

Teva Respiratory Opportunity
Business Update Meeting
November 4, 2010

Forward Looking Statement



This release contains forward-looking statements, 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 Yaz®, the extent to which any manufacturing or quality control problems damage our reputation for high quality production, the effects of competition on sales of our innovative products, especially Copaxone® (including potential generic and oral competition for Copaxone®), the impact of continuing consolidation of our distributors and customers, our ability to identify, consummate and successfully integrate acquisitions (including the acquisition of ratiopharm), interruptions in our supply chain or problems with our information technology systems that adversely affect our complex manufacturing processes, intense competition in our specialty pharmaceutical businesses, 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, adverse effects of political or economical instability, 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, dependence on the effectiveness of our patents and other protections for innovative products, our ability to achieve expected results through our innovative R&D efforts, the difficulty of predicting U.S. Food and Drug Administration, European Medicines Agency and other regulatory authority approvals, uncertainties surrounding the legislative and regulatory pathway for the registration and approval of biotechnology-based products, potentially significant impairments of intangible assets and goodwill, potential increases in tax liabilities resulting from challenges to our intercompany arrangements, our potential exposure to product liability claims to the extent not covered by insurance, the termination or expiration of governmental programs or tax benefits, current economic conditions, any failure to retain key personnel or to attract additional executive and managerial talent, 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").



Teva Respiratory Opportunity

Shlomo Yanai, President & CEO
Teva Pharmaceutical Industries Ltd.
November 4, 2010

Targets for 2015

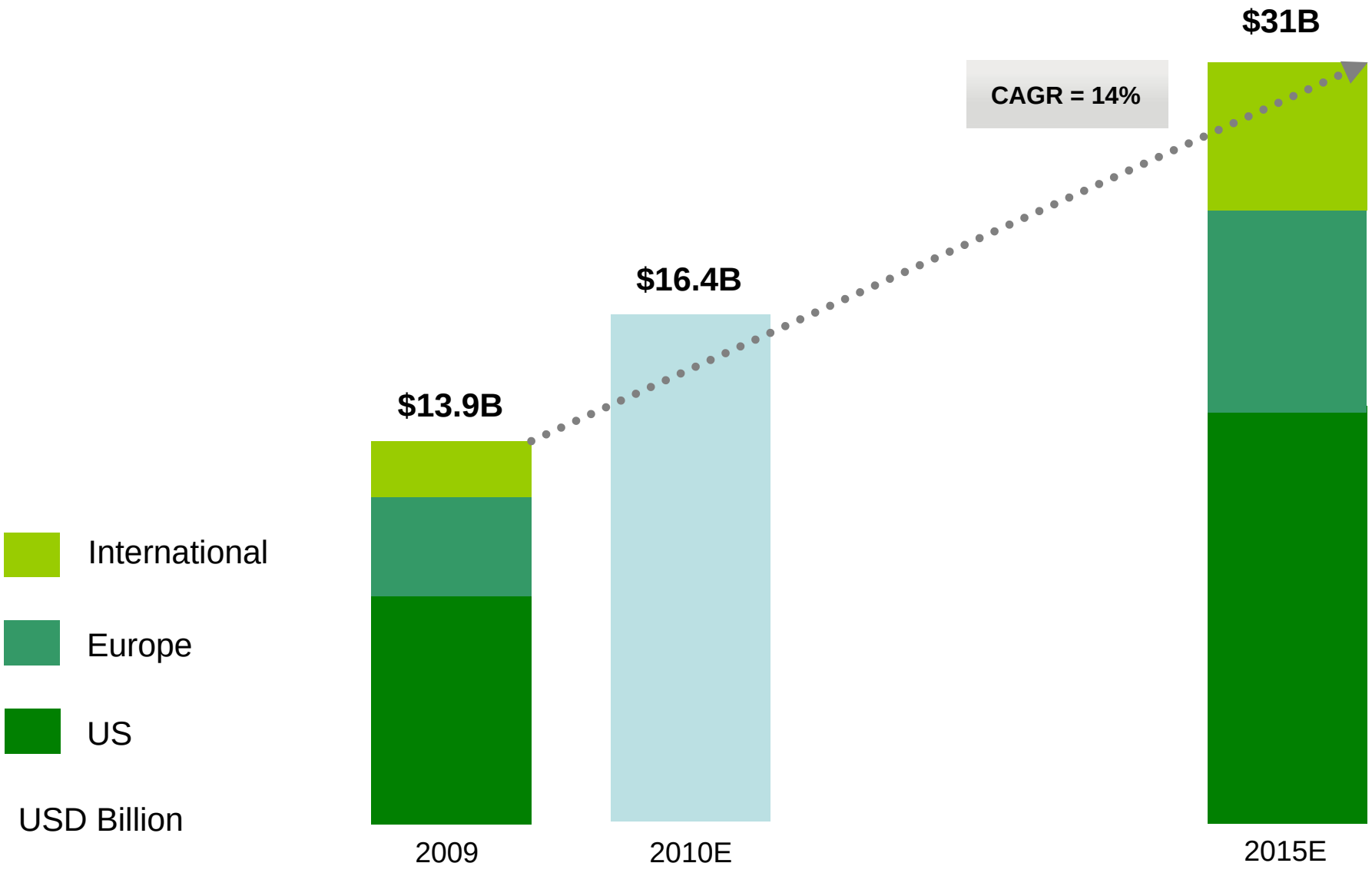


Revenues	**$31B**
Net income	**$6.8B**
Net profitability	**22%**

From our January 2010 Strategy Review

Where Are We Now? Interim Update





Source: Company filings and analysts' reports

Teva Branded – Multifaceted Approach



Teva Branded – Multifaceted Approach

From $4.2 Billion to $9.2 Billion

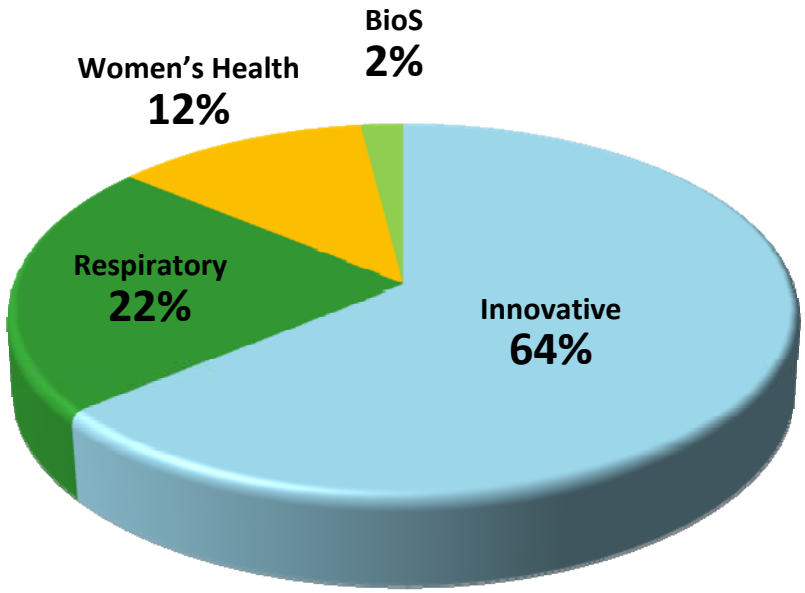


Teva Branded – Multifaceted Approach

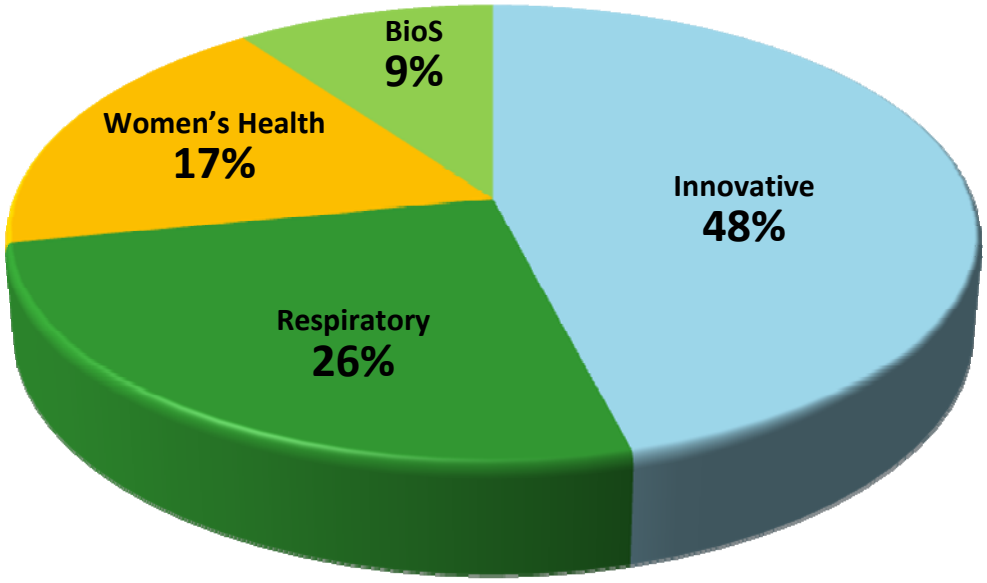
How will we get there?

1. Organic growth
2. Pipeline
3. Acquisitions/licensing

Sales 2009 = $4.2 Billion



Sales 2015 = $9.2 Billion



Loaded Branded Pipeline

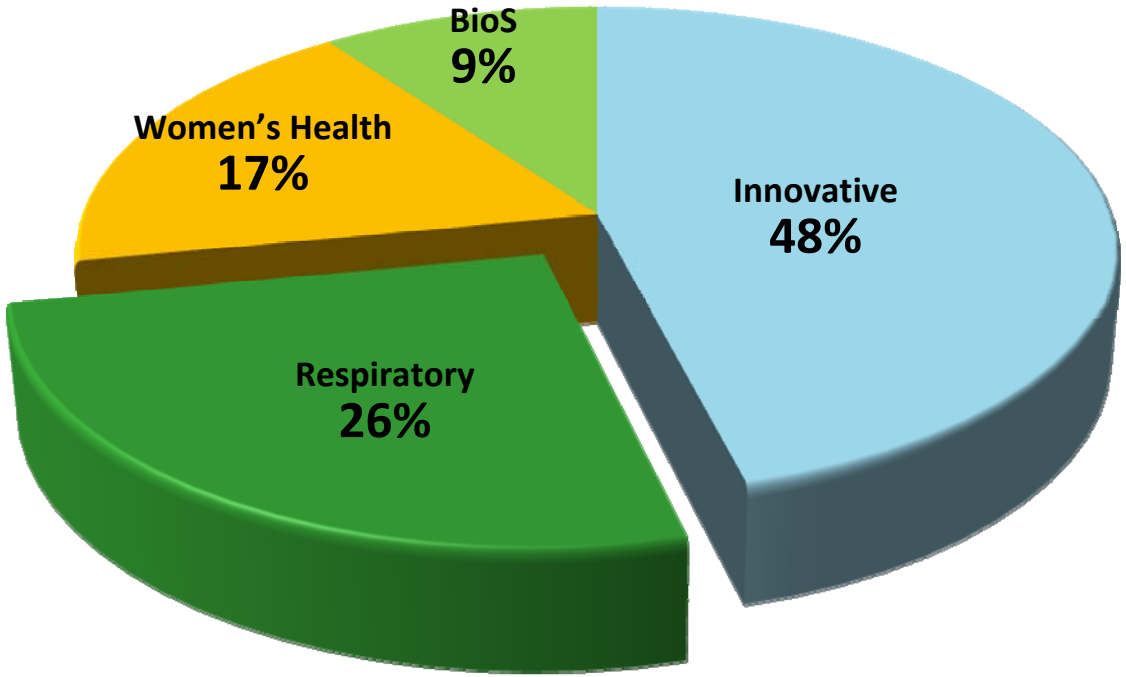


	Marketed Products	End Phase III 2010-2012	End Phase III 2013-2015
Innovative	Copaxone® Multiple Sclerosis & CIS	Laquinimod Oral Multiple Sclerosis (Phase III)	TV-1101 (OGX-011) 3 oncological projects (Phase III)
	Azilect® – Parkinson's	StemEx® Hemato-oncological (Phase III)	DiaPep-277 Type I Diabetes (Phase III)
		Debrase – Burns (Phase III)	Laquinimod Crohn's disease (Phase II)
		Azilect® MSA (phase II)	CT-011 2 Oncological (Phase II)
			Laquinimod – Lupus (Phase II)
			MultiGene Angio Critical Limb Ischemia (Phase II)
			TV-1390 Multiple Sclerosis (Phase I)
Respiratory	QVAR® – Inhaled Steroid	QNAZE® (Phase III)	ProAir Spiromax® (Phase III)
	ProAir™ Inhaled short acting beta-mimetic	BFC Spiromax® Combination (Phase III)	FSC HFA Combination (Phase III)
	Salamol® Salamol EasiBreathe®	FP HFA MDI (Phase III)	FSC Spiromax – Combination (Phase II)
	QVAR® QVAR EasiBreathe®	FP HFA ICS (Phase III)	FP Spiromax® (Phase II)
	Beclazone® Beclazone EasiBreathe®		Anticholinergic Product in BAI (Phase I)
Women's Health	Seasonique® / LoSeasonique™ Extended Regimen Contraception	DR-103 – Contraception (Phase III)	Vaginal Ring (undisclosed)
	Plan B® One-Step Emergency Contraception	Oxybutynin Vaginal Ring Overactive Bladder (Phase III)	Menopause product (undisclosed)
	ParaGard® Intrauterine Contraception	Progesterone Vaginal Ring Infertility (Phase III)	
	Enjuvia™ Hormone Therapy	DR-102 – Contraception (Phase III)	
Biologics	TEV-TROPIN® Growth Hormone Deficiency	Follirtopin alfa Gynecology / Andrology (Phase III)	Rituximab (Phase II)
	TevaGrastim® / RatioGrastim® / Biogrsatim® – Hematology	Glyo-PEG-G-CSF Hematology (Phase III)	2 Biosimilars projects (undisclosed)
	Eporatio®/Biopoin® – Hematology	Neugranin Hematology (Phase III)	

Teva Branded – Multifaceted Approach



Sales 2015 = $9.2 Billion



Respiratory Opportunity



- Dynamic market with great potential
  - $34 Billion sales in 2010
- High barriers to entry
- Robust pipeline targeting $25 Billion opportunity
  - 10 submissions by 2015
- Unique combination of talent, technology and financial resources
- Proven respiratory commercial platform
  - Ranked #5 global player
  - 2010 - $1 Billion branded business
  - 2006-2010 CAGR of 17%



Global Respiratory Market Overview

Frank Pieters - Senior Vice President, Global Respiratory
Global Branded Products

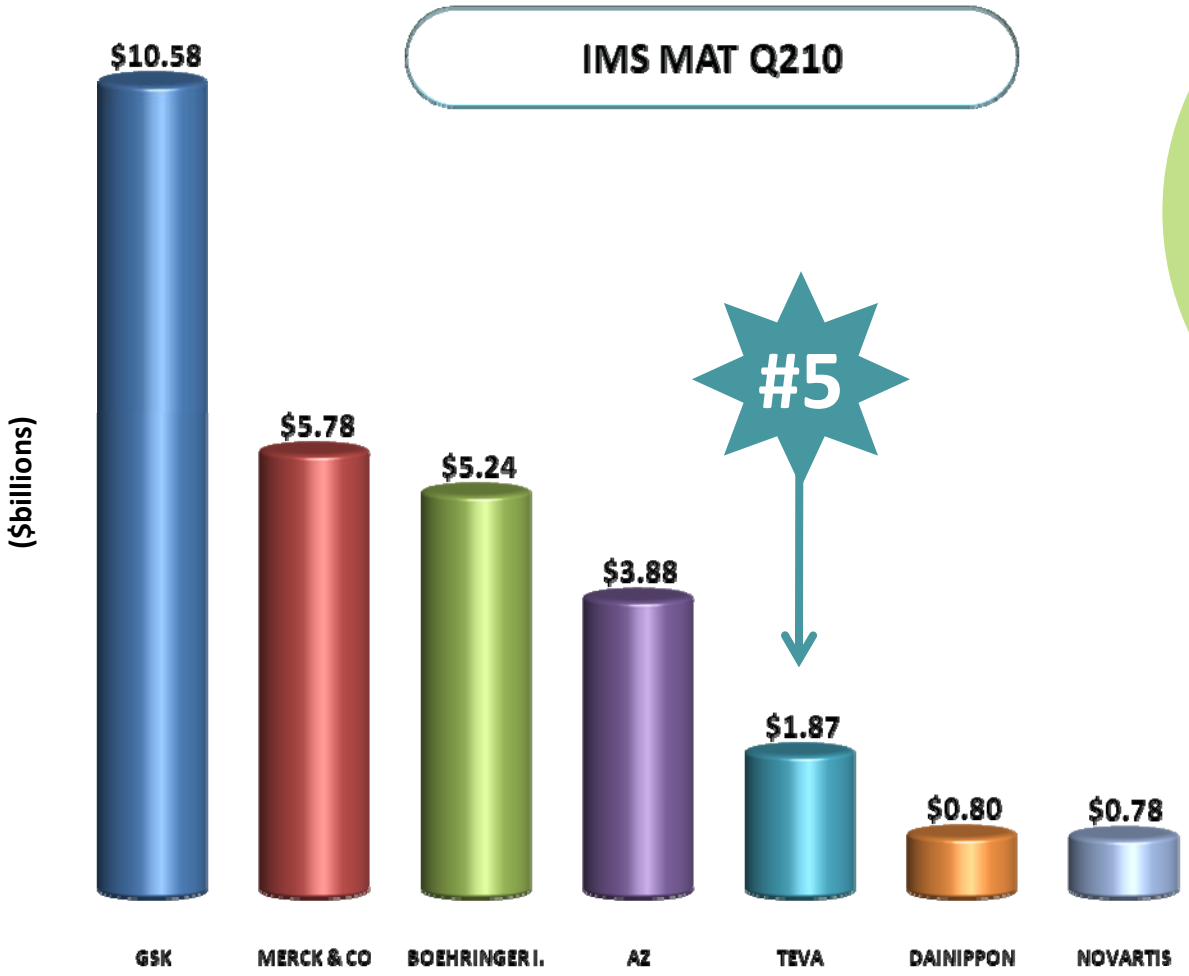
Global Respiratory Sales Concentrated in Seven Core Markets



Key Markets	2005 *$Billion*	% Share	2010 *$Billion*	% Share	CAGR
Worldwide	20		34		12%
Top 7 Markets	17		28		13%
US	9.8	59%	18.3	66%	17%
Japan	1.7	10%	2.4	9%	9%
Germany	1.1	7%	1.7	6%	10%
UK	1.5	9%	1.7	6%	2%
France	1.2	7%	1.6	6%	7%
Spain	0.7	4%	1.1	4%	10%
Italy	0.7	4%	0.9	3%	8%

Source: MIDAS Sales Data, IMS Health, April 2005, Copyright ©, reprinted with permission

Teva Ranked #5 in Global Respiratory Market



Global Market:
$34 billion

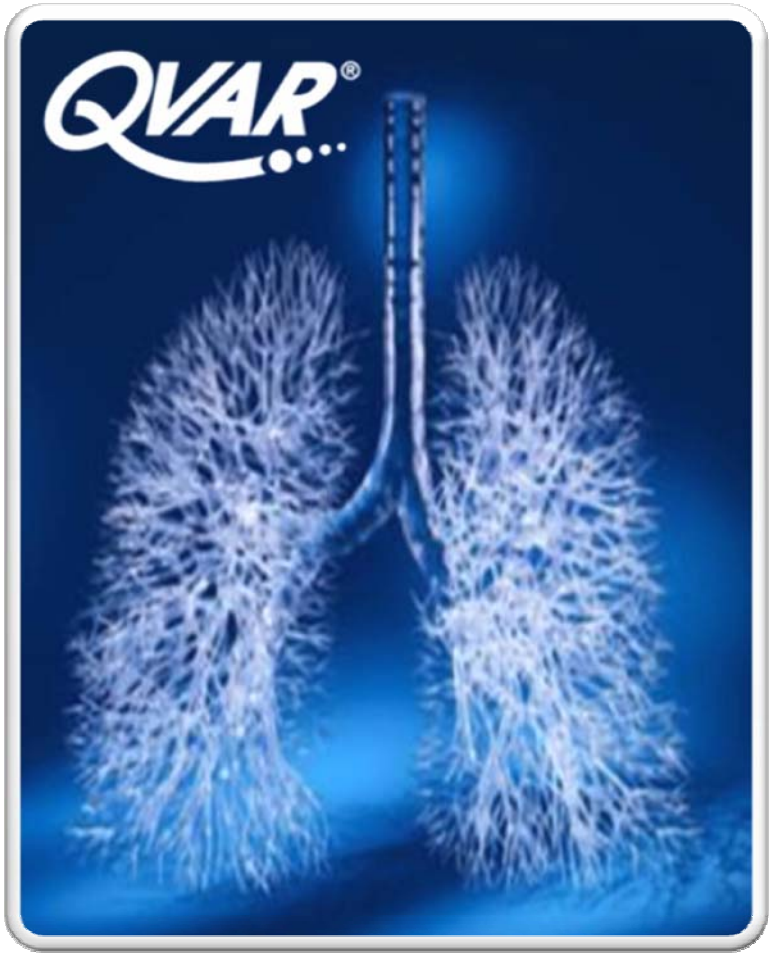
US +13.3%
EU +7.0%
RoW +11.1%

Teva's pipeline targets
$25 billion
of the total
$34 billion

Source: IMS MAT 2Q10

QVAR – Building a Global Brand

- QVAR has 20% market share in ICS segment in the U.S. and UK
- QVAR currently grows above 30% in U.S., UK, France and the Netherlands
- QVAR treats the total lung
  - Continuous flow of studies bring new evidence
  - QVAR beats fluticasone on treatment outcome
  - Publications in major journals
- QVAR gets support from KOLs
  - Small Airways Working Group
  - Partnership with global organizations
    - IPCRG
    - WAO



Teva's Robust Pipeline Targets $25 Billion



Worldwide	2008 (Q3MAT) *$Billion*	2010 (Q2MAT) *$Billion*	2015* (Worldwide) *$Billion*
Total Respiratory Market R3	$29.6	$34	$38
ICS	$4.2	$4.4	$5.3
SABA	$2.7 (US $1.9)	$3.2 (US $2.3)	$4.1
Combination ICS/LABA	$9.8	$11.7	$11.5
Anticholinergic	$3.2	$4.2	$4.5
Nasal Steroids R1A1	$3.08	$3.15	$3.4

Source: IMS figures *** Internal Teva estimates**

Branded Focus for the Immediate and Long-Term Future: Easy to Use Devices





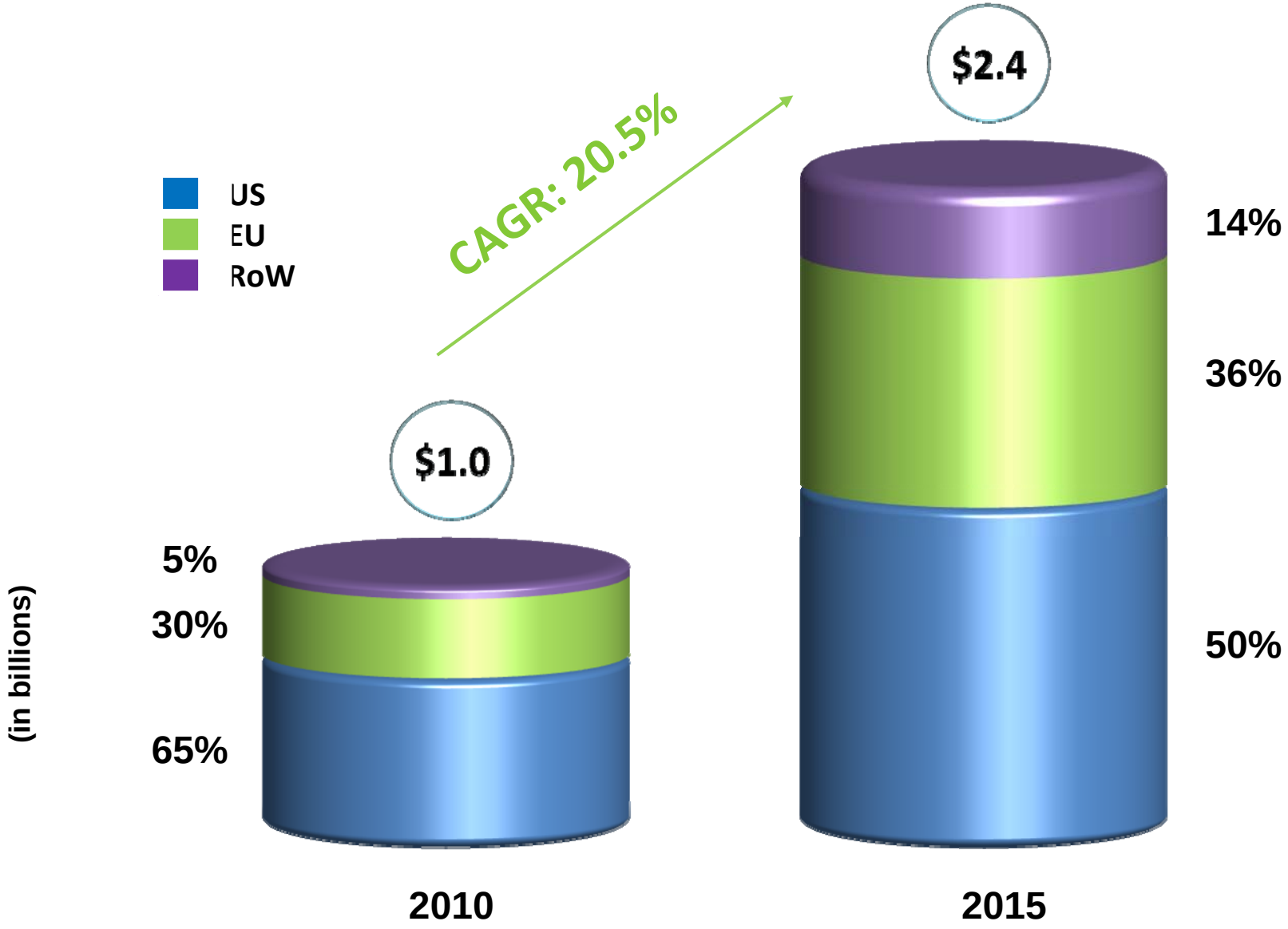
Easi-Breathe

- Easy to use -> easy to educate
- Open – Inhale– Close
- Close to "ideal inhaler" design
- Accurate consistent dose delivery
- Can be easily used by most patients
- Applicable to all inhaled asthma and COPD molecules



Spiromax

Branded Respiratory Revenue Growth 2010 - 2015





U.S. Respiratory Market Overview

Mark Salyer - Executive Vice President
General Manager
Teva Respiratory, LLC

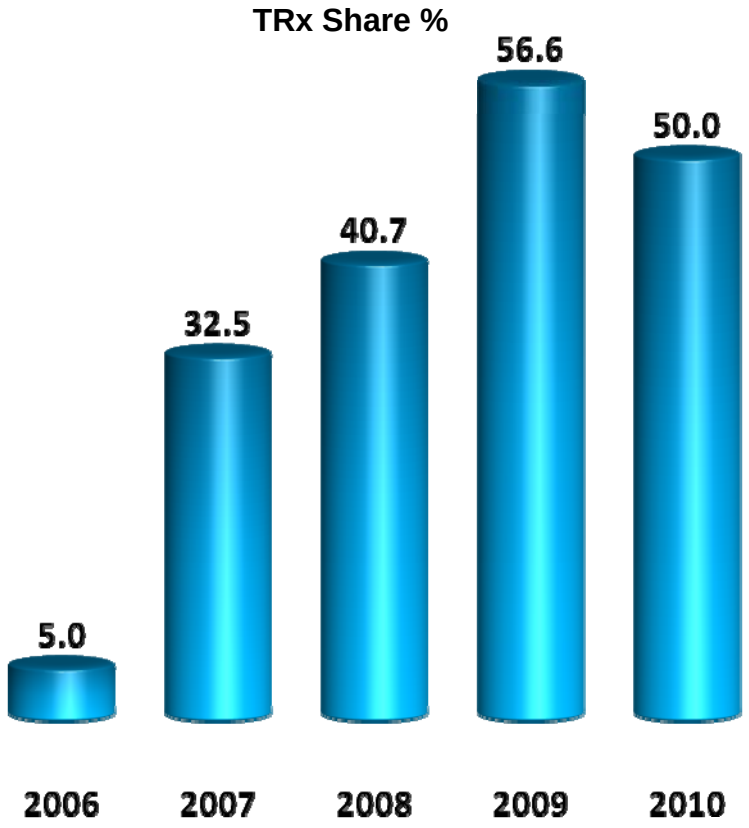
Teva Respiratory Division Vision

To be recognized as a leader in the fight against respiratory disease in the United States through our people, our products, and our educational services

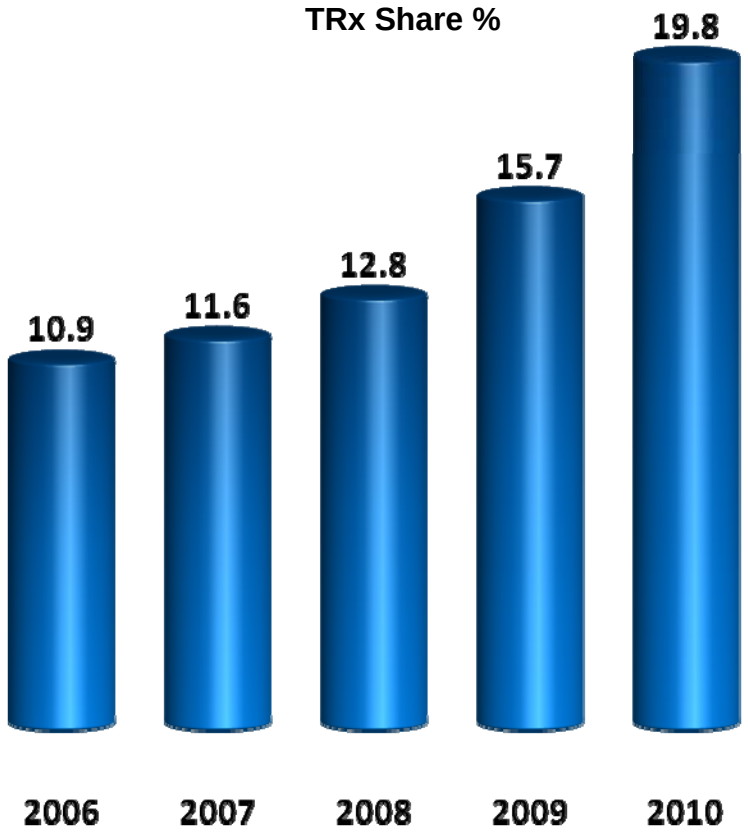
*help people breathe

Teva Respiratory
Brand Performance: 2006-2010

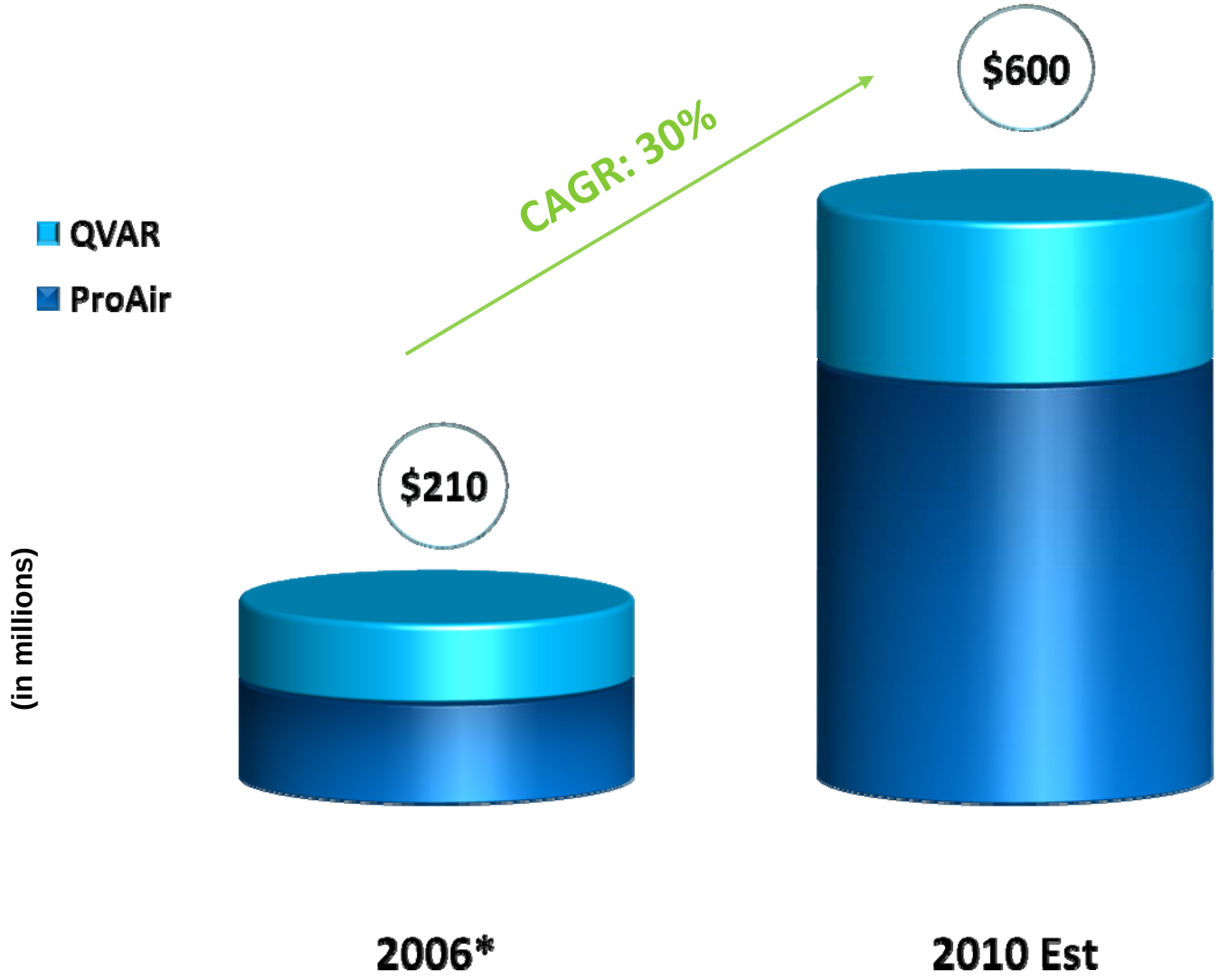
ProAir: SABA Market



QVAR: ICS Market



Teva Respiratory Net Sales: 2006 – 2010



* Total 2006 Jan-Dec: IVAX + Teva

Asthma and Allergic Rhinitis in the US: Room for Improvement!

Heavy Burden of Disease

- 20 million asthma patients
- 50 million allergy patients
- $27B healthcare costs
- 4,000 asthma deaths annually
- Despite many therapeutic options during last 10 years, very little change in outcomes



Congress Agrees!

Congressional Asthma and Allergy Caucus Formed

April 2010



FDA revises ICS/LABA Combination product labels

June 25, 2010

- Advair, Symbicort, Dulera – by indication – no longer "long-term maintenance controllers"
- Expanded black box
- FDA favors ICS as maintenance therapy of choice

EIB Growth Opportunity for ProAir



Exercise-induced bronchospasm (EIB) is a separate disease etiology from asthma

- EIB affects an estimated 30 million children and adults in the U.S.
- EIB occurs in approximately one out of ten (10%) of individuals among the general population
- An estimated nine out of ten of individuals with asthma have EIB
- Partnered with ABC's "Super Nanny" to launch national campaign to drive awareness of EIB. The campaign is aimed at improving active lifestyles among Americans given the current obesity epidemic

U.S. Commercial Strategy: To Achieve $1.3 Billion by 2015



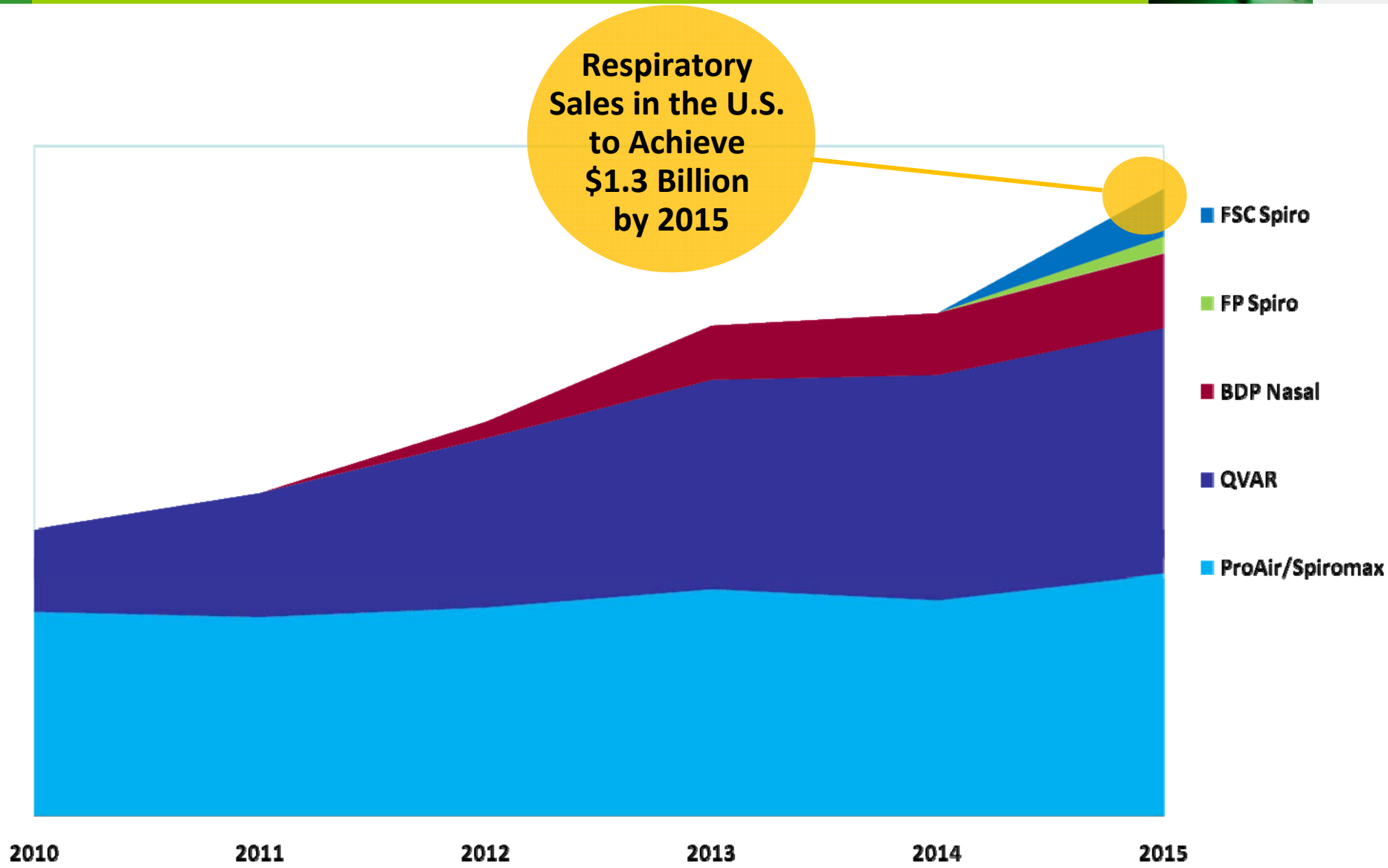
- **Grow** QVAR via aggressive market penetration as first line controller
- **Maintain** market leadership of ProAir HFA and introduce lifecycle improvements
- **Launch** QNAZE™ (BDP Nasal HFA) in Allergic Rhinitis
- **Launch** Combination program

Spiromax -- One Device for Three Brands

Core Market	Teva Product		Estimated Market Size ($B)
	Molecule	Device	2020
ICS	fluticasone propionate		3.4
ICS-LABA	fluticasone propionate, salmeterol xinafoate		14.6
SABA	albuterol		3.5

Powerful and Diversified Brand Portfolio – Today and Tomorrow







Branded Products and Pipeline Review

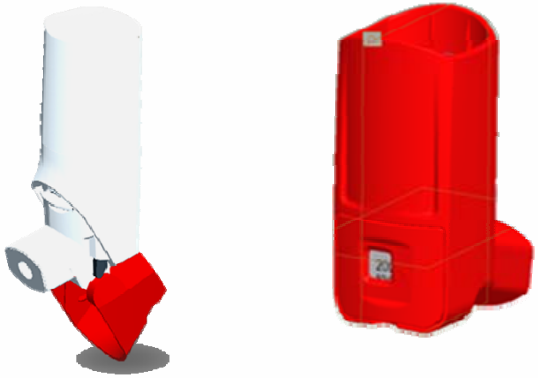
Tushar Shah, MD
Senior Vice President,
Teva Global Respiratory R&D

Strategies for Building Respiratory Portfolio

Enhance and grow existing brands

ProAir

- Dose counter
- Spiromax



Develop new products which complement our current portfolio

- **Target high value opportunities leveraging our technology**
  - Combinations
    - Fluticasone Salmeterol
    - Budesonide Formoterol
  - ICS
    - Fluticasone
  - Anticholinergic in our BAI
- **Unique opportunities**
  - QNAZE, allergic rhinitis



Complex and Lengthy Development Pathway: Representing High Entry Barrier



Early Development: Identify robust formulation and generate early stability data

Scale up to Pilot Scale

Scale up to commercial size: Fine tune formulation and generate additional stability data

Late Development: Produce clinical supplies and final stability batches and complete product characterization studies

CMC Development

Early → Scale up → Late Development

YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7

Clinical Development

Phase III Clinical Programme

Submit IND/CTA and initiate Phase I trials

Initiate Phase III trials

Regulatory submission

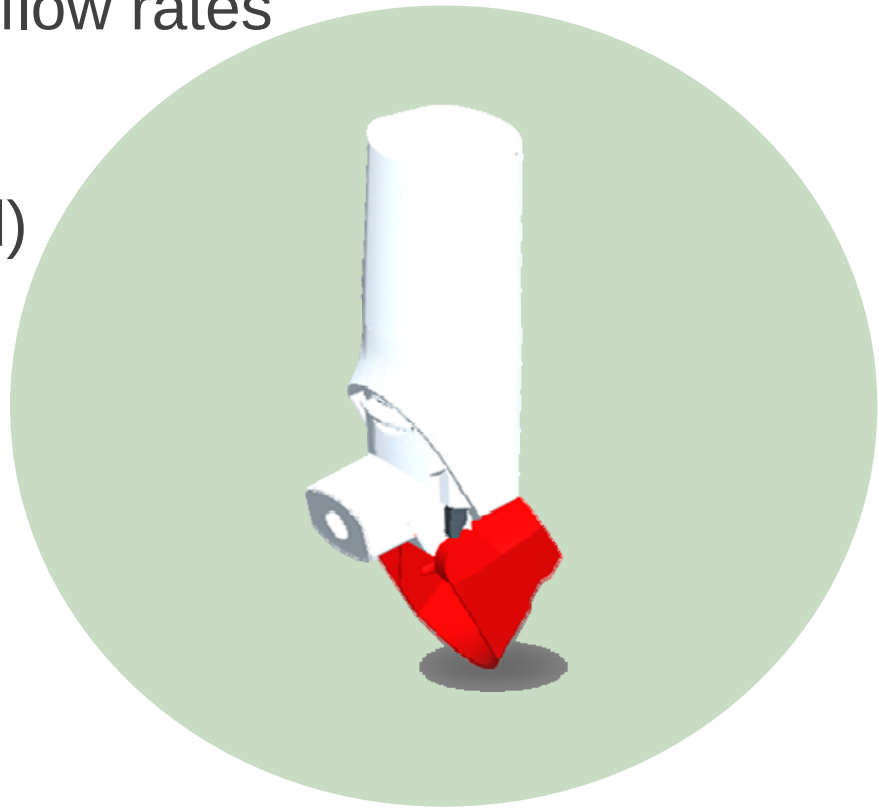
US Approval: 10 months

EU Approval: 14 months

* Parallel activities

Spiromax: A Novel Multi-dose DPI

- Uses a proprietary technology known as the X-ACT™ system - Active-metering, Cyclone-separator technology
- Provides accurate and consistent dosing and excellent lung deposition – even at low inspiratory flow rates
- Easy to teach and use: Open-Inhale-Close (breath-actuated)
- Not susceptible to double dosing or misuse
- Integrated dose counter



EU Guidelines* – Development of Orally Inhaled Products (OIPs)



In-vitro Comparative Data	Conclusive (criteria met)	MARKETING – AUTHORIZATION – APPROVAL
Inconclusive or different (criteria not met)		
Pulmonary Deposition (PK or Imaging Studies)	Deposition: 95% CI 0.80-1.25 PK Safety: 90% CI 0.80-1.25	
Criteria not met		
PD Studies (Assay sensitivity, min. two doses levels) and PK Studies for Safety	Efficacy: 95% CI 0.80-1.25 Safety (PK): 90% CI 0.80-1.25	
Full Clinical Program	Similar to NCE (Phase I-III)	

** CPMP Points to Consider on the Requirements for Clinical documentation for Orally Inhaled Products (OIP) CPMP/EWP/4151/00 Rev. 1. Jan 22, 2009*

Implications of EU Guidance



- Development of OIPs is more feasible
- Our approach is to target the large products in the EU market with similar performance

Product	Submission
BFC Spiromax	2011
FSC Spiromax	2012
FSC HFA MDI	2012
FP HFA MDI	2011

FDA Expectations – Development of Orally Inhaled Products



- **In vitro:** Basically needs to be a “direct copy” of the reference
  - Same ingredients and all within 5% of the reference
  - Equal performance on in-vitro parameters
  - Similar instructions for use
- **Safety:** Equivalent systemic effect (PK) at relevant dose or pharmacodynamic effect (PD)
- **Efficacy:** Sensitive and relevant endpoints (dose-response)
  - SABA – bronchodilation or bronchoprotection models acceptable
  - ICS – no established clinical models capable of showing dose-response

Implications of FDA Expectations for Development of Orally Inhaled Products



- Development of generic orally inhaled products containing an ICS is unlikely at this time
- Market will remain branded for the foreseeable future

Teva's approach is to target the two leading products using our Spiromax device - FSC Spiromax and FP Spiromax

Enhance product performance to improve lung deposition

Lower the dosage of each component (improved safety) while retaining similar benefits (efficacy)

Submission 2014

Teva Respiratory Pipeline – $5 Billion Peak Sales Potential



Marketed	End Phase III 2010-2012	End Phase III 2013-2015
QVAR® Inhaled Steroid	QNAZE®	ProAir Spiromax®
ProAir™ Inhaled short acting beta-mimetic	BFC Spiromax® Combination	FSC HFA Combination
Salamol® Salamol EasiBreathe®	FP HFA MDI	FSC Spiromax® Combination
QVAR® QVAR EasiBreathe®	ProAir™ Dose Counter	FP Spiromax®
Beclazone® Beclazone EasiBreathe®		Anticholinergic Product in BAI

Teva Respiratory Pipeline – $5 Billion Peak Sales Potential



Marketed	End Phase III 2010-2012	End Phase III 2013-2015
QVAR® Inhaled Steroid	QNAZE®	ProAir Spiromax®
ProAir™ Inhaled short acting beta-mimetic	BFC Spiromax® Combination	FSC HFA Combination
Salamol® Salamol EasiBreathe®	FP HFA MDI	FSC Spiromax® Combination
QVAR® QVAR EasiBreathe®	ProAir™ Dose Counter	FP Spiromax®
Beclazone® Beclazone EasiBreathe®		Anticholinergic Product in BAI

Global Respiratory R&D: Summary



- Teva has the expertise, technology and resources to progress our respiratory portfolio
- We have clarity and alignment on strategy and project priorities
- Continuing to successfully progress projects into late stage pharmaceutical and clinical development
  - 10 submissions over the next 5 years
  - 4 submissions forecast for 2011
- Evaluating business development partnerships to leverage our in-house capabilities for pursuit of additional opportunities