TEVA PHARMACEUTICAL INDUSTRIES LTD.



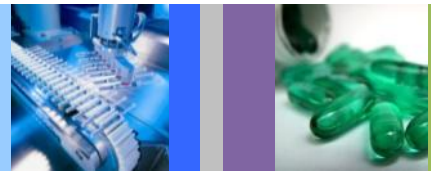


UBS Global Specialty Pharmaceuticals Conference

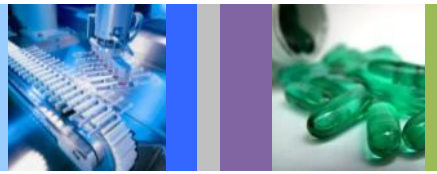
Eyal Desheh, Chief Financial Officer

London, June 2, 2010

Forward looking statements

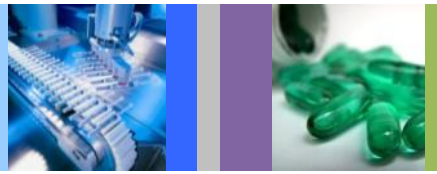


TODAY'S PRESENTATION CONTAINS FORWARD-LOOKING STATEMENTS, WHICH EXPRESS THE CURRENT BELIEFS AND EXPECTATIONS OF MANAGEMENT. SUCH STATEMENTS INVOLVE A NUMBER OF KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES THAT COULD CAUSE OUR FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS TO DIFFER SIGNIFICANTLY FROM THE RESULTS, 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®, AND PROTONIX®, CURRENT ECONOMIC CONDITIONS, THE EXTENT TO WHICH ANY MANUFACTURING OR QUALITY CONTROL PROBLEMS DAMAGE OUR REPUTATION FOR HIGH QUALITY PRODUCTION, THE EFFECTS OF COMPETITION ON OUR INNOVATIVE PRODUCTS, ESPECIALLY COPAXONE® SALES, DEPENDENCE ON THE EFFECTIVENESS OF OUR PATENTS AND OTHER PROTECTIONS FOR INNOVATIVE PRODUCTS, ESPECIALLY COPAXONE®, 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, ANY FAILURES TO COMPLY WITH THE COMPLEX MEDICARE AND MEDICAID REPORTING AND PAYMENT OBLIGATIONS, THE EFFECTS OF REFORMS IN HEALTHCARE REGULATION, SUPPLY INTERRUPTIONS OR DELAYS THAT COULD RESULT FROM THE COMPLEX MANUFACTURING OF OUR PRODUCTS AND OUR GLOBAL SUPPLY CHAIN, INTERRUPTIONS IN OUR SUPPLY CHAIN OR PROBLEMS WITH OUR INFORMATION TECHNOLOGY SYSTEMS THAT ADVERSELY AFFECT OUR COMPLEX MANUFACTURING PROCESSES, POTENTIAL TAX LIABILITIES THAT MAY ARISE SHOULD OUR AGREEMENTS (INCLUDING INTERCOMPANY ARRANGEMENTS), BE CHALLENGED SUCCESSFULLY BY TAX AUTHORITIES, OUR ABILITY TO SUCCESSFULLY IDENTIFY, CONSUMMATE AND INTEGRATE ACQUISITIONS AND OTHER BUSINESS COMBINATIONS (INCLUDING OUR PENDING ACQUISITION OF RATIOPHARM), THE POTENTIAL EXPOSURE TO PRODUCT LIABILITY CLAIMS TO THE EXTENT NOT COVERED BY INSURANCE, OUR EXPOSURE TO FLUCTUATIONS IN CURRENCY, EXCHANGE AND INTEREST RATES, AS WELL AS TO CREDIT RISK, 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 INCREASED GOVERNMENT SCRUTINY OF OUR AGREEMENTS WITH BRAND COMPANIES IN BOTH THE U.S. AND EUROPE, THE TERMINATION OR EXPIRATION OF GOVERNMENTAL PROGRAMS AND TAX BENEFITS, IMPAIRMENT OF INTANGIBLE ASSETS AND GOODWILL, ANY FAILURE TO RETAIN KEY PERSONNEL OR TO ATTRACT ADDITIONAL EXECUTIVE AND MANAGERIAL TALENT, ENVIRONMENTAL RISKS, AND OTHER FACTORS THAT ARE DISCUSSED IN OUR ANNUAL REPORT ON FORM 20-F FOR THE YEAR ENDED DECEMBER 31, 2009, IN THIS REPORT AND IN OUR OTHER FILINGS WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION ("SEC").



Q1 2010 HIGHLIGHTS

2015 STRATEGY UPDATE; RATIOPHARM ACQUISITION



Q1 2010 HIGHLIGHTS

2015 STRATEGY UPDATE; RATIOPHARM ACQISITION

Q1 2010 – a strong start for the year



Strong Financial Results	Strong *organic* growth – 16% QoQ Record GAAP operating income, net income and EPS
Balanced Business Model	Record sales in the U.S.; 20% growth Europe and International sales – 10% growth Record sales for Copaxone® and Azilect®
Enhancing Branded Franchises	Copaxone® – #1 MS treatment; 30% global market share Azilect® – growing market share in Europe and U.S. Respiratory – ProAir™ #1; Qvar® – #2 in U.S.
Balance Sheet	Strong cash flow – $866M Financial leverage at 22%; below pre-Barr level Moody's upgrade to A3; S&P upgrade to A-

Q1 2010 – strong financial results

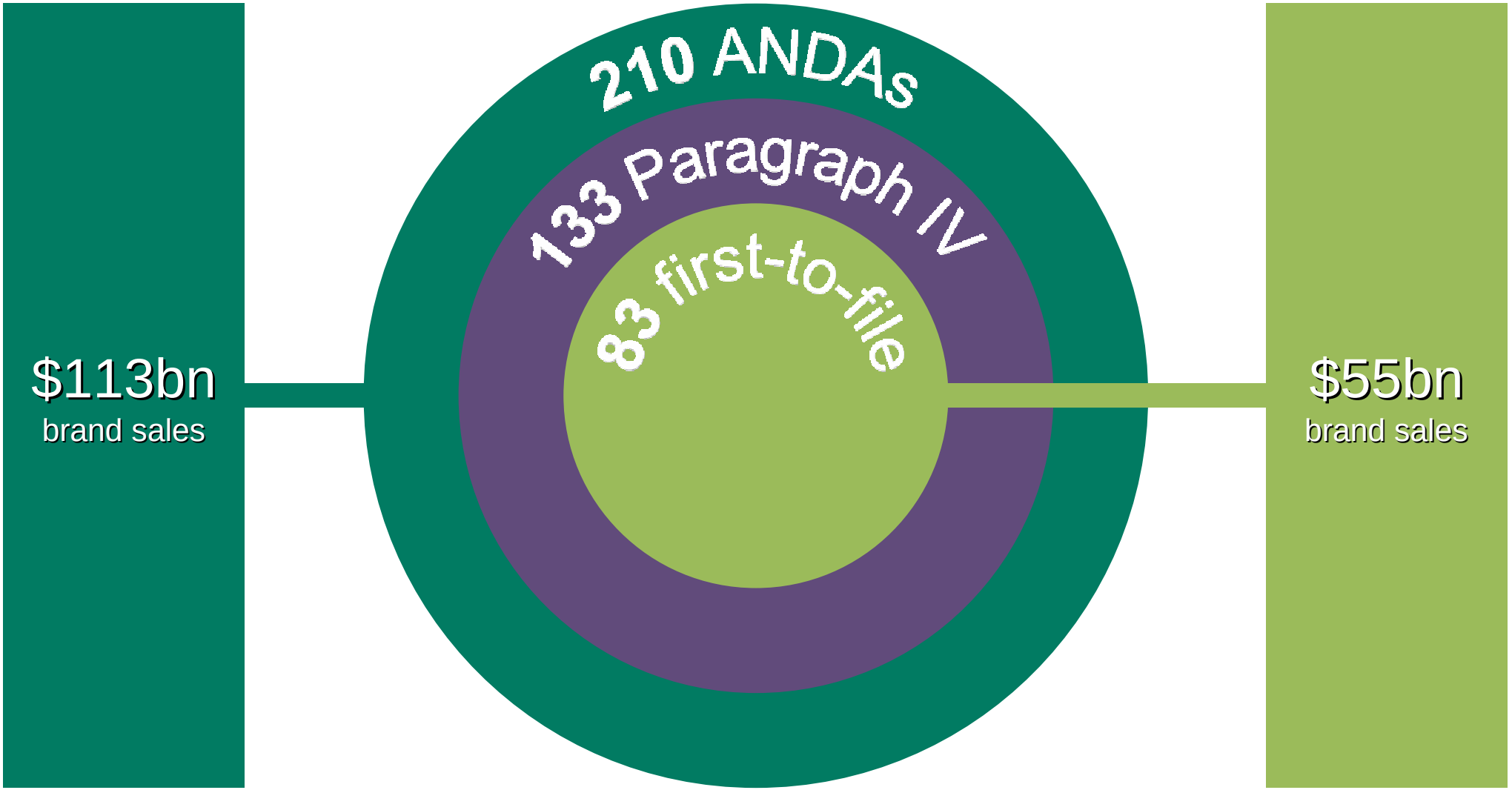


	Q1/09*	Q1/10*	Change
Sales ($m)	3,147	3,653	+16%
Operating income ($m)	826	1,002	+21%
Net income ($m)	634	830	+31%
EPS ($)	0.71	0.91	+28%
Cash flow from operations ($m)	733	886	+21%
Gross margin (%)	58.4	58.4	
Operating margin (%)	26.2	27.4	
Net margin (%)	20.1	22.7	

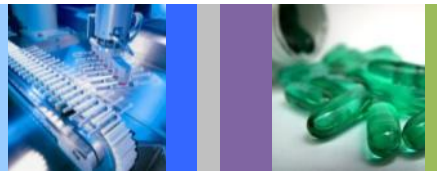
* Operating income, net income, EPS, gross margin, operating margin and net margin are non GAAP results

The most valuable generic pipeline

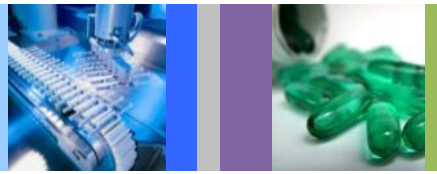
U.S., April 26, 2010



2010 guidance



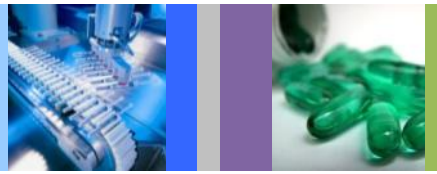
- Net sales around $16 billion
- Non-GAAP EPS between $4.40 – $4.60
- 2H 2010 stronger than 1H 2010



2009 HIGHLIGHTS

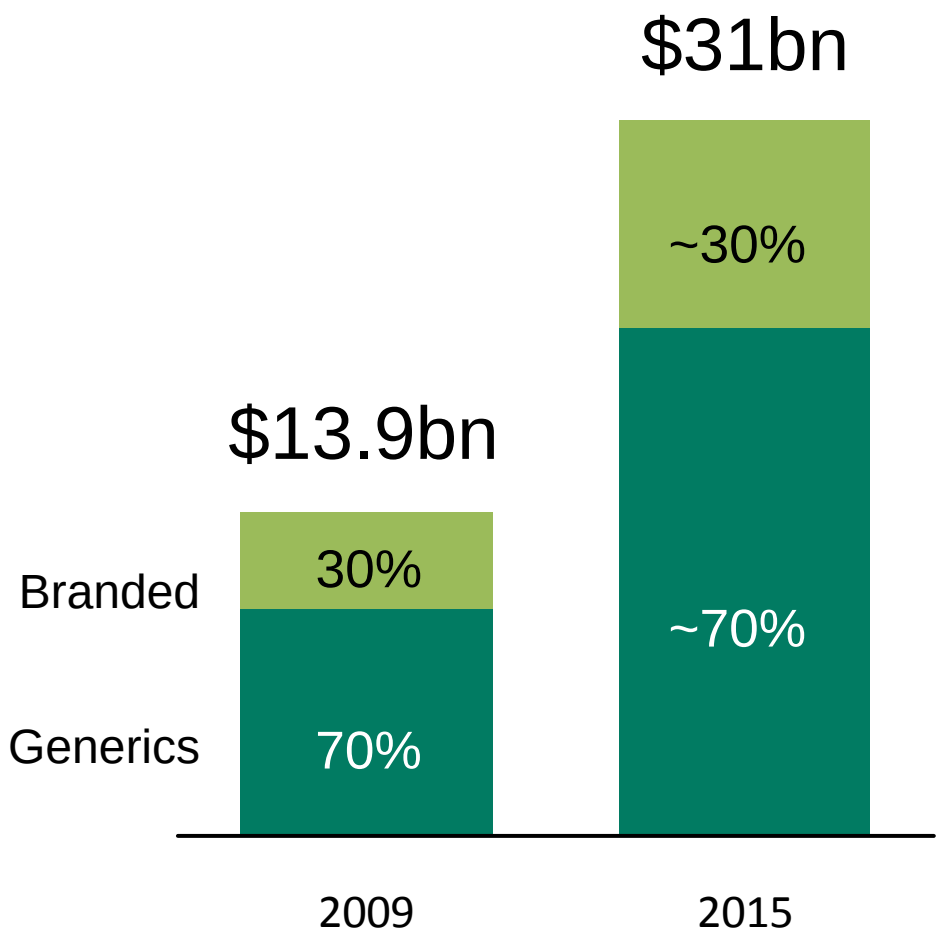
2015 STRATEGY UPDATE; RATIOPHARM ACQUISITION

Targets for 2015



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

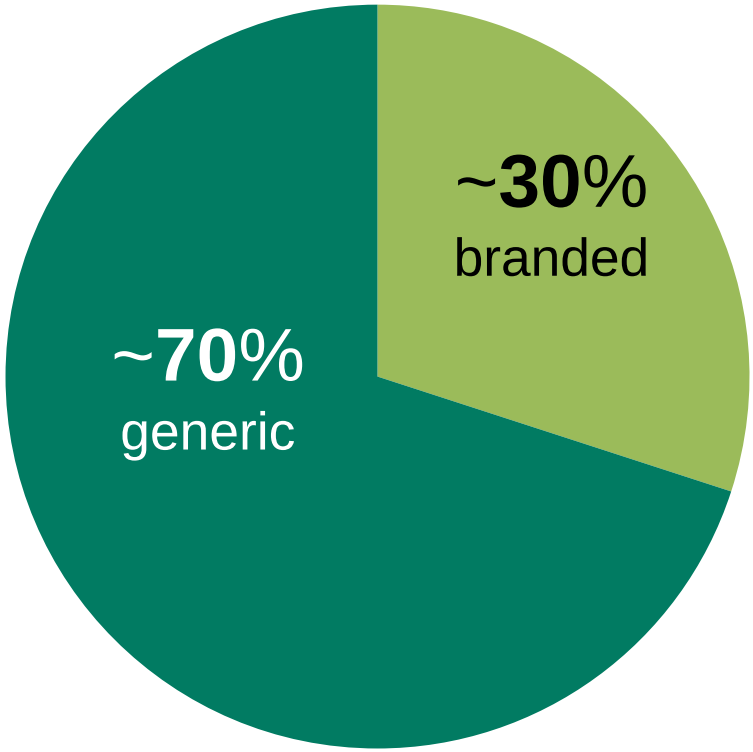
Maintaining Teva's mix of generics & branded



Balance between high-growth generics & higher-margin branded business



High **GROWTH**



Higher **MARGINS**

Diversity across: BUSINESS UNITS, PRODUCTS, GEOGRAPHIES

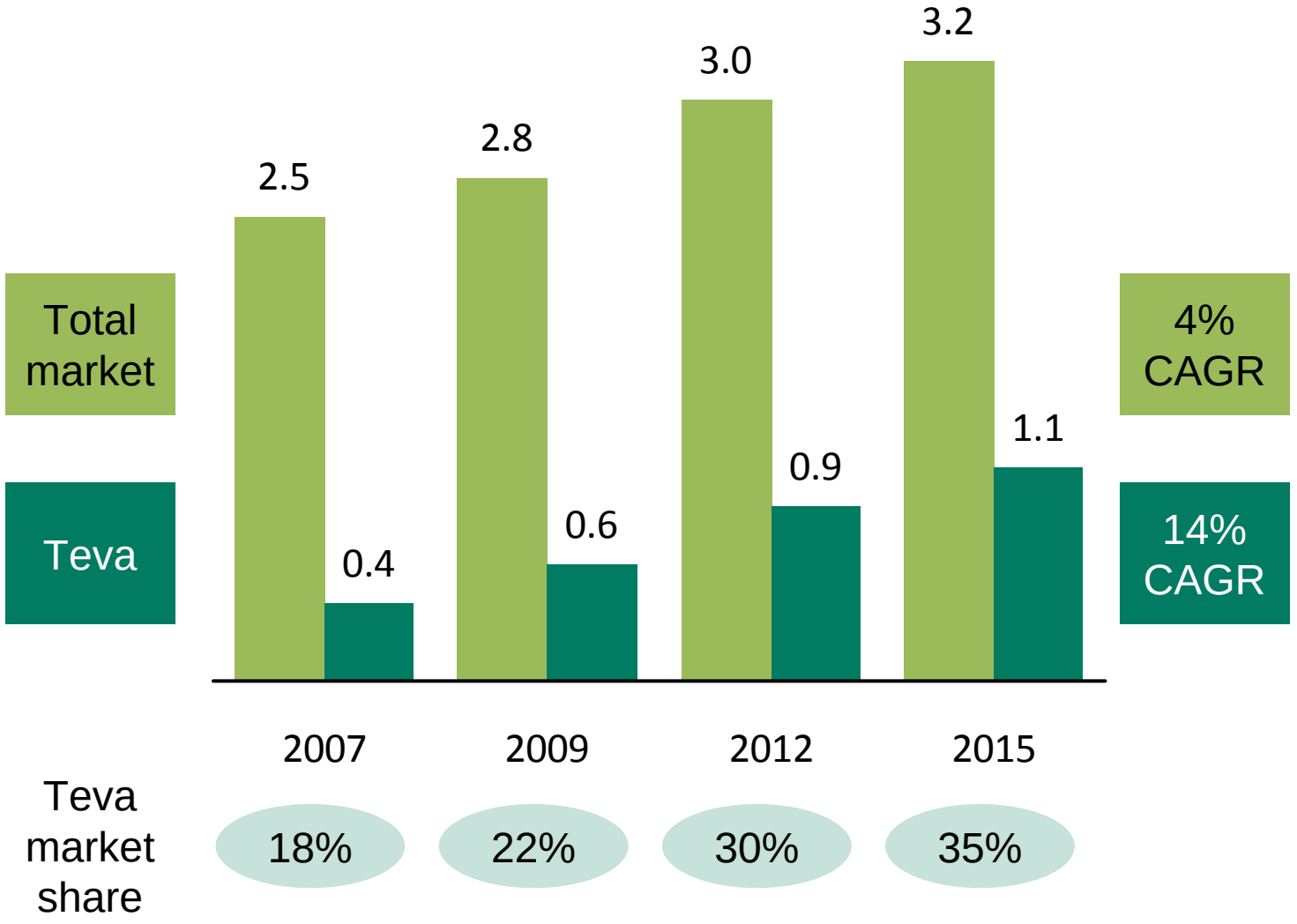
Growth through market share



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

Extending U.S. leadership to 35% market share

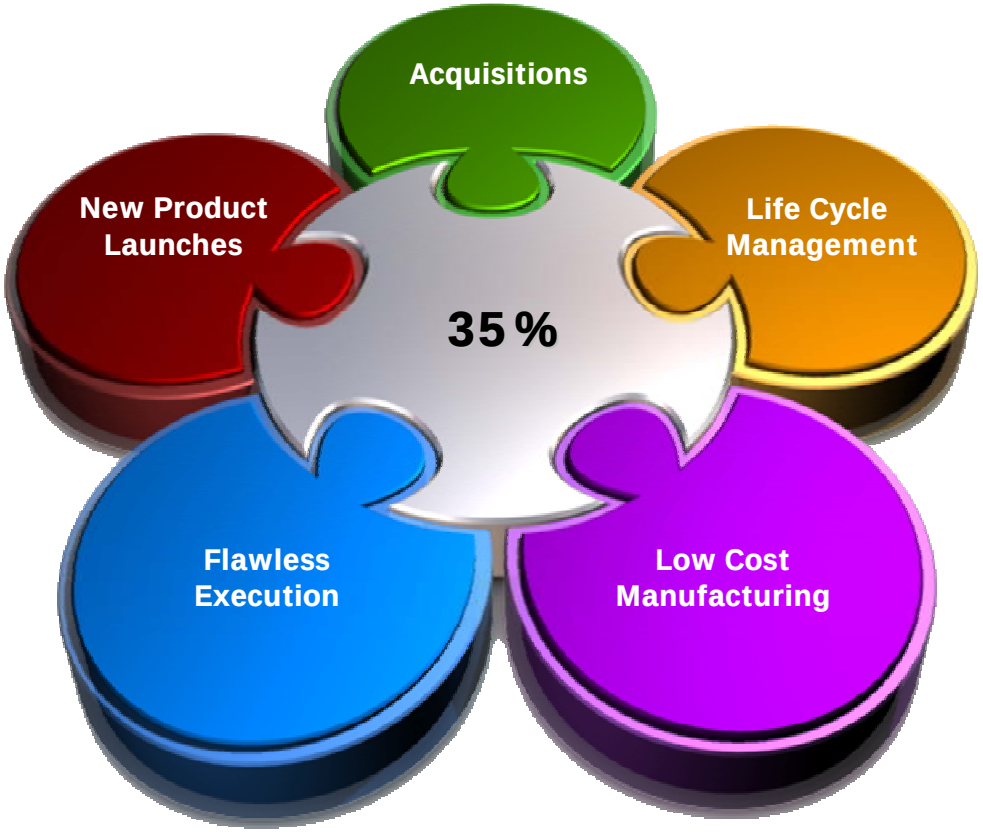
Number of prescriptions, bn



How we will get there: in-line products



Increase market share



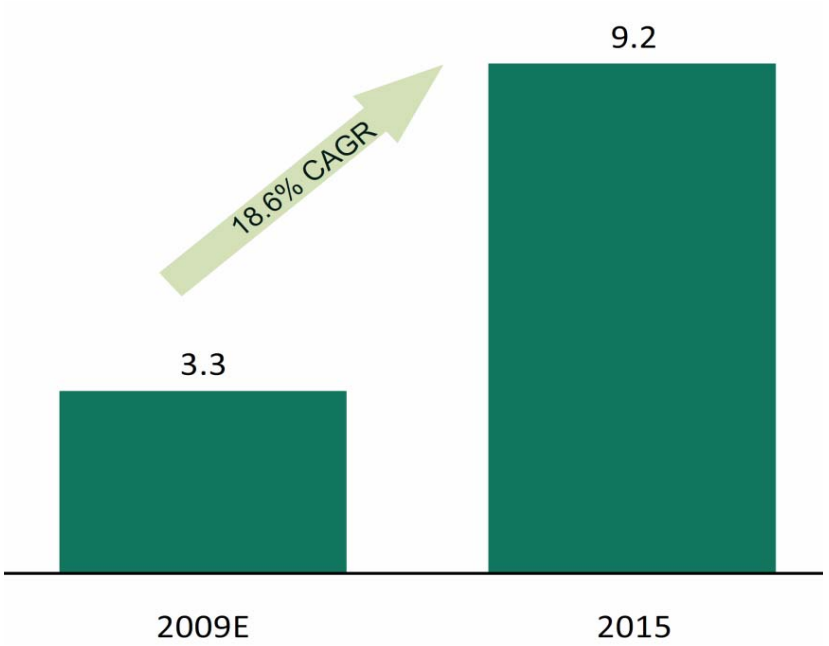
Increase margins

- Branding / differentiation
- Life cycle management
- Continuous improvement
- Capacity leverage

Europe is an important growth engine

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

our European goal



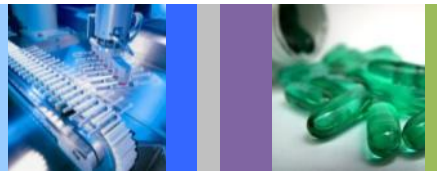
ratiopharm – a generics leader

ratiopharm

- Established in 1881
- **Germany #2** in generics
- **$2.3 billion** (**€1.6bn**) sales in 2009
- Direct presence in **26 countries**
- Portfolio of over **500 molecules** in **10,000** different presentations in a wide range of dosage forms
- Over **5,000** employees worldwide

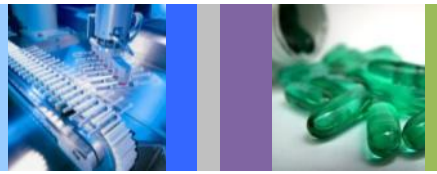


Strategic fit with significant value creation



- ✓ Indisputable leadership, #1 in Europe
- ✓ #2 in Germany
- ✓ Balanced across countries, customers and products
- ✓ Strong operational platform

Becoming the European market leader

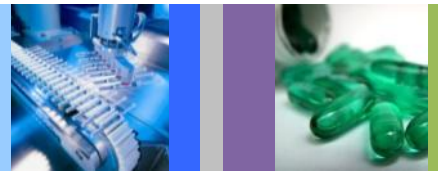


UK	No.1
Italy	No.1
Spain	No.1
Netherlands	No.1
Hungary	No.1
Germany	No. 2
Czech Republic	No. 2
France	No. 3
Poland	No. 3

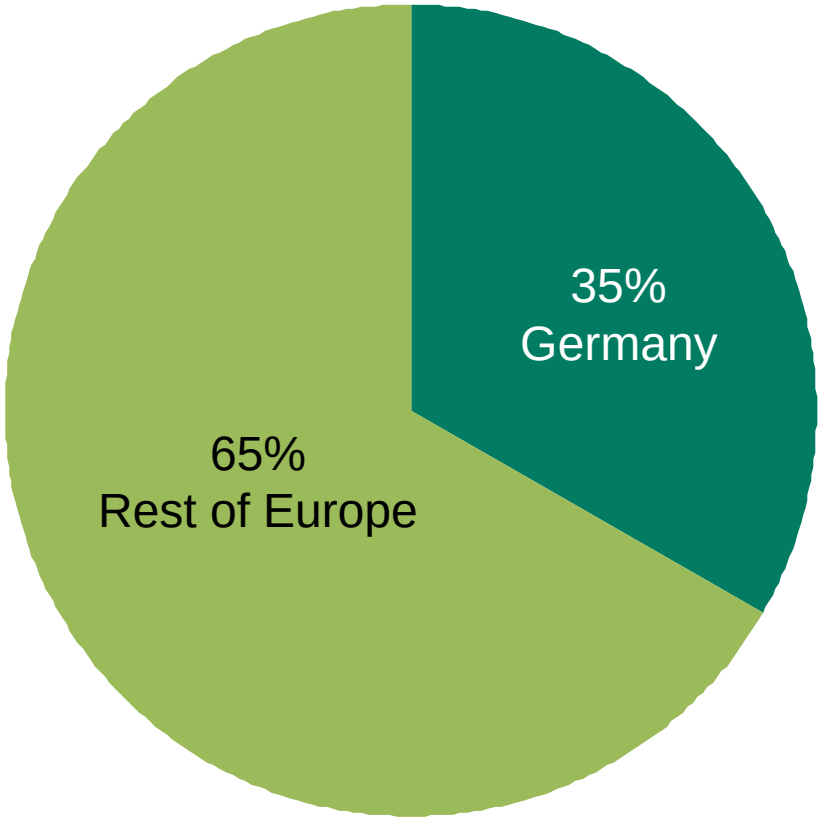
- **Strong Pan-European footprint**
- **#1 in 10 EU countries**
- **Top 3 in additional 7 EU countries**

Outstanding platform for future growth

The German generics market



% of generics market value, 2009



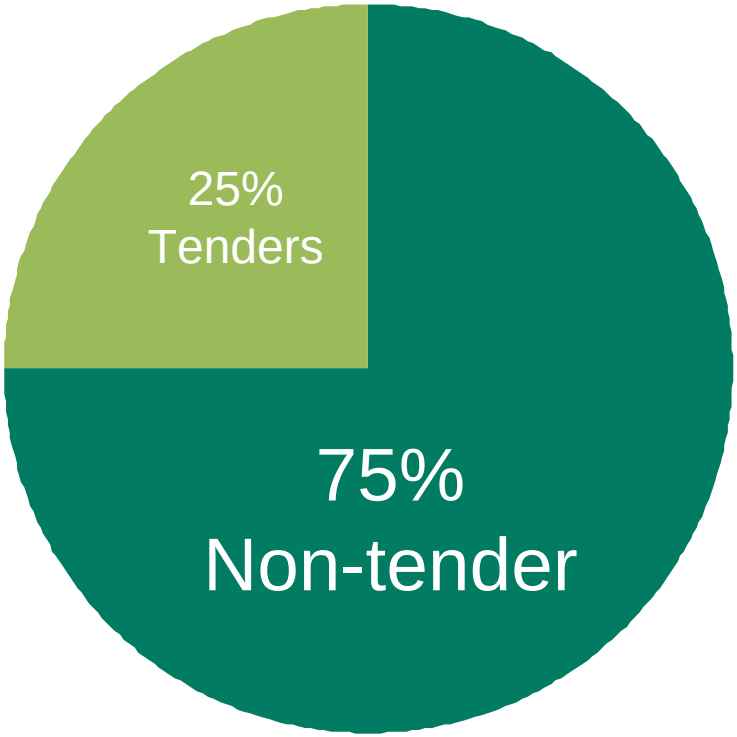
Largest market in Europe, #2 in the world

Market size of ~$8.8B* gross sales

* Retail, Hospital and OTC; Fx 1.371

The German generics market

% of generics market value, 2009



Largest market in Europe, #2 in the world

Market size of ~$8.8B* gross sales

Non-tender segment still larger than the #2 market, France

* Retail, Hospital and OTC; Fx 1.371

Other strategic markets





Italy

- Population 58M
- New combination will become the undisputed market leader
- Obtain full pharmacy coverage
- Leverage relationships with pharmacies and regional constituents



Spain

- Population 40M
- New combined entity will be the clear #1
- Leverage all market segments – doctors to pharmacies
- Allows for multiple brand strategy in the market



France

- Population 61M
- New combined entity #3, closing in on #2
- Complementary customer base
- Critical mass for full market coverage



Canada

- Population 32M
- Very strong #2 player
- Expanded portfolio

Teva will nearly double its business in these markets

Compelling value creation

TEVA + ratiopharm

Excellent strategic fit

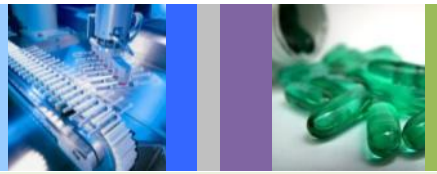
Extends global market leadership

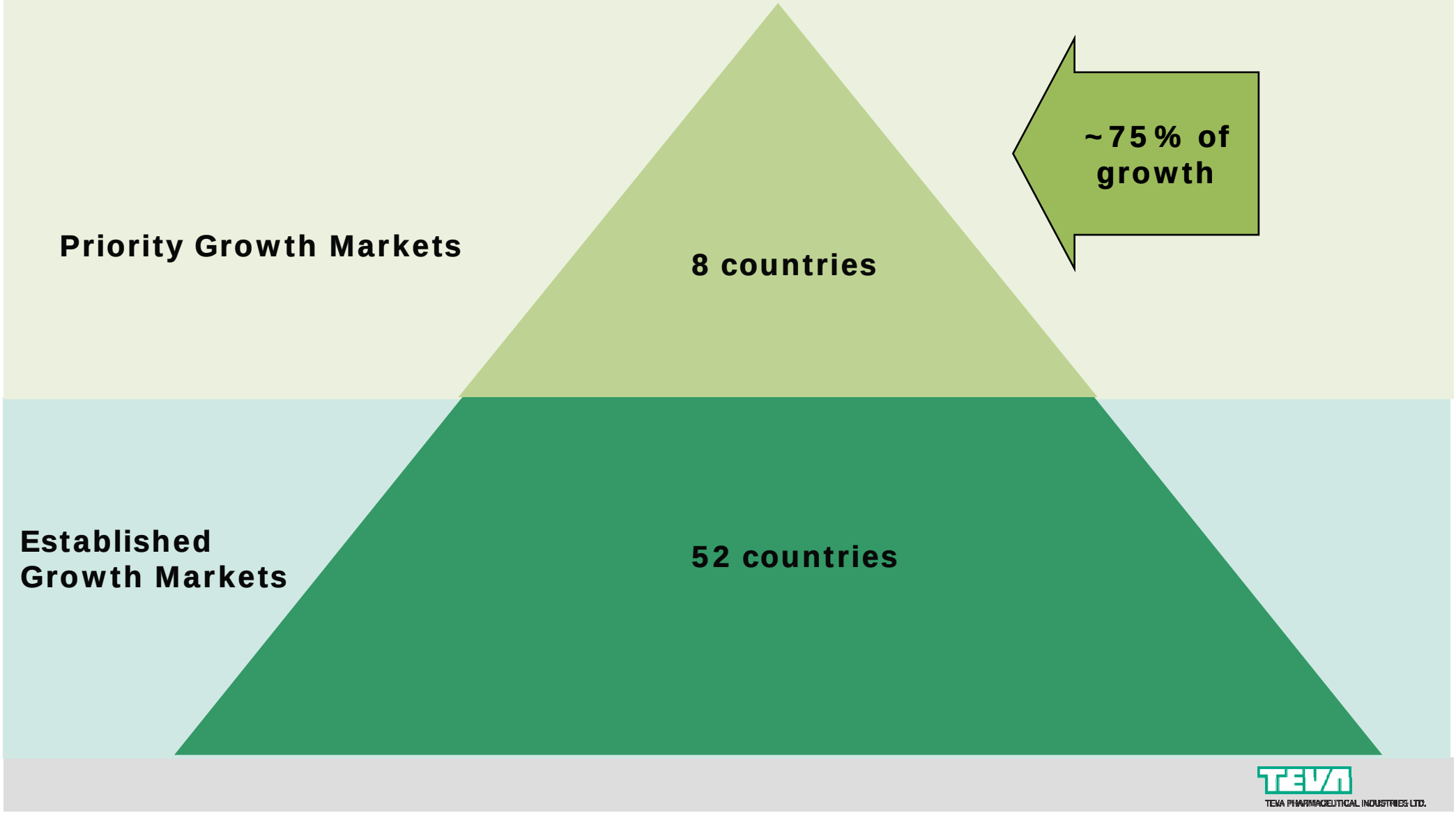
Positions Teva as the #1 generics company in EU

Attractive economics

Acquisition supports Teva's 2015 growth strategy

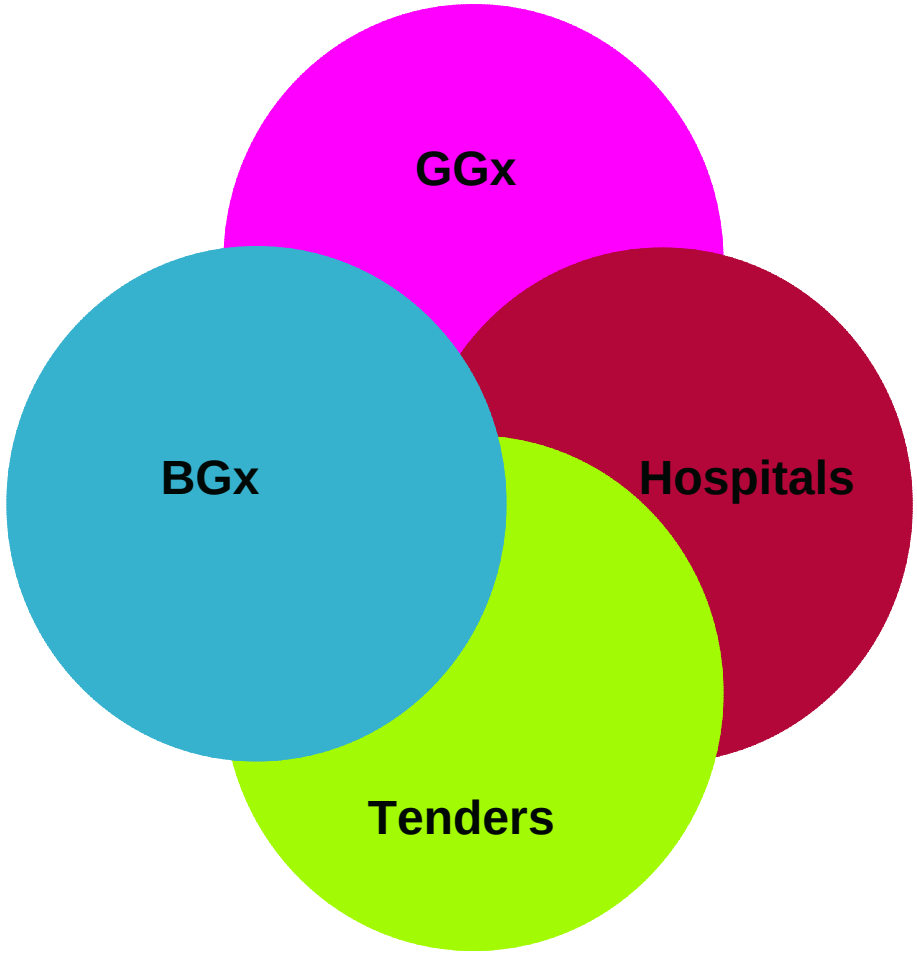
International markets – focus on high priority markets





The Teva advantage crosses all models

Multiple Generics Models

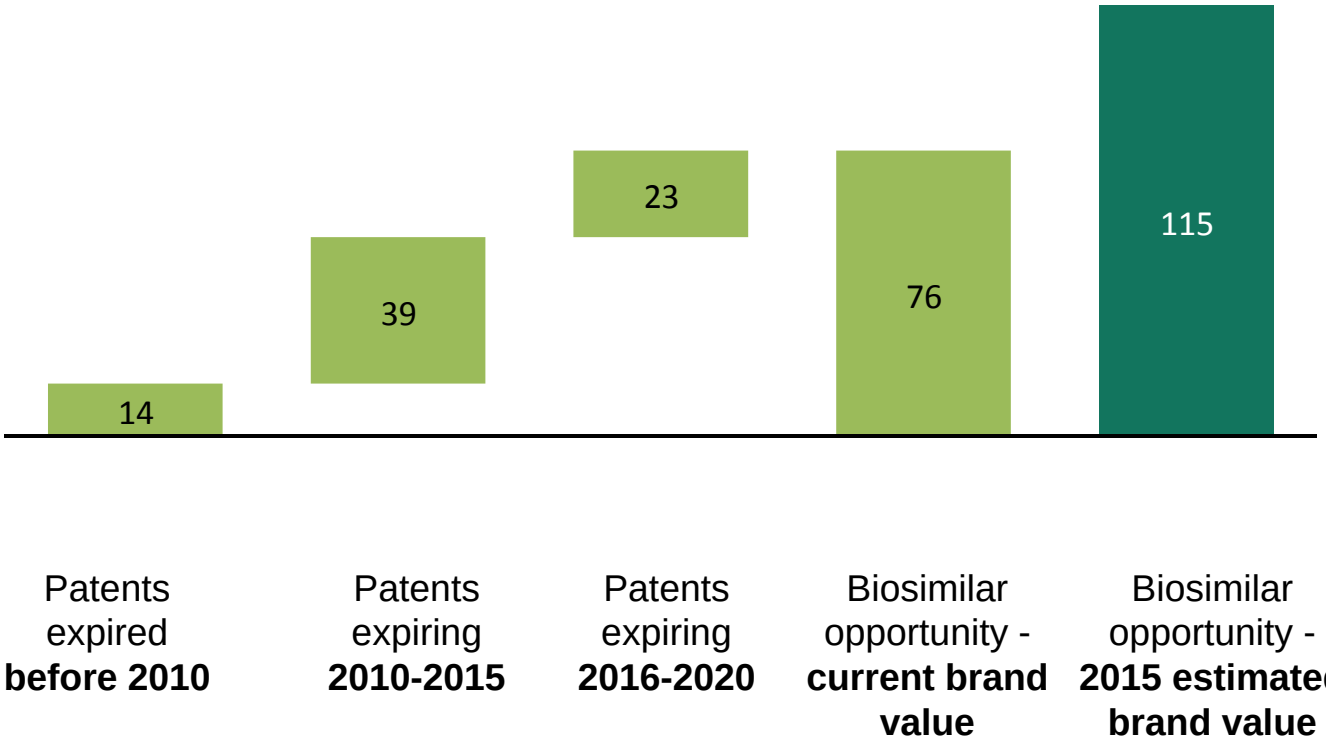


Teva's Advantage

- >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

Closing remarks



Continued strong and profitable sales and EPS growth; maintaining high profitability

Solid financials with strong cash generation

Balanced business model – Teva in 2015 will be more diversified and less dependent on a single product or geography



Q&A