TEVA PHARMACEUTICAL INDUSTRIES LTD.





Cowen & Company Healthcare Conference

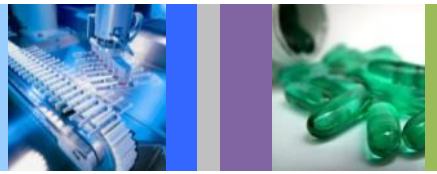
Itzhak Krinsky, Ph.D, Corporate VP – Business Development

March 8, 2010

Forward looking statements

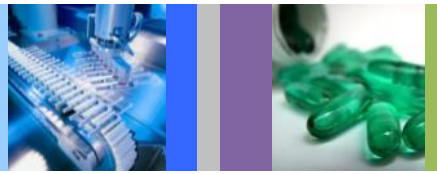


TODAY'S PRESENTATION CONTAINS FORWARD-LOOKING STATEMENTS, INCLUDING, AMONG OTHER THINGS, REGARDING OUR EXPECTED PROFITABLE GROWTH, REVENUES, NET INCOME, THE DRIVERS AND CONTRIBUTORS OF THIS GROWTH, STRATEGY AND COMPETITIVE ADVANTAGES, WHICH EXPRESS THE CURRENT BELIEFS AND EXPECTATIONS OF MANAGEMENT. SUCH STATEMENTS ARE BASED ON MANAGEMENT'S CURRENT BELIEFS AND EXPECTATIONS AND 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 SUCCESSFULLY DEVELOP AND COMMERCIALIZE ADDITIONAL PHARMACEUTICAL PRODUCTS, THE INTRODUCTION OF COMPETING GENERIC EQUIVALENTS, THE EXTENT TO WHICH WE MAY OBTAIN U.S. MARKET EXCLUSIVITY FOR CERTAIN OF OUR NEW GENERIC PRODUCTS AND REGULATORY CHANGES THAT MAY PREVENT US FROM UTILIZING EXCLUSIVITY PERIODS, POTENTIAL LIABILITY FOR SALES OF GENERIC PRODUCTS PRIOR TO A FINAL RESOLUTION OF OUTSTANDING PATENT LITIGATION, INCLUDING THAT RELATING TO THE GENERIC VERSIONS OF NEURONTIN®, LOTREL®, PROTONIX® AND ELOXATIN®, THE CURRENT ECONOMIC CONDITIONS, 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, THE EFFECTS OF COMPETITION ON OUR INNOVATIVE PRODUCTS, ESPECIALLY COPAXONE® SALES, INCLUDING POTENTIAL ORAL AND GENERIC COMPETITION FOR COPAXONE®, DEPENDENCE ON THE EFFECTIVENESS OF OUR PATENTS AND OTHER PROTECTIONS FOR INNOVATIVE PRODUCTS, THE IMPACT OF CONSOLIDATION OF OUR DISTRIBUTORS AND CUSTOMERS, THE IMPACT OF PHARMACEUTICAL INDUSTRY REGULATION AND PENDING LEGISLATION THAT COULD AFFECT THE PHARMACEUTICAL INDUSTRY, OUR ABILITY TO ACHIEVE EXPECTED RESULTS THOUGH OUR INNOVATIVE R&D EFFORTS, THE DIFFICULTY OF PREDICTING U.S. FOOD AND DRUG ADMINISTRATION, EUROPEAN MEDICINES AGENCY AND OTHER REGULATORY AUTHORITY APPROVALS, THE UNCERTAINTY SURROUNDING THE LEGISLATIVE AND REGULATORY PATHWAY FOR THE REGISTRATION AND APPROVAL OF BIOTECHNOLOGY-BASED PRODUCTS, THE REGULATORY ENVIRONMENT AND CHANGES IN THE HEALTH POLICIES AND STRUCTURES OF VARIOUS COUNTRIES, SUPPLY INTERRUPTIONS OR DELAYS THAT COULD RESULT FROM THE COMPLEX MANUFACTURING OF OUR PRODUCTS AND OUR GLOBAL SUPPLY CHAIN, OUR ABILITY TO SUCCESSFULLY IDENTIFY, CONSUMMATE AND INTEGRATE ACQUISITIONS, THE POTENTIAL EXPOSURE TO PRODUCT LIABILITY CLAIMS TO THE EXTENT NOT COVERED BY INSURANCE, OUR EXPOSURE TO FLUCTUATIONS IN CURRENCY, EXCHANGE AND INTEREST RATES, SIGNIFICANT OPERATIONS WORLDWIDE THAT MAY BE ADVERSELY AFFECTED BY TERRORISM, POLITICAL OR ECONOMICAL INSTABILITY OR MAJOR HOSTILITIES, OUR ABILITY TO ENTER INTO PATENT LITIGATION SETTLEMENTS AND THE INTENSIFIED SCRUTINY BY THE U.S. GOVERNMENT, THE TERMINATION OR EXPIRATION OF GOVERNMENTAL PROGRAMS AND TAX BENEFITS, IMPAIRMENT OF INTANGIBLE ASSETS AND GOODWILL, ENVIRONMENTAL RISKS, AND OTHER FACTORS THAT ARE DISCUSSED IN THIS REPORT AND IN OUR OTHER FILINGS WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION ("SEC").



2009 HIGHLIGHTS

2015 STRATEGY UPDATE



2009 HIGHLIGHTS

2015 STRATEGY UPDATE

2009 – strong results



	2008*	2009*	Change
Sales $m	11,085	13,899	+25%
Operating income $m	2,856	3,853	+35%
Net income $m	2,493	3,029	+22%
EPS $	3.03	3.37	+11%
Cash flow from operations $m	3,231	3,373	+4%

* Net income, operating income and EPS are non GAAP results

2009 – an extraordinary year



Record Financial Results	Record sales Record profit levels: gross, operating and net
Balance Business Model	Record sales in all geographies Record sales in all business lines
Enhancing Branded Franchises	Copaxone® – solidify position as #1 MS treatment Azilect® – growing market share in Europe and U.S. Respiratory – ProAir™ #1; Qvar® - #2 in U.S.
Balance Sheet	Record operating cash flow of $3.4 Reduce debt by $2.8 billion Financial leverage below pre-Barr level

Excellent margins

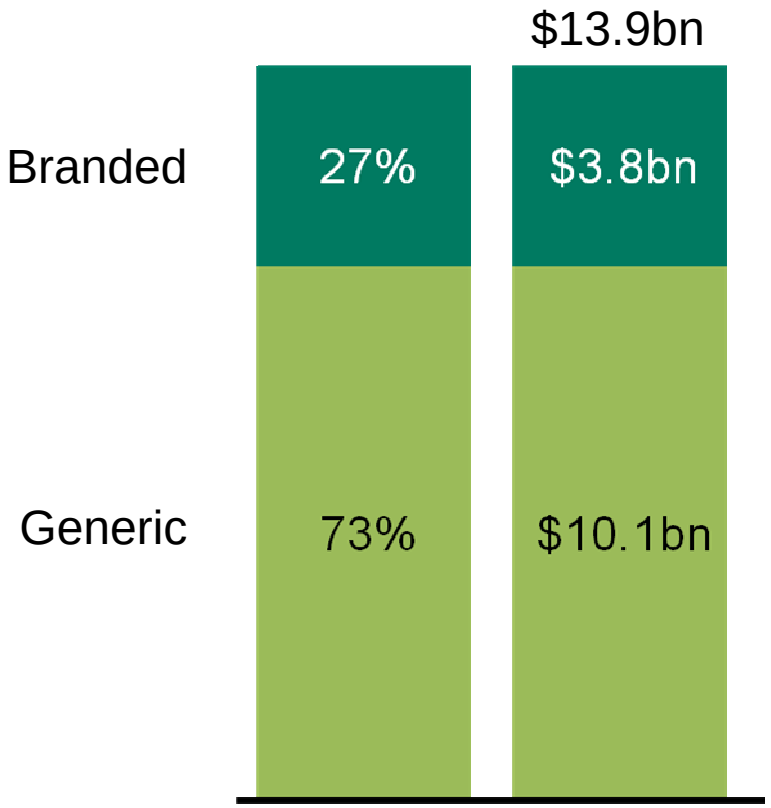


	2008*	2009*	Change
Sales $m	11,085	13,899	+25%
Operating income $m	2,856	3,853	+35%
Net income $m	2,493	3,029	+22%
Gross margin %	55.3	58.4	
Operating margin %	25.8	27.7	
Net margin %	22.1	21.8	

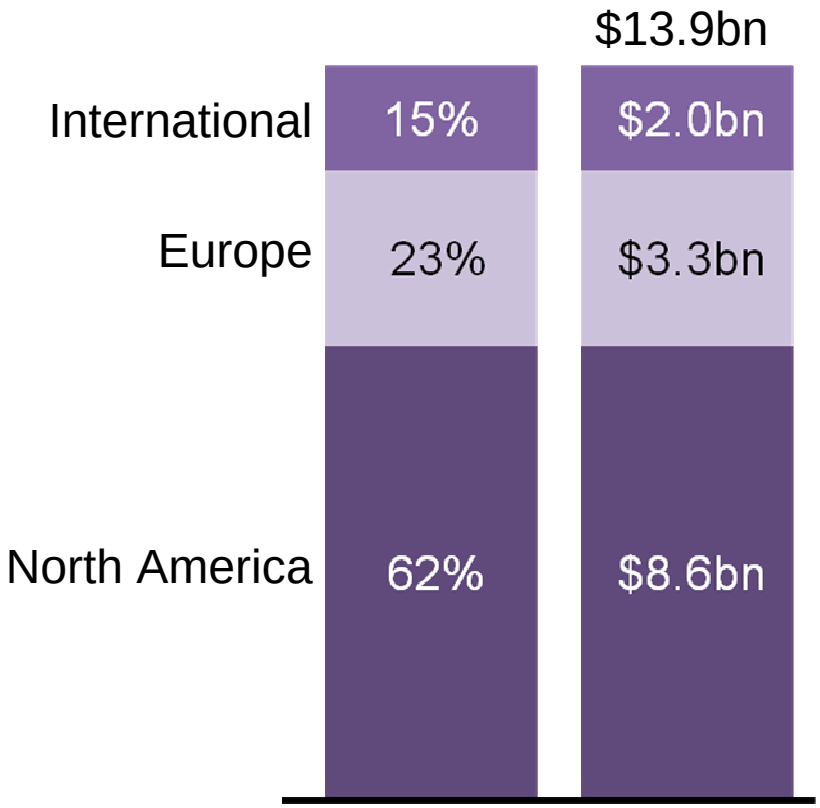
* Operating income, net income, gross margin, operating market and net margin are non GAAP results

2009 – balanced business model

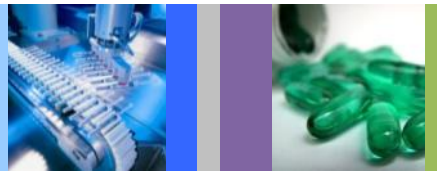
By business line



By geography



2010 guidance



- Net sales around $16 billion
- Non-GAAP EPS between $4.40 – $4.60
- Significant variance between Q1’2010 and rest of year

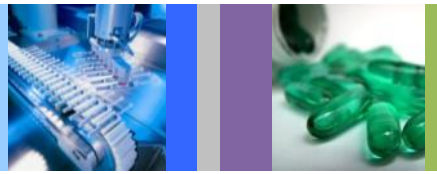




2009 HIGHLIGHTS

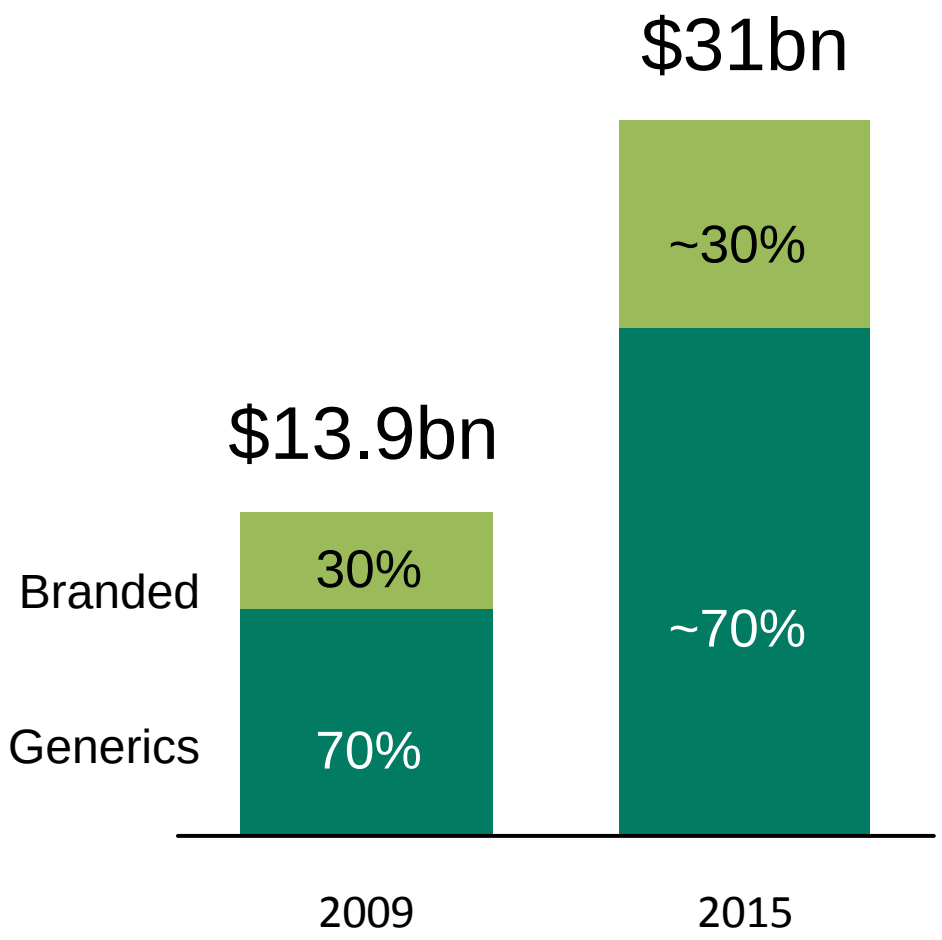
2015 STRATEGY UPDATE

Targets for 2015



Revenues	**$31 bn**
Net income	**$6.8 bn**
Net profitability	**22%**

Maintaining Teva's mix of generics & branded



Growth through market share



	2015 sales targets	2009-2015 CAGR
North America	$15bn	9.5%
Europe	$9bn	18.6%
International	$7bn	23.2%
Total	**$31bn**	14.3%

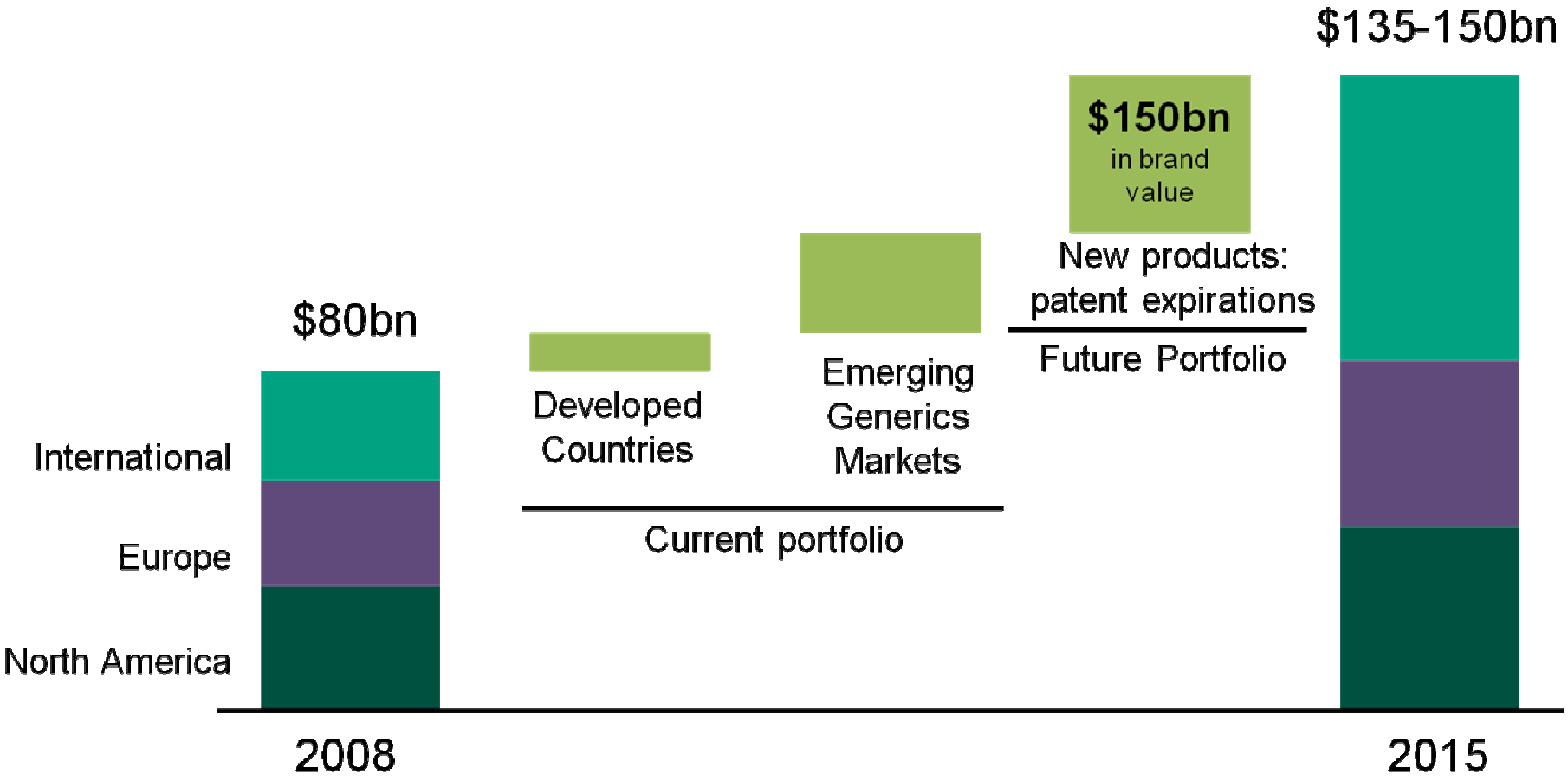
Is there still room to grow in generics? YES!



$135-150 bn in 2015

GROWTH	GROWTH	GROWTH	GROWTH
Increasing opportunities in **emerging generics markets**	People living **longer** and consuming **more** drugs	Healthcare **reforms** and cost saving initiatives	$150bn of brands going **off-patent** in the next 5 years

Growing demand for generics



Source: Exane BNP Paribas, IMS, Espicom, Teva estimates

Governments playing a greater role



Focus on **quality**

US healthcare reform

Initiatives in many EU/international markets

Increased **access**

Increased pace of **Gx penetration**

Higher **volume**

(outpacing potential pricing pressure)

Strong International market growth

Pharma Market (CAGRs 2009-2015)

Eastern Europe: 10%

CIS: 14%

Asia: 16%

Japan: 3%

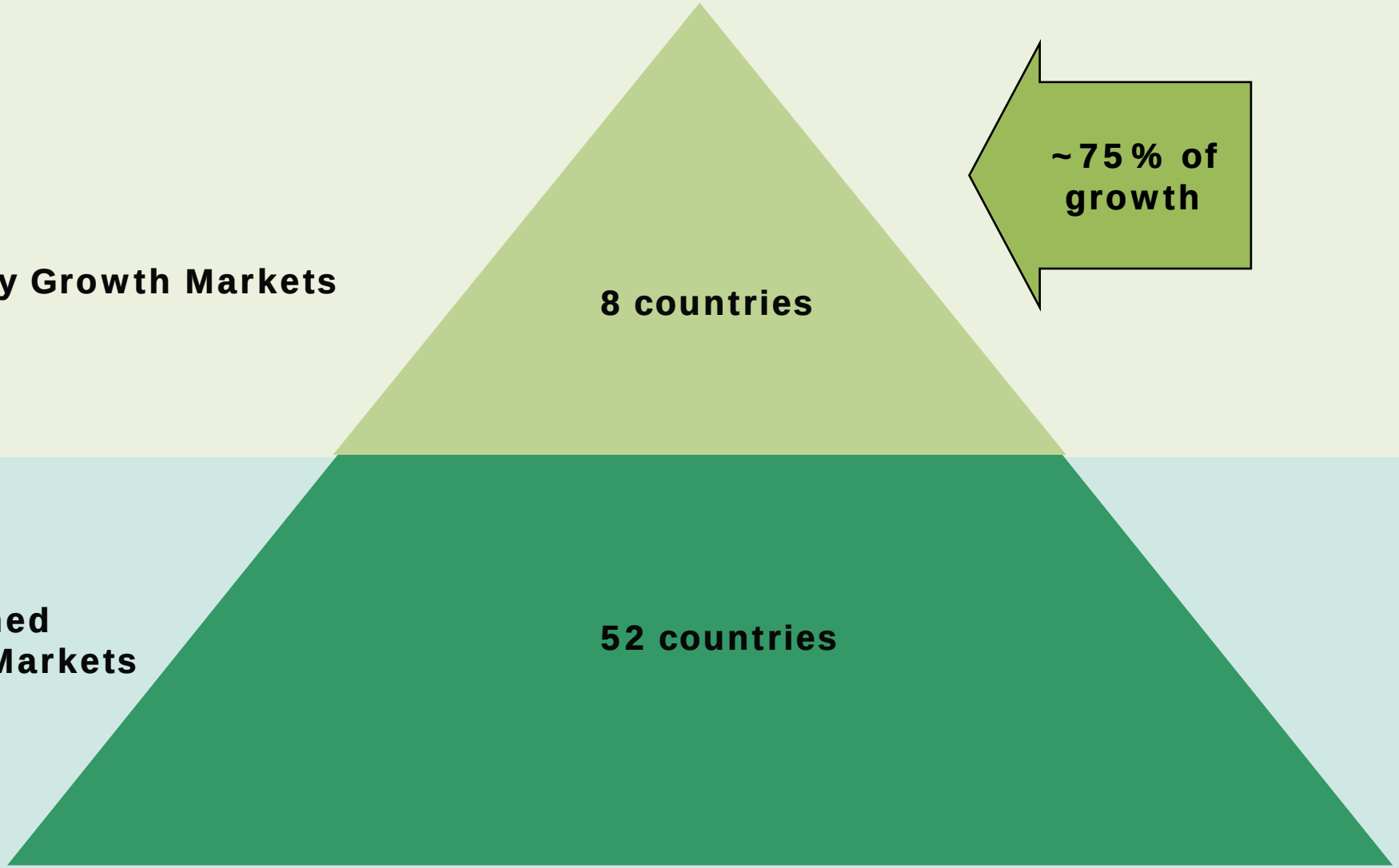
Latin America: 12%

International markets:
2009 : $ 241bn
2015: $ 473bn

Source: 2009 – 2013 IMS Market Prognosis – Constant fx, Teva

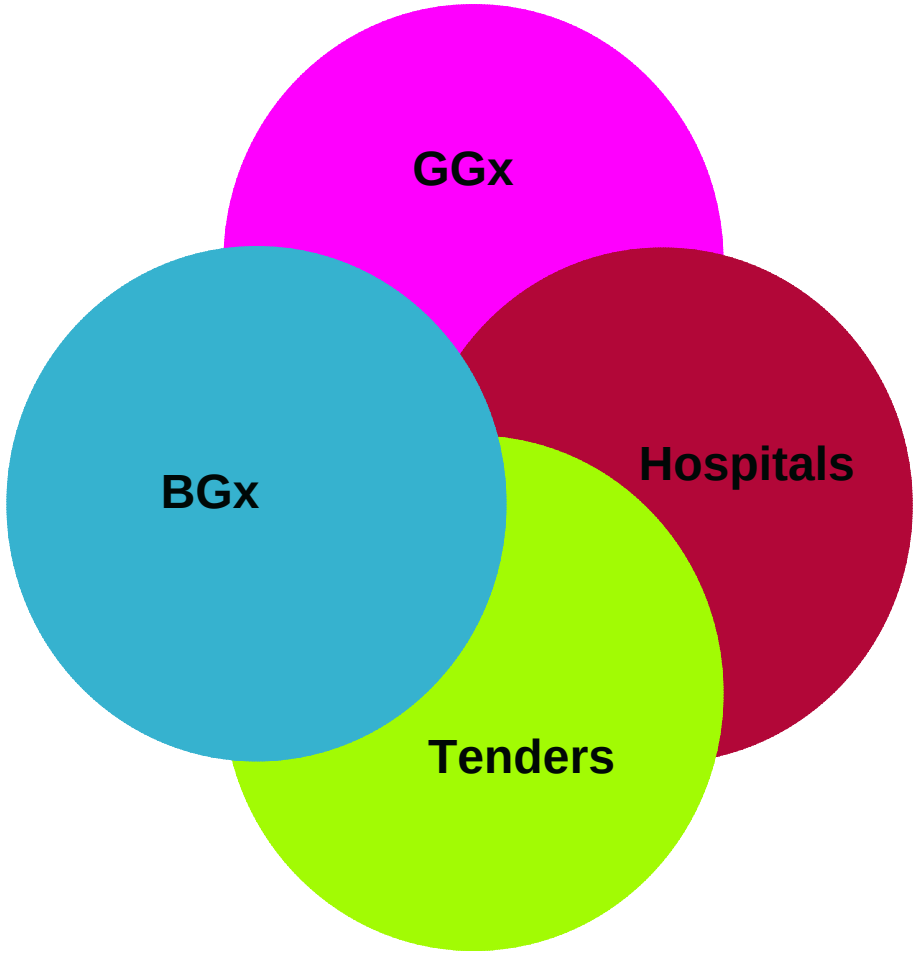
Teva continues to focus on high priority markets





The Teva Advantage crosses all models

Multiple Generic Models

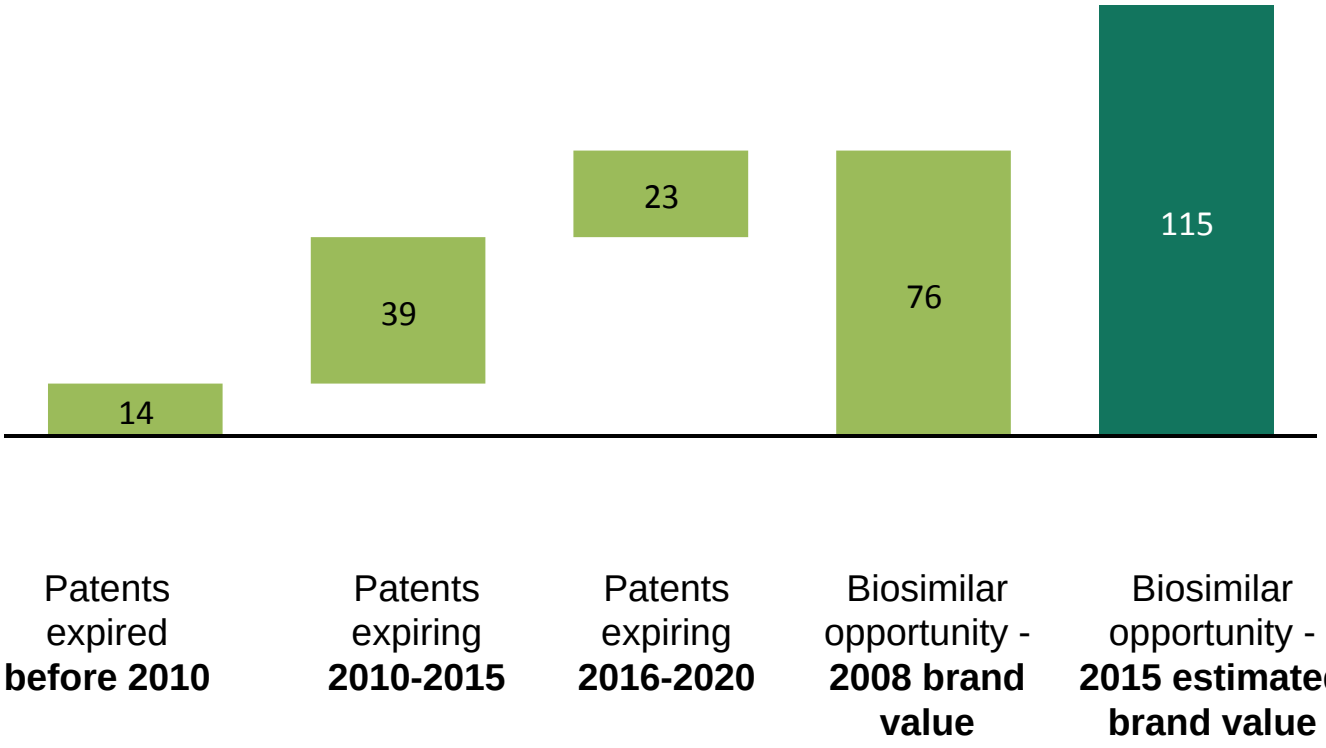


Teva's Advantage

- >1,000 molecules
- Local market knowledge
- Government relationships
- Speed and agility
- High quality products
- Low cost manufacturing

Biosimilars: the future

2008 worldwide sales of biologics, $bn



Strategic Alliances
Lonza

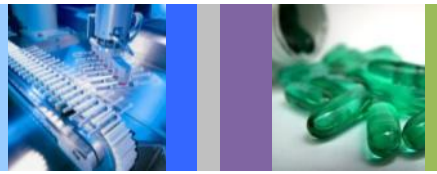
Teva's Bio infrastructure
Sicor, IBR&D, CoGenesys

** Not including vaccines and blood products*
Source: IMS, annual reports, Teva analysis

Teva 2010-2015: value creation



- ✓ Growth
- ✓ High profitability
- ✓ Sustainable, balanced business model
- ✓ Financial strength



Q&A