TEVA PHARMACEUTICAL INDUSTRIES LTD.

Global Generic Resources

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October 16, 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 EXLUSIVITY PERIOD OF THEIR BRANDED PRODUCT, TEVA'S ABILITY TO RAPIDLY INTEGRATE THE OPERATIONS OF ACQUIRED BUSINESSES, THE AVAILABILITY OF PRODUCT LIABILITY COVEREGE 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.

Wide Range of Technologies

Tablets, Capsules, MR Tablets,
Powders for suspension

Pre-filled syringes, Vials, Ampoules,
Infusion Bags, Nebules (BFS),
Ophthalmics

Metered Dose Inhalers (MDI's)
Metered Dose Powder Inhalers (MDPI's)
Breath Actuated Inhalers (BAI's)

Liquids, Creams & Ointments,
Nasal sprays, Suppositories, SGC's

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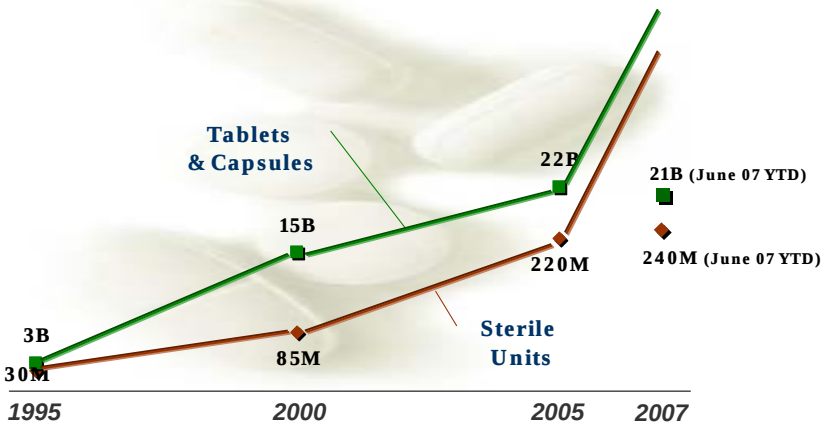
In-house Production Volumes



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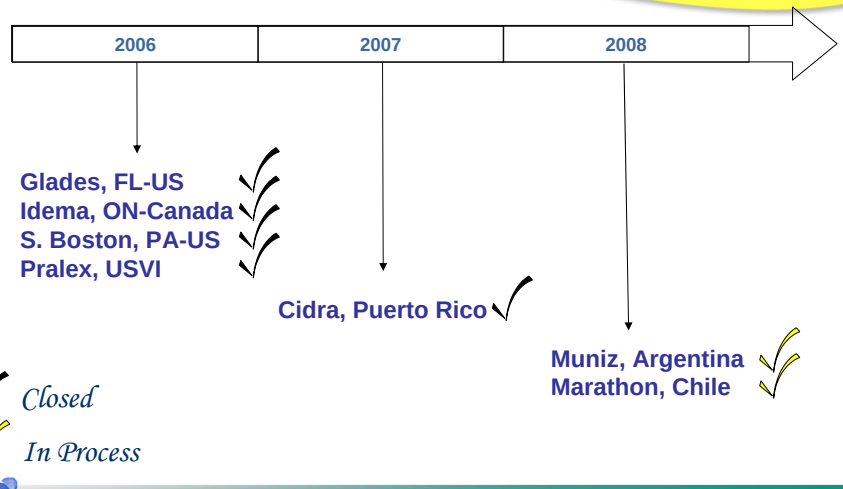
Production Plants Rationalization

From 38 to 31 plants



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Global Generic Resources – Manufacturing

Countries	19
Manufacturing sites	**33**
GR&D sites	15
Biotech facilities	3
Employees	~12,000

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Global Generic Resources – Biotechnology

Countries	19
Manufacturing sites	33
GR&D sites	15
Biotech facilities	**3**
Employees	~12,000

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Global Customer-back Supply Chain

- Decentralized lean Supply Chain organization with a customer focus and agile supply sources
- Standard Supply Chain processes aligned with Supply Chain segment characteristics
- Providing end-to-end integration from API supply to the end customer.
- Deploying Oracle APS across entire Supply Chain to achieve full transparency

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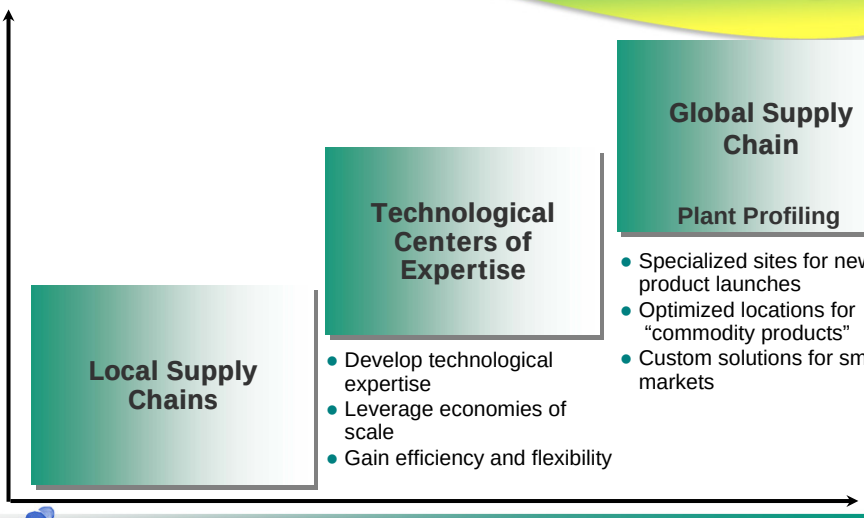
Evolution of Supply Network



- Develop technological expertise
- Leverage economies of scale
- Gain efficiency and flexibility

- Specialized sites for new product launches
- Optimized locations for "commodity products"
- Custom solutions for small markets

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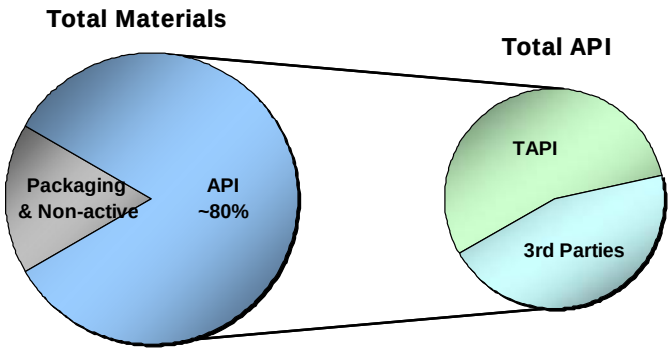
Materials Purchasing Sources



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Materials Sourcing & Purchasing

Benefits from our global structure

- Availability & flexibility
  - Vendors are happy to share opportunities as leveraged to several markets
  - Can better react to market opportunities by having global inventory
- Purchasing power
  - Combined quantity for all sites & markets
  - Create basket of products with key vendors for many markets
- Efficiency
  - Sharing knowledge during the development and commercial periods (supported by a global knowledge management system)
  - Global vendor audit plan for all sites

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Global Generic Resources – GR&D

Countries	19
Manufacturing sites	33
GR&D sites	**15**
Biotech facilities	3
Employees	~12,000

15 Sites allow us to Leverage Patent Environments

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Generic R&D Goal: First to File – First to Market

Prerequisites for First and Fastest to Market

- Effective product selection process
- Effective patent landscape analysis
- Adequate product development plan

Leveraging on Teva leadership position as a global provider of generic pharmaceuticals with unique API back-integration depth

What Makes Teva Generic R&D Successful

- Truly Globalized Generic R&D
  - Integrated Systems
  - Interlinked Strategies
- Vertical Integration
  - Knowledge
- Legal and Regulatory Expertise
- People and Management Experience
  - Managing the balance between time, cost, complexity and risk
- Leveraging files from one market to the others
- Teva is a Preferred Customer
  - 3rd Party API Suppliers
  - CRO's Biostudies

It's not just the number of files, but how you do it.

Leveraging – Developing for more than one market

	US	EU/CA	Some Other Markets	
Batches (Number required)	1 →	2 →	3	
Stability (Months)	3	6 →	6	**Plus Zone IV**
Cost	$	$ ↓	$ ↓	

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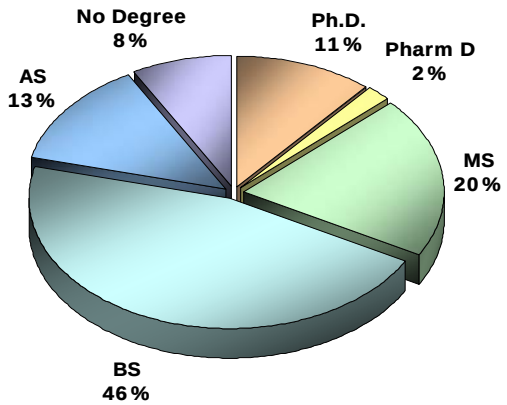
Human Capital - GR&D Degree Spread



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Technologies and Centers of Know-How

Israel

- Solid Oral Complex Drug Delivery
  - Beads
  - Tablets
- Nasal Sprays

Sellersville, US

- Orally Disintegrating Tablets
- Solid Oral Complex Drug Delivery
  - Beads
  - Tablets

Irvine, US

- Injectable Complex Drug Delivery – Long Acting
- Injectable Suspensions

Runcorn, UK

- Sterile Blow-Fill-Seal Products

Waterford, IR/Glades, US

- Inhalers

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Quality System Approach

Quality By Design

Building-in quality from development throughout a product life-cycle

Quality Management
Personnel Development
Product Development
Facility/System/ Equipment Design
Risk Management
Knowledge Management

Quality By Conformance

Compliance with regulatory requirements, including GMP and product specifications

Management Review
Quality Control
Validation
Risk Assessment
Investigations
Monitoring

Quality Profile

Internal and external assessment of the quality performance

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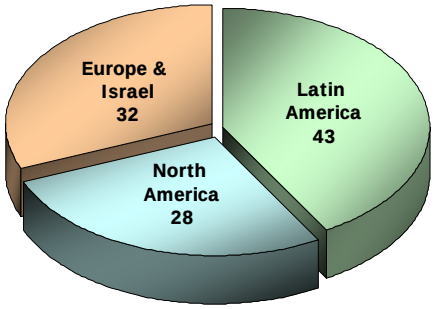
Regulatory Authorities Inspections 2006-2007

The outcome of 103 inspections:
Satisfactory compliance status



Out of 103 inspections:

US FDA - 32

EU Agencies - 25

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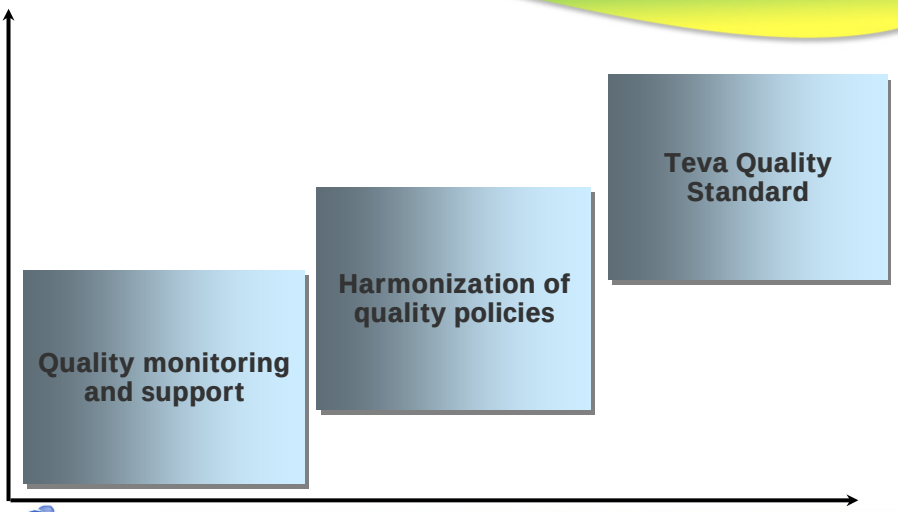
Evolution of Global Quality



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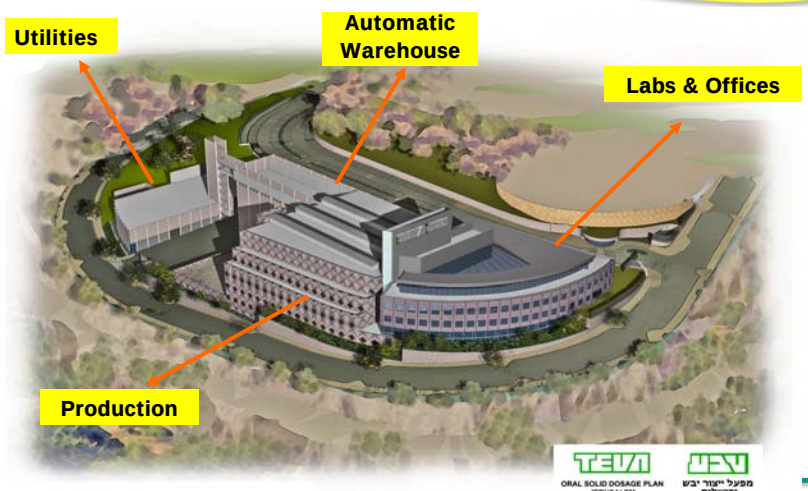
Jerusalem New OSD Plant



ORAL SOLID DOSAGE PLAN JERUSALEM

Zarhy architects

מפעל ייצור יבש ירושלים

זרחי אדריכלים

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IES LTD.