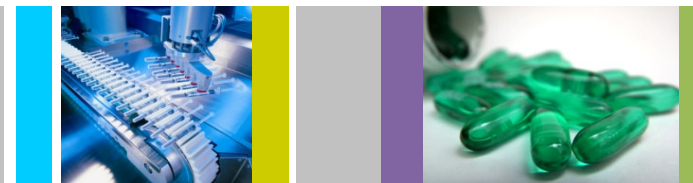


# Forward Looking Statements



TODAY'S PRESENTATION CONTAINS FORWARD-LOOKING STATEMENTS, WHICH EXPRESS THE CURRENT BELIEFS AND EXPECTATIONS OF MANAGEMENT. SUCH STATEMENTS ARE BASED ON MANAGEMENT'S CURRENT BELIEFS AND EXPECTATIONS AND INVOLVE A NUMBER OF KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES THAT COULD CAUSE OUR 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 RISKS RELATING TO: OUR ABILITY TO SUCCESSFULLY DEVELOP AND COMMERCIALIZE ADDITIONAL PHARMACEUTICAL PRODUCTS, THE INTRODUCTION OF COMPETING GENERIC EQUIVALENTS, THE EXTENT TO WHICH WE MAY OBTAIN U.S. MARKET EXCLUSIVITY FOR CERTAIN OF OUR NEW GENERIC PRODUCTS AND REGULATORY CHANGES THAT MAY PREVENT US FROM UTILIZING EXCLUSIVITY PERIODS, COMPETITION FROM BRAND-NAME COMPANIES THAT ARE UNDER INCREASED PRESSURE TO COUNTER GENERIC PRODUCTS, OR COMPETITORS THAT SEEK TO DELAY THE INTRODUCTION OF GENERIC PRODUCTS, THE IMPACT OF CONSOLIDATION OF OUR DISTRIBUTORS AND CUSTOMERS, POTENTIAL LIABILITY FOR SALES OF GENERIC PRODUCTS PRIOR TO A FINAL RESOLUTION OF OUTSTANDING PATENT LITIGATION, INCLUDING THAT RELATING TO THE GENERIC VERSIONS OF NEURONTIN®, LOTREL® AND PROTONIX®, THE EFFECTS OF COMPETITION ON OUR INNOVATIVE PRODUCTS, ESPECIALLY COPAXONE® SALES, THE IMPACT OF PHARMACEUTICAL INDUSTRY REGULATION AND PENDING LEGISLATION THAT COULD AFFECT THE PHARMACEUTICAL INDUSTRY, THE DIFFICULTY OF PREDICTING U.S. FOOD AND DRUG ADMINISTRATION, EUROPEAN MEDICINES AGENCY AND OTHER REGULATORY AUTHORITY APPROVALS, THE REGULATORY ENVIRONMENT AND CHANGES IN THE HEALTH POLICIES AND STRUCTURES OF VARIOUS COUNTRIES, OUR ABILITY TO ACHIEVE EXPECTED RESULTS THROUGH OUR INNOVATIVE R&D EFFORTS, OUR ABILITY TO SUCCESSFULLY IDENTIFY, CONSUMMATE AND INTEGRATE ACQUISITIONS, INCLUDING THE INTEGRATION OF BARR PHARMACEUTICALS INC., POTENTIAL EXPOSURE TO PRODUCT LIABILITY CLAIMS TO THE EXTENT NOT COVERED BY INSURANCE, DEPENDENCE ON THE EFFECTIVENESS OF OUR PATENTS AND OTHER PROTECTIONS FOR INNOVATIVE PRODUCTS, SIGNIFICANT OPERATIONS WORLDWIDE THAT MAY BE ADVERSELY AFFECTED BY TERRORISM, POLITICAL OR ECONOMICAL INSTABILITY OR MAJOR HOSTILITIES, SUPPLY INTERRUPTIONS OR DELAYS THAT COULD RESULT FROM THE COMPLEX MANUFACTURING OF OUR PRODUCTS AND OUR GLOBAL SUPPLY CHAIN, ENVIRONMENTAL RISKS, FLUCTUATIONS IN CURRENCY, EXCHANGE AND INTEREST RATES, AND OTHER FACTORS THAT ARE DISCUSSED IN THIS REPORT AND IN OUR OTHER FILINGS WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION ("SEC").



TEVA PHARMACEUTICAL INDUSTRIES LTD.



# Teva Investor & Analyst Meeting

**Shlomo Yanai**

President and CEO

February 18th, 2009

2008 at a glance

The future of generics

Biogenerics

Outlook

## 2008 – An Extraordinary Year

### *Strong Financial Results*



4

	2007	2008*	Change
<b>Sales</b> \$m	9,408	11,085	+18%
<b>Net income</b> \$m	1,952	2,374	+22%
<b>EPS</b> \$	2.38	2.86	+20%

\* Net income and EPS are non-GAAP results

# 2008 – An Extraordinary Year



5

<b>Record Financial Results</b>	Record sales, net income & EPS Record cash flow from operations: \$3.2bn Record free cash flow: \$2.2bn
<b>Extending Global Leadership</b>	US: Increased market share International: Exceptional growth Europe: Improved market position in key countries
<b>Growing Portfolio</b>	US: 28 new launches; 8 Para IV launches Europe: Record number of generic submissions
<b>Copaxone®</b>	Global #1 Record In-market sales: \$2.3bn
<b>Azilect®</b>	Positive results of ADAGIO and Tyramine studies Record in-market sales: \$175m

# 2008 – An Extraordinary Year



6

## Major Strategic Achievements

Barr acquisition  
Spain: Bentley acquisition  
Japan: Strategic alliance with Kowa

## Biogenerics

Lonza joint venture  
CoGenesys acquisition  
Tevagrastim: 1st Biosimilar launched in EU

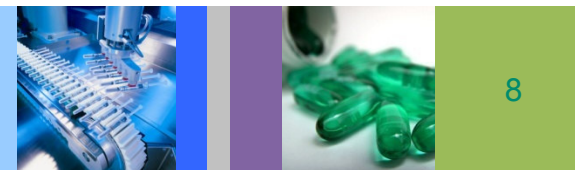
2008 at a glance

The future of generics

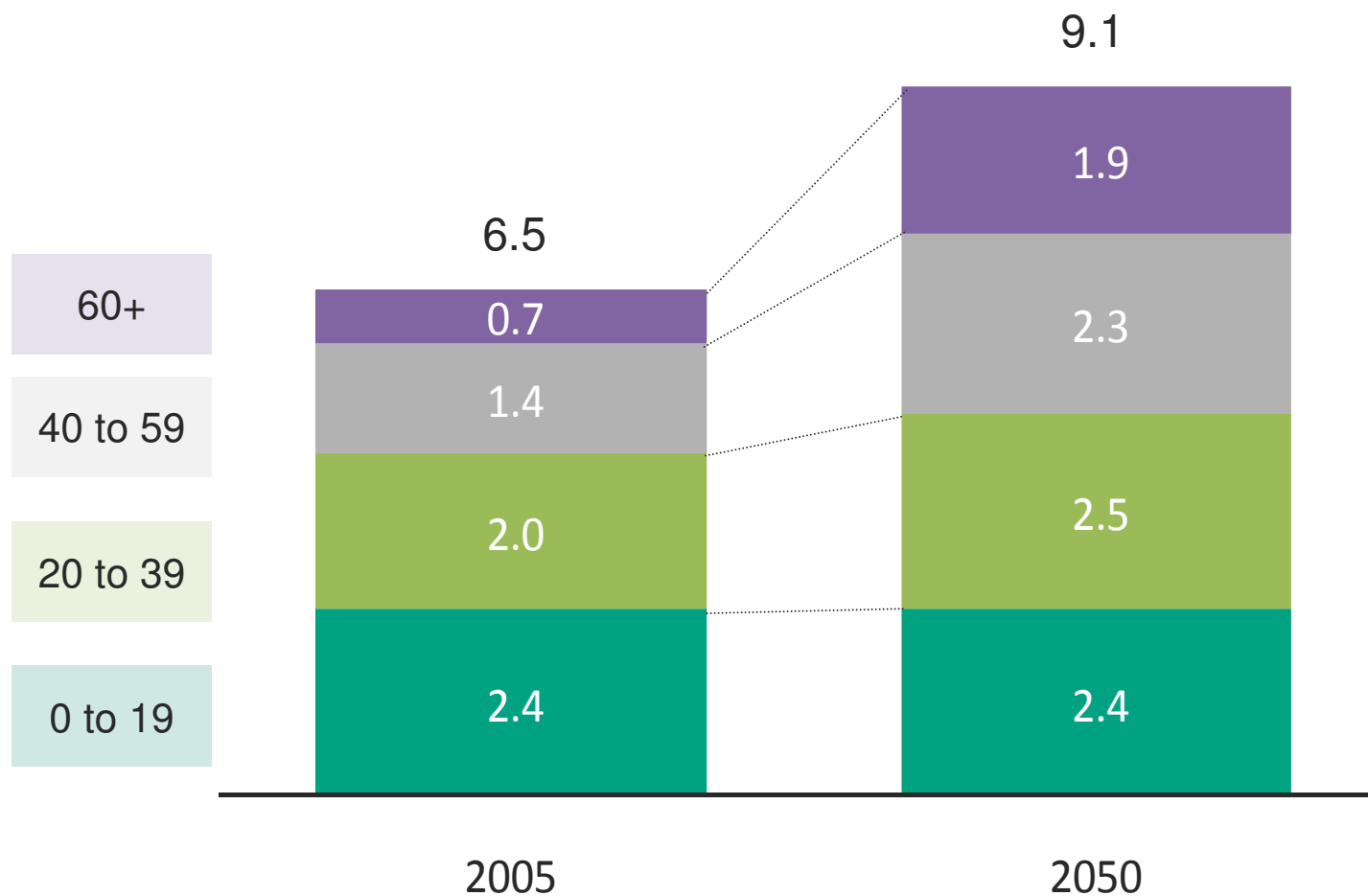
Biogenerics

Outlook

# World Population Growing And Aging



## World population by age bracket in billions



Source: UN, World Population Prospects: The 2002 Revision; World Urbanization Prospects: The 2006 Revision

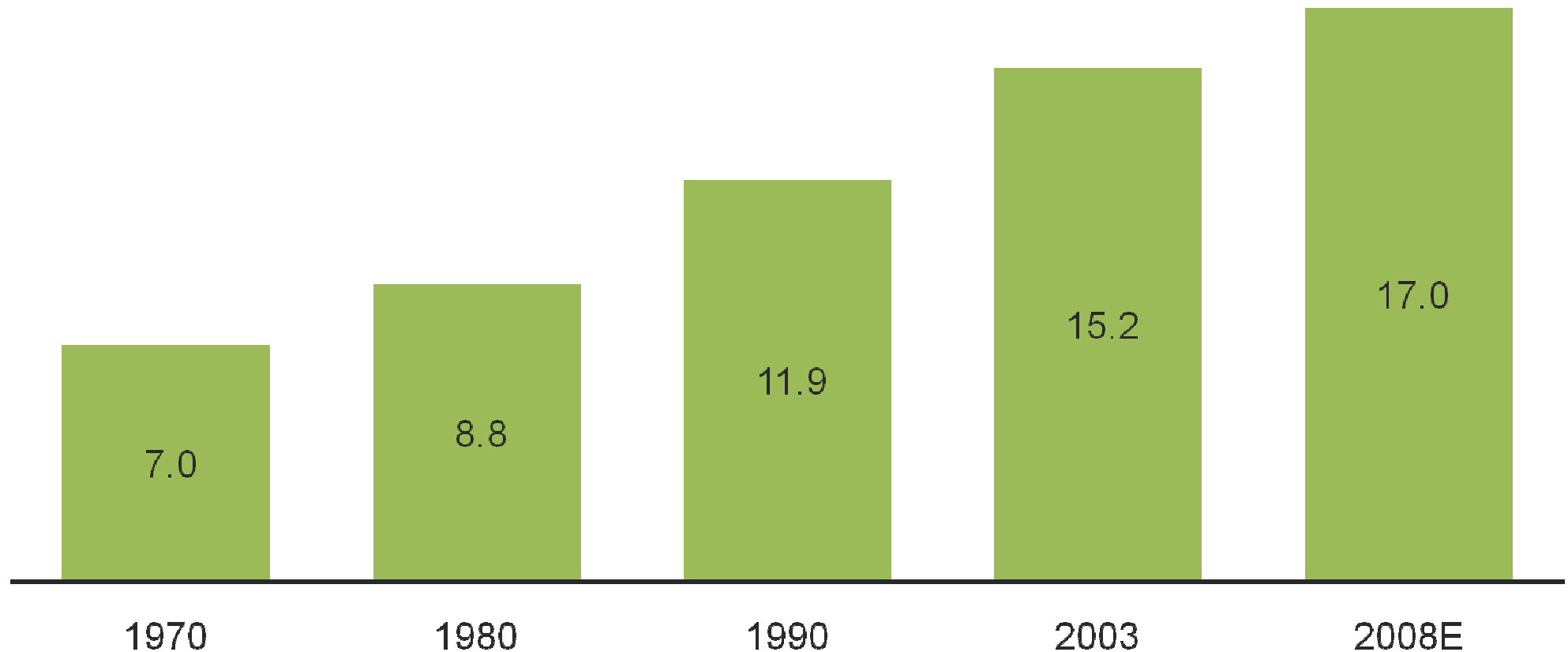


# Healthcare Spending Growing Faster Than GDP



9

## Healthcare spending as % of GDP, U.S. example



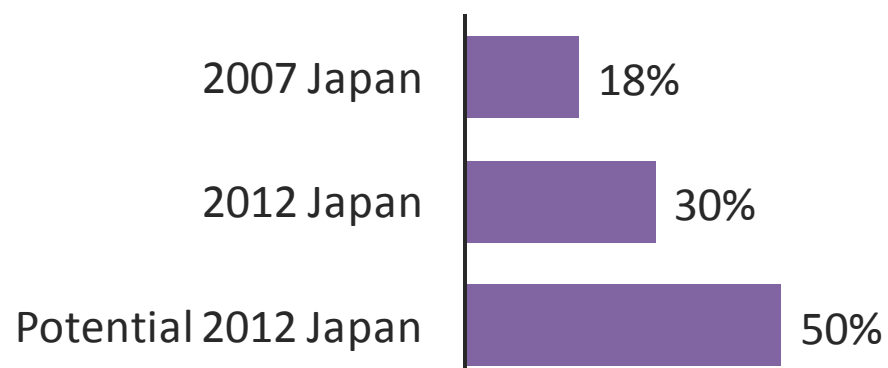
Source: NCHC; OECD

# Increasing Generics Penetration



10

## Generics penetration by volume, 2007



## Cost saving estimation

\$ 8bn

\$ 18bn

\$ 20-25bn

\$400bn

# Growing Acceptance Of Generics



11



“...**increasing the use of generic drugs** in public programs, and taking on drug companies that block cheaper generic medicines from the market.”

- *Obama Administration Health Care Policy*

**JAMA<sup>®</sup>**

“These data suggest **no evidence of superiority of brand-name to generic drugs** in measured clinical outcomes among these studies.”

*The Harris Poll<sup>®</sup>*

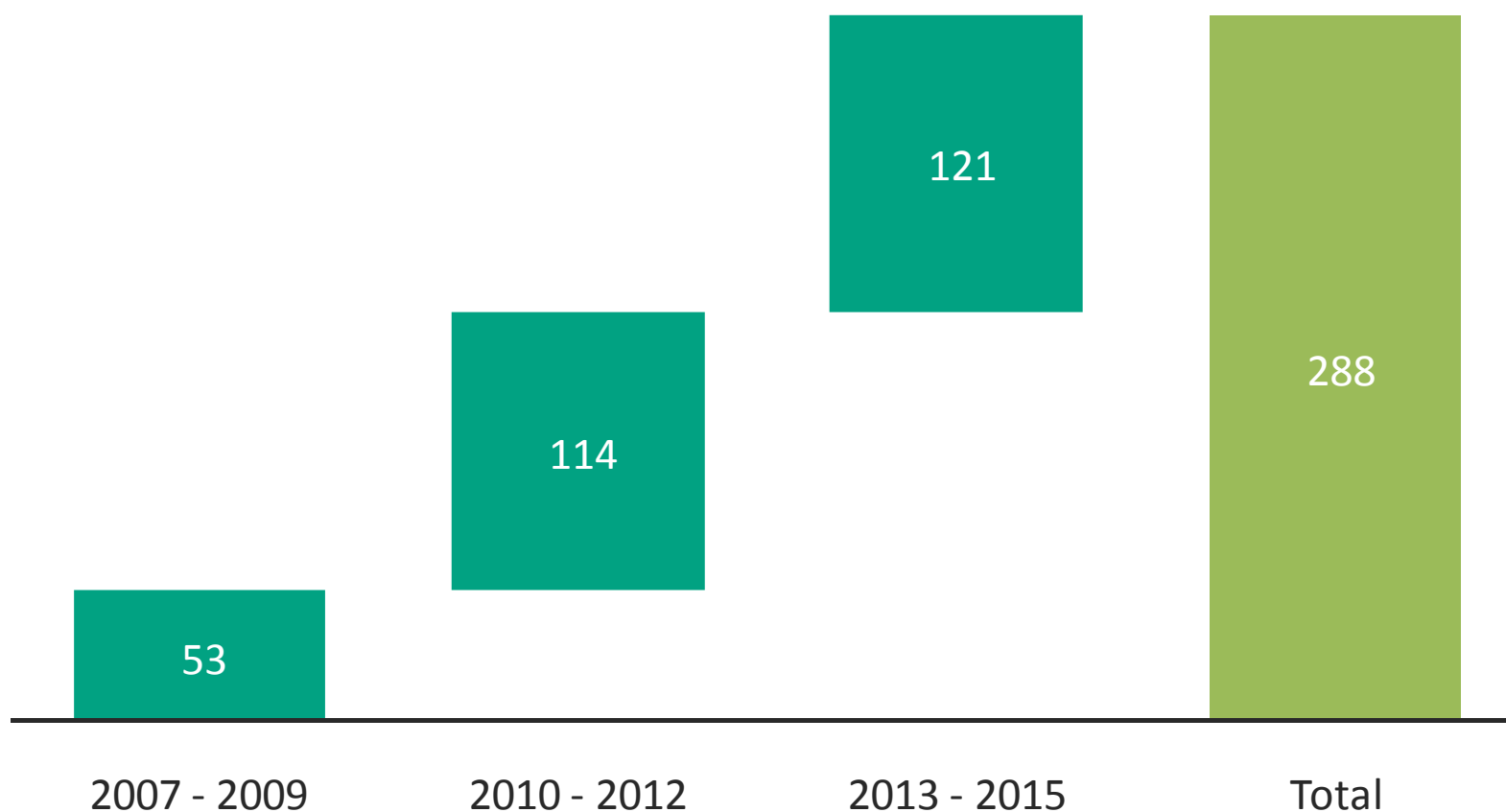
“... between October 2006 and December 2008, the **proportion of adults who would choose generic drugs in preference to brand name prescription drugs** has increased from 68% to 81%.”

# Generics Growth Driven By Patent Expirations



12

Sales by patent expiration, \$ bn



SOURCE 2008-2012: IMS Health, MIDAS, MAT Jun 2008; IMS Therapy Forecaster, Jun 2008; IMS Market Insights Oct 2008  
Source 2013-2015 Company estimates (including Biologics)

2008 at a glance

The future of generics

Biogenerics

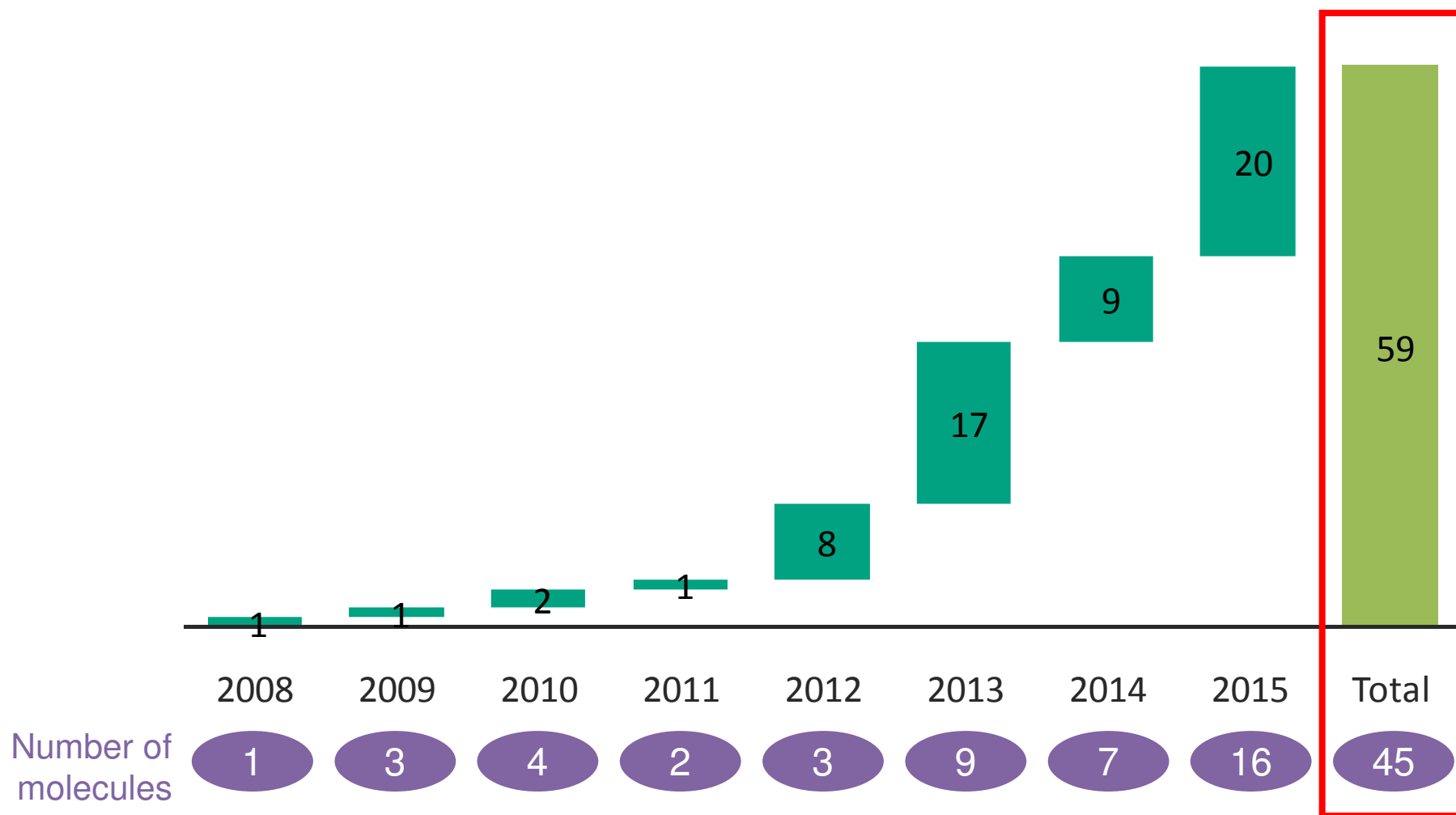
Outlook

# Biogenerics – The Opportunity



14

World-wide sales of biologics by patent expiration year, \$bn



Source: Mckinsey



Technology barriers –  
development and production

Unclear regulatory path and  
go-to-market model

High cost and capital intensive



## Generics Value Proposition

Provide biopharmaceuticals that are:

- **safe**
- **effective**
- **affordable**

## Market Leadership

Become the  
**global leader**  
in biogenerics



# Teva And Lonza

## *Highly Complementary Capabilities*



17



Global leader  
Financial strength

Outstanding clinical, IP  
and RA capabilities

Expertise in many go-to  
market models



# Lonza

Best in class in  
biologics development  
and manufacturing

Existing high-level  
infrastructure

Unmatched know-how  
and experience

# Teva and Lonza

## Highly Complementary Capabilities



18



Global leader  
Strong financial  
position

Outstanding  
clinical, IP and RA  
capabilities

Expertise in many  
go-to market  
models



Best in class in  
biologics  
development and  
manufacturing

Existing high-level  
infrastructure

Unmatched know-  
how and  
experience



### Benefits

- Shorten time to market
- Lower investment & development cost
- Multiple marketing platforms



50 / 50 joint venture

Targeting \$30bn in brand value



JV's contribution as early as 2014

2008 at a glance

The future of generics

Biogenerics

Outlook



## Cost Synergies

Over \$400m vs. initial estimate of \$300M

## Accretion

Q3 2009 vs. initial estimate of Q4 2009

## Financial Strength

Financial leverage to return to pre-Barr level in 1 year



## 2009

Sales	\$14.1bn - \$14.6bn
EPS*	\$3.20 - \$3.40

## 2010

Initial projections:  
EPS growth of 30%-35% over  
2009 projected EPS

**Major sources of growth include:**

- Take back of Copaxone in North America
- Venlafaxine (Effexor XR®) launch
- Paragraph IV Opportunities
- Realization of greater Barr synergies



TEVA PHARMACEUTICAL INDUSTRIES LTD.



# Teva Investor & Analyst Meeting

**Bill Marth**

President and CEO, Teva North America

February 18th, 2009



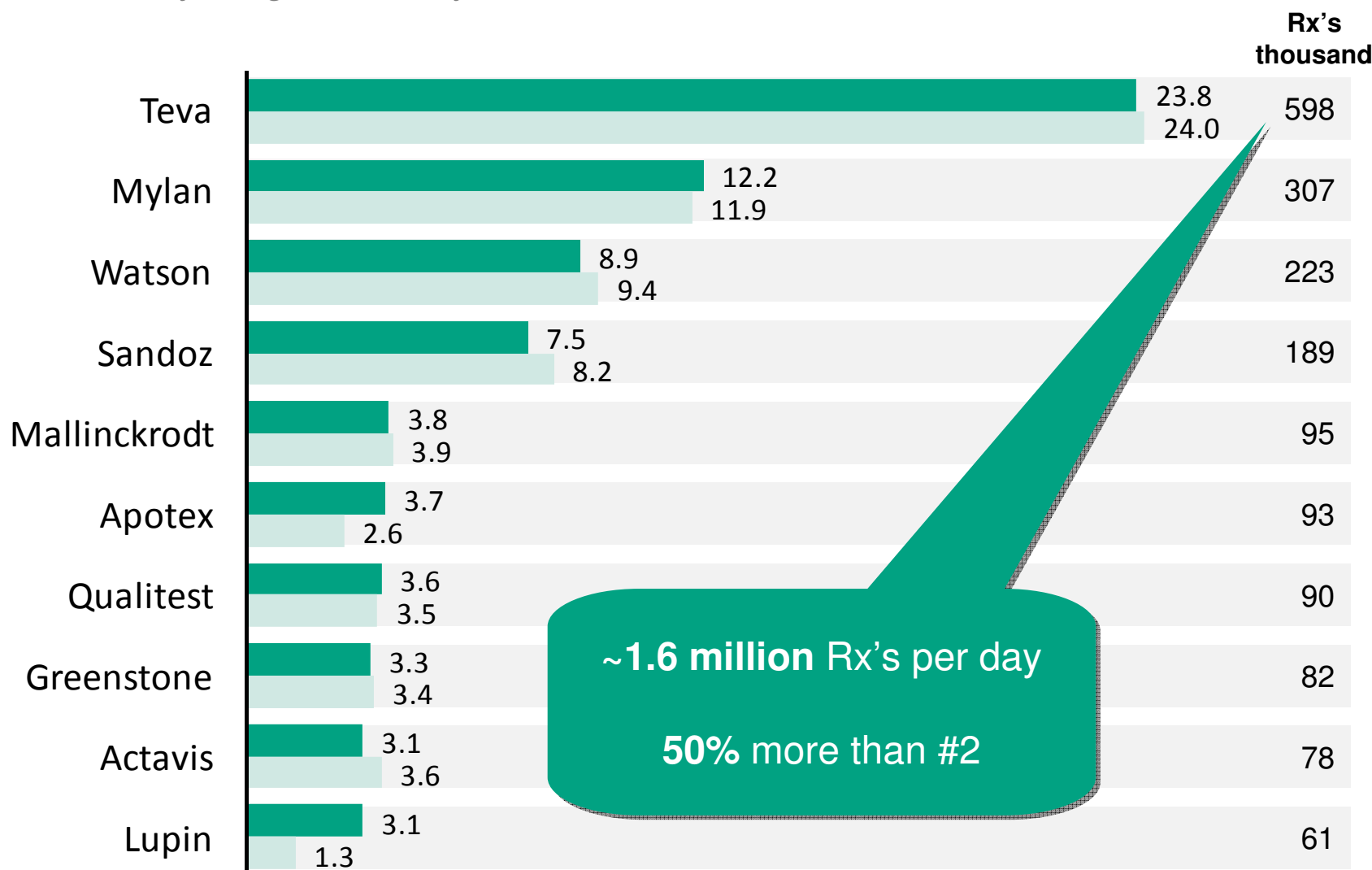
# Leadership in U.S. generics

% of total Rx's, full year, generics only

25

2008

2007



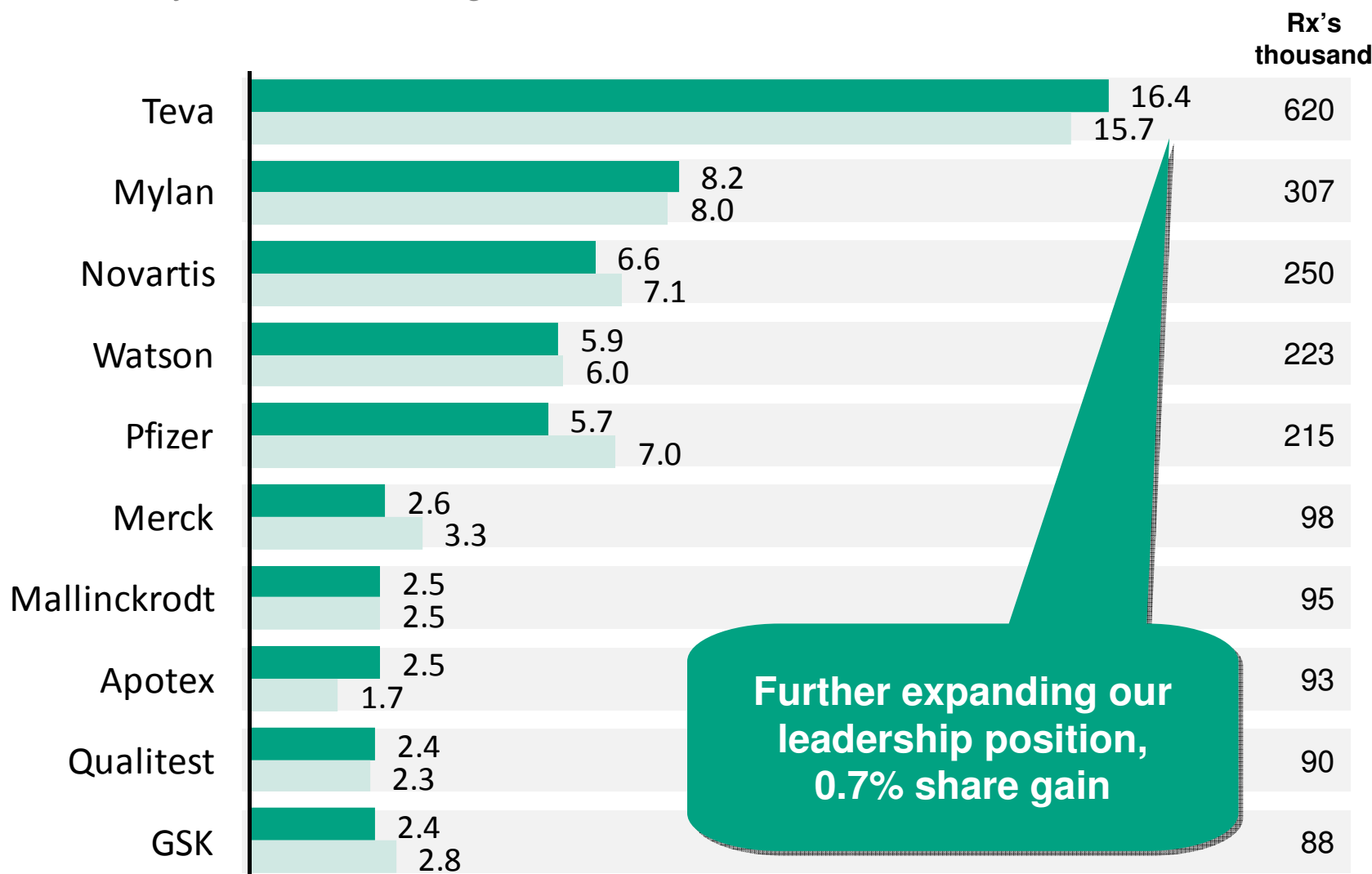
# But also leading the total pharma market

26

% of total Rx's, full year, branded and generics

2008

2007

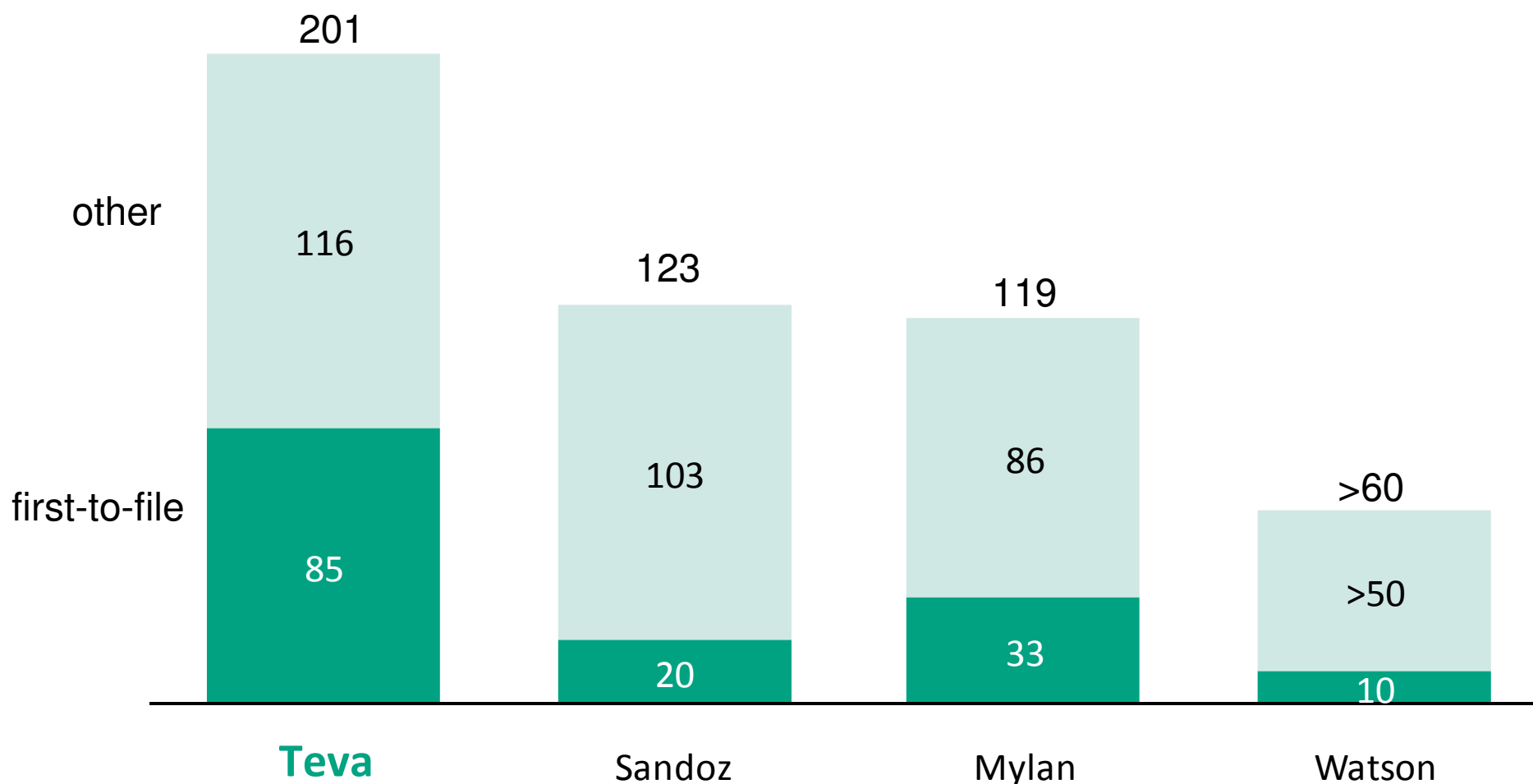


# Teva has the most valuable pipeline



27

Number of ANDAs pending, U.S., February 5, 2009



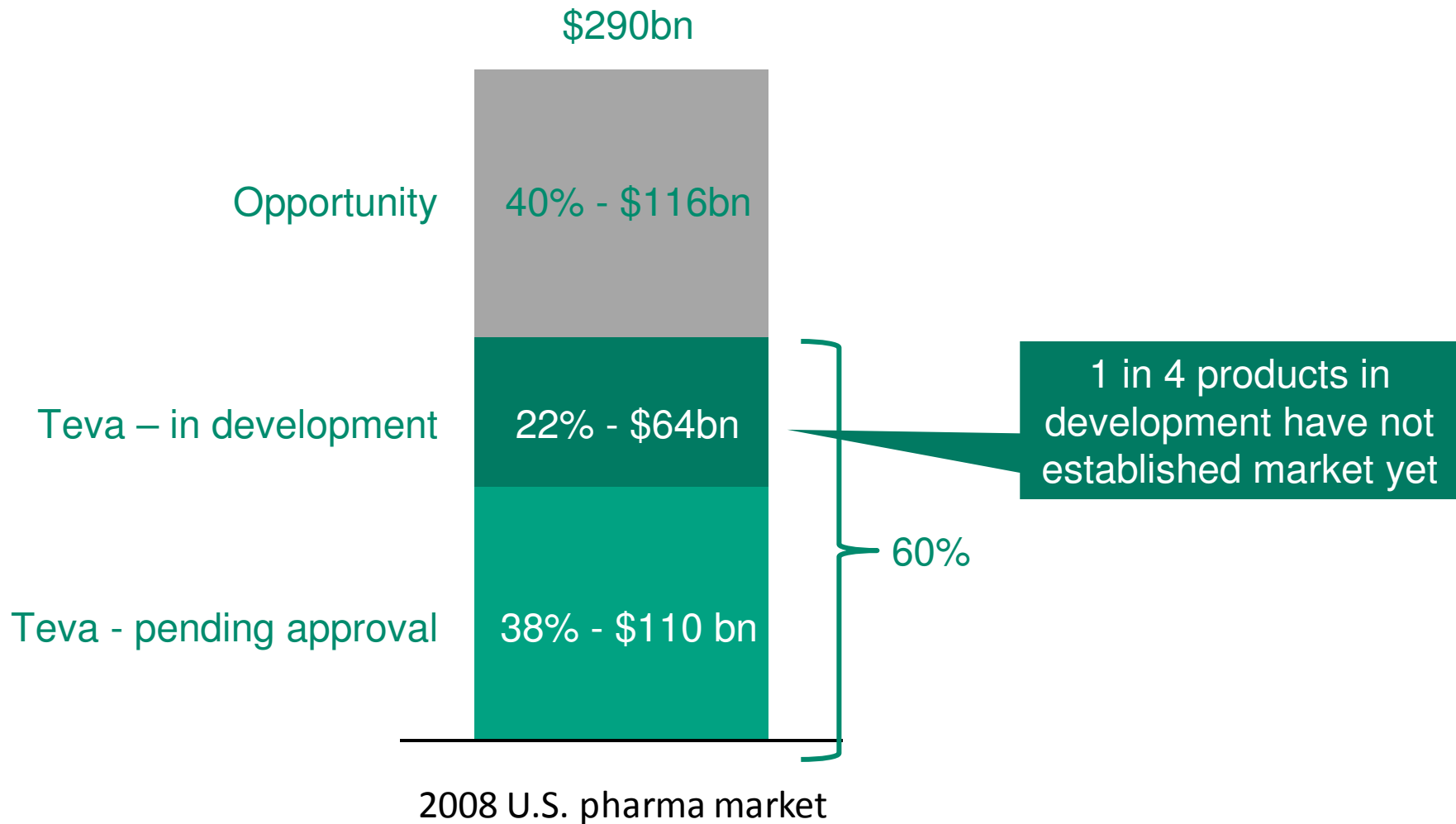
Source: Investor earnings call transcripts and company statements

# Large market coverage of pipeline



28

Market coverage of Teva development pipeline



## U.S. Generic Launches – 2008 and 2009



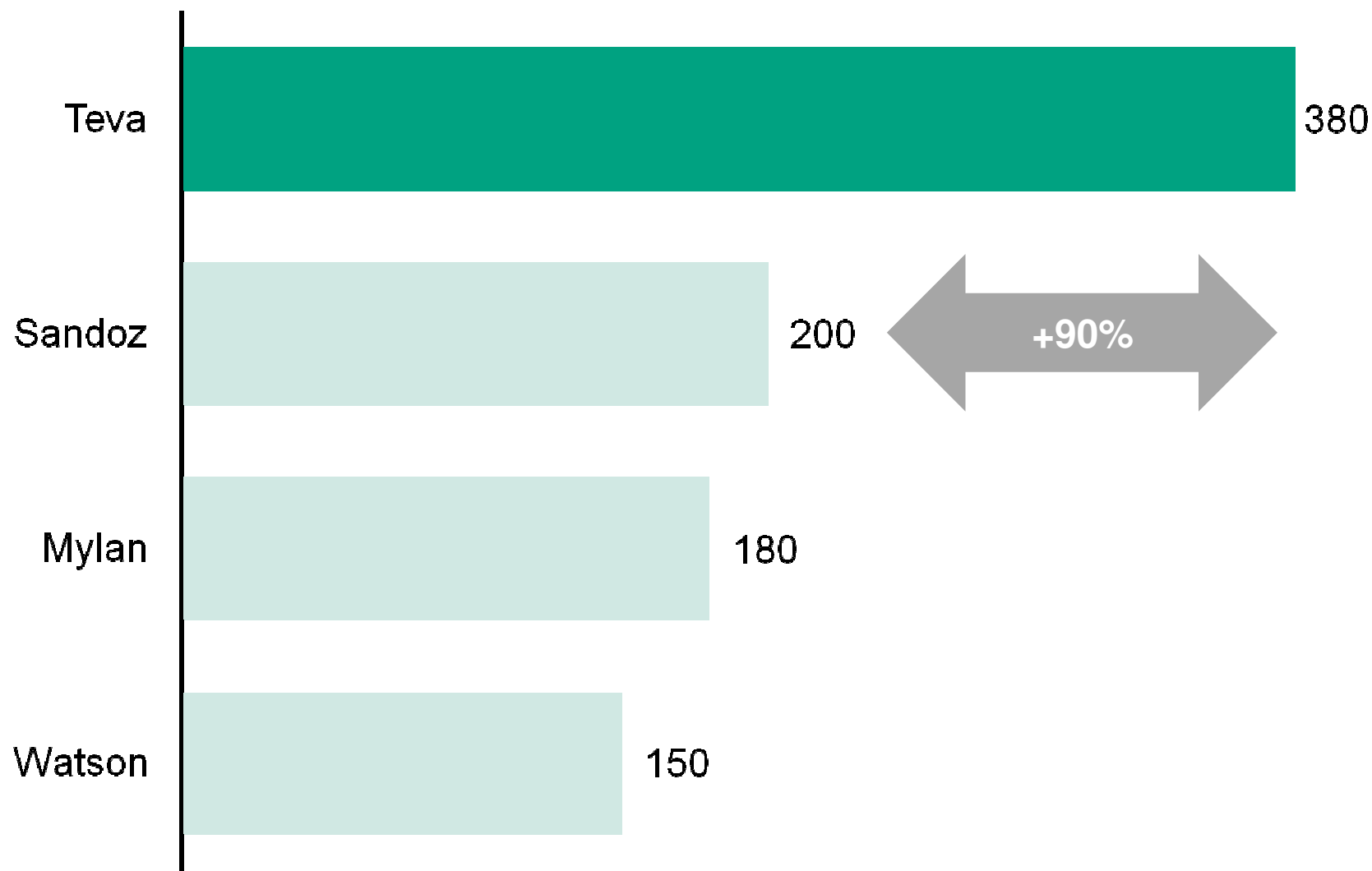
29

- 2008 - Launched 28 products with brand value of \$12.5 billion
- Total potential launches in 2009 – Approximately 40 potential launches representing brand value greater than \$32 billion
- 2009 potential brand value represents 30% of Teva's U.S. generic filed pipeline

# Broadest product portfolio

30

Number of products



Source: Investor earnings call transcripts and company statements

# The legislative landscape



31

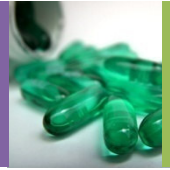
- 2009 - a new administration, a focus on healthcare reform
- Impact of increased role of government as payer of Rx drugs will influence policymaking
- 25th anniversary of Hatch-Waxman – legislation, that saved consumers billions of dollars
- Biogenerics legislation will open the market to competition, creating savings especially important in current economic climate



## STATUS OF ISSUES

- Top of legislative agenda in 2009 – 2010
  - Strong consensus for generic biologics among payers, consumer groups
- Broad agreement that the regulatory pathway should be:
    - science driven
    - led by FDA
    - without unnecessary delays
  - Need for a process to resolve patent disputes, Teva wants a streamlined process
  - Exclusivity remains a focal point of debate, Teva supports a period that makes sense for consumers, and encourages a healthy/competitive market





- Patent settlements
- Drug quality and foreign inspections
- FDA Funding
- Patent reform



TEVA PHARMACEUTICAL INDUSTRIES LTD.



## Teva Investor & Analyst Meeting

**Eyal Desheh**  
CFO

February 18th, 2009

# A very good year

35

All figures \$bn, except EPS, \$

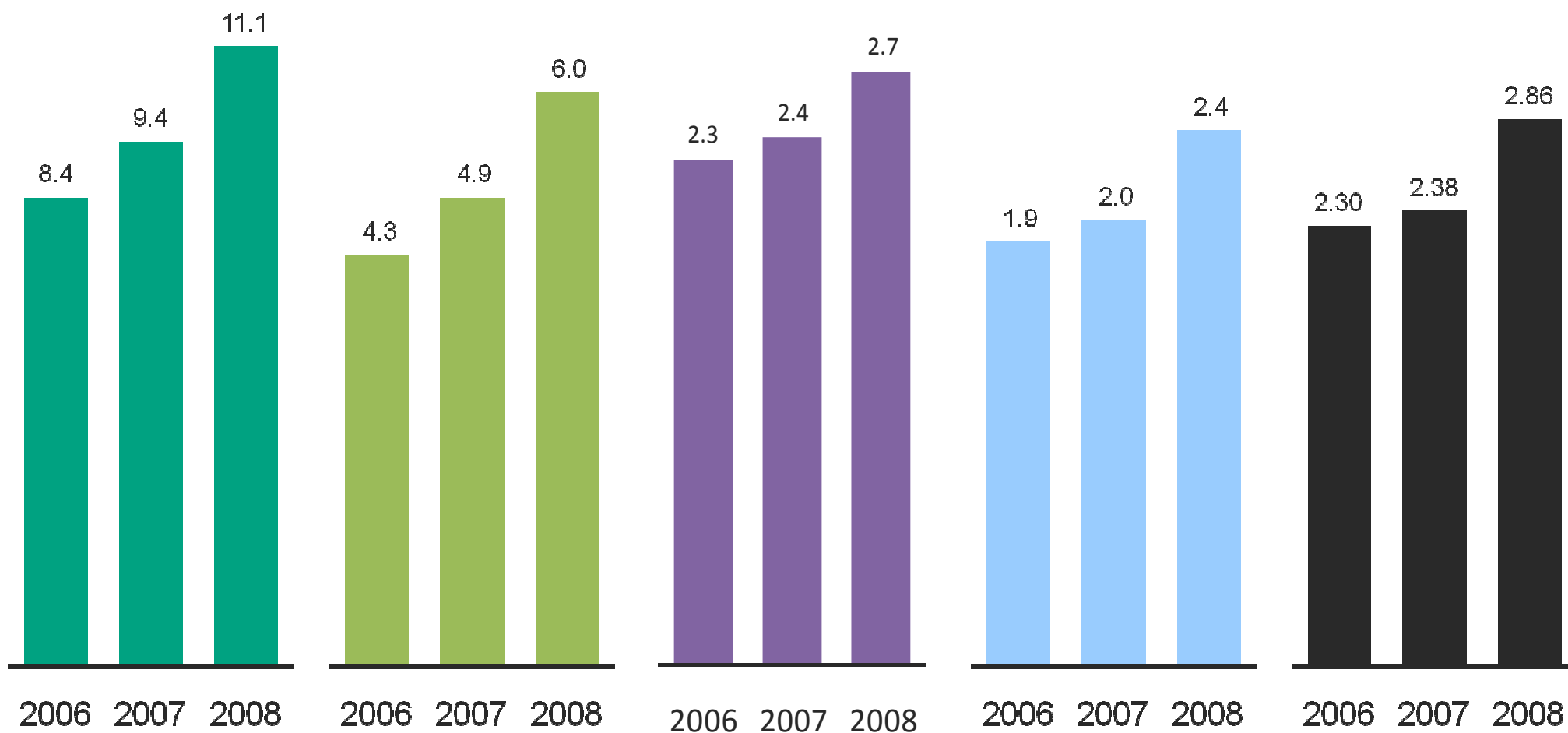
**Sales** +18%

**Gross profit** +22%

**Operating profit** +13%

**Net income** +20%

**EPS** +20%

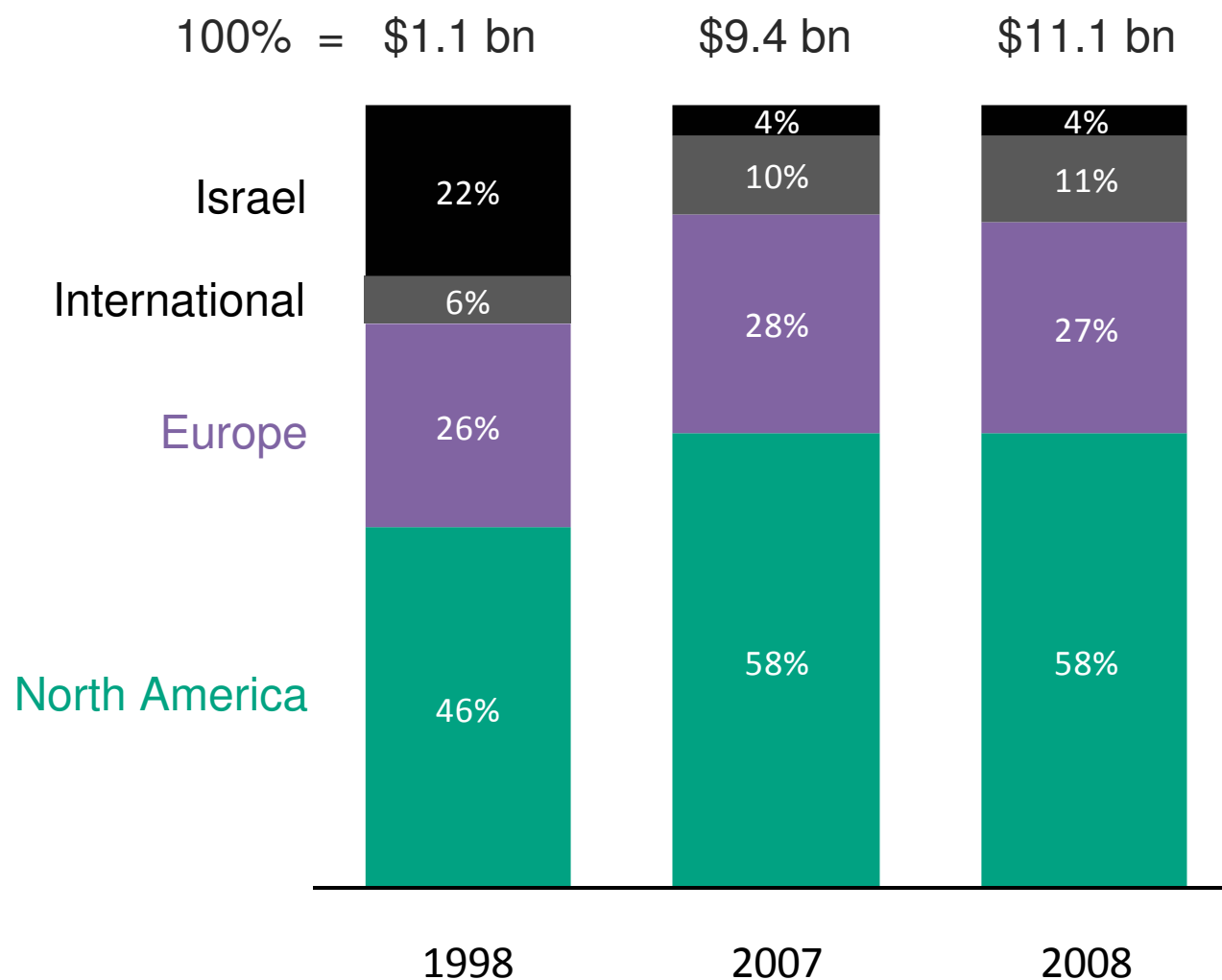


\* Operating income, Net income and EPS are non GAAP results for 2006 and 2008

# Global business – 10X in 10 years



36



# Foreign exchange rate effect – quarterly



37

\$ million unless stated otherwise

	Q4 2008	Q4 2007	growth	FX effect	FX effect	real growth
<b>Total sales</b>	<b>2,848</b>	<b>2,576</b>	<b>+11%</b>	<b>-130</b>	<b>-5%</b>	<b>+16%</b>
<b>Operating profit</b>	<b>704</b>	<b>661</b>	<b>+7%</b>	<b>-28</b>	<b>-4%</b>	<b>+11%</b>
North America	1,652	1,435	+15%	-17	-1%	+16%
Europe	668	664	+1%	-88	-13%	+14%
International	382	337	+13%	-21	-6%	+19%
API	146	140	+4%	-7	-3%	+7%

# Foreign exchange rate effect – full year



38

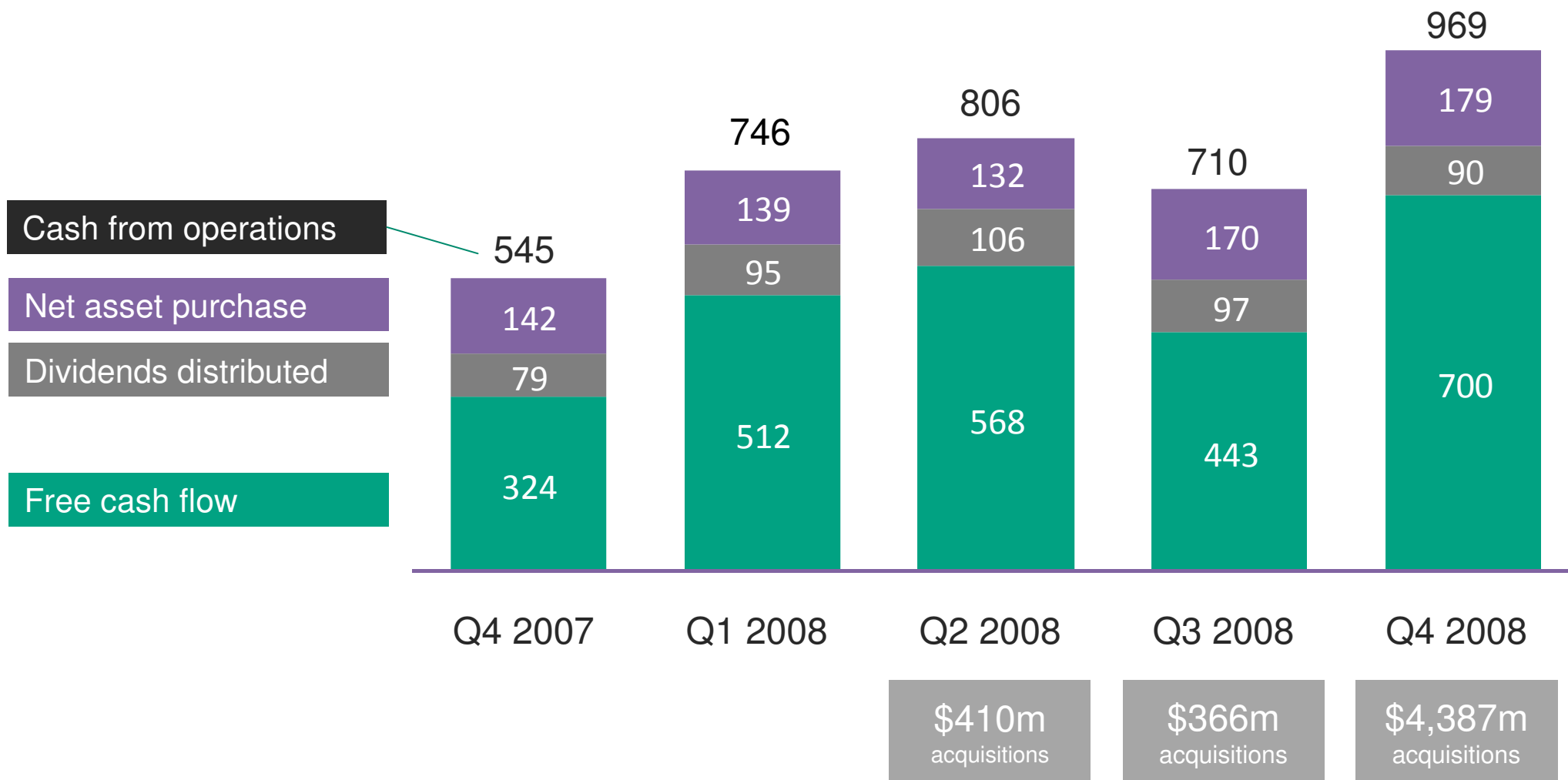
\$ million unless stated otherwise

	2008	2007	growth	FX effect	FX effect	real growth
<b>Total sales</b>	<b>11,085</b>	<b>9,408</b>	<b>+18%</b>	<b>+227</b>	<b>2%</b>	<b>+15%</b>
<b>Operating profit</b>	<b>2,675</b>	<b>2,395</b>	<b>12%</b>	<b>-65</b>	<b>-3%</b>	<b>14%</b>
North America	6,139	5,162	+19%	+7	0%	+19%
Europe	2,782	2,462	+13%	+146	+6%	+7%
International	1,561	1,223	+28%	+60	+5%	+23%
API	603	561	+7%	+14	+3%	+5%

# Cash generation



39



# Balance sheet

40

\$ bn

## ASSETS

	12/31/2007	12/31/2008
Cash and investments	2.9	1.9
Inventory, receivables	6.0	8.1
Other short-term assets	1.0	1.5
<b>Short-term assets</b>	<b>9.9</b>	<b>11.5</b>
Long-term investments	0.6	0.4
Net fixed assets	2.5	3.7
Other long-term assets	10.4	17.3
<b>Long-term assets</b>	<b>13.6</b>	<b>21.4</b>
<b>Total assets</b>	<b>23.4</b>	<b>32.9</b>

## LIABILITIES

	12/31/2007	12/31/2008
Short-term debt	1.8	2.3
Convertible debentures	1.4	0.6
Other short-term liab.	2.1	5.6
<b>Short-term liabilities</b>	<b>5.4</b>	<b>8.5</b>
<b>Long-term debt</b>	<b>4.3</b>	<b>8.1</b>
<b>Equity</b>	<b>13.8</b>	<b>16.3</b>
<b>Total liabilities</b>	<b>23.4</b>	<b>32.9</b>

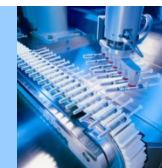
Leverage

27%

34%



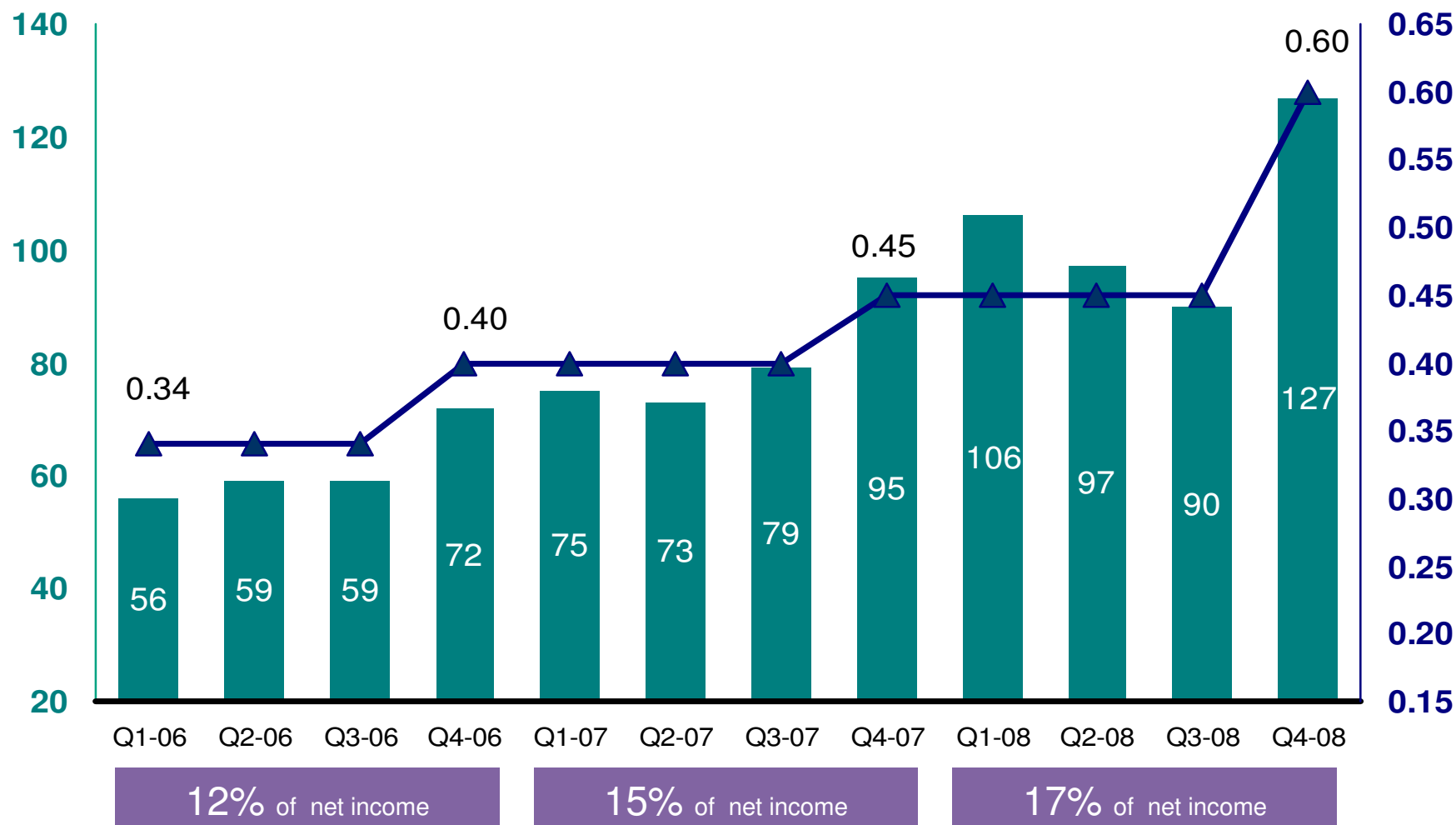
# Dividend – 33% increase



41

NIS  
per share

\$ million



# New non-GAAP EPS

42

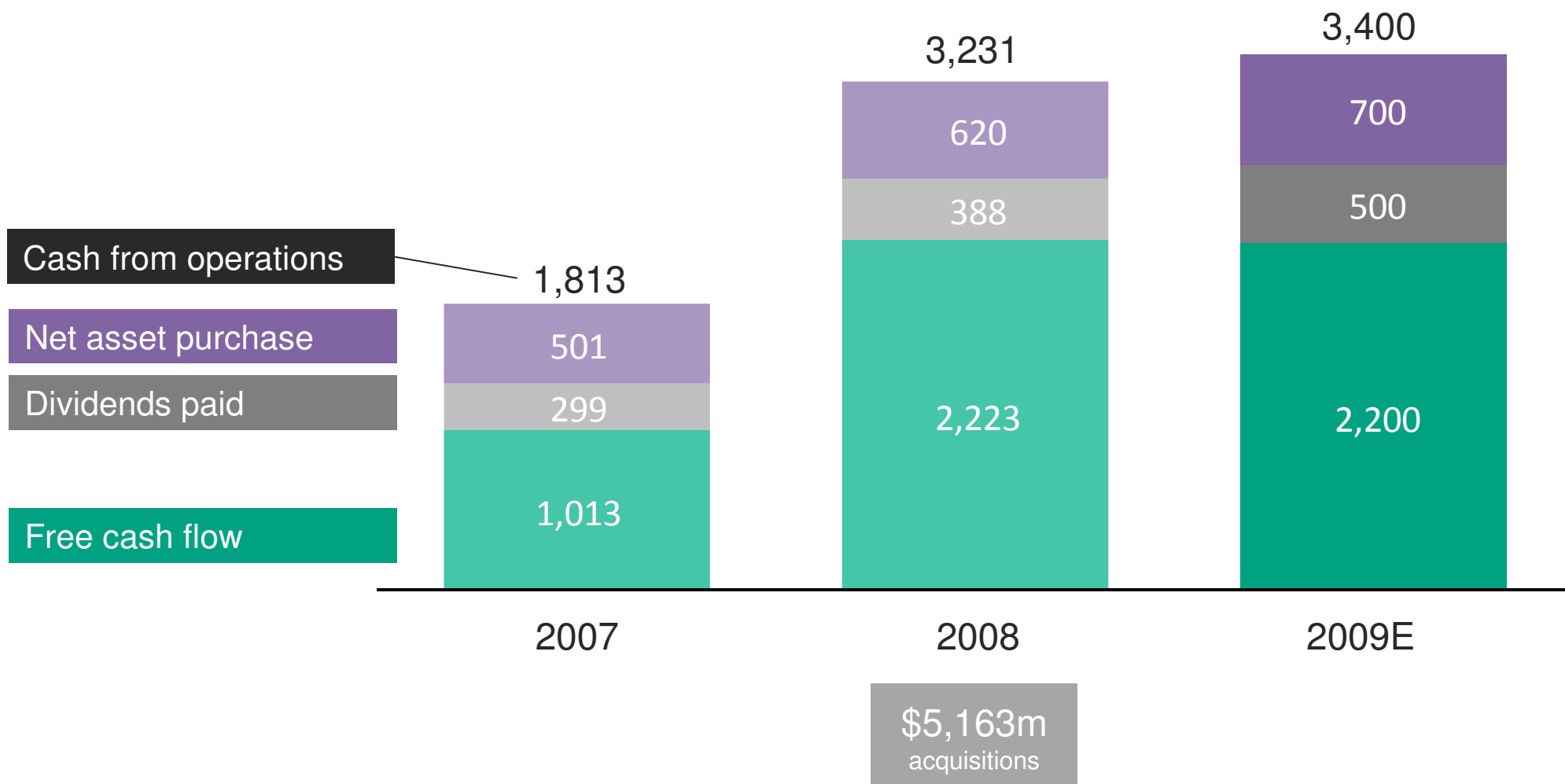
	2006*	2007	2008*	08-09	2009E**	08-09E
	\$m	\$m	\$m	%	\$m	%
Reported net income	1,867	1,952	2,374	22%	2,608 to 2,791	10%-18%
Amortization***	154	171	142		477	
Non-GAAP net income	2,021	2,123	2,516	19%	2,928 to 3,111	16%-24%
Reported EPS	2.30	2.38	2.86	20%	2.85 to 3.05	0%-7%
Amortization***	0.19	0.21	0.17		0.35	0.35
Non-GAAP EPS	2.49	2.59	3.03	17%	3.20 to 3.40	6%-12%

\* 2006 and 2008 reported net income and EPS are non-GAAP results

\*\* 2009 net income and EPS assumes 915 million shares; \*\*\* Net of tax

# Cash flow projection

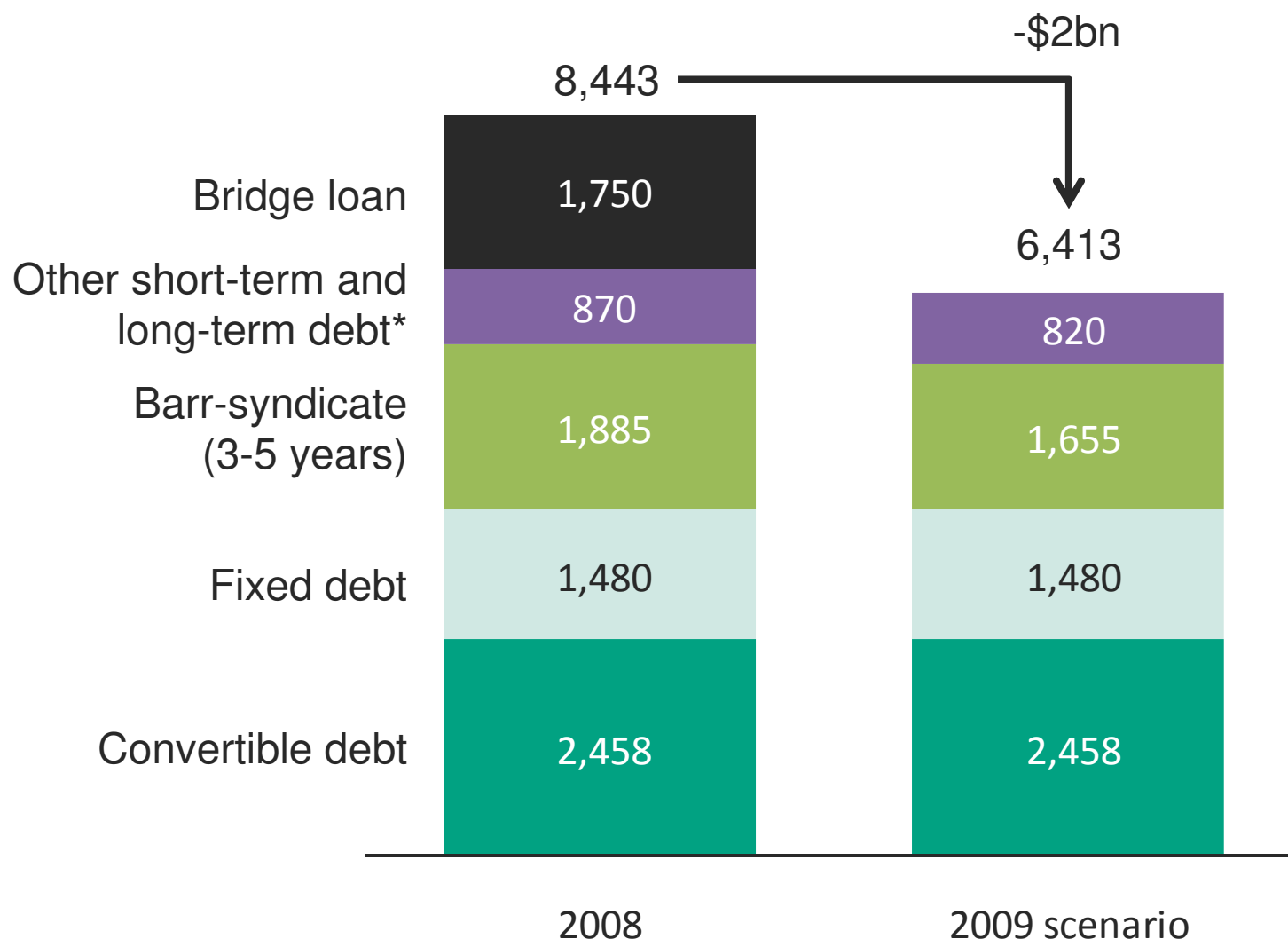
\$ million



# Debt expected to decline in 2009

44

Borrowings, \$ million

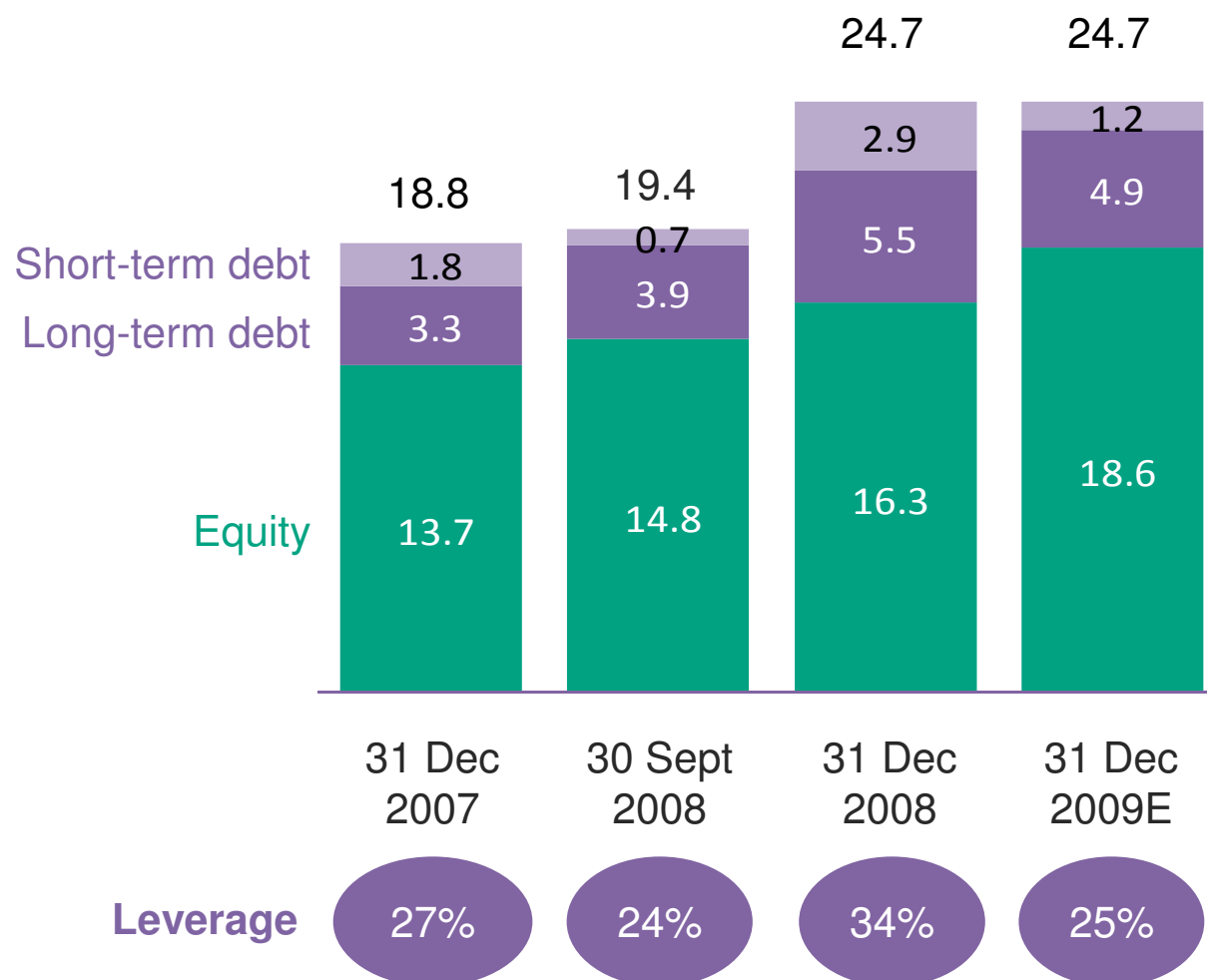


\* Includes \$250M 6 year loan from EIB

# Leverage – back to where we started!



45



# 2009 margins model (non-GAAP)



46

% of sales

	2007*	2008*	2009E*
Sales	100	100	100
COGS	47	45	42-45
<b>Gross profit</b>	<b>53</b>	<b>55</b>	<b>55-58</b>
R&D	6	7	7-7.5
Sales & marketing	13	16	16-18
General & administrative	7	6	<6
<b>Total operating cost</b>	<b>72</b>	<b>74</b>	<b>71-76.5</b>
<b>Operating profit</b>	<b>28</b>	<b>26</b>	<b>23.5-29</b>

\* Previous results and 2009 projections are non-GAAP figures, which exclude amortization of intangible assets

## Eyal's SLA slide – some more data points



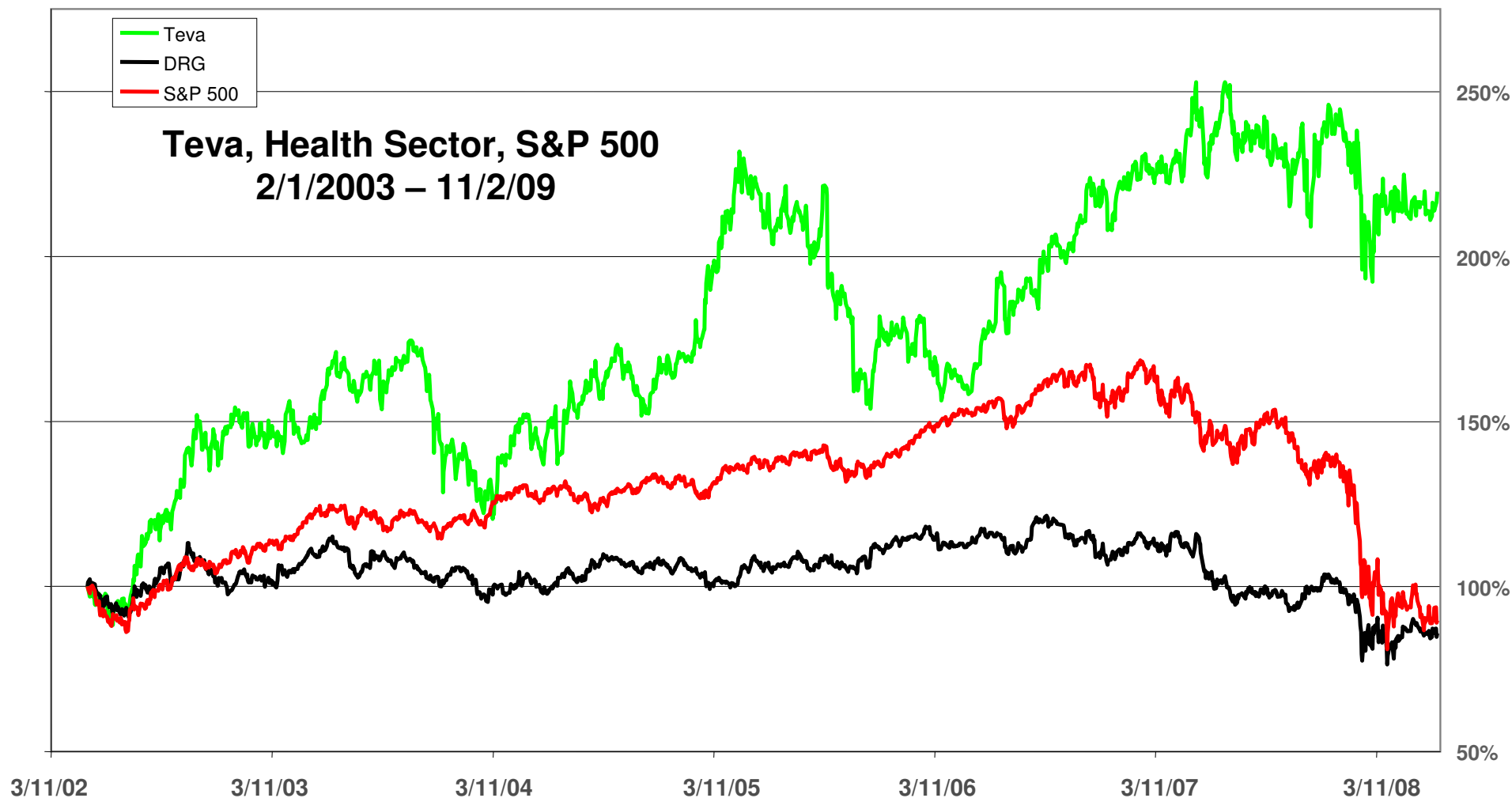
47

- Barr integration synergies:
  - Over \$400M in 2011
  - SG&A: 50%; R&D + COGS – 50%
- Future amortization:
  - 2009: Q1 – \$57M; Q2 – \$152M; Q3 – \$143M; Q4 – \$125M
  - Totals: 2009 – \$477M (+ \$270 Step Up); 2010 – \$530M;  
2011 – \$444M; 2012 – \$423M
  - Total intangibles – \$2.8B (amortized through 2024)

# Outperforming peers and broader U.S. stock market



48

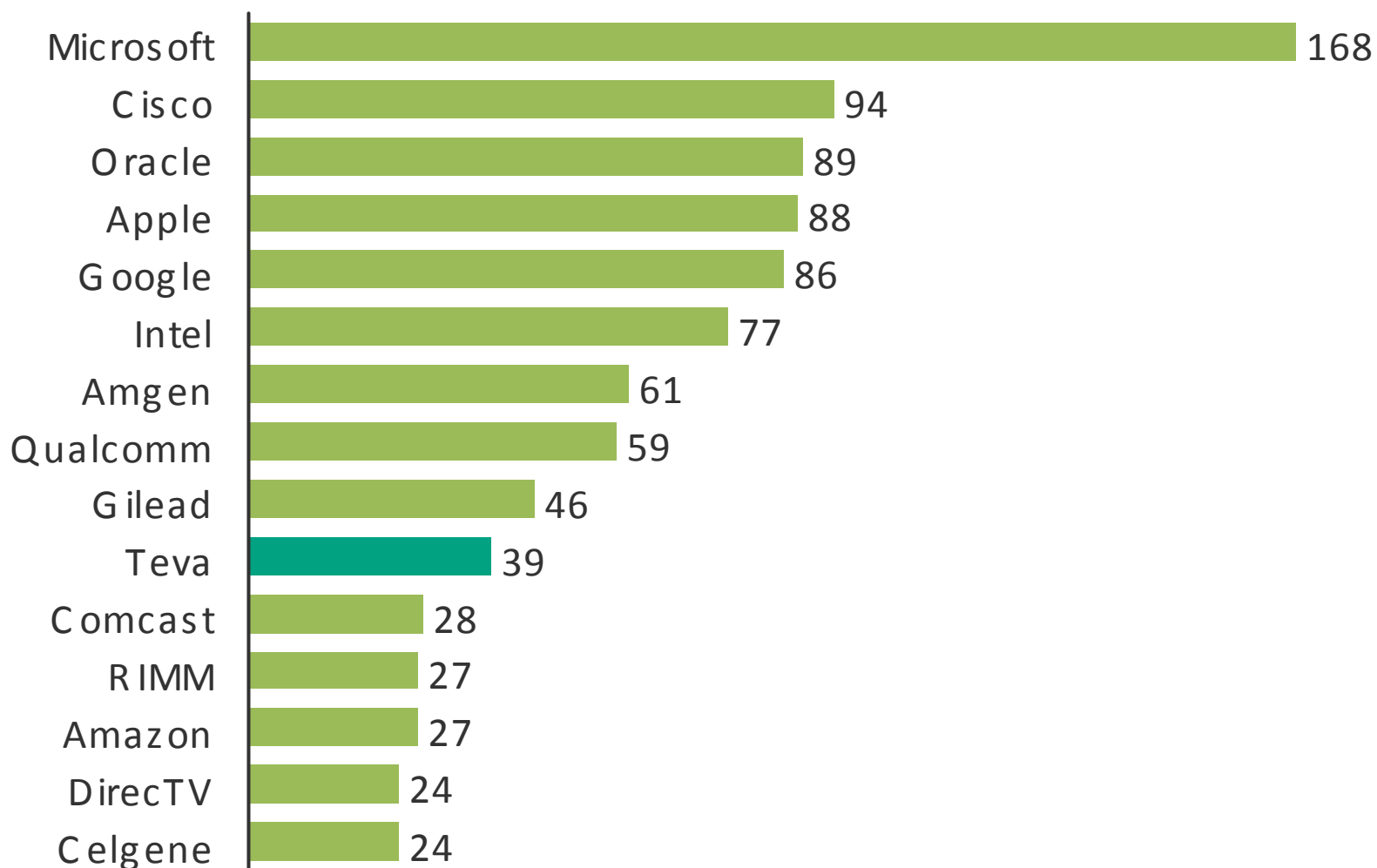




# Number 10 on NASDAQ

49

Market capitalization, \$ bn, 13 February 2009





- A very strong ending to a better than forecasted year
- 2009 and 2010 look good!
- Foreign exchange impact
- Very strong cash generation
- Solid balance sheet, leverage better than planned
- Barr integration – better than originally anticipated



# THANK YOU!