TEVA PHARMACEUTICAL INDUSTRIES LTD.



Dan Suesskind, CFO

October 15, 2007

Forward-Looking Statements

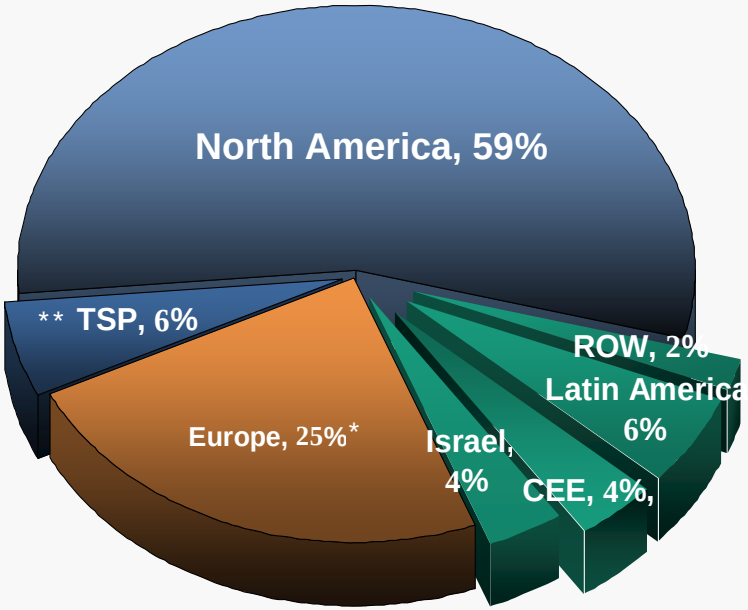
TODAY'S PRESENTATION CONTAINS FORWARD LOOKING STATEMENTS WHICH EXPRESS THE CURRENT BELIEFS AND EXPECTATIONS OF MANAGEMENT. SUCH STATEMENTS ARE BASED ON CURRENT EXPECTATIONS AND INVOLVE A NUMBER OF KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES THAT COULD CAUSE TEVA'S FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS TO DIFFER SIGNIFICANTLY FROM THE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. IMPORTANT FACTORS THAT COULD CAUSE OR CONTRIBUTE TO SUCH DIFFERENCES INCLUDE TEVA'S ABILITY TO SUCCESSFULLY DEVELOP AND COMMERCIALIZE ADDITIONAL PHARMACEUTICAL PRODUCTS, THE INTRODUCTION OF COMPETITIVE GENERIC PRODUCTS, THE IMPACT OF COMPETITION FROM BRAND-NAME COMPANIES THAT SELL THEIR OWN GENERIC PRODUCTS OR SUCCESSFULLY EXTEND THE EXLUSIVITY PERIOD OF THEIR BRANDED PRODUCT, TEVA'S ABILITY TO RAPIDLY INTEGRATE THE OPERATIONS OF ACQUIRED BUSINESSES, THE AVAILABILITY OF PRODUCT LIABILITY COVEREGE IN THE CURRENT INSURANCE MARKET, THE IMPACT OF PHARMACEUTICAL INDUSTRY REGULATION AND PENDING LEGISLATION THAT COULD AFFECT THE PHARMACEUTICAL INDUSTRY, THE DIFFICULTY OF PREDICTING U.S. FOOD AND DRUGS ADMINISTRATION ("FDA") AND OTHER REGULATORY AUTHORITY APPROVALS, THE REGULATORY ENVIRONMENT AND CHANGES IN THE HEALTH POLICIES AND STRUCTURE OF VARIOUS COUNTRIES, ACCEPTANCE AND DEMAND FOR NEW PHARMACEUTICAL PRODUCTS AND NEW THERAPIES, UNCERTAINTIES REGARDING MARKET ACCEPTANCE OF INNOVATIVE PRODUCTS NEWLY LAUNCHED, CURRENTLY BEING SOLD OR IN DEVELOPMENT, THE IMPACT OF RESTRUCTURING OF CLIENTS, RELIANCE ON STRATEGIC ALLIANCES, EXPOSURE TO PRODUCT LIABILITY CLAIMS, DEPENDENCE ON PATENT AND OTHER PROTECTIONS FOR INNOVATIVE PRODUCTS, FLUCTUATIONS IN CURRENCY, EXCHANGE AND INTEREST RATES, OPERATING RESULTS, OTHER FACTORS THAT ARE DISCUSSED IN TEVA'S ANNUAL REPORT ON FORM 20-F AND ITS OTHER FILINGS WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION ("SEC"). FORWARD LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE ON WHICH THEY ARE MADE, AND THE COMPANY UNDERTAKES NO OBLIGATION TO UPDATE PUBLICLY OR REVISE ANY FORWARD LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE DEVELOPMENTS OR OTHERWISE.

Overview

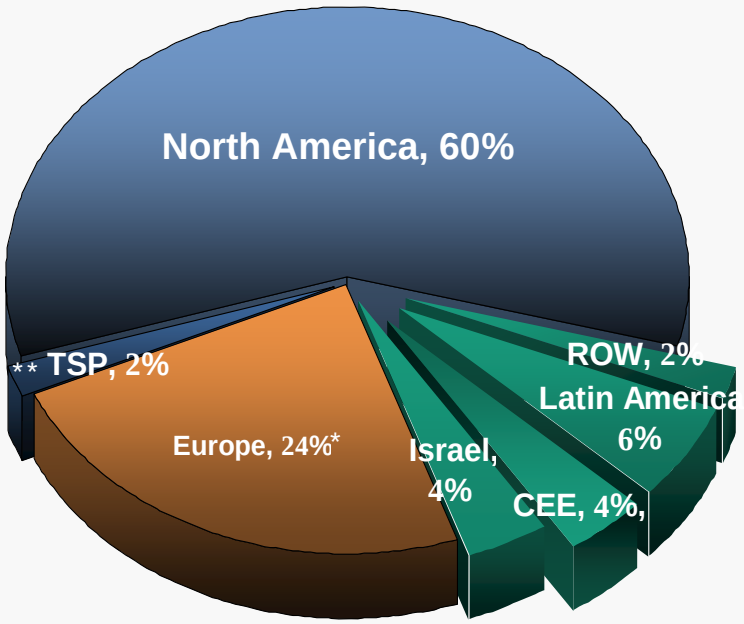
- Vertically-integrated global pharmaceutical company founded in 1901
- Three main business sectors
  - Finished Dosage Generic Pharmaceuticals
  - Active Pharmaceutical Ingredients (API)
  - Proprietary Branded Pharmaceuticals
- Presence in 60 countries; approximately 26,000 employees
- Rank among the top 20 in revenues among all pharmaceutical companies

Q2/2007 – Sales By Region

Q2/07: $2,386 Million



Q2/06: $2,172 Million



* Western Europe and Hungary

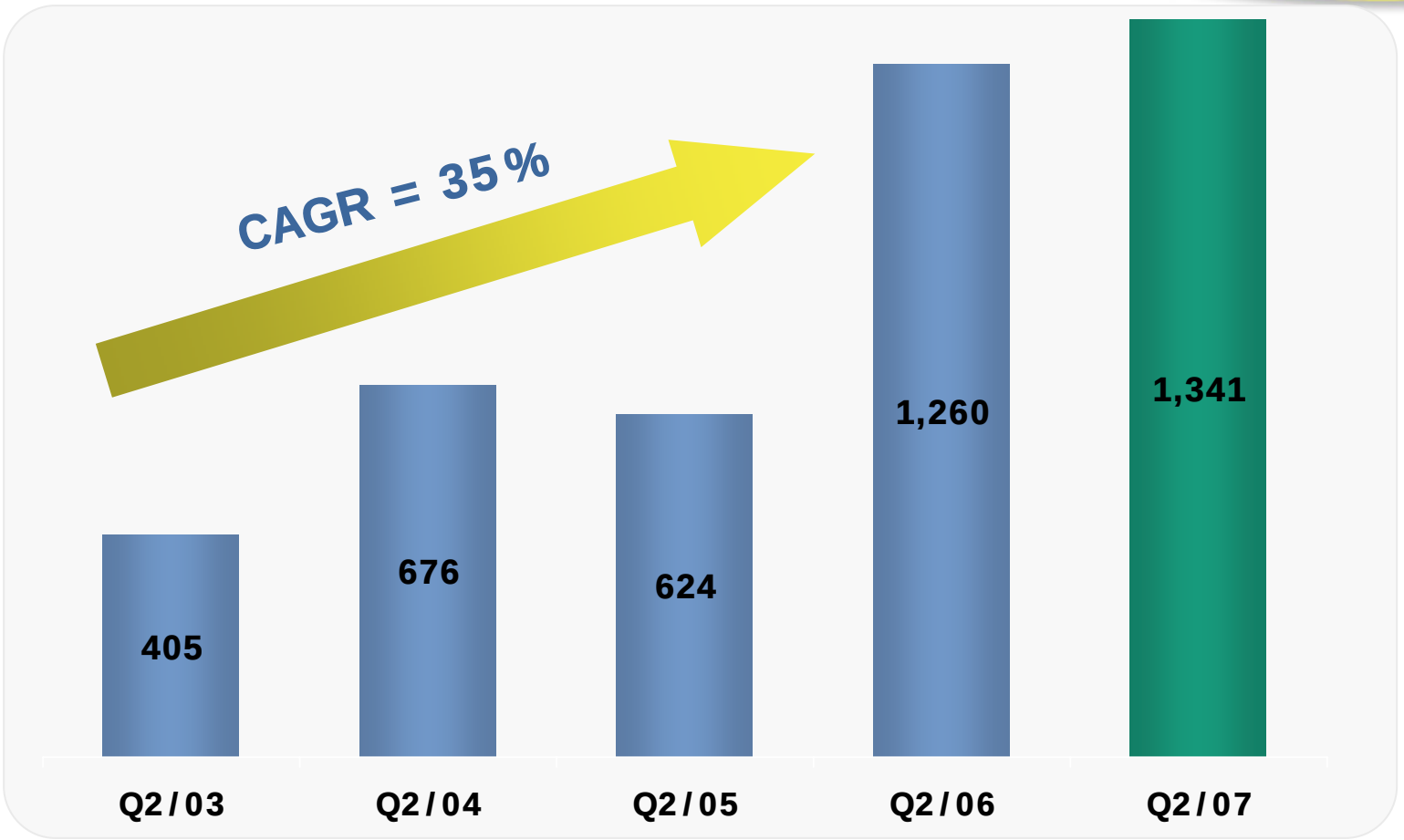
** TSP is part of North America

TEVA PHARMACEUTICAL INDUSTRIES LTD.

Q2/2007 – North America Pharmaceutical Sales

($ Millions)

Up 6 %



TEVA PHARMACEUTICAL INDUSTRIES LTD.

Teva's competitive positioning



TEVA PHARMACEUTICAL INDUSTRIES LTD.

Top U.S. Pharmaceutical Companies

Generic companies only

		Total Rx's
1	Teva USA	430,296
2	Mylan	269,613
3	Watson	221,845
4	Sandoz	194,976
5	Barr	137,680
6	Mallinckrodt	103,072
7	Actavis	86,630
8	Qualitest	78,076
9	Greenstone	72,682
10	Par	72,111

All pharmaceutical companies

		Total Rx's
1	Teva USA	440,561
2	Pfizer	280,222
3	Novartis	274,201
4	Mylan	271,611
5	Watson	221,848
6	Barr	137,780
7	Merck	119,983
8	AstraZeneca	117,484
9	GlaxoSmithKline	113,976
10	Mallinckrodt	103,072

Source: IMS Health June 2007 NPA

U.S. Generic Industry's Largest Pipeline

150 ANDAs – over $88 billion in total sales

81 Paragraph IV Filings

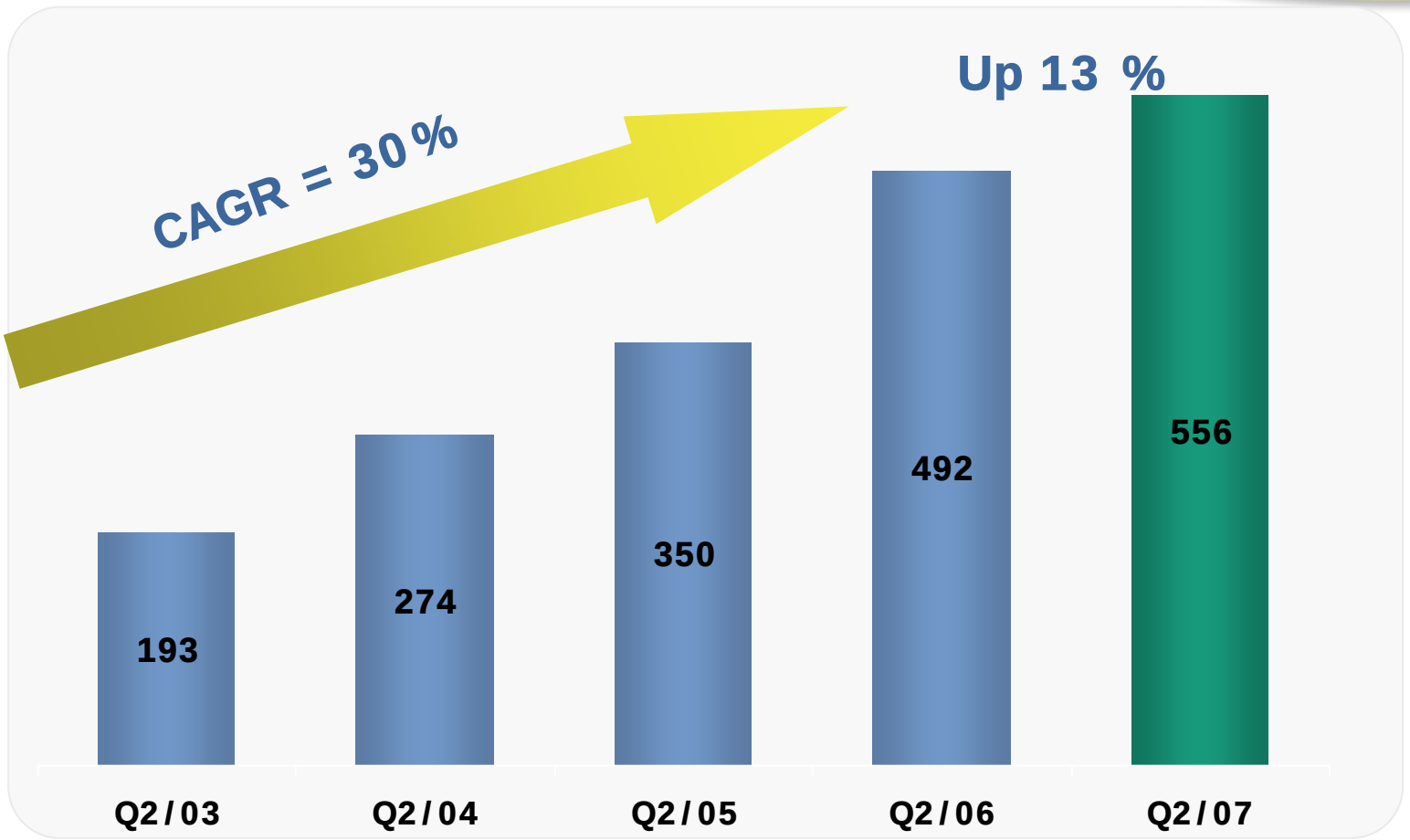
43 First-to-File – over $37 billion in total sales

As of September 4, 2007

*** Including products under the agreement with Andrx and Impax**

Q2/2007 – Europe* Pharmaceutical Sales

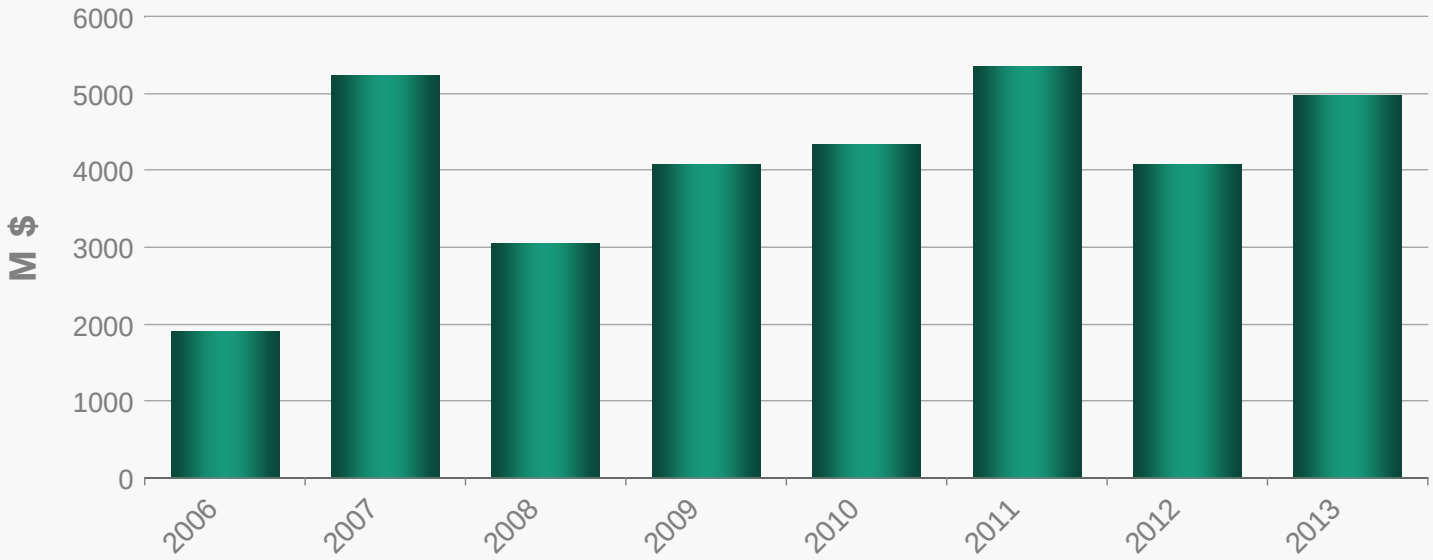
($ Millions)



* Western Europe and Hungary

TEVA PHARMACEUTICAL INDUSTRIES LTD.

Value of Products Coming off Patent in Europe to 2013

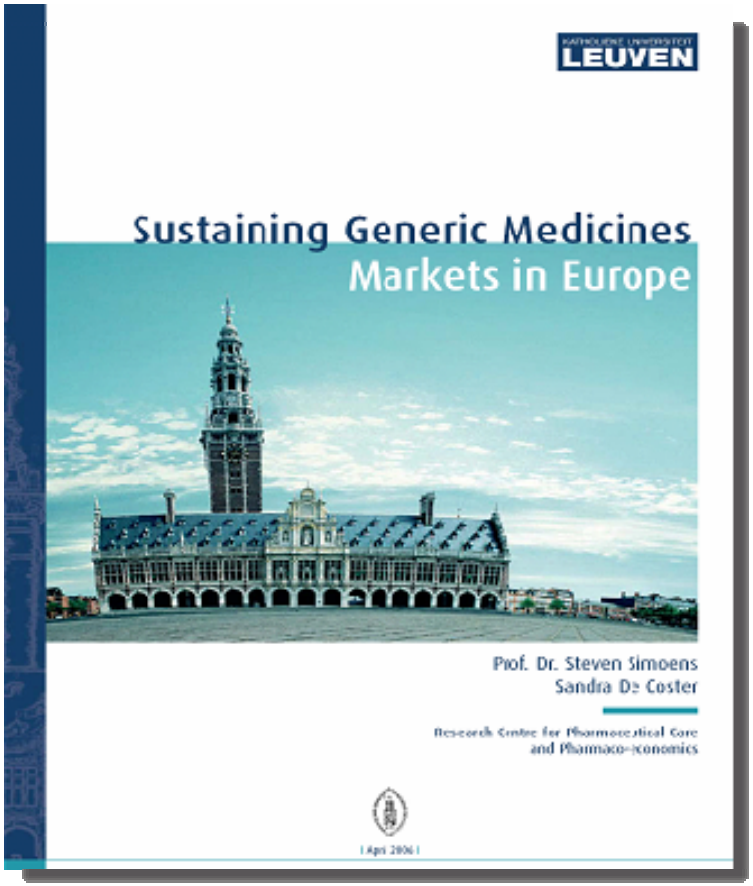


Overall value of about $33 billion
- on average $4 billion a year -

Source: IMS Top eight European Markets

TEVA PHARMACEUTICAL INDUSTRIES LTD.

Potential Savings From Increased Generic Substitution



Recommendations

1. Introduce a coherent generic medicine policy
2. Encourage price differentiation / competition in current regulatory framework
3. Disseminate price information to actors
4. Increase confidence of actors in generic medicines
5. Provide incentives to physicians to prescribe generic medicines
6. Remove financial disincentives for pharmacists to dispense generic medicines
7. Provide incentives for patients to demand generic medicines

Savings of 21% (Poland) up to 48% (Denmark) could be attained if the appropriate measures were taken by EU countries

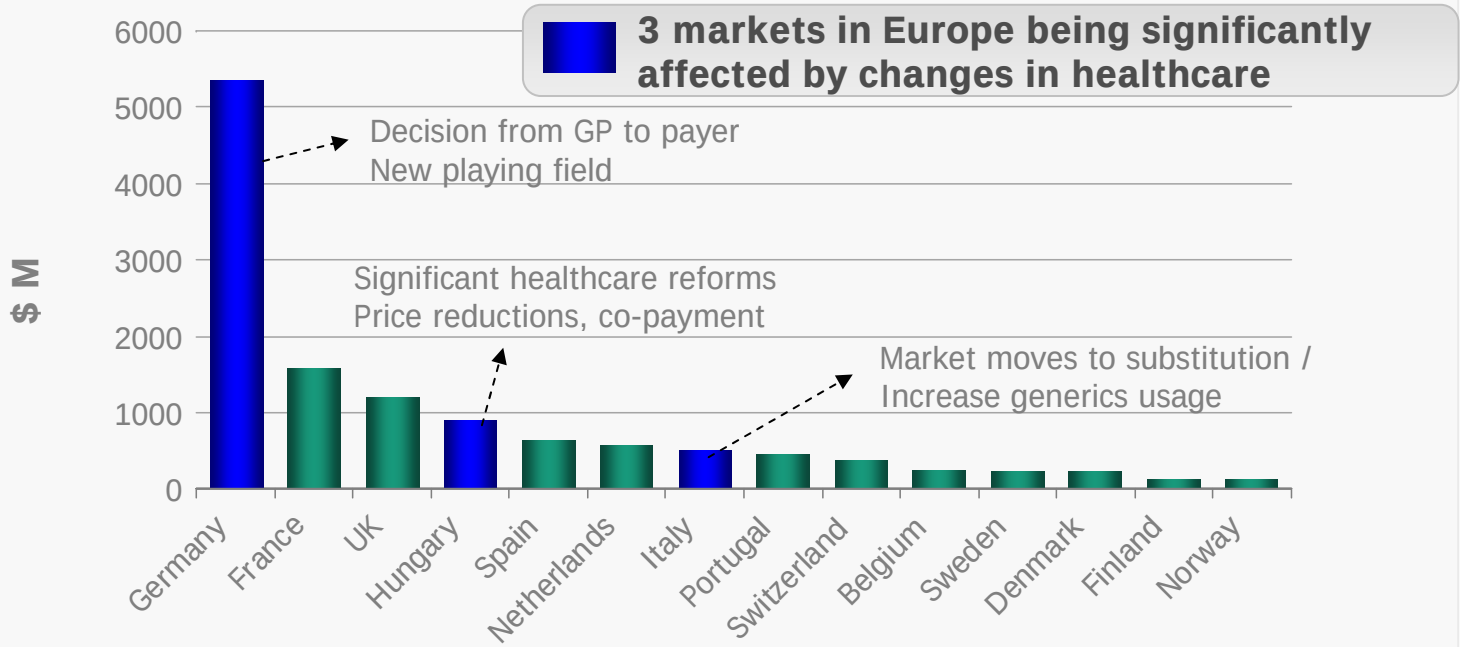
Potential savings $3.8 billion

Note. analysis top 10 generic available products

TEVA PHARMACEUTICAL INDUSTRIES LTD.

Generic Market by Country

Strong Gx market growth particularly in "Emerging-Gx countries"
2007-12 CAGR Italy 20%, Spain 15%, France 14%



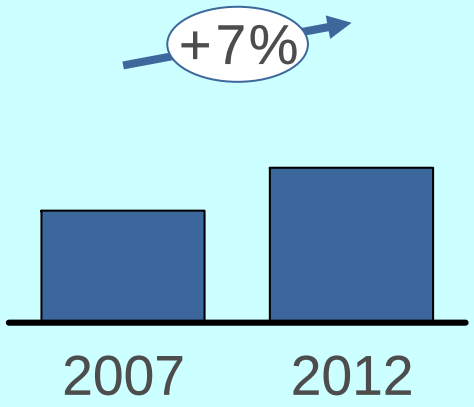
Generic market in Western Europe is estimated at ~$9 bn (net sales)

Source: Internal analysis on IMS data

The Western European* Gx market continues to grow

CAGR 2007-2012

At first glance Europe seems like a large, but limited-growth (7% CAGR) market…



However… growth is high outside Germany

Western Europe ex-Germany	Germany
+11%	Flat

Particularly in "Emerging-Gx countries" among the EU-5

Italy	Spain	France
+20%	+15%	+14%

* Refers throughout to Western Europe and Hungary

Source: Country meetings; IMS; team analysis

TEVA PHARMACEUTICAL INDUSTRIES LTD.

Moving quickly in a changing environment drives our success in Germany



AOK-Chef Hermann gibt zu:
Es gibt „Übergangsprobleme“

Sturm im Pillenglas

Seiteneinsteiger wie Teva wollen dank Rabattverträgen mit der AOK Marktanteile auf dem deutschen Generikamarkt gewinnen

ANNA SLEEGERS | FRANKFURT

Das deutsche Gesundheitswesen steht vor einem Paradigmenwechsel. Dieser Meinung ist zumindest Michael Ewers, der das deutsche Geschäft des israelischen Pharmakonzerns **Teva Pharmaceuticals** verantwortet. „Über die Rabattverträge sind erstmals die Kassen statt der Ärzte die Verhandlungspartner von uns Herstellern“, sagte Ewers dem Handelsblatt.

Umschwung per Rezept

DIENSTAG, 24. APRIL 2007
FINANCIAL TIMES DEUTSCHLAND

Seit 1. April erhalten AOK-Versicherte rabattierte Nachahmermedikamente in den Apotheken. Schon jetzt zeigt sich: Das Abkommen der Kasse mit bisherigen Nischenanbietern wälzt den deutschen Markt um

PETER KUCHENBUCH, EICHSTÄTT

„Vor der Reform ist nach der Reform“
BMG-Abteilungsleiter Knieps

AOK Healthcare Insurer

- 25 mio insurers
- Leader in Germany market (36% share)

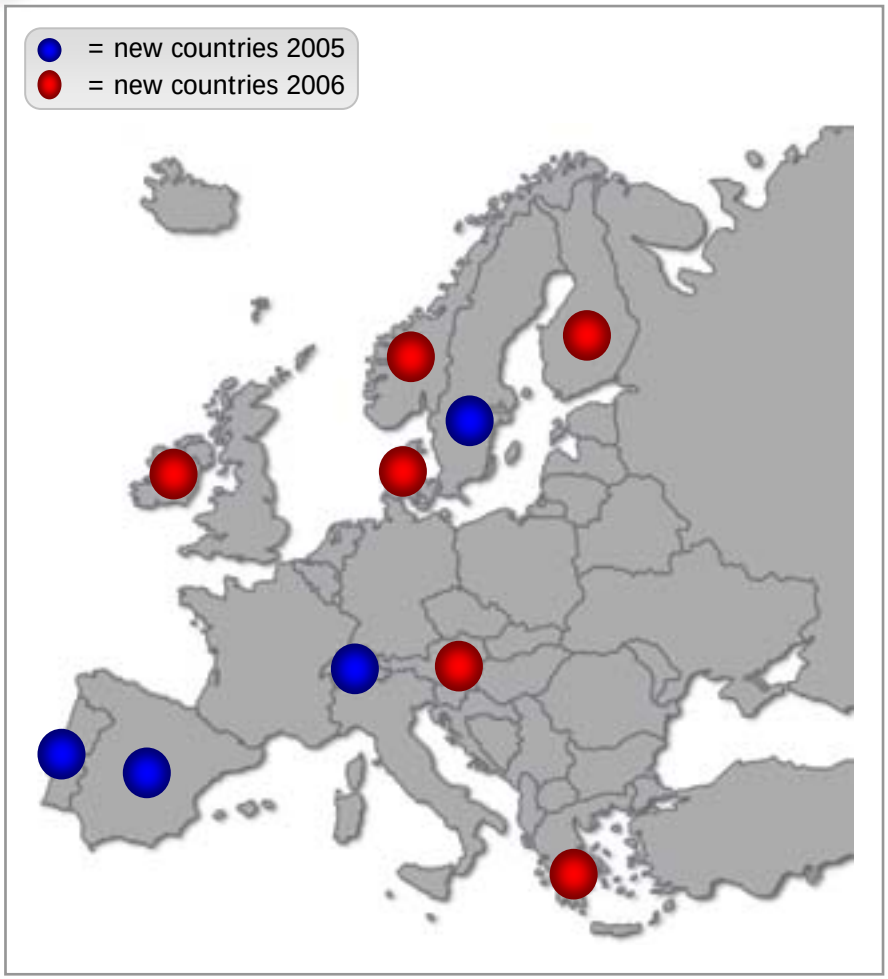
Trend from GP towards Payer

1st Tender success for Teva

2nd AOK Tender for 2008 &2009

TEVA PHARMACEUTICAL INDUSTRIES LTD.

Ongoing Expanded Geographical Positioning



Following geographical expansion in 2005, Teva has extended its foothold in 2006 with 6 countries:

- **Norway**
- **Finland**
- **Denmark**
- **Ireland**
- **Austria**
- **Greece**

Growth expectations for these countries in 2007 are as much as 50%

Teva Europe operates now in 17 countries, including Hungary

TEVA PHARMACEUTICAL INDUSTRIES LTD.

Teva has Proven its Capability to Successfully Operate in Both European Market Models



Doctor

100%

Influence

HU — TEVA No. 3

IT — TEVA No. 1

SP — Start-Up

DE — Domination by “native companies”, but .....

FR — Teva No. 4

UK, NL — TEVA No. 1

Influence

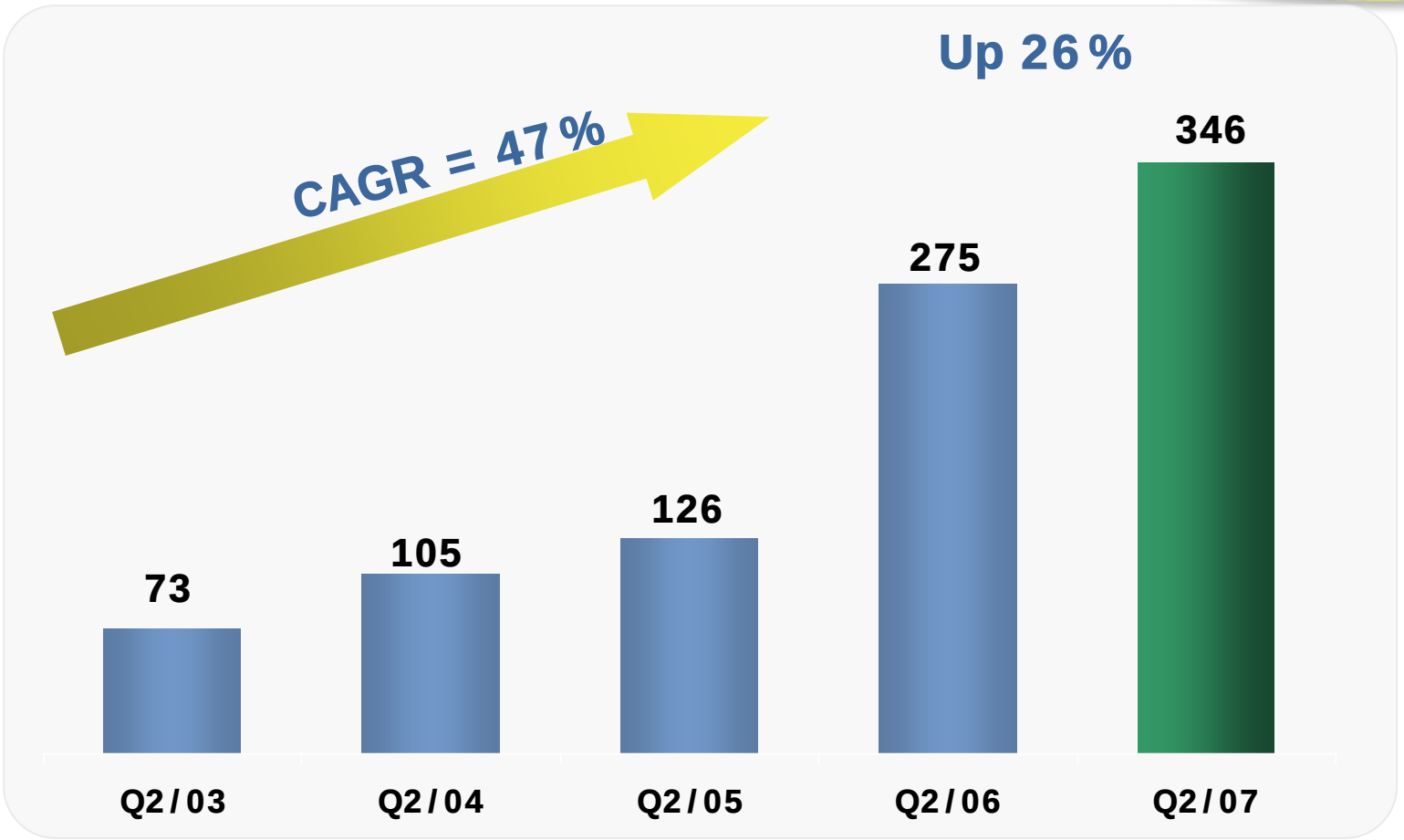
100%



Pharmacist / Payer

Q2/2007 – International (ROW) Pharmaceutical Sales

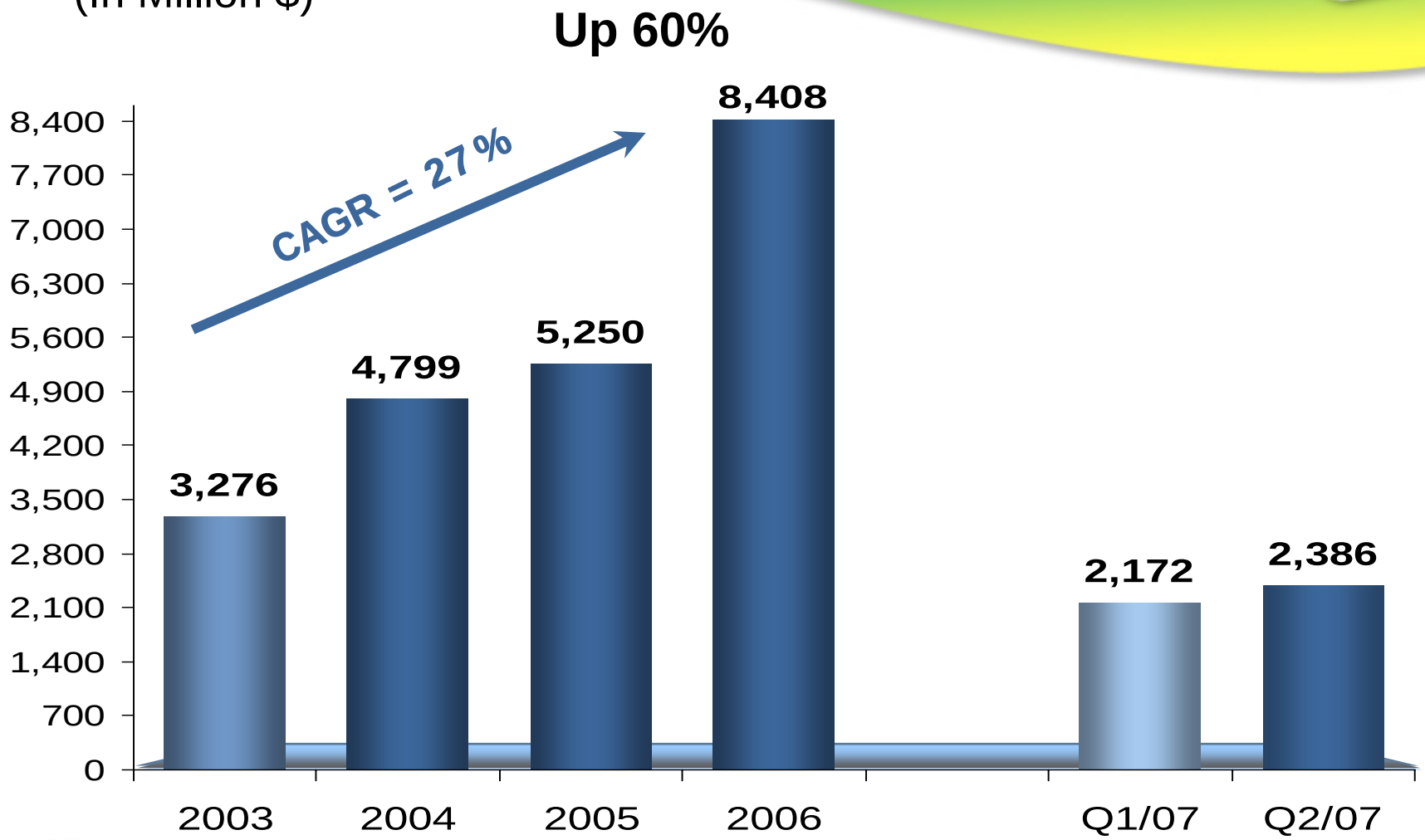
($ Millions)



TEVA PHARMACEUTICAL INDUSTRIES LTD.

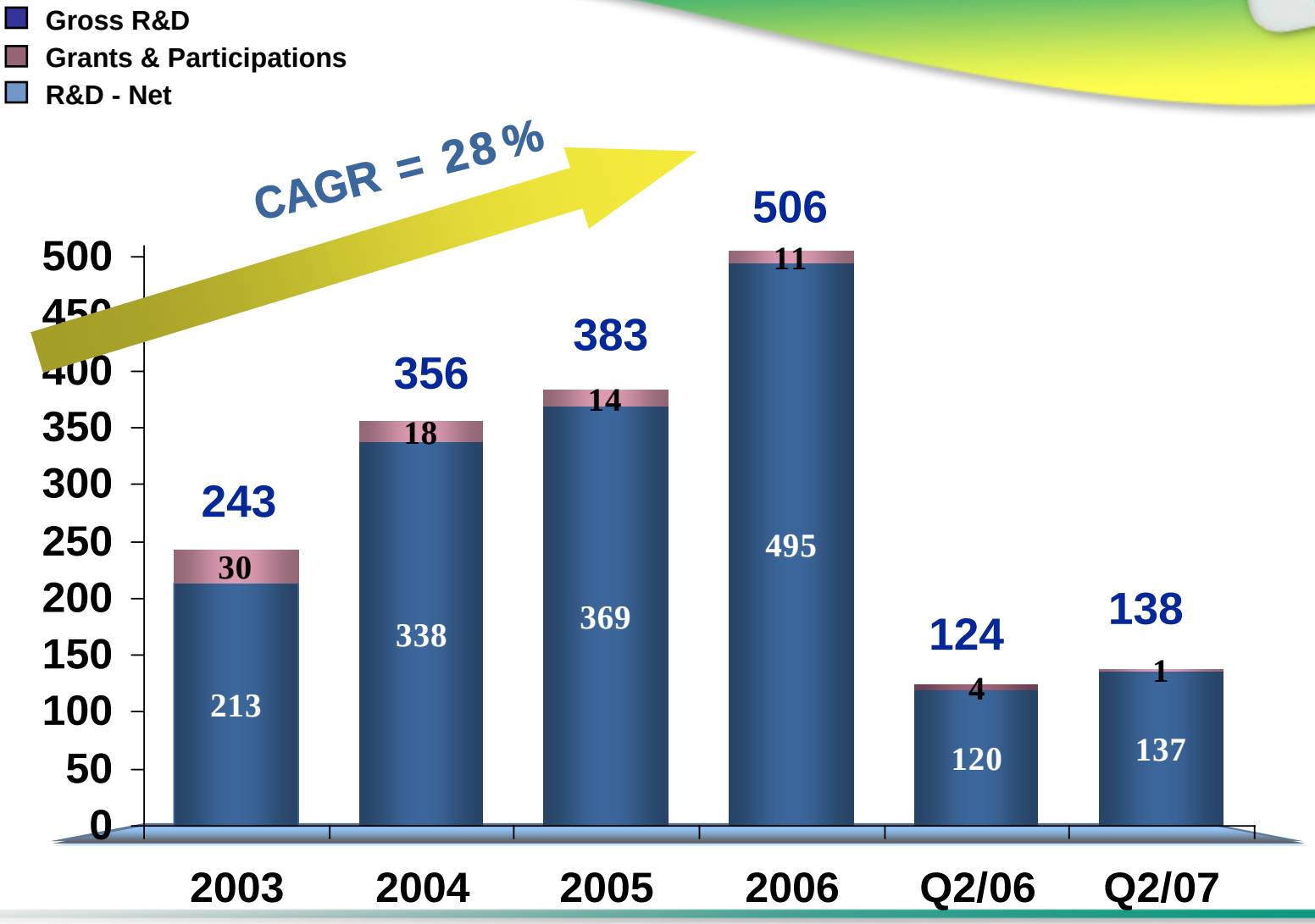
Sales 2003-2006

(In Million $)



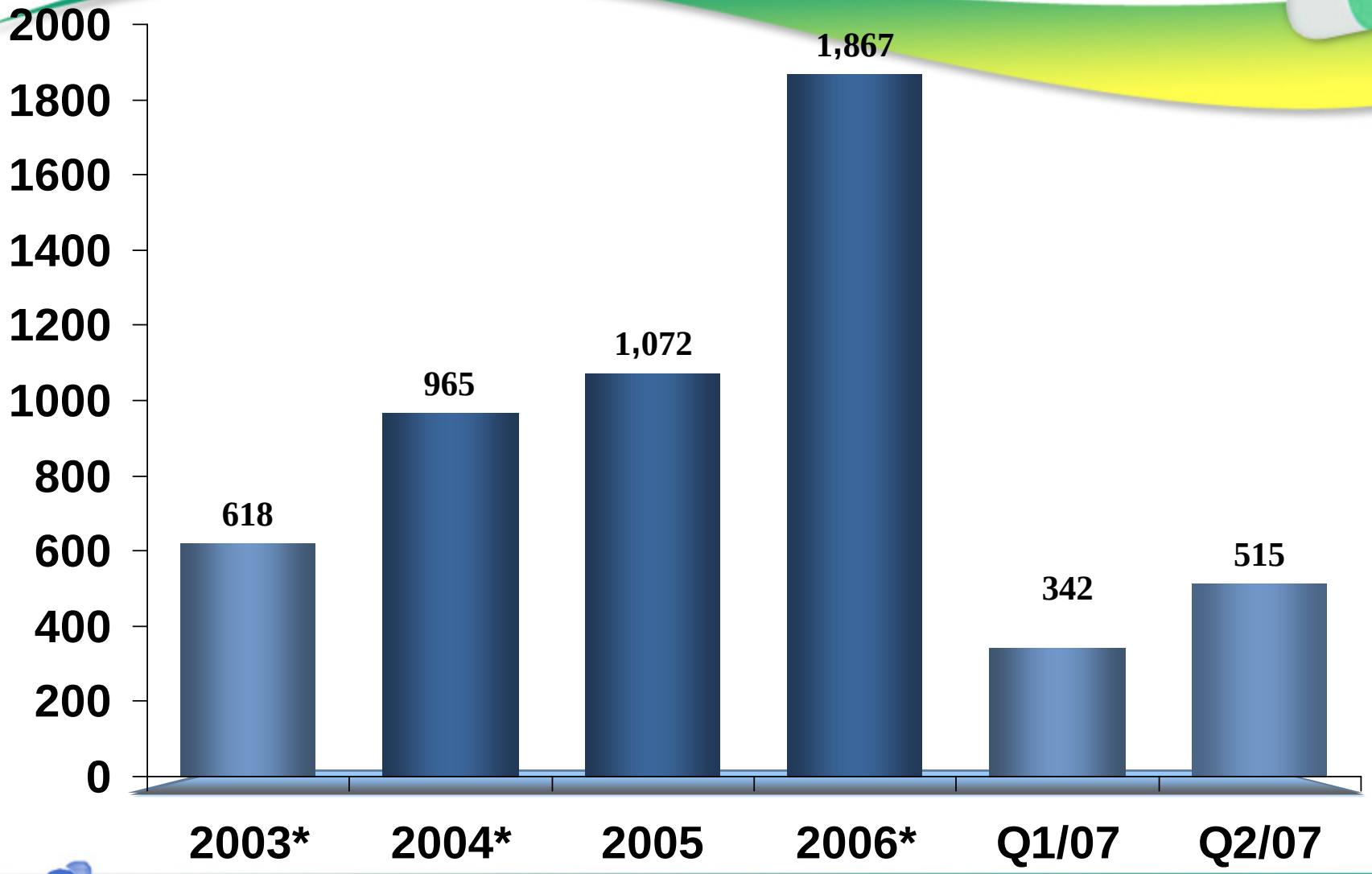
TEVA PHARMACEUTICAL INDUSTRIES LTD.

R&D Expenses *($ Millions)*



TEVA PHARMACEUTICAL INDUSTRIES LTD.

Net Income ($ Millions)



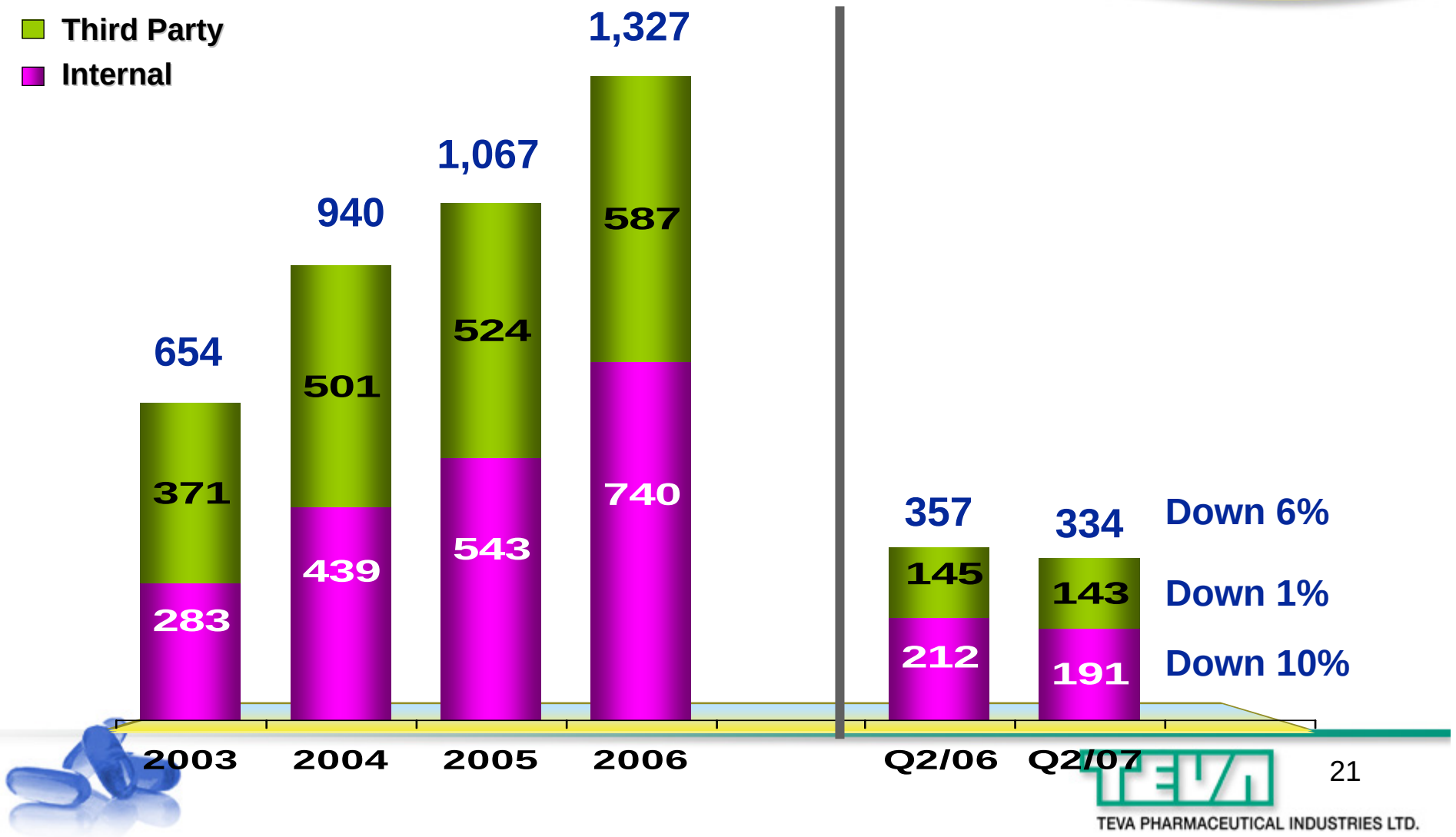
* Before non-recurring items, after tax.

TEVA PHARMACEUTICAL INDUSTRIES LTD.

API - Overview

($ Millions)

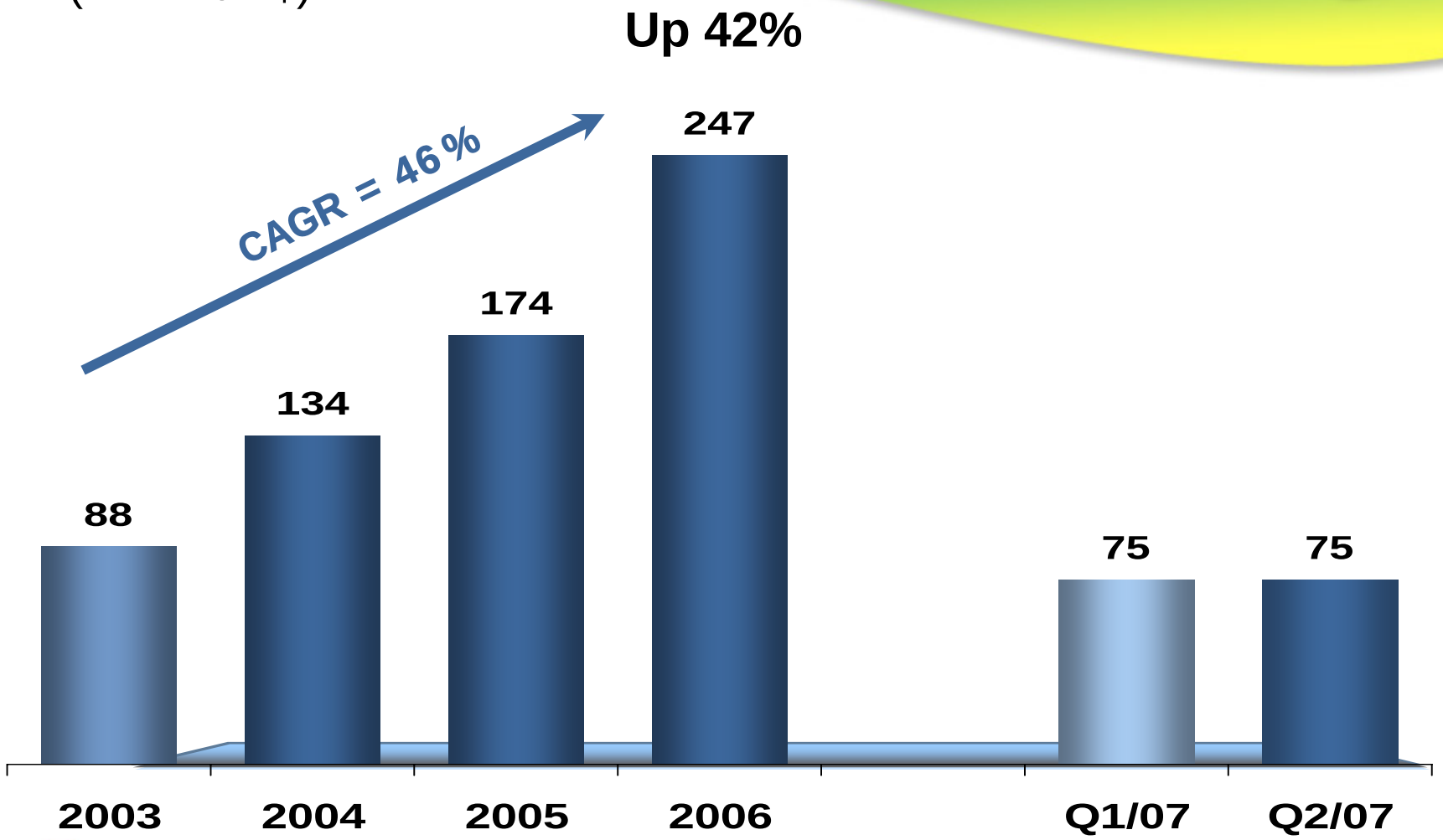
Internal / third party sales



TEVA PHARMACEUTICAL INDUSTRIES LTD.

Dividend 2002-2006

(In Million $)



TEVA PHARMACEUTICAL INDUSTRIES LTD.

Driving Growth, Expanding Leadership

Teva's growth engines are fueled by:

- Expanding our global market reach
- Increasing efficiency through our centers of excellence
- The industry's leading product offering
- Expanding our branded Neurology & Respiratory franchises
- The industry's most robust pipeline
  - ***broadest*** generics pipeline
  - ***exceptionally strong*** innovative opportunities
- Unmatched vertical integration
- Promising Biogenerics opportunities



TEVA PHARMACEUTICAL INDUSTRIES LTD.

Dan Suesskind, CFO

October 15, 2007



- Back Up

Strong Q2 2007 Performance

	Q2/2007	Q2/2006	%Change
Sales ($ Millions)	2,386	2,172	10%
Net Income ($ Millions)	515	541 (*)	- 5%
Earnings per Share (diluted $)	0.63	0.66	- 5%
Cash Flow from Operations	$437	$212M	
P/E Ratio 2007 (F.C. Consensus $2.32)		19	
Market Capitalization (as of Sept. 3, 2007: $43.00)		$33	

* Before non-recurring items, after tax : Q2/2006- $52.8M

Competitive Generic TRX share*

Simvastatin # of ANDA's: 9	
Teva	52.5%
Dr. Reddy – AG	22.5%
Ranbaxy	6.9%
Aurobindo	6.3%
Sandoz	3.4%
Zydus	2.5%
Other	5.9%

Pravastatin 10/20/40 # of ANDA's: 10	
Teva	46.3%
Apotex	24.3%
Watson – AG	12.4%
Dr Reddy	9.4%
Sandoz	4.5%
Par	0.9%
Other	2.2%

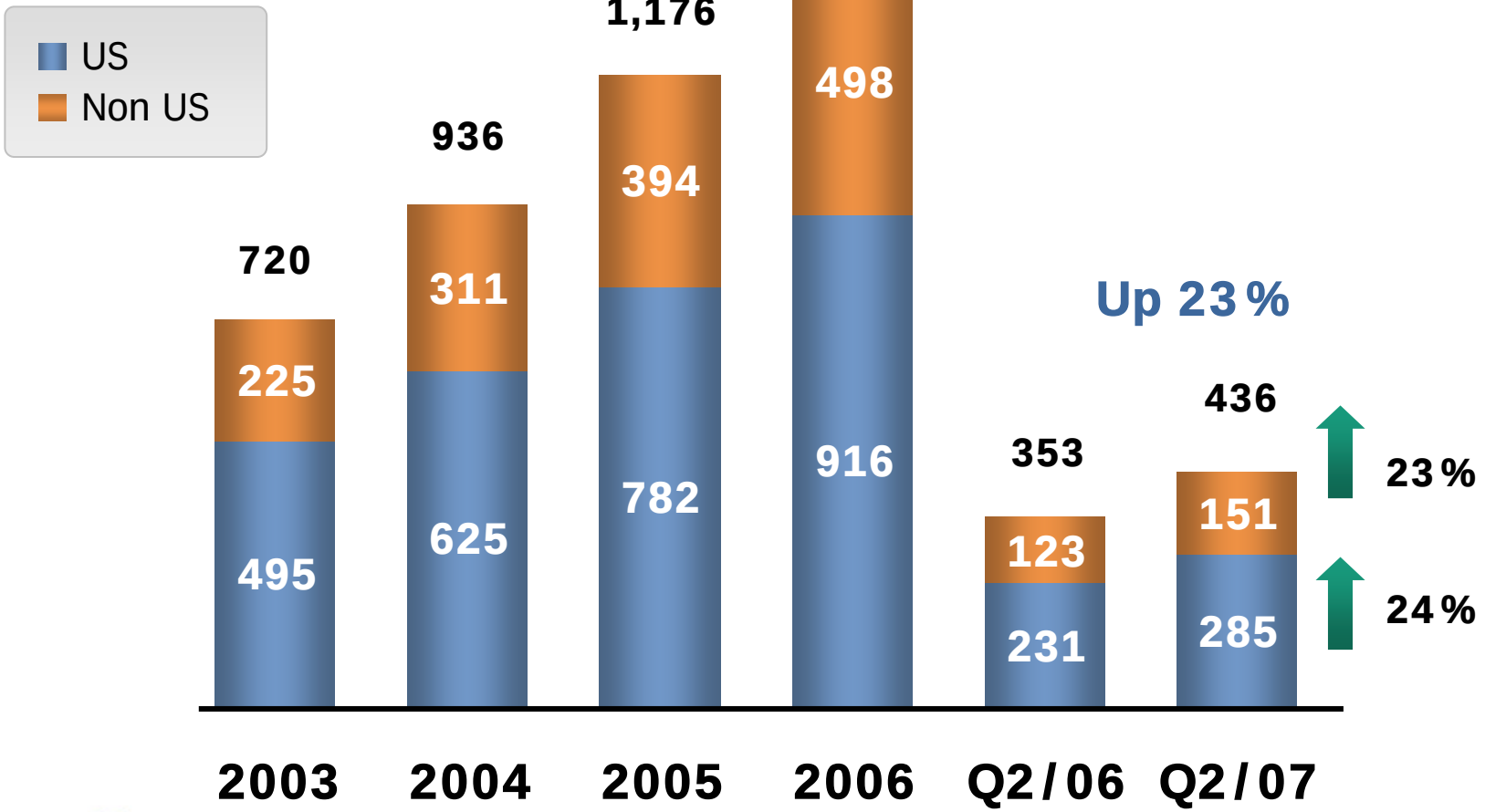
Sertraline # of ANDA's: 19	
Greenstone – AG	53.7%
Teva	35.2%
Apotex	4.6%
Lupin	3.1%
Sandoz	1.3%
Aurobindo	0.7%
Actavis	0.4%
Cobolt	0.3%
Other	0.7%

Zolpidem # of ANDA's: 15	
Teva	42.4%
Prasco - AG	14.9%
Mylan	11.3%
Dr Reddy	7.1%
Apotex	5.2%
Sandoz	5.8%
Caraco	5.6%
Other	7.7%

*Week of July 13, 2007

Q2/2007 – Copaxone® In-Market Global Sales

($ Millions)



TEVA PHARMACEUTICAL INDUSTRIES LTD.

Q2/2007 – Cash Flow Highlights
($ Millions)

	Q2/07	Q1/07	Yr 2006	Yr 2005	Yr 2004	Yr 2003
Net Income (loss)	515	342	546	1,072	332	691
Cash flow from operating Activities**	437	499	2,058	1,370	1,246	627
Acquisition of companies	-	-	3,587	11	1,961	8
Purchase of fixed assets (net of proceeds from sale)	106	149	366	307	307	205
Dividends*	75	72	229	162	121	76
Free cash flow	256	278	1,463	901	818	346

*** Actually distributed**

**** Net cash provided by operating activities less purchase of property, plant and equipment (net), and dividends paid**

Q2/2007 – Financial Strength

($ Billions)

	Jun 30, 2007	Mar 31, 2007
Total Equity	12.06B	11.39B
Total Debt	5.51B	5.53B
of which:		
short-term	1.52B	1.52B
long-term	3.98B*	4.01B*
Leverage*	0.31	0.33

* [DEBT/(Debt+Equity)]

NASDAQ Top 20 Companies

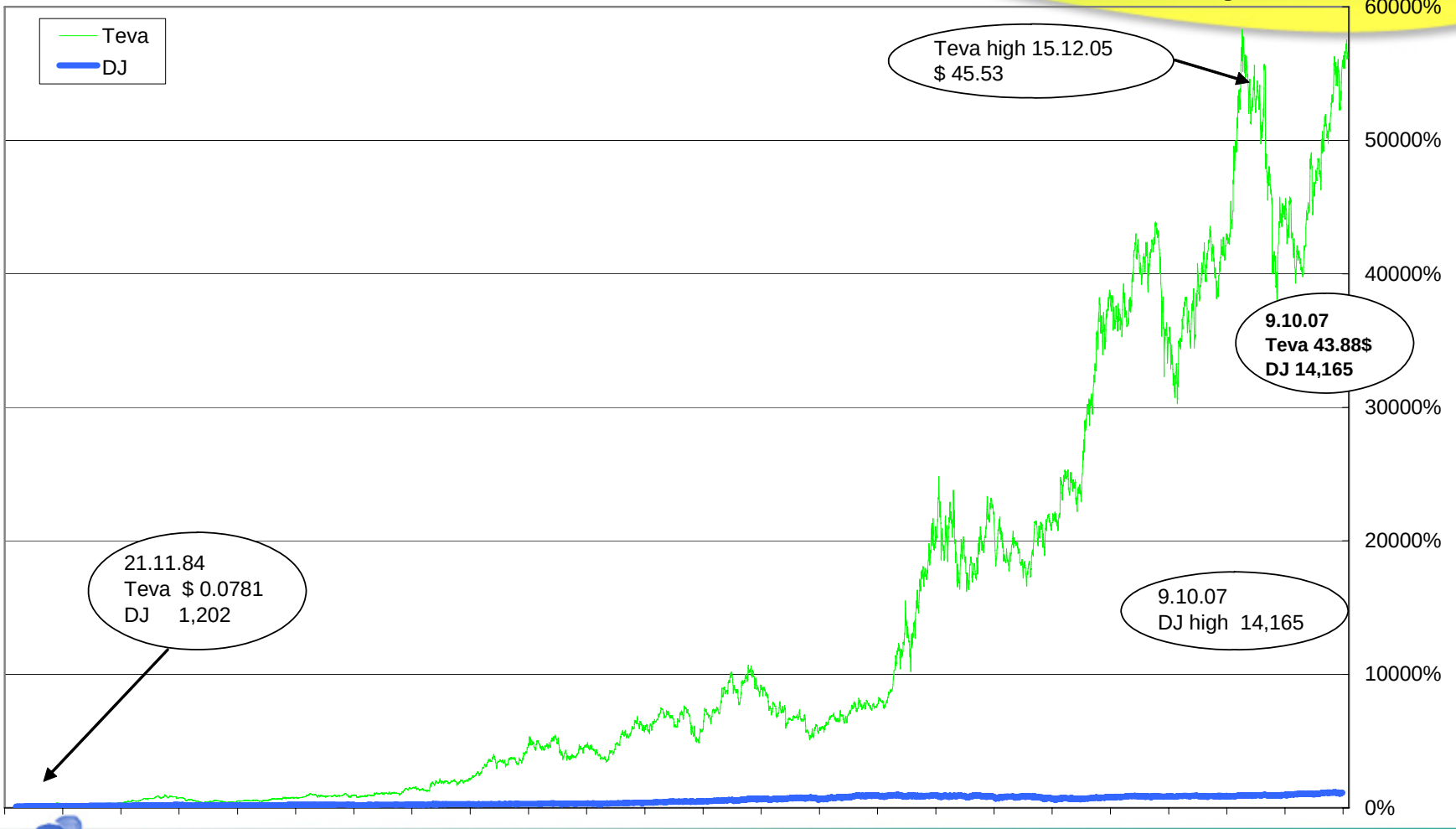
As of Aug. 31, 2007

1	MSFT	Microsoft Corp.	$269,487,390,000
2	CSCO	Cisco Systems Inc.	$193,243,680,000
3	GOOG	Google Inc. (Cl A)	$160,383,390,000
4	INTC	Intel Corp.	$149,942,260,000
5	AAPL	Apple Inc.	$120,361,530,000
6	ORCL	Oracle Corp.	$103,569,960,000
7	CMCSA	Comcast Corp. (Cl A)	$ 80,633,990,000
8	QCOM	QUALCOMM Inc.	$ 66,696,077,000
9	DELL	Dell Inc.	$ 64,410,000,000
10	ERIC	L.M. Ericsson Telephone Co. (ADS)	$ 59,122,962,000
11	AMGN	Amgen Inc.	$ 54,569,787,000
12	RIMM	Research In Motion Ltd.	$ 47,664,410,000
13	EBAY	eBay Inc.	$ 46,315,024,000
14	GILD	Gilead Sciences Inc.	$ 33,662,937,000
15	AMZN	Amazon.com Inc.	$ 33,002,832,000
16	**TEVA**	**Teva Pharmaceutical Industries Ltd. (ADS)**	**$ 32,594,000,000** *
17	YHOO	Yahoo! Inc.	$ 30,472,428,000
18	AMAT	Applied Materials Inc.	$ 29,436,322,000
19	INFY	Infosys Technologies Ltd. (ADS)	$ 27,252,429,000
20	COST	Costco Wholesale Corp.	$ 27,184,202,000

* Share Price: $43.00

Teva Vs. Dow Jones 1984-2007

$1,000 invested in DJ in 1984 would be worth $11,950 today
$1,000 invested in Teva in 1984 would be worth $561,664 today



TEVA PHARMACEUTICAL INDUSTRIES LTD.