FORM 6-K

Current report of foreign issuer pursuant to Rules 13a-16 and 15d-16 Amendments

Filing Date: **2006-08-03** | Period of Report: **2006-08-03**
SEC Accession No. 0001193125-06-160555

FILER

SANOFI-AVENTIS

CIK:**1121404**| IRS No.: **133529324** | State of Incorp.:**I0** | Fiscal Year End: **1231**
Type: **6-K** | Act: **34** | File No.: **001-31368** | Film No.: **061000900**
SIC: **2834** Pharmaceutical preparations

Mailing Address
174 AVENUE DE FRANCE
PARIS I0 75013

Business Address
174 AVENUE DE FRANCE
PARIS I0 75013
33153774400

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 OR 15d-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of August 2006

Commission File Number: 001-31368

SANOFI-AVENTIS

(Translation of registrant' s name into English)

174, avenue de France, 75013 Paris, FRANCE
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): _____

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

If "Yes" marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-_____

On August 1, 2006, the Board of Directors of Sanofi-Aventis adopted consolidated financial statements as of June 30, 2006, and its Management Report for the six months ended June 30, 2006. These documents will be made available on its corporate web site and published in the French official gazette "*Bulletin des Annonces légales obligatoires*" or BALO. English translations of the consolidated financial statements and the management report are attached hereto as Exhibits 99.1, and 99.2, respectively, and incorporated herein by reference.

Exhibit List

Exhibit No.	Description
Exhibit 99.1	Consolidated Financial Statements as of June 30, 2006
Exhibit 99.2	Management Report for the six months ended June 30, 2006

SIGNATURES

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 undersigned, thereunto duly authorized.

Dated: August 3, 2006

SANOFI-AVENTIS

By: \S\ PATRICIA KODYRA

Name: Patricia Kodyra

Title: Associate Vice President
Financial and Securities Law

Exhibit Index

Exhibit No.	Description
Exhibit 99.1	Consolidated Financial Statements as of June 30, 2006
Exhibit 99.2	Management Report for the six months ended June 30, 2006

Table of Contents

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2006

Table of Contents

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

.
. .

The financial statements are presented in accordance with IAS 34

CONSOLIDATED BALANCE SHEETS **3 - 4**

CONSOLIDATED INCOME STATEMENTS **5**

CONSOLIDATED STATEMENTS OF CASH FLOWS **6**

CONSOLIDATED STATEMENTS OF RECOGNIZED INCOME AND EXPENSE **7**

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY **8**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

- **A.** Basis of preparation **9 - 12**
- **B.** Significant items in the 2006 interim financial statements **13 - 33**

Table of Contents

Consolidated balance sheets

ASSETS *(million)*	Note	June 30, 2006	Dec. 31, 2005 *(1)*
Property, plant and equipment	**B.2.**	6,098	6,184
Goodwill	**B.3.**	29,066	30,234
Intangible assets	**B.3.-B.4.**	26,821	30,229
Investments in associates	**B.4.-B.5.**	2,768	2,477
Financial assets - non-current	**B.6.**	1,271	1,318
Deferred tax assets	**B.12.**	3,212	3,382
Non-current assets		**69,236**	**73,824**
Assets held for sale	**B.7.**	15	676
Inventories		3,605	3,430
Accounts receivable		5,255	5,021
Other current assets		1,909	2,434

Financial assets - current	348	311
Cash and cash equivalents	1,160	1,249
Current assets	**12,292**	**13,121**
TOTAL ASSETS	**81,528**	**86,945**

(1) After adjusting for the change in accounting method for employee benefits (see note A.2)

The accompanying notes on pages 9 to 33 are an integral part of the consolidated financial statements.

Table of Contents

Consolidated balance sheets

EQUITY & LIABILITIES *(million)*	Note	June 30, 2006	Dec. 31, 2005 *(1)*
Equity attributable to equity holders of the company	**B.8.**	45,005	46,128
Minority interests		122	189
Total equity		**45,127**	**46,317**
Long-term debt	**B.9.**	3,718	4,750
Provisions and other non-current liabilities	**B.11.**	7,829	8,250
Deferred tax liabilities	**B.12.**	10,616	12,208
Non-current liabilities		**22,163**	**25,208**
Liabilities related to assets held for sale	**B.7.**	5	259
Accounts payable and accrued expenses		2,707	3,193
Other current liabilities		5,298	5,543
Short-term debt and current portion of long-term debt	**B.9.**	6,228	6,425

Current liabilities		
	14,238	**15,420**
TOTAL EQUITY & LIABILITIES	**81,528**	**86,945**

(1) After adjusting for the change in accounting method for employee benefits (see note A.2)

The accompanying notes on pages 9 to 33 are an integral part of the consolidated financial statements.

Table of Contents

Consolidated income statements

(million)	Note	6 months to June 30, 2006	6 months to June 30, 2005	12 months to Dec. 31, 2005
Net sales		**14,116**	**13,104**	**27,311**
Other revenues		647	548	1,202
Cost of sales		(3,768)	(3,690)	(7,566)
Gross profit		**10,995**	**9,962**	**20,947**
Research and development expenses		(2,144)	(1,902)	(4,044)
Selling and general expenses		(4,061)	(3,949)	(8,250)
Other current operating income		200	133	261
Other current operating expenses		(60)	(64)	(124)
Amortization of intangibles		(1,998)	(1,970)	(4,037)
Operating income - current		**2,932**	**2,210**	**4,753**
Restructuring costs		(81)	(638)	(972)
Impairment of property, plant & equipment and intangibles	**B.4.**	(380)	(106)	(972)

Other operating income and expenses	**B.1.**	520	7	79
Operating income		**2,991**	**1,473**	**2,888**
Financial expenses	**B.15.1.**	(280)	(305)	(532)
Financial income	**B.15.2.**	187	100	287
Income before tax and associates		**2,898**	**1,268**	**2,643**
Income tax expenses	**B.16.**	(652)	(232)	(477)
Share of profit/loss of associates		325	208	427
Net income		**2,571**	**1,244**	**2,593**
Attributable to minority interests		190	157	335
Attributable to equity holders of the company		**2,381**	**1,087**	**2,258**
Average number of shares outstanding (in millions)	**B.8.4.**	1,345.2	1,335.1	1,336.5
Average number of shares after dilution (in millions)	**B.8.4.**	1,359.2	1,343.9	1,346.5
- Basic earnings per share		1.77	0.81	1.69
- Diluted earnings per share		1.75	0.81	1.68

The accompanying notes on pages 9 to 33 are an integral part of the consolidated financial statements.

Table of Contents

Consolidated statements of cash flows

(million)	Note	6 months to June 30, 2006	6 months to June 30, 2005	12 months to Dec. 31, 2005
Net income attributable to equity holders of the company		**2,381**	**1,087**	**2,258**
Minority interests, excluding BMS *(1)*		9	20	36
Share of undistributed earnings of associates		67	95	170
Depreciation, amortization and impairment of property, plant and equipment and intangible assets		2,834	2,518	5,951
Gains and losses on disposals of non-current assets (net of tax) *(2)*		(462)	(8)	(125)
Net change in deferred taxes		(1,073)	(807)	(2,100)
Net change in provisions		308	181	27
Cost of employee benefits (stock options and capital increases)		82	92	231
Impact of workdown of Aventis inventories remeasured at fair value, net of tax		6	172	249
Unrealized gains and losses recognized in income and accrued interest		(112)	(36)	(60)
Operating cash flow before changes in working capital		**4,040**	**3,314**	**6,637**
(Increase)/decrease in inventories		(291)	(341)	(586)
(Increase)/decrease in accounts receivable		(412)	(615)	(738)

Increase/(decrease) in accounts payable and accrued expenses		(377)	244	474
Net change in other current assets, financial assets (current) & other current liabilities		4	794	611
Net cash provided by/(used in) operating activities *(3)*		**2,964**	**3,396**	**6,398**
Acquisitions of property, plant & equipment and intangibles	**B.2. - B.3**	(631)	(507)	(1,143)
Acquisitions of investments in consolidated undertakings, net of cash acquired	**B.1.**	(497)	(11)	(692)
Acquisitions of available-for-sale financial assets		(1)	(2)	(4)
Proceeds from disposals of property, plant and equipment, intangibles and other non-current assets *(4)*	**B.1.**	1,203	116	733
Net change in loans and other non-current financial assets		1	1	5
Net cash provided by/(used in) investing activities		**75**	**(403)**	**(1,101)**
Issuance of sanofi-aventis shares		155	46	314
Dividends paid:				
to sanofi-aventis shareholders		(2,044)	(1,606)	(1,604)
to minority shareholders, excluding BMS *(1)*		(6)	(7)	(10)
Additional long-term borrowings	**B.9.**	14	5,318	5,268
Repayments of long-term borrowings	**B.9.**	(1,250)	(5,518)	(7,959)
Net change in short-term borrowings	**B.9.**	(4)	(792)	(2,099)
Acquisitions and disposals of treasury shares		35	51	105
Net cash provided by/(used in) financing activities		**(3,100)**	**(2,508)**	**(5,985)**
Impact of exchange rates on cash and cash equivalents		**(28)**	**(61)**	**97**
Net change in cash and cash equivalents		**(89)**	**424**	**(591)**
Cash and cash equivalents, beginning of period		**1,249**	**1,840**	**1,840**

Cash and cash equivalents, end of period	**1,160**	**2,264**	**1,249**

(1) Alliance agreements with Bristol-Myers-Squibb (BMS), see note C.1. to the consolidated financial statements for the year ended December 31, 2005.

(2) Including available-for-sale financial assets

(3) Including:

	6 months to June 30, 2006	12 months to December 31, 2005
Income tax paid	1,156	2,669
Interest paid	192	471
Dividends received	2	4
Interest received	46	76

(4) Property, plant and equipment, intangible assets, investments in consolidated undertakings and participating interests

The accompanying notes on pages 9 to 33 are an integral part of the consolidated financial statements.

Consolidated statements of recognized income and expense

(million)	6 months to June 30, 2006	6 months to June 30, 2005	12 months to Dec. 31, 2005
Available-for-sale financial assets	(25)	(2)	23
Derivatives designated as hedging instruments	66	(155)	89
Actuarial gains/(losses) ***(1)***	498	(370)	(384)
Tax on items recognized directly in equity	(196)	185	154
Change in cumulative translation difference recognized in equity	(2,101)	3,575	4,287
Net gains/(losses) recognized in equity	**(1,758)**	**3,233**	**3,991**
Net income for the period	**2,571**	**1,244**	**2,593**
Total recognized profits/(losses) for the period	**813**	**4,477**	**6,584**
Attributable to equity holders of the company	*629*	*4,301*	*6,212*
Attributable to minority interests	*184*	*176*	*372*

(1) See note B.11.

The accompanying notes on pages 9 to 33 are an integral part of the consolidated financial statements.

Table of Contents

Consolidated statements of changes in equity

(million)	Share capital	Additional paid-in capital & retained earnings	Treasury shares	Stock options	Items recognized directly in equity	Cumulative translation differences	**Attributable to equity holders of the company**	Minority interests	**Total equity**
Balance at December 31, 2004 as reported	**2,823**	**44,205**	**(4,170)**	**989**	**139**	**(2,925)**	**41,061**	**462**	**41,523**
Net impact of actuarial gains/losses reclassified to equity *(1)*	**-**	**-**	**-**	**-**	**(251)**	**-**	**(251)**	**-**	**(251)**
Balance at December 31, 2004 after reclassification	**2,823**	**44,205**	**(4,170)**	**989**	**(112)**	**(2,925)**	**40,810**	**462**	**41,272**
Total recognized profits/(losses) for the period	-	1,087	-	-	**(342)**	3,556	**4,301**	176	**4,477**
Dividend paid out of 2004 earnings (1.20 per share)	-	(1,604)	-	-	-	-	**(1,604)**	-	**(1,604)**
Payment of dividend and equivalents to minority shareholders	-	-	-	-	-	-	-	(201)	**(201)**
Share-based payment									
Exercise of stock options	-	-	-	-	-	-	-	-	-
Proceeds from sale of treasury shares related to stock option plans	-	-	51	-	-	-	**51**	-	**51**
Value of services obtained from employees	-	-	-	92	-	-	**92**	-	**92**
Tax effect of exercise of options	-	-	-	-	-	-	-	-	-

Capital increase reserved for employees (excluding employee share ownership plans)	1	45	-	-	-	-	**46**	-	**46**
Reduction in share capital	(32)	(780)	812	-	-	-	**-**	-	**-**
Other movements	-	-	-	-	-	-	**-**	(15)	**(15)**
Balance at June 30, 2005 ***(2)***	**2,792**	**42,953**	**(3,307)**	**1,081**	**(454)**	**631**	**43,696**	**422**	**44,118**
Total recognized profits/(losses) for the period	-	1,171	-	-	46	694	**1,911**	196	**2,107**
Payment of dividend and equivalents to minority shareholders	-	-	-	-	-	-	**-**	(90)	**(90)**
Share-based payment									
Exercise of stock options	8	197	-	-	-	-	**205**	-	**205**
Proceeds from sale of treasury shares related to stock option plans	-	-	54	-	-	-	**54**	-	**54**
Value of services obtained from employees	-	-	-	107	-	-	**107**	-	**107**
Tax effect of exercise of options	-	-	-	60	-	-	**60**	-	**60**
Capital increase reserved for employees (excluding employee share ownership plans)	3	92	-	-	-	-	**95**	-	**95**
Buyout of minority shareholders	-	-	-	-	-	-	**-**	(342)	**(342)**
Other movements	-	-	-	-	-	-	**-**	3	**3**
Balance at December 31, 2005 ***(2)***	**2,803**	**44,413**	**(3,253)**	**1,248**	**(408)**	**1,325**	**46,128**	**189**	**46,317**

Total recognized profits/(losses) for the period	-	2,381	-	-	343	(2,095)	**629**	184	**813**
Dividend paid out of 2005 earnings (1.52 per share)	-	(2,044)	-	-	-	-	**(2,044)**	-	**(2,044)**
Payment of dividend and equivalents to minority shareholders	-	-	-	-	-	-	**-**	(245)	**(245)**
Share-based payment									
Exercise of stock options	6	149	-	-	-	-	**155**	-	**155**
Proceeds from sale of treasury shares related to stock option plans	-	-	35	-	-	-	**35**	-	**35**
Value of services obtained from employees	-	-	-	83	-	-	**83**	-	**83**
Tax effect of exercise of options	-	-	-	11	-	-	**11**	-	**11**
Reduction in share capital *(3)*	(97)	(2,308)	2,405	-	-	-	**-**	-	**-**
Merger of Rhône Cooper into sanofi-aventis	-	8	-	-	-	-	**8**	(8)	**-**
Buyout of minority shareholders	-	-	-	-	-	-	**-**	-	**-**
Other movements	-	-	-	-	-	-	**-**	2	**2**
Balance at June 30, 2006	**2,712**	**42,599**	**(813)**	**1,342**	**(65)**	**(770)**	**45,005**	**122**	**45,127**

(1) See note A.2.

(2) After adjusting for the change in accounting method for employee benefits (see note A.2)

(3) See note B.8.1.

The accompanying notes on pages 9 to 33 are an integral part of the consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Six months ended June 30, 2006

INTRODUCTION

The sanofi-aventis Group (sanofi-aventis and its subsidiaries) is a leading global pharmaceuticals group engaged in the development, manufacture and marketing of healthcare products in seven major therapeutic fields: cardiovascular, thrombosis, oncology, metabolic disorders, central nervous system, internal medicine and vaccines. Our international R&D effort provides a platform for us to develop leading positions in our markets. We have production facilities in all continents.

Sanofi-aventis, the parent company, is a *société anonyme* (a form of limited liability company) incorporated under the laws of France. The registered office is at 174, avenue de France, 75013 Paris, France.

Sanofi-aventis is listed in Paris (Euronext: SAN) and New York (NYSE: SNY).

The interim consolidated financial statements (including the notes thereto) for the six months to June 30, 2006 were closed off by the sanofi-aventis Board of Directors on August 1, 2006.

A. BASIS OF PREPARATION AND ACCOUNTING POLICIES

A.1. Basis of preparation of the interim consolidated financial statements

The interim consolidated financial statements of sanofi-aventis for the six months to June 30, 2006 have been prepared in compliance with IFRS issued by the International Accounting Standards Board (IASB) as of June 30, 2006 and adopted by the European Union as of that date. The term "IFRS" refers collectively to International Accounting Standards (IAS), International Financial Reporting Standards (IFRS), Standing Interpretations Committee (SIC) interpretations, and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued by the IASB as of June 30, 2006.

The accounting policies applied in preparing the interim consolidated financial statements for the six months ended June 30, 2006 are the same as those applied as of December 31, 2005 and described in the published consolidated financial statements for the year then ended, except for the change in accounting method and the adoption of new standards and interpretations as described in note A.2.

The interim consolidated financial statements have been prepared and presented in condensed format in accordance with IAS 34 (Interim Financial Reporting). The accompanying notes therefore relate to significant items for the period, and should be read in conjunction with the consolidated financial statements for the year ended December 31, 2005.

The financial statements for the year to December 31, 2006, and the comparative information for 2005 presented therein, will be prepared in compliance with standards and interpretations applicable at that date. The information contained in these interim consolidated financial statements relating to the periods ended December 31, 2005 and June 30, 2006 may therefore be subject to change if new or amended standards and interpretations are issued by the IASB and adopted by the European Union.

A.2. Change of accounting method and new standards and interpretations

Change of accounting method

On January 1, 2006, sanofi-aventis adopted (with retrospective effect from January 1, 2004) the option offered by the amendment to IAS 19 (Employee Benefits) to recognize all actuarial gains and losses under defined-benefit pension plans in the balance sheet, with the matching entry recorded as a component of equity, net of deferred taxes. Previously, sanofi-aventis applied the corridor method, under which actuarial gains or losses amounting to more than 10% of the greater of (i) the future obligation or (ii) the fair value of plan assets were recognized in the income statement over the expected remaining working lives of the employees.

The impact on the balance sheet in the current period and prior periods is as follows:

(million)	**June 30, 2006**	**December 31, 2005**	**June 30, 2005**	**December 31, 2004**
Provisions and other non-current liabilities *(see note B.11.)*	296	796	785	401
Deferred tax assets	106	287	286	(150)
Equity attributable to equity holders of the company	(190)	(509)	(499)	(251)
Including translation difference	*(4)*	*(7)*	*(8)*	-

If the previous method had been applied, amortization of actuarial gains and losses charged to profit or loss during the six months ended June 30, 2006 would have been 18 million before taxes and 11 million after taxes.

New standards and interpretations applicable in 2006

Standards and interpretations applicable for the first time in 2006, and their impacts on sanofi-aventis, are described below.

Sanofi-aventis has elected to use the fair value option granted by the amendment to IAS 39 (Financial Instruments: Recognition and Measurement), under which financial instruments that fulfill certain conditions may be measured at fair value through profit or loss. This option has been applied by sanofi-aventis to a portfolio of financial investments held to fund a deferred compensation plan of the same nominal amount offered to certain employees.

This election does not have a material impact on the consolidated financial statements (see note B.6.).

The amendments to IFRS 4 (Insurance Contracts) and IAS 39, relating to financial guarantee contracts, do not have a material impact on the sanofi-aventis financial statements.

The amendment to IAS 21 (The Effects of Changes in Foreign Exchange Rates) clarifies the treatment of foreign exchange differences arising on monetary items forming part of a net investment in a foreign operation. This amendment does not have a material impact on the sanofi-aventis financial statements.

IFRS 6 (Exploration for and Evaluation of Mineral Resources), and the resulting amendments to IFRS 1 (First Time Adoption of International Financial Reporting Standards), are not applicable to the activities carried on by sanofi-aventis.

IFRIC 4 (Determining whether an Arrangement contains a Lease) and IFRIC 6 (Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment) do not have a material impact on the sanofi-aventis financial statements.

IFRIC 5 (Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds) is not applicable to the activities carried on by sanofi-aventis.

New standards and interpretations for subsequent application

Sanofi-aventis is currently assessing the impact on the notes to the financial statements of the following standards, which will be applicable from January 1, 2007.

IFRS 7 (Financial Instruments: Disclosures);

Amendment to IAS 1 (Presentation of Financial Statements) relating to disclosures about capital.

Sanofi-aventis is currently assessing the impact of the following interpretations on the consolidated financial statements:

IFRIC 7 (Applying the Restatement Approach under IAS 29, Financial Reporting in Hyper-Inflationary Economies) specifies that the restatements required under IAS 29 should be made retrospectively if an economy becomes hyperinflationary during a reporting period. IFRIC 7 is applicable from January 1, 2007, and sanofi-aventis does not expect it to have a material impact on the consolidated financial statements.

In addition, IFRIC 8 and IFRIC 9 have been issued by the IASB, and will be applicable in 2007 subject to adoption by the European Union.

IFRIC 8 (Scope of IFRS 2) stipulates that IFRS 2 (Share-Based Payment) will also apply to transactions where the goods or services received as consideration for share-based payments are not specifically identifiable.

IFRIC 9 (Reassessment of Embedded Derivatives) states that an entity must assess whether an embedded derivative exists when the entity first becomes a party to the contract, and must not make any subsequent reassessment unless there is a change in the terms of the contract that significantly modifies the expected future cash flows under the contract.

A.3. Use of estimates

The preparation of financial statements requires management to make estimates and assumptions, based on information available at the balance sheet date, that may affect the reported amounts of assets, liabilities, revenues and expenses in the financial statements, and disclosures of contingent assets and liabilities, as of that date. Examples include:

The provisions for returns, trade receivables and product claims;

The length of product life cycles;

The provisions for restructuring, litigation, income tax exposures and environmental liabilities;

The valuation of goodwill, and valuation and useful lives of acquired intangible assets;

The fair values of derivative financial instruments.

For the purposes of the interim financial statements, and as allowed under IAS 34, sanofi-aventis has determined income tax expense mainly on the basis of an estimate of the effective tax rate for the full financial year. This rate is applied to ***Net income before tax and associates***. The estimated effective tax rate is based on the tax rates that will be applicable to projected pre-tax profits or losses arising in the various tax jurisdictions in which sanofi-aventis operates.

Actual results could vary from these estimates.

B. SIGNIFICANT ITEMS IN THE 2006 INTERIM FINANCIAL STATEMENTS

B.1. Effect of changes in the scope of consolidation

Significant changes in the scope of consolidation during the six months ended June 30, 2006 are described below.

Acquisitions

On March 27, 2006, sanofi-aventis paid 433 million (including acquisition costs) to acquire the entire interest in Zentiva N.V. (7,487,742 shares) held by Warburg Pincus, and a further 1,998,921 shares held by certain managers and employees of Zentiva. On completion of this transaction, sanofi-aventis held a 24.9% interest in the capital of Zentiva. The company' s management, who owns approximately 5.9% of the capital, signed a shareholders' agreement with sanofi-aventis. The Group appoints two of the 8 members of Zentiva' s Board of Directors.

Zentiva N.V. is an international pharmaceutical company that develops, manufactures and markets low-cost branded pharmaceutical products. The company has strong positions in the Czech Republic, Slovakia and Romania, and is expanding rapidly in Poland, Russia and the Baltic States.

In 2005, Zentiva generated sales of 11,839 million of Czech Koruna (CZK), equivalent to 410 million, and net income of CZK 1,878 million (65 million). The Zentiva Group employs over 4,000 people, and has production sites in the Czech Republic, Slovakia and Romania.

Because sanofi-aventis exercises significant influence over Zentiva, the company is accounted for as an associate (using the equity method).

Transfer of rights to Exubera® and interest in Diabel

On January 13, 2006, sanofi-aventis announced the signature of an agreement to transfer its rights to Exubera®, an inhaled human insulin, to Pfizer. The terms of the 1998 alliance between Aventis and Pfizer to jointly develop, manufacture and market Exubera® included a change of control clause, which Pfizer decided to activate following the acquisition of Aventis by Sanofi-Synthélabo.

Under the terms of the agreement signed on January 13, 2006, sanofi-aventis sold to Pfizer its share in the worldwide rights for the development, manufacturing and marketing of Exubera®, along with its interest in the Diabel joint venture (based in Frankfurt, Germany), which owns the insulin manufacturing facility used in the production of Exubera®.

In return for the transfer of these assets and rights, sanofi-aventis received a payment of $1.3 billion.

The impact of this transaction in the first half of 2006 was a pre-tax gain of 460 million, recognized in ***Other operating income and expenses***, and a gain of 383 million net of tax.

Table of Contents

B.2. Property, plant and equipment

Acquisitions of property, plant and equipment in the first half of 2006 totaled 456 million, primarily buildings (120 million) and plant and equipment (191 million).

Investment in property, plant and equipment was realized in the pharmaceuticals business (378 million) and in the vaccines business (78 million).

B.3. Intangible assets

The table below shows a breakdown of intangible assets and goodwill as of June 30, 2006 and December 31, 2005:

(million)	Trademarks patents, licenses and other rights	Acquired Aventis R&D	Rights to marketed Aventis products	Software	Total intangible assets	Goodwill
Gross value at December 31, 2004	**1,339**	**4,475**	**29,002**	**476**	**35,292**	**28,364**
Changes in scope of consolidation	-	-	-	1	1	2
Reclassification of assets held for sale ***(1)***	-	(506)	-	-	(506)	-
Acquisitions and other increases	58	-	-	52	110	342
Disposals and other decreases	(3)	-	-	(9)	(12)	(354)
Translation differences	139	310	2,447	47	2,943	1,907
Transfers	12	(852)	852	(13)	(1)	-
Gross value at December 31, 2005	**1,545**	**3,427**	**32,301**	**554**	**37,827**	**30,261**
Changes in scope of consolidation	2	-	-	-	2	35
Acquisitions and other increases	180	-	-	32	212	-
Disposals and other decreases	(2)	-	-	(16)	(18)	(212)

Translation differences	(80)	(144)	(1,330)	(23)	(1,577)	(992)
Transfers	(8)	(77)	77	5	(3)	-
Gross value at June 30, 2006	**1,637**	**3,206**	**31,048**	**552**	**36,443**	**29,092**
Accumulated amortization and impairment at December 31, 2004	**(428)**	**(71)**	**(1,387)**	**(177)**	**(2,063)**	**(26)**
Amortization expense	(134)	-	(3,899)	(145)	(4,178)	-
Impairment losses	-	(112)	(853)	(1)	(966)	-
Disposals, reversals of amortization	-	-	-	2	2	-
Translation differences	(47)	(2)	(308)	(32)	(389)	(1)
Transfers	(7)	-	-	3	(4)	-
Accumulated amortization and impairment at December 31, 2005	**(616)**	**(185)**	**(6,447)**	**(350)**	**(7,598)**	**(27)**
Changes in scope of consolidation	(2)	-	-	-	(2)	-
Amortization expense	(76)	-	(1,922)	(58)	(2,056)	-
Impairment losses	-	(121)	(258)	-	(379)	-
Disposals, reversals of amortization	-	-	-	16	16	-
Translation differences	32	5	343	18	398	1
Transfers	6	-	-	(7)	(1)	-

Accumulated amortization and impairment at June 30, 2006	**(656)**	**(301)**	**(8,284)**	**(381)**	**(9,622)**	**(26)**
Net book value: December 31, 2004	911	4,404	27,615	299	33,229	28,338
Net book value: December 31, 2005	929	3,242	25,854	204	30,229	30,234
Net book value: June 30, 2006	**981**	**2,905**	**22,764**	**171**	**26,821**	**29,066**

(1)Diabel reclassification impact effective December 31, 2005 (see note B.1.).

In 2005, the amount shown for goodwill on the line "Acquisitions and other increases" mainly comprised the buyout of the Hoecsht AG minority shareholders.

For both 2005 and 2006, the amounts shown for goodwill on the line "Disposals and other decreases" reflect the recognition of deferred tax assets not recognized at the time of the Aventis acquisition.

The main acquisitions of intangible assets other than software during the first half of 2006 were the buyouts of all the rights to Plavix®, Cordarone® and rimonabant in Japan.

B.4. Impairment of intangible assets

As of June 30, 2006, the results of impairment tests conducted in accordance with IAS 36 (Impairment of Assets) led to the recognition of pre-tax impairment losses of 379 million, against 966 million for the year ended December 31, 2005. The impairment losses recognized in 2005 related primarily to products subject to competition from generics in the United States of America, especially Allegra®. The losses recognized in the first half of 2006 related mainly to a single product, the antibiotic Ketek®, following adjustments to business projections in light of a revision of the product' s prescribing information in the United States of America.

An after-tax impairment loss of 23 million relating to research projects has been recognized in the books of the Merial joint venture and included in the sanofi-aventis financial statements under ***Share of profits/losses of associates***. In 2005, this same line included an after-tax impairment loss of 55 million relating to the Sanofi Pasteur MSD vaccines joint venture.

B.5. Investments in associates

Associates comprise companies over which sanofi-aventis exercises significant influence, and joint ventures. Sanofi-aventis accounts for joint ventures using the equity method (i.e. as associates), in accordance with the allowed alternative treatment specified in IAS 31 (Financial Reporting of Interests in Joint Ventures).

Investments in associates at June 30, 2006 and December 31, 2005 were as follows:

(million)	**% interest at June 30, 2006**	**June 30, 2006**	**December 31, 2005**
Sanofi Pasteur MSD	50.0	507	551
Merial	50.0	1,355	1,451
InfraServ Höchst	30.0	90	93
Zentiva ***(1)***	24.9	426	-
Entities and companies managed by Bristol-Myers Squibb ***(2)***	49.9	182	195
Financière des Laboratoires de Cosmétologie Yves Rocher	39.1	92	80

Other investments	116	107
Total	**2,768**	**2,477**

(1)See note B.1.

(2)Under the terms of the agreements with Bristol-Myers Squibb (BMS) (see note C.1. to the 2005 full-year consolidated financial statements), entities majority-owned by BMS are accounted for as associates, with sanofi-aventis' share of their net assets recorded in ***Investments in associates***.

Table of Contents

B.6. Financial assets - non-current

The main items included in ***Financial assets - non-current*** are:

(million)	June 30, 2006	December 31, 2005
Available-for-sale financial assets	651	736
Prepaid pension obligations	1	3
Long-term loans and advances	345	364
Assets recognized under the fair value option	87	93
Derivative instruments	187	122
Total carrying amount	**1,271**	**1,318**

Assets recognized under the fair value option correspond to a portfolio of financial investments held to fund a deferred compensation plan offered to certain employees (see note A.2).

B.7. Assets held for sale and liabilities related to assets held for sale

As of December 31, 2005, ***Assets held for sale*** and ***Liabilities related to assets held for sale*** related to the sale of the Exubera® rights and the interest in Diabel (see note B.1.).

As of June 30, 2006, the assets held for sale amounted to 15 million, and related to the whole net assets of a British biotechnology company sold in July 2006 and a plot of land in Japan. The liabilities related to assets held for sale concerned the British biotechnology company.

B.8. Equity attributable to equity holders of the company

B.8.1. Share capital

The share capital of 2,712,439,824 consists of 1,356,219,912 shares with a par value of 2.

Treasury shares are deducted from equity attributable to equity holders of the company. Gains and losses on disposals of treasury shares are taken directly to equity and are not recognized in net income for the period.

Treasury shares held by sanofi-aventis are as follows:

Date	Number of shares	%

June 30, 2006	9,341,436	0.69%
December 31, 2005	58,211,254	4.15%
June 30, 2005	59,539,474	4.26%

The Board of Directors' meeting held on February 23, 2006 decided to cancel 48,013,520 treasury shares representing 3.42% of the share capital as of that date, and 257,248.50 warrants (acquired as part of the public tender offer for Aventis) giving entitlement to subscribe for 301,986 sanofi-aventis shares. These cancellations have no impact on equity attributable to equity holders of the company.

A total of 2,808,213 sanofi-aventis shares were issued under stock subscription option plans during the first half of 2006, compared with 4,098,750 shares in the year to December 31, 2005 and 1,028,604 shares in the six months to June 30, 2005.

The General Meeting of sanofi-aventis shareholders on May 31, 2006 approved the merger of Rhône Cooper, a 98.99%-owned subsidiary, into sanofi-aventis. New sanofi-aventis shares were issued to Rhône Cooper shareholders on an exchange basis of 10 sanofi-aventis shares for 1 Rhône Cooper share. This transaction generated the issuance of 118,650 sanofi-aventis shares with a par value of 2, and had an impact of 8 million on equity attributable to equity holders of the company.

B.8.2. Repurchase of sanofi-aventis shares

During the six months to June 30, 2006, sanofi-aventis did not repurchase any of its own shares under the programs authorized by the General Meetings of May 31, 2005 and 2006.

B.8.3. Stock option plans

The table below provides summary information about options outstanding and exercisable at June 30, 2006:

	Outstanding			Exercisable	
Range of exercise prices per share	**Number of options**	**Average residual life (in years)**	**Weighted average exercise price per share ( )**	**Number of options**	**Weighted average exercise price per share ( )**
From 1.00 to 10.00 per share	58,720	8.98	7.48	58,720	7.48
From 10.00 to 20.00 per share	110,629	10.75	15.68	110,629	15.68
From 20.00 to 30.00 per share	276,992	2.83	21.90	276,992	21.90
From 30.00 to 40.00 per share	2,672,196	3.91	34.31	2,672,196	34.31
From 40.00 to 50.00 per share	13,831,251	6.70	41.20	3,139,438	43.67
From 50.00 to 60.00 per share	14,803,787	6.14	52.30	8,948,209	50.88
From 60.00 to 70.00 per share	18,303,467	4.86	67.91	18,303,467	67.91
From 70.00 to 80.00 per share	25,207,125	7.54	70.80	10,512,615	71.39

Total	**75,264,167**	**44,022,266**
of which stock purchase options	*9,261,338*	
of which stock subscription options	*66,002,829*	

Table of Contents

B.8.4. Number of shares used to compute diluted earnings per share

Diluted earnings per share is computed using the number of shares outstanding plus stock options with a potentially dilutive effect.

(in millions)	June 30, 2006	June 30, 2005	December 31, 2005
Average number of shares outstanding	1,345.2	1,335.1	1,336.5
Adjustment for stock options with potentially dilutive effect	14.0	8.8	10.0
Average number of shares used to compute diluted earnings per share	1,359.2	1,343.9	1,346.5

As of June 30, 2006, a total of 14.7 million stock options were not taken into account in the calculation because they did not have a potentially dilutive effect, compared with 42.1 million as of December 31, 2005 and 50.3 million as of June 30, 2005.

B.9. Debt, cash and cash equivalents

The table below shows the Group' s net debt as of June 30, 2006 and December 31, 2005:

(million)	June 30, 2006	December 31, 2005
Long-term debt, at amortized cost	3,718	4,750
Short-term debt and current portion of long-term debt	6,228	6,425
Cash and cash equivalents	(1,160)	(1,249)
Net debt	**8,786**	**9,926**

B.9.1. Net debt at value on redemption

Reconciliation of carrying amount to value on redemption

(million)	Carrying amount at June 30, 2006	Amortized cost	Adjustment to debt measured at fair value	Value on redemption: June 30, 2006	Value on redemption: December 31, 2005

Long-term debt	3,718	46	(98)	3,666	4,664
Short-term debt and current portion of long-term debt	6,228	-	(20)	6,208	6,428
Cash and cash equivalents	(1,160)	-	-	(1,160)	(1,249)
Net debt	**8,786**	**46**	**(118)**	**8,714**	**9,843**

Table of Contents

Net debt by type, at value on redemption

(million)	June 30, 2006			December 31, 2005		
	non-current	current	**Total**	non-current	current	**Total**
Bonds issued	1,564	1,106	**2,670**	2,564	1,302	**3,866**
Credit facility drawdowns	1,000	1	**1,001**	1,000	-	**1,000**
Other bank borrowings	1,056	369	**1,425**	1,051	390	**1,441**
Commercial paper	-	4,398	**4,398**	-	4,353	**4,353**
Finance leases	32	5	**37**	33	5	**38**
Other borrowings	14	2	**16**	16	-	**16**
Bank overdrafts	-	327	**327**	-	378	**378**
Total debt	**3,666**	**6,208**	**9,874**	**4,664**	**6,428**	**11,092**
Cash and cash equivalents	-	(1,160)	**(1,160)**	-	(1,249)	**(1,249)**
Net debt	**3,666**	**5,048**	**8,714**	**4,664**	**5,179**	**9,843**

Undrawn, confirmed credit facilities not used to back drawdowns under French and U.S. commercial paper programs amounted to 8.8 billion as of June 30, 2006 and 9.0 billion as of December 31, 2005.

Main financing and debt reduction transactions during the period

No bond issues were made during the six months ended June 30, 2006.

During the six months ended June 30, 2006, sanofi-aventis redeemed a 1,250 million bond issue on its contractual maturity date (April 18, 2006).

The financing effective as of June 30, 2006, contains no financial covenants, and no clauses indexing credit spreads or fees to the credit rating of sanofi-aventis.

On May 2, 2006, sanofi-aventis canceled 43,232 participating shares issued between 1983 and 1987 and owned by the company itself. This cancellation has no effect on equity or debt.

B.9.2. Market value of debt

The market value of debt (excluding derivative instruments) as of June 30, 2006 amounted to 8,738 million (9,930 million at December 31, 2005), compared with a carrying amount of 8,786 million (9,926 million at December 31, 2005).

Table of Contents

B.10. Derivative financial instruments

B.10.1. Currency derivatives used to manage operational risk exposures

Sanofi-aventis operates a foreign exchange risk hedging policy to reduce the exposure of its operating income to fluctuations in foreign currencies, especially the U.S. dollar. This policy involves regular assessments of the Group' s worldwide currency exposure, based on budget estimates of foreign-currency transactions to be carried out by sanofi-aventis and its subsidiaries. These transactions mainly comprise sales, purchases, research costs, co-marketing and co-promotion expenses, and royalties. To reduce the exposure of these transactions to fluctuations in foreign currency exchange rates, sanofi-aventis contracts currency hedges using liquid derivative instruments such as forward sales and purchases of currency, call and put options, and combinations of currency options (tunnels).

The table below shows operational currency hedging instruments effective as of June 30, 2006, with the notional amount converted into euros at the relevant closing exchange rate.

June 30, 2006			**Derivatives designated as cash flow hedges**			**Derivatives not eligible for hedge accounting**	
(million)	Notional amount	Fair value	Notional amount	Fair value	Of which recognized in equity	Notional amount	**Fair value**
Forward currency sales	**1,507**	**9**	**791**	**5**	**5**	**716**	**4**
of which U.S. dollar	*1,033*	*5*	*629*	*1*	*2*	*403*	*4*
of which Mexican peso	*69*	*-*	*37*	*-*	*1*	*32*	*-*
of which Australian dollar	*63*	*-*	*29*	*-*	*1*	*34*	*-*
of which Turkish lira	*62*	*(1)*	*-*	*-*	*-*	*62*	*(1)*
of which Polish zloty	*60*	*1*	*20*	*1*	*1*	*40*	*-*
of which Korean won	*50*	*-*	*-*	*-*	*-*	*50*	*-*
of which Czech koruna	*38*	*-*	*27*	*-*	*-*	*11*	*-*
Forward currency purchases	**152**	-	**9**	**1**	**1**	**143**	**(1)**

of which Canadian dollar	*58*	*-*	*-*	*-*	*-*	*58*	*-*
of which pound sterling	*43*	*-*	*-*	*-*	*-*	*43*	*-*
of which U.S. dollar	*40*	*-*	*-*	*-*	*-*	*40*	*-*
Put options purchased	**1,199**	**5**	**262**	**4**	**8**	**937**	**1**
of which U.S. dollar	*1,141*	*5*	*236*	*4*	*8*	*905*	***1***
of which knock-out options	*865*	*1*	*-*	*-*	*-*	*865*	***1***
Call options written	**1,799**	**9**	**262**	**2**	**-**	**1,537**	**7**
of which U.S. dollar	*1,691*	*8*	*236*	*2*	*-*	*1,455*	***6***
of which knock-out options	*1,141*	*3*	*-*	*-*	*-*	*1,141*	***3***
Total	**4,657**	**23**	**1,324**	**12**	**14**	**3,333**	**11**

As of June 30, 2006, none of these instruments had an expiry date after December 31, 2006.

These positions hedge:

All material foreign-currency cash flows arising after the balance sheet date in relation to transactions carried out during the six months to June 30, 2006 and recognized in the consolidated balance sheet as of that date. Gains and losses on these hedging instruments (forward contracts and currency options) have been and will continue to be recognized in parallel with the recognition of gains and losses on the hedged items.

Forecast foreign-currency cash flows relating to commercial transactions to be carried out in the second half of 2006. The total amount of positions under forward contracts and currency options relating to the U.S. dollar stood at $1,950 million as of June 30, 2006, taking account of options in the money as of that date (equivalent to approximately 70% of the forecast transactions in U.S. dollars for the second half of 2006), at an average hedged rate of $1.25 to the euro. However, the positions contracted to hedge forecast commercial transactions in U.S. dollars for the second half of 2006 include options with a knock-out feature at between $1.30 and $1.34 to the euro. If all these knock-outs were to be triggered, the total U.S. dollar position would be reduced to $1,100 million at an average hedged rate of $1.26 to the euro.

B.10.2. Currency derivatives used to manage financial risk exposures

Some of the Group' s financing activities, such as U.S. commercial paper issues and the cash pooling arrangements for foreign subsidiaries outside the euro zone, expose certain entities (in particular the sanofi-aventis parent company) to financial foreign exchange risk (i.e. the risk of changes in the value of loans and borrowings denominated in a currency other than the functional currency of the lender or borrower). The net foreign exchange exposure for each currency and entity is hedged by firm financial instruments (usually currency swaps). The table below shows instruments of this type held at June 30, 2006:

June 30, 2006 (million)	**Notional amount**	**Fair value**	**Expiry**
Forward currency purchases	**6,616**	**(34)**	**-**
of which U.S. dollar	*5,674*	*(33)*	*2006*
of which Swiss franc	*190*	*(1)*	*2006*
of which Mexican peso	*177*	*3*	*2006*
of which Singapore dollar	*133*	*-*	*2006*
of which pound sterling	*131*	*(2)*	*2006*

of which Swedish krona	*118*	*-*	*2006*
of which Canadian dollar	*102*	*(1)*	*2006*
Forward currency sales	**1,262**	**268**	
of which U.S. dollar	*917*	*265*	*2007*
of which Japanese yen	*136*	*1*	*2006*
Total	**7,878**	**234**	

B.10.3. Equity derivatives

a) Rhodia equity swap

On May 2, 2003, Aventis entered into an equity swap with Crédit Lyonnais, treated as an over-the-counter derivative instrument. An unrealized loss of 54 million on this swap was recognized in the income statement for the year ended December 31, 2005. The swap was closed out in early April 2006, generating a gain of 6 million in the first half of 2006.

b) Contingent CSL consideration

Aventis sold Aventis Behring to the Australian company CSL Ltd on March 31, 2004. The sale price included additional payments contingent upon the performance of CSL shares. Sanofi-aventis will receive $125 million if the CSL share price (calculated on the basis of an average price weighted for trading volumes) is greater than AUD 28 during a period from October 1, 2007 through March 31, 2008. Sanofi-aventis will receive a further $125 million if the CSL share price (calculated on the same basis and over the same period) is greater than AUD 35. CSL Ltd may opt to settle these amounts in shares. At June 30, 2006, based on a CSL share price of AUD 53.75, the fair value of this instrument was $181 million (compared with $137 million at December 31, 2005).

B.11. Provisions and other non-current liabilities

(million)	**Provisions for pensions and other long-term benefits**	**Restructuring provisions**	**Other provisions**	**Other non-current liabilities**	**Total**
December 31, 2005 [1]	**4,259**	**151**	**3,426**	**414**	**8,250**
Changes in scope of consolidation	(2)	-	1	-	**(1)**
Charged during the period	(20)	2	271 [3]	(55) [4]	**198**
Transfers [2]	87	(31)	(27)	(7)	**22**
Impact of discounting	-	-	13	3	**16**
Translation difference	(50)	(2)	(89)	(17)	**(158)**
Actuarial gains and losses under defined-benefit plans	(498)	-	-	-	**(498)**
June 30, 2006	**3,776**	**120**	**3,595**	**338**	**7,829**

(1) After adjusting for the change in accounting method for employee benefits (see note A.2)

(2) This line includes, in particular, transfers between current and non-current provisions due to the revision to the expected settlement date of certain obligations.

(3) Reassessment of estimates, in particular of provisions for tax exposures and environmental liabilities.

(4) See note B.10.3.a, "Rhodia equity swap".

Table of Contents

Provisions for pensions and other long-term benefits

Sanofi-aventis has elected to apply the option offered by the amendment to IAS 19 (see note A.2.), and consequently has carried out a review of the relevant assumptions, in particular the discount rates and the fair value of plan assets, as of June 30, 2006.

In light of changes in bond yields in the three principal areas in which sanofi-aventis operates defined-benefit plans (the Euro zone, the United Kingdom and the United States of America), the discount rates used in the measurement of these plans have been amended as follows:

	Pensions and other long-term benefits		Other post-employment benefits	
Long-term discount rates	June 30, 2006	December 31, 2005	June 30, 2006	December 31, 2005
Euro zone	4.75 %	4.25 %	-	-
United States of America	6.25 %	5.50 %	6.25 %	5.50 %
United Kingdom	5.25 %	5 %	5.25 %	5 %

The changes to the discount rates applied in these three areas generated actuarial gains in the six months to June 30, 2006, the effect of which was to reduce provisions for pensions and other long-term employee benefits by 527 million and provisions for other post-employment benefits by 27 million. Conversely, the fair value of plan assets of the main plans as of June 30, 2006 generated a difference of 56 million compared to their expected return.

B.12. Net deferred tax position

The net deferred tax position at June 30, 2006 and December 31, 2005 was as follows:

(million)	June 30, 2006	December 31, 2005 *(1)*
Deferred tax on:		
Elimination of inventory intragroup margin	867	759
Provision for pensions and other employee benefits	1,127	1,326
Adjustment to fair value of Aventis intangible assets	(9,603)	(10,797)

Adjustment to fair value of acquired Aventis inventories	(8)	(13)
Recognition of Aventis property, plant and equipment at fair value	(105)	(111)
Adjustment to fair value of debt on acquisition of Aventis	29	36
Distributable reserves	(750)	(794)
Stock options	160	149
Other non-deductible provisions and other items	879	619
Net deferred tax asset / (liability)	**(7,404)**	**(8,826)**

(1) After adjusting for the change in accounting method for employee benefits (see note A.2)

B.13. ***Principal commercial commitments under collaboration agreements***

In pursuance of its strategy, sanofi-aventis acquires rights to products or technologies. Such acquisitions may be made in various contractual forms: acquisitions of shares, loans, license agreements, joint development and co-marketing. They may also involve upfront payments on signature of the agreement, and development milestone payments.

Some of these complex agreements include firm and unconditional undertakings to finance research programs in future years, and payments contingent upon completion of development milestones or upon the granting of approvals or licenses.

The main such collaboration agreements are:

Agreement with Regeneron: In January 2005, sanofi-aventis reaffirmed its commitment to develop the Vascular Endothelial Growth Factor (VEGF) Trap program in oncology, in collaboration with Regeneron Pharmaceuticals Inc. The companies will evaluate the VEGF Trap in a variety of cancer types. Sanofi-aventis made a clinical development milestone payment of $25 million under this agreement in 2004. If the program results in a commercially marketed product, Regeneron will receive an additional payment of $400 million.

At the end of December 2005, the VEGF Trap collaboration with Regeneron was extended to Japan. Sanofi-aventis will pay Regeneron $25 million; milestone payments linked to potential marketing approvals in Japan; and royalties on VEGF Trap sales in Japan. Under the terms of the agreement, sanofi-aventis will pay 100% of the development costs of the VEGF Trap; once a VEGF Trap product starts to be marketed, Regeneron will repay 50% of the development costs (originally paid by sanofi-aventis) out of its share of the profits, including royalties paid in Japan.

Agreement between Sanofi Pasteur and the U.S. government, signed in April 2005, to speed the production process for new cell-culture pandemic influenza vaccines and design a production facility for cell-culture vaccines. Financing provided by the U.S. government under this agreement amounts to $97 million.

Agreement between Sanofi Pasteur and the U.S. government, signed in September 2005, for the production of a vaccine against the H5N1 strain of avian influenza, under which Sanofi Pasteur will receive $100 million for vaccines delivered. At the start of 2006, the agreement was extended to include additional production worth $50 million. Sanofi Pasteur has initiated similar projects in Europe and the rest of the world. The corresponding revenues were recognized in the six months ended June 30, 2006.

License agreement between Sanofi Pasteur and Becton Dickinson, signed in October 2005, for the development of a vaccine micro-administration technology.

Agreement between Sanofi Pasteur and Emergent, signed in May 2006, for the development and manufacture of candidate meningitis B vaccines, and for the marketing of any successful vaccines by Sanofi Pasteur. Total payments contingent upon the attainment of research and development milestones and sales objectives amount to 73 million.

Collaboration agreement with Cephalon on the development of angiogenesis inhibitors, under which payments for the first product could reach $32 million.

Collaboration agreement with IDM signed in 2001, under which IDM granted sanofi-aventis 20 development options on current and future research and development programs. For each option that leads to a commercially marketed product, IDM could receive a total amount of between 17 million and 32 million depending on the potential of the market, plus reimbursement of the development costs. Contractually, sanofi-aventis may suspend the development program for each option exercized at any time and without penalty. As of June 30, 2006, sanofi-aventis had exercized only one option, relating to a program for the treatment of melanoma.

Because of the uncertain nature of development work, it is impossible to predict (i) whether sanofi-aventis will exercise further options for products, or (ii) whether the expected milestones will be achieved, or (iii) the number of compounds that will reach the relevant milestones. It is therefore impossible to estimate the maximum aggregate amount that sanofi-aventis will actually pay in the future under existing collaboration agreements.

Given the nature of its business, it is highly unlikely that sanofi-aventis will exercise all options for all products or that all milestones will be achieved.

Collaboration agreement with Zealand Pharma signed in June 2003, under which sanofi-aventis obtained rights relating to the development and worldwide marketing of ZP10, an agent used in the treatment of type 2 diabetes. Under the agreement, sanofi-aventis is responsible for the development of this compound, and could, if marketing approvals are obtained, be required to pay Zealand Pharma a total of 60 million over the next five years.

Sanofi-aventis has also entered into collaboration agreements with Ajinomoto, Immunogen and Coley.

B.14. Legal and arbitral proceedings

Sanofi-aventis is involved in various legal proceedings in the ordinary course of its business, including proceedings involving product liability claims, commercial claims, patent infringement claims, competition claims, tax assessment claims, waste disposal claims and tort claims relating to the release of chemicals into the environment. The matters discussed below constitute the most significant developments since publication of the disclosures concerning legal proceedings in the Company' s financial statements for the year ended December 31, 2005.

a) Products

- *Ambien® (zolpidem) Product Litigation*

In March 2006, sanofi-aventis learned that a lawsuit seeking class action treatment had been filed with the U.S. District Court for the Southern District of New York naming sanofi-aventis and its U.S. subsidiary Sanofi-Synthélabo Inc. as defendants and seeking unspecified damages for harm allegedly caused by claimed product side effects. The proposed class action lawsuit seeks to represent persons using Ambien® since 2000.

b) Patents

- *Plavix® Patent Litigation*

United States. On March 21, 2006, sanofi-aventis and Bristol-Myers Squibb (the "Companies") announced that they had reached an agreement subject to certain conditions with Apotex Inc. and Apotex Corp. ("Apotex") to settle the patent infringement lawsuit pending between the parties in the U.S. District Court for the Southern District of New York. The lawsuit relates to the validity of a composition of matter patent for clopidogrel bisulfate (the '265 patent), a medicine made available in the United States by the Companies as **Plavix®**.

Under the terms of the settlement as initially proposed, sanofi-aventis was to grant Apotex a royalty-bearing license under the '265 patent to manufacture and sell its FDA-approved clopidogrel bisulfate product in the United States, and Apotex was to agree not to sell a clopidogrel product in the United States until the effective date of the license. The license was to be effective on September 17, 2011, with the possibility of an effective date earlier in 2011 if sanofi-aventis did not receive an extension of exclusivity for pediatric use under the '265 patent. If a third party obtained a final decision that the '265 patent is invalid or unenforceable, under certain circumstances, the license to Apotex was to become effective earlier. The agreement included other provisions and was subject to conditions, including antitrust review and clearance by the Federal Trade Commission ("FTC") and state attorneys general.

On June 25, 2006 the Companies and Apotex announced that, in response to concerns raised by the FTC and state attorneys general to the settlement as initially proposed, the Companies and Apotex had amended the agreement. Among other revisions, under the terms of the modified agreement, Apotex' s license to manufacture and sell its FDA approved clopidogrel bisulfate product in the United States was to be effective on June 1, 2011, rather than September 17, 2011.

On July 28, 2006, sanofi-aventis learned that the agreement, as amended, had failed to receive required antitrust clearance from the state attorneys general. When sanofi-aventis and Bristol-Myers Squibb initially announced the settlement on March 21, 2006, the Companies said that there was a significant risk that the required antitrust clearance would not be obtained.

The FTC has not yet advised the Companies of its decision. However, the agreement required the approval of both the FTC and the state attorneys general to become effective. The originally scheduled trial date for the litigation between Apotex and the Companies had been suspended pending possible finalization of the proposed settlement. A new trial date has not yet been established. As previously disclosed, sanofi-aventis and Bristol-Myers Squibb have filed patent infringement claims against three other generic pharmaceutical companies with respect to the '265 patent.

Sanofi-aventis has also learned that the Antitrust Division of the United States Department of Justice is conducting a criminal investigation regarding the proposed settlement and has received grand jury subpoenas seeking the production of documents. Sanofi-aventis intends to provide all information required in response to this investigation. It is not possible at this time reasonably to assess the outcome of the investigation or its impact on sanofi-aventis.

It is also not possible at this time reasonably to assess the outcome of the Plavix® litigation, including the Apotex matter, or the timing of potential generic competition for Plavix®. Apotex announced in January 2006 that it had received final approval of its ANDA for clopidogrel bisulfate from the FDA. As a result, Apotex could launch a generic clopidogrel product at their risk.

Under the terms of the agreement, Apotex may be eligible to receive a reimbursement payment from the Companies for certain short dated inventories of Apotex' s clopidogrel bisulfate product, the amount, if any, of which has not been quantified. Any payment to Apotex will be paid 50% by sanofi-aventis and 50% by Bristol-Myers Squibb. As previously disclosed, sanofi-aventis recorded reserves in the amount of $20 million in the first quarter of this year.

It is also not possible reasonably to estimate the impact of the Plavix® litigation on sanofi-aventis. However, a loss of market exclusivity of Plavix® and the subsequent development of generic competition would be material to sales of Plavix® and sanofi-aventis' results of operations and cash flows, and could be material to sanofi-aventis' financial condition and liquidity.

The Companies intend to vigorously pursue enforcement of their patent rights in Plavix®.

The foregoing summary contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Although sanofi-aventis' management believes that the assumptions reflected in these statements and their underlying assumptions are reasonable, investors are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of sanofi-aventis, that could cause actual results and developments to differ materially from those expressed in, or implied, or projected by the forward-looking information and statements. These factors include risks that may arise from the Department of Justice' s criminal investigation as well as risks and uncertainties discussed or identified in the public filings with the SEC and the AMF made by sanofi-aventis, including those listed under "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" in sanofi-aventis' annual report on Form 20-F for the year ended December 31, 2005. Other than as required by applicable law, sanofi-aventis does not undertake any obligation to update or revise any forward-looking information or statements.

Korea. On June 28, 2006, the Korean Intellectual Property Tribunal ("IPT") issued a decision unfavorable to sanofi-aventis in the invalidation actions filed by CJ, Dong-A, et al., against sanofi-aventis' Korean patent for Plavix® (Korean Patent No. 103094). Sanofi-aventis believes its patent rights are valid and appealed the decision of the IPT on July 14, 2006.

- *Lovenox® Patent Litigation*

On April 10, 2006, the Court of Appeals for the Federal Circuit reversed a prior decision of the U.S. District Court for the Central District of California. The District Court had previously ruled on summary judgment that the sanofi-aventis patent asserted in that suit was unenforceable. The Court of Appeals denied Amphastar' s request for a rehearing. The case has been remanded to the District Court and will proceed on the issues of the infringement, validity, and enforceability of the '743 patent.

In July 2006, sanofi-aventis was notified that the district court would hold a separate trial on the issue of intent, which had been left outstanding in the favorable inequitable conduct ruling of the Court of Appeals for the Federal Circuit. The trial date on the intent issue has not been scheduled.

In June 2006, sanofi-aventis was notified that Sandoz Inc. had submitted an Abbreviated New Drug Application (ANDA) to the FDA containing a paragraph IV patent certification relating to Lovenox®. Sanofi-aventis intends to file suit to assert its patent rights.

- *Ramipril Canada Patent Litigation*

- Proceedings against Pharmascience

By order dated June 21, 2006, the Court of Appeal set aside the March 11, 2005 Order of Prohibition regarding the '457 patent, but upheld the Order of Prohibition on the Canadian' 206 patent. The decision can be appealed by either party.

In May 2006, the Federal Court heard two cases together in Toronto concerning Pharmascience' s allegation regarding the Canadian '089 patent, and an allegation regarding the Canadian '948 patent. On July 10, the Court dismissed sanofi-aventis application regarding the '089 patent and has yet to issue a decision with respect to the '948 patent. To date, Pharmascience has not addressed Canadian '387 and '549 patents which are listed on the Patent Register. Before the Minister of Health can issue a Notice Of Compliance (NOC) to authorize marketing, the manufacturer of a proposed generic product must prevail in any litigation initiated in response to the notices of allegations relating to each patent listed on the Patent Register for the reference product.

- Proceedings against Apotex

In June 2006, the Federal Court was scheduled to hear an application by sanofi-aventis concerning Apotex' s notice of allegation regarding the '948 patent (Apotex alleged non-infringement of the '948 patent, a use patent). The Court dismissed the application by order dated June 27, 2006.

In January, 2006, sanofi-aventis commenced a proceeding regarding the Canadian '387 and '549 patents seeking an order prohibiting the Minister from issuing a NOC to Apotex to market ramipril. A hearing has not yet been scheduled. Apotex must succeed on its allegations regarding these additional patents before the Minister can issue a NOC.

- *Eloxatine® Patent Litigation (oxaliplatin)*

Sanofi-aventis' patent infringement suit against Mayne Pharma Pty Ltd went to trial before the U.K. Patents High Court in March 2006. Sanofi-aventis conceded non-infringement of EP' 331 by Mayne' s hypothetical solution product in light of certain data in these proceedings. On May 19, 2006, the court handed down its decision, holding that EP' 454 patent and EP' 331 patent were invalid and that the EP' 454 patent was non infringed. On June 29, 2006, the Court granted sanofi-aventis leave to appeal the Court' s decision.

In a separate infringement proceeding in Germany, on June 2, 2006, the Court determined that Hereas' process for manufacturing oxaliplatin did not infringe the EP' 454 patent.

- *Eligard® Patent Litigation*

In November 2003, TAP (Takeda – Abbott Partnership) filed suit against Sanofi-Synthelabo Inc., a sanofi-aventis subsidiary, and Atrix (now part of the QLT group) in the Northern District of Illinois, alleging that the Eligard® products, which rely on technology licensed from Atrix, infringe a TAP patent. The Court rejected sanofi-aventis' and Atrix' s defenses of invalidity and inequitable conduct, and in January 20, 2006, entered a judgment in favor of TAP. The District Court' s judgment was appealed to the Court of Appeals for the Federal Circuit in March 2006. Meanwhile, discovery relating to the damages phase of this proceeding is ongoing and, pending the outcome of the appeal, a trial on damages is currently expected to take place in fourth quarter 2006.

- *OptiClik® Patent Litigation*

In June 2006, sanofi-aventis learned that Novo Nordisk was seeking an order from the US International Trade Commission (ITC) to exclude entry into the US of further imports of the OptiClick® pen and insulin cartridges for use with the OptiClik® pen as they claim it infringes a Novo Nordisk patent, U.S. Patent No. 5,693,027, and that the ITC has agreed to investigate Novo Nordisk' s claim. This ITC investigation is presently pending.

- *Actonel® Patent Litigation*

The US District Court of Delaware has set trial for late August 2006 in the suit against Teva Pharmaceuticals USA, brought by Merck, and for November 2006 in the suit brought by Procter & Gamble Pharmaceuticals. Sanofi-aventis is not currently a co-plaintiff in either suit.

- *Nasacort® AQ Patent Litigation.*

The US District Court of Delaware has set trial for May 2008 in the patent infringement suit filed by sanofi-aventis in response to Barr Laboratories, Inc.' s paragraph IV certification regarding two Nasacort® AQ patents (U.S. Patent nos. 5,976,573 and 6,143,329).

c) Compliance

- *Civil Suits–Pricing and Marketing Practices*

Additional AWP (*Average Wholesale Prices*) - related suits have been filed by the State of Hawaii and two further counties of New York State.

- *Plavix® Antitrust Claim*

Sanofi-aventis has learned that on March 23, 2006, the U.S. retailer The Kroger Co. filed an antitrust complaint in the District Court for the Southern District of Ohio against sanofi-aventis, Bristol-Myers Squibb Co. and Apotex Corp alleging antitrust violations by the defendants in relation to their agreement to settle the U.S. Plavix® patent litigation (see "*Plavix® Patent Litigation–U.S.*", above, for a description of the transaction). Thirteen other complaints have since been filed on the same or similar grounds. Plaintiffs seek to enjoin that agreement as well as other relief including monetary damages.

d) Contingencies Arising from Certain Business Divestitures

- *Rhodia*

On March 28, 2006, the Central District Court of Sao Paulo ruled inadmissible Rhodia' s claims regarding the alleged extra contractual liability of sanofi-aventis as former owner or operator of Rhodia' s Cubatao site in Brazil. Rhodia has appealed this ruling.

- *Rhodia Shareholder Litigation*

On April 20, 2006, the State of New York Supreme Court Appellate Division confirmed the previously disclosed decision to dismiss this case on forum non conveniens grounds and the New York Court of Appeal subsequently declined to review the Appellate Division' s decision.

- *Albemarle Arbitration*

On March 17, 2006, the arbitral tribunal handed down a partial award holding that the claims of Albemarle under the arbitration were not time barred but subject to France' s ten-year statute of limitations for contracts. This partial award did not consider the final liability of sanofi-aventis with regards to the facts and technical elements involved in the case. Further to this partial award, the parties having failed to reach a settlement with respect to the allocation of liability, an expert procedure should begin shortly under the aegis of the arbitral tribunal.

B.15. Financial income and expenses

The tables below show the main components of financial income and expenses.

B.15.1. Financial expenses

(million)	**June 30, 2006**	**June 30, 2005**	**December 31, 2005**
Interest expense on debt	(190)	(250)	(444)
Unwinding of discount on provisions	(15)	(23)	(47)
Fair value losses on financial instruments	(50)	(13)	(24)
Provisions for impairment of financial assets	(25)	(18)	(17)
Other items	-	(1)	-
Total financial expenses	**(280)**	**(305)**	**(532)**

B.15.2. Financial income

(million)	**June 30, 2006**	**June 30, 2005**	**December 31, 2005**

Interest income	45	40	76
Foreign exchange gains (non-operating)	52	38	64
Fair value gains on financial instruments	89	16	49
Net gain on disposals of financial assets	-	3	94
Other items	1	3	4
Total financial income	**187**	**100**	**287**

B.16. Income tax expenses

The difference between the effective tax rate and the standard corporate income tax rate applicable in France for the six months ended June 30, 2006 and 2005 and for the year ended December 31, 2005 is explained as follows:

(as %)	June 30, 2006 *(1)*	June 30, 2005 *(1)*	December 31, 2005
Tax rate applicable in France	34	35	35
Impact of income tax at reduced rate on royalties in France	(7)	(12)	(14)
Other	(5)	(5)	(3)
Effective tax rate	**22**	**18**	**18**

(1)Estimated effective tax rates for the six months ended June 30, 2006 and 2005.

Despite an increase in the level of royalties taxed at a reduced rate, the overall effect of this factor is lower (7 points, versus 12 points in the first half of 2005) due to the strong growth of 129% in income before tax.

The "Other" line includes, in particular, the impact of (i) the reduced rate of tax on the sale of Diabel; (ii) differences between the tax rate applicable in France and the tax rates applicable in other countries; and (iii) a reassessment of certain of the Group' s tax exposures.

Table of Contents

B.17. Segment information

Sanofi-aventis has two business segments: Pharmaceuticals and Human Vaccines. Net income and investments in all associates and joint ventures are included in the Pharmaceuticals segment; the main exception is net income from the Sanofi Pasteur MSD joint venture, which is included in the Human Vaccines segment.

Results by business segment

The table below shows key income statement indicators by business segment:

	6 months to June 30, 2006			6 months to June 30, 2005			12 months to Dec. 31, 2005		
(million)	Pharma-ceuticals	Vaccines	Sanofi-aventis consolidated	Pharma-ceuticals	Vaccines	Sanofi-aventis consolidated	Pharma-ceuticals	Vaccines	Sanofi-aventis consolidated
Net sales	13,036	1,080	**14,116**	12,402	702	**13,104**	25,249	2,062	**27,311**
Other revenues	621	26	**647**	523	25	**548**	1,143	59	**1,202**
Research and development expenses	(1,959)	(185)	**(2,144)**	(1,771)	(131)	**(1,902)**	(3,725)	(319)	**(4,044)**
Selling and general expenses	(3,830)	(231)	**(4,061)**	(3,765)	(184)	**(3,949)**	(7,832)	(418)	**(8,250)**
Amortization of intangibles	(1,850)	(148)	**(1,998)**	(1,835)	(135)	**(1,970)**	(3,756)	(281)	**(4,037)**
Operating income – current	2,765	167	**2,932**	2,343	(133)	**2,210**	4,565	188	**4,753**
Impairment of property, plant & equipment and intangibles	(380)	-	**(380)**	(104)	(2)	**(106)**	(970)	(2)	**(972)**
Operating income	2,825	166	**2,991**	1,607	(134)	**1,473**	2,702	186	**2,888**
Financial expenses	(274)	(6)	**(280)**	(280)	(25)	**(305)**	(498)	(34)	**(532)**
Financial income	186	1	**187**	95	5	**100**	283	4	**287**
Income tax expenses	(591)	(61)	**(652)**	(294)	62	**(232)**	(427)	(50)	**(477)**

Share of profit/loss of associates	326	(1	) **325**	217	(9	) **208**	482	(55	) **427**
Net income	2,472	99	**2,571**	1,345	(101	) **1,244**	2,542	51	**2,593**
Attributable to minority interests	*190*	-	***190***	*157*	-	***157***	*335*	-	***335***
Attributable to equity holders of the company	*2,282*	*99*	***2,381***	*1,188*	*(101*	*)* ***1,087***	*2,207*	*51*	***2,258***
Adjusted net income ***(1)*** *(unaudited)*	3,757	207	**3,964**	2,879	89	**2,968**	5,903	432	**6,335**

(1) See below for a definition of adjusted net income.

Inter-segment transactions are not material. Transfer prices between segments are determined on an arm' s length basis.

Adjusted net income

Adjusted net income as disclosed for segment reporting purposes is an internal performance indicator, defined as net income attributable to equity holders of the company adjusted to exclude (i) the material impacts of purchase accounting for acquisitions, principally the Aventis acquisition, and (ii) certain acquisition-related restructuring costs.

Management uses adjusted net income as an internal performance indicator, as a significant factor in establishing the variable portion of employee remuneration, and as the basis for determining dividend policy of the new Group.

The main adjustments between consolidated net income and adjusted net income are:

- elimination of the charge arising from the workdown of inventories remeasured at fair value, net of tax;
- elimination of amortization and impairment expense charged against intangible assets acquired through business combinations, net of tax and minority interests (acquired in-process R&D and acquired product rights);
- elimination of expenses due to the effect of the acquisitions on associates (workdown of acquired inventories, amortization and impairment of intangible assets, and impairment of goodwill);
- elimination of any impairment of the goodwill arising on acquisitions.

Sanofi-aventis also eliminates from adjusted net income integration and restructuring costs (net of tax) incurred specifically in connection with acquisitions.

The adjusted net income is determined as follows:

(million)	June 30, 2006	June 30, 2005	December 31, 2005
Net income attributable to equity holders of the company	**2,381**	**1,087**	**2,258**
Material impacts of application of purchase accounting to business combinations:	**1,530**	**1,484**	**3,462**
elimination of expense arising from workdown of acquired inventories remeasured at fair value, net of tax	6	171	248
elimination of amortization and impairment of intangible assets, net of tax (portion attributable to equity holders of the company)	1,460	1,252	3,156

elimination of charges arising from the impact of acquisitions on associates (workdown of acquired inventories, amortization and impairment of intangible assets and impairment of goodwill)	64	(1)	61	58
elimination of impairment losses charged against goodwill	-		-	-
Elimination of acquisition-related integration and restructuring costs, net of tax	**53**		**397**	**615**
Adjusted net income (unaudited)	**3,964**		**2,968**	**6,335**

(1)Includes 7 million relating to the acquisition of Zentiva (see note B.1.).

Management Report

for the first half of 2006

Contents

1. Introduction and key figures for the first half of 2006 3

2. Significant events of the first half of 2006 5

2.1. Pharmaceuticals 5

2.2. Human Vaccines 8

2.3. Other significant events 8

3. Consolidated financial statements for the first half of 2006 9

3.1. Consolidated results for the first half of 2006 9

3.1.1. Net sales 10

3.1.1.1. Net sales by business segment 10

3.1.1.2. Net sales by geographical region 14

3.1.1.3. Developed sales 15

3.1.2. Other revenues 16

3.1.3. Gross profit 16

3.1.4. Research and development expenses 16

3.1.5. Selling and general expenses 17

3.1.6. Other current operating income and expenses 17

3.1.7. Amortization of intangibles 17

3.1.8. Operating income – current 17

3.1.9. Restructuring costs 17

3.1.10. Impairment of property, plant & equipment and intangibles 18

3.1.11. Other operating income and expenses 18

3.1.12. Operating income 18

3.1.13. Financial income and expenses 18

3.1.14. Income before tax and associates 18

3.1.15. Income tax expenses 18

3.1.16. Share of profit/loss of associates 18

3.1.17. Net income 18

3.1.18. Minority interests 19

3.1.19. Net income attributable to equity holders of the company 19

3.2. Adjusted net income (unaudited) 19

3.3. Consolidated statement of cash flows 20

3.4. Consolidated balance sheet 21

4. Sanofi-aventis parent company financial statements for the six months ended June 30, 2006 (French GAAP) 21

5. Appendix – Definitions of financial indicators 22

5.1. Comparable net sales 22

5.2. Developed sales 22

5.3. Adjusted net income 22

Cautionary statement regarding forward-looking statements 23

1. Introduction and key figures for the first half of 2006

We believe that the concept of "adjusted net income" (unaudited) will give investors a better understanding of our operational performance. Adjusted net income is a non-GAAP financial measure, which we define as net income attributable to equity holders of the company adjusted to exclude (i) the material impacts of the application of purchase accounting to acquisitions, primarily the acquisition of Aventis, and (ii) certain acquisition-related restructuring costs (see the definition in the Appendix).

(million)	H1 2006	H1 2005	Change
Net income attributable to equity holders of the company	**2,381**	**1,087**	**+119.0%**
Plus material impacts of accounting treatment of business combinations:			
- elimination of expense arising from workdown of acquired inventories remeasured at fair value, net of tax	6	171	
- elimination of amortization and impairment of intangible assets, net of tax (portion attributable to equity holders of the company)	1,460	1,252	
- elimination of charges arising from the impact of acquisitions on associates (workdown of acquired inventories, amortization and impairment of intangible assets and impairment of goodwill)	64 *	61	
- elimination of impairment losses charged against goodwill	-	-	
Elimination of acquisition-related integration and restructuring costs, net of tax	53	397	
Adjusted net income [(1)]	**3,964**	**2,968**	**+33.6%**
Adjusted earnings per share [(1)] (in euros)	**2.95**	**2.22**	**+32.9%**

* Includes 7 million relating to the acquisition of Zentiva

Consolidated financial statements:

During the six months ended June 30, 2006, sanofi-aventis generated net sales of 14,116 million, an advance of 7.7% relative to the first half of 2005 on a reported basis and 4.5% on a comparable basis (excluding the impact of exchange rate movements and changes in Group structure, see the definition in the Appendix). Excluding the impact of the introduction of generics of four products (Allegra®, Amaryl®, Arava® and DDAVP® in the United States between July and October 2005) [(2)], comparable-basis growth would have reached 10.5%.

Net sales for the pharmaceuticals business for the period were 13,036 million, an increase of 5.1% on a reported basis and 2.1% on a comparable basis. Sales for the period were affected by the full impact of competition from generics for some sanofi-aventis products, especially in the United States, and by the impact of healthcare system reforms in France and Germany. Sanofi-aventis obtained an approvable letter for rimonabant from the U.S. Food and Drug Administration (FDA) and marketing approval for the same product in the European Union. This paved the way for the first-ever launch of Acomplia®, which took place in the United Kingdom at the end of June 2006 (see section 2.1).

[1] See definition in the Appendix

[2] i.e. excluding net sales of these 4 products in the United States

The period also saw strong growth in net sales for the vaccines business, which rose by 53.8% on a reported basis and 44.4% on a comparable basis. This was partly due to the success of the recent U.S. launches of three highly-innovative new products: Menactra® (March 2005), Adacel® (July 2005) and Decavac® (January 2005). Sales recorded during the period under contracts signed with the French and U.S. governments in 2005 on H5N1 pandemic influenza vaccines amounted to 133 million.

The split of 2006 first-half net sales by region shows a balanced geographical spread, with 44.1% of net sales generated in Europe, 34.3% in the United States, and 21.6% in Other Countries, the region that reported the strongest growth (up 10.8% on a comparable basis).

"Operating income – current" for the six months ended June 30, 2006 was 2,932 million, against 2,210 million for the comparable period of 2005. This growth was achieved:

- thanks to an improvement in the gross margin ratio (77.9%, versus 76.0% for the first half of 2005), driven by an increase in "Other revenues" and a reduction in the charge arising from the workdown of acquired Aventis inventories remeasured at fair value;

- with a 12.7% rise in research and development expenses, reflecting increased phase III clinical trials activity in pharmaceuticals and greater R&D activity in vaccines;

- with only limited growth in selling expenses, due largely to the withdrawal of support from products now subject to competition from generics, and with an overall decline in general expenses during the period.

Other operating income and expenses showed net income of 520 million (including 553 million of pre-tax gains on disposals, of which 460 million related to Exubera®), compared with 7 million in the first half of 2005.

Net income attributable to equity holders of the company for the first half of 2006 totaled 2,381 million, against 1,087 million for the first half of 2005. Consolidated earnings per share (EPS) was 1.77, compared with 0.81 for the first half of 2005 (based on an average number of shares outstanding of 1,345.2 million for the first half of 2006 and 1,335.1 million for the first half of 2005).

Adjusted net income [1] (unaudited):
Adjusted net income for the six months ended June 30, 2006 was 3,964 million, 33.6% up on the comparable period of 2005. A reconciliation of net income attributable to equity holders of the company to adjusted net income for the first half of 2005 and 2006 is provided above.

Adjusted EPS was 2.95, 32.9% higher than the 2005 first-half figure.

Definitions of our financial indicators are provided in the Appendix. Unless otherwise stated, all financial information in this Management Report is presented in accordance with International Financial Reporting Standards (IFRS).

[1] See definition in the Appendix

2. Significant events of the first half of 2006

2.1. Pharmaceuticals

The first half of 2006 saw the publication of results from numerous clinical trials of sanofi-aventis molecules and products: xaliprodene (XENOX, January), rimonabant (RIO-North America, February), Plavix® (CHARISMA, March), Lovenox® (ExTRACT-TIMI 25, March), Lantus® (LANMET, April), Eloxatine® and Taxotere® (June), Lantus® (APOLLO, June), and a combination therapy involving Apidra® and Lantus® (June).

Developments relating to filings for marketing approval with the European and U.S. healthcare authorities, and to the launch of new products, were as follows:

In January 2006, sanofi-aventis received a written request from the U.S. Food and Drug Administration (FDA) for pediatric studies for zolpidem (**Ambien®**). Sanofi-aventis has begun the studies requested by the FDA, with a view to obtaining a pediatric extension for the product in the United States.

In January 2006, the FDA granted a priority review to the antiplatelet agent **Plavix®** (clopidogrel) in a new indication in acute myocardial infarction. A filing for the same indication has also been submitted to the European Medicines Agency (EMEA). On July 28, 2006, the CHPM of the EMEA has issued a positive opinion to extend Plavix® indication to patients suffering from ST-segment elevation acute myocardial infarction and who are eligible for thrombolytic therapy.

In February 2006, sanofi-aventis received an approvable letter from the FDA for **rimonabant** for weight management and a non-approvable letter for smoking cessation.

In February 2006, it was announced that **Apidra®** (rDNA origin insulin glulisine injection), a new mealtime insulin analog, had become available on prescription in the United States for the control of hyperglycemia in adult patients with type 1 and type 2 diabetes.

In March 2006, the FDA approved **Taxotere®** (docetaxel) in combination with cisplatin and 5-fluorouracil for the treatment of patients with metastatic stomach cancer, including cancer of the gastro-esophageal junction, who have not received prior chemotherapy for their metastatic disease. Also in March 2006, a positive opinion was received from the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMEA) for the same indication of Taxotere® in Europe.

In June 2006, sanofi-aventis received authorization from the European Commission to market **Acomplia®** (rimonabant 20 mg per day) in all 25 European Union member states, as an adjunct to diet and exercise in the treatment of obese or overweight patients with associated risk factors, such as type 2 diabetes or dyslipidemia. Acomplia® was initially launched in the United Kingdom at the end of June. The CHMP had issued a positive opinion for Acomplia® in this indication in April, but has not issued a positive opinion for Acomplia® in smoking cessation.

Developments relating to the expansion of our presence in Japan:

In April 2006, sanofi-aventis announced that it had agreed with Astellas Pharma Inc. to accelerate the transfer of all rights to **rimonabant** in Japan from a joint venture between the two companies to sanofi-aventis. The transfer became effective in June 2006. Rimonabant is currently in phase II B in Japan.

In May 2006, sanofi-aventis announced the launch of its antiplatelet agent **Plavix®** in Japan for the reduction of recurrence in patients after ischemic cerebrovascular disorder (excluding cardiogenic cerebro-embolism). The launch followed the granting of marketing authorization in January 2006. Clinical trials are currently being conducted in Japan to extend the use of Plavix® to the prevention of acute coronary syndrome.

Developments relating to the defense of sanofi-aventis products:

On March 21, 2006, sanofi-aventis and Bristol-Myers Squibb (the "Companies") announced that they had reached an agreement subject to certain conditions with Apotex Inc. and Apotex Corp. ("Apotex") to settle the patent infringement lawsuit pending between the parties in the U.S. District Court for the Southern District of New York. The lawsuit relates to the validity of a composition of matter patent for clopidogrel bisulfate (the '265 patent), a medicine made available in the United States by the Companies as **Plavix®**.

Under the terms of the settlement as initially proposed, sanofi-aventis was to grant Apotex a royalty-bearing license under the '265 patent to manufacture and sell its FDA-approved clopidogrel bisulfate product in the United States, and Apotex was to agree not to sell a clopidogrel product in the United States until the effective date of the license. The license was to be effective on September 17, 2011, with the possibility of an effective date earlier in 2011 if sanofi-aventis did not receive an extension of exclusivity for pediatric use under the '265 patent. If a third party obtained a final decision that the '265 patent is invalid or unenforceable, under certain circumstances, the license to Apotex was to become effective earlier. The agreement included other provisions and was subject to conditions, including antitrust review and clearance by the Federal Trade Commission ("FTC") and state attorneys general.

On June 25, 2006 the Companies and Apotex announced that, in response to concerns raised by the FTC and state attorneys general to the settlement as initially proposed, the Companies and Apotex had amended the agreement. Among other revisions, under the terms of the modified agreement, Apotex' s license to manufacture and sell its FDA approved clopidogrel bisulfate product in the United States was to be effective on June 1, 2011, rather than September 17, 2011.

On July 28, 2006, sanofi-aventis learned that the agreement, as amended, had failed to receive required antitrust clearance from the state attorneys general. When sanofi-aventis and Bristol-Myers Squibb initially announced the settlement on March 21, 2006, the Companies said that there was a significant risk that the required antitrust clearance would not be obtained.

The FTC has not yet advised the Companies of its decision. However, the agreement required the approval of both the FTC and the state attorneys general to become effective. The originally scheduled trial date for the litigation between Apotex and the Companies had been suspended pending possible finalization of the proposed settlement. A new trial date has not yet been established. As previously disclosed, sanofi-aventis and Bristol-Myers Squibb have filed patent infringement claims against three other generic pharmaceutical companies with respect to the '265 patent.

Sanofi-aventis has also learned that the Antitrust Division of the United States Department of Justice is conducting a criminal investigation regarding the proposed settlement and has received grand jury subpoenas seeking the production of documents. Sanofi-aventis intends to provide all information required in response to this investigation. It is not possible at this time reasonably to assess the outcome of the investigation or its impact on sanofi-aventis.

It is also not possible at this time reasonably to assess the outcome of the Plavix® litigation, including the Apotex matter, or the timing of potential generic competition for Plavix®. Apotex announced in January 2006 that it had received final approval of its ANDA for clopidogrel bisulfate from the FDA. As a result, Apotex could launch a generic clopidogrel product at their risk.

Under the terms of the agreement, Apotex may be eligible to receive a reimbursement payment from the Companies for certain short dated inventories of Apotex' s clopidogrel bisulfate product, the amount, if any, of which has not been quantified. Any payment to Apotex will be paid 50% by sanofi-aventis and 50% by Bristol-Myers Squibb. As previously disclosed, sanofi-aventis recorded reserves in the amount of $20 million in the first quarter of this year.

It also is not possible reasonably to estimate the impact of the Plavix® litigation on sanofi-aventis. However, a loss of market exclusivity of Plavix® and the subsequent development of generic competition would be material to sales of Plavix® and sanofi-aventis' s results of operations and cash flows, and could be material to sanofi-aventis' s financial condition and liquidity.

The Companies intend to vigorously pursue enforcement of their patent rights in Plavix®.

The foregoing summary contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Although sanofi-aventis' management believes that the assumptions reflected in these statements and their underlying assumptions are reasonable, investors are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of sanofi-aventis, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These factors include risks that may arise from the Department of Justice' s criminal investigation as well as risks and uncertainties discussed or identified in the public filings with the SEC and the AMF made by sanofi-aventis, including those listed under "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" in sanofi-aventis' annual report on Form 20-F for the year ended December 31, 2005. Other than as required by applicable law, sanofi-aventis does not undertake any obligation to update or revise any forward-looking information or statements.

On April 10, 2006, sanofi-aventis announced that the U.S. Court of Appeals for the Federal Circuit had ruled in its favor, reversing a prior decision of the U.S. District Court for the Central District of California in the patent infringement suit brought by sanofi-aventis against Amphastar and Teva in the United States in respect of **Lovenox®** (enoxaparin sodium). As a result of the Court of Appeals ruling, the case will be returned to the U.S. District Court, where it will proceed on the substantive issues of the infringement, validity and enforceability of the Lovenox® reissue patent (RE 38,743).

Other developments:

In January 2006, sanofi-aventis announced the signature of an **agreement with Pfizer to sell its rights to Exubera®**, an inhaled human insulin, under the change of control clause included in the terms of the 1998 alliance between Aventis and Pfizer. Under the terms of the agreement, sanofi-aventis sold Pfizer its share in the worldwide rights for the development, manufacture and marketing of Exubera®, along with its interest in the Diabel joint venture, for US $1.3 billion (net of German local taxes).

In March 2006, sanofi-aventis announced that it had acquired a 24.876% interest in **Zentiva**, thereby becoming the company' s principal shareholder. Members of Zentiva' s management, who own approximately 5.86% of the company following the deal, signed a shareholders' agreement with sanofi-aventis. Zentiva is an international pharmaceuticals company that develops, manufactures and markets low-cost branded pharmaceutical products. The company has very strong positions in the Czech Republic, Slovakia and Romania, and is expanding rapidly in Poland, Russia and the Baltic states.

In June 2006, sanofi-aventis announced that the U.S. prescribing information for its antibiotic **Ketek®** (telithromycin) had been revised after discussion with the FDA, in order to provide healthcare professionals and patients with updated information about adverse events reported in connection with the use of the product. The changes were reviewed and agreed to by the FDA. At the start of June, sanofi-aventis voluntarily paused enrollment of its Ketek® pediatric clinical trials. This pause is to allow sanofi-aventis to confirm that the current program remains consistent with the FDA' s current thinking on the design of pediatric trials. It is important to note that this pause was not due to any safety reason involving patients enrolled in these trials.

2.2. Human Vaccines

The main events of the first half for the Vaccines business related to the H5N1 pandemic influenza vaccine candidate:

During the first half of 2006, sanofi-aventis generated $150 million in sales from supplying H5N1 pandemic influenza vaccines to the U.S. government.

A study published online by The Lancet in May 2006 demonstrated that multiple dosage formulations of the H5N1 pandemic influenza vaccine candidate developed by sanofi pasteur were well tolerated and generated an immune response, with and without adjuvant.

2.3. Other significant events

On May 31, 2006, the **Combined General Meeting** of sanofi-aventis shareholders approved the payment of a net dividend of 1.52 per share, with a payment date of June 7, 2006.
The meeting also appointed Gérard Le Fur, Senior Executive Vice-President, to serve as a Director for a term of four years.
At the meeting, the Chairman, Jean-François Dehecq, indicated that he would propose to the Board of Directors that the office of Chairman of the Board of Directors and the office of Chief Executive Officer be separated, as provided for in the Bylaws of sanofi-aventis, with effect from January 1, 2007. He also indicated that he would propose to the Board of Directors that Gérard Le Fur be appointed as Chief Executive Officer.
The meeting also resolved to set an age limit of 70 for the Chairman of the Board of Directors.

3. Consolidated financial statements for the first half of 2006

3.1. Consolidated results for the first half of 2006

The table below shows the main components of net income attributable to equity holders of the company for the six months ended June 30, 2006 and June 30, 2005:

(IFRS)	**First half of 2006 consolidated**		**First half of 2005 consolidated**	
(million)		**as % of net sales**		**as % of net sales**
Net sales	**14,116**	**100.0 %**	**13,104**	**100.0 %**
Other revenues	647	4.6 %	548	4.2 %
Cost of sales	(3,768)	(26.7)%	(3,690)	(28.2)%
Gross profit	**10,995**	**77.9 %**	**9,962**	**76.0 %**
Research and development expenses	(2,144)	(15.2)%	(1,902)	(14.5)%
Selling and general expenses	(4,061)	(28.8)%	(3,949)	(30.1)%
Other current operating income	200	1.4 %	133	1.0 %
Other current operating expenses	(60)	(0.4)%	(64)	(0.5)%
Amortization of intangibles	(1,998)	(14.1)%	(1,970)	(15.0)%
Operating income - current	**2,932**	**20.8 %**	**2,210**	**16.9 %**
Restructuring costs	(81)	(0.6)%	(638)	(4.9)%
Impairment of property, plant & equipment and intangibles	(380)	(2.7)%	(106)	(0.8)%

Other operating income and expenses	520	3.7	%	7	-	
Operating income	**2,991**	**21.2**	**%**	**1,473**	**11.2**	**%**
Financial expenses	(280)	(2.0)	%	(305)	(2.3)	%
Financial income	187	1.3	%	100	0.8	%
Income before tax and associates	**2,898**	**20.5**	**%**	**1,268**	**9.7**	**%**
Income tax expenses	(652)	(4.6)	%	(232)	(1.8)	%
Share of profit/(loss) of associates	325	2.3	%	208	1.6	%
Net income	**2,571**	**18.2**	**%**	**1,244**	**9.5**	**%**
Attributable to minority interests	190	1.3	%	157	1.2	%
Attributable to equity holders of the company	**2,381**	**16.9**	**%**	**1,087**	**8.3**	**%**

3.1.1. Net sales

Net sales reported by sanofi-aventis comprise net sales generated by the pharmaceuticals business and net sales generated by the human vaccines business.

In the first half of 2006, sanofi-aventis recorded net sales of 14,116 million, a rise of 4.5% on a comparable basis. Exchange rate movements (mainly related to the U.S. dollar) had a favorable effect of 4.0 points, and changes in Group structure a negative effect of 0.8 of a point. After allowing for these impacts, reported-basis growth was 7.7%.

Reconciliation of 2005 first-half reported net sales to comparable net sales:

(million)	**H1 2005**
2005 first-half reported net sales	**13,104**
Impact of changes in Group structure	(90)
Impact of exchange rates	498
2005 first-half comparable net sales	**13,512**

3.1.1.1. Net sales by business segment

3.1.1.1.a. Pharmaceuticals

First-half net sales for the pharmaceuticals business reached 13,036 million, a rise of 2.1% on a comparable basis and 5.1% on a reported basis.

Net sales of the top 15 products advanced by 6.7% on a comparable basis to 8,647 million, representing 66.3% of pharmaceuticals net sales compared with 63.5% for the same period in 2005. Excluding the impact of the introduction of generics of Allegra® and Amaryl® in the United States (i.e. excluding U.S. net sales of these two products), the top 15 products would have achieved first-half growth of 15.2% on a comparable basis.

First-half net sales of other pharmaceutical products were down 5.8% on a comparable basis at 4,389 million. There were two main reasons for this fall:

- Since the second half of 2005, DDAVP® and Arava® have been affected by the launch of generics in the United States. Excluding the effect of these generics (i.e. excluding U.S. net sales of these two products), the drop in net sales of other pharmaceutical products would have been 2.7%.
- Sales were also hit hard by healthcare system reforms in France and Germany.

(million)

Product	Indications	H1 2006	H1 2005 reported	H1 2005 comparable	% change Reported basis	% change Comparable basis
Lovenox®	Thrombosis	1,238	1,020	1,074	+21.4%	+15.3%
Plavix®	Atherothrombosis	1,145	974	988	+17.6%	+15.9%
Stilnox®/Ambien®/Ambien CR™	Insomnia	908	670	711	+35.5%	+27.7%
Taxotere®	Breast cancer, lung cancer, prostate cancer	886	764	798	+16.0%	+11.0%
Eloxatine®	Colorectal cancer	874	719	752	+21.6%	+16.2%
Lantus®	Diabetes	803	544	570	+47.6%	+40.9%
Copaxone®	Multiple sclerosis	534	406	428	+31.5%	+24.8%
Aprovel®	Hypertension	498	436	444	+14.2%	+12.2%
Delix®/Tritace®	Hypertension	483	464	485	+4.1%	-0.4%
Allegra®	Allergic rhinitis	369	818	866	-54.9%	-57.4%
Amaryl®	Diabetes	240	347	358	-30.8%	-33.0%
Xatral®	Benign prostatic hyperplasia	186	157	161	+18.5%	+15.5%
Actonel®	Osteoporosis, Paget' s disease	180	176	157	+2.3%	+14.6%
Depakine®	Epilepsy	154	157	160	-1.9%	-3.8%

Nasacort®	Allergic rhinitis	149	141	151	+5.7%	-1.3%
Sub-total: top 15 products		**8,647**	**7,793**	**8,103**	**+11.0%**	**+6.7%**
Other pharmaceutical products		4,389	4,609	4,661	-4.8%	-5.8%
Total Pharmaceuticals		**13,036**	**12,402**	**12,764**	**+5.1%**	**+2.1%**

First-half net sales of Lovenox®, the leading low molecular weight heparin on the market, were 1,238 million, a rise of 15.3% on a comparable basis. Growth of the product continues to be driven by its increasing use in medical prophylaxis.

Net sales of Ambien®/Ambien CR™ in the United States rose by 32.8% on a comparable basis to 817 million. This growth reflects a 10.8% increase in total prescriptions (TRx) during the first half (source: IMS NPA 3 channels – Q2 2006), a favorable price effect, and the low level of net sales in the second quarter of 2005. To end June, prescriptions of Ambien CR™ represented about 23% of prescriptions of Ambien® brand products.

In Japan, developed sales of Myslee® reached 54 million, up 12.8% on a comparable basis.

Taxotere® recorded net sales of 886 million, up 11.0% on a comparable basis. Once again, the product posted an excellent performance in Europe and Other Countries. In the United States, despite a tough competitive environment, the product continues to gain market share in adjuvant and metastatic breast cancer treatment. In March 2006, Taxotere® was approved in the United States for advanced stage stomach cancer in association with the standard treatment (cisplatin and 5-fluorouracile), and received a positive opinion from the CHMP in Europe in the same indication. The FDA and EMEA are currently reviewing filings for approval of Taxotere® as a neoadjuvant treatment for head and neck cancer.
Key trial results were presented at the 42nd annual meeting of the American Society of Clinical Oncology (ASCO) in June 2006 on the use of Taxotere® (docetaxel) regimens in the treatment of non small cell lung cancer, head and neck cancer and metastatic breast cancer, and as an adjuvant breast cancer treatment.

Net sales of Eloxatine® came to 874 million, up 16.2% on a comparable basis. Conversion to the ready to use solution is complete in France and the United States, and in progress in various European countries.
Key results were presented at the 42nd annual meeting of the American Society of Clinical Oncology (ASCO) in June 2006 from three studies evaluating Eloxatine® (oxaliplatin) in various gastrointestinal tumor types (colorectal, pancreatic and gastric cancers).

To boost its portfolio in oncology, on July 3, 2006 sanofi-aventis announced it had signed an agreement with the Japanese pharmaceutical company Taiho giving sanofi-aventis the rights to develop and market an oral anticancer agent, S-1, a proprietary product from Taiho. Sanofi-aventis will lead the development and marketing of the product worldwide except in Japan and some other Asian countries. Taiho will be involved in the development of the product and will have the option of participating in the promotion of the product in any country in which sanofi-aventis markets it.

Lantus®, the world' s leading insulin brand, continues to record excellent performances, with first-half net sales up 40.9% on a comparable basis at 803 million.
The results of a new study (APOLLO) were presented to the Annual Scientific Session of the American Diabetes Association (ADA) in June 2006 demonstrating that in patients with type 2 diabetes who had failed on oral therapy alone, the long-acting insulin Lantus® (insulin glargine, rDNA origin) administered once-daily in combination with oral antidiabetes drugs (OADs) is as effective and with less hypoglycemia than the short-acting insulin lispro in combination with OADs.
The results of another study were also presented to the ADA, demonstrating that a simple algorithm to adjust mealtime insulin based on pre-meal glucose patterns is just as effective as the more complex carbohydrate counting method – a standard technique that many diabetes patients find difficult to use. The new algorithm may provide patients with an easier method to dose their mealtime insulin therapy.

The table below shows the geographical split of sales of the top 15 pharmaceutical products in the first half of 2006:

(million)

	Europe			United States			Other Countries		
Product		**Change on a comparable basis**			**Change on a comparable basis**			**Change on a comparable basis**	
Lovenox®	351	+7.3	%	765	+19.0	%	122	+17.3	%
Plavix®	811	+13.6	%	110	+4.8	%	224	+32.5	%
Stilnox®/Ambien®/Ambien CR™	48	-11.1	%	817	+32.8	%	43	+2.4	%
Taxotere®	362	+20.3	%	360	+1.1	%	164	+16.3	%
Eloxatine®	296	+12.5	%	496	+14.3	%	82	+49.1	%
Lantus®	255	+32.8	%	485	+41.4	%	63	+80.0	%
Copaxone®	136	+22.5	%	370	+27.1	%	28	+7.7	%
Aprovel®	398	+10.6	%	-	-		100	+19.0	%
Delix®/Tritace®	270	-6.3	%	10	+150.0	%	203	+5.2	%
Allegra®	33	+0.0	%	194	-70.4	%	142	-20.2	%
Amaryl®	103	-19.5	%	8	-93.1	%	129	+13.2	%
Xatral®	120	+2.6	%	42	+82.6	%	24	+14.3	%

Actonel®	128	+14.3	%	-	-		52	+15.6	%
Depakine®	106	-9.4	%	-	-		48	+11.6	%
Nasacort®	24	+9.1	%	110	-3.5	%	15	+0.0	%

3.1.1.1.b. Human Vaccines

Net sales for the human vaccines business for the first half of 2006 were 1,080 million, up 44.4% on a comparable basis. Sales of H5N1 vaccines amounting to $150 million were recorded in the United States in the second quarter under the contract signed with the U.S. Department of Health and Human Services.

Menactra®, on sale in the United States since March 2005, achieved first-half net sales of 119 million. Net sales of Adacel® (adult tetanus-diphtheria-whooping cough-Tdap booster), launched in the United States in July 2005, were 78 million, helped by an extension of the vaccination recommendations issued by the Advisory Committee on Immunization Practices (ACIP) in the fourth quarter of 2005.

(million)	H1 2006	H1 2005 reported	H1 2005 comparable	Change on a reported basis	Change on a comparable basis
Polio/Whooping Cough/Hib Vaccines	320	258	277	+24.0 %	+15.5%
Adult Booster Vaccines	178	121	130	+47.1 %	+36.9%
Influenza Vaccines	224	64	68	+250.0 %	+229.4%
Travel Vaccines	124	80	84	+55.0 %	+47.6%
Meningitis/Pneumonia Vaccines	151	98	103	+54.1 %	+46.6%
Other Vaccines	83	81	86	+2.5 %	-3.5%
Total Human Vaccines	1,080	702	748	+53.8 %	+44.4%

Sanofi Pasteur MSD, the joint venture with Merck & Co in Europe, generated 2006 first-half sales of 287 million, an increase of 1.9% on a reported basis. Excluding Hexavac®, sales of which were suspended by the EMEA in September 2005, Sanofi Pasteur MSD would have posted sales growth of 21.8% on a reported basis.

During the second quarter, two vaccines from Merck & Co, which are to be marketed by Sanofi Pasteur MSD, were approved by the European authorities:
- The frozen form of Zostavax®, a vaccine against herpes zoster (shingles) and herpes zoster related postherpetic neuralgia, was approved in May; application for approval of a refrigerated form is to be submitted in the second half of 2006.
- Rotateq® was approved in June for the prevention of pediatric rotavirus gastroentiritis.

On July 28th, Gardasil® (a product from Merck & Co) obtained a positive opinion from the Committee for Medicinal Products for Human Use (CHMP) of the European Medicines Agency (EMEA) for use in the prevention of cervical carcinoma, high grade cervical dysplasia (CIN2/3), high grade vulvar dysplastic lesions (VIN2/3) and external genital warts caused by Human Papillomavirus types 6, 11, 16 and 18.
The sales recorded by Sanofi Pasteur MSD are not included in the consolidated net sales reported by sanofi-aventis.

3.1.1.2. Net sales by geographical region

(million)	H1 2006	H1 2005 reported	H1 2005 comparable	Change on a reported basis	Change on a comparable basis
Europe	6,230	6,075	6,065	+2.6 %	+2.7 %
United States	4,841	4,404	4,698	+9.9 %	+3.0 %

Other Countries	3,045	2,625	2,749	+16.0	%	+10.8	%
Total	14,116	13,104	13,512	+7.7	%	+4.5	%

In Europe, net sales rose by 2.7% on a comparable basis in the first half of 2006, with growth seriously affected by healthcare system reforms in France and also in Germany.

Sales in the United States were affected by competition from generics of four products (Allegra®, Amaryl®, Arava® and DDAVP®). First-half comparable-basis growth was 3.0%; excluding net sales of these four products, comparable-basis growth would have been 22.9%.

Growth in Other Countries reached 10.8% on a comparable basis in the first half, with Latin America and Asia continuing to post strong growth. The first quarter of 2006 was boosted by an exceptional season in influenza vaccines.

3.1.1.3. Developed sales

Developed sales[(1)], which give an indication of the overall presence of sanofi-aventis products in the market, amounted to 16,101 million in the first half of 2006, an increase of 6.4% on a comparable basis.

Reconciliation of comparable-basis net sales to comparable-basis developed sales:

(million)	H1 2006	H1 2005
Comparable-basis net sales	14,116	13,512
Non-consolidated sales of Plavix®/Iscover®, net of sales of product to Bristol-Myers Squibb	1,575	1,282
Non-consolidated sales of Aprovel®/Avapro®/Karvea®, net of sales of product to Bristol-Myers Squibb	366	310
Non-consolidated sales of Stilnox®/Myslee®, net of sales of product to Fujisawa	44	34
Comparable-basis developed sales	16,101	15,138

Developed sales of Plavix®/Iscover®

(million)	H1 2006	H1 2005 comparable	Change on a comparable basis
Europe	859	758	+13.3 %
United States	1,517	1,226	+23.7 %
Other Countries	344	286	+20.3 %
Total	2,720	2,270	+19.8 %

First-half developed sales of Plavix® were 2,720 million, up 19.8% on a comparable basis.

In the United States, where product sales were lifted by the launch late in 2005 of a new promotional campaign aimed at general practitioners and a stepping-up of product promotion in hospitals, growth in total prescriptions (TRx) remained strong at 13.7% in the first half (source: IMS NPA 3 channels – Q2 2006).

In Europe, net sales of Plavix® reached 859 million, a rise of 13.3% on a comparable basis.

The launch of Plavix® in Japan as a treatment for the reduction of recurrence after ischemic cerebrovascular disorder went ahead as expected in early May 2006.

---

[1] See definition in the Appendix

On July 28, the CHPM has issued a positive opinion to extend Plavix® indication to patients suffering from ST-segment elevation acute myocardial infarction and who are eligible for thrombolytic therapy. The FDA is currently reviewing this indication.

Developed sales of Aprovel®/Avapro®/Karvea®

(million)	H1 2006	H1 2005 comparable	Change on a comparable basis
Europe	435	388	+12.1 %
United States	252	211	+19.4 %
Other Countries	177	155	+14.2 %
Total	**864**	754	+14.6 %

Developed sales of Aprovel® came to 864 million, up 14.6% on a comparable basis.
In the United States, the product recorded net sales growth of 19.4% on a comparable basis. Total prescriptions (TRx) rose by 5.1% in the first half (source: IMS NPA 3 channels – Q2 2006).

3.1.2. Other revenues

Other revenues, mainly comprising royalty income under licensing agreements contracted in connection with ongoing operations, totaled 647 million, against 548 million in the first half of 2005. The increase was mainly due to higher revenues from the worldwide alliance with Bristol-Myers Squibb (BMS) on Plavix® and Aprovel®, which came to 426 million as opposed to 346 million in the first half of 2005.

3.1.3. Gross profit

Gross profit was 10,995 million for the six months to June 30, 2006, giving a gross margin ratio of 77.9%, compared with 9,962 million (gross margin: 76.0%) in the first half of 2005.
The 1.9-point improvement in the gross margin ratio was due partly to the rise in "Other revenues" (positive effect: 0.4 of a point) and partly to a better ratio of cost of sales to net sales (positive effect: 1.5 points). Despite the unfavorable effect of generics of Allegra®, Amaryl®, Arava® and DDAVP® in the United States, sanofi-aventis was able to improve the cost of sales ratio thanks to a reduction in the charge arising from the workdown of acquired Aventis inventories remeasured at fair value (10 million before tax in the six months to June 30, 2006, compared with 272 million in the comparable period of 2005).
In the first half of 2006, sanofi-aventis recognized royalty expenses of 44 million under the worldwide alliance with Bristol-Myers Squibb (BMS) on Plavix® and Aprovel®, compared with 37 million in the first half of 2005.

3.1.4. Research and development expenses

Research and development expenses were 2,144 million (15.2% of net sales), against 1,902 million (14.5% of net sales) in the first half of 2005.
This rise reflects increasing Phase III clinical trials activity in pharmaceuticals and greater investment in R&D in the vaccines business.

Sanofi-aventis continued to invest in R&D in its seven fields of expertise (cardiovascular, thrombosis, oncology, central nervous system, internal medicine, metabolic disorders and vaccines). New programs were launched during the first six months of 2006, especially on rimonabant, eplivanserin, SR58611, Plavix®, saredutant and biotinyl idraparinux.

3.1.5. Selling and general expenses

Selling and general expenses came to 4,061 million, 2.8% up on the 2005 first-half figure of 3,949 million. They represented 28.8% of net sales, against 30.1% in the first half of 2005.

In the first half of 2006, the rise in selling expenses was limited, largely due to the withdrawal of support from products now facing competition from generics, while general expenses fell.

3.1.6. Other current operating income and expenses

Net other current operating income for the six months ended June 30, 2006 was 140 million, compared with 69 million in the first half of 2005.

Other current operating income mainly comprises the share of profits from the alliances with Procter & Gamble Pharmaceuticals (P&G) on the worldwide development and marketing of Actonel® (excluding Japan), and the income generated by the agreement with Prasco on the marketing of generics authorized by sanofi-aventis in the United States. Other current operating income for the six months ended June 30, 2006 was 200 million, an increase of 50.4% on the 2005 first-half figure of 133 million.

Other current operating expenses mainly comprise the share of profits to which our partners are entitled under product marketing agreements, primarily in Europe and Japan, and totaled 60 million in the first half of 2006 compared with 64 million in the first half of 2005.

3.1.7. Amortization of intangibles

Amortization of intangibles charged to income in the six months ended June 30, 2006 came to 1,998 million, compared with 1,970 million in the comparable period of 2005. The charge mainly relates to Aventis intangible assets remeasured at fair value on acquisition.

3.1.8. Operating income – current

"Operating income – current" for the first half of 2006 was 2,932 million, against 2,210 million for the first half of 2005. The increase was mainly due to the rise in gross profit.

The table below shows comparatives for "Operating income – current' by segment for the six months ended June 30, 2006 and June 30, 2005:

(million)	**H1 2006**	**H1 2005**
Pharmaceuticals	2,765	2,343
Vaccines	167	(133)
Total Operating income – current	**2,932**	**2,210**

3.1.9. Restructuring costs

Restructuring costs for the first half of 2006 were 81 million, compared with 638 million in the first half of 2005. Most of these costs relate to the restructuring of the Group following the acquisition of Aventis: early retirement benefits, compensation for early termination of contracts, software discontinuation costs, and other restructuring costs.

3.1.10. Impairment of property, plant & equipment and intangibles

Impairment losses charged against property, plant and equipment and intangible assets totaled 380 million in the first half of 2006, against 106 million in the first half of 2005. This line reflects the loss in value of intangible assets identified as a result of impairment tests; in the six months to June 30, 2006, it relates mainly to the antibiotic Ketek® following the revision of the product' s prescribing information in the United States.

3.1.11. Other operating income and expenses

Net other operating income for the first half of 2006 was 520 million, against 7 million for the first half of 2005. In 2006, this line included 553 million of gains on disposals, including the pre-tax gain of 460 million on the sale of Exubera® to Pfizer and a 45 million gain on the sale of the residual 30% interest in an Animal Nutrition business. In 2005, this line included 6 million of gains on disposal.

3.1.12. Operating income

As a result of the various factors described above, 2006 first-half operating income amounted to 2,991 million, compared with 1,473 million for the first half of 2005.

3.1.13. Financial income and expenses

Net financial expense came to 93 million, against 205 million in the first half of 2005.
The sharp fall in net financial expense was mainly attributable to a reduction in debt due to the cash flow generated by the Group. Interest expense on debt amounted to 158 million, compared with 238 million in the first half of 2005.
Net financial expense was also reduced thanks to gains on financial instruments (42 million, against 10 million in the first half of 2005) and foreign exchange gains (52 million, versus 38 million in the first half of 2005).

3.1.14. Income before tax and associates

Income before tax and associates for the six months to June 30, 2006 was 2,898 million, compared with 1,268 million in the comparable period of 2005.

3.1.15. Income tax expenses

Income tax expenses for the first half of 2006 were 652 million, against 232 million for the first half of 2005.
The 2006 first-half figure includes the Group' s share of the tax arising on the gain generated by the disposal of Exubera®.

3.1.16. Share of profit/loss of associates

The share of profit from associates was 325 million, against 208 million in the first half of 2005. The rise in this item was due to strong growth in the Group' s share of after-tax profits from the territories managed by BMS under the Plavix® and Avapro® alliance (252 million, versus 183 million in the first half of 2005), and to an increased contribution from the 50% stake in Merial.

3.1.17. Net income

Net income (before minority interests) for the six months ended June 30, 2006 amounted to 2,571 million, compared with 1,244 million for the six months to June 30, 2005.

3.1.18. Minority interests

Net income attributable to minority interests for the six months ended June 30, 2006 totaled 190 million, against 157 million for the comparable period of 2005. This line includes the share of pre-tax profits paid over to BMS from territories managed by sanofi-aventis (182 million, compared with 138 million in the first half of 2005). In 2005, this line also included 20 million attributable to minority shareholders of Hoechst AG, a company which has been wholly owned by sanofi-aventis since July 2005.

3.1.19. Net income attributable to equity holders of the company

Net income attributable to equity holders of the company for the six months to June 30, 2006 was 2,381 million, against 1,087 million for the comparable period of 2005.

Earnings per share was 1.77, against 0.81 for the first half of 2005, based on an average number of shares outstanding of 1,345.2 million in the first half of 2006 and 1,335.1 million in the first half of 2005.

The table below shows comparatives for net income attributable to equity holders of the company by business segment for the six months to June 30, 2006 and June 30, 2005:

(million)	H1 2006	H1 2005
Pharmaceuticals	2,282	1,188
Vaccines	99	(101)
Total net income attributable to equity holders of the company	**2,381**	**1,087**

3.2. Adjusted net income (unaudited)

Refer to the Appendix (section 5.3) for a definition of adjusted net income, and to section 1 ("Introduction and key figures for the first half of 2006") for a reconciliation of net income attributable to equity holders of the company to adjusted net income.

Adjusted net income for the six months to June 30, 2006 was 3,964 million, 33.6% higher than the 2005 first-half figure of 2,968 million; it represented 28.1% of net sales, compared with 22.6% for the first half of 2005.

The table below shows comparatives for adjusted net income by business segment for the six months ended June 30, 2006 and June 30, 2005:

(million)	H1 2006	H1 2005
Pharmaceuticals	3,757	2,879
Vaccines	207	89
Total adjusted net income [(1)]	**3,964**	**2,968**

[1] See definition in the Appendix

Sanofi-aventis also reports adjusted earnings per share, a non-GAAP financial measure which we define as adjusted net income divided by the weighted average number of shares outstanding.

Adjusted earnings per share came to 2.95, up 32.9% on the 2005 first-half figure of 2.22, based on an average number of shares outstanding of 1,345.2 million in the first half of 2006 and 1,335.1 million in the first half of 2005.

3.3. Consolidated statement of cash flows

Net cash provided by operating activities in the first half of 2006 amounted to 2,964 million, compared with 3,396 million in the first half of 2005.
Operating cash flow before changes in working capital for the six months to June 30, 2006 was 4,040 million, against 3,314 million for the comparable period of 2005. This marked rise reflects growth in the level of net income attributable to equity holders of the company.
Working capital needs increased by 1,076 million during the period, against a reduction of 82 million in the first half of 2005. Operating working capital needs rose at a slightly higher rate than net sales, and cash flow for the period was affected by outflows incurred on restructuring costs provided for in previous periods. In addition, the usual time delay between recognition of income taxes for accounting purposes and payment of income taxes had a favorable effect on working capital needs in the first half of 2005.

Investing activities generated a net cash inflow of 75 million during the first half of 2006, compared with a net cash outflow of 403 million in the first half of 2005.
Acquisitions of property, plant and equipment and intangibles totaled 631 million in the first half of 2006 (versus 507 million in the first half of 2005); these mainly comprised investments in property, plant and equipment, but also included the buyout of Japanese product rights for Plavix® and rimonabant.
Acquisitions of investments in consolidated undertakings came to 497 million, the main item being the 24.9% stake in Zentiva (433 million).
Proceeds from disposals were 1.2 billion, the main divestment being the Exubera® rights, which were sold to Pfizer for US $1.3 billion (1.1 billion) net of German local taxes. In the first half of 2005, proceeds from disposals amounted to 116 million.

Net cash outflows from financing activities in the first half of 2006 totaled 3,100 million, compared with net cash outflows of 2,508 million in the first half of 2005. The 2006 figure includes the dividend payout of 2.0 billion (versus 1.6 billion in the first half of 2005). It also includes partial debt repayments of 1.2 billion (net change in short-term and long-term borrowings), compared with 1 billion in the first half of 2005. The principal repayment in the first half of 2006 was a 1.25 billion bond issue, redeemed in April 2006.

After taking account of the impact of exchange rates, there was a net reduction in cash and cash equivalents of 89 million in the first half of 2006, against a 424 million increase in the first half of 2005.

3.4. Consolidated balance sheet

There has been a change in accounting method relative to 2005 in respect of the accounting treatment of provisions for pensions and other long-term employee benefits. Sanofi-aventis has adopted the option, offered by the amendment to IAS 19, to recognize all actuarial gains and losses under defined-benefit pension plans as a component of equity in the balance sheet. The effects as of December 31, 2005 are a reduction in equity of 509 million (from 46,826 million to 46,317 million); an increase of 796 million in the provision for pensions; and an increase of 287 million in deferred tax assets.

Total assets at June 30, 2006 were 81,528 million, 5,417 million lower than the figure at December 31, 2005 (86,945 million). Most of the decrease was due to currency movements (principally the U.S. dollar) during the period, which accounted for 2.5 billion of the fall.

The other main balance sheet trends were as follows:

- Shareholders' equity stood at 45,127 million at June 30, 2006, against 46,317 million at December 31, 2005. This decrease reflects two contrasting trends:

  . The positive effect of net income attributable to equity holders of the company of 2.4 billion, minus the 2.0 billion dividend payout, and plus (i) items recognized directly in equity of 0.3 billion (primarily the effect of adopting the option allowed under the amendment to IAS 19 to recognize all actuarial gains and losses on employee benefit obligations as a component of shareholders' equity) and (ii) capital increases totaling 0.2 billion (mainly on the issuance of shares under stock subscription option plans).

  . The negative effect of currency movements, totaling 2.1 billion (1.8 billion of which related to the U.S. dollar).

- Goodwill and intangible assets decreased by 4.6 billion, mainly reflecting movements in the U.S. dollar exchange rate and the 2.4 billion of amortization and impairment losses charged against intangible assets during the period.

- The net deferred tax liability fell by 1.4 billion to 7.4 billion, due mainly to reversals of deferred taxes relating to the amortization and impairment of intangibles and to the effect of exchange rate movements.

- Consolidated net debt stood at 8.8 billion at June 30, 2006, compared with 9.9 billion at December 31, 2005. We define consolidated net debt as short-term debt plus long-term debt, minus cash and cash equivalents. The gearing ratio was reduced from 21.4% to 19.5%.

At June 30, 2006, sanofi-aventis held 9.3 million of its own shares, netted off shareholders' equity, representing 0.69% of the share capital. The Board of Directors decided at its meeting of February 23, 2006 to cancel treasury shares representing 3.42% of the share capital as of that date, and 257,248.50 warrants (acquired in the public tender offer for Aventis) giving entitlement to subscribe for 301,986 sanofi-aventis shares. Sanofi-aventis did not repurchase any of its own shares during the first half of 2006.

4. Sanofi-aventis parent company financial statements for the six months ended June 30, 2006 (French GAAP)

The income statement of the sanofi-aventis parent company for the six months ended June 30, 2006, prepared under French generally accepted accounting principles (French GAAP), shows income before tax and exceptional items of 186 million, against 532 million for the six months ended June 30, 2005.

5. Appendix – Definitions of financial indicators

5.1. Comparable net sales

When we refer to the change in our net sales on a "comparable" basis, we mean that we exclude the impact of exchange rate fluctuations and changes in our Group structure (due to acquisitions and divestitures of entities, rights to products and changes in the consolidation percentage for consolidated entities).

For any two periods, we exclude the impact of exchange rates by recalculating net sales for the earlier period on the basis of exchange rates used in the later period.

We exclude the impact of acquisitions by including sales for a portion of the prior period equal to the portion of the current period during which we owned the entity or product rights based on sales information we receive from the party from whom we make the acquisition. Similarly, we exclude sales in the relevant portion of the prior period when we have sold an entity or rights to a product. If there is a change in the consolidation percentage of a consolidated entity, the prior period is recalculated on the basis of the consolidation method used for the current period.

5.2. Developed sales

When we refer to "developed sales" of a product, we mean sales consolidated by sanofi-aventis, excluding sales of products to our alliance partners, but including sales not consolidated by sanofi-aventis and made through our alliances with Bristol-Myers Squibb on Plavix®/ Iscover® (clopidogrel) and Aprovel®/ Avapro®/ Karvea® (irbesartan) and Fujisawa on Stilnox®/Myslee® (zolpidem). Our alliance partners provide us with information regarding their sales in order to allow us to calculate developed sales.

We believe that developed sales are a useful measurement tool because they demonstrate trends in the overall presence of our products in the market. Only pharmaceutical products originating from sanofi-aventis research and development are included in alliance partner sales for the purposes of calculating developed sales.

5.3. Adjusted net income

"Adjusted net income" is a non-GAAP financial measure, defined as net income attributable to equity holders of the company (determined under IFRS) adjusted to exclude (i) the material impacts of the application of purchase accounting to acquisitions (primarily the acquisition of Aventis) and (ii) certain acquisition-related restructuring costs. We believe that eliminating these items from net income gives investors a better understanding of our operational performance.

Management uses adjusted net income as an internal performance measure, as a significant factor in determining the variable portion of employee remuneration, and as the basis for determining the dividend policy.

The main adjustments made to eliminate the effects of purchase accounting for acquisitions on net income attributable to equity holders of the company are as follows:

- elimination of the charge arising from the workdown of acquired inventories remeasured at fair value, net of tax;
- elimination of amortization and impairment charged against intangible assets (acquired in-process R&D and acquired product rights), net of tax and minority interests;

- elimination of expenses due to the effect of acquisitions on associates (workdown of acquired inventories, amortization and impairment of intangible assets, and impairment of goodwill);
- elimination of any impairment losses of the goodwill arising on acquisitions.

We believe that eliminating non-recurring items, such as the increase in cost of sales arising from the workdown of inventories remeasured at fair value, improves comparability between one period and the next.

We also exclude from adjusted net income integration and restructuring costs (net of tax) incurred specifically in connection with acquisitions.

We also report adjusted earnings per share (adjusted EPS), a non-GAAP financial measure which we define as adjusted net income divided by the weighted average number of shares outstanding.

Cautionary statement regarding forward-looking statements

The statements made in this report contain forecasts and forward-looking information that are not historical facts. Although sanofi-aventis management believes that the forecasts and forward-looking information presented, and the assumptions upon which they are based, are realistic as of the date of this report, investors are cautioned that the forecasts, assumptions and forward-looking information in question are subject to various risks and uncertainties, difficult to predict and generally beyond the control of sanofi-aventis, that could cause actual results and developments to differ materially from those expressed or implied. These risks and uncertainties include those described in the public filings with the SEC and the AMF made by sanofi-aventis, including those listed under "Risk Factors" and "Cautionary Statement Regarding Forward-Looking Statements" in sanofi-aventis' annual report on Form 20-F for the year ended December 31, 2005. Other than as required by applicable law, sanofi-aventis undertakes no obligation to revise or update information which does not constitute historical facts.