the equity method	59,018,925	7,730,108	59,018,925	7,730,108
	Effective portion of cash flow hedges	505,229,365	(76,754,036)	5,873,074	(164,628)
	Translation differences of the financial of foreign operations	(207,958,958)	491,031,584	——	——
	Other comprehensive income, net of tax, attributable to non-controlling interests	(167,964)	359,115	——	——

7.	Total comprehensive income	12,322,678,099	9,801,897,275	8,886,464,421	7,134,600,252
	Attributable to				
	– Shareholders of the Company	10,199,134,672	7,984,561,861	8,886,464,421	7,134,600,252
	– Non-controlling interests	2,123,543,427	1,817,335,414	——	——

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4. NET INCOME RECONCILIATION BETWEEN PRC GAAP AND IFRS

The financial statements, which are prepared by the Company and its subsidiaries in conformity with the PRC GAAP, differ in certain respects from that of IFRS. Major impact of adjustments for IFRS, on the consolidated net profit attributable to equity holders of the Company, are summarized as follows:

	Net profit attributable to equity holders of the Company For the six months ended 30 June	
	2015	2014 (Restated)
	RMB'000	RMB'000
Consolidated net profit attributable to equity holders of the Company under PRC GAAP	9,058,576	7,581,871
Impact of IFRS adjustments:		
Effect of reversal of the recorded the amounts received in advance of previous years (a)	97,261	111,725
Amortization of the difference in the recognition of housing benefits of previous years (b)	(470)	(470)
Difference on depreciation related to borrowing costs capitalized in previous years (c)	(13,508)	(13,508)
Differences in accounting treatment on business combinations under common control and depreciation and amortization of assets acquired in business combinations under common control (d)	(258,898)	(1,110,558)
Others	(99,374)	24,930
Applicable deferred income tax impact of the GAAP differences above (e)	64,435	10,349
Profit attributable to non-controlling interests on the adjustments above	102,762	204,033
Consolidated net profit attributable to equity holders of the Company under IFRS	8,950,784	6,808,372

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(a) Effect of recording the amounts received in advance of previous years

In accordance with the tariff setting mechanism applicable to certain power plants of the Company in previous years, certain power plants of the Company received payments in advance in the previous years (calculated at 1% of the original cost of fixed assets) as the major repair and maintenance cost of these power plants. Such receipts in advance are recognized as liabilities under IFRS and are recognized in profit or loss when the repairs and maintenance is performed and the liabilities are extinguished. In accordance with PRC GAAP, when preparing the financial statements, revenue is computed based on actual power sold and the tariff currently set by the State, no such amounts are recorded.

(b) Difference in the recognition of housing benefits to the employees of the Company and its subsidiaries in previous years

The Company and its subsidiaries once provided staff quarters to the employees of the Company and its subsidiaries and sold such staff quarters to the employees of the Company and its subsidiaries at preferential prices set by the local housing reform office. Difference between cost of the staff quarters and proceeds from the employees represented the housing losses, and was borne by the Company and its subsidiaries.

Under Previous Accounting Standards and Accounting System ("Previous PRC GAAP"), in accordance with the relevant regulations issued by the Ministry of Finance, such housing losses incurred by the Company and its subsidiaries are fully charged to non-operating expenses in previous years. Under IFRS, such housing losses incurred by the Company and its subsidiaries are recognized on a straight-line basis over the estimated remaining average service lives of the employees.

(c) Effect of depreciation on the capitalization of borrowing costs in previous years

In previous years, under Previous PRC GAAP, the scope of capitalization of borrowing costs was limited to specific borrowings, and thus, borrowing costs arising from general borrowings were not capitalized. In accordance with IFRS, the Company and its subsidiaries capitalized borrowing on general borrowing used for the purpose of obtaining qualifying assets in addition to the capitalization of borrowing costs on specific borrowings. From 1 January 2007 onwards, the Company and its subsidiaries adopted PRC GAAP No. 17 prospectively, the current adjustments represent the related depreciation on capitalized borrowing costs included in the cost of related assets under IFRS in previous years.

(d) Differences in accounting treatment on business combinations under common control

Huaneng Group is the parent company of HIPDC, which in turn is also the ultimate parent of the Company. The Company carried out a series of acquisitions from Huaneng Group and HIPDC. As the acquired power companies and plants and the Company were under common control of Huaneng Group before and after the acquisitions, such acquisitions are regarded as business combinations under common control.

In accordance with PRC GAAP, under common control business combination, the assets and liabilities acquired in business combinations are measured at the carrying amounts of the acquirees on the acquisition date. The difference between carrying amounts of the net assets acquired and the consideration paid is adjusted to equity account of the acquirer. The operating results for all periods presented are retrospectively restated as if the current structure and operations resulting from the acquisition had been in existence since the beginning of the earliest year presented, with financial data of previously separate entities consolidated. The cash consideration paid by the Company is treated as an equity transaction in the year of acquisition.

For the business combination occurred prior to 1 January 2007, in accordance with Previous PRC GAAP, when equity interests acquired is less than 100%, the assets and liabilities of the acquirees are measured at their carrying amounts. The excess of consideration over the proportionate share of the carrying amounts of the net assets acquired was recorded as equity investment difference and amortized on a straight-line basis for not more than 10 years. When acquiring the entire equity, the entire assets and liabilities are accounted for in a method similar to purchase accounting.

Goodwill arising from such transactions is amortized over the estimated useful lives on a straight-line basis. On 1 January 2007, in accordance with PRC GAAP, the unamortized equity investment differences and goodwill arising from business combinations under common control were written off against undistributed profits.

Under IFRS, the Company and its subsidiaries adopted the purchase method to account for the acquisitions above. The assets and liabilities acquired in acquisitions were recorded at fair value by the acquirer. The excess of acquisition cost over the proportionate share of fair value of net identifiable assets acquired was recorded as goodwill. Goodwill is not amortized but is tested annually for impairment and carried at cost less accumulated impairment losses. The operating results of the acquirees are consolidated in the operating results of the Company and its subsidiaries from the acquisition dates onwards.

As mentioned above, the differences in accounting treatment under PRC GAAP and IFRS on business combinations under common control affect both equity and profit. Meanwhile, due to different measurement basis of the assets acquired, depreciation and amortization in the period subsequent to the acquisition will be affected which will also affect the equity and profit or loss upon subsequent disposals of such investments. Such differences will be gradually eliminated following subsequent depreciation, amortization and disposal of related assets.

(e) Deferred income tax impact on GAAP differences

This represents related deferred income tax impact on the GAAP differences above where applicable.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the under-signed, thereunto duly authorized.

HUANENG POWER INTERNATIONAL, INC.

By /s/ Du Daming

Name: Du Daming
Title: Company Secretary

Date: August 26, 2015