



TEVA PHARMACEUTICAL INDUSTRIES LTD.

Teva Pharmaceutical Industries Ltd.

Chaim Hurvitz  
Group VP - International

October 15 , 2007



## The International Markets

### **Israel, Mediterranean Africa & Turkey:**

- ▶ Israel ▶ Turkey
- ▶ South Africa ▶ Kenya
- ▶ Nigeria ▶ Cyprus ▶ Malta
- ▶ other African countries

### **Central & Eastern Europe:**

- ▶ Bulgaria ▶ Czech Republic
- ▶ Estonia ▶ Kazakhstan
- ▶ Latvia ▶ Lithuania ▶ Poland
- ▶ Romania ▶ Russia
- ▶ Slovakia ▶ Ukraine
- ▶ Uzbekistan

### **Latin America:**

- ▶ Argentina ▶ Brazil ▶ Chile
- ▶ Curacao ▶ Mexico ▶ Peru
- ▶ Uruguay ▶ Venezuela

### **Asia:**

- ▶ China ▶ India ▶ Japan
- ▶ S. Korea ▶ Singapore
- ▶ Taiwan

▶ Number of employees: **7,700**

### **Areas of expertise:**

- ▶ Teva International businesses are involved in **registration, sales, marketing & distribution** of Teva's generic & innovative products across local markets.



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## What do we have in The Americas?

(Pharmaceutical Activity Only)

Company	Market (Country)	Market Position
Lab Chile	Chile	No. 1 in total market
Elmor	Venezuela	No. 1 in total market
Teva Mexico	Mexico	No. 4 in total market
Ivax Argentina	Argentina	No. 3 in total market
Medco	Peru	No. 5 in total market



## What do we have in Central East Europe?

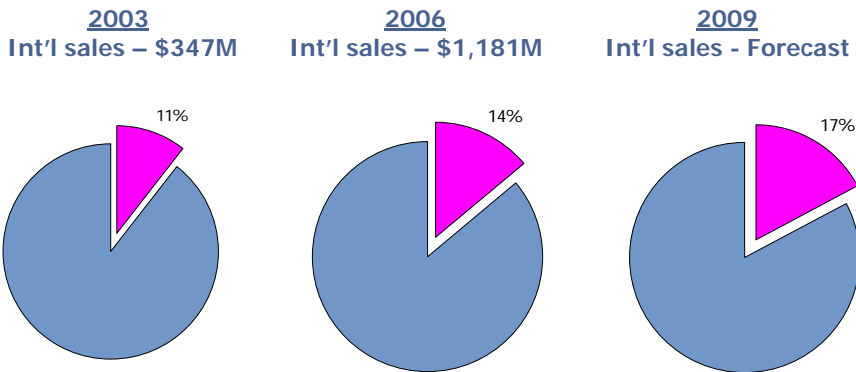
(Pharmaceutical Activity Only)

Company	Market (Country)	Market Position
Polfa Kutno	Poland	Top Tier in generics
Slovakia	Slovakia	No.2 in generics
Teva Czech (IVAX Pharmaceuticals)	Czech Rep.	No.2 in generics



## International - Growing Importance for Teva

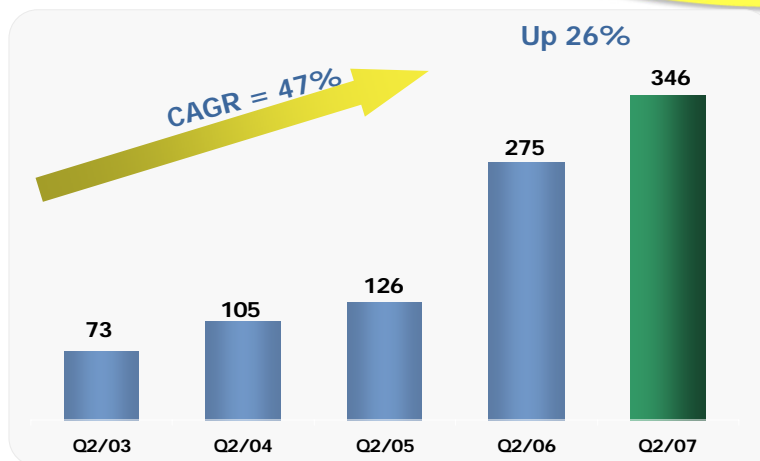
### The International Group Share from Teva's Total Revenues



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## Q2/2007 – International (ROW) Pharmaceutical Sales

(\$ Millions)



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## Current Markets Characteristics

### General

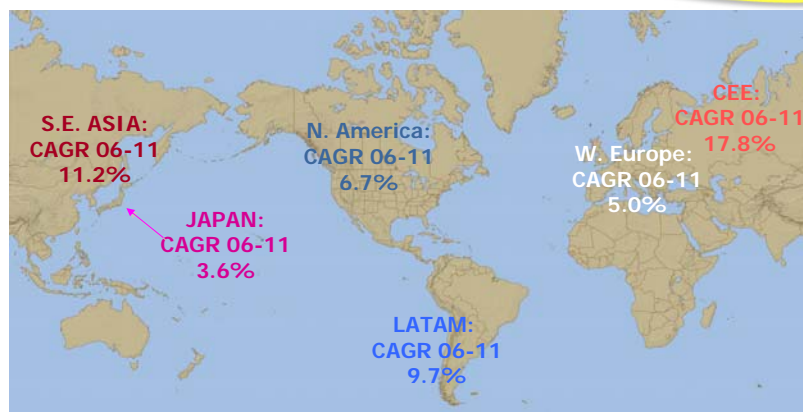
1. Branded Markets
2. Governmental budget constrains
3. Reimbursement products list – Russia, Poland and Czech
4. Tenders – Popular way to sell to the governments

### Local

1. Mexico - Government announced program (“Popular Insurance”), to cover 50M uninsured population.
2. Russia - Government effort to increase public welfare followed by introduction of new reimbursement system. (Rapid economic development and GDP growth).
3. Venezuela - Political instability



## Growth in the World Pharmaceutical Market by Region



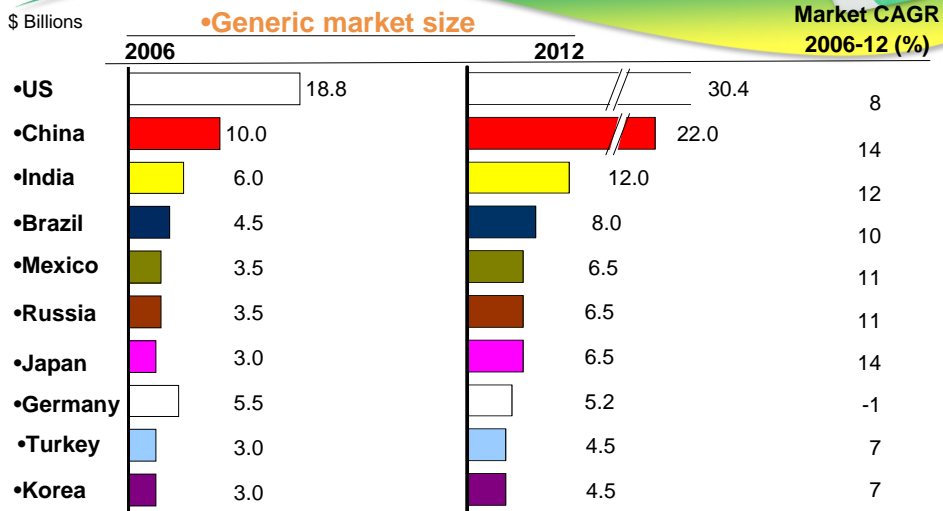
**CEE, LATAM & S.E. ASIA are growing significantly faster than other regions**



Source: IMS, ex-factory prices 07/07



## 8 of World's Top 10 Generic Markets Are "INTERNATIONAL"



Source: IMS, Teva/Shaldor estimates, McKinsey estimates

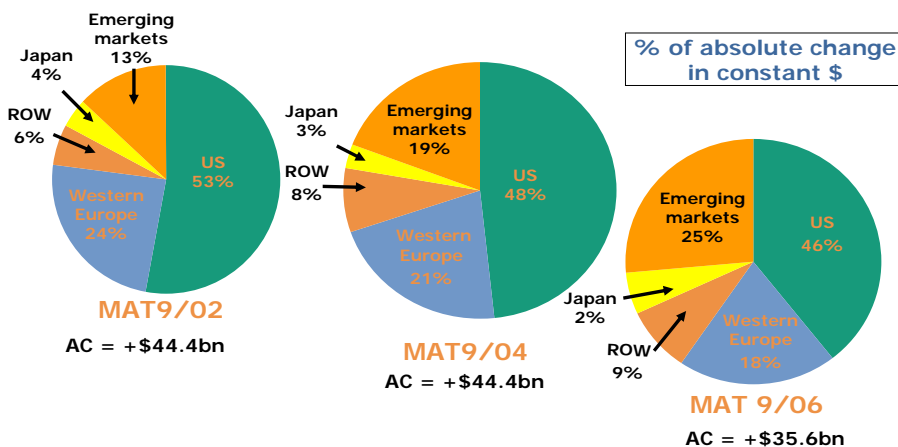
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## Emerging Markets Contribution to World Sales Growth Increase to 25% in 2006

Top emerging markets: Turkey, Russia, China, Brazil, Mexico, India



Source: IMS Health: MIDAS, MAT Sep 2006 ; Market Insights definition of emerging markets

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## Future Markets Characteristics

- Unregulated markets → more regulated
- IP, national drug lists coverage, reimbursement lists
- Branded generic → generic
- Preventive medicines ↑
- Rx → OTC



## Future Markets Where Teva expects to become more active

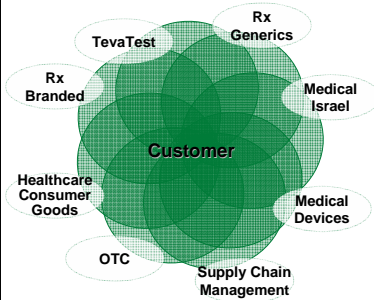
- Brazil
- Japan
- India
- China
- Turkey
- S. Korea



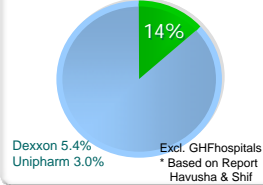
## Israel - Combination of Synergetic Businesses with Market Leadership

The successful execution of strategy is dependant on managing three dimensions:

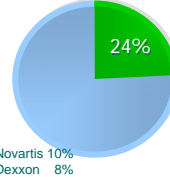
- Focus on products and services
- Focus on customers
- Focus on integrative opportunities



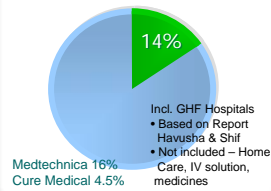
**Pharmaceuticals & Health Funds**  
Total Market 800M\$\*



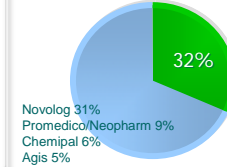
**OTC Private Pharmacies & Chains**  
Total Market 60M\$



**Teva Medical Hospital Supplies**  
Total Market 350M\$\*



**Logistics & Distribution Services Pharmaceuticals**  
Total Market 800M\$



## Israel

### Mission

Expand our position as the leading provider of professional healthcare products & services in the Israeli market

### Strategy

- Continuously grow our broad basket of synergetic products and services through strategic partnership with our licensors
- Penetrate emerging market needs and leading-edge solutions with potential for future growth
- Strive for close collaboration with our customers and expand towards overall solutions aligned with their needs
- Alignment with Teva brand and values, while leveraging our global assets and fulfilling the role of an incubator for new initiatives within Teva

## Israel- Focus upon Integrative Opportunity

Example

### Women's Healthcare



Menopause Lifestyle

Oral Contraceptives

Tevatest

Medical

**SIGNATURE GENOMIC LABORATORIES**



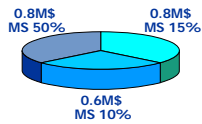
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## Israel - Focus upon Integrative Opportunity Ophthalmic – Israeli Market (61- 66 M\$\*)

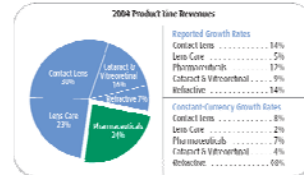
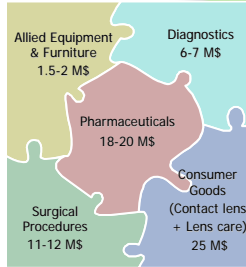
Example



Teva Medical  
Dagil opportunity - Sales by segment



- Diagnostics
- Instruments
- Equipment & Furniture

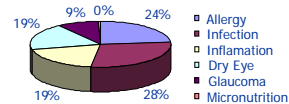


Reported Growth Rates	
Contact Lens	14%
Lens Care	5%
Pharmaceuticals	13%
Contact & Vitreoretinal	9%
Refractive	14%

Constant-Furrency Growth Rates	
Contact Lens	8%
Lens Care	2%
Pharmaceuticals	7%
Contact & Vitreoretinal	4%
Refractive	6%

Pharmaceutical Market  
Sales by segment



25% Market share potential at peak year



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Thank You!

