French pharma giant Sanofi says profits up in 2016

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French pharmaceuticals giant Sanofi said Wednesday that cost-cutting measures and the strong performance of its rare diseases business drove up profits last year.

Sanofi said in a statement that its bottom-line net profit rose by 10 percent to 4.7 billion euros ($5.0 billion) in 2016 while revenues slipped by 0.7 percent to 33.8 billion euros.

Sanofi noted that the figures did not include the animal health division Merial, which it sold to German group Boehringer Ingelheim in exchange for the latter's consumer health business.

Sanofi said that its Genzyme business unit, which specialises in the treatment of rare diseases, and its vaccines division Sanofi Pasteur were the main drivers of earnings growth.

But cost-cutting also propelled earnings.

"Our streamlined organisation started to deliver and supported a stronger financial performance than initially anticipated," said chief executive Olivier Brandicourt.

Sanofi said it delivered "approximately 650 million euros of cost savings in 2016, which were largely reinvested to support growth initiatives."

It expected cost savings to reach 1.3 billion euros in 2017 "and the

company confirms that it remains on track to deliver at least 1.5 billion euros of [cost savings](link) by 2018."

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