



TEVA PHARMACEUTICAL INDUSTRIES LTD.



**Teva Pharmaceutical Industries Ltd.  
Investor Lunch  
Tel- Aviv  
Dan Suesskind, CFO**

August 1 , 2007

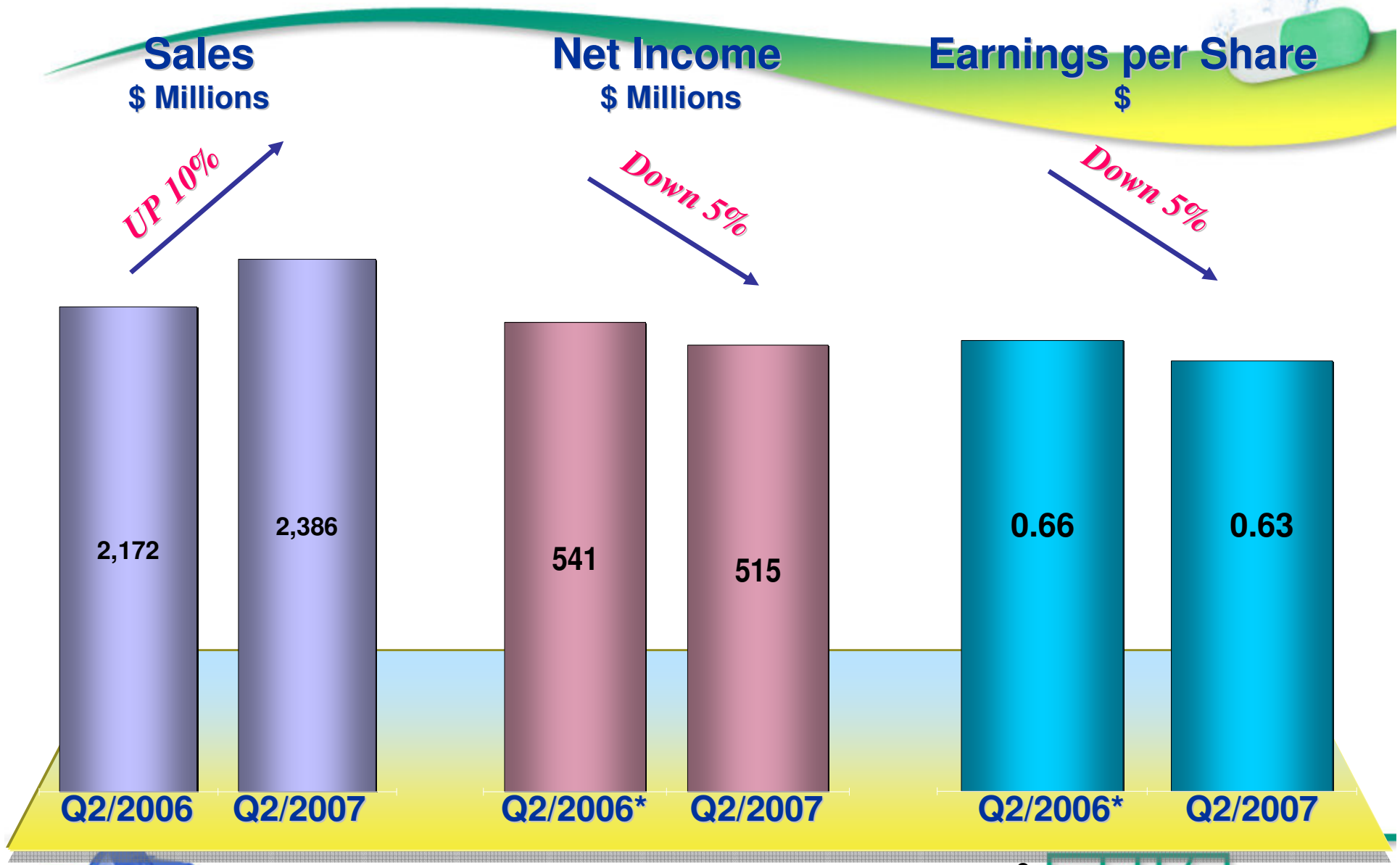


# Forward-Looking Statements

TODAY'S PRESENTATION CONTAINS FORWARD LOOKING STATEMENTS WHICH EXPRESS THE CURRENT BELIEFS AND EXPECTATIONS OF MANAGEMENT. SUCH STATEMENTS ARE BASED ON CURRENT EXPECTATIONS AND 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 TEVA'S ABILITY TO SUCCESSFULLY DEVELOP AND COMMERCIALIZE ADDITIONAL PHARMACEUTICAL PRODUCTS, THE INTRODUCTION OF COMPETITIVE GENERIC PRODUCTS, THE IMPACT OF COMPETITION FROM BRAND-NAME COMPANIES THAT SELL THEIR OWN GENERIC PRODUCTS OR SUCCESSFULLY EXTEND THE EXCLUSIVITY PERIOD OF THEIR BRANDED PRODUCT, TEVA'S ABILITY TO RAPIDLY INTEGRATE THE OPERATIONS OF ACQUIRED BUSINESSES, THE AVAILABILITY OF PRODUCT LIABILITY COVERGE IN THE CURRENT INSURANCE MARKET, THE IMPACT OF PHARMACEUTICAL INDUSTRY REGULATION AND PENDING LEGISLATION THAT COULD AFFECT THE PHARMACEUTICAL INDUSTRY, THE DIFFICULTY OF PREDICTING U.S. FOOD AND DRUGS ADMINISTRATION ("FDA") AND OTHER REGULATORY AUTHORITY APPROVALS, THE REGULATORY ENVIRONMENT AND CHANGES IN THE HEALTH POLICIES AND STRUCTURE OF VARIOUS COUNTRIES, ACCEPTANCE AND DEMAND FOR NEW PHARMACEUTICAL PRODUCTS AND NEW THERAPIES, UNCERTAINTIES REGARDING MARKET ACCEPTANCE OF INNOVATIVE PRODUCTS NEWLY LAUNCHED, CURRENTLY BEING SOLD OR IN DEVELOPMENT, THE IMPACT OF RESTRUCTURING OF CLIENTS, RELIANCE ON STRATEGIC ALLIANCES, EXPOSURE TO PRODUCT LIABILITY CLAIMS, DEPENDENCE ON PATENT AND OTHER PROTECTIONS FOR INNOVATIVE PRODUCTS, FLUCTUATIONS IN CURRENCY, EXCHANGE AND INTEREST RATES, OPERATING RESULTS, 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 ("SEC"). FORWARD LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE ON WHICH THEY ARE MADE, AND THE COMPANY UNDERTAKES NO OBLIGATION TO UPDATE PUBLICLY OR REVISE ANY FORWARD LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE DEVELOPMENTS OR OTHERWISE.



# Development of Results (Q2)



\* Before non-recurring items, after tax : Q2/2006- \$52M

## Exchange Rates\* (Quarterly Average)

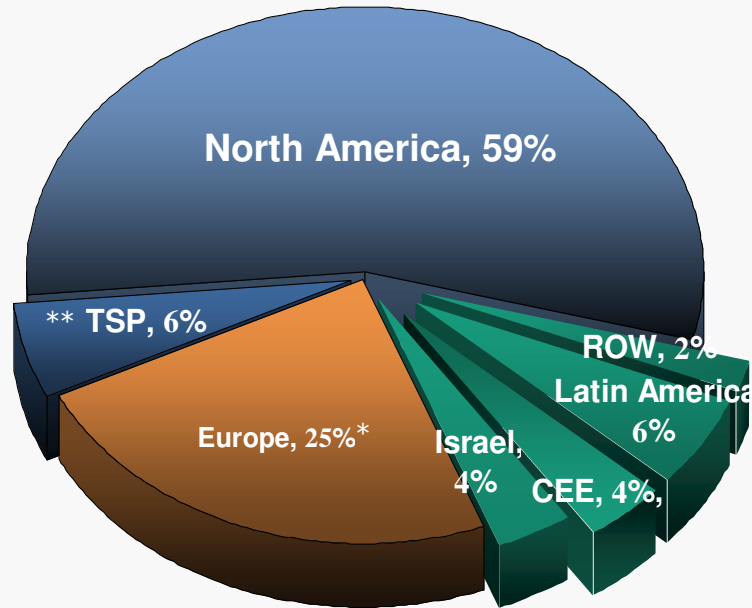
	Q2/07	Q1/07	Q4/06	Q3/06	Q2/06
<b>USD:NIS</b>	91% (4.08)	94% (4.21)	95% (4.26)	97% (4.39)	100% (4.50)
<b>USD:EURO</b>	94% (0.74)	96% (0.76)	96% (0.76)	99% (0.78)	100% (0.79)
<b>USD:HUF</b>	86% (183.98)	90% (192.29)	94% (201.37)	101% (216.04)	100% (213.37)
<b>USD:CAD</b>	98% (1.10)	105% (1.17)	102% (1.14)	100% (1.12)	100% (1.12)
<b>USD:GBP</b>	92% (0.50)	93% (0.51)	95% (0.52)	96% (0.53)	100% (0.55)



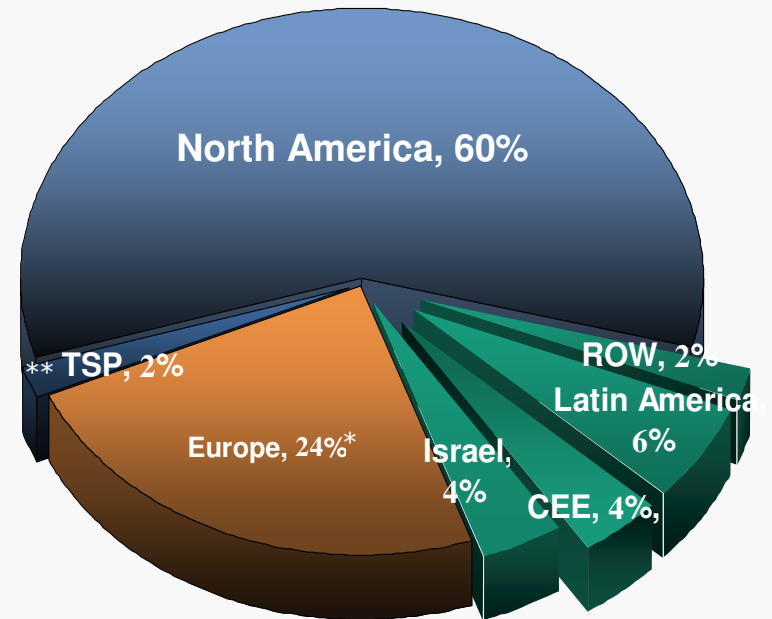
\*Q206= 100%

# Q2/2007 – Sales By Region

Q2/07: \$2,386 Million



Q2/06: \$2,172 Million



\* Western Europe and Hungary

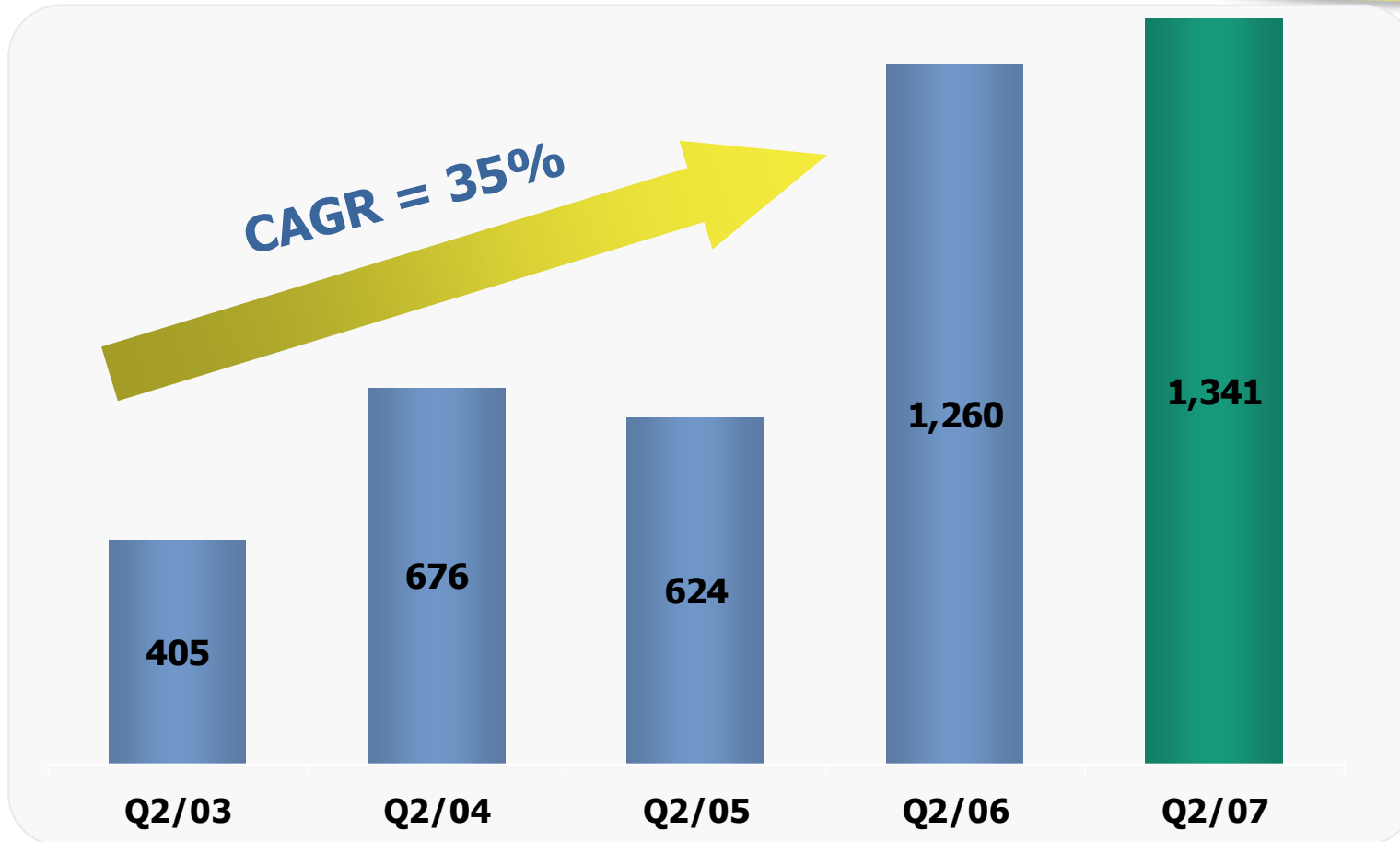
\*\* TSP is part of North America



# Q2/2007 – North America Pharmaceutical Sales

(\$ Millions)

Up 6%



TEVA PHARMACEUTICAL INDUSTRIES LTD.

# Teva's competitive positioning



# U.S. Generic Industry's Largest Pipeline



**153 ANDAs – over \$89 billion in total brand sales**

**80 Paragraph IV Filings**

**40 First-to-File – over \$37 billion in total brand sales**

As of July 30, 2007



TEVA PHARMACEUTICAL INDUSTRIES LTD.

# Top U.S. Pharmaceutical Companies

Generic companies only

## Total Rx's

1	Teva USA	430,296
2	Mylan	269,613
3	Watson	221,845
4	Sandoz	194,976
5	Barr	137,680
6	Mallinckrodt	103,072
7	Actavis	86,630
8	Qualitest	78,076
9	Greenstone	72,682
10	Par	72,111

All pharmaceutical companies

## Total Rx's

1	Teva USA	440,561
2	Pfizer	280,222
3	Novartis	274,201
4	Mylan	271,611
5	Watson	221,848
6	Barr	137,780
7	Merck	119,983
8	AstraZeneca	117,484
9	GlaxoSmithKline	113,976
10	Mallinckrodt	103,072



Source: IMS Health June 2007 NPA



TEVA PHARMACEUTICAL INDUSTRIES LTD.

# Competitive Generic TRX share\*

## Simvastatin # of ANDA's: 9

<b>Teva</b>	<b>52.5%</b>
Dr. Reddy – AG	22.5%
Ranbaxy	6.9%
Aurobindo	6.3%
Sandoz	3.4%
Zydus	2.5%
Other	5.9%

## Pravastatin 10/20/40 # of ANDA's: 10

<b>Teva</b>	<b>46.3%</b>
Apotex	24.3%
Watson – AG	12.4%
Dr Reddy	9.4%
Sandoz	4.5%
Par	0.9%
Other	2.2%

## Sertraline # of ANDA's: 19

Greenstone – AG	53.7%
<b>Teva</b>	<b>35.2%</b>
Apotex	4.6%
Lupin	3.1%
Sandoz	1.3%
Aurobindo	0.7%
Actavis	0.4%
Cobolt	0.3%
Other	0.7%

## Zolpidem # of ANDA's: 15

<b>Teva</b>	<b>42.4%</b>
Prasco - AG	14.9%
Mylan	11.3%
Dr Reddy	7.1%
Apotex	5.2%
Sandoz	5.8%
Caraco	5.6%
Other	7.7%

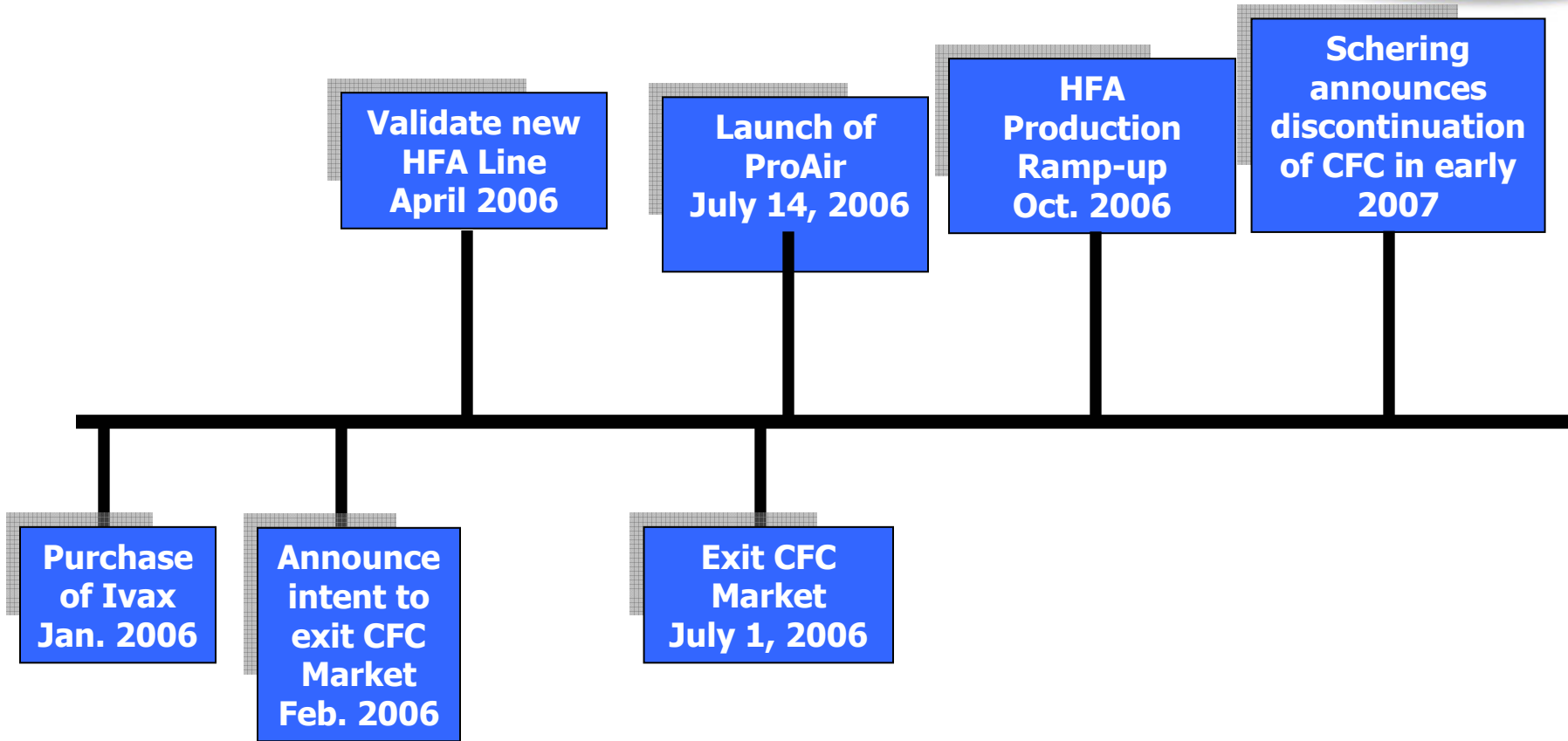


\*Week of July 13, 2007

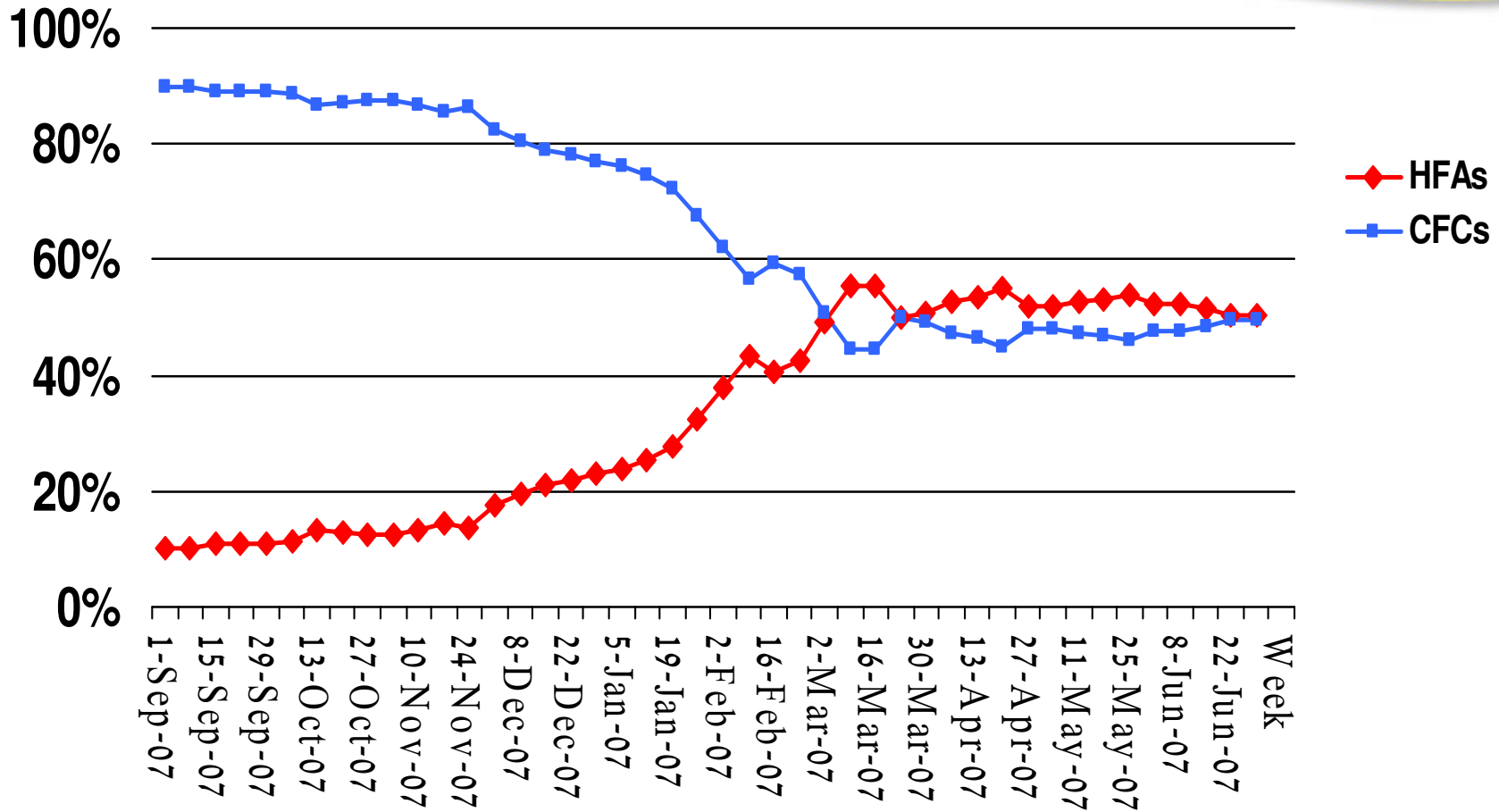


TEVA PHARMACEUTICAL INDUSTRIES LTD.

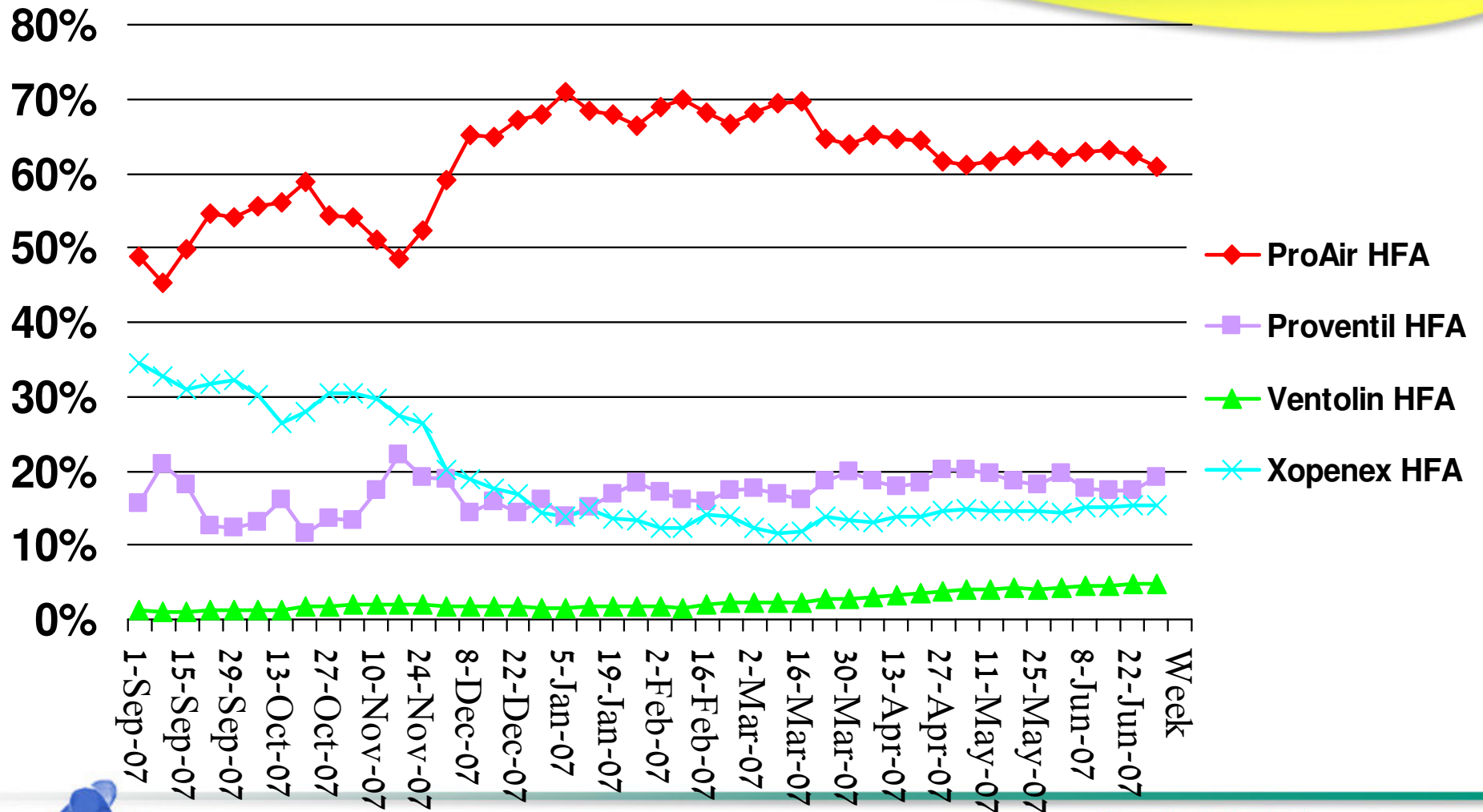
# ProAir HFA Timeline



# SABA TRx Weekly Market (Share)

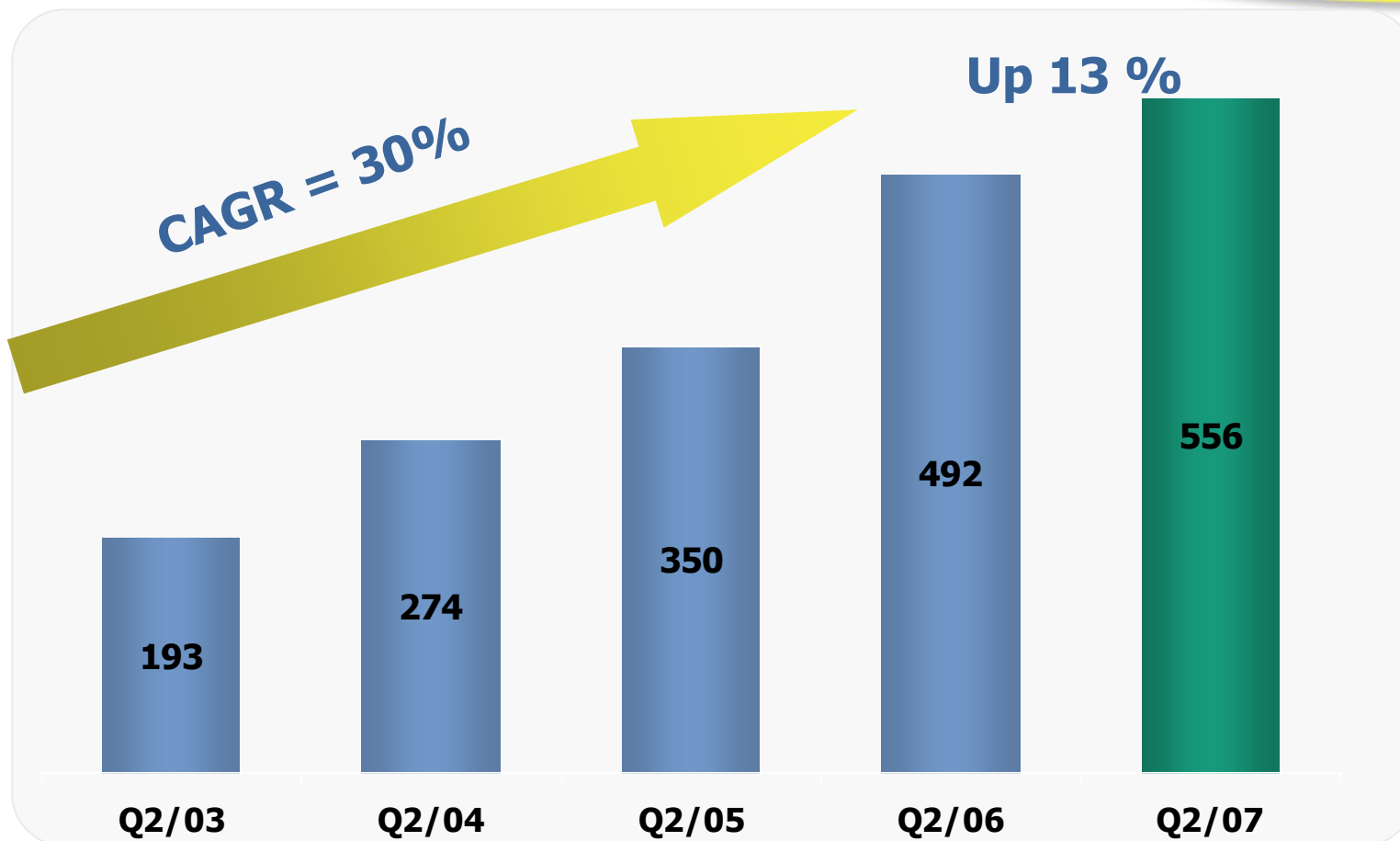


# SABA-HFA TRx Market (Share)



# Q2/2007 – Europe\* Pharmaceutical Sales

(\$ Millions)



\* Western Europe and Hungary



TEVA PHARMACEUTICAL INDUSTRIES LTD.

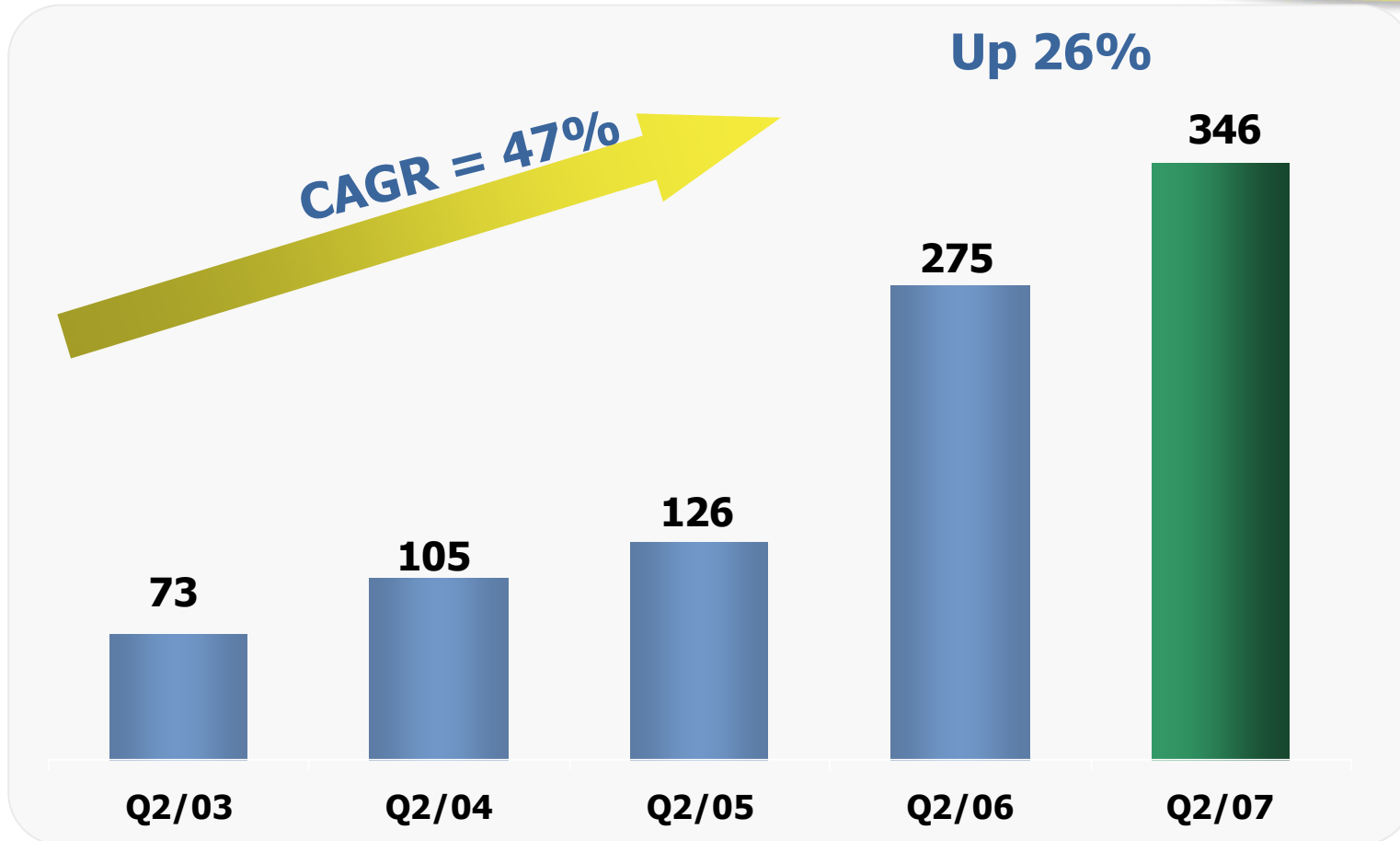
# Registration Status – Europe

(As of June 30, 2007)

Country	2005	2006	2007	
	Approved	Approved	Approved	Pending
Hungary	36	22	5	94
U.K.	19	19	15	101
France	18	30	20	103
Germany	26	16	21	71
Netherlands	15	30	10	97
Others	255	181	162	1,580
<b>TOTAL</b>	<b>369</b>	<b>298</b>	<b>233</b>	<b>2,046</b>

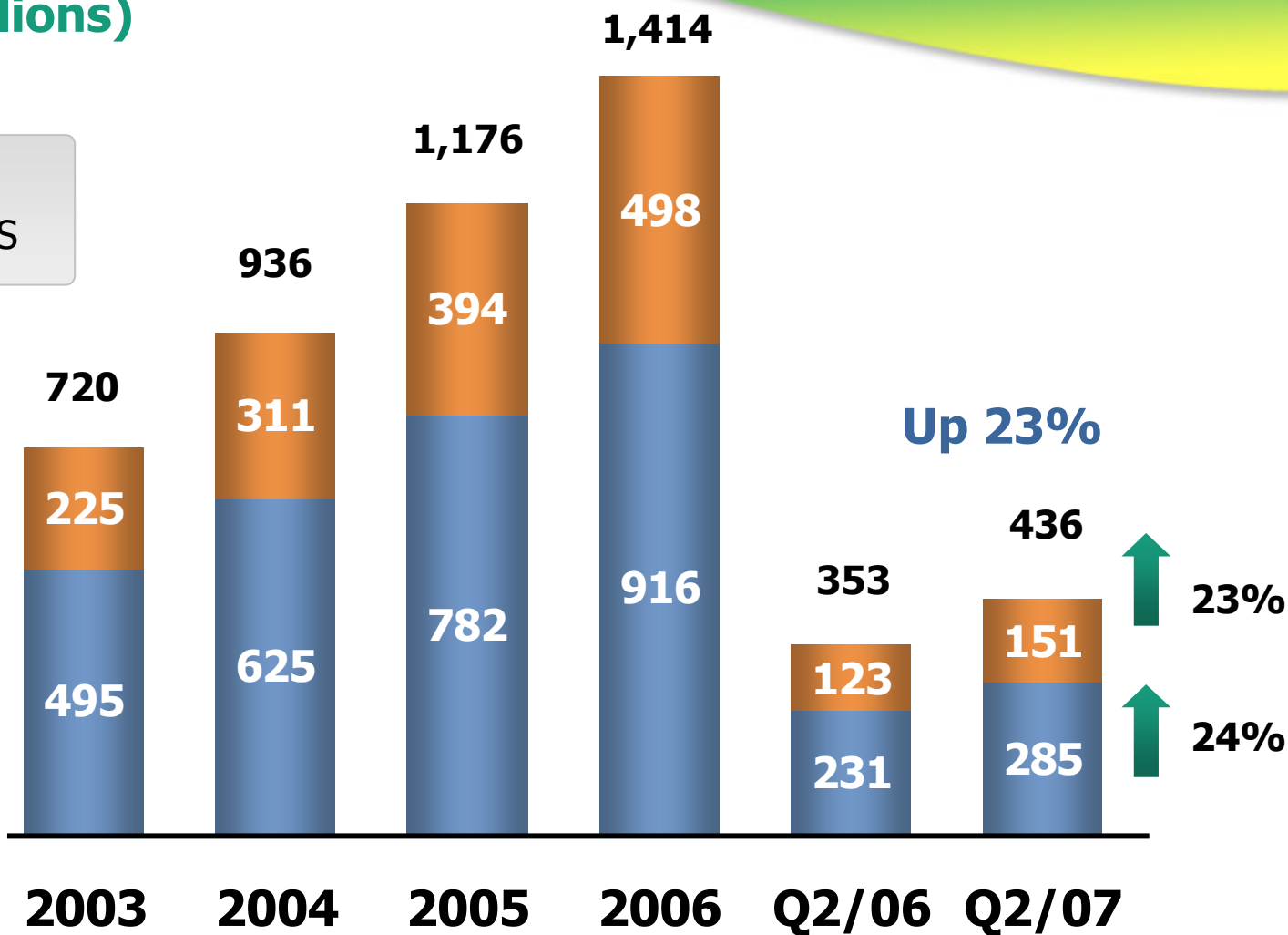
# Q2/2007 – International (ROW) Pharmaceutical Sales

(\$ Millions)



# Q2/2007 – Copaxone® In-Market Global Sales

(\$ Millions)

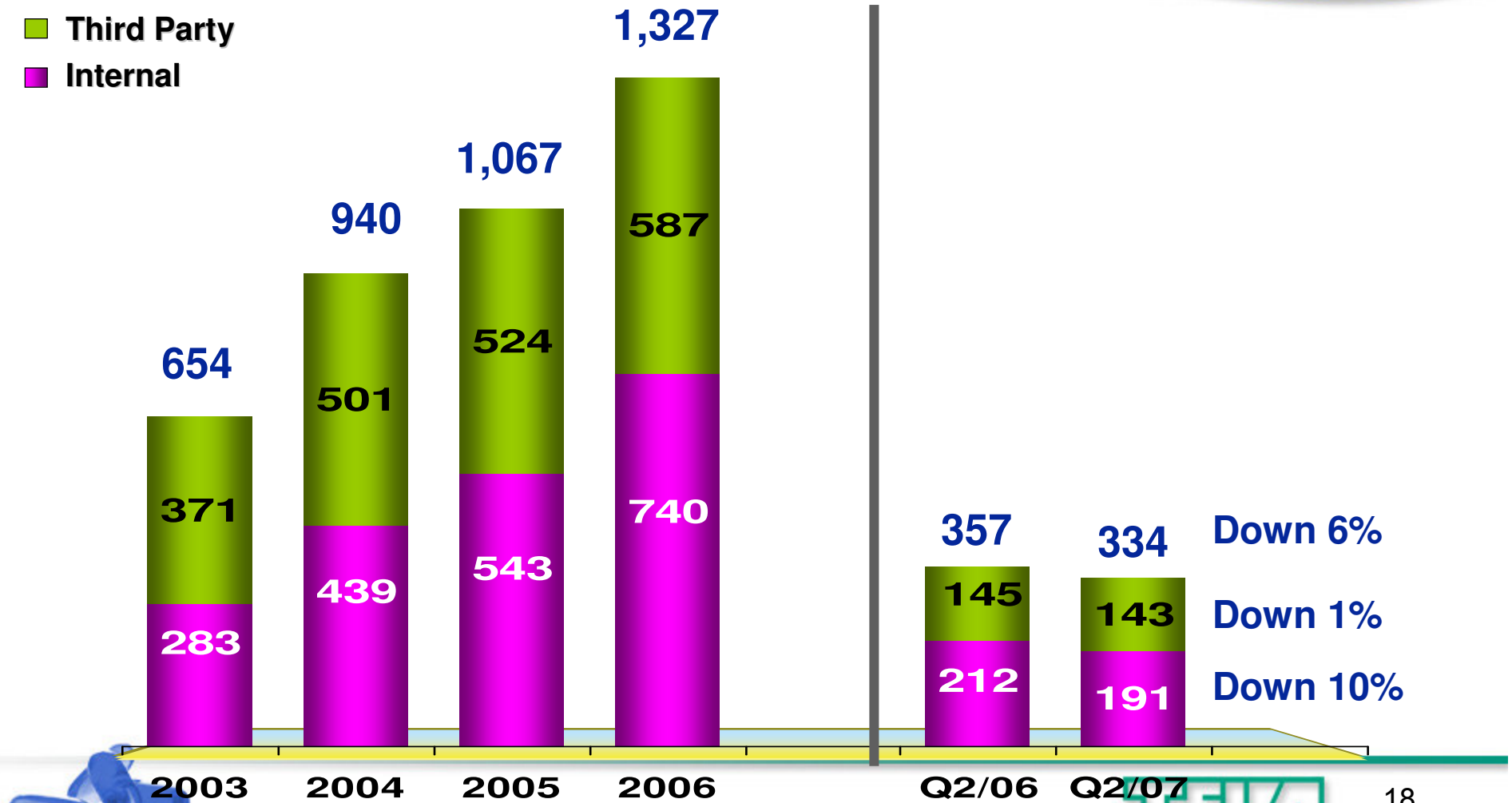


# API - Overview

(\$ Millions)

Internal / third party sales

- Third Party
- Internal



## Q2 2007 – Consolidated Statements of Income

(\$ Millions)

	Q2/07	Q2/06(*)	% Change	% of Sales	
				Q2/07	Q2/06(*)
Sales	2,386	2,172	10%	100 %	100 %
Gross profit	1,243	1,202	3%	52.1%	55.3%
R&D – net	137	120	14%	5.7%	5.5%
SG&A expenses	469	375	25%	19.7%	17.3%
Operating income	637	707	-10%	26.7%	32.6%
Financial expenses - net	8	57	-86%	0.3%	2.6%
Income before taxes	629	650	-3%	26.4%	29.9%
<b>Net income</b>	<b>515</b>	<b>541</b>	<b>-5%</b>	<b>21.6%</b>	<b>24.9%</b>
<b>Earnings per share (Diluted)</b>	<b>0.63</b>	<b>0.66</b>	<b>-5%</b>		
Tax Rate	18%	17%			

\* Before non-recurring items, after tax : Q2/2006- \$52M

## Q2 2007 – Consolidated Statements of Income

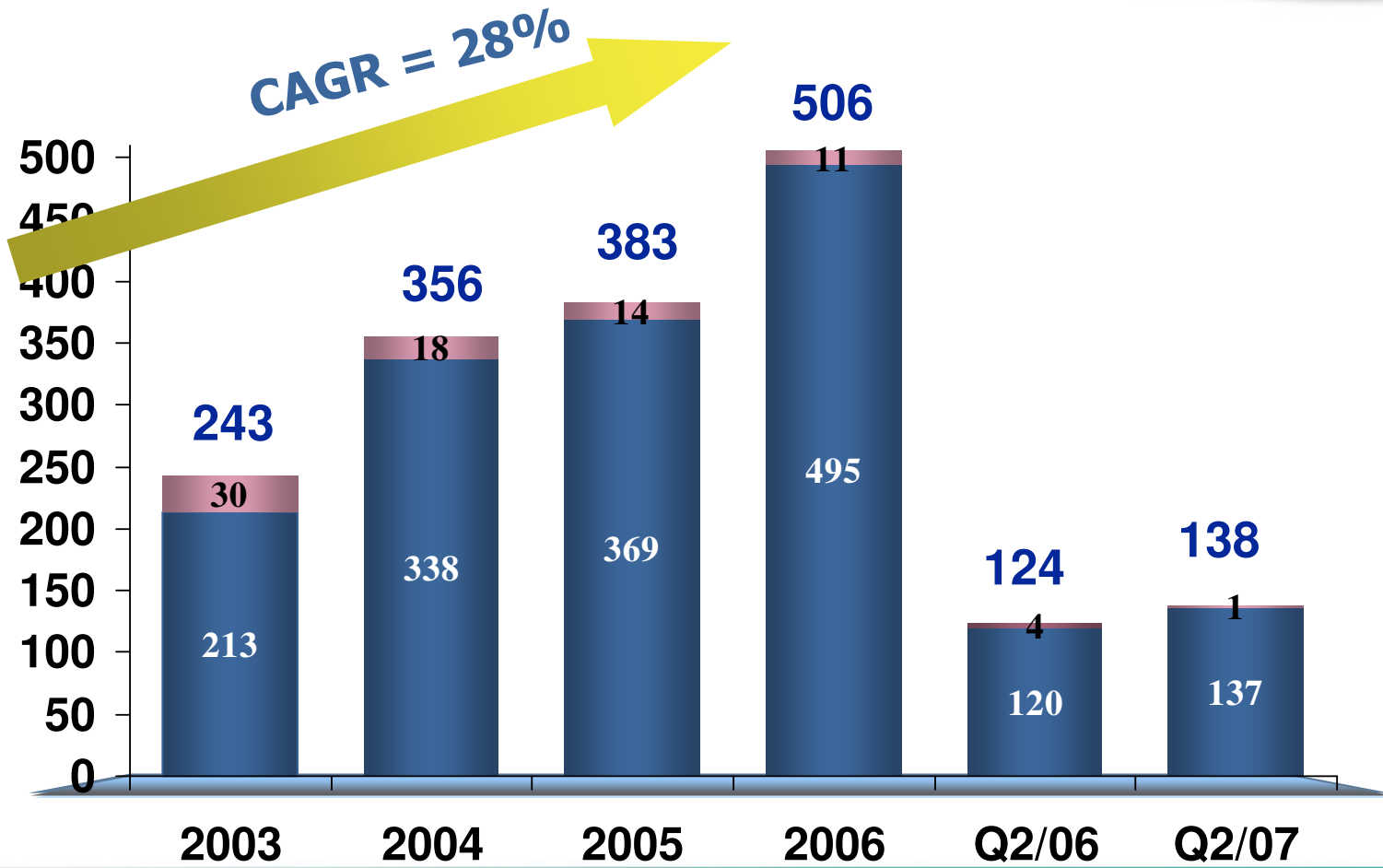
(\$ Millions)

	Q2/07	Q1/07	% Change	% of Sales	
				Q2/07	Q1/07
Sales	2,386	2,080	15%	100 %	100 %
Gross profit	1,243	1,037	20%	52.1%	49.9%
R&D – net	137	135	1%	5.7%	6.5%
SG&A expenses	469	456	3%	19.7%	21.9%
Operating income	637	446	43%	26.7%	21.4%
Financial expenses - net	8	28	-71%	0.3%	1.3%
Income before taxes	629	418	50%	26.4%	20.1%
<b>Net income</b>	<b>515</b>	<b>342</b>	<b>51%</b>	<b>21.6%</b>	<b>16.4%</b>
<b>Earnings per share (Diluted)</b>	<b>0.63</b>	<b>0.42</b>	<b>50%</b>		
Tax Rate	18%	18%			



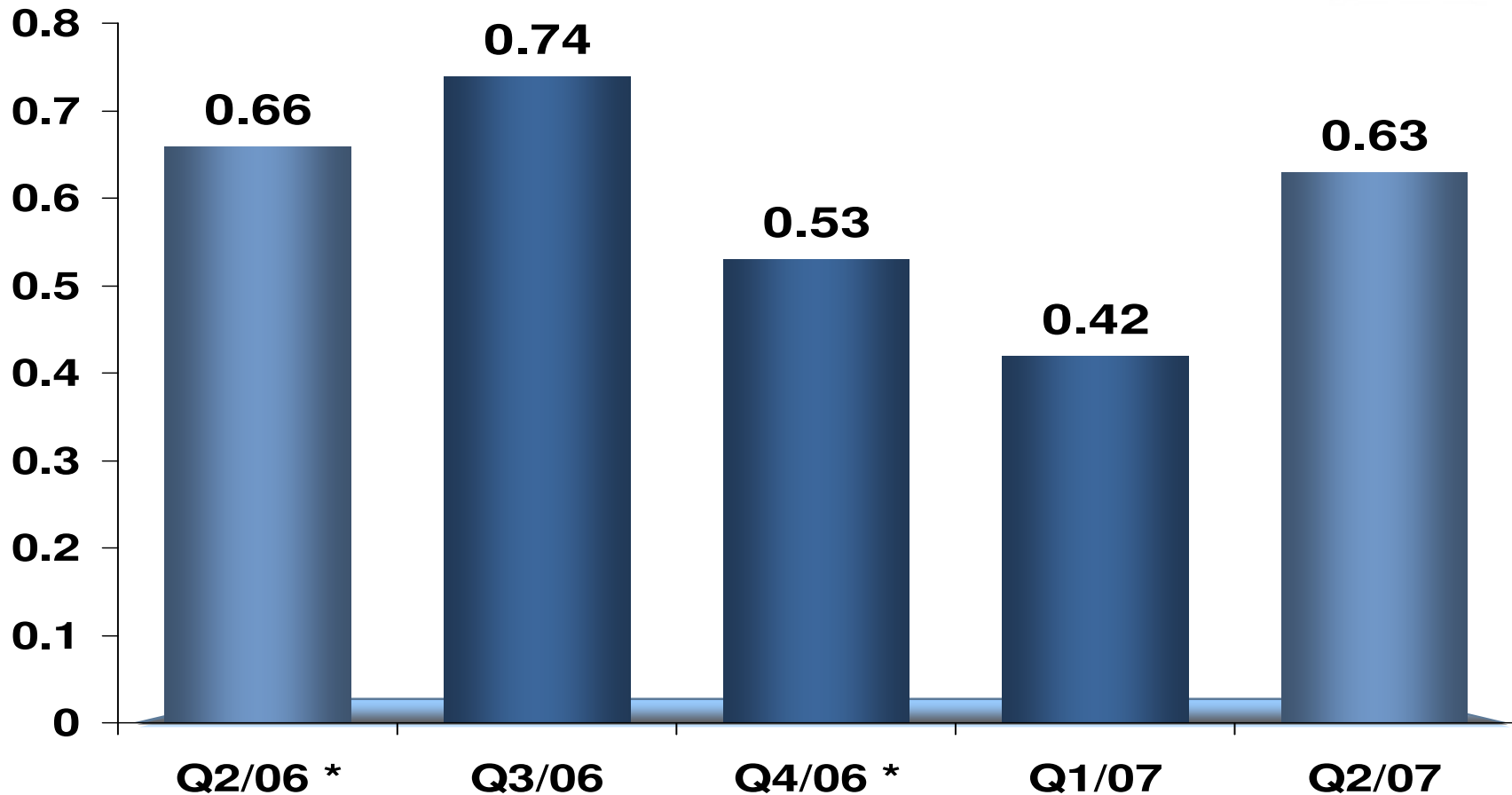
# R&D Expenses (\$ Millions)

- Gross R&D
- Grants & Participations
- R&D - Net



## Earnings per Share (diluted, in \$)

Up 50%



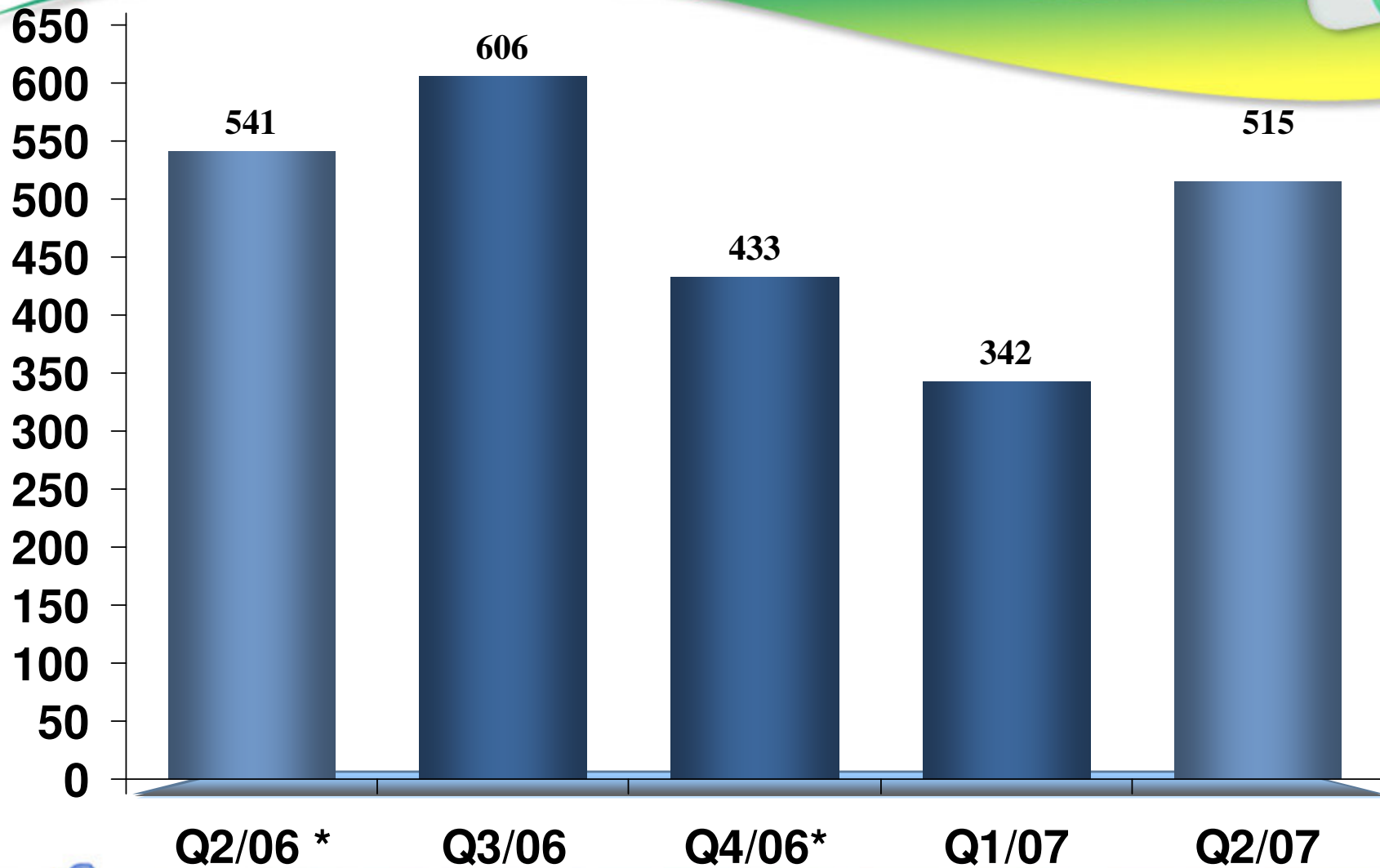
\* Before non-recurring items, after tax : Q2/2006 52M\$, Q4/2006 (27M\$)

22



TEVA PHARMACEUTICAL INDUSTRIES LTD.

## Net Income (\$ Millions)



\* Before non-recurring items, after tax : Q2/2006- \$52M and Q4/2006-\$(27M)



TEVA PHARMACEUTICAL INDUSTRIES LTD.

## Q2/2007 – Cash Flow Highlights (\$ Millions)

	Q2/07	Q1/07	Q4/06	Q3/06	Q2/06	Q1/06	Yr 2006
Net Income (loss)	515	342	461	606	488	(1,009)	546
Cash flow from operating Activities**	437	499	765	793	212	288	2,058
Acquisition of companies	-	-	5	2	24	3,556	3,587
Purchase of fixed assets (net of proceeds from sale)	106	149	129	76	90	71	366
Dividends*	75	72	58	59	57	55	229
Free cash flow	256	278	578	658	65	162	1,463

\* Actually distributed

\*\* Net cash provided by operating activities less purchase of property, plant and equipment (net), and dividends paid



# Q2/2007 – Consolidated Balance Sheet

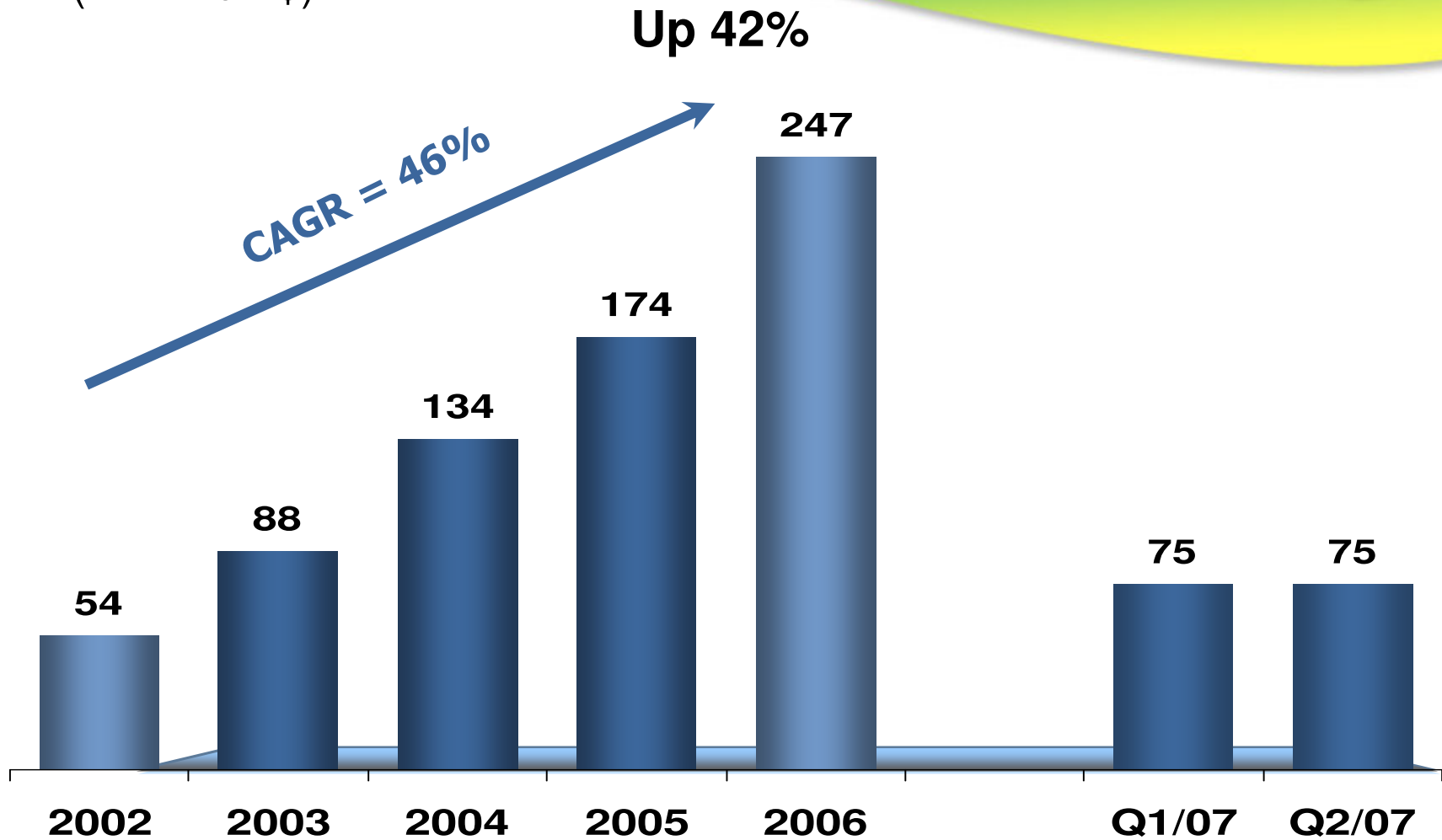
(\$ Millions)

	Jun 30, 2007	Mar 31, 2007	% Change	Jun 30, 2006
Current Assets	8,672	8,021	8%	6,667
of which: Inventory	2,147	2,084	3%	1,772
Investments And Other Assets	731	686	7%	690
Property, Plant & Eqmt-net	2,341	2,288	2%	2,119
Intangible Assets	1,901	1,958	-3%	2,010
Goodwill	8,101	8,074	0%	7,883
<b>Total Assets</b>	<b>21,746</b>	<b>21,027</b>	3%	<b>19,369</b>
Current Liabilities	4,737	4,641	2%	3,994
of which: Short Term Debt	1,524	1,521	0%	1,056
Long Term Liabilities	3,031	3,079	-2%	2,869
Minority Interests	37	36	3%	33
Convertible Senior Debentures	1,883	1,883	0%	2,572
Shareholders' Equity	12,058	11,388	6%	9,901
<b>Total Liabilities &amp; Equity</b>	<b>21,746</b>	<b>21,027</b>	3%	<b>19,369</b>



# Dividend 2002-2006

(In Million \$)



## Q2/2007 – Financial Strength

(\$ Billions)

	Jun 30, 2007	Mar 31, 2007
Total Equity	12.06B	11.39B
Total Debt	5.51B	5.53B
of which:		
short-term	1.52B	1.52B
long-term	3.98B*	4.01B*
Leverage*	0.31	0.33

\* [DEBT/(Debt+Equity)]



# NASDAQ Top 20 Companies

As of July 27, 2007



1	MSFT	Microsoft Corporation	\$281,169,443,801
2	CSCO	Cisco Systems, Inc.	\$175,883,650,225
3	INTC	Intel Corporation	\$136,767,400,000
4	AAPL	Apple Inc.	\$124,422,769,800
5	GOOG	Google Inc.	\$118,488,202,080
6	ORCL	Oracle Corporation	\$100,863,732,060
7	QCOM	QUALCOMM Incorporated	\$ 69,453,972,543
8	AMGN	Amgen Inc.	\$ 64,499,454,900
9	DELL	Dell Inc.	\$ 63,196,528,641
10	ERIC	LM Ericsson Telephone Company	\$ 55,187,809,599
11	CMCSA	Comcast Corporation	\$ 55,149,195,920
12	EBAY	eBay Inc.	\$ 44,420,340,044
13	RIMM	Research in Motion Limited	\$ 40,119,364,740
14	GILD	Gilead Sciences, Inc.	\$ 34,514,504,640
15	AMZN	Amazon.com, Inc.	\$ 34,430,978,950
16	<b>TEVA</b>	<b>Teva Pharmaceutical Industries Limited</b>	<b>\$ 33,881,998,011</b> *
17	YHOO	Yahoo! Inc.	\$ 31,566,996,075
18	AMAT	Applied Materials, Inc.	\$ 29,795,208,520
19	INFY	Infosys Technologies Limited	\$ 28,851,752,706
20	COST	Costco Wholesale Corporation	\$ 25,650,087,230



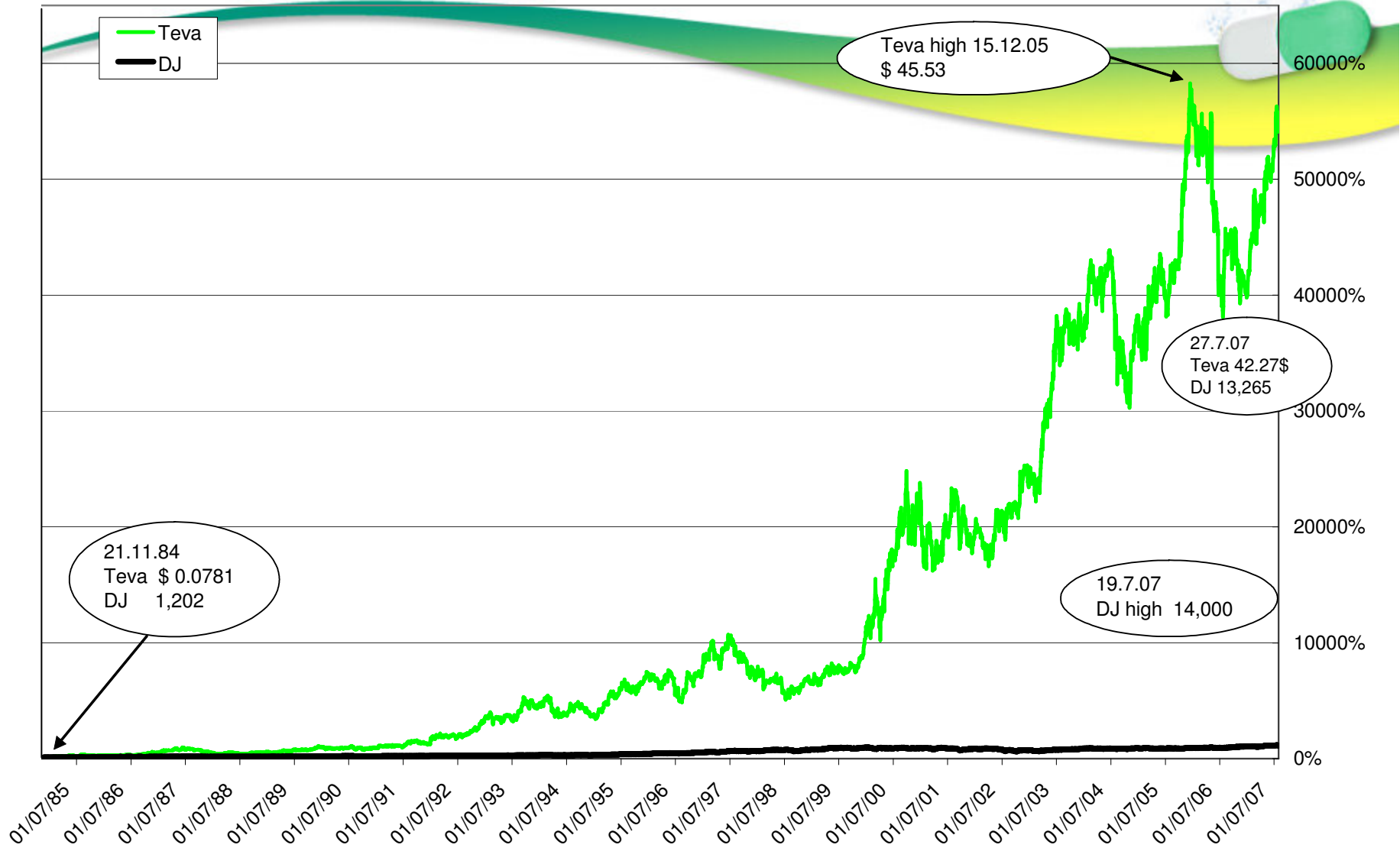
\* Share Price: \$42.27

28

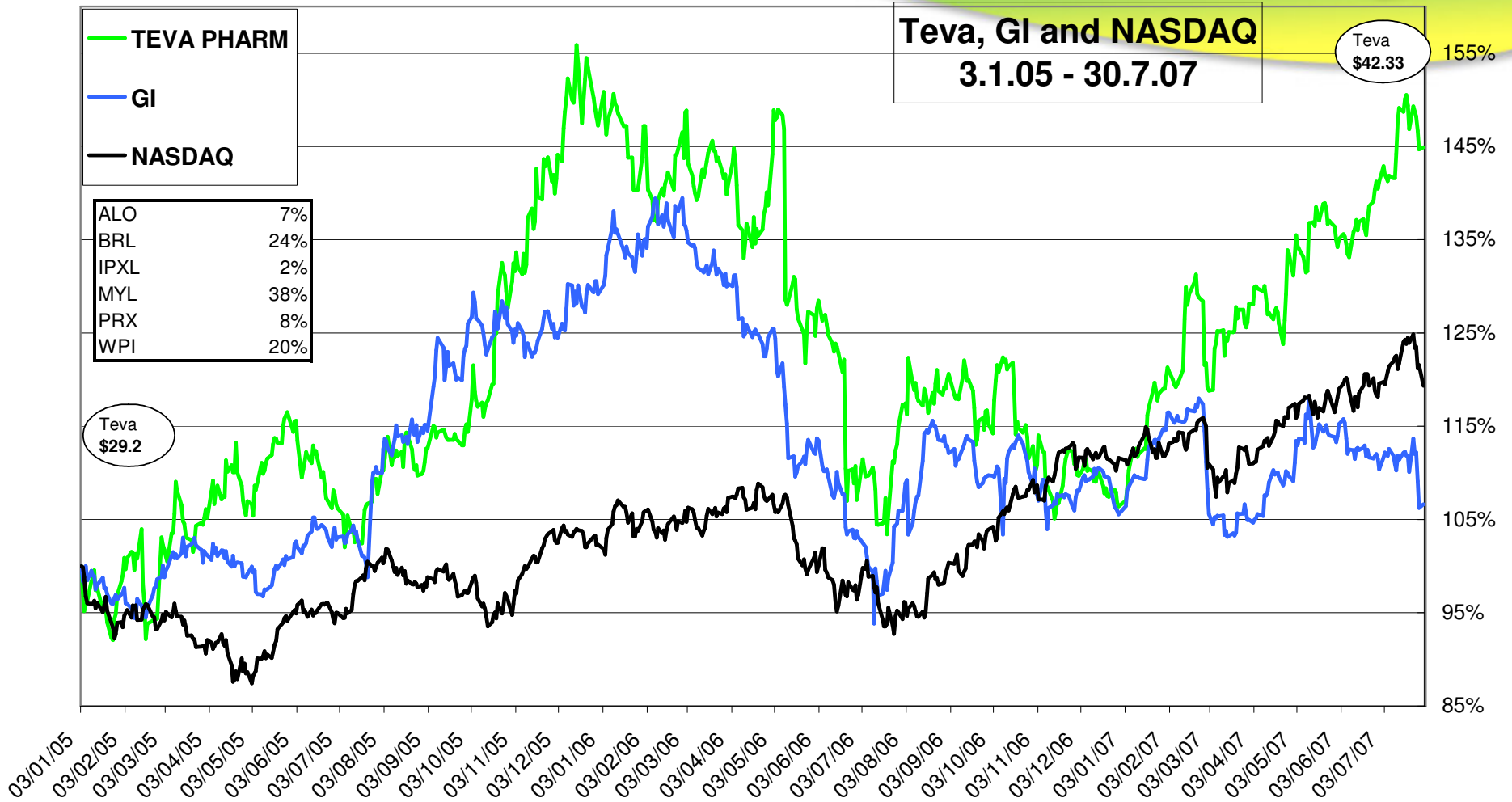


TEVA PHARMACEUTICAL INDUSTRIES LTD.

# Teva Vs. Dow Jones 1984-2007



# Teva Vs. Generic Index and NASDAQ 2005-2007





TEVA PHARMACEUTICAL INDUSTRIES LTD.



**Teva Pharmaceutical Industries Ltd.**  
**Investor Lunch – Tel- Aviv**  
**Dan Suesskind, CFO**  
August 1 , 2007

