TEVA PHARMACEUTICAL INDUSTRIES LTD.



International Generic Markets

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Key Themes





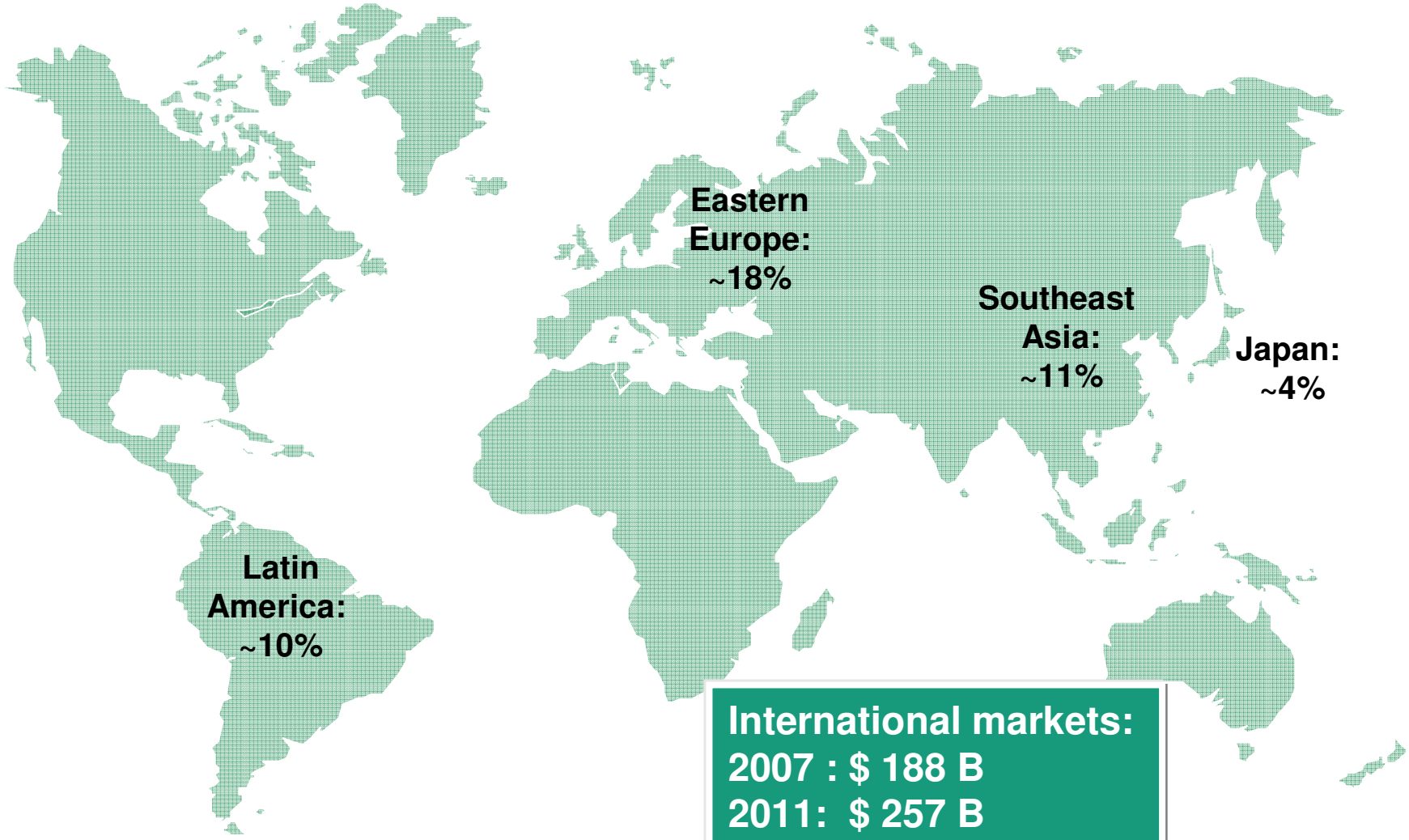
- Huge potential in the International markets
- Strong starting point - markets positions, global capabilities

International Markets Growing Rapidly





Pharma Market (CAGRs 2007-2011)



International markets:
2007 : $ 188 B
2011: $ 257 B

Source: IMS, ex-factory prices 07/07

International *Generic* Markets Growing Even Faster





	2007 ($B) Generics	2012 ($B) Generics	CAGR 2007-12 Percent
China	12.7	22.4	12
India	6.6	9.3	7
S. Korea	3.5	4.9	7
Mexico	3.4	6.6	14
Japan	3.3	8.9	22
Turkey	3.2	4.3	6
Russia	2.5	5.2	16
Brazil	1.5	4.6	25

Source: IMS; Espicom; Teva estimates

Broad Teva Presence in International Markets







- 16 Manufacturing sites
- 1 Partnerships
- 18 National companies (MKT)

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Strong Starting Point in South and Latin America





Chile and Venezuela

- No. 1 market position in Chile
- No. 1 market position in Venezuela

Mexico

- No. 1 in sales to the public sector
- No. 4 market position
- 4 pharmaceutical manufacturing sites

Argentina and Peru

- No. 3 market position in Argentina
- No. 4 market position in Peru

Strong Platform in Middle East and Eastern Europe





Israel

- No. 1 in pharma, OTC, and medical devices
- Largest non-governmental supplier
- Expertise in Israel provides leverage, knowledge and solutions for other international markets

Turkey

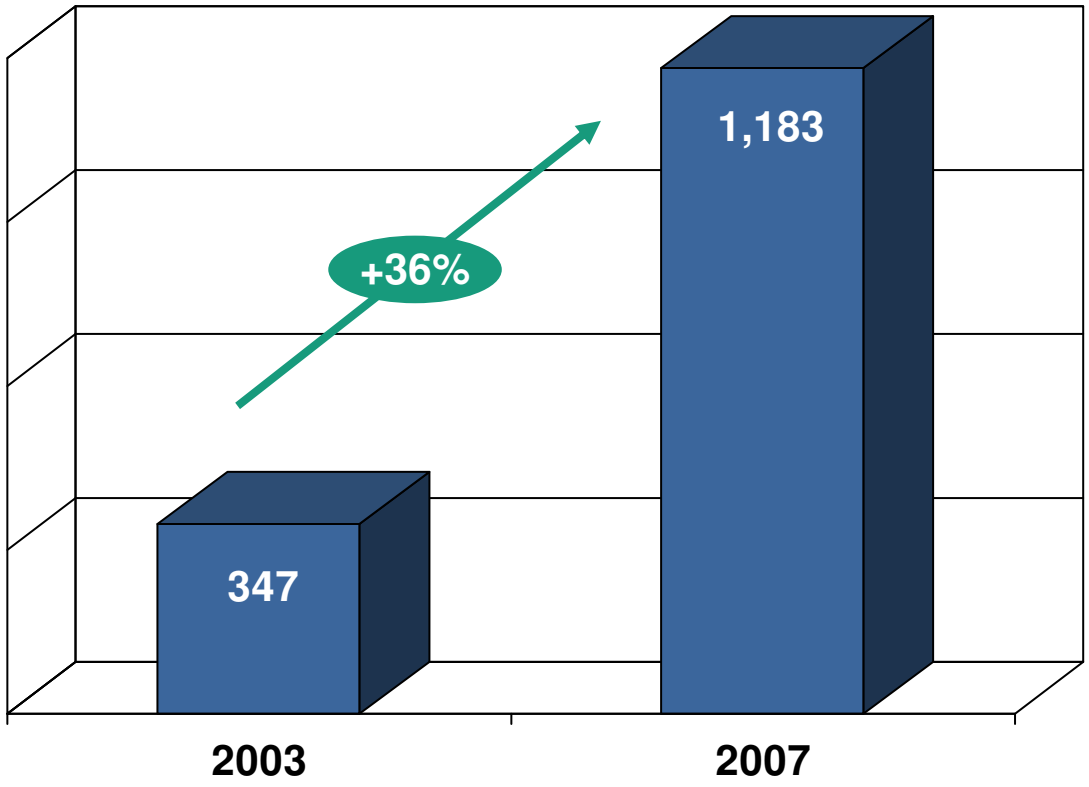
- Med Ilac acquisition
- Strong pipeline in registration

Russia

- 2007: Grew from No. 15 to No. 7 in DLO segment
- Many additional products in registration

International Sales 2003 – 2007
($ Millions)





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Strategic Considerations For Prioritizing Markets





- Market size
- Growth rate
- Readiness / Maturity
  - Political and economy stability
  - Government accountability to health care
  - Regulatory & Legal environment

Two Types of Markets on our Priority List





Emerging Economies

- Strong economic growth and rising personal wealth
- Consolidated group of retailers and distributors
- Rising patient demand for quality products

Example: Brazil, Russia, Turkey

"Embryonic" Generic market

- Large, or rapidly growing overall pharma market
- Low generic share
- Favorable trends e.g., demographic growth, cost pressure

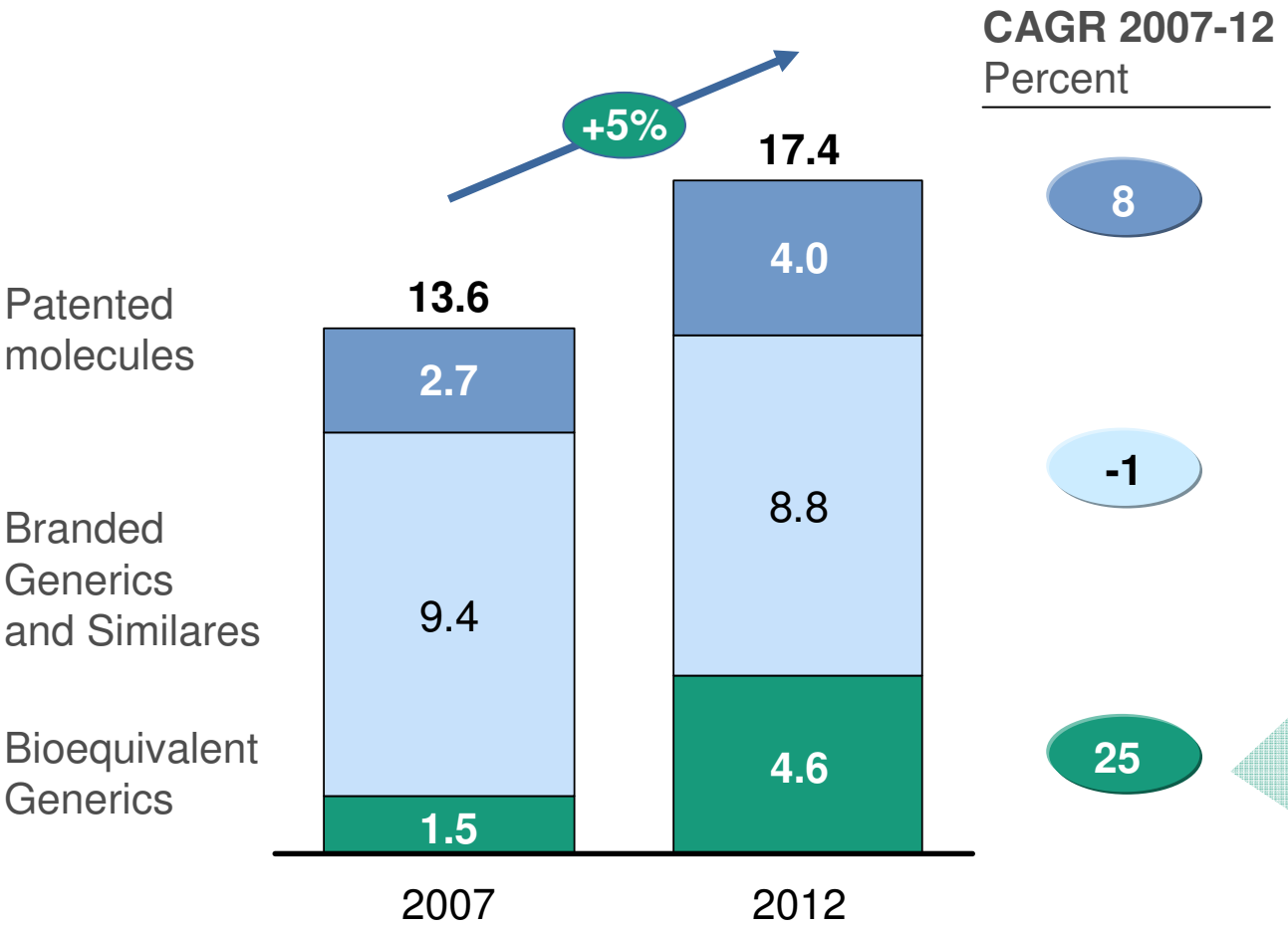
Example: Japan

Brazil – *Emerging Economy; Quality Is Taking Over*





$ Billions



CAGR 2007-12
Percent

8

-1

25

- **Rising personal wealth drives Bioequivalent growth at the expense of "Similares"**
- **Customers are consolidating enabling big-to-big strategies**

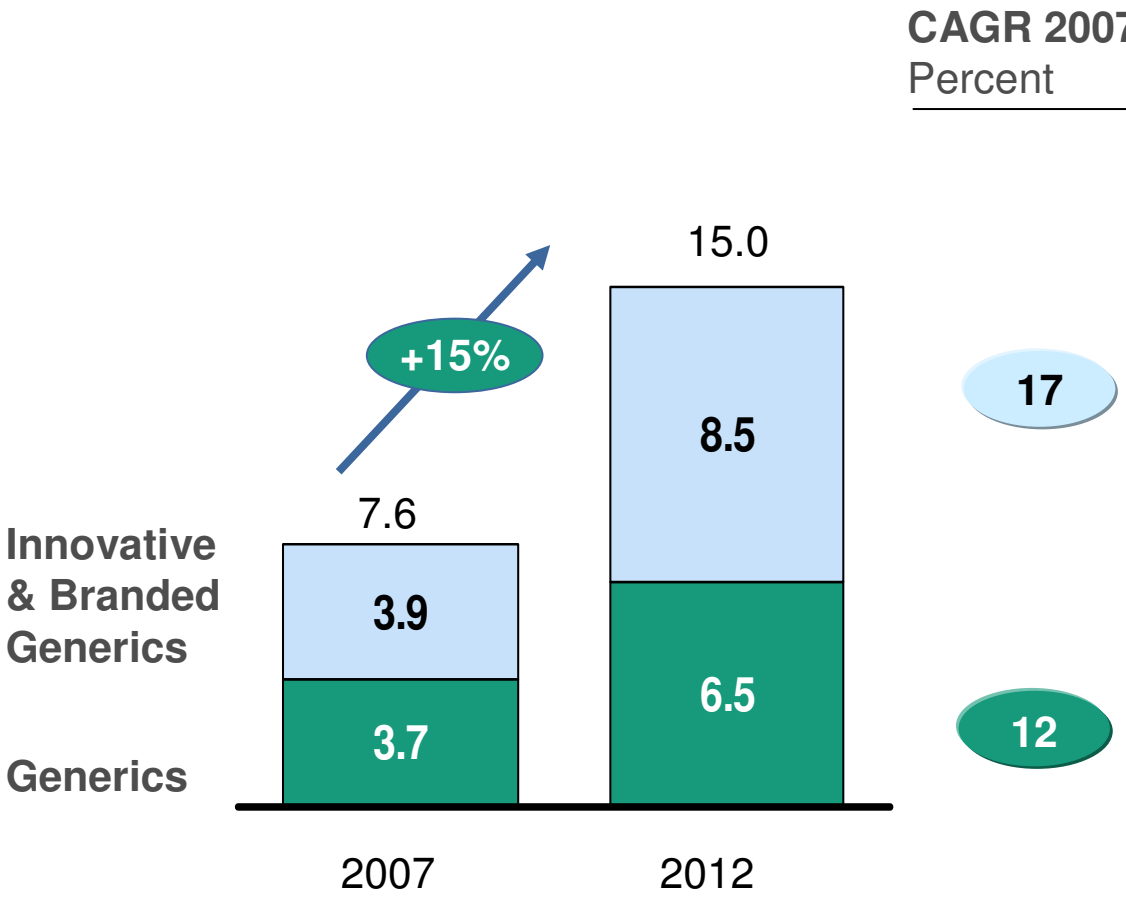
Source: Espicom, IMS, Expert Interviews, Teva analysis

Russia – *Rapid Economic Growth; Government Effort to Increase Public Wealth*





$ Billions



- Already #7 in Public Sector
- A broad portfolio is important in the "DLO"
- Sales-force expansion
- Institutional segment is growing rapidly

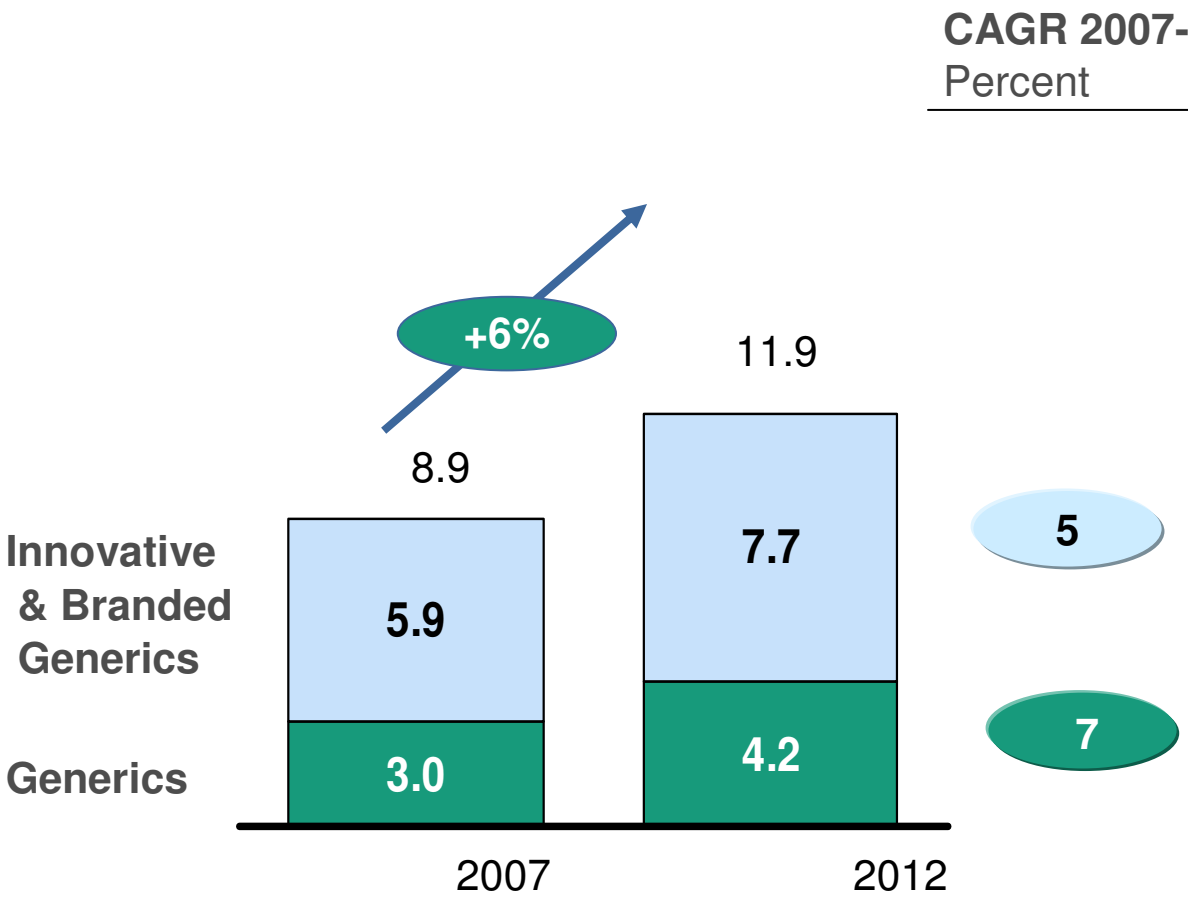
Source: RMBC, expert interviews, Teva analysis

Turkey – *Rapidly Growing Pharmaceutical Market*





$ Billions



CAGR 2007-12
Percent

5

7

- **Consolidation & globalization of local companies**
- **Increased regulation & standards**
- **Patent environment**
- **Growth in private health insurance & modern treatments**

Japanese Generics Market Poised To Grow





- World's 2nd largest pharma market
  - 2006: $68B
  - 2012 projection: $84B
- Attractive fundamentals:
  - Aging population
  - Rising healthcare costs
  - Government encouraging generics penetration

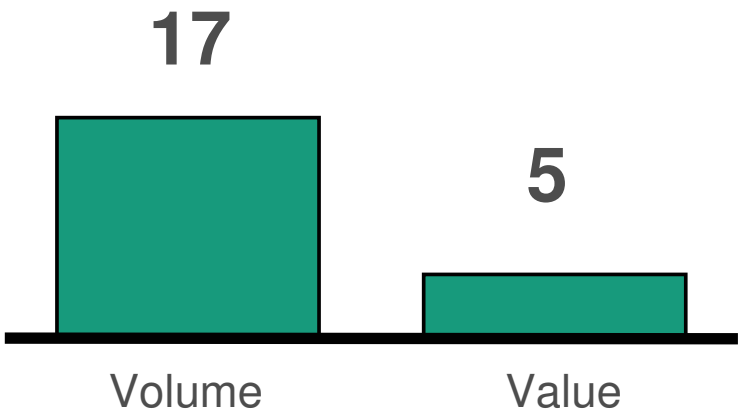
Significant Opportunity To Increase Generics Penetration





Generics share of total prescription drug market (2006)

In percentages

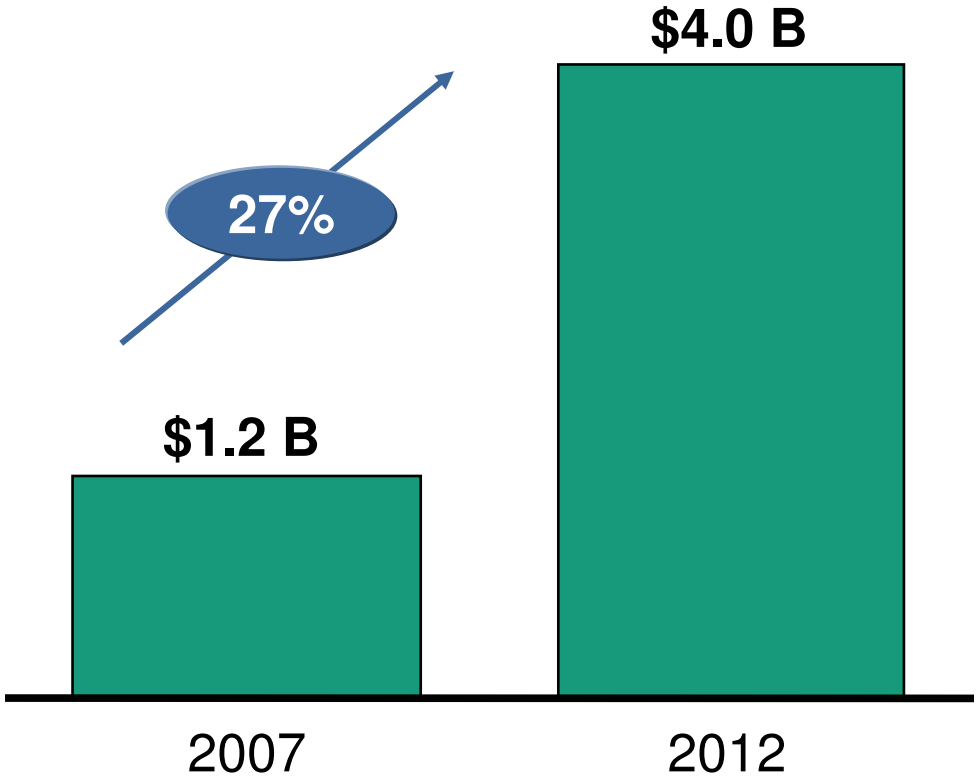


- **Government targeting 30% volume share by 2012**
- **Government could save ~$25B annually**

Source: IMS; MHLW; Espicom; Teva analysis

Our Goal – International Sales





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Closing Words





- Huge potential in the International markets
- Strong starting point – markets positions, global capabilities
- **Our goal is to achieve $ 4 Billion in revenues in 2012**



Thank You!