



TEVA PHARMACEUTICAL INDUSTRIES LTD.

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VP Global Innovative R&D

October 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.



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Agenda

- Introduction
- Multiple Sclerosis
 - Copaxone® 40 mg
 - Laquinimod
- Parkinson's Disease
 - Azilect for PD Modification
- ALS
 - Glatiramer Acetate
 - Talampanel
- Oncology
 - CT-011



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Innovative Pipeline : Operational Strategy

- Sourcing both pre-clinical and early clinical products globally, in pre-defined niche areas, with a unique value proposition that will make us the "partner of choice" for the innovators
- Streamlined internal decision-making processes with high bars for "go/no go" decision
- Identifying risks early and implementing strategies (both technological and financial) to mitigate them
- A "lean and agile" Global R&D organization
- Leveraging emerging markets heavily for clinical studies
- Leveraging our credibility with payors to design trials that deliver meaningful differentiation and compelling economics
- A unique "go-to-market" approach, based on small, clever and focused sales force to address niche markets and leverage our relationship with the payors



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Criteria for Selection of Products for Development

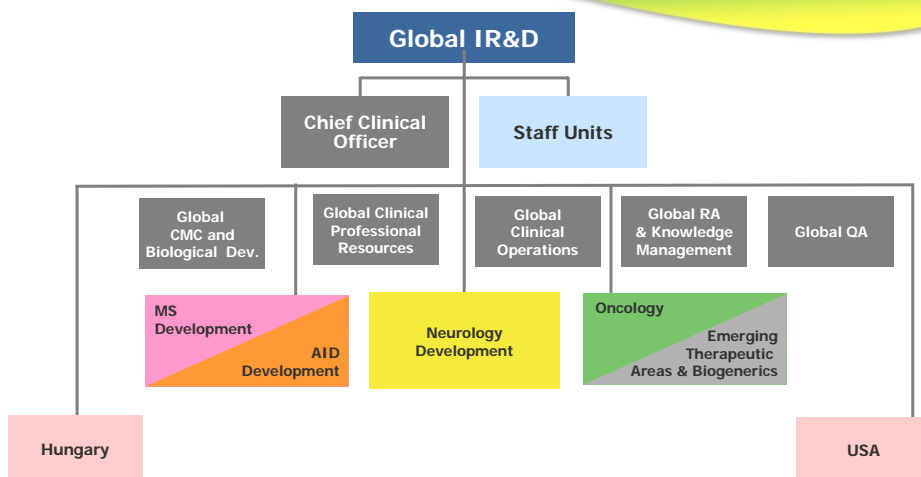
- Niche Indications with significant unmet medical needs (multiple sclerosis and other auto-immune diseases; neurological diseases; oncology)
- High leadership potential: market share; first - line treatment, peak sales....
- High degree of innovation
- Development and commercial risks: reasonable



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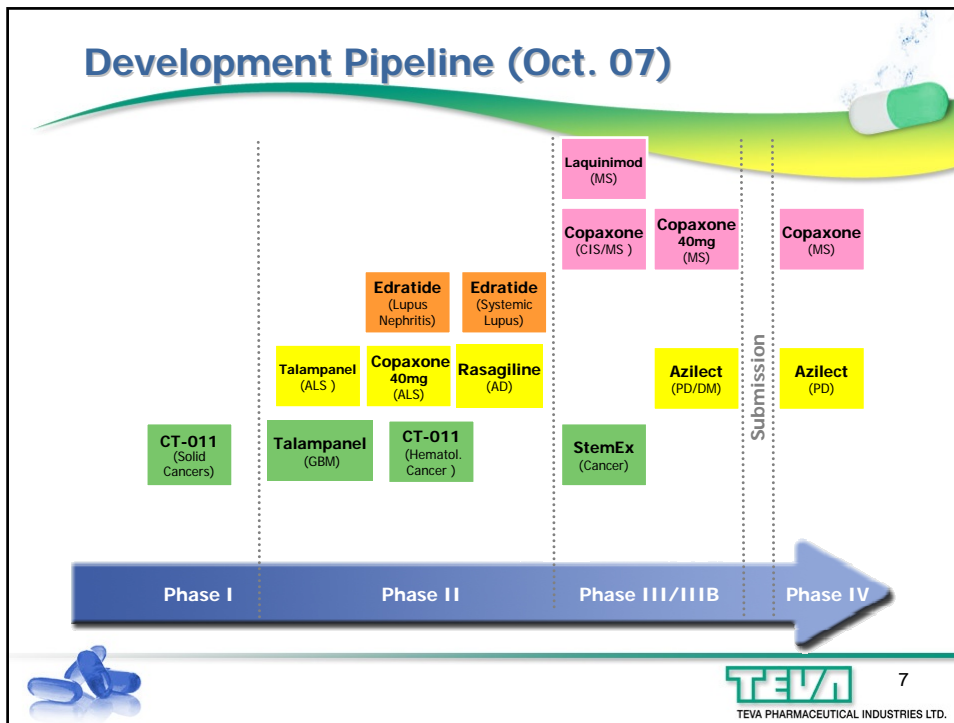
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Global IR&D Organization



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FORTE: A Global Phase III Study Comparing the 40 mg and 20 mg Doses of Copaxone®

Objectives	Expand Copaxone® indication to include the 40 mg dose
Study design	Randomized, double-blind, parallel-group, 20 mg or 40 mg
Patients	RR-MS (500 pts/arm)
Treatment duration	12 M double-blind followed by 12 M open-label 40 mg GA
Frequency	Daily sc injections
Primary end-point	Annual RR
Secondary end-point	MRI parameters Disability

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Copaxone® 40mg Opportunity

- The 40 mg dose of Copaxone® is potentially an improved product with:
 - Better efficacy
 - Rapid onset of action
 - Good safety and tolerability
- The excellent safety profile makes 40 mg dose good candidate for combination therapies
- Based on current understanding of the MOA of Copaxone®, 40 mg dose may be potentially effective in other inflammatory and neurodegenerative diseases (ALS....)

Next Milestone:
Submission: H2/2008



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Laquinimod Global Phase III Plan

	LAQ/301	LAQ/302
Objectives	Effect of 0.6 mg vs. placebo on RR & Disability	Effect of 0.6 mg vs. placebo on RR & Disability Comparative Risk/benefit - LAQ vs. active comparator
Design	Double-blind, placebo controlled	Double-blind placebo controlled for LAQ Single-blind for active comparator
Patients	1000 RRMS patients LAQ: placebo (1:1)	1200 RRMS patients LAQ: placebo: comparator (1:1:1)
Treatment Duration	24 (30) months	24 months
Dose	Daily oral LAQ 0.6 mg & placebo	Daily oral LAQ 0.6 mg & placebo Market dosing regimen of comparator
PEP	Number of relapses	Number of relapses
SEP	Time to confirmed progression - EDSS, MSFC, MRI parameters	Time to confirmed progression-EDSS, MSFC, MRI parameters



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Laquinimod Opportunity

- Laquinimod is an oral product with a rapid onset of action
- Effective as monotherapy and may be a good candidate for combination therapies
- Unlike other oral drugs under development for Relapsing MS, Laquinimod does not seem to induce general immune suppression and, therefore, is potentially safer for long-term treatment
- Laquinimod has broad therapeutic potential in additional inflammatory autoimmune diseases (RA, Diabetes, IBD and more)

Next Milestone:
Submission: 2012



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ADAGIO: A Global Phase III Study of Azilect as a Disease Modifying Treatment

Objectives	New indication for Azilect: slowing progression of disease
Study design	Randomized, double-blind, parallel-group, delayed-start (placebo, 1 mg and 2 mg)
Patients	Early PD patients (a total of 1100)
Treatment duration	36 weeks of double-blind placebo-controlled treatment followed by 36 weeks of double- blind active treatment
Frequency	Single oral daily dose
Primary end-point	Rate of disease progression
Secondary end-points	Other UPDRS-related end-points



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Azilect® Opportunity

- Azilect® is effective as monotherapy for treating symptoms in early Parkinson's Disease patients while significantly improving quality of life
- Offers additional therapeutic benefits in patients already optimized on Levodopa and other Parkinson's Disease therapies
- Significantly improves motor fluctuations and neurological function in moderate to advanced Parkinson's Disease patients
- Has a superior safety profile and is very well tolerated
- Convenient, once daily dosing; patients start with the needed dose
- The Adagio study is ongoing to assess the benefit of Azilect as a disease-modifying treatment

Next Milestone:
Submission: H2/2008



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Clinical experience with Copaxone® in ALS patients

- Study with 20mg GA in ALS patients at Columbia University, NY
- 20 ALS patients treated with GA daily or biweekly
- GA was safe and well tolerated in ALS patients

Gordon, et. al. Randomized controlled phase II trial of glatiramer acetate in ALS:
Neurology, 2006



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GoALS - A Phase IIb Study Of GA in ALS

Objectives	Show efficacy of Glatiramer Acetate over placebo (+riluzole)
Study design	Randomized, double-blind, placebo-controlled, parallel-group
Patients	360 ALS patients
Treatment duration	12 months
Dosing regimen	40 mg GA, once daily, s.c. injection
Primary end-point	ALSFRS-r
Secondary end-point	Survival /time to tracheostomy



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Glatiramer Acetate 40mg Opportunity in ALS

- A disease with a very high unmet medical need
- Very strong support for a neuroprotective MoA of GA
- A known drug, with many years of accumulated safety data at a lower dose
- A good safety and tolerability profile of the selected dose
- Orphan Drug Designation/Fast Track

Next Milestone:
Go to Phase III : Q2/2008

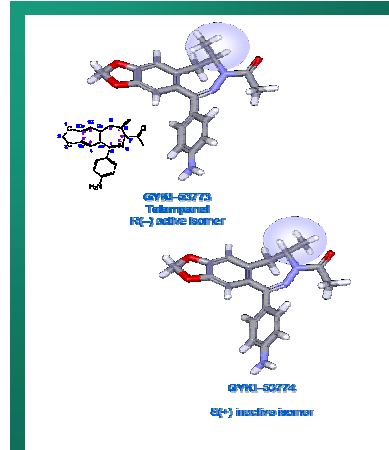


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Talampanel for ALS

- Selective, noncompetitive AMPA antagonist
- Orally active, with a novel mechanism of action
- Shows activity in various neuroprotection, dyskinesia, and autoimmune encephalomyelitis models
- Positive trends of activity in ALS patients in an early Phase II study



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A Global Phase IIb Study Of Talampanel in ALS

Objectives	Show efficacy of Talampanel over placebo (+ riluzole)
Study design	Randomized, double-blind, placebo-controlled, parallel-group
Patients	640 ALS patients
Treatment duration	12 months
Dosing regimen	50 mg. Talampanel, t.i.d.
Primary end-point	ALSFRS-r
Secondary end-point	Survival /time to tracheostomy



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Talampanel Opportunity in ALS

- An oral treatment
- A disease with a very high unmet medical need
- A reasonable safety and tolerability profile at the selected dose
- Orphan Drug Designation/Fast Track

Next Milestone:
Go to Phase III : Q2/2010



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CT-011 Overview

- A humanized MAb that exerts anti-tumor activity against a wide range of tumors
- Interacts with PD-1, a B7 family-associated receptor, to block its activity
- Functionally targets T cells and NK cells
- Promising results from a clinical Phase I/II study in a mixed population of oncology patients
- Dual mechanism of action:
 - Prolongs the duration of anti-tumor immune response
 - Renders resistant tumors susceptible to T cell action



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A Phase IIb Study Of CT-011 in Lymphoma Patients

Objectives	Show efficacy of CT-011 in Lymphoma patients
Study design	Open-label, single arm , multi-center (US and Israel)
Patients	68 lymphoma patients, 60-75 days post autologous BMT
Treatment duration	Follow-up of patients up to 16 months after 1 st injectin
Dosing regimen	1.5 mg/Kg, IV, 3 times, every 6 weeks
Primary end-point	Progression -free survival at 16 months
Secondary end-points	Overall survival, safety, immunogenicity and more



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CT-011 Opportunity in Cancer

- A novel MoA with very solid scientific rationale
- Potential for many types of tumors (both hematological and solid)

Next Milestone:
Go to Phase III : Q2/2010



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