Disclaimer

This presentation and the accompanying remarks contain 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 our 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: our ability to develop and commercialize additional pharmaceutical products, competition from the introduction of competing generic equivalents and due to increased governmental pricing pressures, the effects of competition on sales of our innovative medicines, especially Copaxone® (including competition from innovative orally-administered alternatives as well as from potential generic equivalents), potential liability for sales of generic medicines prior to a final resolution of outstanding patent litigation, including that relating to our generic version of Protonix®, our ability to execute the strategies and initiatives described in this presentation (including, without limitation, cost-cutting measures), the extent to which we may obtain U.S. market exclusivity for certain of our new generic medicines, the extent to which any manufacturing or quality control problems damage our reputation for high quality production and require costly remediation, our ability to identify, consummate and successfully integrate acquisitions, our ability to achieve expected results through our innovative R&D efforts, dependence on the effectiveness of our patents and other protections for innovative medicines, intense competition in our specialty pharmaceutical businesses, uncertainties surrounding the legislative and regulatory pathway for the registration and approval of biotechnology-based medicines, our potential exposure to product liability claims to the extent not covered by insurance, any failures to comply with the complex Medicare and Medicaid reporting and payment obligations, our exposure to currency fluctuations and restrictions as well as credit risks, the effects of reforms in healthcare regulation and pharmaceutical pricing and reimbursement, adverse effects of political instability and adverse economic conditions, major hostilities or acts of terrorism on our significant worldwide operations, increased government scrutiny in both the U.S. and Europe of our agreements with brand companies, interruptions in our supply chain or problems with our information technology systems that adversely affect our complex manufacturing processes, the impact of continuing consolidation of our distributors and customers, the difficulty of complying with U.S. Food and Drug Administration, European Medicines Agency and other regulatory authority requirements, potentially significant impairments of intangible assets and goodwill, potential increases in tax liabilities resulting from challenges to our intercompany arrangements, the termination or expiration of governmental programs or tax benefits, any failure to retain key personnel or to attract additional executive and managerial talent, environmental risks Other factors in addition to those discussed herein could cause our results to differ materially from the forward-looking statements. Such factors are discussed in our Annual Report on Form 20-F for the year ended December 31, 2011 and in our 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 we undertake no obligation to update any forward-looking statements or other information contained in this presentation, whether as a result of new information, future events or otherwise. You are advised, however, to consult any additional disclosures we make in our reports to the SEC on Form 6-K.
Dr. Phillip Frost
Chairman of the Board

Investor Day
December 2012
Dr. Jeremy M. Levin
President and Chief Executive Officer

Investor Day
December 2012
Today’s objectives

Vision and strategy
Reshaping of Teva
Growth platforms
Business development
Leadership team
Our vision

The most indispensable medicines company in the world, executing on our obligation to our patients, customers, shareholders and employees
Teva Today

111 Years in existence

$20.3-7b projected 2012 revenues

$5.32-37 projected 2012 EPS

46,400 employees

73 manufacturing sites

850 molecules

55,000+ SKUs

70B tablets and capsules per annum

60 countries

55,000+
Landscape

Medical Needs

Societal Needs

Consumer Needs
Reshape

Renew

Reward
How do we get there?

Accelerate growth platforms

Extend global presence

Strategic business development

Focus, protect and expand core franchises

Reduce cost base
Aligned with customer and market needs

Specialty
- CNS
- Respiratory
- NTEs

Generics and OTC
- INN Generics
- Branded Generics

Medical Needs
Societal Needs
Consumer Needs
Unique advantages

- Scientific and commercial expertise
- Pipeline
- Business development capability

- Leading position
- Scale
- Breadth of portfolio

- Winning alliance
- Track record of new market development
- Unique ability to partner
Profitable growth 2013-17 and beyond

Top line organic growth despite loss of patent exclusivity

Cost savings opportunities ($1.5-2.0B) allows for stable and robust operating profit

Strong cash flow enables
- investment in inorganic growth
- shareholder reward
Teva today
Our Foundation

Passionate employees

Unparalleled global footprint

Solid fundamentals

Comprehensive portfolio

World-leading multiple sclerosis franchise
Challenges

Multiple large acquisitions
Unfocused pipeline
Complexity of business
Inflated cost structure
Increasing competition in multiple sclerosis
Specialty products losing exclusivity
A changing industry

Fewer large generic opportunities
Increasing competition in commodity generics
Healthcare systems under pressure
Rising bar for product innovation
Complicated, expanding global market
Strengths

Critical provider to global healthcare systems
Generics, Specialty and OTC
Local entrepreneurship and global scale
Patient engagement capabilities
Integrated Generics and Specialty R&D
Customer understanding and relationships
Strong partnering experience
Teva tomorrow
The new Teva

Less

More
The new Teva

<table>
<thead>
<tr>
<th>Less</th>
<th>More</th>
</tr>
</thead>
<tbody>
<tr>
<td>Complexity</td>
<td></td>
</tr>
<tr>
<td>Cost</td>
<td></td>
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<tr>
<td>Network footprint</td>
<td></td>
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<tr>
<td>Commodity</td>
<td></td>
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</tbody>
</table>
Reshaping Teva

Increase organizational effectiveness

Optimize procurement

Move to lower-cost plants in network

Reduce excess capacity

Improve plant efficiency
$1.5B to 2.0B cost savings

70% achievable in 3 years
The new Teva

<table>
<thead>
<tr>
<th>Less</th>
<th>More</th>
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<tbody>
<tr>
<td></td>
<td>Globalized</td>
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<tr>
<td></td>
<td>Valuable pipeline</td>
</tr>
<tr>
<td></td>
<td>Sustainable products</td>
</tr>
<tr>
<td></td>
<td>Patient and customer focus</td>
</tr>
<tr>
<td></td>
<td>Balanced profits</td>
</tr>
<tr>
<td></td>
<td>Shareholder value</td>
</tr>
</tbody>
</table>
Generics: a strong core

- Impact on healthcare system
  - EU: 2.7M prescriptions a day
  - U.S.: 1.5M prescriptions a day

- Pipeline of high value products
  - 450 launches in 2012

- Branded generics business
  - ~$2B focused on growing economies

- R&D capabilities
  - ~400 molecules in development
Generics: driving value

- Focus on customers
- Increase high value products
- Accelerate global growth
- Improve profitability
- Build strategic alliances
Generics: a great future

Impact healthcare system → Global
Pipeline of high-value products → Sustainable high-barrier to entry
Branded generics business → Rapid growth
R&D capabilities → Dramatically enhanced in selected areas
OTC: a winning partnership

Strategic alliance

Footprint
Over 20 countries, focused on high growth

Growth
11% in FY12/13E

Brands

P&G

VICKS

Vibovit

ratiopharm
OTC: growth and synergies

Realize potential of alliance with P&G

Drive sales synergies between Generics and OTC

Increase presence in emerging markets

Strengthen and expand company brands
Specialty medicines: focus and build leadership

- **CNS**: Protect and expand MS franchise. Build products and pipeline.
- **Respiratory**: Invest in capabilities and pipeline. Continue global expansion.
- **New Therapeutic Entities (NTEs)**: Capitalize on unique Teva interface of Generics and Specialty.
- **Oncology, Women's Health, Biologics**: Selectively invest.
Refine and enhance pipeline - 2013

- 18 new programs
- 12 programs discontinued
Business development

Global vision, global strategy

Resources of large pharma, flexibility of biotech

Linking strategy with BD to drive major growth

Proven expertise in strategic transactions

$10B available over next five years
Business development strategy

Balance investment in growth with return to investors
Build CNS, Respiratory, OTC
Strategic alliances in key areas
Selective geographic investment
Small to mid-size deals
Accretive and growth transactions
Divest non-core assets
A new approach to business development: Assembling Constellations
CNS constellation

XEN402

Pridopidine

NEUROSEARCH
People

Engagement

Quality and customer focus

Organizational effectiveness

Multinational

Entrepreneurial
Recruiting world-class talent

Dr. Michael Hayden
President, Global R&D and Chief Scientific Officer

Dr. Robert Koremans
President and CEO, Teva Europe

Dr. Ing. Carlo De Notaristefani
President and CEO, Global Operations
Recruiting world-class talent

Dr. Jon Isaacsohn  
CMO and Global Head, Clinical Development

Jill DeSimone  
SVP and General Manager, Teva Global Women’s Health

Guy Hadari  
VP and Chief Information Officer

Dawn Sherman  
Chief Operating Officer, Teva Europe
Compensation aligned with shareholder value

**Annual compensation**
Base salary: median of market benchmark

**Bonus**
Upper quartile of market
Tightly linked to shareholder value

**Equity compensation**
Vesting schedule over 3 years
Tracking progress 2013

Transparent and accountable
Sustain COPAXONE®
Maintain/grow top-line
First impact of Reshape
Enhance team
Execute disciplined BD transactions
Strategic alliances
Growth drivers

- CNS
- Respiratory
- High-value generics
- NTEs

- Branded generics
- Respiratory
- Women’s Health
- MS
- OTC

- MS
- PD
- Oncology
- Respiratory
- Women’s Health
- Branded generics
- High-value generics

- OTC
- MS
- Branded generics

- MS
- Generics
- Branded generics
Growth drivers

Business development and penetration of new markets
Teva 2017: a reshaped company

Sustainable profitable growth
Sector leadership in all areas
Present in all major markets
Consistent shareholder value creation
Successful alliances
Rich pipeline
The most indispensable medicines company in the world, executing on our obligation to our patients, customers, shareholders and employees
R&D - a growth engine for Teva
Dr. Michael Hayden
11 December 2012
Why did I join Teva?
Career in science and medicine, committed to improving health
Impacting millions
What did I find?
Animation
Our mission

Develop the most competitive and focused pipeline to address unmet patient needs in a highly differentiated way to drive the growth of Teva

Life and science intimately connected ... that’s uniquely Teva
The future of Teva R&D

High value generics

NTEs

Focused specialty portfolio
The essential elements

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<table>
<thead>
<tr>
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<td>Cu</td>
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</tbody>
</table>
Clear prioritization
Build where Teva is differentiated
Unmet needs
Focus
Differentiation
Leverage

The unique strengths of Teva
Unmet needs
Focus
Differentiation
Leverage
Integrate

Combine generic and specialty capabilities
Areas of focus
## A focused R&D strategy

<table>
<thead>
<tr>
<th>Establish leadership in</th>
<th>High-value Gx</th>
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<td>Build a unique platform for</td>
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<td>Achieve leading presence in</td>
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A focused R&D strategy

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</table>
High value in Gx

First-to-Market

Complex Gx
PATIENT NEED
- Compliance
- Efficacy
- Safety

Complex Gx

COMPLEX TECHNOLOGY

AFFORDABLE PRICE
Focus for complex Gx technology

**Sustain**
- capabilities in complex oral delivery (modified release, combinations)

**Grow**
- capabilities in complex e.g. injectable, liposomal, LAR, nasal, patches, devices
No access to Liraglutide for Gabriella

Diabetic patient on metformin, but her weight loss, diabetes not under control

Doctor wants to add liraglutide, but insurance denies coverage

No generic
- Complex API
- Drug + device
- Complex formulation
- Complex IP landscape
Addressing challenges of developing generic liraglutide

- Access to complex API
- Characterization of complex API
- Drug-device combo
- Formulation challenges
- Complex IP landscape

API sourcing
Analytical
Device
Formulation
Patent strategy

Teva API
Teva Specialty R&D
Teva Generic R&D
Teva Generic R&D
Teva Specialty & Generic IP
### A focused R&D strategy

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<tr>
<td>Achieve leading presence in</td>
<td>Respiratory</td>
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NEW THERAPEUTIC ENTITY

Known molecule that is formulated, delivered, or used in a novel way to address specific patient needs
UNMET Need

KNOWN Molecules (branded / generic)

NOVEL Formulation or combo’s

NOVEL Delivery

NOVEL Indication

NTE
A strong rationale for NTEs

**Strengths in generics**
- Formulation and analytical
- Understanding medical needs
- Special Technologies
- Clinical development
- Gx regulatory
- Specialty regulatory
- Generic IP mindset
- Specialty IP mindset
- Products already in portfolio
- Presence in several TAs

**Strengths in specialty**
NTE: patient benefits

Convenience
Adherence
Efficacy
Safety

Reduced Dosing Frequency
NTE: patient benefits

Convenience
Adherence
Efficacy
Safety

Reduced Dosing Frequency
Modified PK Profile
NTE: patient benefits

Convenience
Adherence
Efficacy
Safety

- Fixed Dose Combination
- Reduced Dosing Frequency
- Modified PK Profile
NTE: patient benefits

Convenience
Adherence
Efficacy
Safety

New populations
(elderly / pediatric)

New routes of Delivery
NTE: patient benefits

Convenience
Adherence
Efficacy
Safety

New populations (elderly / pediatric)

New indications
NTEs: attractive risk/return profile

- Validated targets
- Proven efficacy
- Low development risk
- Low regulatory risk
- Shorter timelines
- Lower costs
NTEs: new way - distinct space

Higher risk

Lower risk

Gx (ANDA)

NCE (NDA)

Lower return

Higher return

NTE
<table>
<thead>
<tr>
<th>Brand</th>
<th>Product Details</th>
<th>Sales (billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Duragesic®</td>
<td>(fentanyl patch)</td>
<td>$2.5b</td>
</tr>
<tr>
<td>OxyContin®</td>
<td>(oxycodone ER)</td>
<td>$3.6b</td>
</tr>
<tr>
<td>Namenda®</td>
<td>(memantine for Alzheimer’s)</td>
<td>$2.3b</td>
</tr>
</tbody>
</table>
Scaling and industrializing NTEs
The NTE process

- Product Technology: GENERIC R&D
- Unmet need: SPECIALTY R&D
- External: BUSINESS DEVELOPMENT
- Customer/Payor: COMMERCIAL

Global idea bank

Evaluation

Approval
In 2013

- ~120: Medical rationale, advantage to patient
- 100: Commercial feasibility
- 60: Technical feasibility
- 30: Integrated business case
- 20: Go-no-go
- 10-15: Approved for development
Gary misses 5 of his 90 monthly pills

Diagnosed with HIV 12 years ago

Needs to take 30x3 pills per month

Non-adherence increases risk of resistance and recurrence

Not an actual patient
Non-adherence is costly

- 50% Not adherent
- 33% Don’t fill prescription
- 25% Under dose
- 30% Stop early

Cost of non-adherence $300B in US
NTE idea: multi drug combination in HIV

90 pills per month

30 pills per month

Convenience
Adherence
Efficacy

Not an actual patient
Ellen’s Schizophrenia drug makes her gain weight

Takes olanzapine antipsychotic

Side effect: weight gain (12kg)

NTE idea: combine antipsychotic with weight loss drug
A new Lupus treatment for Elisabeth

CellCept, gold standard in transplantation, modifies pathways crucial in the development of Lupus

The idea: CellCept for Lupus

New indication
New population
Unique opportunities for IP protection

<table>
<thead>
<tr>
<th>Potential coverage:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formulations</td>
</tr>
<tr>
<td>Indications</td>
</tr>
<tr>
<td>Combinations</td>
</tr>
<tr>
<td>Pharmacokinetics</td>
</tr>
<tr>
<td>Clinical endpoints</td>
</tr>
</tbody>
</table>
We are uniquely positioned to become the best NTE company in the industry and turn it into a major growth engine for Teva
A focused R&D strategy

<table>
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<tr>
<td>Achieve leading presence in</td>
<td>Respiratory</td>
</tr>
</tbody>
</table>
Enhance presence in pain

Sustain MS franchise

Expand into neurodegenerative diseases

Explore other CNS disorders

Core

Adjacent

Transform

CNS
Sustain the MS franchise
MS treatment trends = opportunity

FROM

Relapse rate
RRMS only
Monotherapy

TO

Additional endpoints
RRMS + progressive
Combinations
Assets in MS

COPAXONE®: uniquely differentiated

Decreases inflammation
Uniquely differentiated based on real-life experience

Proven efficacy

Established safety profile

Est. 1.3m patient years since 1996
Animation
Recent data from an independent, NIH-funded study
~ 90% adherence after 3 yrs
% completing visit

At Month 36
p = 0.0287

Copaxone
~90%

Courtesy of Dr. Fred Lublin, unpublished data
Low Relapse Rate

Annualized relapse rate

Protocol defined exacerbations (PDE)

IFN vs COP p value = 0.0269

Courtesy of Dr. Fred Lublin, unpublished data
Less frequent injections of COPAXONE®

Efficacy / safety demonstrated in GALA study

Submission: 2013
Less frequent injections of COPAXONE®

Dose: 20mg daily

40mg 3 times per week

Assures patent coverage until 2030
(issued in US, pending in EU)
Differentiated properties from generics with potential clinical implications

COPAXONE® Drug Product → upregulation

Purported Generic → downregulation
“Multiple-sclerosis patients have waited years for the first generation of treatments in pill form. Now that they're becoming available, however, doctors are warning: not so fast.

The pills are easier to take than shots that have long been used to treat the disease. Yet they could have serious side effects, and for patients who are stable on their current regimen, doctors say shifting to pills may not be worth it.”
Assets in MS

Laquinimod: novel mechanism of action

Protects neurons (in preclinical models)
A unique asset in MS

Unique mechanism of action
- Direct effect on central nervous system
- Impacts a central pathway of neurodegeneration

Impact
- Prevents neuronal damage (in animal models)
- Decreases progression of disability (in clinical trials)
Animation
Brain of Patient with MS - at onset
Brain of Patient with MS – 2 yrs later
# Reducing brain atrophy

<table>
<thead>
<tr>
<th>Drug</th>
<th>P value</th>
<th>Brain volume (vs placebo)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allegro*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laquinimod</td>
<td>&lt;0.0001</td>
<td>+33%</td>
</tr>
<tr>
<td>N=1106</td>
<td>0.6 mg</td>
<td></td>
</tr>
<tr>
<td>24 months</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bravo**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Laquinimod</td>
<td>0.0001</td>
<td>+27%</td>
</tr>
<tr>
<td>N=1331</td>
<td>0.6 mg</td>
<td></td>
</tr>
<tr>
<td>24 months</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avonex</td>
<td>0.1392</td>
<td>-9%</td>
</tr>
</tbody>
</table>

** Volmer, T., American Academy of Neurology 2012, Comi, G., ECTRIMS Symposium 2012
Impact on quality of life

Change in SF-36 subscale scores from baseline to month 24

Laquinimod: the path forward

<table>
<thead>
<tr>
<th>Q3 2012</th>
<th>Q1 2013</th>
<th>2013</th>
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</thead>
<tbody>
<tr>
<td>EU submission</td>
<td>Additional confirmatory study</td>
<td>Clinical trial in Primary Progressive</td>
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<tr>
<td>2 phase II studies</td>
<td>Initiation of phase III</td>
<td></td>
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<tr>
<td>(Allegro, Bravo)</td>
<td>(Concerto)</td>
<td></td>
</tr>
<tr>
<td>Placebo, 0.6mg</td>
<td>Placebo, 0.6mg, 1.2mg</td>
<td></td>
</tr>
<tr>
<td>RRMS indication</td>
<td>Results: 2016</td>
<td></td>
</tr>
</tbody>
</table>
Copaxone Laquinimod combination: potential to modify the course of MS
Animation
Laquinimod: backbone for combination with other drugs
We will initiate combination studies in 2013
Unique opportunities in neurodegenerative disorders
# Neurodegenerative disorders

<table>
<thead>
<tr>
<th></th>
<th>Disease</th>
</tr>
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<tbody>
<tr>
<td>MS</td>
<td>Multiple sclerosis</td>
</tr>
<tr>
<td>AD</td>
<td>Alzheimer disease</td>
</tr>
<tr>
<td>PD</td>
<td>Parkinson disease</td>
</tr>
<tr>
<td>HD</td>
<td>Huntington disease</td>
</tr>
<tr>
<td>ALS</td>
<td>Amyotrophic lateral sclerosis</td>
</tr>
</tbody>
</table>
Why expand into neurodegeneration?

- Increasing prevalence
- Huge disease burden
- Common pathways
- Better scientific understanding
- Unique opportunity for Teva medicines
Increasing prevalence

<table>
<thead>
<tr>
<th></th>
<th>MS</th>
<th>AD and other dementias</th>
<th>PD</th>
<th>HD</th>
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</thead>
<tbody>
<tr>
<td>2005</td>
<td>2.5</td>
<td>3.3</td>
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<td>60k</td>
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<td>6</td>
<td>75k</td>
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<td>2030</td>
<td>3.3</td>
<td>44</td>
<td>7</td>
<td>90k</td>
</tr>
</tbody>
</table>

Note: World-wide prevalence, Huntington is US + EU only
Normal brain tissue: minimal astrocytic activation

Courtesy of Prof. W. Brueck. Neuropathology dept. Gottingen university. Germany
Similar pathways of astrocytic activation

MS

HD

AD

PD
Laquinimod decreases astrocytic activation

<table>
<thead>
<tr>
<th>Corpus callosum</th>
<th>Control</th>
<th>Laquinimod</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cortex</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Brueck et al., Acta Neuropathologica 2012
4 medicines with potential to treat neurodegenerative disorders

Laquinimod
COPAXONE®+
Laquinimod
Azilect®
Huntexil®
(pridopidine)
Neurodegenerative disorders: first steps

<table>
<thead>
<tr>
<th>HD</th>
<th>HD</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Laquinimod</strong></td>
<td><strong>Huntexil®</strong> (pridopidine)</td>
</tr>
<tr>
<td>2013: Initiate Phase II</td>
<td>2013: Initiate Phase II or III</td>
</tr>
<tr>
<td></td>
<td>2016: submission</td>
</tr>
</tbody>
</table>
Pain
Core assets:
- Expand current opioid-based assets

Adjacent assets:
- New opioid-based assets

Transform assets:
- Non-opioid alternatives
Opioid-based pain products

Marketed

- amrix® (Cyclobenzaprine Hydrochloride Extended-Release Capsules)
- FENTORA® (fentanyl citrate) buccal tablet
- Actiq® (oral transmucosal fentanyl citrate)

Phase III

Extended Release Hydrocodone
"The Hazards of Growing Up Painlesslly"

Story of a young woman’s life with congenital indifference to pain

Na\textsubscript{v}1.7 blockade: a novel non-opioid target in pain

Congenital indifference to pain (CIP)

Mutations in gene encoding sodium channel protein Na\textsubscript{v}1.7 in CIP pts

5-10% gain of function mutations in Na\textsubscript{v}1.7 in erythromelalgia
An exclusive license to XEN402

- A novel non-opioid
- Na\textsubscript{v}1.7 inhibitor
- 2 products: oral, topical
- Multiple indications
- Orphan designation - Erythromelalgia
Reduction in pain in Erythromelalgia with oral XEN402

Subject 1004: “Took first ever hot shower in my life and was thrilled”

Active is reduced 88% vs Placebo
\[ p=0.031 \]
Greater response with topical XEN402 in PHN Pain

- Improved >30%: Placebo 21.4, Drug 42.9
- Improved >50%: Placebo 9.5, Drug 28.6

p=0.049  p=0.0078

N=42
# A focused R&D strategy

<table>
<thead>
<tr>
<th>Establish leadership in</th>
<th>High-value Gx</th>
</tr>
</thead>
<tbody>
<tr>
<td>Build a unique platform for</td>
<td>NTEs</td>
</tr>
<tr>
<td>Sustain and leverage strengths in</td>
<td>CNS</td>
</tr>
<tr>
<td>Achieve leading presence in</td>
<td>Respiratory</td>
</tr>
</tbody>
</table>
Optimize life cycle current products

Develop existing molecules on Spiromax - BAI

New Technological Platforms

Reslizumab

New disease areas
Teva focus in Asthma

Inhaled therapy

Major classes: ICS, SABA, LABA, possibly LAMA

Innovative platforms (Spiromax)

Novel mechanism of action

Novel biologics for severe asthma

Reslizumab
One family
Three asthma patients
Complex

Multiple technologies

Dosing variability

Hand-breath coordination

Requires training
Poor asthma control

Dosing variability
Incorrect use
Rescue medication overuse
There must be a smarter way to do this
1. Open
2. Inhale
3. Close
The Spiromax platform

easy to use,
easy to educate

one device,
all molecules

the correct dose,
every time
Spiromax: it is a validated platform

Most advanced spiromax product (budesonide / formoterol) completed clinical development

Bioequivalence to originator brand (Symbicort) achieved in all parameters

Submission in EU in 2013
Reslizumab

MAb against IL-5

Novel and validated mechanism of action

Phase III in moderate-severe allergic asthma

Shown to prevent exacerbations/hospitalization

IV and SC formulations development in parallel
COPD: A global unmet need

<table>
<thead>
<tr>
<th>210M</th>
<th>patients</th>
</tr>
</thead>
<tbody>
<tr>
<td>#4</td>
<td>leading cause of death</td>
</tr>
<tr>
<td>#1</td>
<td>cause of death in rural China</td>
</tr>
<tr>
<td>$12B</td>
<td>drug sales</td>
</tr>
<tr>
<td>Class</td>
<td>ICS/LABA and LAMA</td>
</tr>
</tbody>
</table>
COPD: the 1st steps of a major commitment

1. Key Spiromax products (fluticasone/salmeterol & budesonide/formeterol)
2. LAMA product in a novel proprietary device is in development
## A focused R&D strategy

<table>
<thead>
<tr>
<th>Establish leadership in</th>
<th>High-value Gx</th>
</tr>
</thead>
<tbody>
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<td>CNS</td>
</tr>
<tr>
<td>Achieve leading presence in</td>
<td>Respiratory</td>
</tr>
</tbody>
</table>
Engines to enrich our pipeline
Our discovery pipeline

Highly differentiated programs

Small-molecule and biologics

INTERNAL
Differentiated biologics program

**Novel biologics**
- Proprietary, novel antibody arming technology
- Validated targets

**Bio betters**
- Multiple technologies to enable differentiation
  - (Enhanced antibodies, half-life extension)

**Bio similars**
- Selective approach
Recent progress

**Bio betters**

**Glyco-pegylated GCSF:** submitted in US (12/2012) and EU (11/2011)

**Albumin-fused GCSF:** ready for submission in US

**Long-acting HGH:** completed phase I

**Bio similars**

**GCSF:** approved in US (8/2012)

**GCSF:** approved in EU

**FSH:** submitted in EU (2/2012)

**EPO:** approved in EU
Our discovery pipeline

EXTERNAL

INTERNAL

Highly differentiated programs
Small-molecule and biologics

Target identification and validation, pathways, mechanisms of action, etc.

External compounds
Israel is world-leading in R&D investment

R&D expenditure as % of GDP, 2008

- **Israel**: 4.9%
- **Sweden**: 3.8%
- **Finland**: 3.5%
- **Japan**: 3.4%
- **Korea**: 3.2%
- **US**: 2.8%
- **Denmark**: 2.7%
- **Austria**: 2.7%
- **Iceland**: 2.7%
- **Germany**: 2.5%
**Israeli academia is among the most productive in neuroscience**

**Neuroscience publications per capita**

<table>
<thead>
<tr>
<th>Country</th>
<th>Publications per Capita</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>797</td>
</tr>
<tr>
<td>Sweden</td>
<td>754</td>
</tr>
<tr>
<td>Scotland</td>
<td>595</td>
</tr>
<tr>
<td>Finland</td>
<td>587</td>
</tr>
<tr>
<td>Israel</td>
<td>552</td>
</tr>
<tr>
<td>Netherlands</td>
<td>509</td>
</tr>
<tr>
<td>Canada</td>
<td>508</td>
</tr>
<tr>
<td>Denmark</td>
<td>493</td>
</tr>
<tr>
<td>England</td>
<td>442</td>
</tr>
<tr>
<td>USA</td>
<td>374</td>
</tr>
<tr>
<td>Wales</td>
<td>364</td>
</tr>
<tr>
<td>Norway</td>
<td>339</td>
</tr>
<tr>
<td>Austria</td>
<td>327</td>
</tr>
<tr>
<td>Germany</td>
<td>322</td>
</tr>
<tr>
<td>Belgium</td>
<td>314</td>
</tr>
<tr>
<td>Australia</td>
<td>309</td>
</tr>
<tr>
<td>Italy</td>
<td>276</td>
</tr>
<tr>
<td>France</td>
<td>247</td>
</tr>
<tr>
<td>Hungary</td>
<td>233</td>
</tr>
<tr>
<td>Ireland</td>
<td>211</td>
</tr>
</tbody>
</table>
National center of excellence in neuroscience

Select Medical Centers
Select Biotech
External collaborators
Teva and the Gates Foundation

NTEs for developing countries

Women’s health
Teva and the Gates Foundation

NTEs for developing countries

Women’s health

Infectious diseases
Recruitment of global leaders
Dr. Jon Isaacsohn
Chief Medical Officer

Former EVP, head of Medical & Regulatory
Medpace

Training in Internal Medicine and Cardiology
Harvard Medical School

Member of the cardiology faculty
Yale Medical School

Co-founder
Metabolic & Atherosclerosis Research Center, Cincinnati

Dr. Volker Knappertz
VP of MS Clinical

US Board certified neurologist
Neurology residence at Yale Medical School

15 years of pharma experience
Bayer, Medimmune/AZ

Most recent position: Head of Clinical Development, Neurology
Medimmune/AZ

Joined
December 10
Pipeline
May 2012: 59 programs

- Pre-clinical: 15
- Phase I: 10
- Phase II: 9
- Phase III: 17
- Sub/reg: 8

Total: 26
12 programs discontinued

- Pre-clinical: 2 programs
- Phase I: 4 programs
- Phase II: 1 program
- Phase III: 4 programs
- Sub/reg: 1 program

Total: 21 programs
Phase II and III programs discontinued

<table>
<thead>
<tr>
<th>Drug/Program</th>
<th>Phase</th>
</tr>
</thead>
<tbody>
<tr>
<td>COPAXONE® 20mg/0.5mL daily</td>
<td>III</td>
</tr>
<tr>
<td>StemEx: Cord Blood*</td>
<td>III</td>
</tr>
<tr>
<td>MultiGeneAngio: Peripheral Arterial Disease*</td>
<td>III</td>
</tr>
<tr>
<td>Obatoclax: Lung Cancer</td>
<td>III</td>
</tr>
<tr>
<td>Placulumab: Sciatica</td>
<td>II</td>
</tr>
</tbody>
</table>

* Relationship with partner under discussion
2013: 62 programs (18 programs added)
Increased focus: CNS, Respiratory, NTE

2012
- CNS: 19%
- Resp: 11%

2013
- CNS: 27%
- Resp: 19%

* Biosimilars and biobetters

NTE
- 2012: * Biosimilars and biobetters*
- 2013: NTE
### 2013: Programs in CNS and Pain

<table>
<thead>
<tr>
<th>CNS</th>
<th>Phase II</th>
<th>Phase III</th>
<th>Registration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laquinimod combination: MS</td>
<td>Laquinimod High Dose: MS</td>
<td>Copaxone® 40mg: MS</td>
<td></td>
</tr>
<tr>
<td>Laquinimod: HD</td>
<td>Laquinimod : Progressive MS</td>
<td>Laquinimod: MS (EU)</td>
<td></td>
</tr>
<tr>
<td>XEN402 (oral): Pain</td>
<td>Huntexil® (pridopidine): HD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>XEN402 (topical): Pain</td>
<td>ER hydrocodone: Pain</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Albu-BChE: Addiction</td>
<td>Nuvigil: Bipolar Disease</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resp</td>
<td>fluticasone-salmeterol Spiromax</td>
<td>Reslizumab</td>
<td>budesonide-formoterol Spiromax</td>
</tr>
<tr>
<td></td>
<td>ProAir® Spiromax</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
R&D - a growth engine for Teva

- High value generics
- Industrialized NTEs
- Focused and reshaped pipeline
- Initial steps toward a CNS constellation
- Novel partnerships
Impacting billions
Teva’s Specialty business

- Commercial success and capabilities in the U.S., EU and RoW
- Key existing products
- Prepare for exciting new product launches
- Maintain revenue through organic growth
## History of success in the U.S.

| **CNS** | #1 MS therapy built on market expertise, patient-focused offerings and superior access  
Leading branded PD therapy through targeted commercial efforts  
Sleep disorder leader with Nuvigil® franchise |
|---|---|
| **Respiratory** | #1 SABA built through demand creation as well as retail channel and managed care expertise  
Fastest growing mono ICS via unique value proposition and efficient commercial model |
| **Select Innovation** | Oncology franchise built on Treanda® and targeted commercial efforts  
Segmented OC/HRT approach in Women’s Health |
#1 rated MS patient support program

- 900,000 calls per year
- 24/7 nurse availability

- Personalized adherence programs to optimize outcomes
- Disease education
- 360+ nurses providing over 25,000 in-home injection trainings/yr.

- Streamlined therapy initiation process
- Benefits assistance

The most comprehensive MS support service
15 years experience – 100,000 personal relationships

MS patient survey – 11/11 – higher % of patients chose Shared Solutions as having the best all-around MS support
Expand U.S. success to Europe

- Assumed control of COPAXONE® sales/marketing
- Creating centralized EU medical and marketing functions
- Respiratory: expand beyond successes in UK, France, Germany, Netherlands
- Oncology: expand beyond Germany, France, Italy, Spain, Austria
- Women’s Health: expand beyond Spain, France, Italy, Belgium
Extend assets to RoW building on CNS success and footprint

Key markets include Russia, Turkey, LatAm and Canada

Select brands

- MS
- PD
- NeuroPsych
- Oncology
- Respiratory
- Women’s Health

- MS
- PD
- MS
- PD
- MS
- MS
- MS
- MS
Key existing products: COPAXONE®
Relapsing Remitting Multiple Sclerosis

COPAXONE®
Azilect®
Nuvigil®
ProAir®
Treanda®

Generics

- 2013E sales: $3.7B-3.9B
- Defend IP (2015)
- Communicate complexity to regulators
- Outreach to stakeholders to retain share

New entrants

- Reinforce long-term efficacy and safety messages
- COPAXONE® 3TW with IP to 2030
- Develop improved device(s)
## Key existing products: Azilect®
### Parkinson’s disease (PD)

<table>
<thead>
<tr>
<th>Azilect®</th>
<th>Situation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013E sales: $340-380M</td>
</tr>
<tr>
<td></td>
<td>IP: 2017 patent expiry in the U.S.</td>
</tr>
<tr>
<td></td>
<td>Market: highly genericized, few new advances in PD</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Nuvigil®</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2012 increased share of voice</td>
</tr>
<tr>
<td></td>
<td>Continued data generation in segments of PD</td>
</tr>
<tr>
<td></td>
<td>Support of movement disorder franchise via pridopidine (Huntington’s disease)</td>
</tr>
</tbody>
</table>

| ProAir® |  |
|---------|  |

| Treanda® |  |
|----------|  |

| COPAXONE® |  |
|-----------|  |
### Key existing products: Nuvigil®

Sleep disorders

<table>
<thead>
<tr>
<th>Nuvigil®</th>
<th>ProAir®</th>
<th>Treanda®</th>
<th>COPAXONE®</th>
<th>Azilect®</th>
</tr>
</thead>
</table>

#### Situation
- 2013E sales: $280-320M
- IP: 2016 generic entry date
- Market: generic modafinil

#### Actions
- Work with payors and patients to ensure access
- Raise awareness of shift work disorder
- Educate on bipolar disorder and prepare market for Nuvigil®
# Key existing products: ProAir®

## Situation

- 2013E sales: $400-440M
- IP: ProAir® MDI patents expire in 2017 & 2023
- 30-month stay expires Jan. 2015
- Teva sales force of 400 provides efficient coverage
- Deep commercial and medical experience

## Actions

- Working with payors to ensure access
- Continued investment in share of voice
- Dose counter December 2012
- ProAir® Spiromax (improved device and patient experience) planned for 2015
Key existing products: Treanda®
CLL and second line iNHL

<table>
<thead>
<tr>
<th>Treanda®</th>
<th>Situation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013E sales: $600-700M</td>
</tr>
<tr>
<td></td>
<td>5 years exclusivity expires in 2013 (including pediatric extension)</td>
</tr>
<tr>
<td></td>
<td>Teva is a top ten oncology company</td>
</tr>
<tr>
<td></td>
<td>Teva sales force of 90 representatives</td>
</tr>
</tbody>
</table>

| COPAXONE®                 | Actions                                                                   |
|---------------------------|                                                                          |
|                           | Patients experience improvement initiatives under way                   |
|                           | NHL long-term data collection                                            |

| Azilect®                  |                                                                          |
|                           |                                                                          |
|                           |                                                                          |

| Nuvigil®                  |                                                                          |
|                           |                                                                          |
|                           |                                                                          |

| ProAir®                   |                                                                          |
|                           |                                                                          |
|                           |                                                                          |
New launches planned in all focus areas

<table>
<thead>
<tr>
<th>Year</th>
<th>MS</th>
<th>CNS/Pain</th>
<th>Respiratory</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td></td>
<td>Laquinimod (EU)</td>
<td>QNASL</td>
<td>Synribo</td>
</tr>
<tr>
<td>2013</td>
<td>COPAXONE® 3TW</td>
<td>Nuvigil® BPD (U.S.)</td>
<td>ProAir® DC (U.S.)</td>
<td>SA GCSF (U.S.) Lonquex (EU)</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td>DuoResp (EU)</td>
<td>FS (EU) &amp; ProAir® (U.S.) Spiromax</td>
<td>LA GCSF (U.S.)</td>
</tr>
<tr>
<td>2015</td>
<td>ER Hydrocodone (U.S.)</td>
<td></td>
<td></td>
<td>Custirsen</td>
</tr>
<tr>
<td>2016</td>
<td>Pridopidine</td>
<td>Spiromax Reslizumab</td>
<td></td>
<td>NTEs</td>
</tr>
</tbody>
</table>

Selected launches
New Therapeutic Entities (NTEs)

Commercial opportunity linked to level of differentiation and value added

- Efficacy
- Compliance/adherence
- Safety/tolerability

Teva can apply different commercial models and expertise

- Demand creation
- Patient support services
- Market access
- Retail channel
Maintain revenue through organic growth

- Loss of exclusivity threat in key products known
- Still significant value in core therapeutic areas
- Organic growth alone can maintain Specialty revenue
#1 Generics company worldwide

2012E revenue from generics medicines and OTC

North America: $5.2B  
Europe: $3.9B  
Emerging Gx markets: $2.4B

Source: Teva internal data
### Unparalleled competitive advantage

- **Leading generics expertise**
- **Diverse offerings to address specific market and customer needs**
- **Strong local entrepreneurship, coupled with global scale**
- **Synergistic portfolio of generics and OTC**
Leading generics expertise

- Leading R&D, regulatory, and ability to navigate entry barriers
- Wide range of technology platforms
- Global manufacturing capabilities delivering top quality medicines

- ~850 molecules
- ~400 molecules in development
- Largest portfolio of first-to-file in the U.S.
- Outperformed competition in European launches
- More differentiated, high-barrier complex products
Diverse offerings to address market and customer needs

Different product offerings

<table>
<thead>
<tr>
<th>INN</th>
<th>Umbrella brand generics</th>
<th>Branded generics</th>
<th>OTC products</th>
</tr>
</thead>
</table>

Addressing different market needs ...

- **U.S., UK**
  - National health authorities
  - Physicians
  - Wholesaler chains

- **Russia, Asia**
  - Patients

- **Latin America**
  - Government
  - Retail pharmacies
  - Private insurers

INN = International non-proprietary name
Ability to adapt to local markets while leveraging global scale

Global scale + Local capabilities = Proven success

**Global scale**
- Scale in sourcing and manufacturing
- Financial strengths
- Largest number of products globally

**Local capabilities**
- Local market expertise
- Government relationships
- Speed, agility and entrepreneurial spirit

**Proven success**
- #1 in the U.S.
- #2 in Canada
- #1 in Europe
- #2 in Russia
- #3 in Japan
- #1 global Gx company
PGT: an exceptional partnership ... 

World’s leading provider of medicines

Portfolio of leading brands
Best-in-class
- Consumer understanding
- Brand-building
- Advertising scale

Unparalleled product development and production capabilities

World’s leading brand-builder

PGT: an exceptional partnership ...
... with a promising future

Under-leveraged existing brands

Strong local brands

Teva company brand

Further develop in existing markets, expand into new geographies

Transform into regional/global mega brands

Build up in selected markets

Strong first year, on track to deliver sustainable double digit sales growth
North America

2012E revenue from generics medicines and OTC

North America: $5.2B
Europe: $3.9B
Emerging markets: $2.4B

Source: Teva internal data
Market leader

U.S. Market TRx Share (top 4 players)

- Teva: 16.2%
- Mylan: 11.3%
- Watson: 7.9%
- Sandoz: 5.7%

Number of products:
- Teva: 367
- Mylan: 262
- Watson: 229
- Sandoz: 255

1 in 6 U.S. prescriptions filled
Largest player in the market
$5.2B revenue business unit

Maintain a leading position in the market going forward
The industry dynamic is changing

**Challenges**
- Pricing pressure
- Shared exclusivities
- Competition from Asia

**Opportunities**
- Healthcare reform
- Demographics
- Complex technology products
Continue to extract value from PIV

- Selectively pursue first-to-file, first-to-market exclusivity

- 143 ANDAs, representing $84B in brand value

- 63 first-to-files, representing $44B in brand value

- PIV activity in the U.S. provides leverage and synergies in other Teva markets

Proportion of effort and future value

- 50%
Establish leadership in high-barrier complex products

- More differentiated
- Higher value for patients
- Improved margin

Proportion of effort and future value: 30%
Enhance value of remaining portfolio

- Lead improved pricing
- Reformulate and improve processes
- Partner or discontinue low-value products

Proportion of effort and future value: 20%
## Enhancing value in North America

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Selectively pursue PIV challenges</td>
<td>Continue to maximize first-to-market value through PIV challenges and first-to-file exclusivities</td>
</tr>
<tr>
<td>Establish leadership in differentiated products</td>
<td>Create value through complex high-barrier and differentiated products</td>
</tr>
<tr>
<td>Enhance value of remaining portfolio</td>
<td>Focus on high-margin, low competition segments to further enhance value</td>
</tr>
</tbody>
</table>
Europe

2012E revenue from generics medicines and OTC

North America: $5.2B

Europe: $3.9B

Emerging Gx markets: $2.4B

Source: Teva internal data
Market characteristics

Large market, ~500M population

High demand for affordable, quality medicines

Different market models with varying dynamics and degrees of price erosion

- Physician-driven
- Pharmacy-driven
- International non-proprietary names (INN)
Significant value to be captured

<table>
<thead>
<tr>
<th>Sizable generics opportunities</th>
<th>~ €20B of brand value coming off patent in the next 5 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room for increasing generic penetration</td>
<td>Low Gx penetration and high growth in France, Italy and Spain</td>
</tr>
<tr>
<td></td>
<td>Compared to 70%+ penetration in mature markets</td>
</tr>
<tr>
<td>Sustainable markets</td>
<td>Unlikely to switch overnight due to complex regulation, compliance, and other factors</td>
</tr>
<tr>
<td></td>
<td>Switch to INN typically takes at least 5 to 10 years</td>
</tr>
</tbody>
</table>
Drive profitable growth in Europe

**Value**
- Compete for the right business, not just any
- Focus on high value products, customers and channels

**Differentiation**
- Leverage synergies with OTC and Specialty
- Drive more complex generics

**Commercial effectiveness**
- Execute with discipline
- Drive continuous improvement
- Align infrastructure
- Leverage our brand and market leadership
Emerging markets

2012E revenue from generics medicines and OTC

North America: $5.2B
Europe: $3.9B
Emerging Gx markets $2.4B

Source: Teva internal data
## A growth engine

<table>
<thead>
<tr>
<th>Sizable</th>
<th>~6 billion patients</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fast growing</td>
<td>Expected to double in 5 years</td>
</tr>
<tr>
<td></td>
<td>~$100B to over $200B</td>
</tr>
<tr>
<td>Sustained profitability</td>
<td>Branded generics markets that value quality</td>
</tr>
</tbody>
</table>

Source: IMS July 2012
Successful track record

Emerging market revenue from generics medicines and OTC

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>% of Total Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$1.1B</td>
<td>7%</td>
</tr>
<tr>
<td>2012E</td>
<td>$2.4B</td>
<td>12%</td>
</tr>
</tbody>
</table>

Source: Teva internal data
Tailored growth plan

Current position

Top 3 Gx Co.
Bolster
Russia
Japan
Commercial excellence

Top 50 Pharma Co.
Build up
Mexico
Turkey
Critical mass

Early Stage
Expand
Brazil
Korea
Partnership

New Markets
Penetrate
China
India
Alliance
Well poised in emerging markets

**Balanced business model**
- Specialty
- Generics
- OTC

**Entrepreneurial spirit**

**Local market orientation**

**Partner to win in new geographies**
Teva Generics and OTC path to growth

First-to-file, first-to-market

Highly differentiated, high-barrier complex products

Enhanced presence in emerging markets

Focusing on value creation and sustained profitability
Dr. Ing. Carlo de Notaristefani
President and Chief Executive Officer, Global Operations

Investor Day
December 2012
TGO - managing end-to-end supply for our customers

- **Sites**: 73
- **Molecules**: 850
- **Doses**: 70B
- **Markets**: 120
- **SKUs**: 55,000
- **Distribution centers**: 60+
A truly global operations network

25 countries
54 pharma sites
21 API sites

* Under construction
# Manufacturing as a competitive advantage

## Unparalleled manufacturing strengths

- Superior capabilities in:
  - Injectables (Croatia, Hungary)
  - Oral solid dosage (Czech Republic, Poland)
  - Spiromax technology

## Focus on new opportunities

- Leverage our API business
- Focused growth in biologics
- Expand manufacturing in India
Continued leadership in a more competitive marketplace

- Stricter compliance/regulations
- Cost pressure
- Evolving product portfolio
- Changing supplier base
Organization is aligned with the new strategy

1. Redesign the network focused on efficiency
   - Technology focus
   - Migration to lower-cost countries
   - Leverage strategic supply partnerships

2. Operational excellence initiatives
   - Productivity improvement at site level
   - Operational improvements in logistics and supply chain planning

3. Greater efficiencies in procurement
   - Organizational transformation
   - Standardized processes and practices
Plan the short term for long-term gains

Network redesign is a lengthy and complex process
Best-in-class site and logistics operations

A redesigned logistics and distribution network

A more flexible and faster organization

Selected investments in automation

Continuous improvement through Lean Sigma techniques

Raising the bar
Procurement represents significant potential savings

$9B spend in materials and services

- $5B indirect costs
- $4B material costs

Near-term savings
Consolidation of ~40,000 suppliers
~$1B savings in manufacturing and procurement in the next 5 years

TGO cost management
$6.9B
- 40% expenses
- 60% materials

Materials and products
$4.1B
- 35% purchased products
- 15% packaging
- Other
- 50% APIs
A best-in-class organization poised for the future

<table>
<thead>
<tr>
<th>Quality and compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Deep understanding of regulatory environment</td>
</tr>
<tr>
<td>- Continuous investment to improve compliance posture</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reshape the organization to</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Ensure future compliance</td>
</tr>
<tr>
<td>- Evolve from a manufacturing to a supply organization</td>
</tr>
<tr>
<td>- Drive greater efficiency</td>
</tr>
<tr>
<td>- Improve customer service</td>
</tr>
<tr>
<td>- Continue producing quality medicines for patients</td>
</tr>
</tbody>
</table>
Financial vision

<table>
<thead>
<tr>
<th>Greater</th>
<th>transparency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redefined</td>
<td>cost structure</td>
</tr>
<tr>
<td>Rigorous</td>
<td>cash management</td>
</tr>
<tr>
<td>Solid</td>
<td>funding and liquidity</td>
</tr>
<tr>
<td>Balanced</td>
<td>investment</td>
</tr>
<tr>
<td>Sustainable</td>
<td>shareholder value</td>
</tr>
</tbody>
</table>
Growth and profitability

Consistent top-line organic growth
- Generic products
- Specialty core franchises, pipeline
- NTEs
- Emerging markets
- OTC

Sustainable profitability
- Stable margin in generics and OTC
- Change in specialty product mix
- Cost improvements
## Greater transparency

<table>
<thead>
<tr>
<th>FROM</th>
<th>TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>A high level view</td>
<td>Greater insight into our business</td>
</tr>
<tr>
<td>Total revenue</td>
<td>By geography, by business line</td>
</tr>
<tr>
<td>COPAXONE® revenue</td>
<td>Specialty products revenue (+$250M)</td>
</tr>
<tr>
<td>EPS</td>
<td>Profit by business line</td>
</tr>
<tr>
<td>Annual guidance</td>
<td>Split by quarters</td>
</tr>
<tr>
<td>USD</td>
<td>FX assumptions</td>
</tr>
<tr>
<td>Global view</td>
<td>Performance in specific markets</td>
</tr>
</tbody>
</table>
Redefined cost structure

Past

Integration driven
- Acquisitions
- Focus on synergies
- Fragmented tools & systems
- Decentralized organization
- Complexity

Future

World-Class
- Global
- Simpler
- Focused
- Efficient
- Disciplined

$1.5 – 2.0B of annual cost improvements in 5 years

Sustainable profitability over time
## Sources of cost improvements

<table>
<thead>
<tr>
<th>Yesterday</th>
<th>Tomorrow</th>
<th>Impact ($M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local procurement</td>
<td>Global purchasing power</td>
<td>400-700</td>
</tr>
<tr>
<td>Many small production facilities</td>
<td>Large and efficient production facilities</td>
<td>150-175</td>
</tr>
<tr>
<td>Distributed supply chain</td>
<td>Centrally controlled supply chain inventory levels</td>
<td>110-140</td>
</tr>
<tr>
<td>Decentralized deployment</td>
<td>Shared service centers centers of excellence</td>
<td>100-150</td>
</tr>
<tr>
<td>High cost locations</td>
<td>Low cost locations</td>
<td>70-120</td>
</tr>
<tr>
<td>Local processes and systems</td>
<td>Global processes and systems</td>
<td>50-100</td>
</tr>
</tbody>
</table>

and many more...
More than 70% of cost base improvement achieved by 2015

Estimated reduction 2013-2017, $B

- Ramp-up over time due to magnitude and complexity of change
- Expect most impact in 2014-2015
- Help mitigate price erosion, volume growth and other factors
## Cost improvement potential

<table>
<thead>
<tr>
<th>P&amp;L line</th>
<th>Potential improvement ($ Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>COGS</td>
<td>1.0 - 1.2</td>
</tr>
<tr>
<td>S&amp;M</td>
<td>0.2 - 0.3</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>0.1 - 0.2</td>
</tr>
<tr>
<td>G&amp;A</td>
<td>0.2 - 0.3</td>
</tr>
<tr>
<td><strong>Total potential</strong></td>
<td><strong>1.5 - 2.0</strong></td>
</tr>
</tbody>
</table>

Additional opportunities for improvements to our cash flow, balance sheet and tax positions
Balanced cash allocation for more shareholder reward

Organic cash flow from operations: $4.5-5.5B per year until 2017

<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business development</td>
<td>Around $2 Billion per year</td>
</tr>
<tr>
<td>Shareholder return</td>
<td>$1 - 2 Billion per year</td>
</tr>
<tr>
<td>Debt service</td>
<td>Up to $1 Billion per year</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>Up to $1 Billion per year</td>
</tr>
</tbody>
</table>
Balanced cash allocation
Organic cash flow from operations:

$4.5-5.5B per year until 2017

- **Business development**
  - $10B available over **next 5 years**

- **Shareholder return**
  - Select *geographies* and new molecules

- **Debt service**
- **Capital expenditure**
Balanced cash allocation
organic cash flow from operations:

$4.5-5.5B per year until 2017

Business Development

Shareholder return

Dividends
20-25% of operating cash flow

Buyback
Committed to ensure shareholder return

Debt service

Capital expenditure
Balanced cash allocation
organic cash flow from operations:

$4.5-5.5B per year until 2017

- **Reduce leverage**
  - 30-35% target, 1.5-2.0x EBITDA

- **Extend duration**
  - to 6-7 years

- **Debt mix**
  - target 70/30 fixed/variable
Funding & liquidity

Debt maturity ($B)

- Extend duration and align it to future cash flows
- Ensure long-term low cost of debt
- Reduce debt in disciplined matter
- Teva’s liquidity is supported by a $2.5B syndicated revolver line
Tax horizon

From effective rate of 13.5% in 2012 to 20% by 2017

2013 and beyond

Source of pre-tax income continue to evolve

More profits in U.S., Europe, Japan

Tax-free COPAXONE® profits will diminish with lower sales

Global environment

Macroeconomic conditions dictate less certain tax environment

Governments are looking to increase corporate taxes

Effective tax rate 2006 - 2017
Create sustainable shareholder value

- Clarity and transparency to our business
- Balanced use of cash for value creation
- Reshape our business and cost structure
Teva

Visibility on current status of business

Strong growth platforms

Clear path forward

Top management team

Commitment to reward investors

Significant value creation
Teva Investor Day
December 11, 2012