



TEVA PHARMACEUTICAL INDUSTRIES LTD.

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TAPI

October 15, 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 COVERAGE 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.



TEVA PHARMACEUTICAL INDUSTRIES LTD.

TAPI - 2007 ID

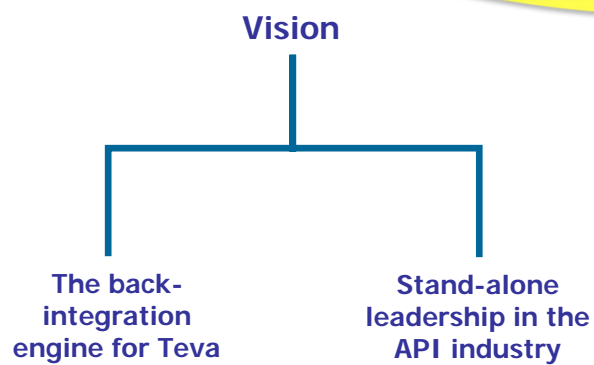


People:	4,000
Factories:	18
Products:	250
Total Sales (2006):	1,320 M\$ serving 500 customers
TAPI Global R&D:	500 employees

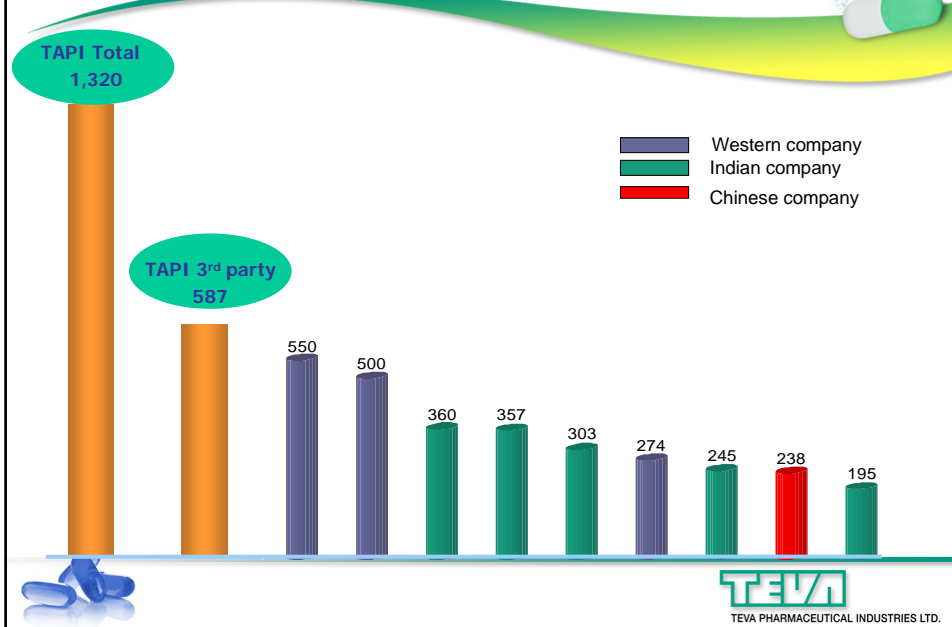
Intellectual Property (IP) is a major part of our ID



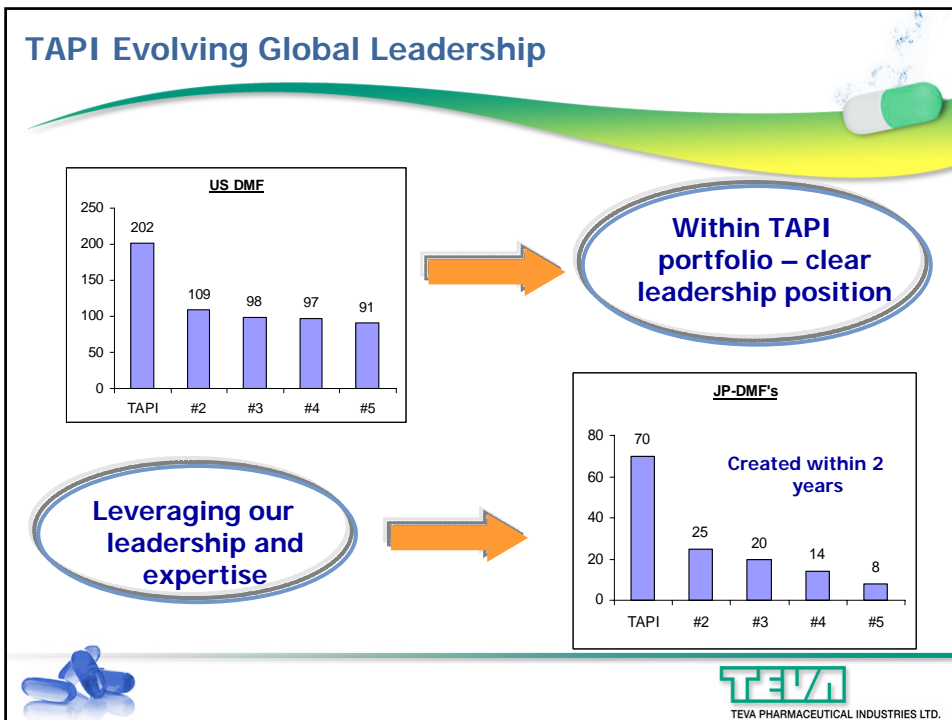
Dual Strategy



TAPI - the Undisputable API Generic Leader 2006 sales (M\$) – estimated sales of competitors



TAPI Evolving Global Leadership



Vertical integration – why is it important?

- Time to Market
- Profitability
- Reliability – Quality/ Supply /IP
- Launch at risk



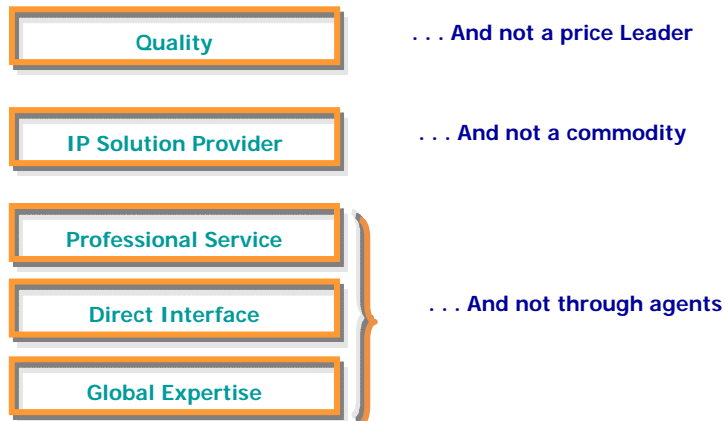
Vertical integration in Teva – what is different?

- Clear business model, with full commitment
- Size of API Division
 - Portfolio Breadth
 - Operational flexibility
- TAPI market leadership positioning (through Teva and through 3rd party)
 - economy of scale
- Own IP early



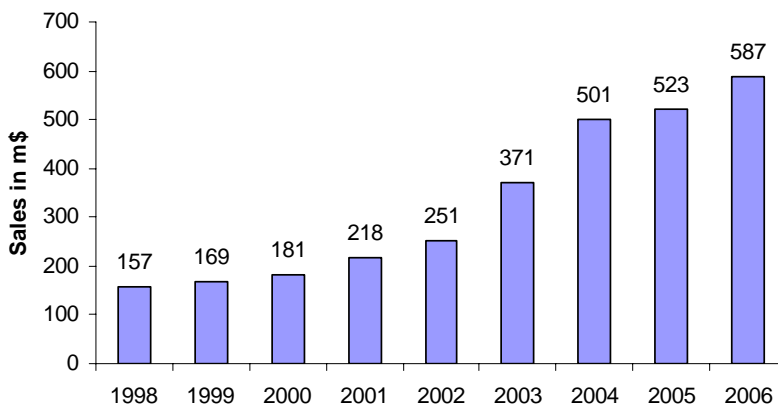
3rd party - TAPI's Value Proposition

Leadership Through Differentiation



3rd party business

**TAPI 3rd Party Sales
1998 –2006 (in US\$ millions)**



Global spread of TAPI plants – a flexible operation

	Israel	N. America	Italy	Switzerland	Central Eastern Europe	East/ Asia
	Plantex	Biocraft	Villanterio	Vacallo	Biogal – Hungary Incl. R&D	RDL - India Incl. R&D
						New!
	Abic	Sicor de Mexico	Settimo		Galena - CZ	Hangzhou Teva Synthetics - China
	Assia – R&D, pilot	Puerto Rico	Caronno			
	Teva Tech		Bulciago			
			Rho			
			Santhia			
Employees	1,125	345	442	12	922	509



TEVA
as on 31/10/2006
 TEVA PHARMACEUTICAL INDUSTRIES LTD.

Global spread

34 sites - plants, R&D centers and marketing presence all over the world



TEVA
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IP - a cornerstone of TAPI strategy

Why do we dedicate resources to IP ?

To provide our customer with differentiation

To protect us and our customers



TAPI's IP

Number of granted patents
(Cumulative)

