



TEVA PHARMACEUTICAL INDUSTRIES LTD.



International Generic Markets

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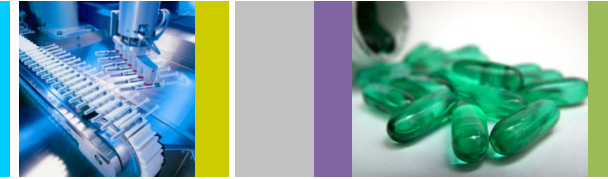
September 9, 2008

Jerusalem

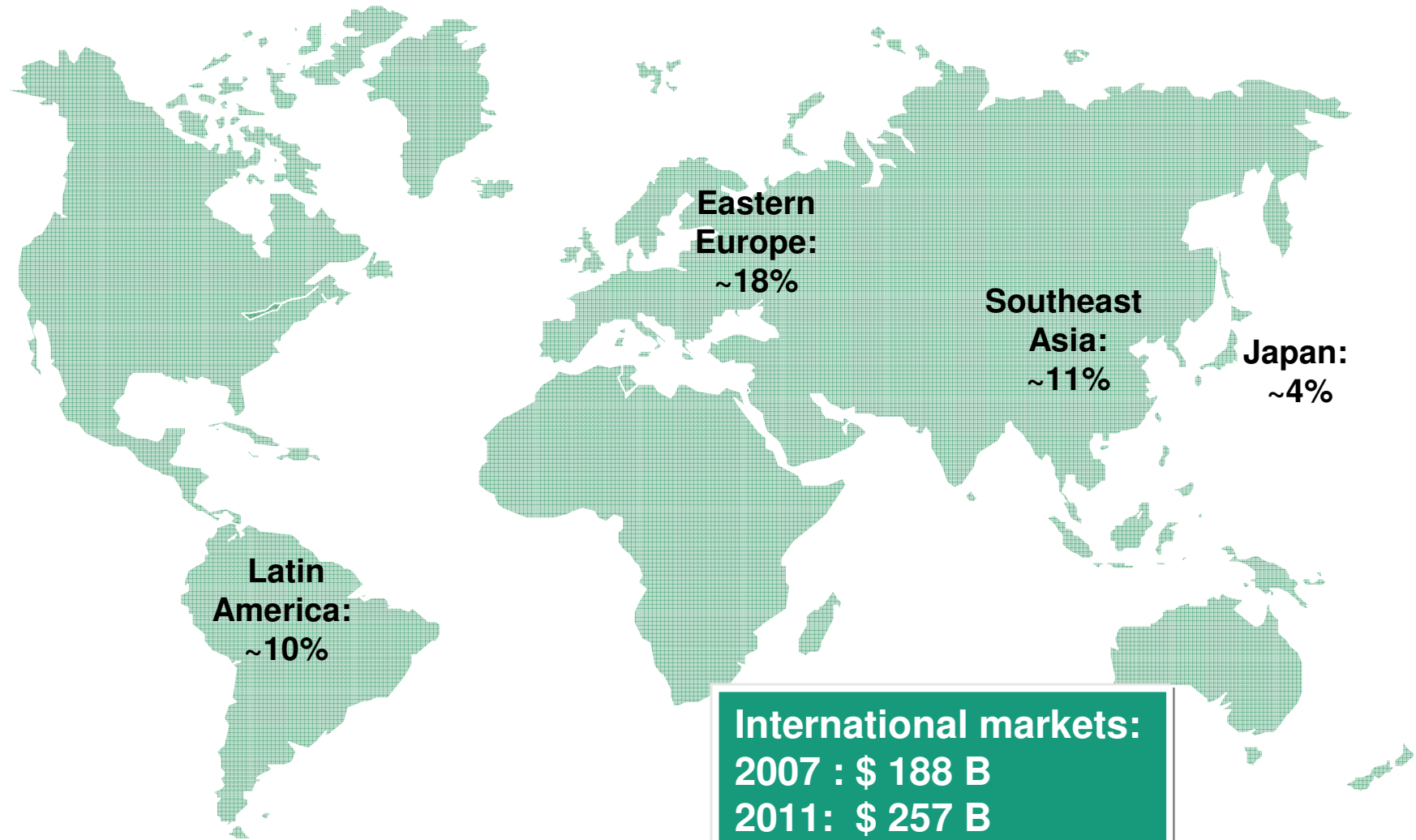
Key Themes

- Huge potential in the International markets
- Strong starting point - markets positions, global capabilities

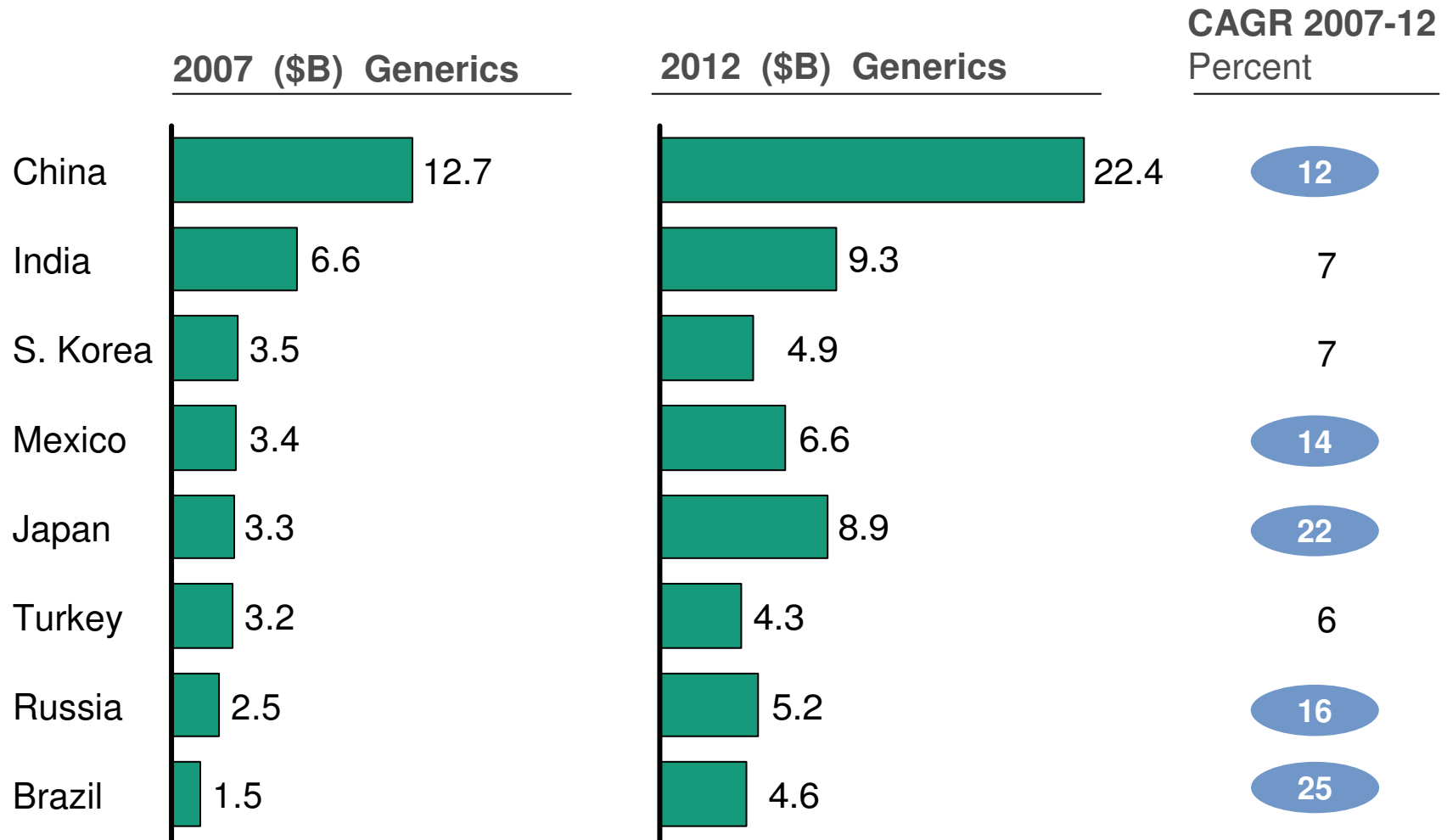
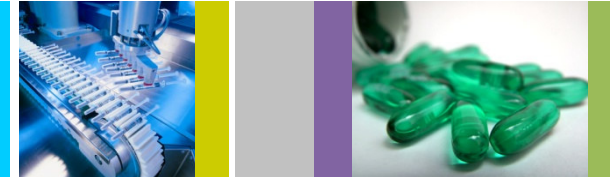
International Markets Growing Rapidly



Pharma Market (CAGRs 2007-2011)



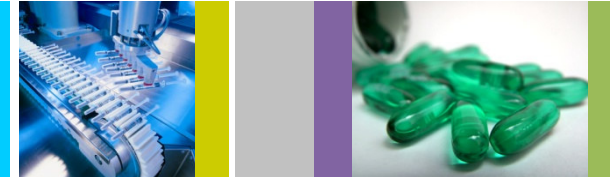
International *Generic* Markets Growing Even Faster



Broad Teva Presence in International Markets



Strong Starting Point in South and Latin America



Chile and Venezuela

- No. 1 market position in Chile
- No. 1 market position in Venezuela

Mexico

- No. 1 in sales to the public sector
- No. 4 market position
- 4 pharmaceutical manufacturing sites

Argentina and Peru

- No. 3 market position in Argentina
- No. 4 market position in Peru

Strong Platform in Middle East and Eastern Europe



Israel

- No. 1 in pharma, OTC, and medical devices
- Largest non-governmental supplier
- Expertise in Israel provides leverage, knowledge and solutions for other international markets

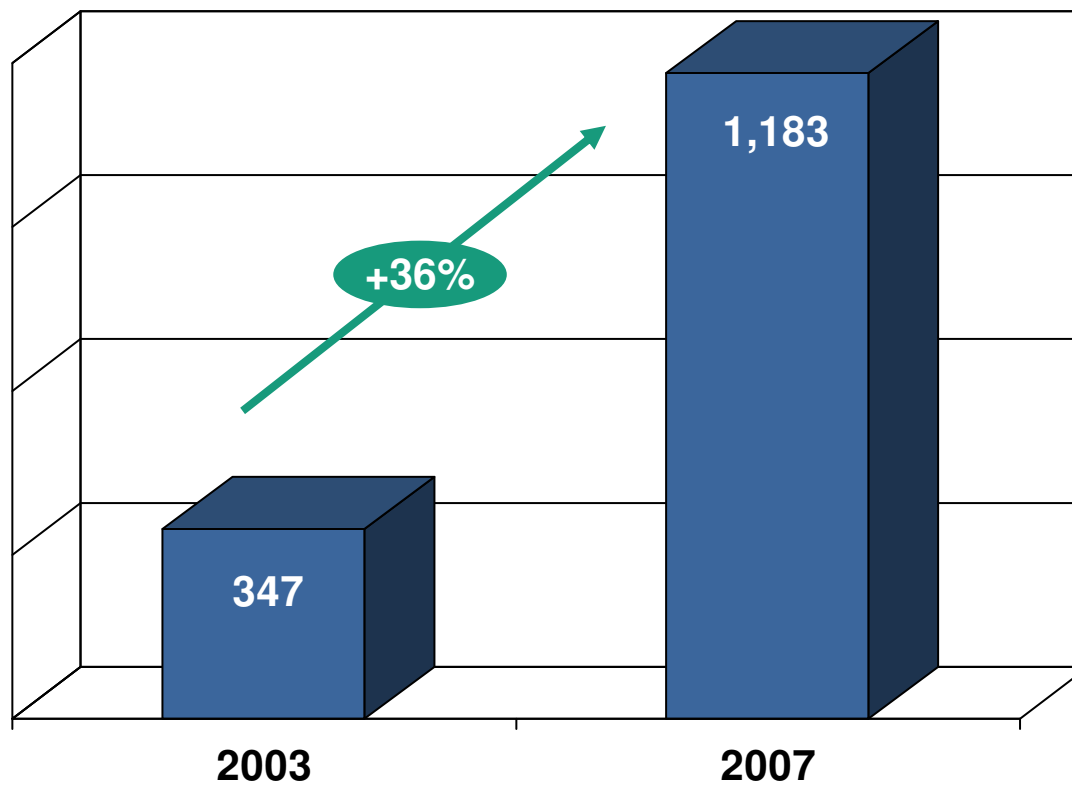
Turkey

- Med Ilac acquisition
- Strong pipeline in registration

Russia

- 2007: Grew from No. 15 to No. 7 in DLO segment
- Many additional products in registration

International Sales 2003 – 2007 (\$ Millions)



Strategic Considerations For Prioritizing Markets



- **Market size**
- **Growth rate**
- **Readiness / Maturity**
 - **Political and economy stability**
 - **Government accountability to health care**
 - **Regulatory & Legal environment**

Two Types of Markets on our Priority List



Emerging Economies

- Strong economic growth and rising personal wealth
- Consolidated group of retailers and distributors
- Rising patient demand for quality products

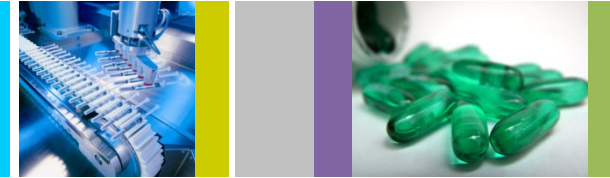
Example: Brazil, Russia, Turkey

“Embryonic” Generic market

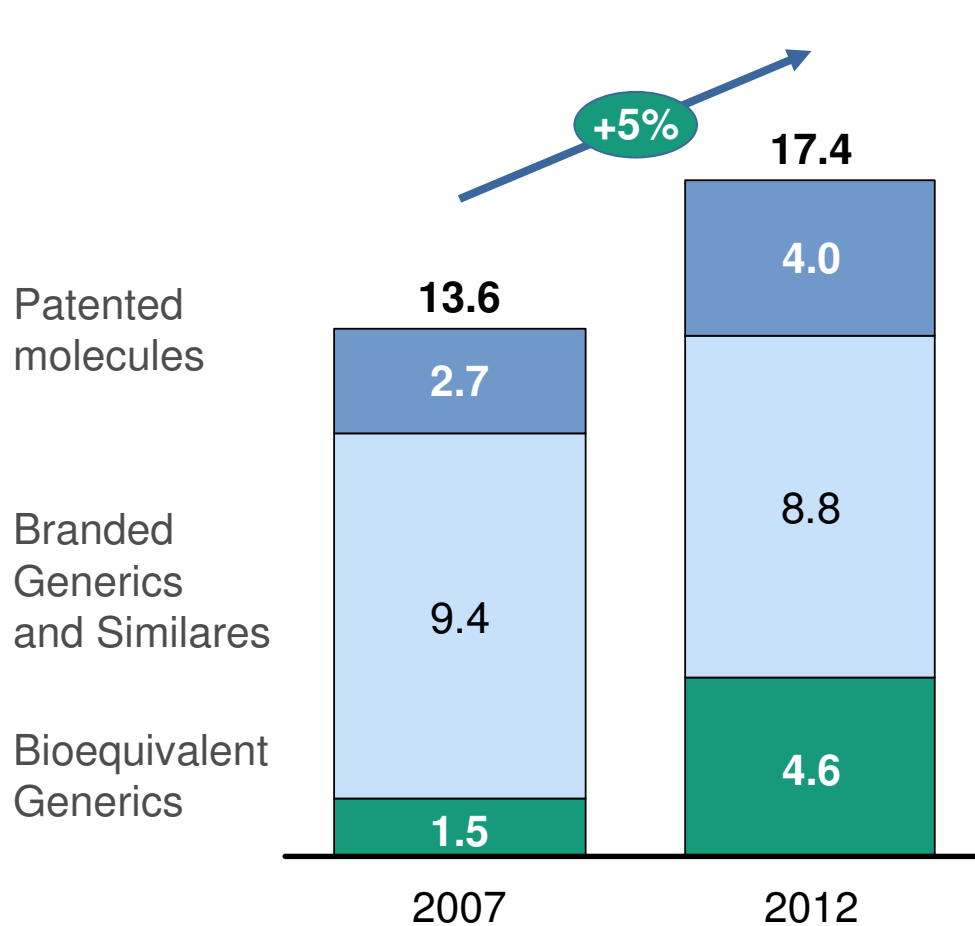
- Large, or rapidly growing overall pharma market
- Low generic share
- Favorable trends e.g., demographic growth, cost pressure

Example: Japan

Brazil – Emerging Economy; Quality Is Taking Over



\$ Billions



CAGR 2007-12
Percent

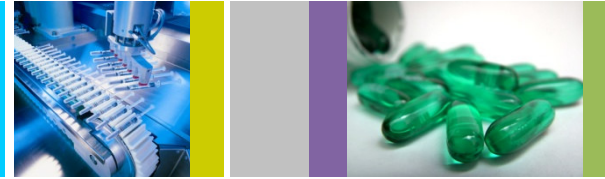
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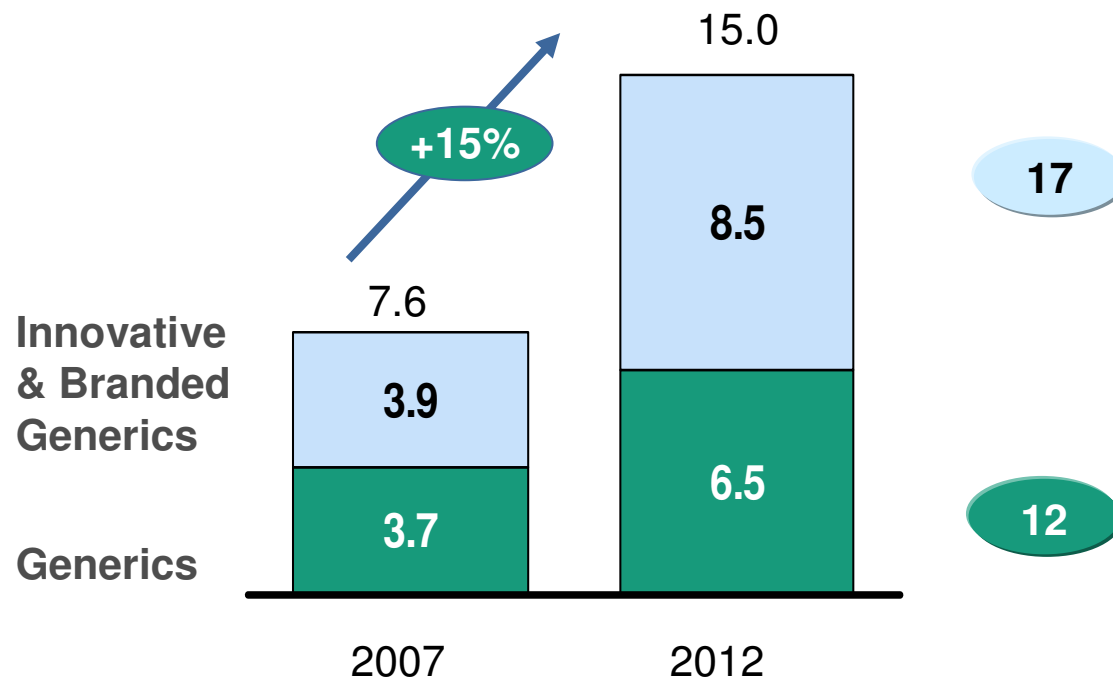
- Rising personal wealth drives Bioequivalent growth at the expense of “Similares”
- Customers are consolidating enabling big-to-big strategies

Russia – Rapid Economic Growth; Government Effort to Increase Public Wealth



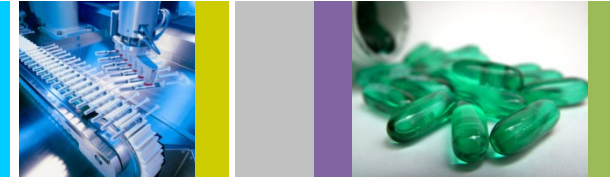
\$ Billions

CAGR 2007-12
Percent



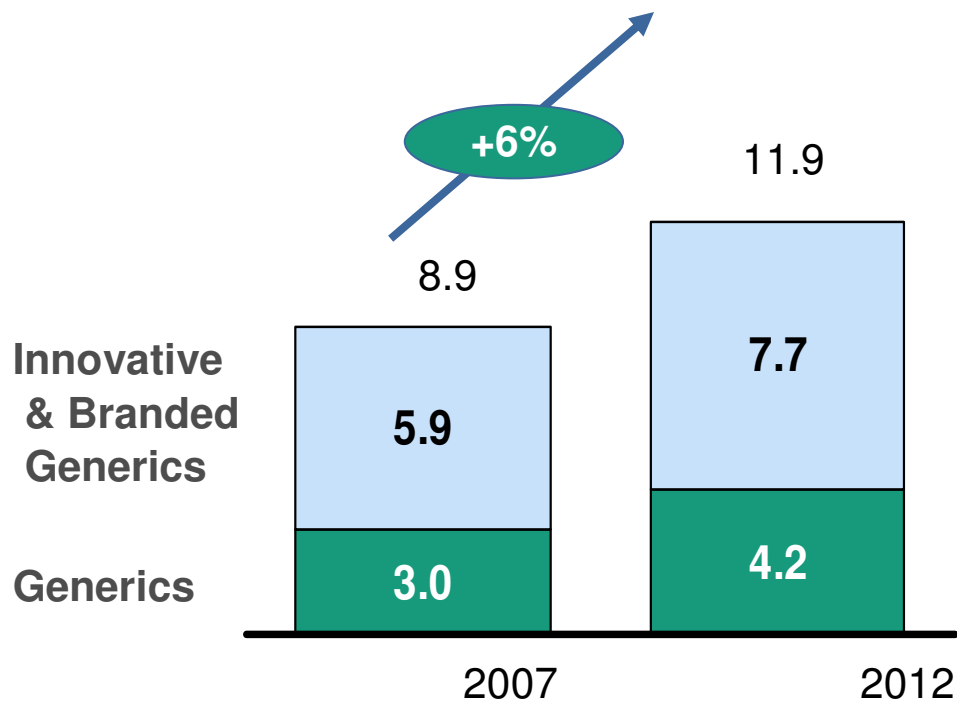
- Already #7 in Public Sector
- A broad portfolio is important in the “DLO”
- Sales-force expansion
- Institutional segment is growing rapidly

Turkey – Rapidly Growing Pharmaceutical Market



\$ Billions

CAGR 2007-12
Percent



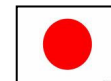
- Consolidation & globalization of local companies

- Increased regulation & standards

- Patent environment

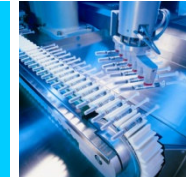
- Growth in private health insurance & modern treatments

Japanese Generics Market Poised To Grow

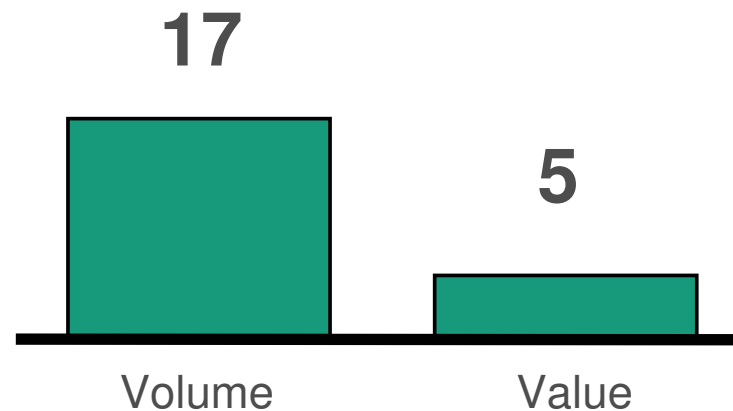


- **World's 2nd largest pharma market**
 - 2006: \$68B
 - 2012 projection: \$84B
- **Attractive fundamentals:**
 - Aging population
 - Rising healthcare costs
 - Government encouraging generics penetration

Significant Opportunity To Increase Generics Penetration

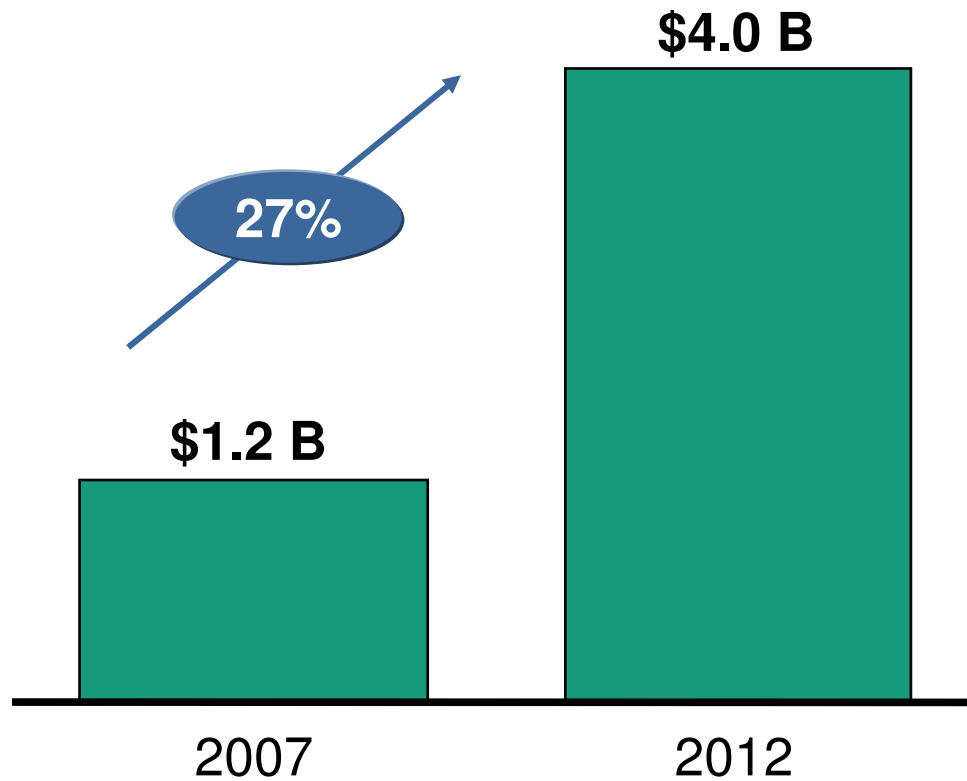
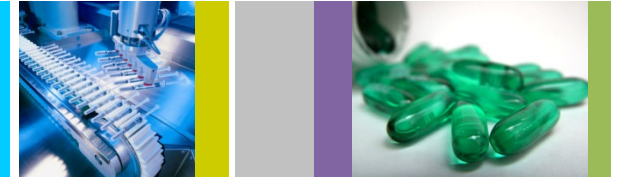


Generics share of total prescription drug market (2006)
In percentages



- Government targeting 30% volume share by 2012
- Government could save ~\$25B annually

Our Goal – International Sales



Closing Words

- Huge potential in the International markets
- Strong starting point – markets positions, global capabilities
- **Our goal is to achieve \$ 4 Billion in revenues in 2012**



Thank You!