TEVA PHARMACEUTICAL INDUSTRIES LTD.





Introducing the world leader in generic pharmaceuticals
Eyal Desheh, CFO

UBS Global Life Sciences Conference, Grand Hyatt, New York

September 24, 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.

Today's discussion





Introducing Teva

Financial and strategy update

Q&A

Introducing Teva



Established 1901

$9.4bn 2007 sales

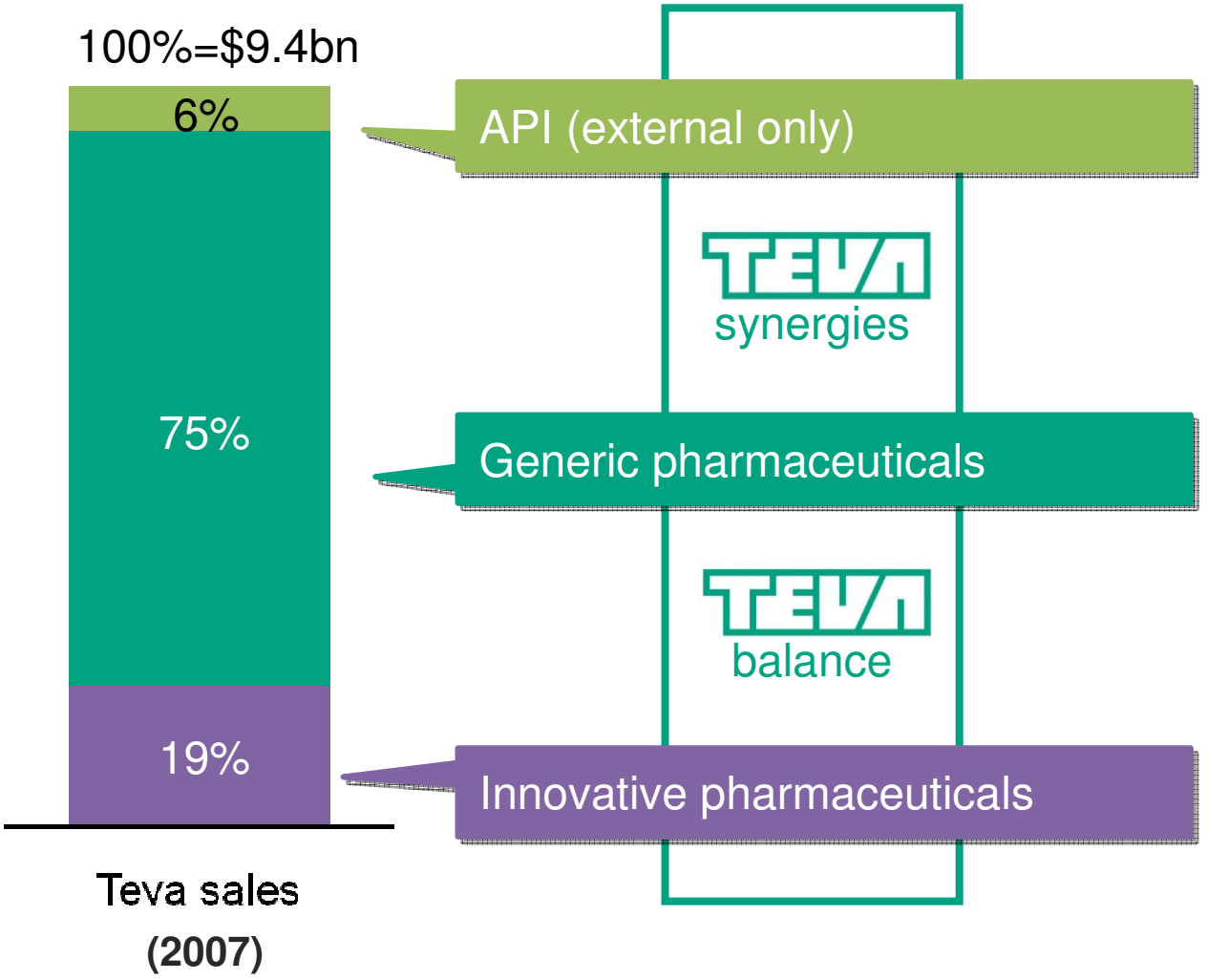
~60 countries

~28,000 employees

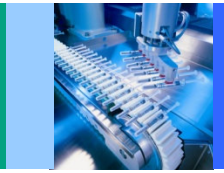
Three lines of business





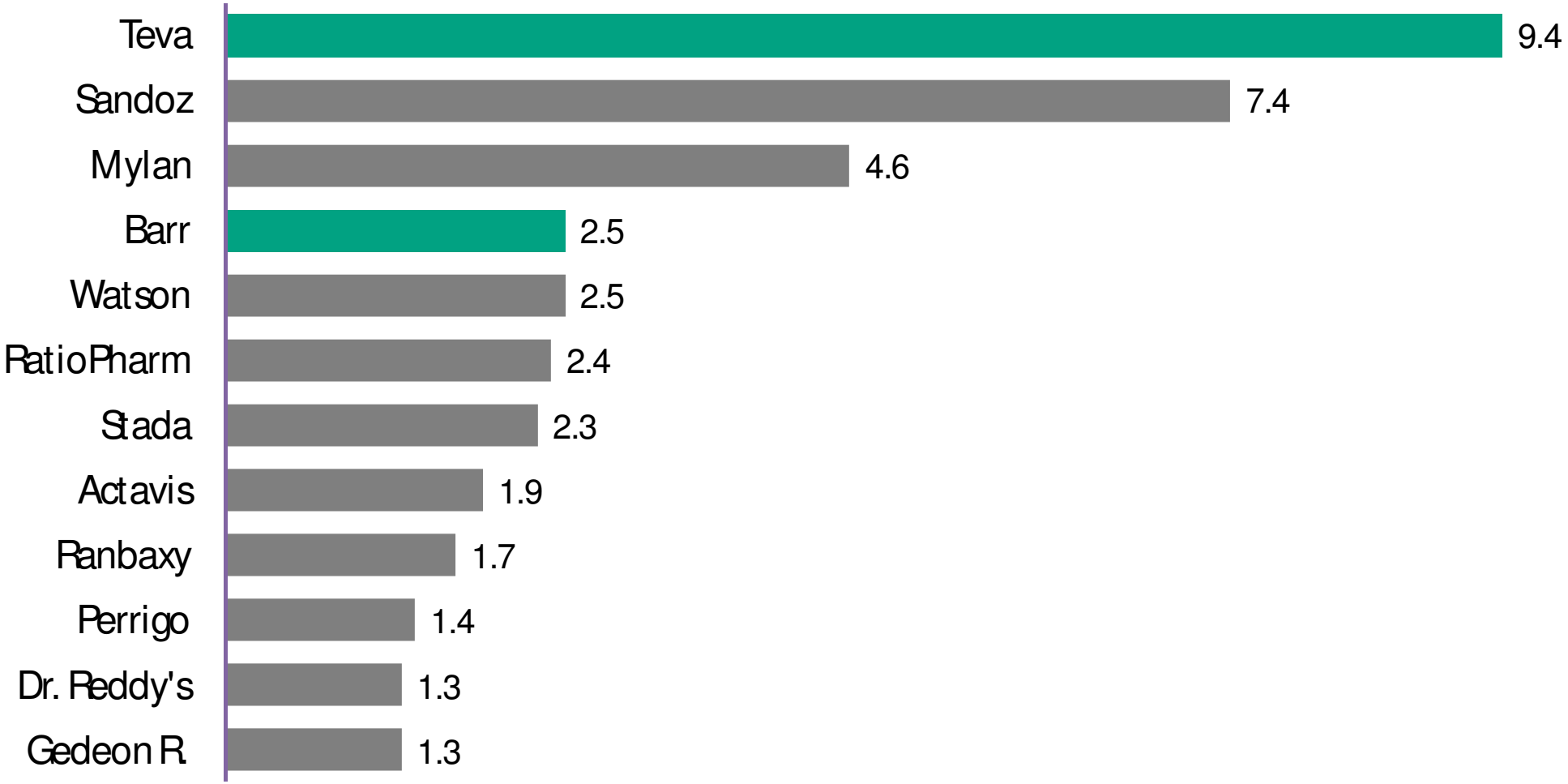


The world's number 1 generics player





Revenues, $ bn, 2007



Source: company publications

With a strong branded operation





Multiple sclerosis



Parkinson's



Respiratory

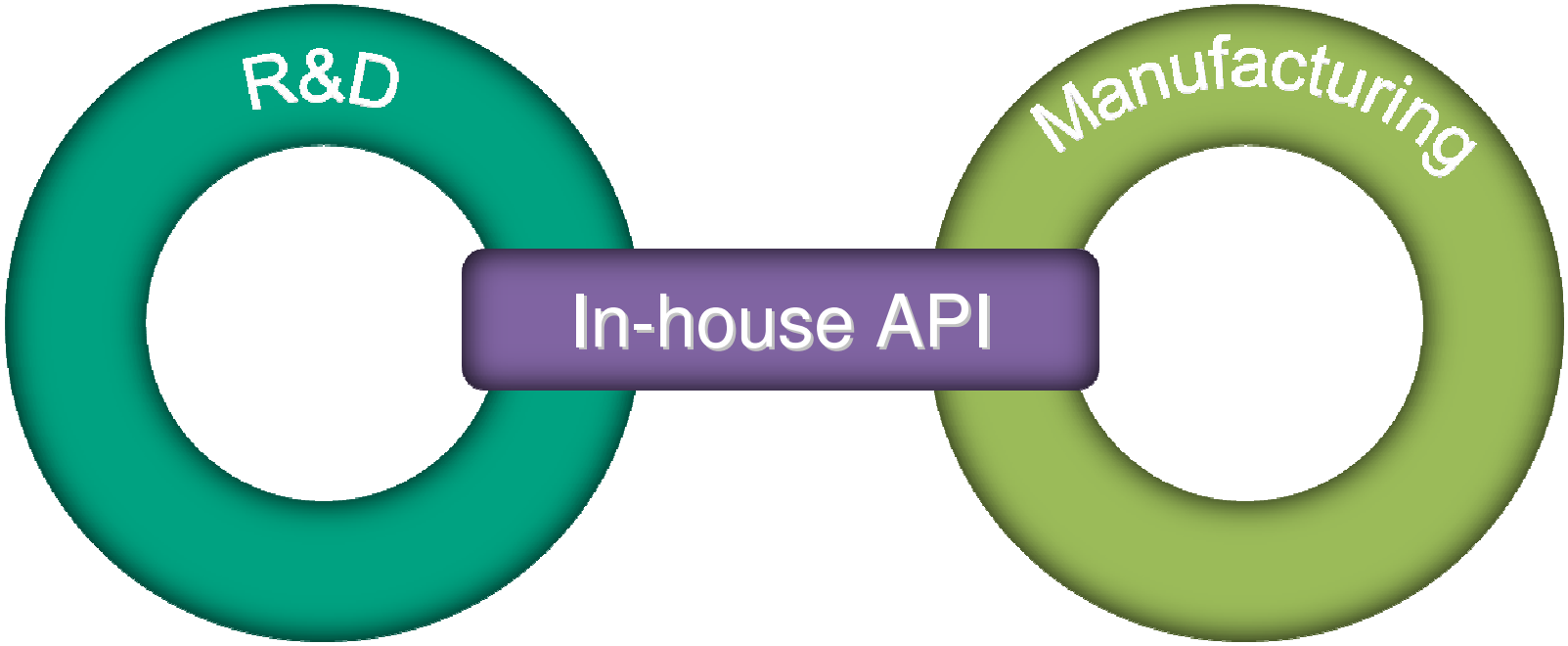


Supports balanced business model

Marketing/branding skills for branded generics

Highly profitable business

Vertical integration through in-house Teva API

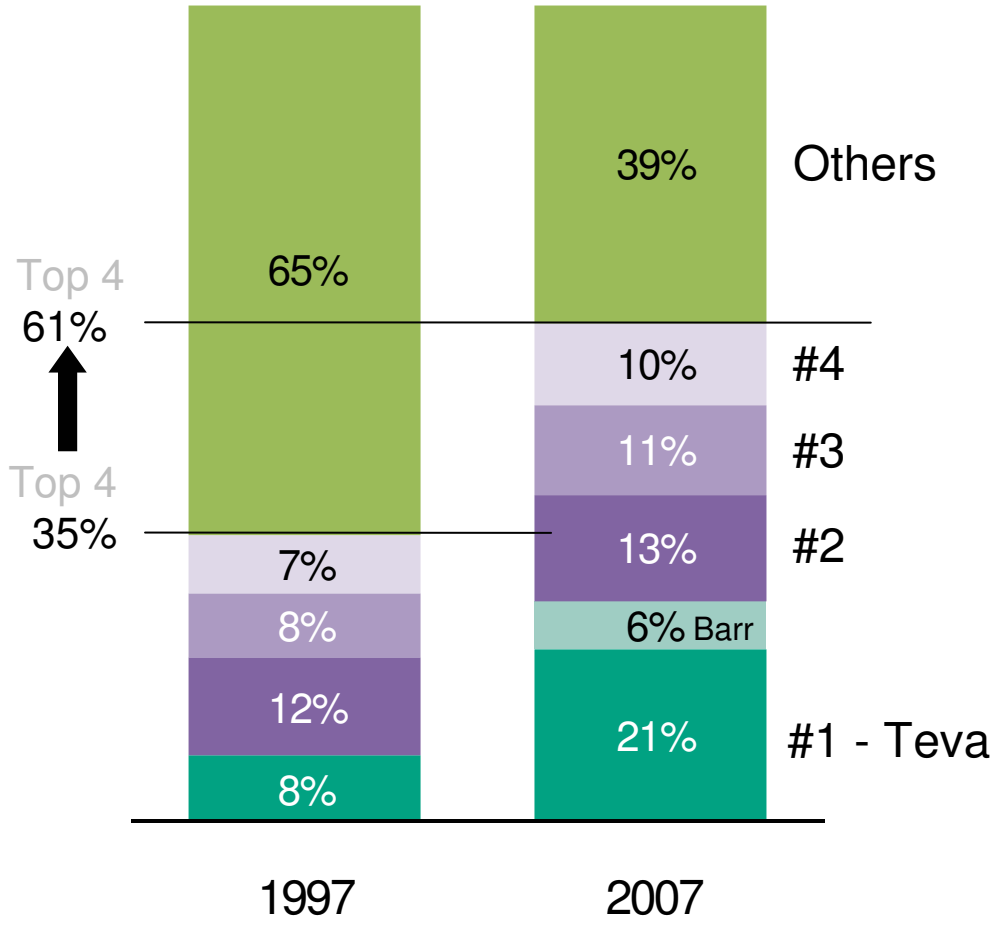


Generic & API R&D to maximizes first-to-file pipeline

Guaranteed quality ingredient supply for generics business

Generics is all about scale – Teva is #1

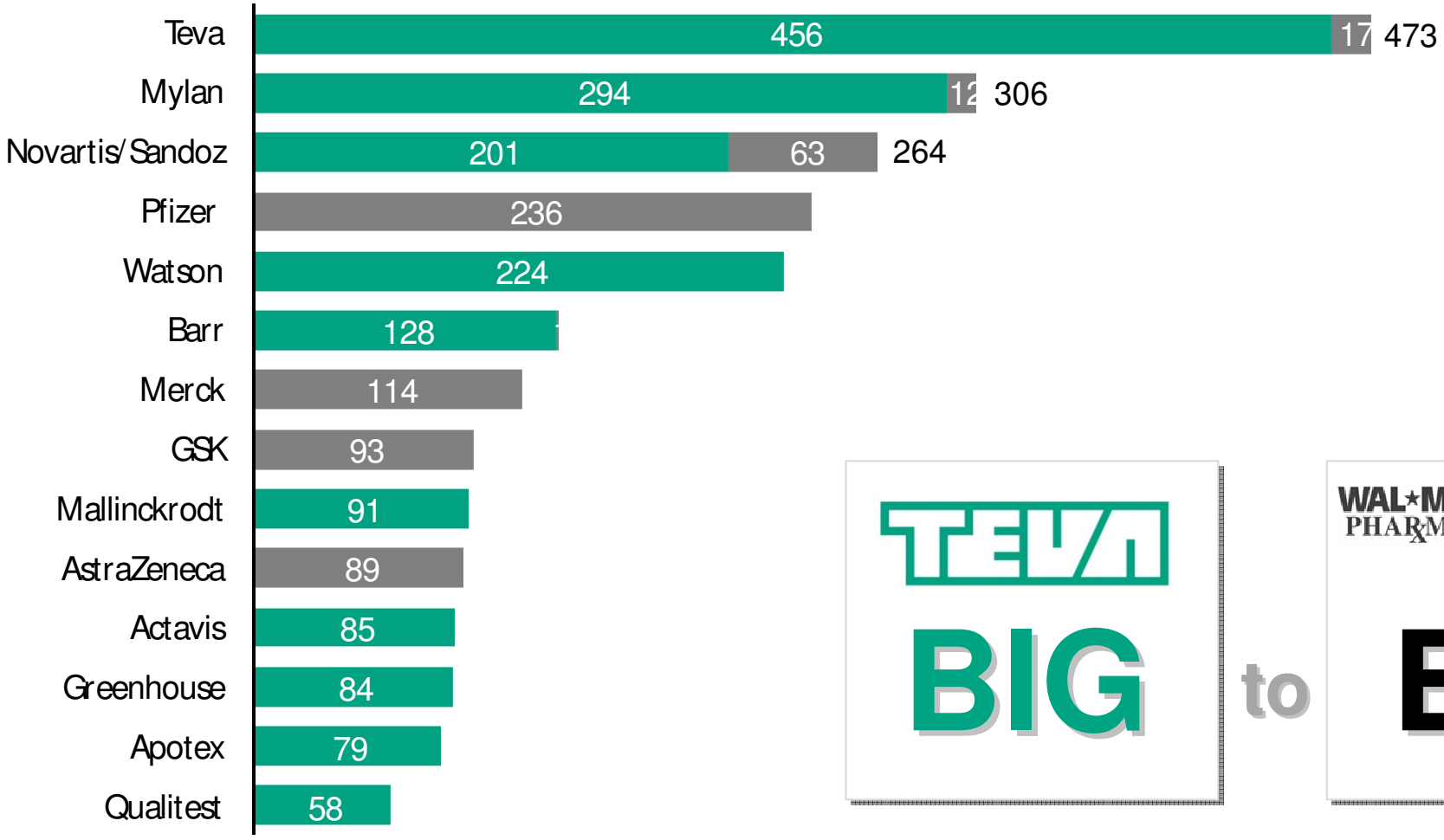
IMS TRx MAT June, % of total





Strategic partnership with customers

Ranking of prescription volume, total Rx's, millions, U.S. market

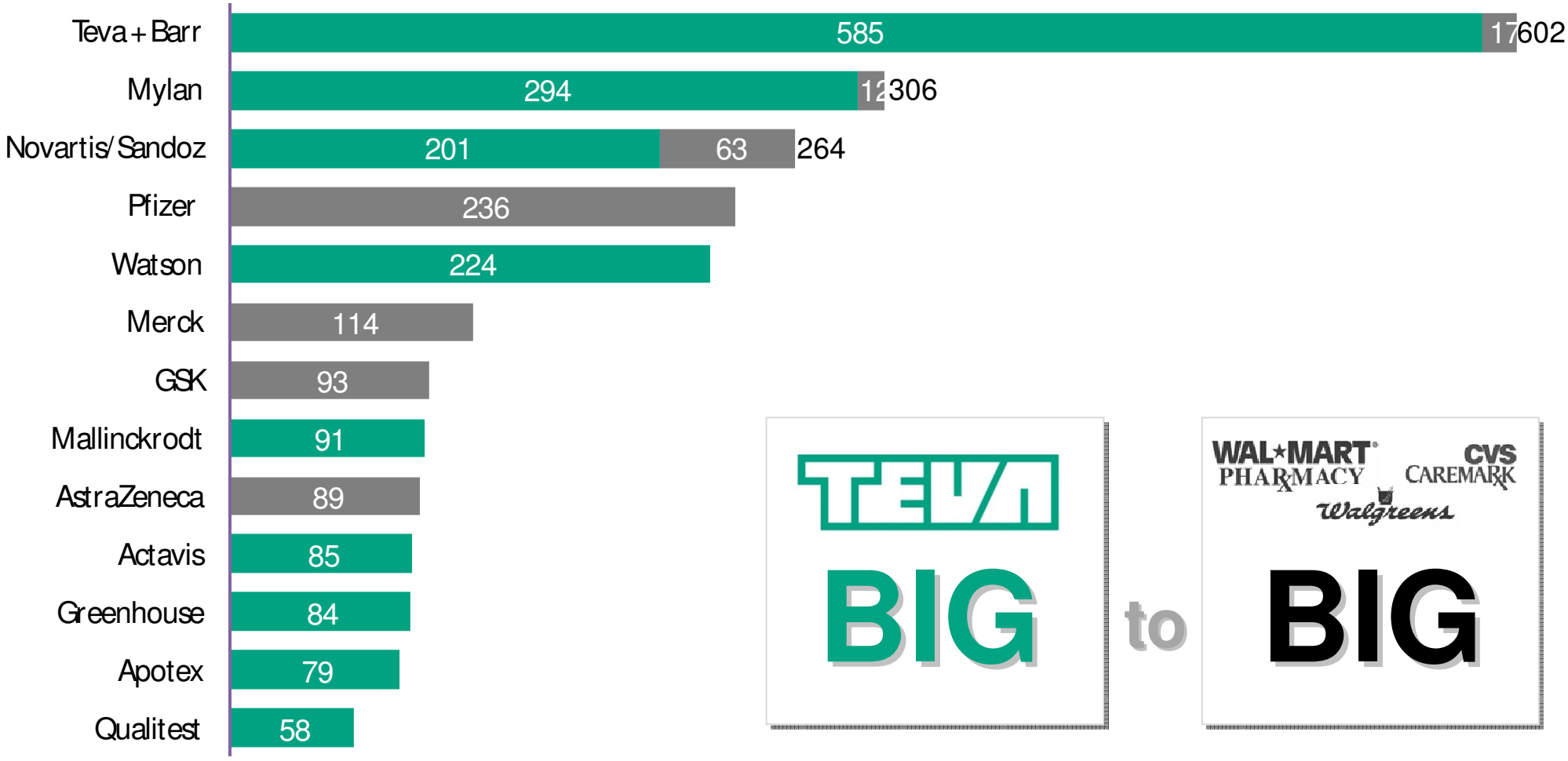


TEVA BIG to WAL★MART PHARMACY CVS CAREMARK Walgreens BIG

Source: IMS Health, March 2008, NPA

Big Gets Bigger – with Barr

Ranking of prescription volume, total Rx's, thousands, U.S. market



TEVA BIG to BIG

WAL★MART PHARMACY CVS CAREMARK Walgreens

Source: IMS Health, March 2008, NPA

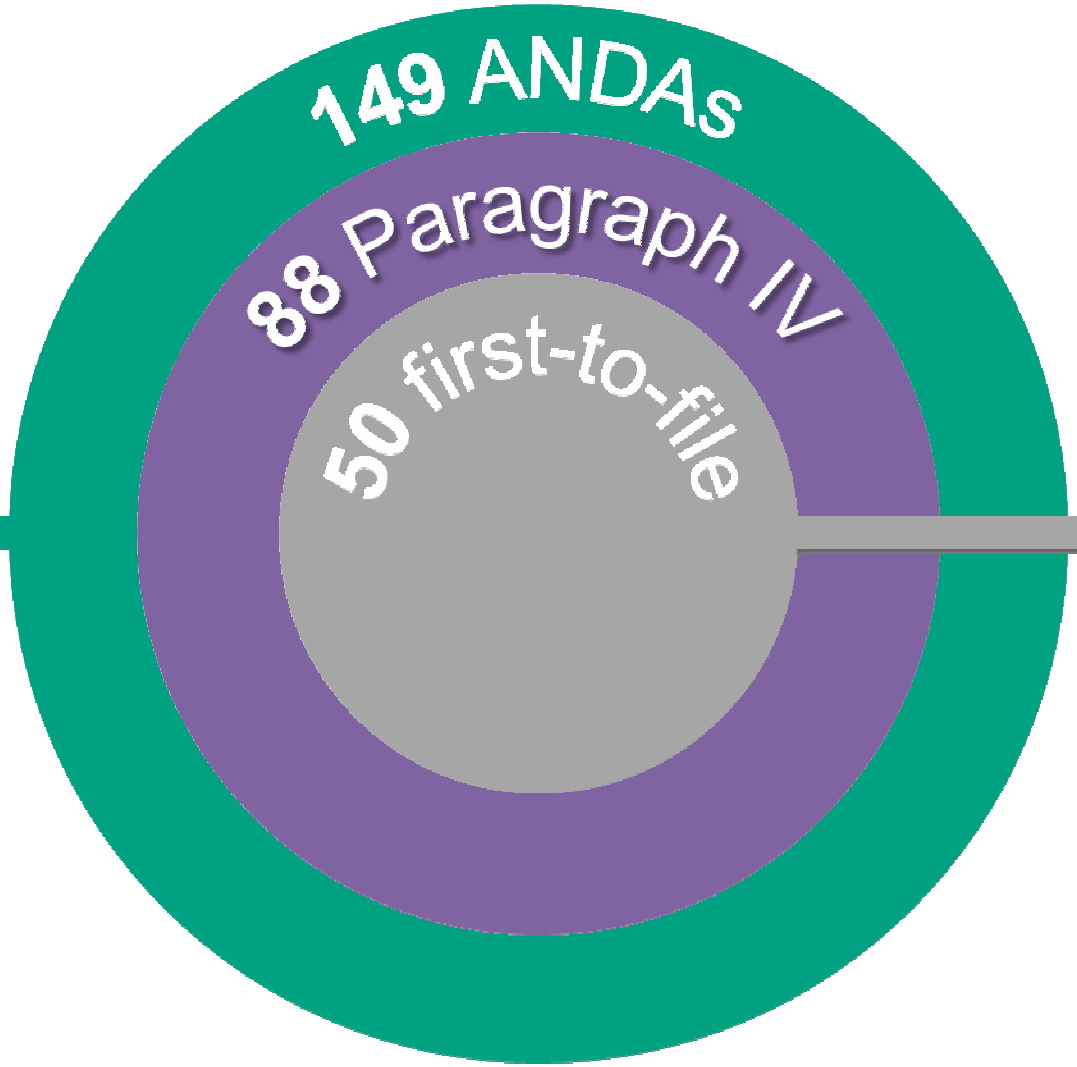
R&D to feed the industry's largest pipeline





U.S., 23 July 2008

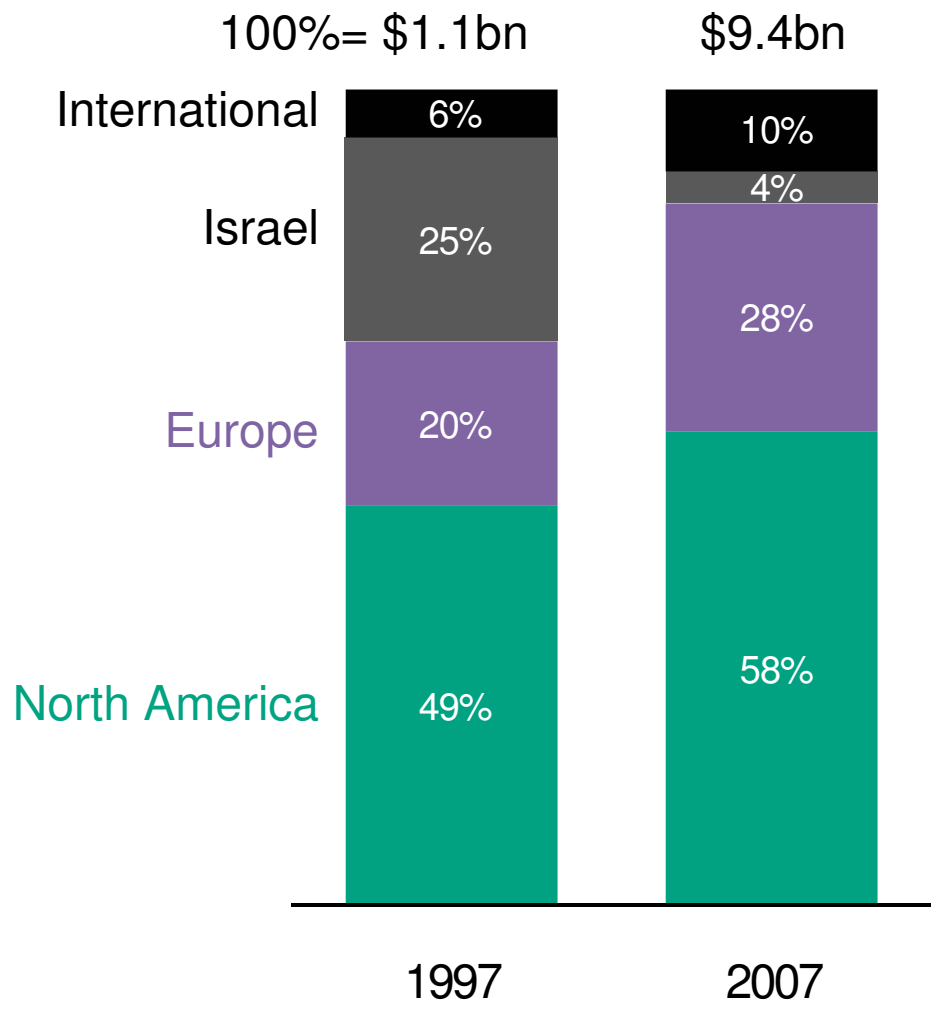
$93bn
brand sales



$39bn
brand sales

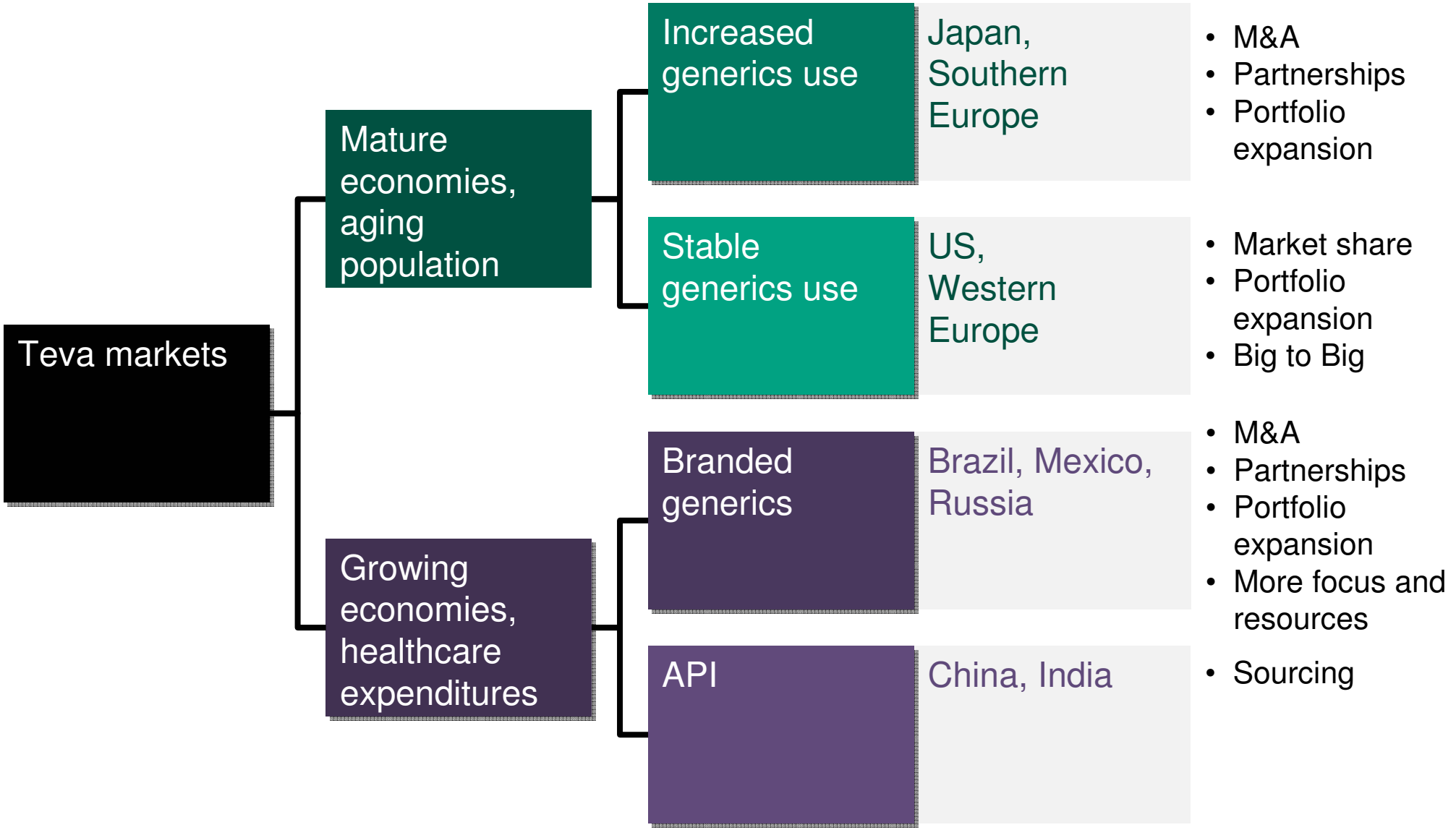
Globally diversified business





Focused geographical expansion strategy





The Japan opportunity

- The world's 2nd pharmaceutical market, with a relatively low generics share
- Government aims to double generics use in 5 years



Announcing our strategic partnership in Japan



50%
Global expertise

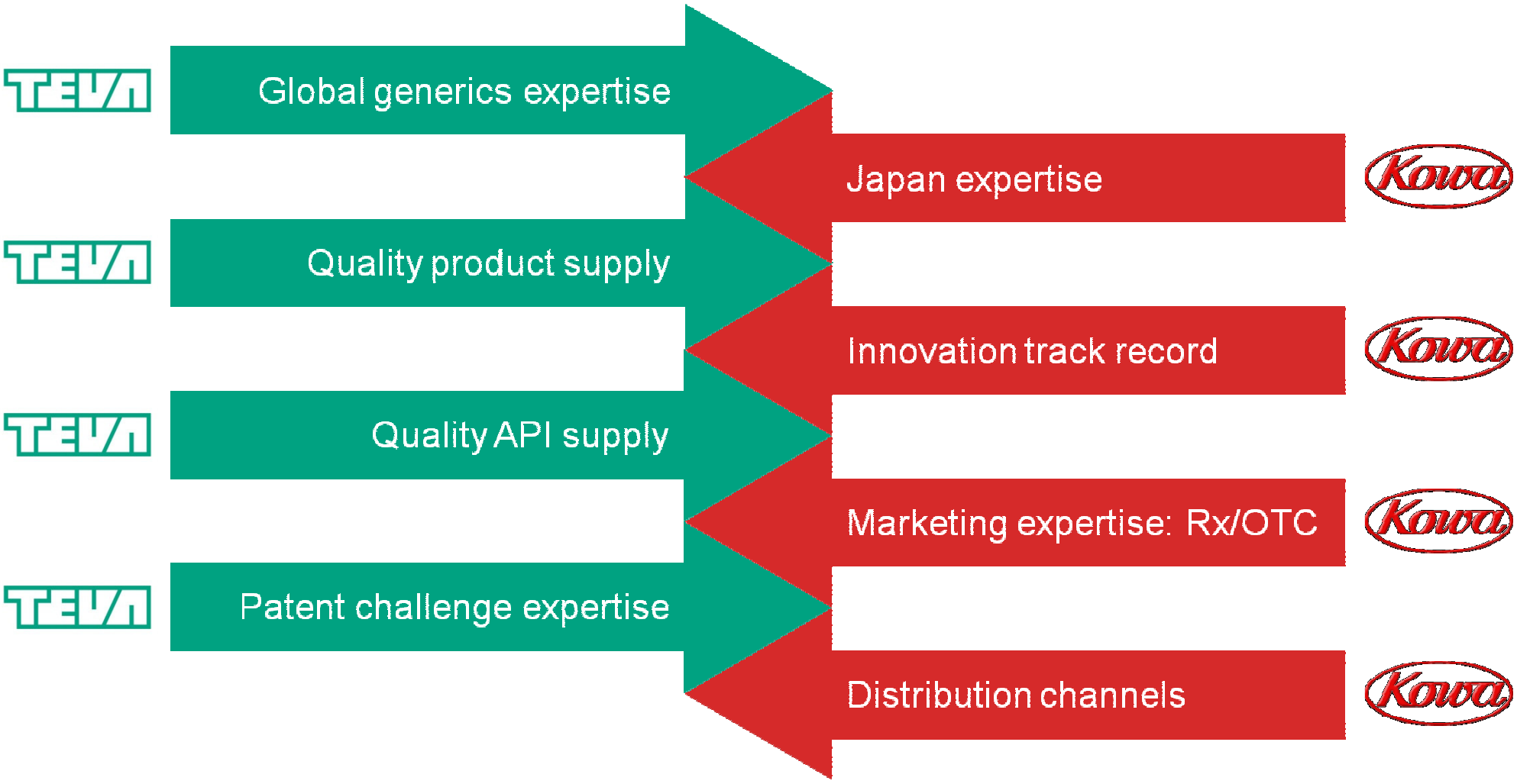
50%
Local expertise

Teva-KOWA Pharma Co., Ltd.
“テバ・コーワ株式会社”

$1bn
sales in 2015

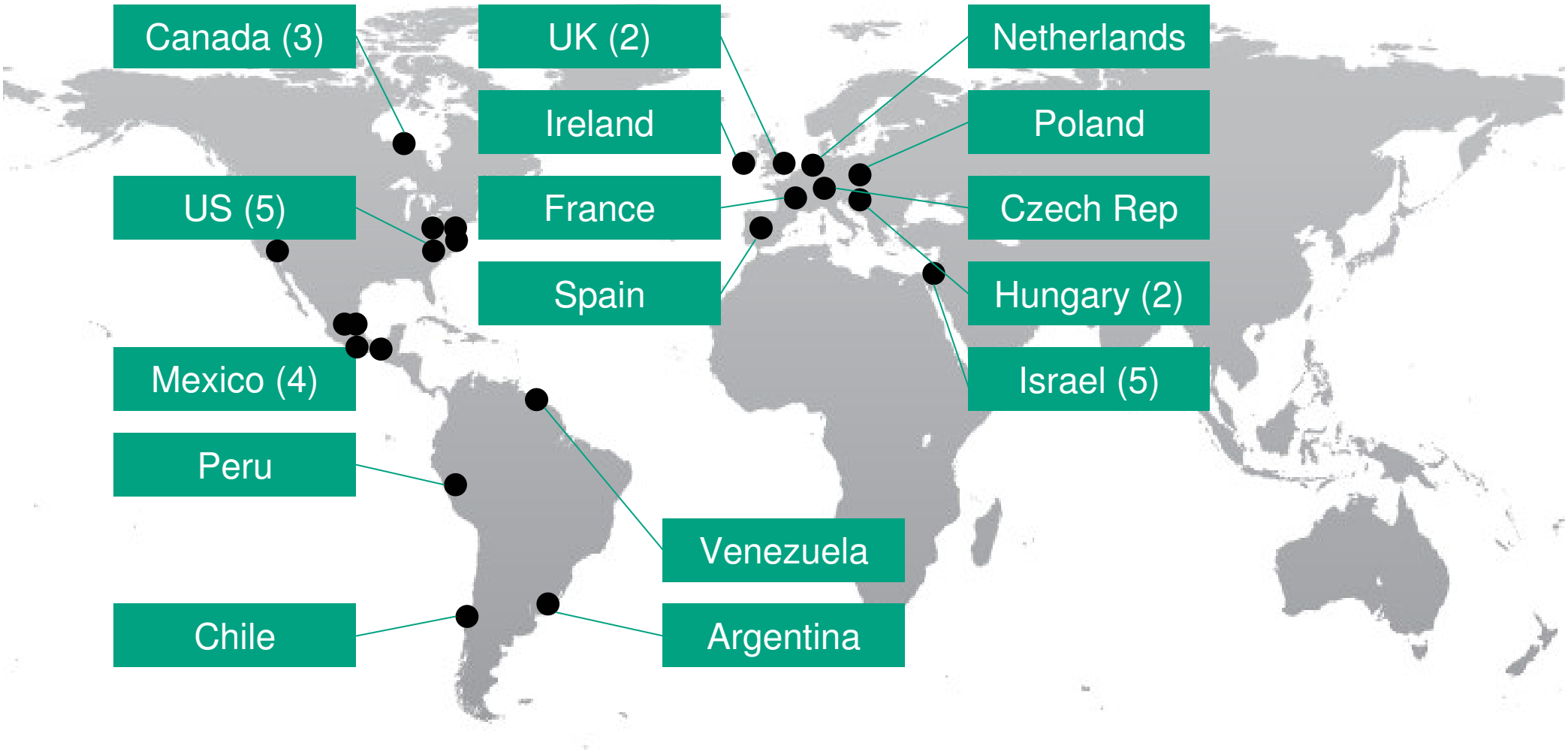
A platform for growth in Japan





Global pharmaceutical supply chain

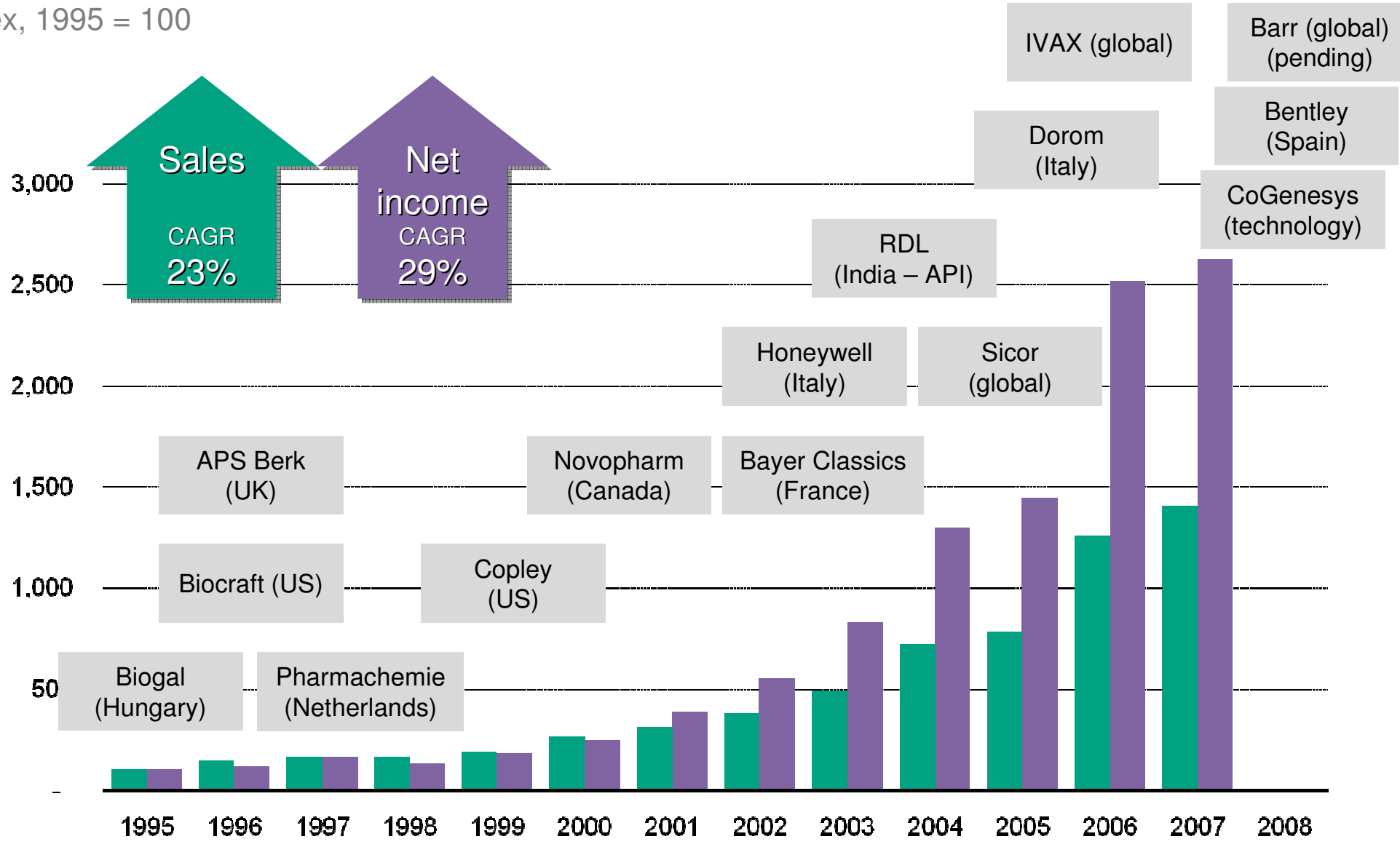
Manufacturing facilities



Successful M&A track record



Index, 1995 = 100



2012 target

REACH

$20

billion

sales



EXCEED

20%

net income

margin

Pioneering biogenerics beyond 2012

Attractive market

- > $200bn by 2015
- Patent expirations – 40% of total value
- R&D, marketing investments limit number of competitors



Unique Teva assets

- Israeli and CoGenesys R&D capabilities
- Financial resources
- Early on ex-US activities (biosimilar GCS-F - TevaGrastim®)

Barr acquisition – compelling value creation





Strong **strategic fit**

Attractive **economics**

Extend **global leadership**

Expand **portfolio / pipeline**

Exceed **20/20 target**

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Overall results for Q2 2008



	Q2 2007	Q2 2008	Change
Sales $m	2,386	2,823	+18%
Net income $m	515	539	+5%
EPS $	0.63	0.65	+3%

Overall results for H1 2008





	H1 2007	H1 2008	Change
Sales $m	4,466	5,359	+21%
Net income $m	857	1,068	+25%
EPS $	1.05	1.29	+23%

* Non-GAAP numbers; Q1'08 includes in process R&D of $382M

Sales growth driven by non-US markets



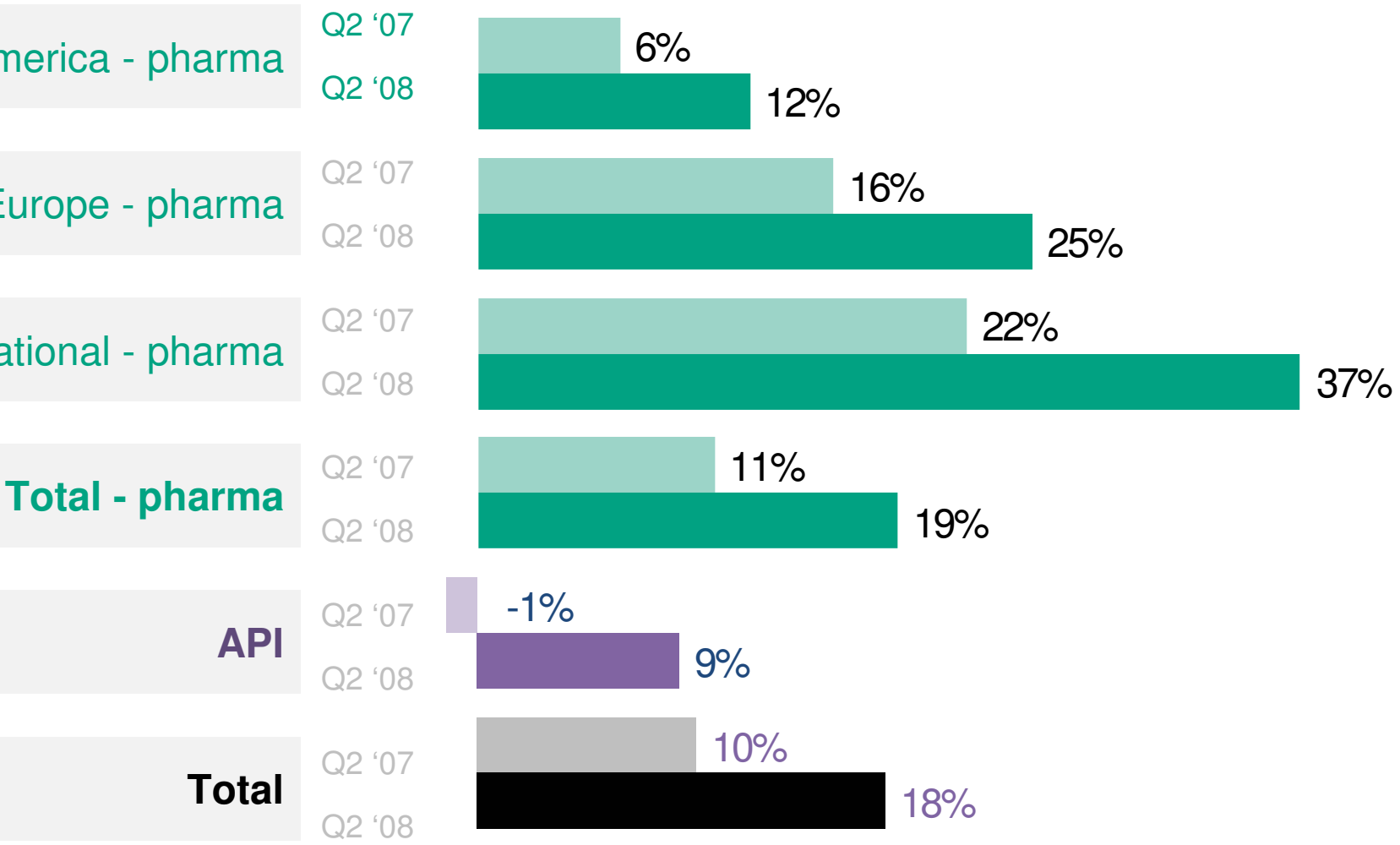


Q2 sales, $ million

	2007	2008	Change
North America - pharma	1,341	1,505	12%
Europe - pharma	610	762	25%
International - pharma	292	400	37%
Total - pharma	**2,243**	**2,667**	19%
API	**143**	**156**	9%
Total	**2,386**	**2,823**	18%

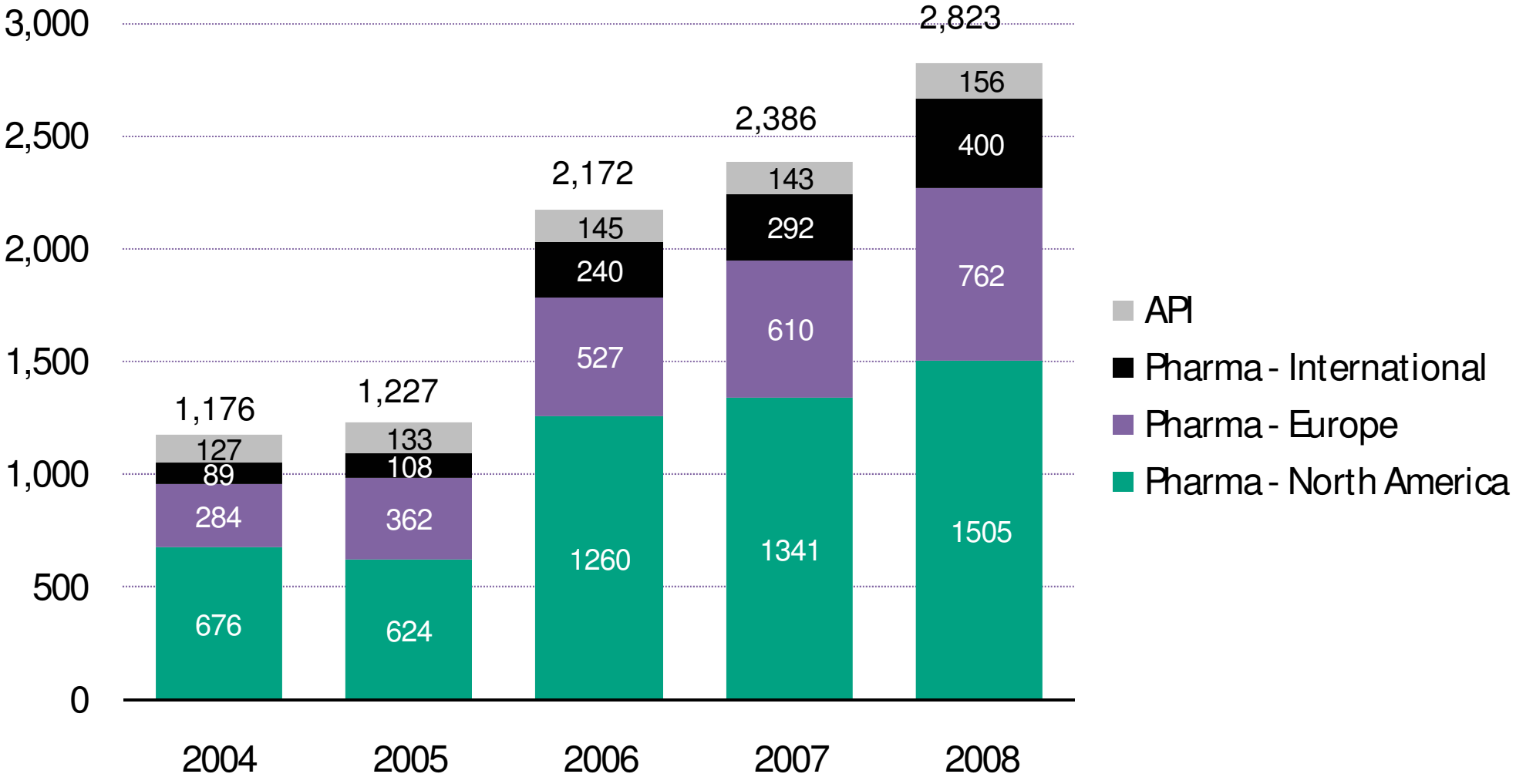
Growth picking up in all businesses

Q2 year-on-year sales growth



Continued track record of growth – Q2

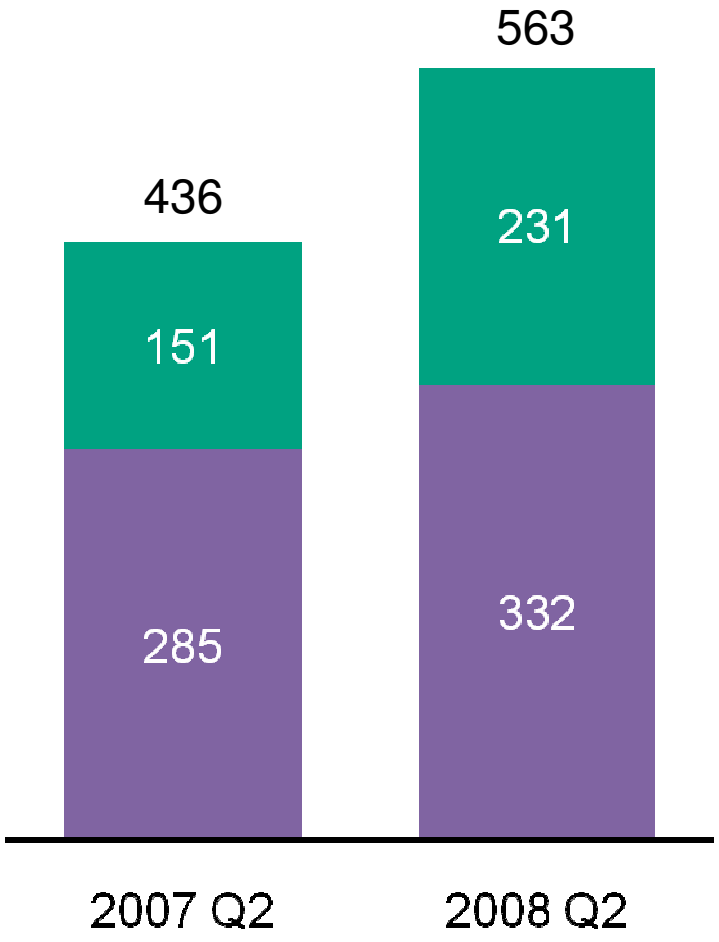




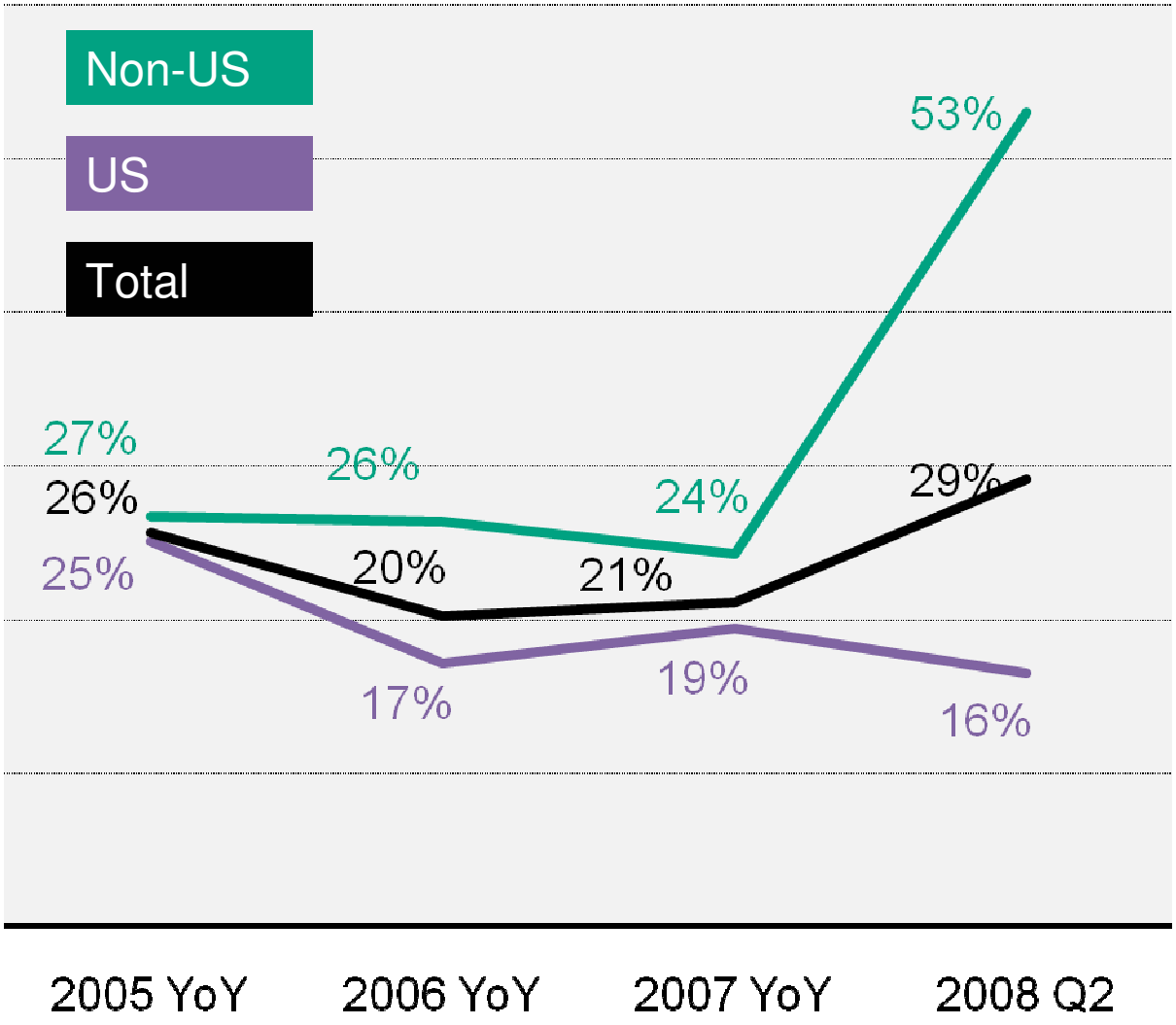
Copaxone® growth accelerating in non-US markets



In market sales
$ million

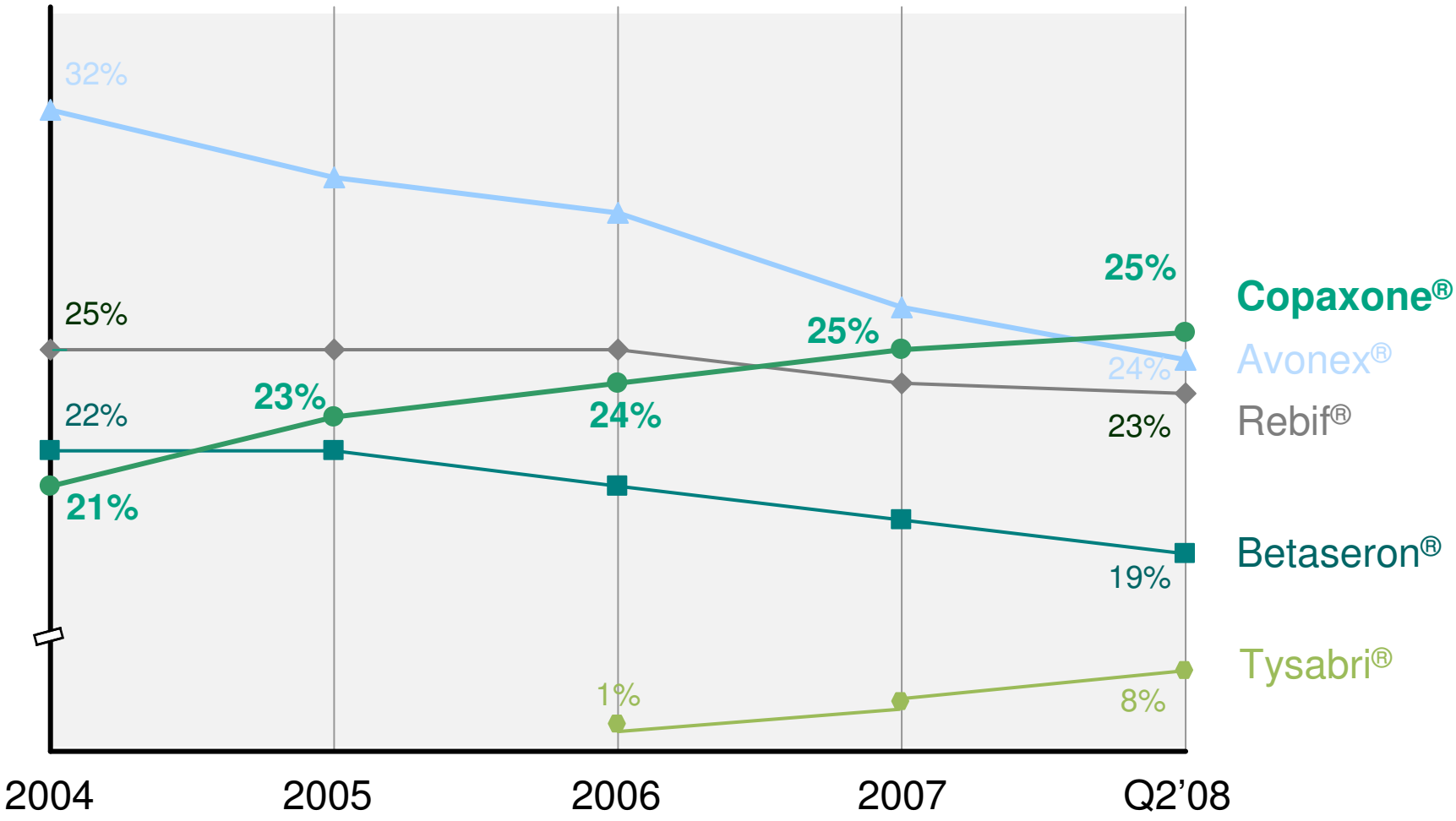


Sales growth versus previous period



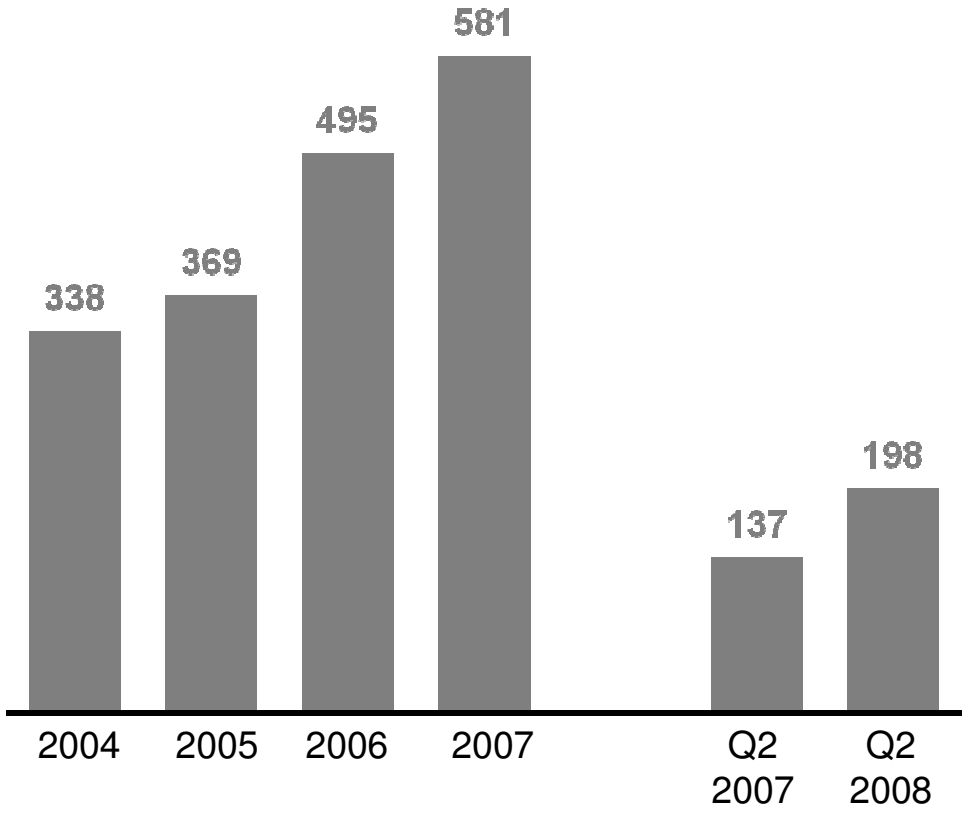
Copaxone® has become the #1 MS therapy

Market share, value, %

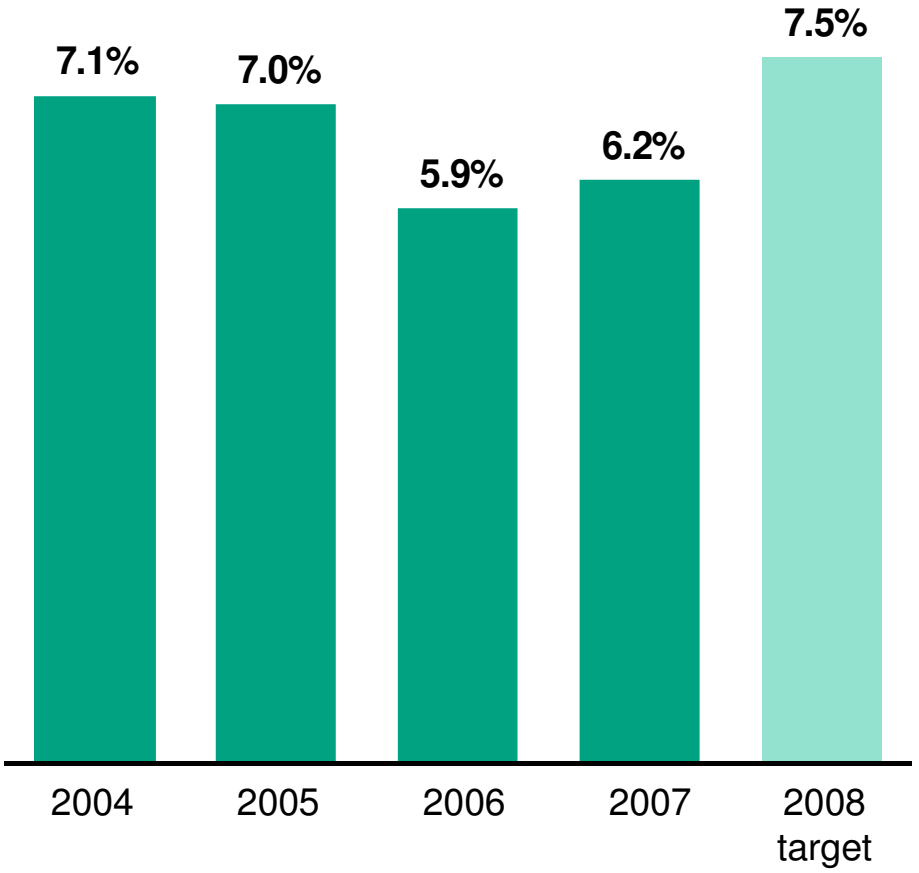


Increasing R&D spend

R&D, in $ millions



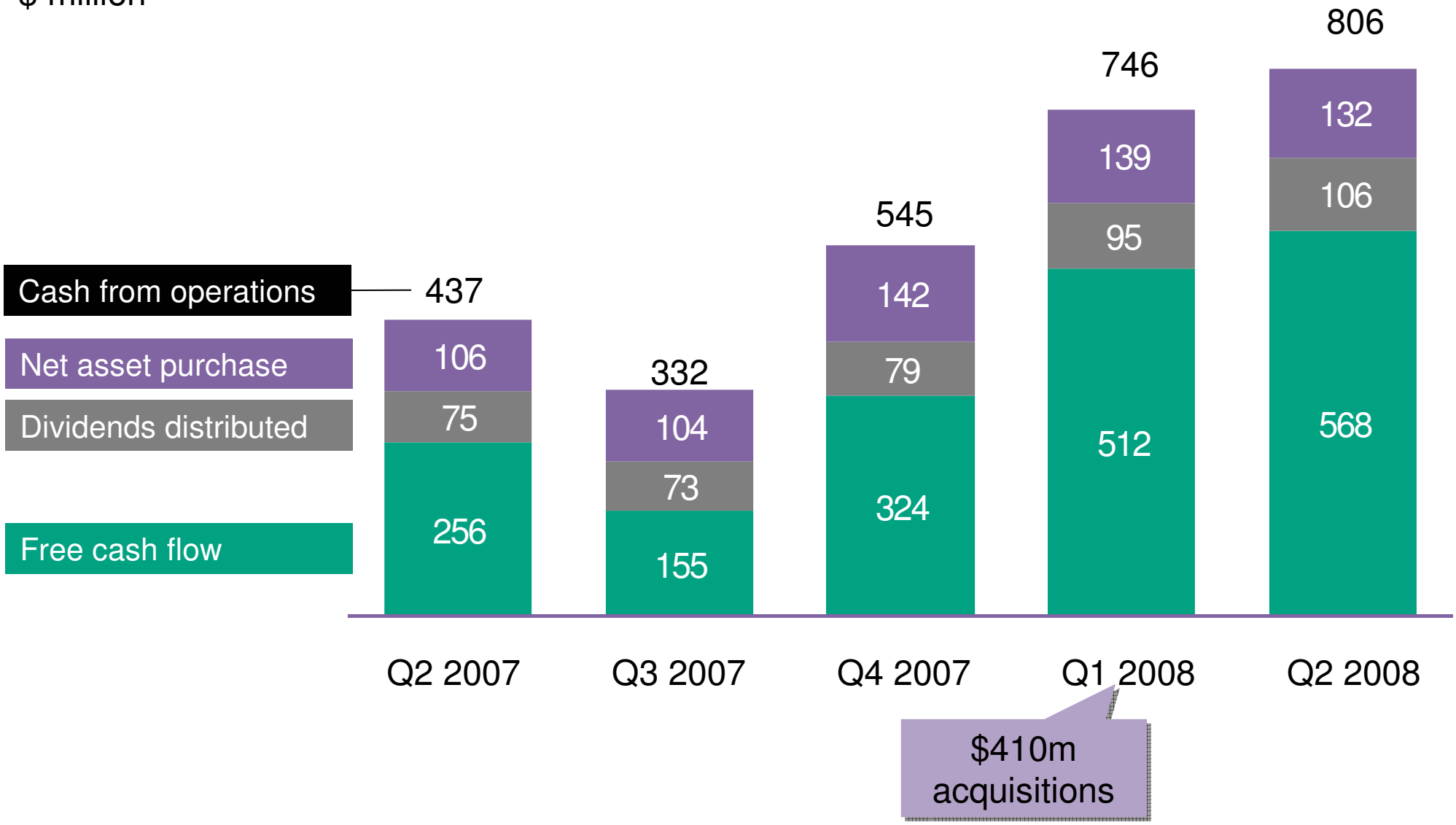
R&D, as % of sales



Increase in cash generation

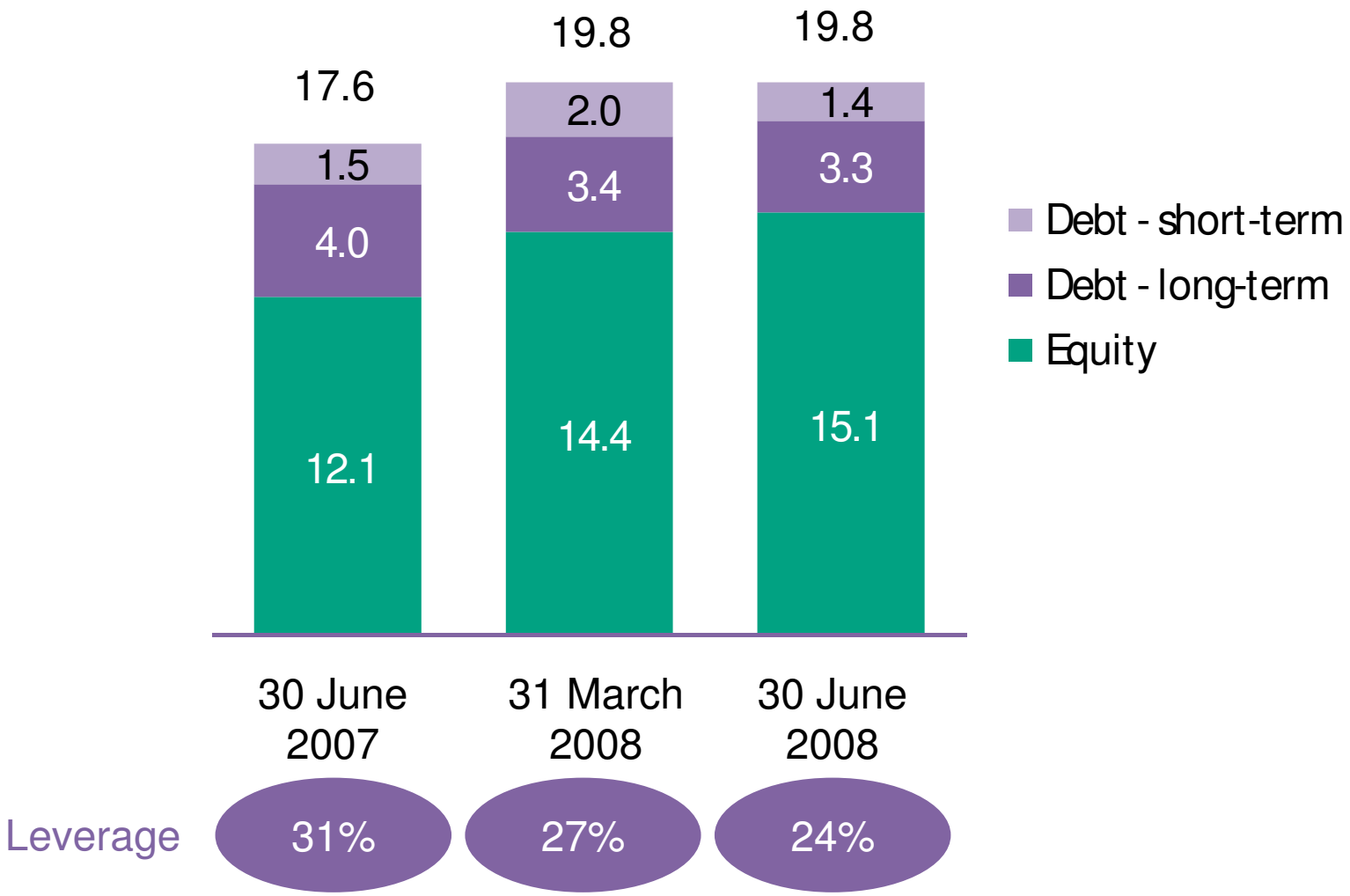


$ million



Leverage going down

Selected balance sheet items, $ billion



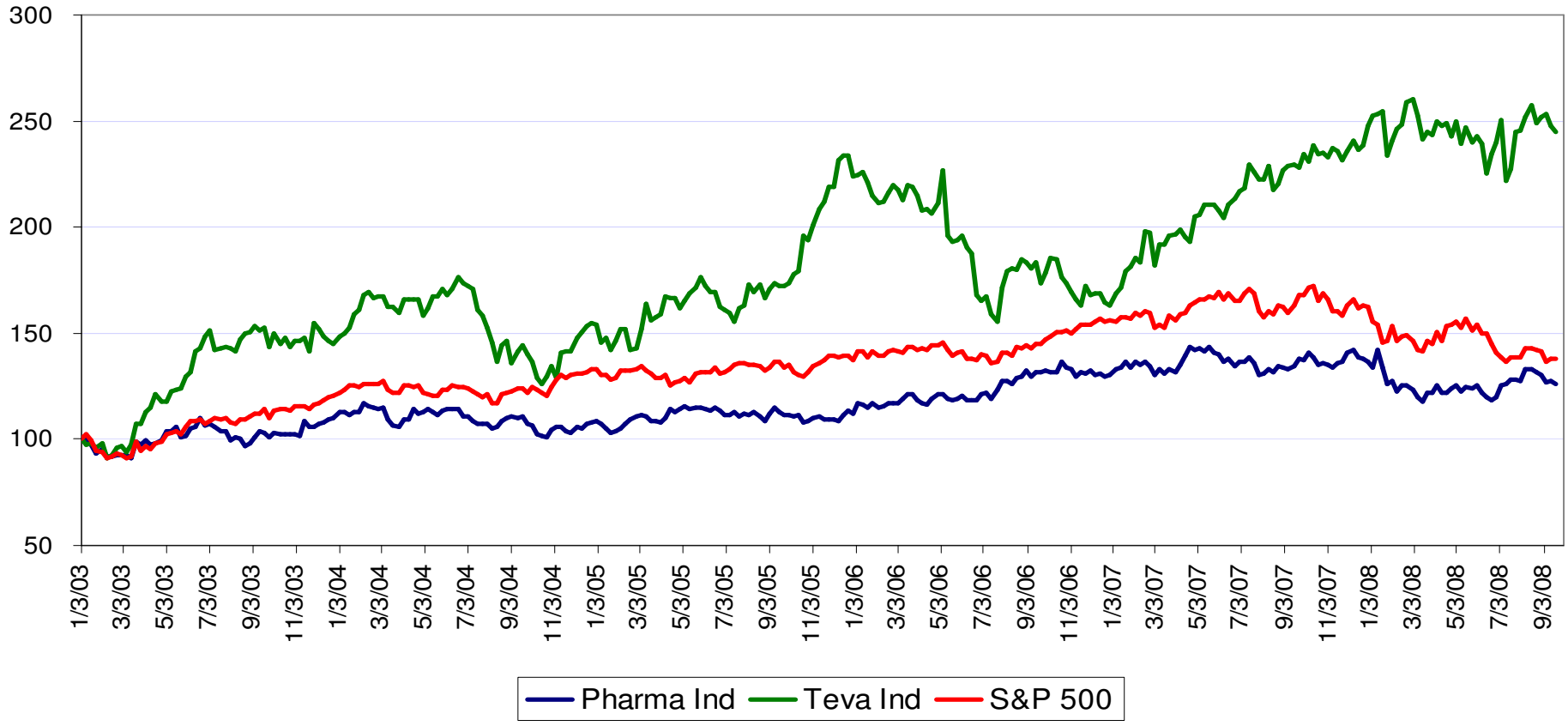
Summary – or what did we learn?





- That Teva is the world's largest Generic company and it is widening the gap from the rest of the pack
- That we have a vertically integrated, balanced business model which combines generics and innovative products
- That we have a truly global geographic presence and that we focus on the growing markets
- That we will continue to drive our business using a robust combination of organic growth and acquisitions
- That we are among the best in acquiring, integrating and creating value
- And that it is all about strategy, innovation, scale and market share

All this worked well for shareholders



The Pharma ind index is a weighted average index composed of the industry leading pharmaceutical companies (generic and innovative) with a total market cap of approximately $1 trillion (excluding Teva and Barr). The prices are adjusted for dividends and splits.

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