Teva and TAIYO

Leadership in Japanese Generics

May 16. 2011

Forward Looking Statement

The statements, analyses and other information contained herein relating to the proposed acquisition and its effects on financial and operating performance, including estimates for growth, anticipated positions in the Japanese market and shares in such market, the market for Taiyo's products, trends in Taiyo' operating and financial results, the future development and operation of Teva and Taiyo's businesses, and the contingencies and uncertainties to which Teva and Taiyo may be subject, as well as other statements including words such as "anticipate," "believe," "plan," "estimate," "expect," "intend," "will," "should," "may" and other similar expressions, are "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. Such statements are made based upon management's current expectations and beliefs concerning future events and their potential effects on the company 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. Actual results may differ materially from the results anticipated in these forward-looking statements. Important factors that could cause or contribute to such differences include whether and when the proposed acquisition will be consummated and the terms of any conditions imposed in connection with such closing, our ability to rapidly integrate Taiyo's operations and achieve expected synergies, diversion of management time on merger-related issues, our ability to predict future market conditions with accuracy, our ability to develop and commercialize additional pharmaceutical products, the difficulty of complying with Pharmaceutical and Medical Device Agency-Japan and other regulatory authority requirements, competition from the introduction of competing generic equivalents and due to increased governmental pricing pressures, the effects of competition on sales of our innovative products, especially Copaxone® (including competition from innovative orally-administered alternatives as well as from potential generic equivalents), 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 extent to which we may obtain U.S. market exclusivity for certain of our new generic products, the extent to which any manufacturing or quality control problems damage our reputation for high quality production and require costly remediation, our ability to identify, consummate and successfully integrate acquisitions (including the acquisition of Cephalon and Taiyo), our ability to achieve expected results through our innovative R&D efforts, dependence on the effectiveness of our patents and other protections for innovative products, intense competition in our specialty pharmaceutical businesses, uncertainties surrounding the legislative and regulatory pathway for the registration and approval of biotechnology-based products, our potential exposure to product liability claims to the extent not covered by insurance, any failures to comply with the complex Medicare and Medicaid reporting and payment obligations, our exposure to currency fluctuations and restrictions as well as credit risks, the effects of reforms in healthcare regulation and pharmaceutical pricing and reimbursement, adverse effects of political or economical instability, major hostilities or acts of terrorism on our significant worldwide operations, increased government scrutiny in both the U.S. and Europe of our agreements with brand companies, interruptions in our supply chain or problems with our information technology systems that adversely affect our complex manufacturing processes, the impact of continuing consolidation of our distributors and customers, the difficulty of complying with U.S. Food and Drug Administration, European Medicines Agency and other regulatory authority requirements, potentially significant impairments of intangible assets and goodwill, potential increases in tax liabilities resulting from challenges to our intercompany arrangements, the termination or expiration of governmental programs or tax benefits, any failure to retain key personnel or to attract additional executive and managerial talent, environmental risks and other factors that are discussed in our filings with the SEC.

Introduction to Teva

No. **1** generic pharmaceutical company

Top **15** global pharmaceutical company

Sales of **$16B** in 2010

Global product portfolio of around **1,480** molecules

40,000 employees

Teva's Global Presence

Presence in over **60** countries with

Sales in **120** countries

Introduction to TAIYO

#3 in Japanese generic market

FY2010 sales: $530M*

Over 550 marketed generics products

Cutting-edge production facilities

*US GAAP

Best in Class Pharmaceutical Production Facilities

Takayama Factory
Land Area 171,836㎡
Total Floor Area110,614

Kasukabe Factory
Land Area 26,442㎡
Total Floor Area 18,731㎡

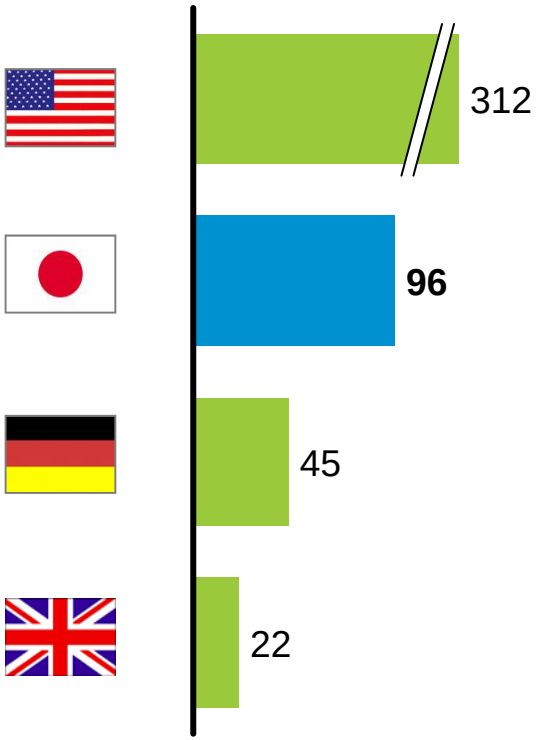
Teva's Presence in Japan Today

Generics	API	Branded
Teva Kowa Joint Venture *(Teva 50%)*	**TAPI Japan** *(100% subsidiary of Teva)*	**Teva KK** *(100% subsidiary of Teva)*

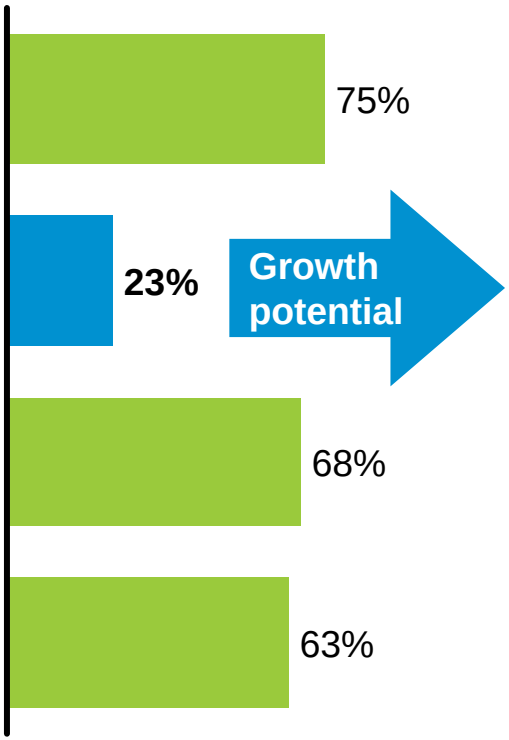
Japan: A High Growth Generic Market

2nd largest pharmaceutical market

Market size $Bn; 2010



Generics penetration % (volume)



Government target:
30% penetration by FY2012

Long term potential*: >60% penetration

*Teva estimation
Source: IMS Market Prognosis, Yano Keizai report

Teva + TAIYO: An Excellent Strategic Fit

TEVA	+	TAIYO
#1 global generics player		Strong local footprint
Broad portfolio of high quality products		Wide market reach
Global scale advantages: API, R&D and Manufacturing		Best-in-class manufacturing
Global presence / Local leadership & know-how		Dedicated & experienced team

Teva and TAIYO: A Leader in Japanese Generics

Key Transaction Terms

Acquisition of **controlling interest** (57%) in TAIYO for **$460M** in cash paid to private shareholders

Extended offer to purchase all remaining shares

Enterprise value **$1.3B**

Expected **closing** by the end of **Q3/2011**

Accretive to earnings on a GAAP basis within **4Q** after closing

A winning combination