TEVA PHARMACEUTICAL INDUSTRIES LTD.



Teva Strategy Overview

February 21, 2008

Forward-Looking Statements





TODAY'S PRESENTATION CONTAINS FORWARD-LOOKING STATEMENTS, WHICH EXPRESS THE CURRENT BELIEFS AND EXPECTATIONS OF MANAGEMENT. SUCH STATEMENTS 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 RISKS RELATING TO: TEVA'S ABILITY TO ACCURATELY PREDICT FUTURE MARKET CONDITIONS, TEVA'S ABILITY TO SUCCESSFULLY DEVELOP AND COMMERCIALIZE ADDITIONAL PHARMACEUTICAL PRODUCTS, THE INTRODUCTION OF COMPETING GENERIC EQUIVALENTS, THE EXTENT TO WHICH TEVA MAY OBTAIN U.S. MARKET EXCLUSIVITY FOR CERTAIN OF ITS NEW GENERIC PRODUCTS AND REGULATORY CHANGES THAT MAY PREVENT TEVA FROM UTILIZING EXCLUSIVITY PERIODS, COMPETITION FROM BRAND-NAME COMPANIES THAT ARE UNDER INCREASED PRESSURE TO COUNTER GENERIC PRODUCTS, OR COMPETITORS THAT SEEK TO DELAY THE INTRODUCTION OF GENERIC PRODUCTS, POTENTIAL LIABILITY FOR SALES OF GENERIC PRODUCTS PRIOR TO A FINAL RESOLUTION OF OUTSTANDING PATENT LITIGATION, INCLUDING THAT RELATING TO THE GENERIC VERSIONS OF ALLEGRA®, NEURONTIN®, LOTREL®, FAMVIR®, AND PROTONIX®, THE IMPACT OF CONSOLIDATION OF OUR DISTRIBUTORS AND CUSTOMERS, THE EFFECTS OF COMPETITION ON OUR INNOVATIVE PRODUCTS, ESPECIALLY COPAXONE® SALES, THE IMPACT OF PHARMACEUTICAL INDUSTRY REGULATION AND PENDING LEGISLATION THAT COULD AFFECT THE PHARMACEUTICAL INDUSTRY, THE DIFFICULTY OF PREDICTING U.S. FOOD AND DRUG ADMINISTRATION, EUROPEAN MEDICINES AGENCY AND OTHER REGULATORY AUTHORITY APPROVALS, THE REGULATORY ENVIRONMENT AND CHANGES IN THE HEALTH POLICIES AND STRUCTURES OF VARIOUS COUNTRIES, OUR ABILITY TO ACHIEVE EXPECTED RESULTS THOUGH OUR INNOVATIVE R&D EFFORTS, TEVA'S ABILITY TO SUCCESSFULLY IDENTIFY, CONSUMMATE AND INTEGRATE ACQUISITIONS, POTENTIAL EXPOSURE TO PRODUCT LIABILITY CLAIMS TO THE EXTENT NOT COVERED BY INSURANCE, DEPENDENCE ON THE EFFECTIVENESS OF OUR PATENTS AND OTHER PROTECTIONS FOR INNOVATIVE PRODUCTS, SIGNIFICANT OPERATIONS WORLDWIDE THAT MAY BE ADVERSELY AFFECTED BY TERRORISM, POLITICAL OR ECONOMICAL INSTABILITY OR MAJOR HOSTILITIES, SUPPLY INTERRUPTIONS OR DELAYS THAT COULD RESULT FROM THE COMPLEX MANUFACTURING OF OUR PRODUCTS AND OUR GLOBAL SUPPLY CHAIN, ENVIRONMENTAL RISKS, FLUCTUATIONS IN CURRENCY, EXCHANGE AND INTEREST RATES, AND 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. FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE ON WHICH THEY ARE MADE AND THE COMPANY UNDERTAKES NO OBLIGATION TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENT, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

Table of Contents





- Teva's Growth Strategy 2008-2012
- Global Generic Markets
  - US
  - Europe
  - International
- Global Generic Resources
- Innovative Strategy
- BioGenerics
- Modeling Teva
- Closing Thoughts

TEVA PHARMACEUTICAL INDUSTRIES LTD.



Teva's Growth Strategy 2008-2012

Shlomo Yanai

President and CEO

Teva Pharmaceutical Industries Ltd.

February 21, 2008

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Fundamental Questions





- Can Teva sustain its pace of growth for years to come?
- What will be Teva's key growth drivers?
- What is Teva's value proposition?

Teva's 20/20 Target





By 2012, we expect to:



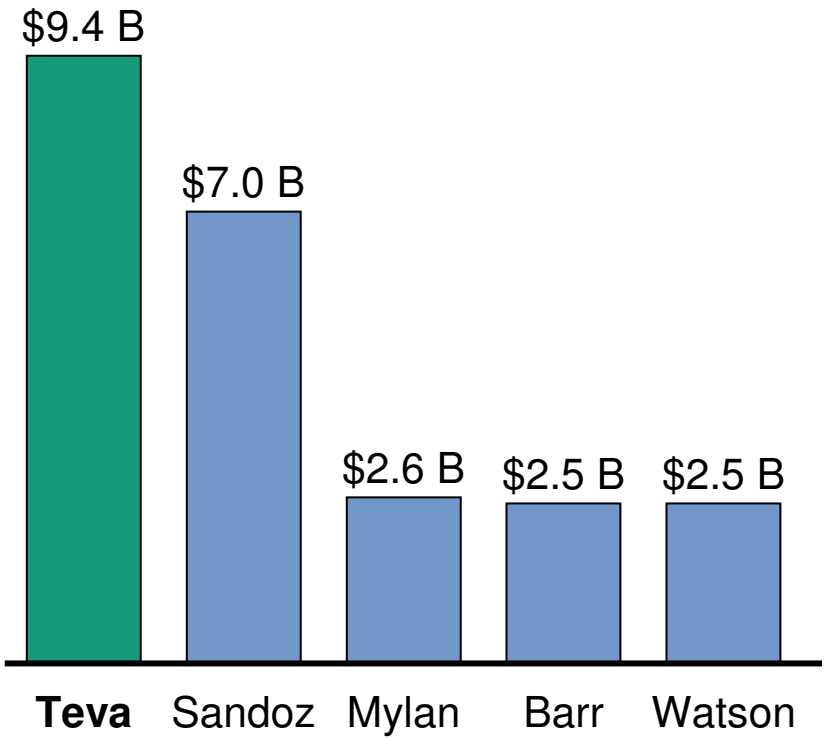
- Double our business
- Reach revenues of **$20 billion**
- Exceed net income margins of **20%**

Growth Through Market Leadership





2007 Sales of peer group



Market Leadership:

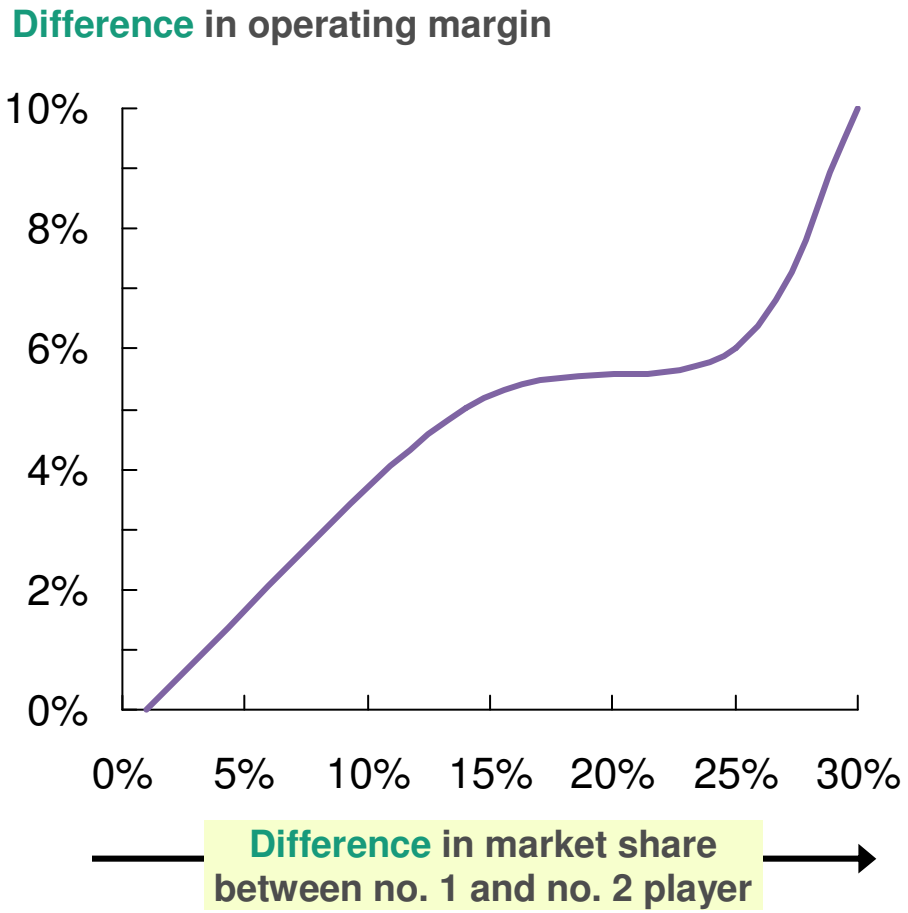
- **Market share** ↑
- **Gap between #1 and #2** ↑

Source: Company reports and analyst estimates

The Leader's Reward







Market leaders are typically more profitable than followers

- **The greater the share gap the greater the profit advantage**
- **Greater absolute market share correlates with greater profitability**

Source: Cross industry analysis of market leadership, McKinsey & Company

The External Environment





Demand

- Demographic shifts and emerging market growth
- **Global generics ~$75b in 2007 to ~$120b in 2012**

Payors

- Decision-making shifting to payors
- **Growing pressure to lower costs**

Harmonization & Consolidation

- Global standards, common products, and global economies of scale create a few global leaders
- **Big-to-big opportunities**

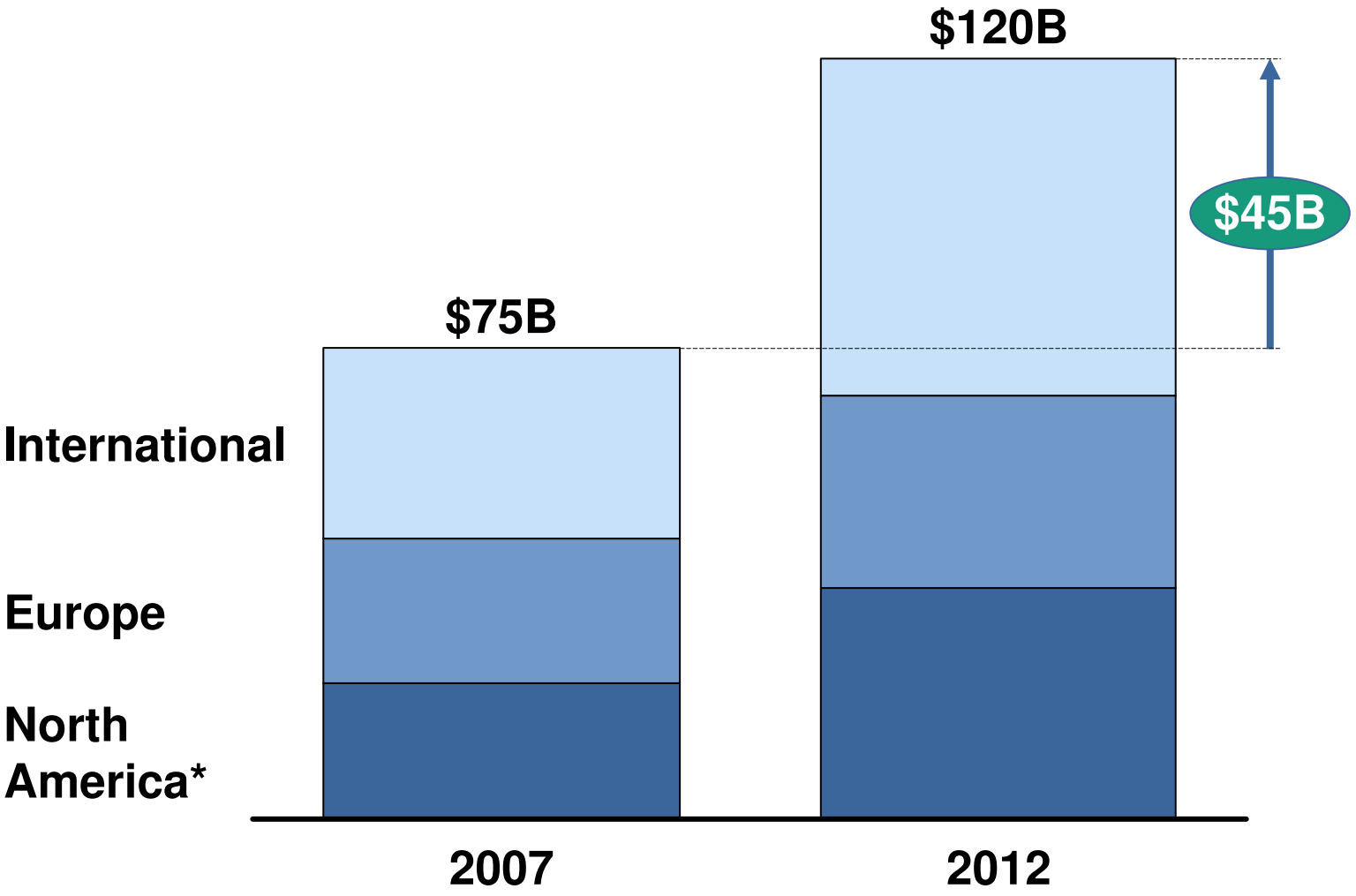
Macro conditions are in Teva's favor

Growth Will Create "2 More U.S. Markets"





Global Generics Sales



* U.S. and Canada

Source: IMS, Espicom; Teva estimates of local markets

TEVA PHARMACEUTICAL INDUSTRIES LTD.

Teva's Core Strengths and Competitive Advantages





Teva's Scale and Leadership

- Broadest product portfolio
- Largest first-to-file / Paragraph IV pipeline
- API leadership
- Large global footprint, leadership in most significant market (U.S.)

Execution Excellence

- R&D, legal and regulatory excellence
- Low-cost production and supply chain
- Backward integration
- Proven track-record in M&As
- Service excellence

Competitive Approach

- Commitment to global generics leadership
- Leveraging scale and scope
- Commercial innovation

Teva's Culture

- Lean, agile, responsive and fast
- Proactive, willing to challenge

Key Pillars of Our Strategy





Increase Teva's market share in key markets

- Extend leadership in U.S.
- Establish leadership in key EU and International markets

Double our product portfolio

- Double R&D capabilities
- Focus on first-to-market / Paragraph IVs
- Double production capacity

Redefine customer service

- Develop big-to-big offerings
- Create new go-to-market initiatives

Biotechnology: Next growth wave in generics

- Invest in the next wave of technology and Generics
- Create affordable Biogenerics: lower cost, greater value

Innovative business

- Focus on niche specialty areas
- Leverage unique sourcing, development and go-to-market approaches

Teva's Value Proposition





- **Growth Company**
- **Commitment To Global Generics Leadership**
- **Balanced Business Model**



- **Attractive Financial Returns**
- **Teva's Culture and Brand**

Key Themes





Where Teva is going

- Double our business
- Reach revenues of **$20 billion**
- Exceed net profit margins of **20%**

How we will get there

- Increase market leadership
- Double-down on product portfolio
- Redefine customer service
- Affordable Biogenerics
- Differentiated approach to Innovative

TEVA PHARMACEUTICAL INDUSTRIES LTD.





Teva North America

Bill Marth

President and CEO

Teva North America

February 21, 2008

Forward-Looking Statements





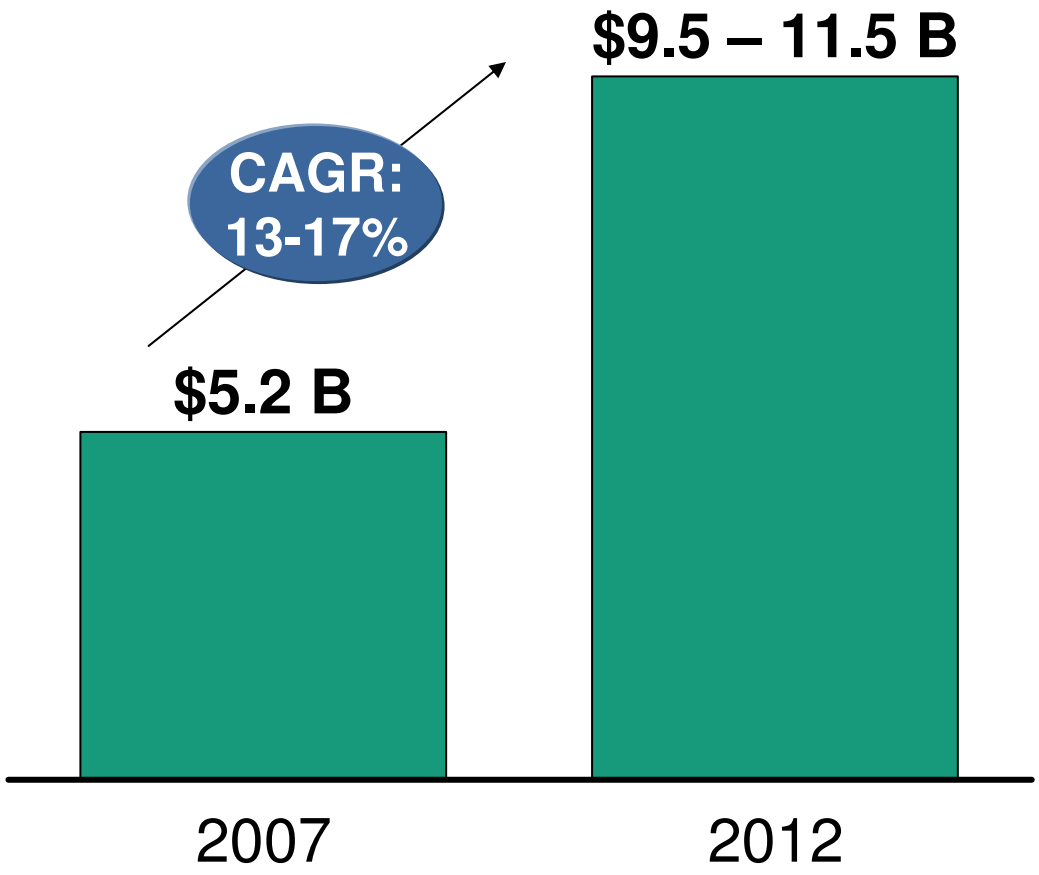
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Our Goal





North American Sales



Note: Includes all pharmaceutical sales in the U.S. and Canada

Respiratory





Large global market

- Key part of our market strategies
- Potential market of ~$25 Billion by 2012

Teva commercial strengths

- Significant share of SABA market (US)
- Relationships with trade, payors, physicians

Investments in R&D

- Numerous pipeline products
- Leveraging innovative and generic R&D capabilities

U.S. Generics – Key Themes





Strategy

- **Strong generics growth in a very attractive market**
- **Clear U.S. market leader - we aim to significantly increase our market share leadership**

Execution

- **Double down on our generics portfolio**
- **Improve our generics commercial model with even greater focus on customers**

Goal

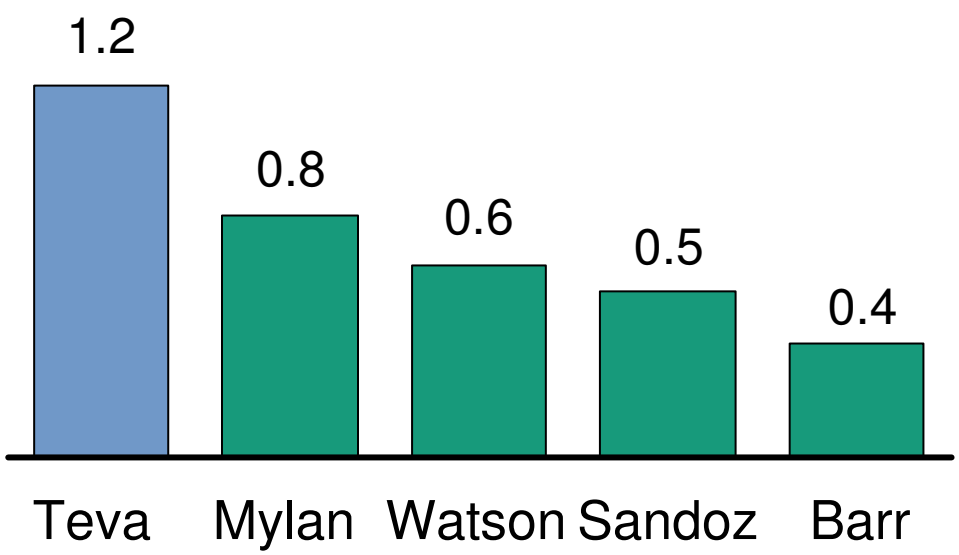
- **Overall, we expect Teva's U.S. generics revenues to outpace the market while maintaining current EBIT margins**

Teva is the Clear U.S. Market Leader





Number of TRxs per day
Millions



- **Teva dispenses nearly 2 out of every 10 generics prescriptions**
- **Teva's daily volume is 50% greater than the next closest competitor**

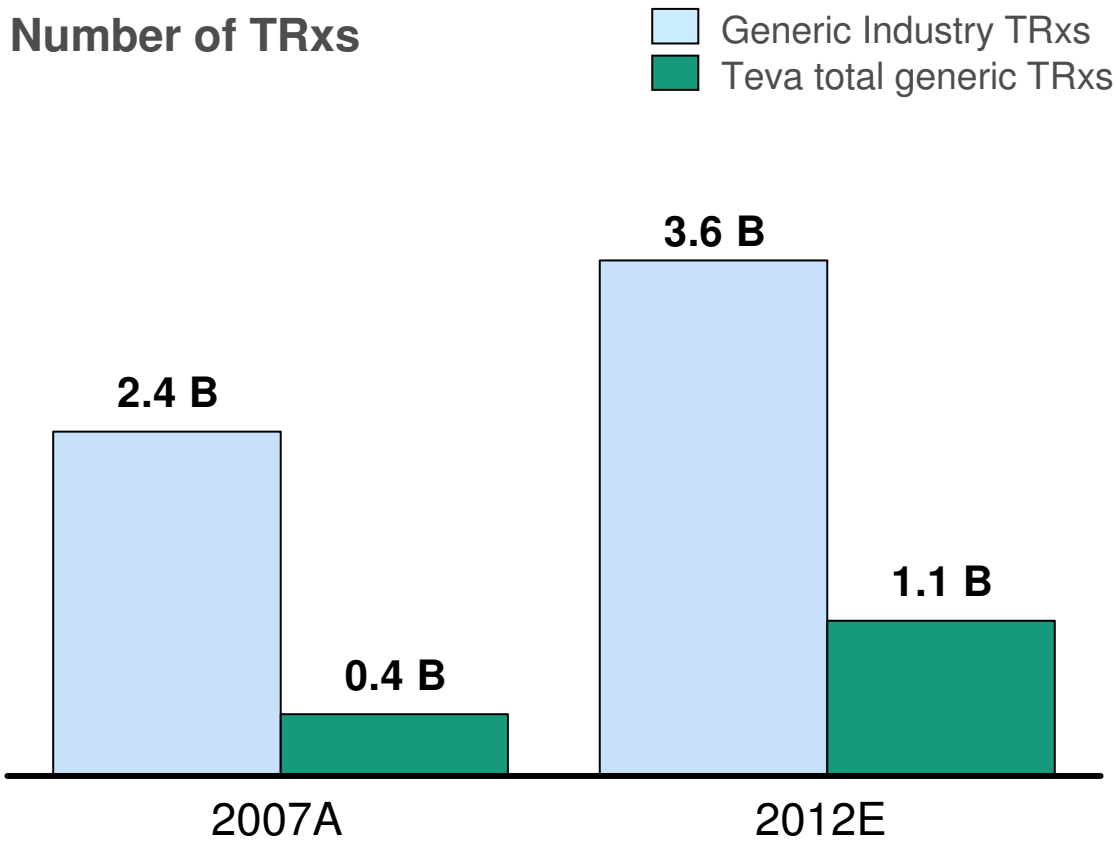
Source: IMS National Prescription Audit MAT December 2007

Extending U.S. Leadership to 30% Market Share





Number of TRxs



Projected TRx CAGRs

- Generics overall: 8%
- **Teva: 20%**

Teva's share*

18%

30%

* Projected

Source: IMS Health National Prescription Audit, Teva Estimates

TEVA PHARMACEUTICAL INDUSTRIES LTD.

Key Elements of the U.S. Strategy





Product portfolio

- Significantly greater investment in R&D
- Expand portfolio - new product launches
- Heavy emphasis on Para IV filings

Leadership and scale

- Leverage our scale for strategic and competitive advantage
- Supply Chain preeminence

Go-to-market initiatives

- Innovate our commercial model – expand relationships with market leaders
- Redefine service

Doubling Down on Generic R&D





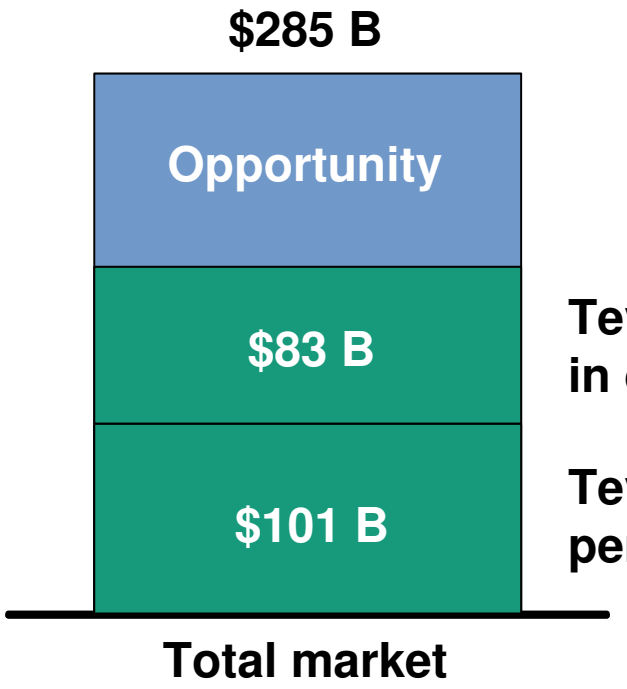
- **Doubling our submissions**
- **Accelerating development to further increase our “first-to-file,” “first-to market” and “first-to-opportunity” positions**
- **Doubling output without doubling resources through:**
  - **Capacity**
  - **Speed**
  - **Efficiency**
  - **Parallel development**
  - **Technology**

Products Pending Approval and In Development Cover Most of the Market





2007 Pharmaceuticals Market



Teva products in development

Teva products pending approval

65%
Of the market

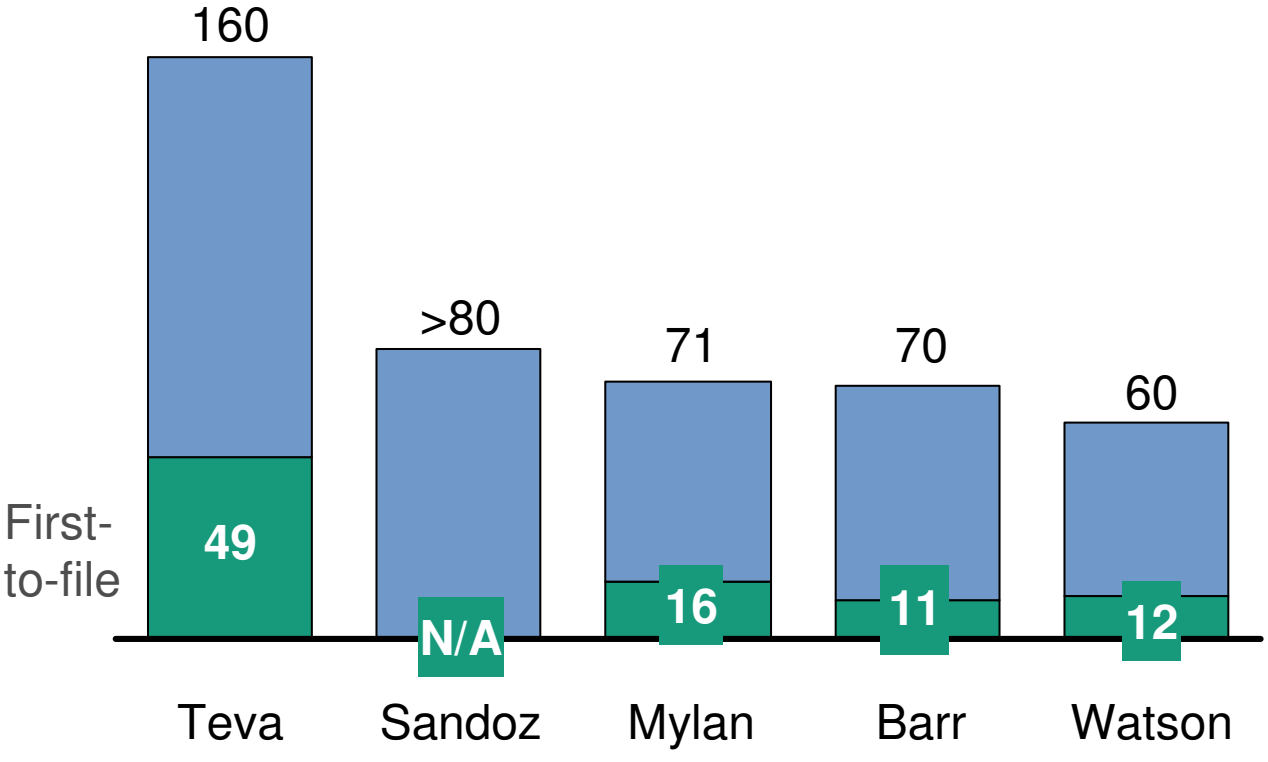
Source: IMS, Teva estimates

Teva has the Most Valuable Pipeline…





Pipeline
Number of ANDAs pending



- **Teva has more ANDAs than any two competitors combined**
- **92 current Teva files are Paragraph IV challenges (49 have FTF status)**

Source: Investor earnings call transcripts and company statements

…and the Broadest Product Portfolio in the Industry

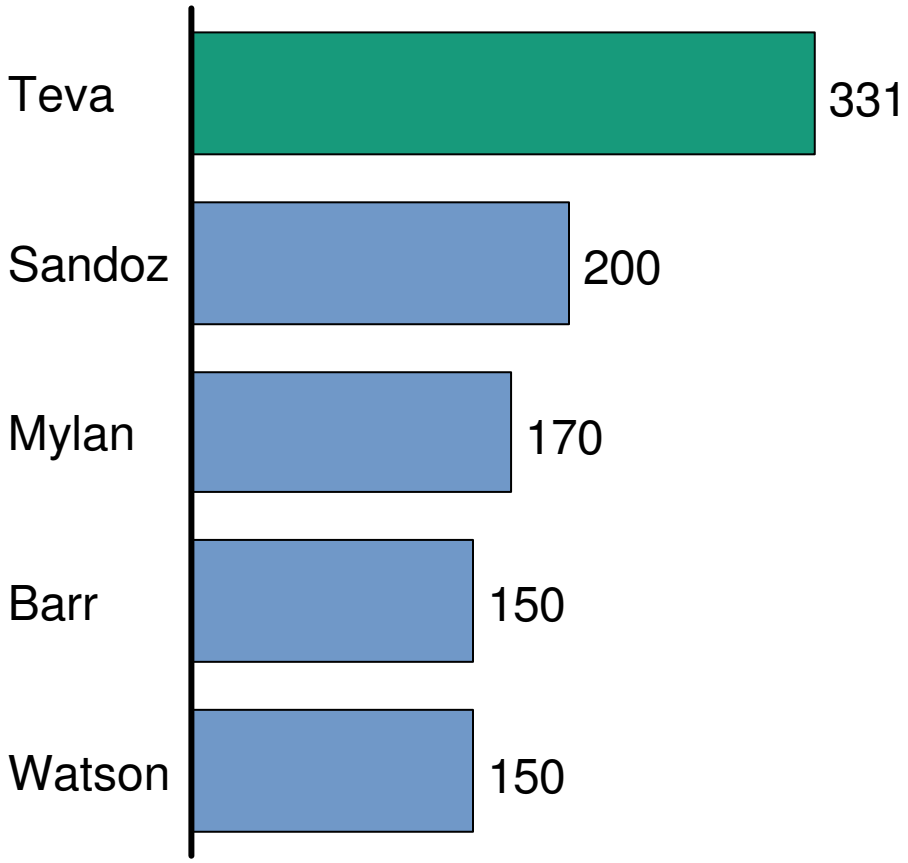




ESTIMATES

Currently marketed products

Number of products



Teva has 65% more marketed products than the next closest competitor

Source: Investor earnings call transcripts and company statements

Our Scale Gives Us an Unrivaled Ability to Launch At Risk





- **Leverages our core capabilities**
  - **R&D**
  - **Legal/regulatory**
  - **Product commercialization: the way we go to market**
  - **Supply chain flexibility**
- **Customers value earlier and superior access to products**
- **Enhances profitability**

Source: Market data from IMS NSP at time of launch

Advantages of Supply Chain Preeminence





- Ability to leverage customer demand information across the Supply Chain
- Robust global Supply Chain network
  - Prompt, seamless coordination of complex supply and distribution network
  - Supported by 14 manufacturing sites globally
- Ability to execute large launches quickly (e.g., Pantoprazole, Simvastatin)
  - Produce at multiple sites simultaneously
  - Able to deliver multiple product configurations at launch

Robust Customer Relationships Are Critical to Our Success





Generics are critical to Teva's key customers

- By 2012 generics will represent > 75% of all prescriptions in the U.S.
- Generics represent >50% of the drug profits of key U.S. customers

We have developed a customer-centric business model

- **Core elements:**
  - Superior service
  - Collaborative planning
  - Early access to new product launches
- **Future plans:**
  - Tighter collaboration
  - Enhanced packaging
  - 'Game changing' moves

"Big-to-Big"

Example: *'Game Changing' Customer Service Innovation*





RAPID 50K

Reach All Pharmacies In a Day . . .

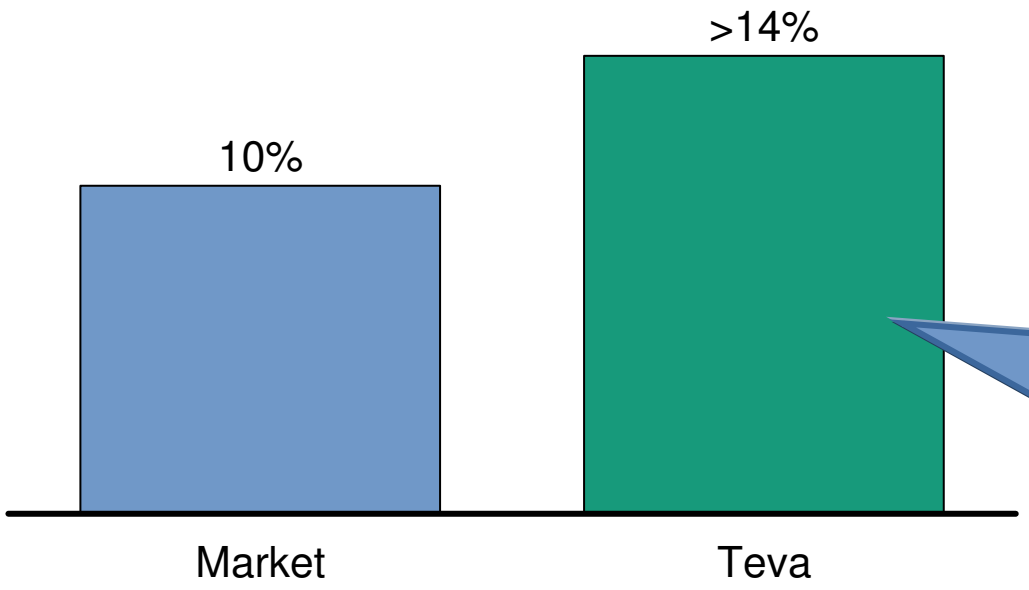
- Our goal within 3 years, is to reach 50,000 pharmacies nationwide the day after launch
- Significant investment planned to expanding our Supply Chain in combination with a new Direct-to-Store delivery capability
- Benefits across the value chain:
  - Faster patient access to generics
  - More pharmacies immediately benefit from new product launches
  - More efficient inventory management across the distribution system

Teva's U.S. Generics Financial Goal





U.S. Net Sales Projected Growth
CAGR 2007 – 2012



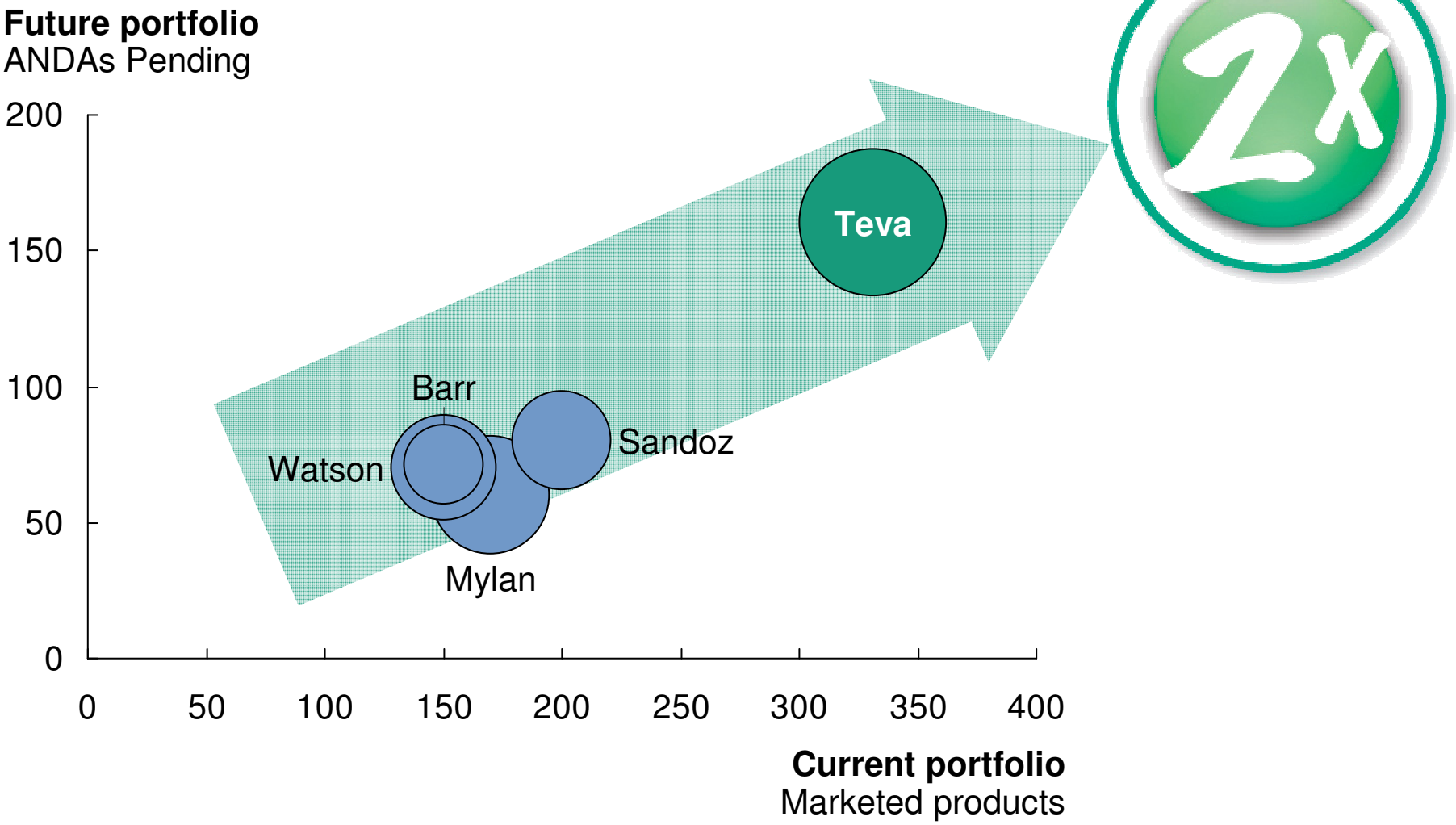
- **Key Paragraph IVs and other new products**
- **Big-to-big customer relationships**
- **Additional upside in specialty and innovative products**

Source: IMS; Teva estimates

Extending our Lead







Note: Bubble size is proportional to IMS reports of 2007 TRx; Teva = 437 Million

TEVA PHARMACEUTICAL INDUSTRIES LTD.



European Generics Market

Gerard W.M. van Odijk
President and CEO
Teva Europe

February 21, 2008

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Key Themes





- European generics market is large and growing

- Teva has a proven track record of growth

- Growth strategy focuses on:
  - Increasing our share
  - Securing leadership
  - Investing in our core functions

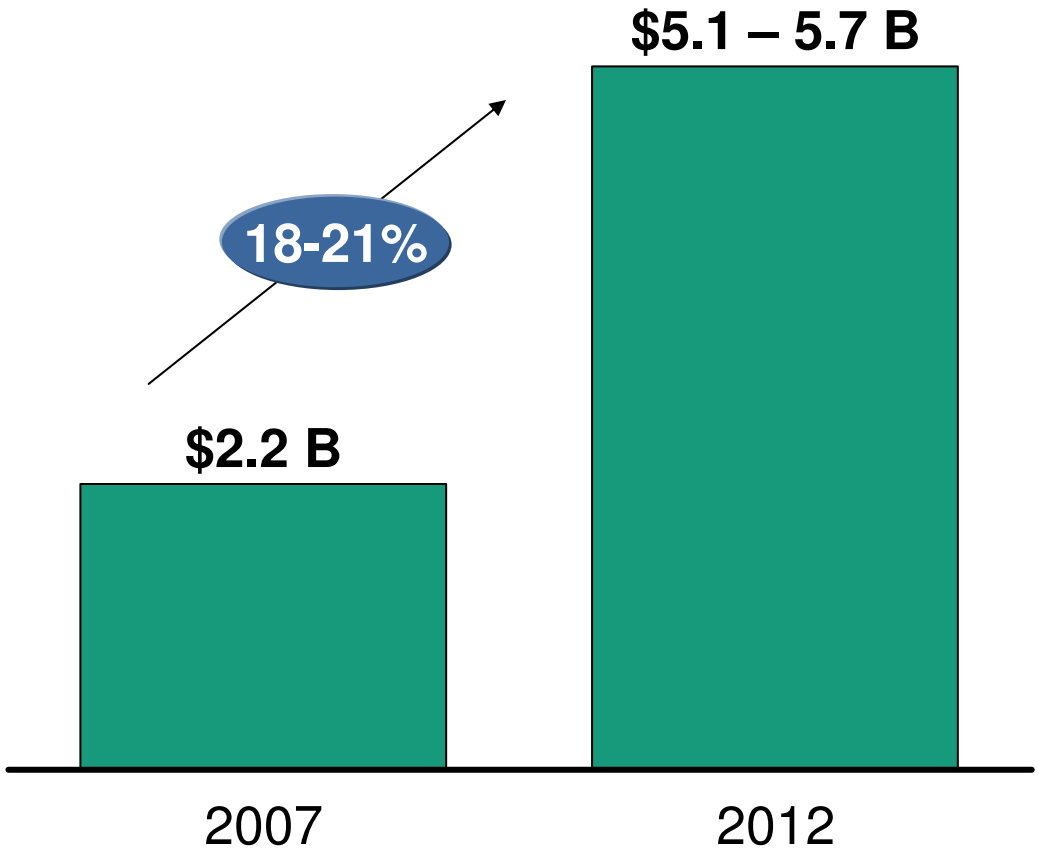
- By 2012, we expect to more than double our sales and grow EBIT even faster

Our Goal





European* Sales



Refers throughout to Western Europe and Hungary

The Western European Generics Market is Large and Growing

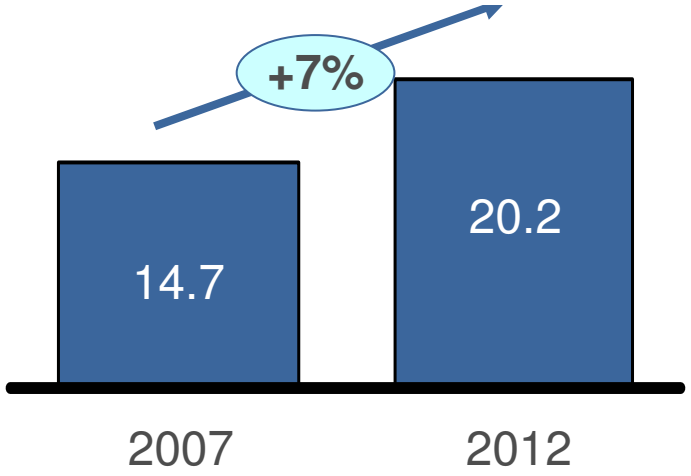




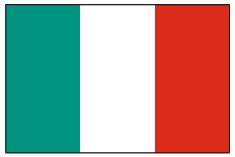
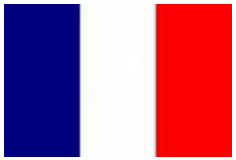
CAGR, 2007-12

Europe overall is a large market with steady growth (7% CAGR)

Net sales retail and hospital
USD Billions



Growth is particularly strong in the EU's "Latin" countries

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

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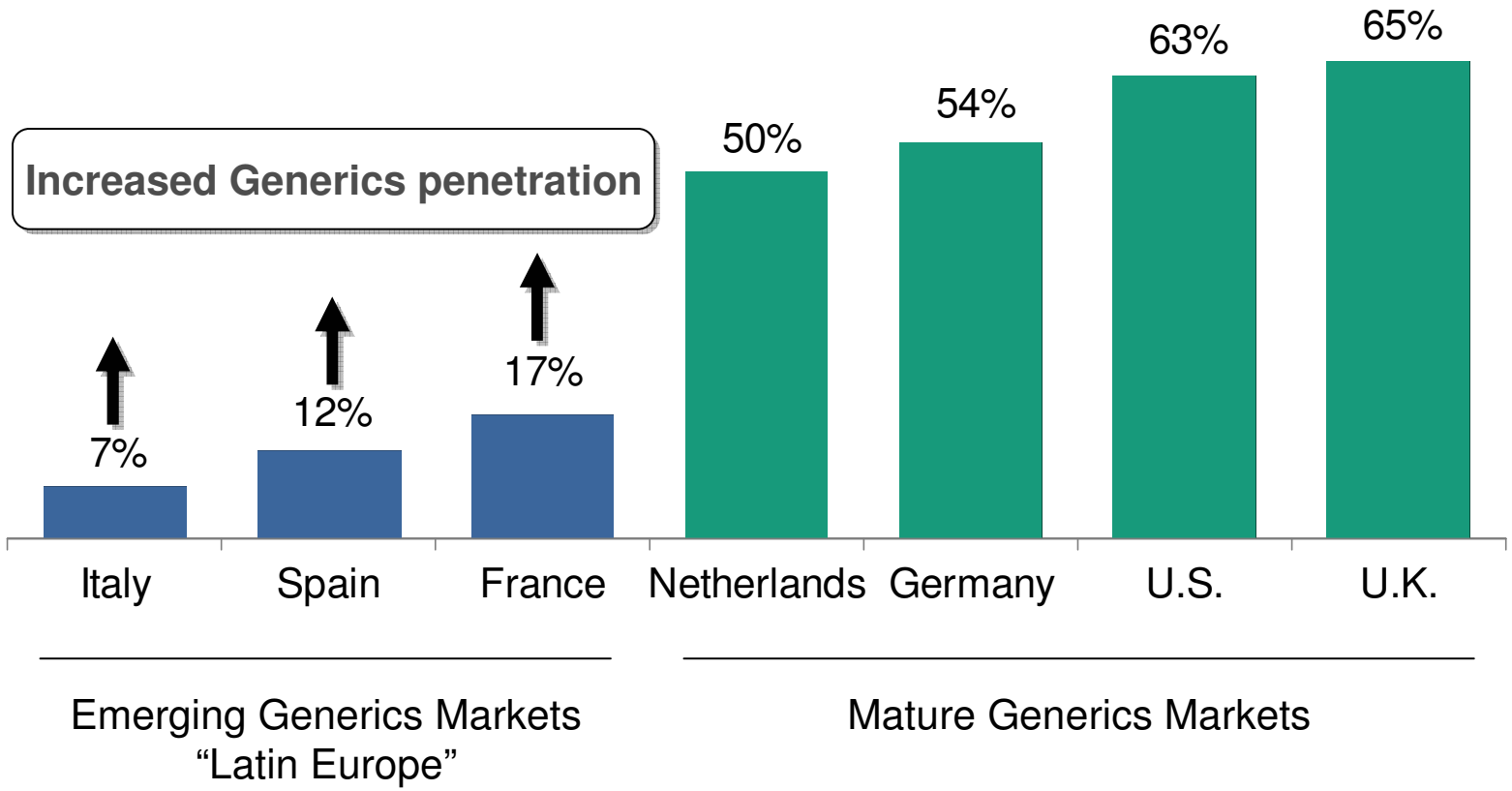
High Growth in "Latin" European Countries, Driven by New Reforms





Generics Market Share

Volume



Source: EGA 2007 Market Survey; US based on IMS estimates June 2007

In Germany, Tenders Create New Opportunities

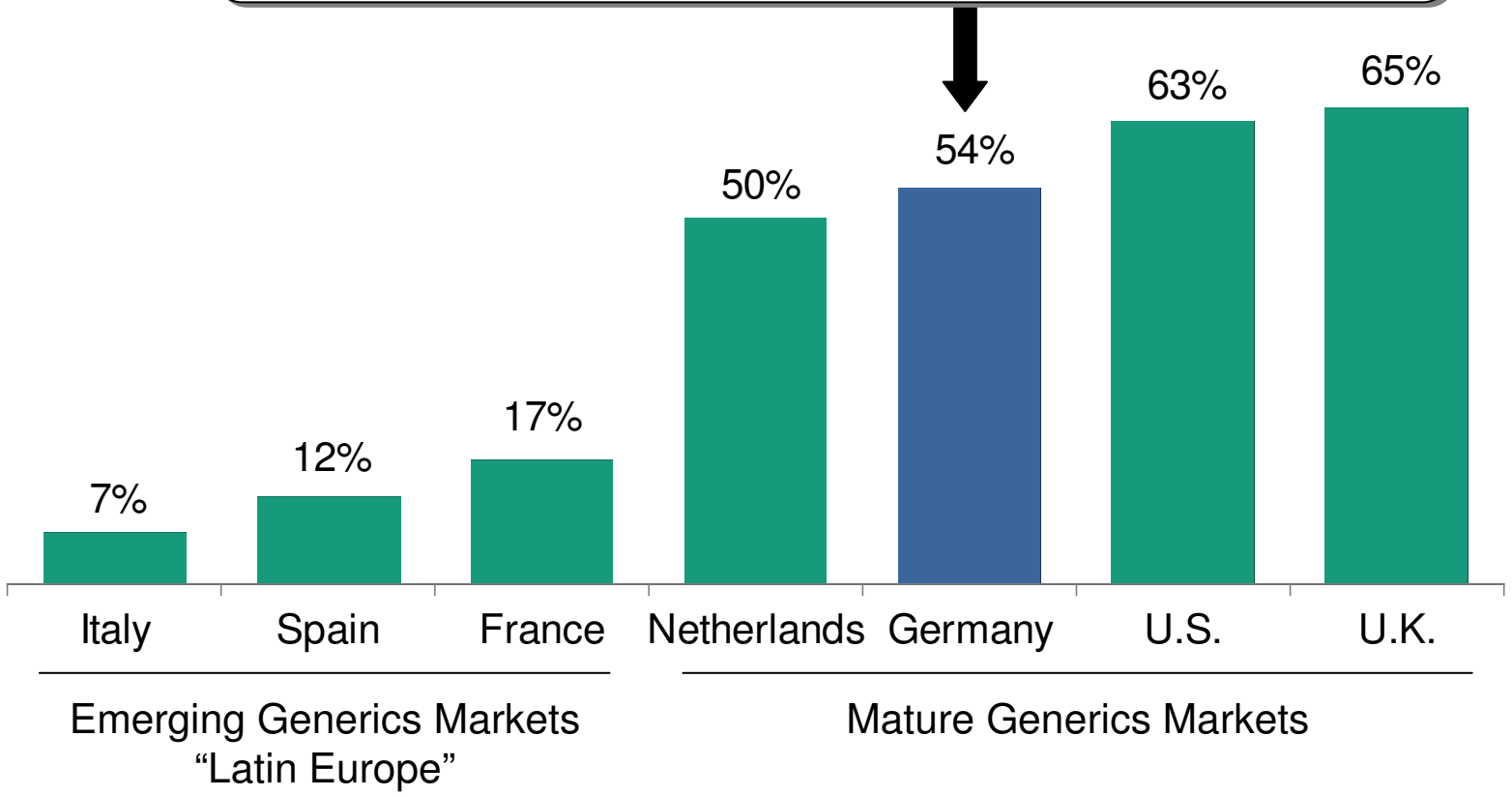




Generics Market Share

Volume

- **Tenders are entry ticket to the world's 2nd largest generics market (~ $5 billion)**
- **Shift from Branded-Generics to "Generic-Generics"**

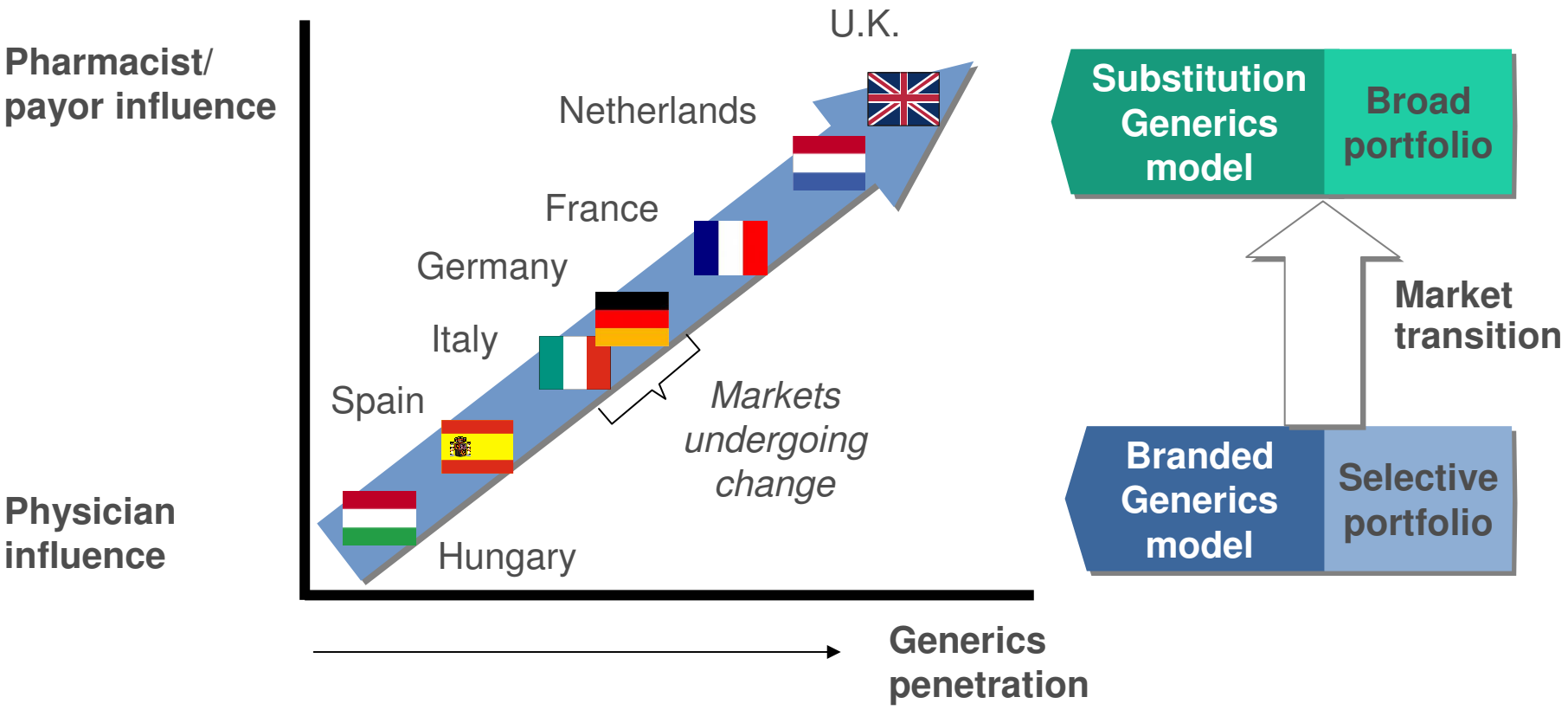


Source: EGA 2007 Market Survey; US based on IMS estimates June 2007

Across the Region, Pharmacies and Chains Gaining Importance







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Core Elements of Our Strategy





Extend lead in U.K., Italy, and Netherlands

- Expand ‘big-to-big’ relationships
- Further broaden product portfolio
- Drive profitability through scale

Secure leadership market by market

- Build leadership in “Latin” markets
- Capture generics tender opportunity in Germany
- Leverage scale where competition is fragmented

Invest to enhance our core functions

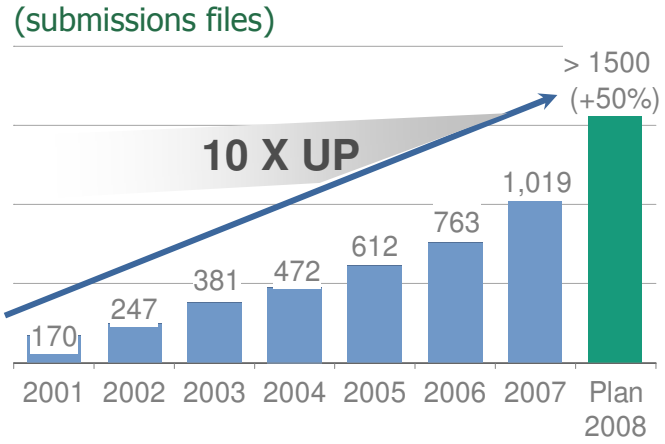
- Not just ‘First to Market’ but ‘Broad to Market’
- Build out manufacturing capacity and flexibility
- Expand Supply Chain

Our Continued Back-End Investment Creates a Foundation for our Growth





1. Doubling our European GR&D investment next 5 years



2. Doubling Manufacturing Capacity next 5 years

Up scaling
1. Improved flexibility & responsiveness
2. Reduce costs

Unparalleled service level



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Teva's Proven Go-to-Market Approach





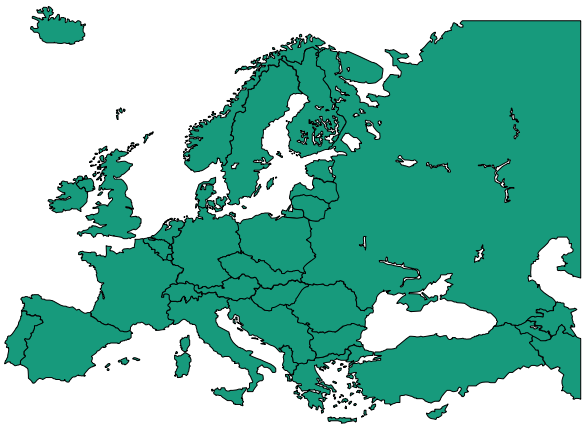
1.

"Big-to-Big"
Portfolio breadth and geographical presence position Teva as unique partner for EU wholesale & retail players

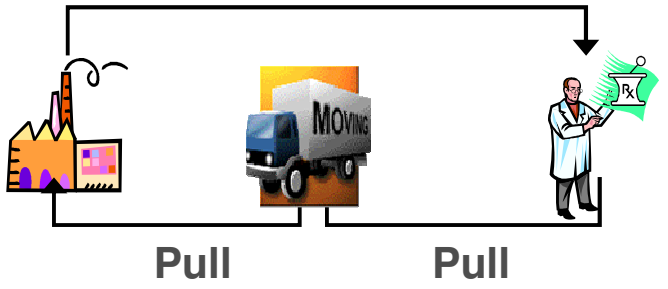
2.

"Sell-out"
Distinctive commercial offers and lean & agile go-to-market models match evolving market needs

Teva's European Presence



New products / loyalty program



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Closing Remarks





- European generics market is attractive
- Teva is uniquely positioned to succeed in Europe
- Teva's European growth strategy is focused on achieving market leadership
- By 2012, Teva will more than double sales and grow EBIT even faster

TEVA PHARMACEUTICAL INDUSTRIES LTD.



International Generic Markets

Chaim Hurvitz

Group VP – International

Teva Pharmaceutical Industries Ltd.

February 21, 2008

Forward-Looking Statements





TODAY'S PRESENTATION CONTAINS FORWARD-LOOKING STATEMENTS, WHICH EXPRESS THE CURRENT BELIEFS AND EXPECTATIONS OF MANAGEMENT. SUCH STATEMENTS 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 RISKS RELATING TO: TEVA'S ABILITY TO ACCURATELY PREDICT FUTURE MARKET CONDITIONS, TEVA'S ABILITY TO SUCCESSFULLY DEVELOP AND COMMERCIALIZE ADDITIONAL PHARMACEUTICAL PRODUCTS, THE INTRODUCTION OF COMPETING GENERIC EQUIVALENTS, THE EXTENT TO WHICH TEVA MAY OBTAIN U.S. MARKET EXCLUSIVITY FOR CERTAIN OF ITS NEW GENERIC PRODUCTS AND REGULATORY CHANGES THAT MAY PREVENT TEVA FROM UTILIZING EXCLUSIVITY PERIODS, COMPETITION FROM BRAND-NAME COMPANIES THAT ARE UNDER INCREASED PRESSURE TO COUNTER GENERIC PRODUCTS, OR COMPETITORS THAT SEEK TO DELAY THE INTRODUCTION OF GENERIC PRODUCTS, POTENTIAL LIABILITY FOR SALES OF GENERIC PRODUCTS PRIOR TO A FINAL RESOLUTION OF OUTSTANDING PATENT LITIGATION, INCLUDING THAT RELATING TO THE GENERIC VERSIONS OF ALLEGRA®, NEURONTIN®, LOTREL®, FAMVIR®, AND PROTONIX®, THE IMPACT OF CONSOLIDATION OF OUR DISTRIBUTORS AND CUSTOMERS, THE EFFECTS OF COMPETITION ON OUR INNOVATIVE PRODUCTS, ESPECIALLY COPAXONE® SALES, THE IMPACT OF PHARMACEUTICAL INDUSTRY REGULATION AND PENDING LEGISLATION THAT COULD AFFECT THE PHARMACEUTICAL INDUSTRY, THE DIFFICULTY OF PREDICTING U.S. FOOD AND DRUG ADMINISTRATION, EUROPEAN MEDICINES AGENCY AND OTHER REGULATORY AUTHORITY APPROVALS, THE REGULATORY ENVIRONMENT AND CHANGES IN THE HEALTH POLICIES AND STRUCTURES OF VARIOUS COUNTRIES, OUR ABILITY TO ACHIEVE EXPECTED RESULTS THOUGH OUR INNOVATIVE R&D EFFORTS, TEVA'S ABILITY TO SUCCESSFULLY IDENTIFY, CONSUMMATE AND INTEGRATE ACQUISITIONS, POTENTIAL EXPOSURE TO PRODUCT LIABILITY CLAIMS TO THE EXTENT NOT COVERED BY INSURANCE, DEPENDENCE ON THE EFFECTIVENESS OF OUR PATENTS AND OTHER PROTECTIONS FOR INNOVATIVE PRODUCTS, SIGNIFICANT OPERATIONS WORLDWIDE THAT MAY BE ADVERSELY AFFECTED BY TERRORISM, POLITICAL OR ECONOMICAL INSTABILITY OR MAJOR HOSTILITIES, SUPPLY INTERRUPTIONS OR DELAYS THAT COULD RESULT FROM THE COMPLEX MANUFACTURING OF OUR PRODUCTS AND OUR GLOBAL SUPPLY CHAIN, ENVIRONMENTAL RISKS, FLUCTUATIONS IN CURRENCY, EXCHANGE AND INTEREST RATES, AND 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. FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE ON WHICH THEY ARE MADE AND THE COMPANY UNDERTAKES NO OBLIGATION TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENT, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHERWISE.

Key Themes





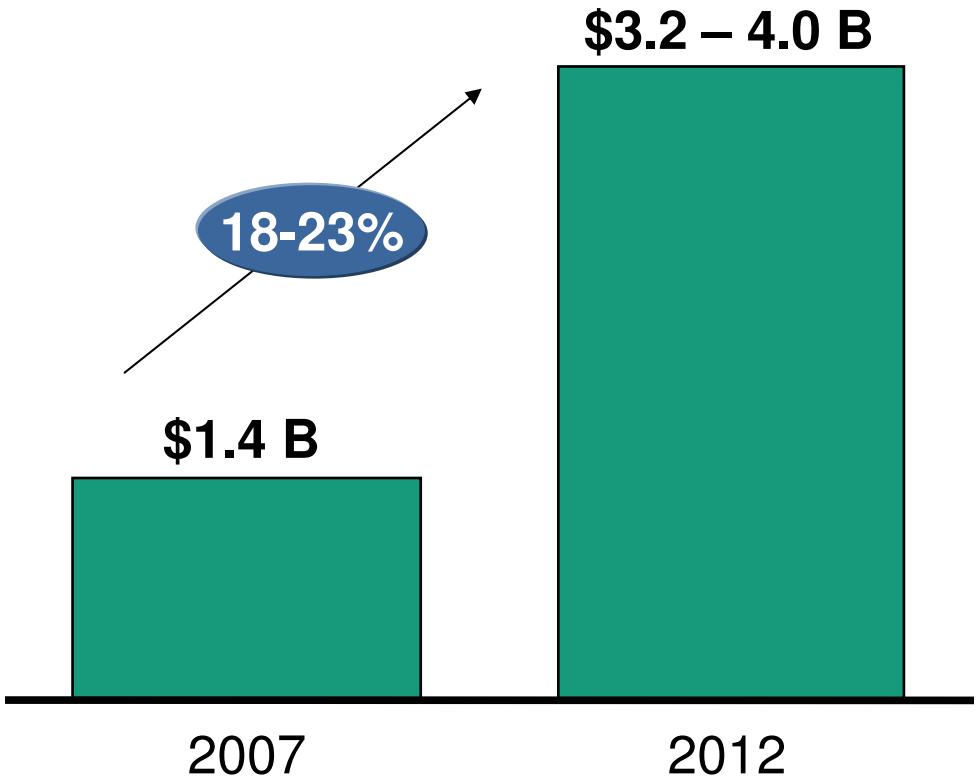
- Huge potential in the International markets
- Strong starting point - market positions, global capabilities

Our Goal





International Sales

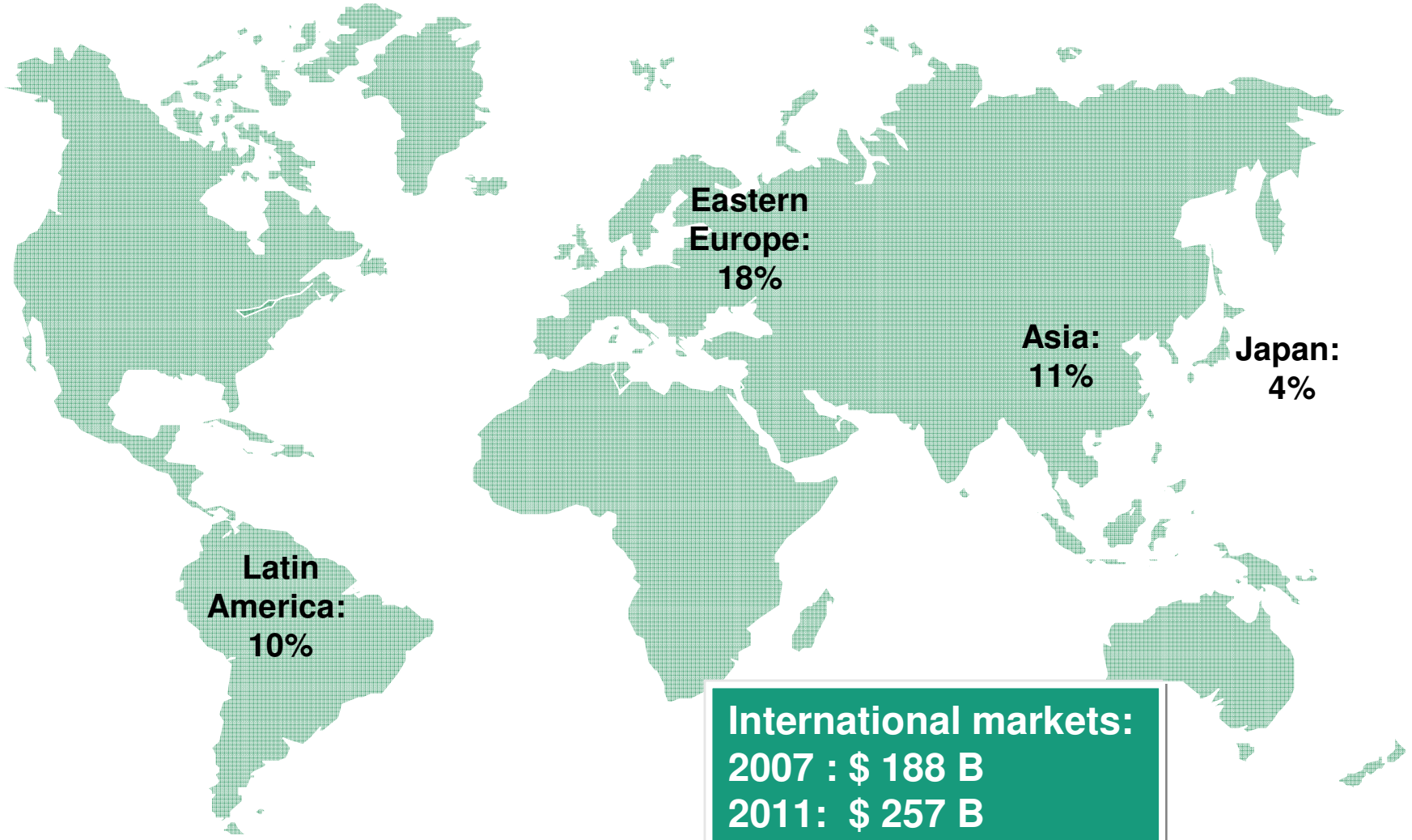


Strong International Market Growth





Pharma Market (CAGRs 2007-2011)



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

Source: IMS, ex-factory prices 07/07

Broad Teva Presence in International Markets







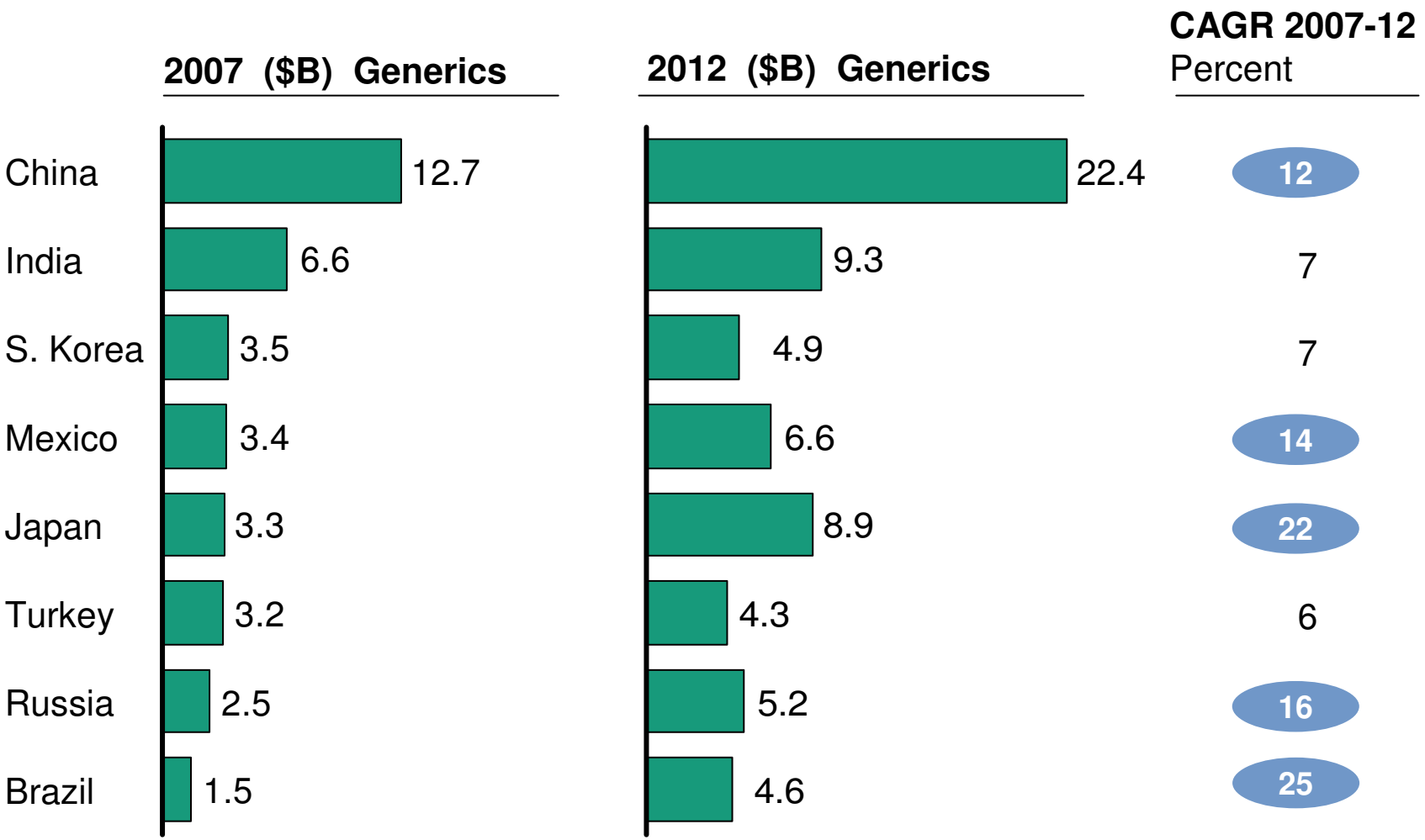
- 19 Manufacturing sites
- 3 Partnerships
- 24 National companies

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International *Generic* Markets Growing Rapidly







Source: IMS; Espicom; Teva estimates

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, Mexico

Early Generic markets

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

Example: Japan

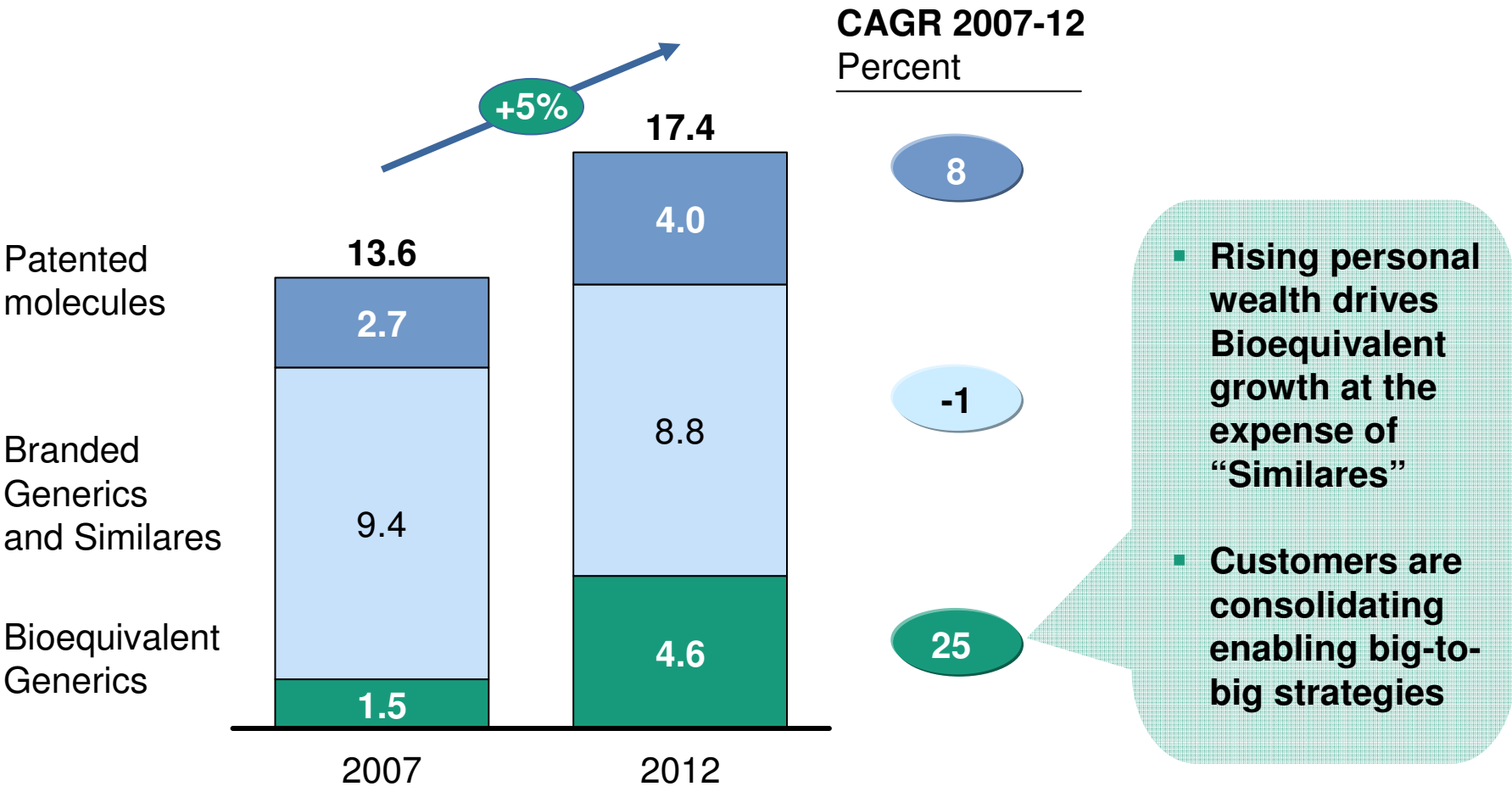
Brazil – *Emerging Economy; Quality Is Growing in Importance*





$ Billions





- **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

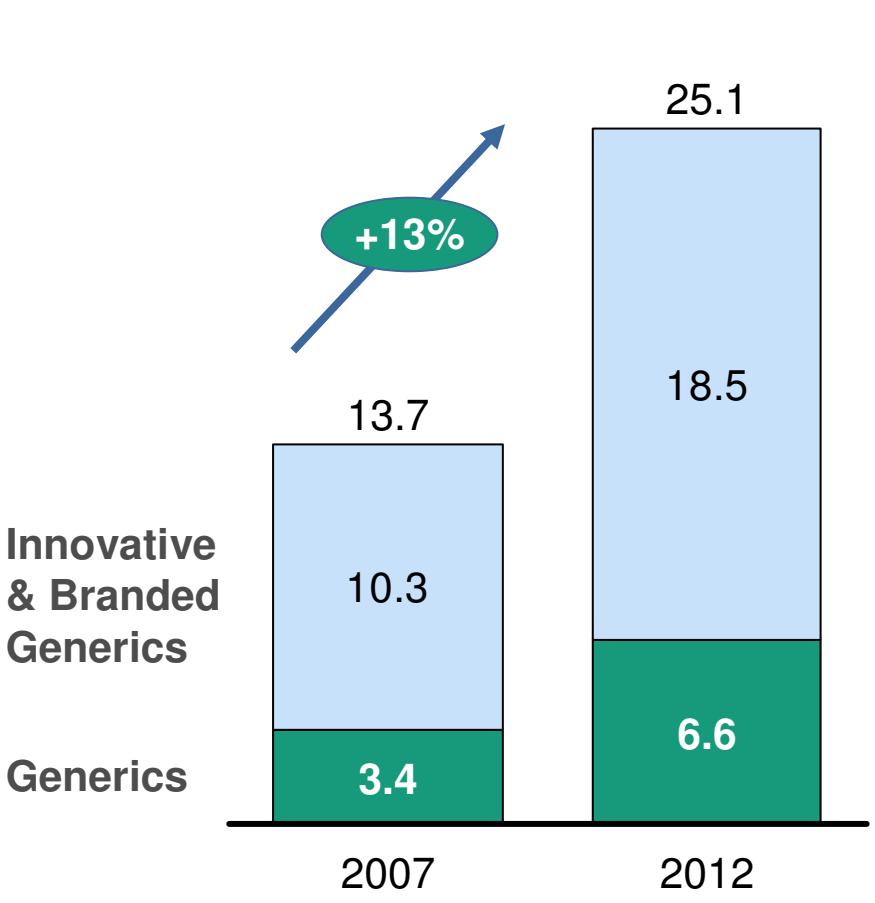
Mexico – *Emerging Economy; Quality Is Growing in Importance*





$ Billions





- **Already # 1 in Public Sector**
- **Government is:**
  - **Enforcing bioequivalence laws**
  - **Increasing public health spending**
- **A broad portfolio is important in tenders**

Source: Team analysis, RMBC, experts interviews, Teva analysis

Japanese Generics Market Poised To Grow





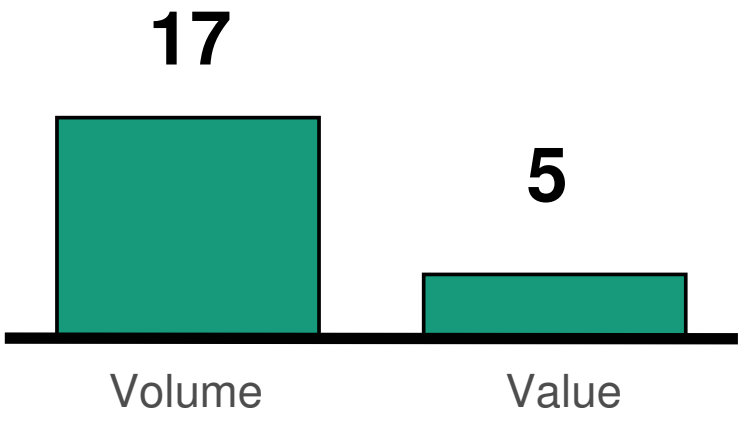
- World's 2nd largest pharma market
  - 2007: $67B
  - 2012 projection: $83B
- Attractive fundamentals:
  - Aging population
  - Rising healthcare costs
  - Government encouraging generics penetration

Significant Opportunity To Increase Generics Penetration In Japan





Generics share of total prescription drug market
In percentage



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

Source: IMS; MHLW; Espicom; Teva analysis

Closing Remarks





- Huge potential
- Strong starting point - markets positions, global capabilities
- Growth by:
  - Extending existing presence
  - Entering new markets
- **Our goal: $3.2–4.0 Billion in profitable revenues in 2012**

TEVA PHARMACEUTICAL INDUSTRIES LTD.



Global Generic Resources

Amir Elstein

Executive VP, Global Resources

Teva Pharmaceutical Industries Ltd.

February 21, 2008

Forward-Looking Statements





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Key Themes





Goal of Global Generic Resources

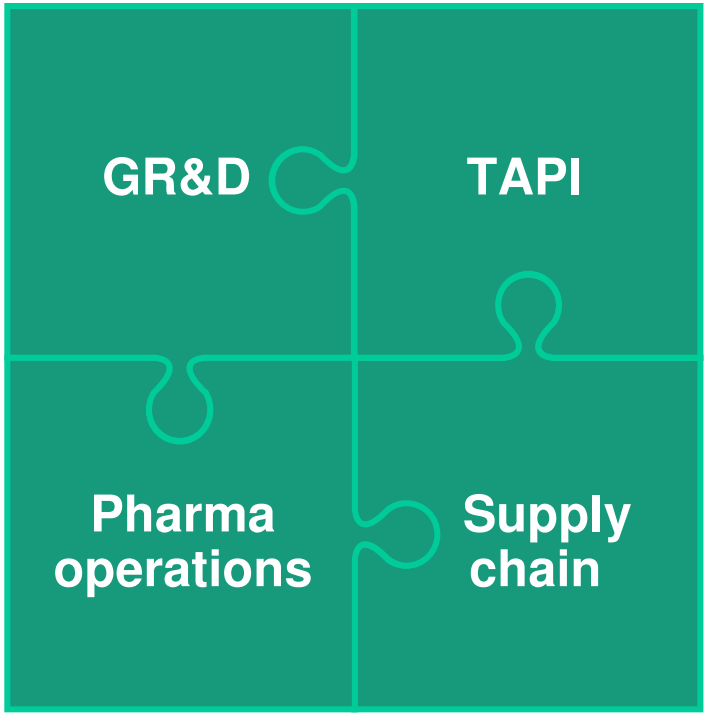
Enable Teva to win in all markets where we compete

Key Success Factors For Our Growth Strategy





- Greatest rate of first-to-market products
- Redefine customer service
- Competitive cost position
- Shift from unifocal to multifocal



Leverage our scale

Global Generic Resources: Driving Market Leadership





Portfolio value

Service leadership

Double capacity



Unmatched combined capabilities → **"2x"** performance

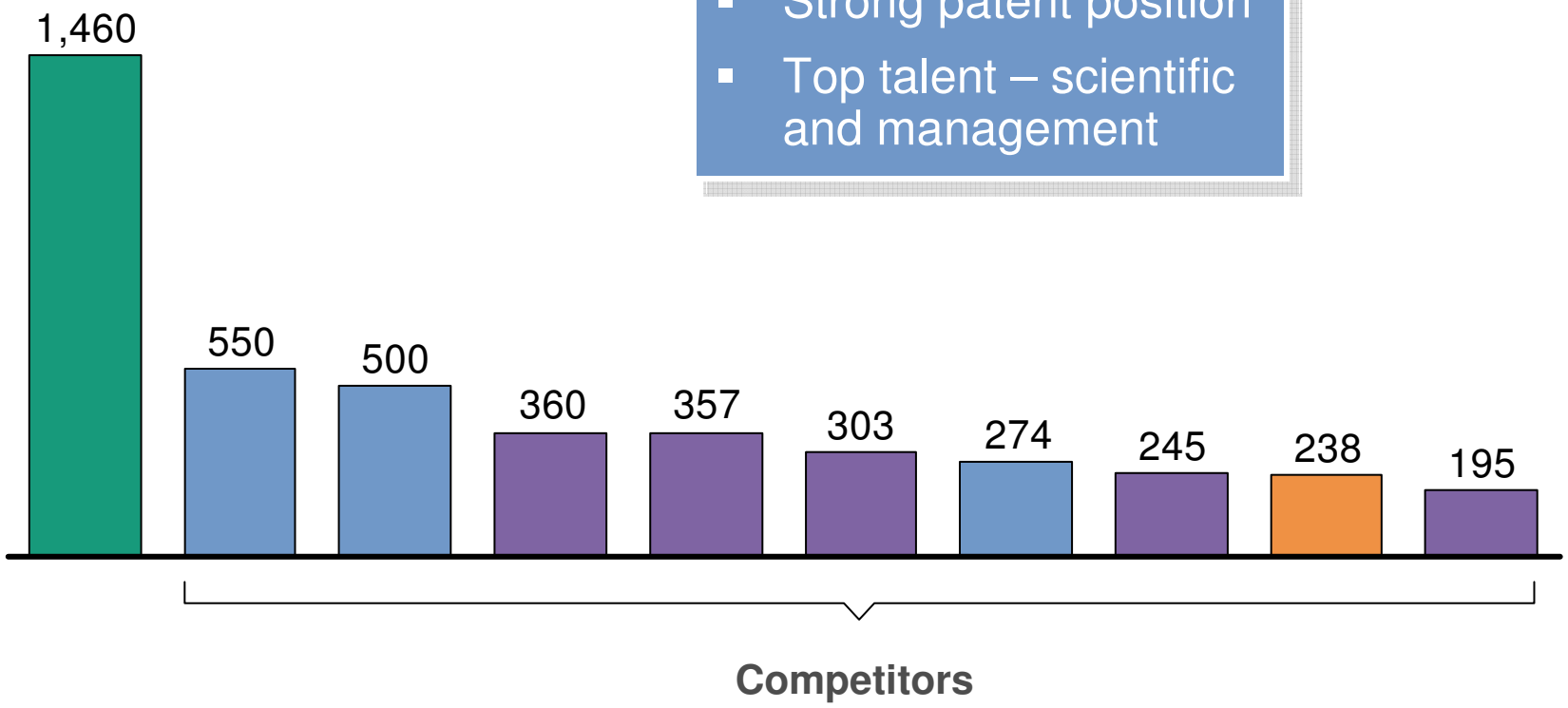
TEVA PHARMACEUTICAL INDUSTRIES LTD.

TAPI Global Advantage – Size and Service





Estimated 2007 Sales
$ Millions



- Huge portfolio (250+ products)
- Highly responsive
- Strong patent position
- Top talent – scientific and management

Company
- Teva
- Western
- Indian
- Chinese

TEVA PHARMACEUTICAL INDUSTRIES LTD.

Global Portfolio Uses U.S. as Springboard





	2007	→ 2010
# Global files	126	More than double
P IV / First-to-file	>50%	>50%

High Portfolio Value: Total Value and Value per File

Leveraged investment

- Bioequivalence studies
- API development
- Formulation technology
- Manufacturing process





TEVA PHARMACEUTICAL INDUSTRIES LTD.

Service Leadership at the Next Level





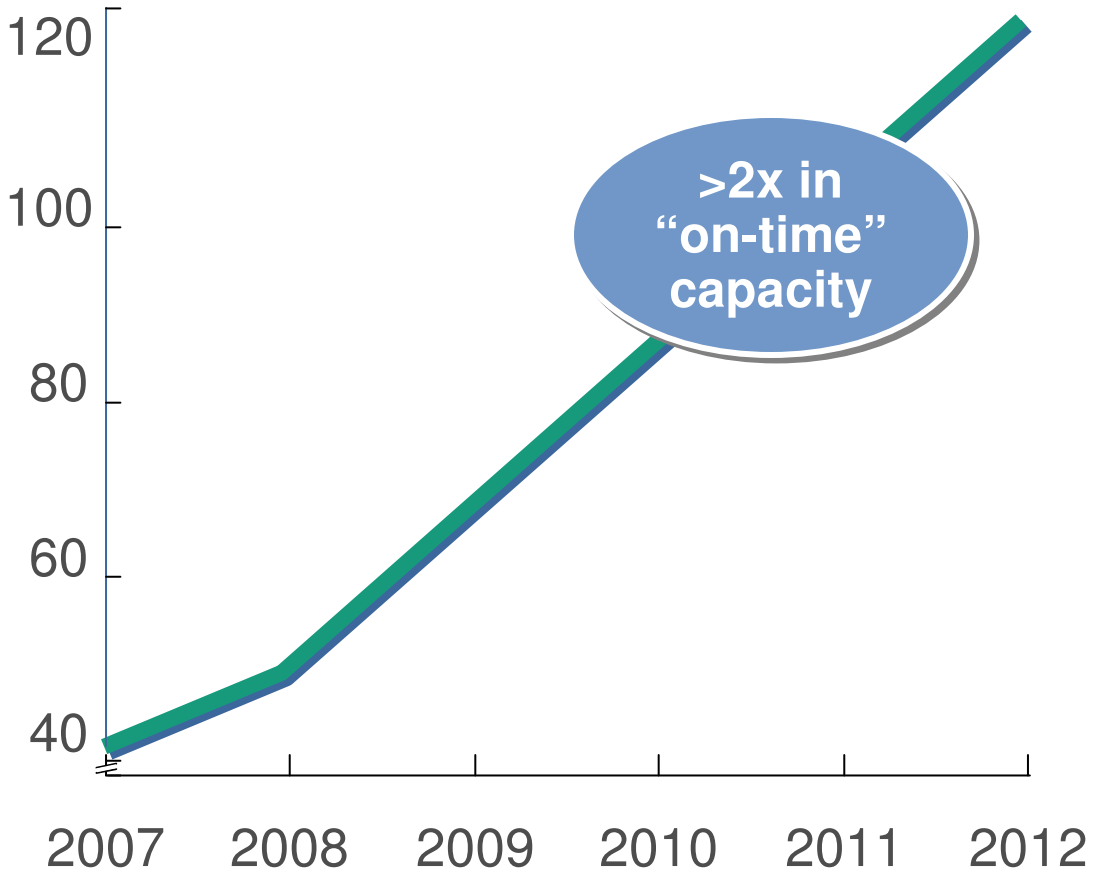
Customer needs	Teva service: "Big-to-Big" supply system
Pharmacy profitability/ product availability	Broad portfolio and rapid targeted distribution
Multi-region/multi-country supply reliability	Global supply chain
Inventory reduction	Just-in-time/"pull" delivery
Lower labor costs	Customized shipping

Substantially Expanding our Supply Chain to Support Growth





Solid oral drugs
Billions of tablets



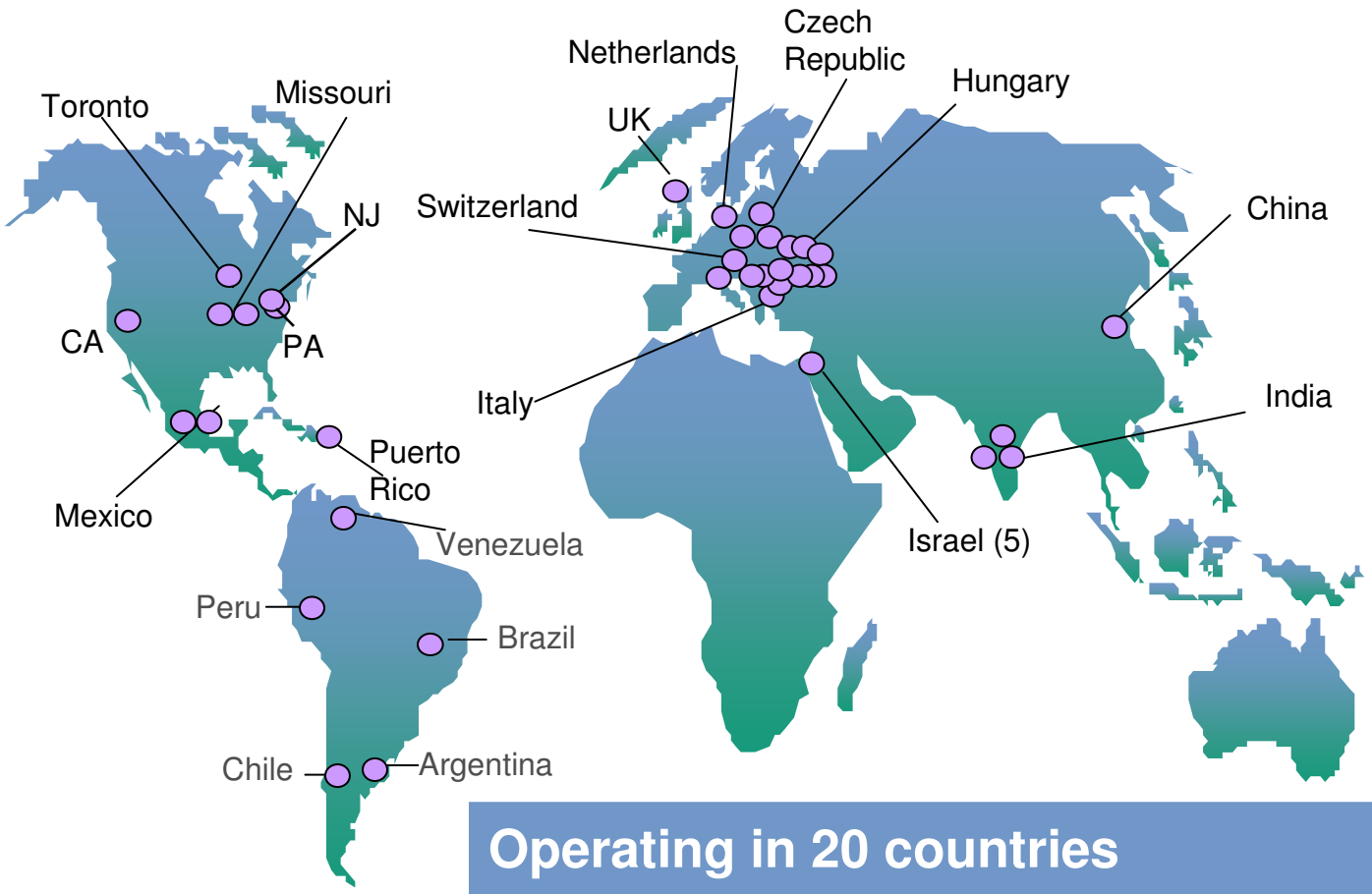
- **Moving to separate from the pack**
- **Enhancing our already powerful launch capability**

TEVA PHARMACEUTICAL INDUSTRIES LTD.

Selecting the Best Site to Maximize Value







Speed

EBIT

Vertical integration

Operating in 20 countries

- **TAPI: 16 plants & 8 R&D sites**
- **Pharma: 33 plants & 16 R&D sites**

Global Leadership





- **Double portfolio value and capacity of global core functions**
- **Maintain and enhance service leadership**
- **Separate from the pack – unmatched global generic resources**

Enable Teva to win in all markets where we compete

TEVA PHARMACEUTICAL INDUSTRIES LTD.



Teva's Innovative Strategy

Moshe Manor
Group VP - Global Innovative Resources
Teva Pharmaceutical Industries Ltd.
February 21, 2008

Forward-Looking Statements





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Key Themes





- $3 billion in risk-adjusted revenues expected by 2012
- Growth in Innovative contributes to Teva brand and balanced business model
- Investing to create long-term value

Proven Capabilities Across the Value Chain





Sourcing

- Sourcing innovation, products and companies, focusing on Israeli science

Development

- Executing trials at low cost, with competitive recruitment rates

Regulatory

- Experience in working with regulators

Manufacturing

- First-class capabilities
- Synergies: Leveraging expertise of Generic R&D

Marketing and Sales

- Proven messages that drive market share
- Highly-productive sales force

Our Differentiated Approach to Innovative





- **Focus on niche therapeutic areas**
- **Products with**:
  - Differentiated clinical attributes
  - Real economic value for patients and payors
- **Teva's unique advantages**
  - Sourcing
  - Development
  - Go-to-market approach
- **Strategies to mitigate risk**
  - Upfront investment
  - Methodologies (Biomarkers)

Three-Pronged Strategy





Unique sourcing value proposition

- Source products globally in focused TAs
- Rapid evaluation and investment in opportunities (New Ventures)
- Unique value proposition (IP)

Next-generation development

- Streamline decision-making; shorten time, “kill early”
- Flexibility by outsourcing non-strategic functions
- Trials in emerging markets
- Early investment to mitigate risk

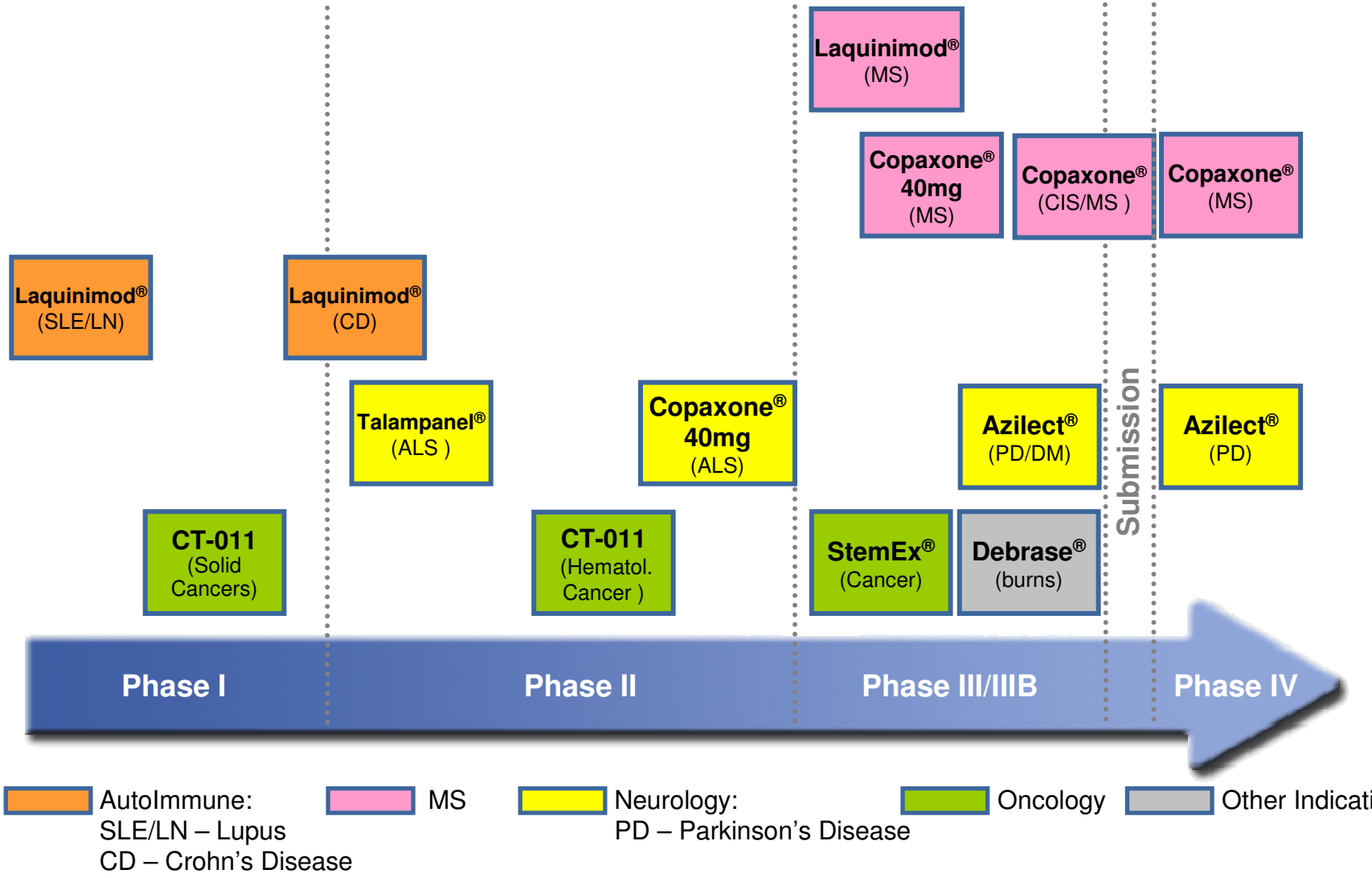
Go-to-market model

- Focus on niche specialty areas
- Small, specialty sales forces
- Payor and trade relationships

Clinical Development Pipeline







TEVA PHARMACEUTICAL INDUSTRIES LTD.

Time-to-Market for Potential Products





Potential revenue
(risk adjusted)
2015: $4-5B

2009-2011
- **Debrase®** (burns)
- **Copaxone® 40mg** (ALS)
- **Azilect®** (PD - DM)
- **Copaxone® 20mg** (CIS)
- **Copaxone® 40 mg** (MS)
- **StemEx®** (Cancer)

2012-2014
- **Talampanel®** (ALS)
- **Laquinimod®** (MS)

2015 and beyond
- **Laquinimod®** (SLE/LN)
- **Laquinimod®** (CD)
- **CT-011** (Solid Cancer)
- **CT-011** (Hematological Cancer)

Auto-Immune:
SLE/LN – Lupus
CD – Crohn's Disease

MS

Neurology:
PD – Parkinson's Disease

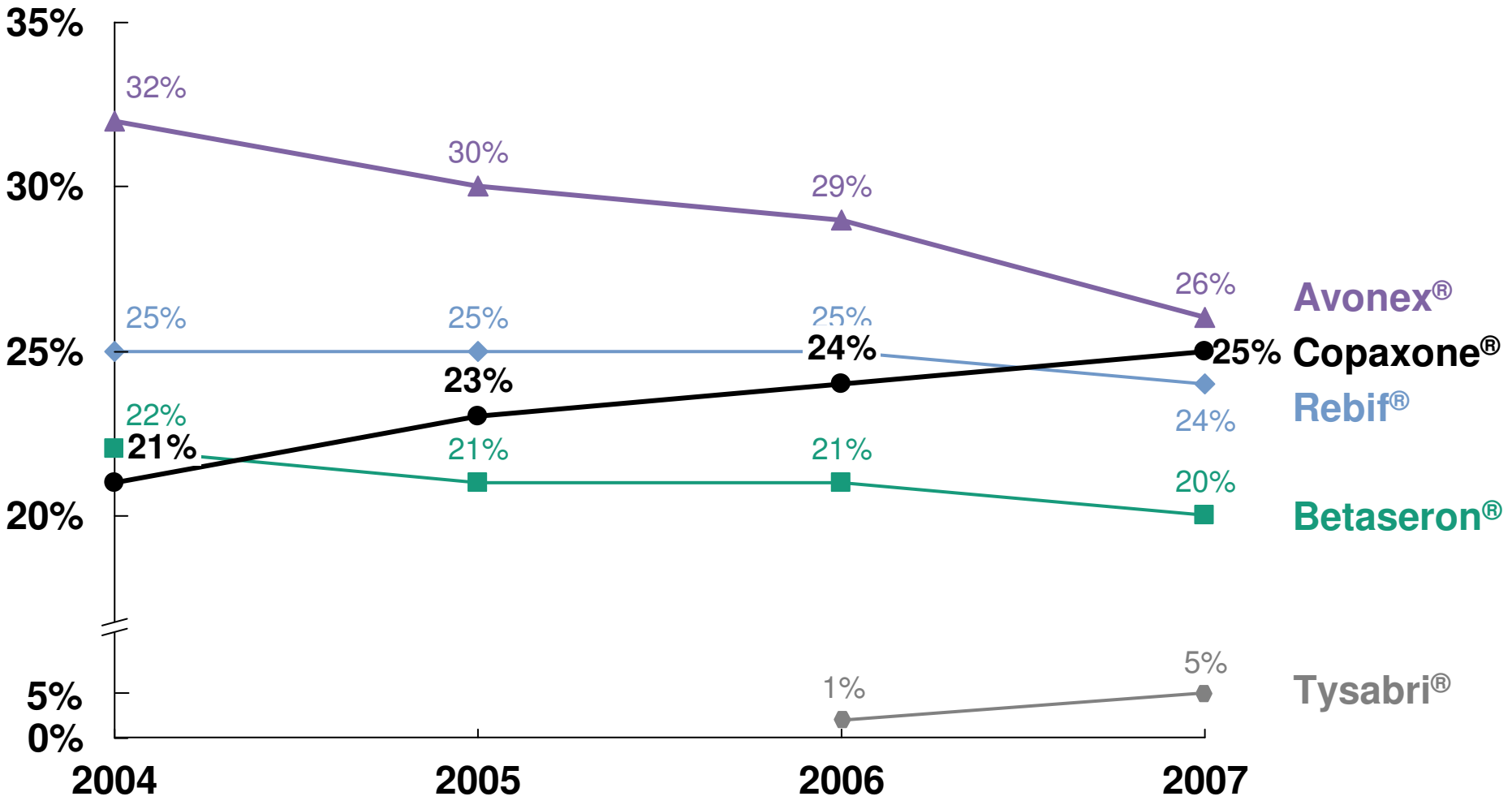
Oncology

Other Indications

Copaxone Is On-Track to Become Global #1 (in Value)







Note: Based on the last release of all companies (Q3)

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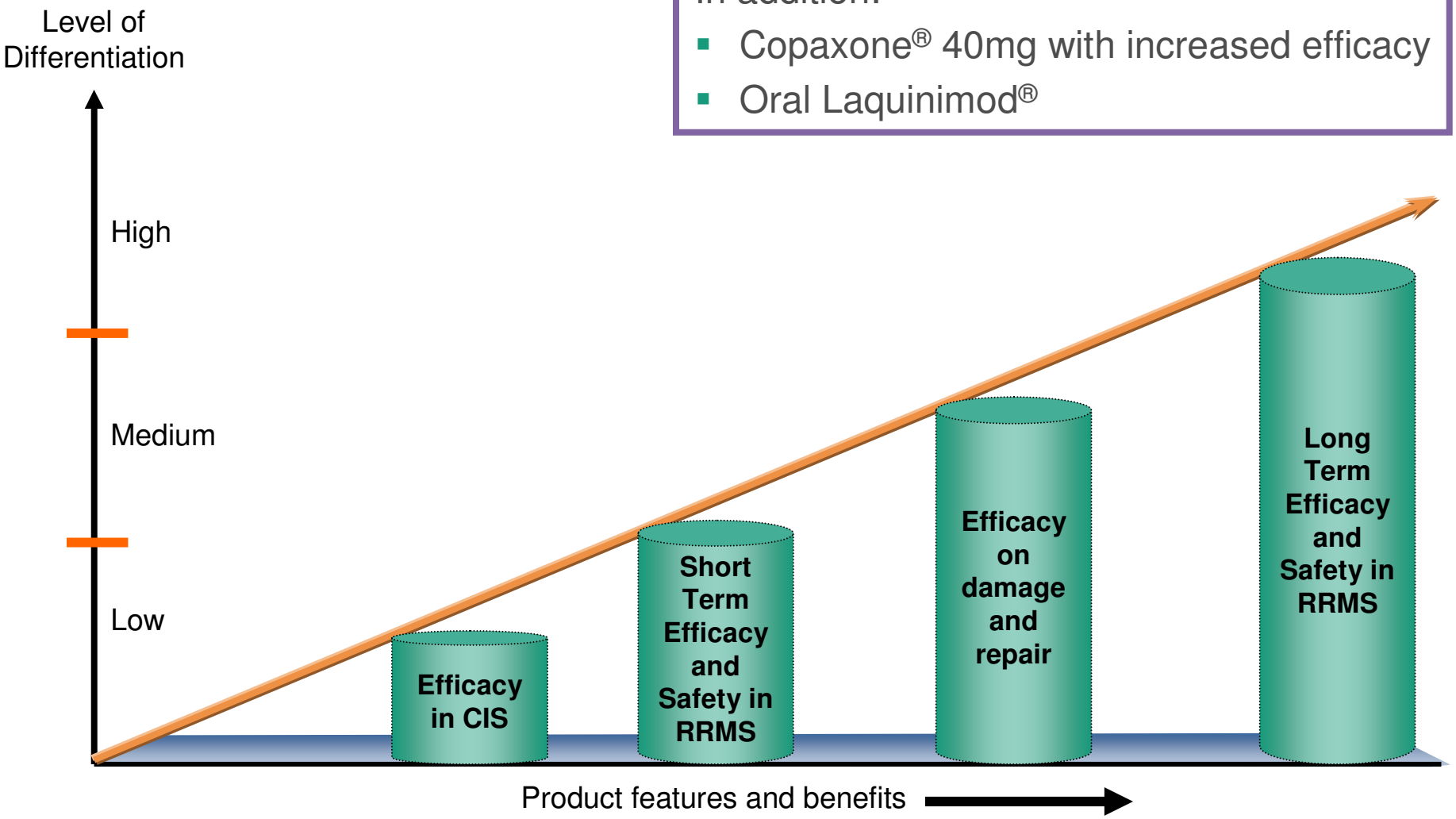
What Will Fuel Copaxone's® Growth?





In addition:

- Copaxone® 40mg with increased efficacy
- Oral Laquinimod®



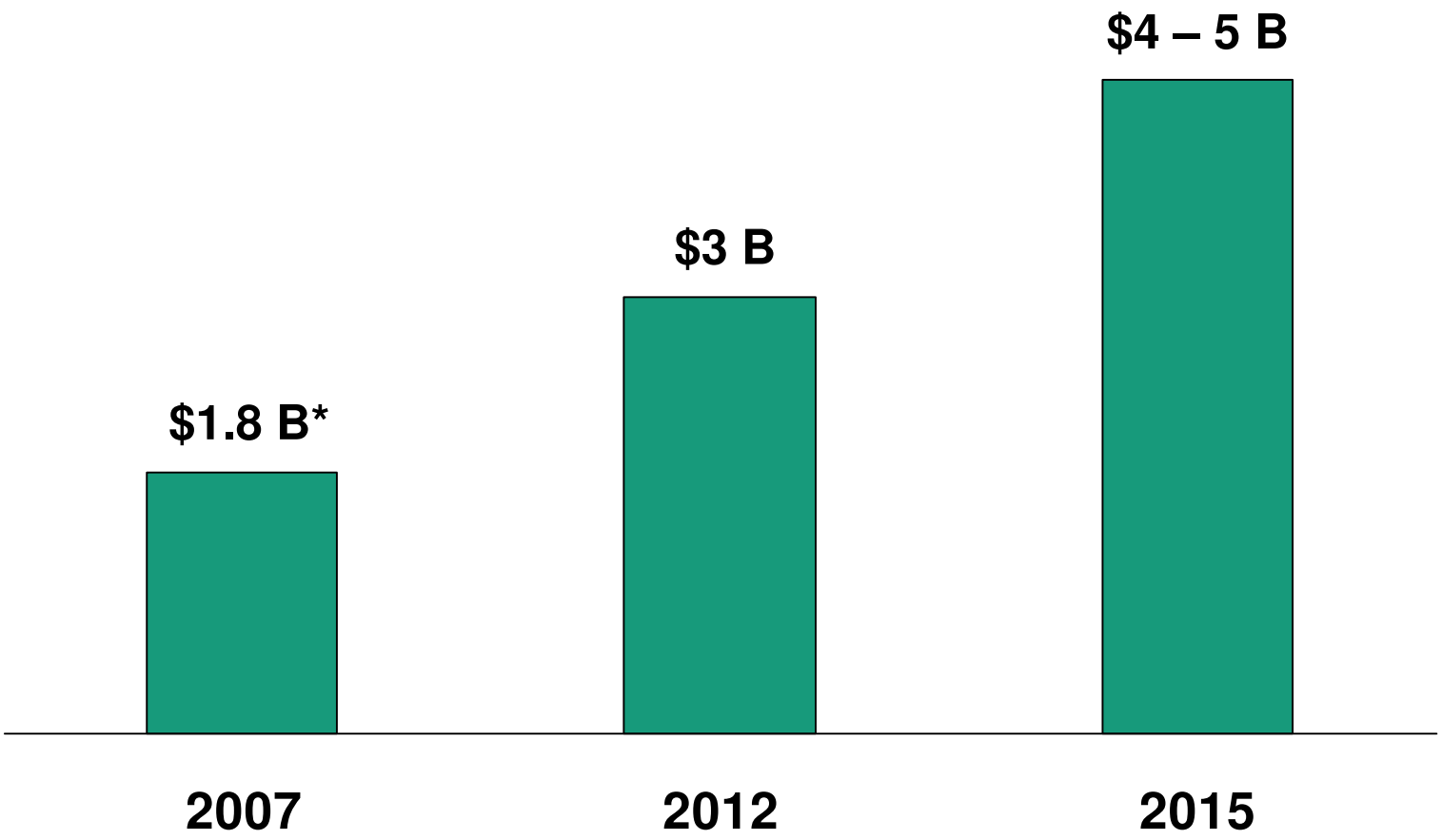
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Innovative Long Term Growth





Risk-Adjusted Revenues



* In-Market Sales

The Future of Teva's Innovative Business





- **$3 Billion in risk-adjusted revenues by 2012**
- **Strong growth of Copaxone® and Azilect®**
- **Building a portfolio that drives growth past 2012**
- **Leveraging Teva's expertise, capabilities, synergies**
- **Extending our capabilities into additional focused therapeutic areas**

TEVA PHARMACEUTICAL INDUSTRIES LTD.





Biogenerics

Amir Elstein

Executive VP, Global Resources

Teva Pharmaceutical Industries Ltd.

February 21, 2008

Forward-Looking Statements





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Key Themes





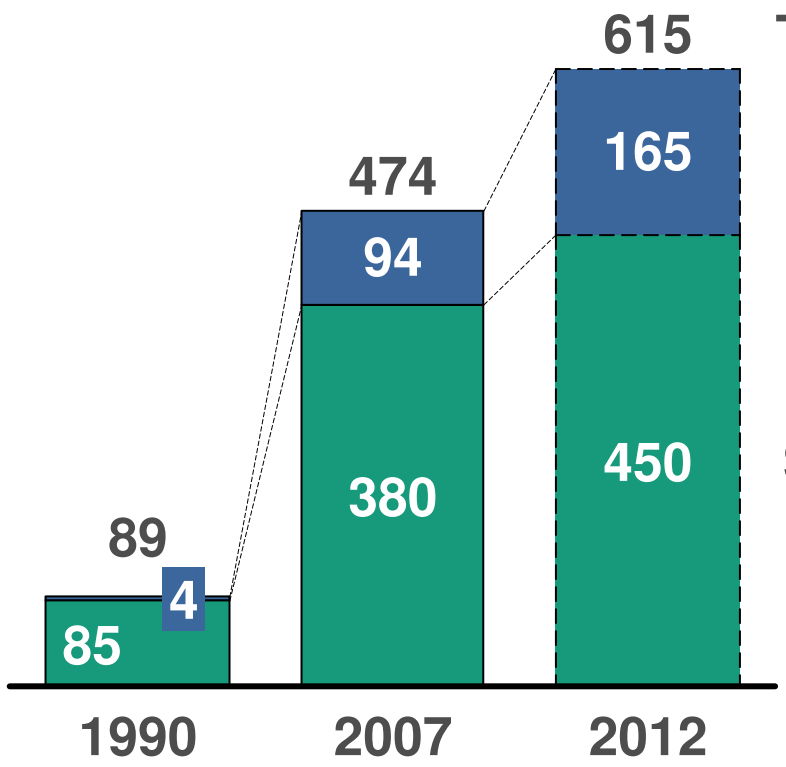
- Biopharmaceuticals – huge potential
- Biogenerics – next wave of growth for generics
- Our strategy – “same for less”
- Investing for leadership

Biopharmaceuticals Predicted Growth





Market size, worldwide
$ Billions



	CAGR 2007-12 Percent
Total	5
Biologics	12 ↑
Small molecule	3 ↓

Source: Evaluate Pharma

Biogenerics: Next Generation of Growth for Teva





- Over $40 billion in current biopharmaceutical sales exposed to generic competition over the next 10 years
- Higher barriers to entry and attractive returns
- Aligned with market and social forces through our generic value proposition

Biogenerics: Teva Approach and Key Principles





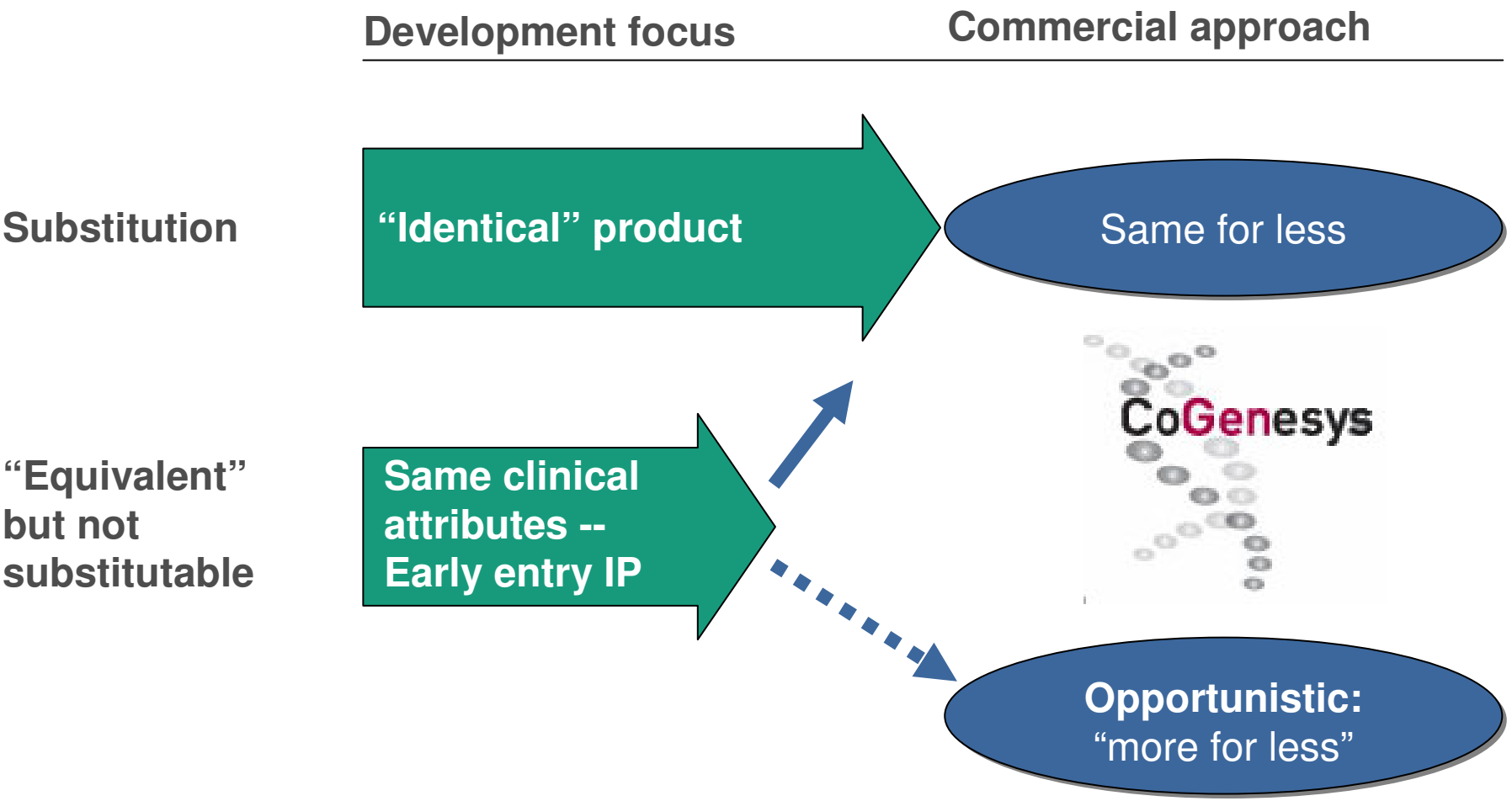
- Reduce cost of development and production to provide affordable Biopharmaceuticals and competitive market position
  - Invest in technologies, infrastructure and capabilities to develop and produce at low cost
  - Leverage existing bioformulation and manufacturing expertise
- Pursue early entry and/or "more for less" strategies as opportunities to boost value to our shareholders

Investing for the long-term

Our Biogenerics Strategy







Investing for Biogenerics Leadership





Key success factors

- Technology platforms
- Market presence
- Portfolio
- Low cost position

Teva capabilities

- Clinical/development
- Manufacturing
- Commercialization
- Payor relationships
- IP

CoGenesys value-add

- Product IP
- HSA-fusion technology
- Product in development
- CMC – process and technology

Biogenerics Strategy – Guiding Principles





Leadership

- Industry-shaping role

Generic value proposition

- Same for less

Invest wisely and patiently

- Organic and inorganic

TEVA PHARMACEUTICAL INDUSTRIES LTD.



Modeling Teva

Dan Suesskind

CFO

Teva Pharmaceutical Industries Ltd.

February 21, 2008

Forward-Looking Statements

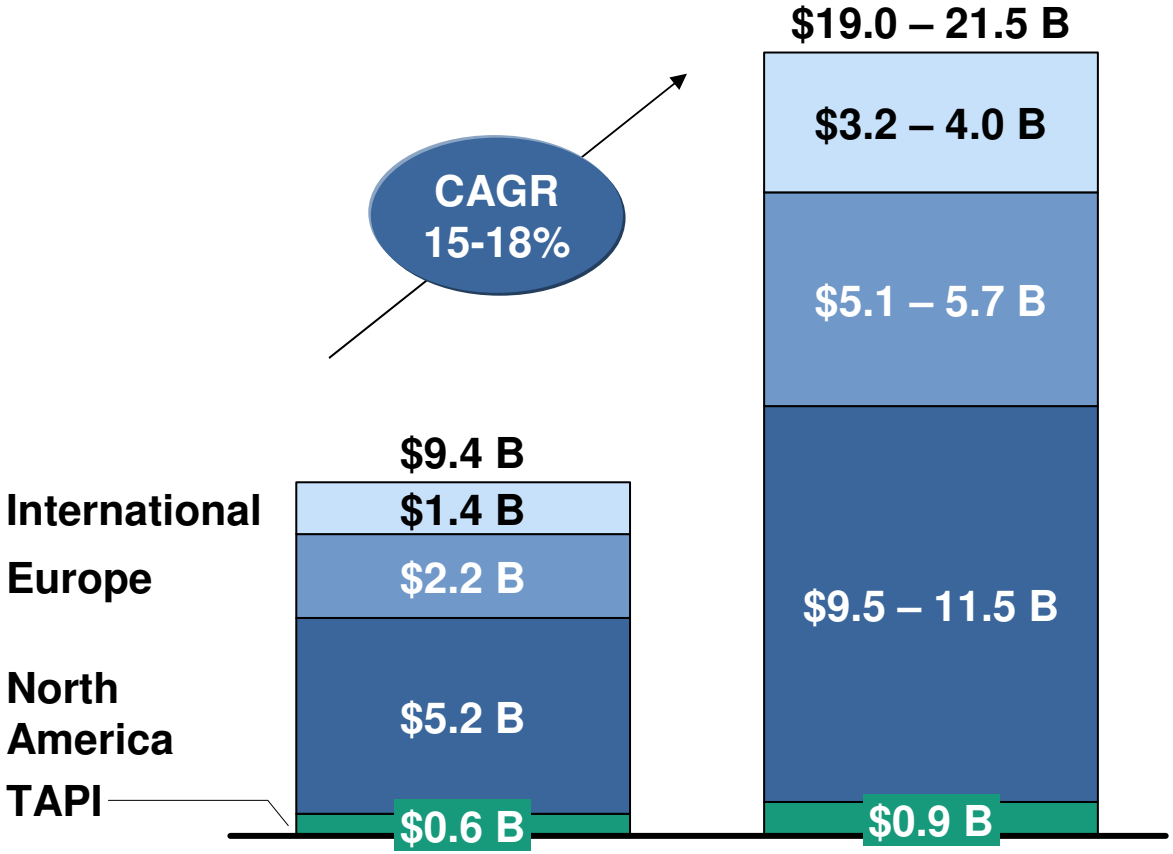




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2012 Projected Sales





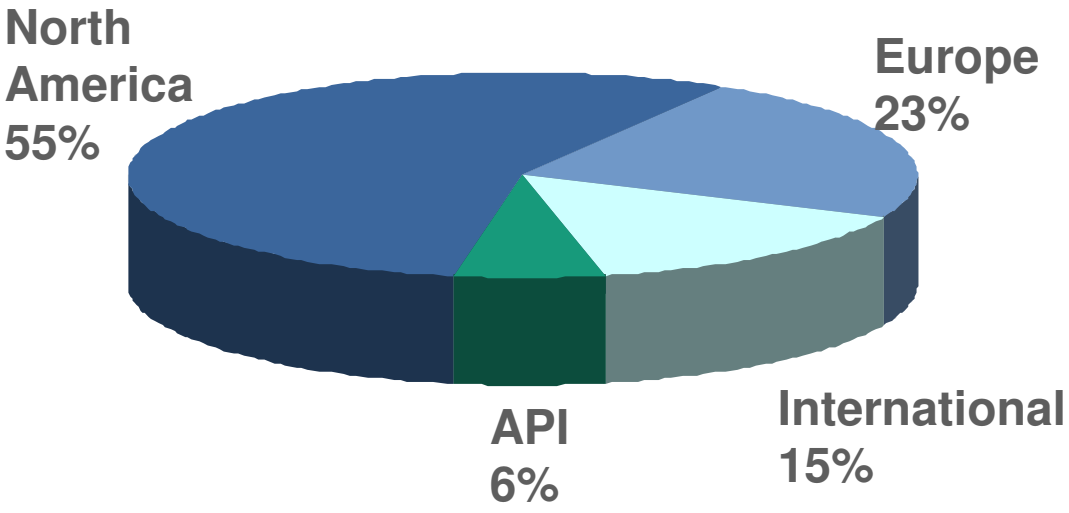
1 Note: 2012 totals do not sum; reflect company's projected overall range

Balanced Business Model – Geographies

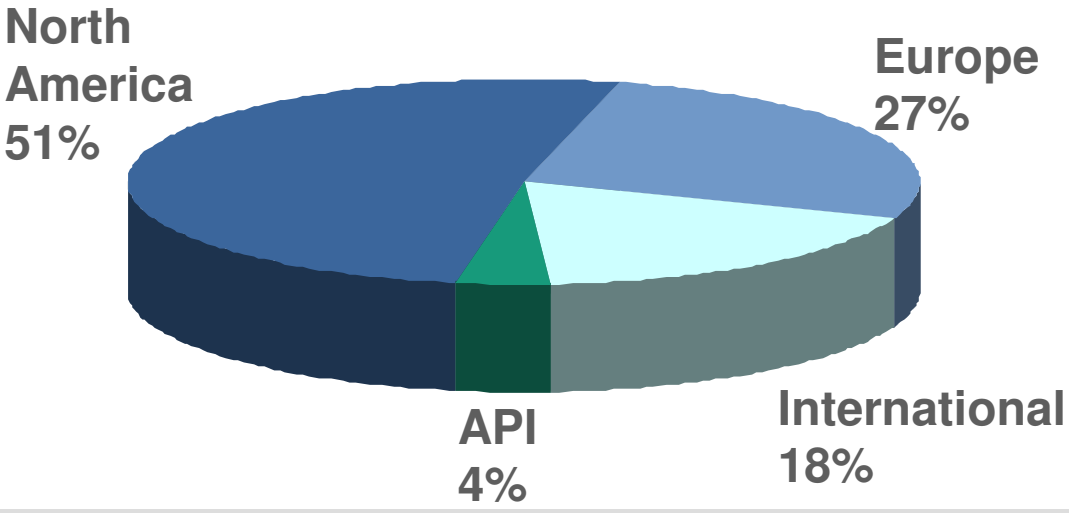




2007



2012

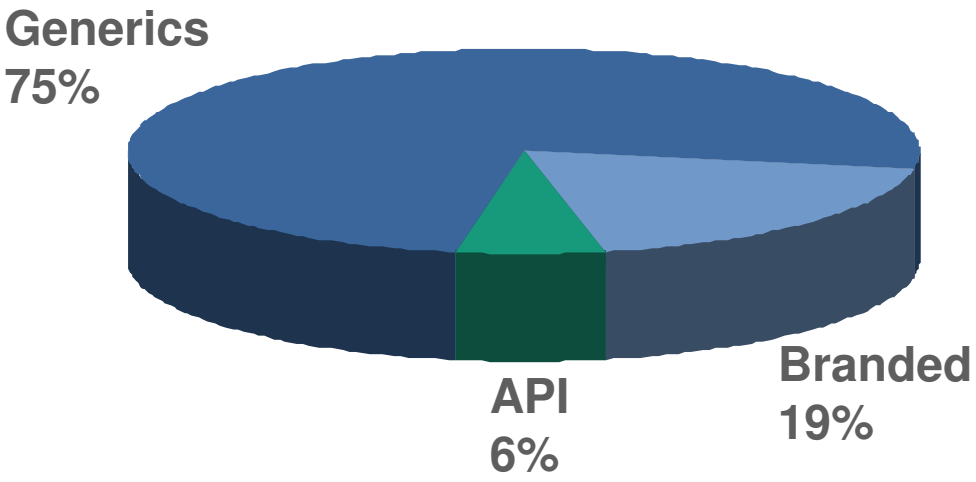


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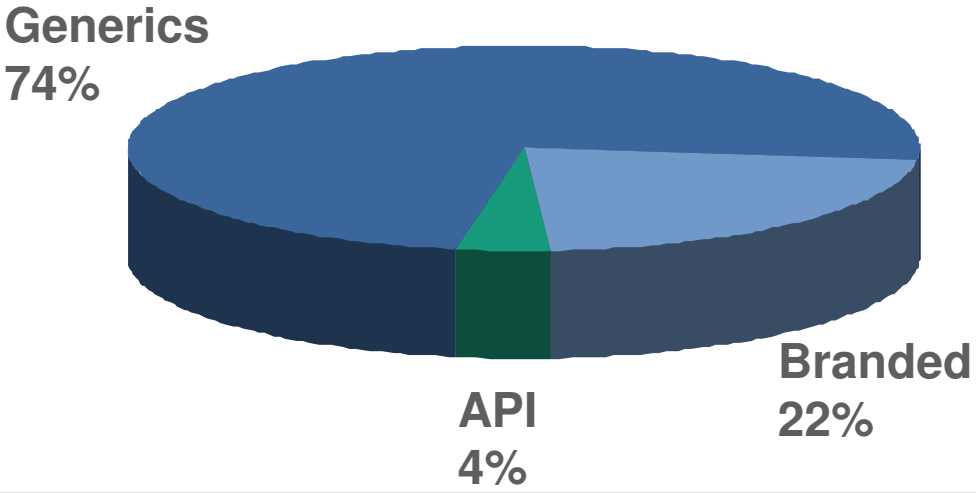
Balanced Business Model – Businesses



2007



2012



TEVA PHARMACEUTICAL INDUSTRIES LTD.

Proforma P&L





	2007		2012	
	$ Billions	Percent	$ Billions	Percent
Sales	9.4	100	19.0 – 21.5	100
Gross Margin	4.9	51.8		>50%
R&D	0.6	6.2		<7.5%*
SG&A	1.9	20.2		<20%
Operating Profit	2.4	25.5		
Finance Expenses/Income				
Tax	0.4	17.0**		16 – 19**
Net Income	2.0	20.8	3.8 – 4.9	20 – 23

* Initially 7.5%, decreasing towards 2012

** Of pre-tax income

TEVA PHARMACEUTICAL INDUSTRIES LTD.



Closing Thoughts

Shlomo Yanai

President and CEO

Teva Pharmaceutical Industries Ltd.

February 21, 2008

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What You Can Expect From Teva





- Continuous profitable growth
- Expanding leadership in key markets
- Long-term perspective: product portfolio, capacity and service
- Balanced business model & attractive financial returns