
Teva's Proposed Acquisition of Barr
July 18, 2008
barr


Bruce L. Downey
Chairman and Chief Executive Officer
barr

Forward Looking Statement

Forward-Looking Statements

This communication contains "forward-looking statements" which represent the current expectations and beliefs of management of Barr Pharmaceuticals, Inc. (the "Company") concerning the proposed merger of the Company with Boron Acquisition Corp., a wholly-owned subsidiary of Teva Pharmaceutical Industries Ltd. (the "merger") and other future events and their potential effects on the Company. The statements, analyses, and other information contained herein relating to the proposed merger, 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. These forward-looking statements are not guarantees of future results and are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated. Those factors include, without limitation: the difficulty in predicting the timing and outcome of legal proceedings, including patent-related matters such as patent challenge settlements and patent infringement cases; the difficulty of predicting the timing of FDA approvals; court and FDA decisions on exclusivity periods; the ability of competitors to extend exclusivity periods for their products; market and customer acceptance and demand for our pharmaceutical products; our dependence on revenues from significant customers; reimbursement policies of third party payors; our dependence on revenues from significant products; the use of estimates in the preparation of our financial statements; the impact of competitive products and pricing on products, including the launch of authorized generics; the ability to launch new products in the timeframes we expect; the availability of raw materials; the availability of any product we purchase and sell as a distributor; the regulatory environment in the markets where we operate; our exposure to product liability and other lawsuits and contingencies; the increasing cost of insurance and the availability of product liability insurance coverage; our timely and successful completion of strategic initiatives, including integrating companies (such as PLIVA d.d.) and products we acquire; fluctuations in operating results, including the effects on such results from spending for research and development, sales and marketing activities and patent challenge activities; the inherent uncertainty associated with financial projections; our expansion into international markets through our PLIVA acquisition, and the resulting currency, governmental, regulatory and other risks involved with international operations; our ability to service our significantly increased debt obligations as a result of the PLIVA acquisition; changes in generally accepted accounting principles; the reactions of the Company's customers and suppliers to the merger; and diversion of management time on merger-related issues. These and other applicable risks, cautionary statements and factors that could cause actual results to differ from the Company's forward-looking statements are included in the Company's filings with the U.S. Securities and Exchange Commission ("SEC"), specifically as described in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2007. The Company undertakes no obligation to update or revise any forward-looking statements to reflect subsequent events or circumstances.

Important Legal Information

In connection with the proposed merger, the Company will prepare a proxy statement to be filed with the SEC. When completed, a definitive proxy statement and a form of proxy will be mailed to the stockholders of the Company. ***Before making any voting decision, the Company's stockholders are urged to read the proxy statement regarding the merger carefully and in its entirety because it will contain important information about the proposed merger.*** *The Company's stockholders will be able to obtain, without charge, a copy of the proxy statement (when available) and other relevant documents filed with the SEC from the SEC's website at http://www.sec.gov. The Company's stockholders will also be able to obtain, without charge, a copy of the proxy statement and other relevant documents (when available) by directing a request by mail or telephone to Barr Pharmaceuticals, Inc., 225 Summit Avenue, Montvale, NJ, 07645 – Attention: Investor Relations.*

•The Company and its directors and officers may be deemed to be participants in the solicitation of proxies from the Company's stockholders with respect to the proposed merger. Information about the Company's directors and executive officers and their ownership of the Company's common stock is set forth in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2007 and the Company's proxy statement for the Company's 2008 Annual Meeting of Stockholders. Stockholders may obtain additional information regarding the interests of the Company and its directors and executive officers in the merger, which may be different than those of the Company's stockholders generally, by reading the proxy statement and other relevant documents regarding the proposed merger, when filed with the SEC.

Teva Offer to Acquire Barr

- Approved by the Board of Directors of both companies
- Supported by Barr's senior management team
- Transaction anticipated to close by end of 2008

Financial Terms of Transaction

- 100% of Barr shares for total cash and stock consideration of $7.46 billion
- Plus, assumption of net debt of $1.5 billion
- Each Barr share converted to $39.90 in cash and 0.6272 Teva ADRs
- Per share consideration equivalent to $66.50 as of July 17, 2008

Offer to Acquire Barr

- Reflects appreciation of the value of our vision and our historical success in building a highly successful specialty pharmaceutical company
- Recognizes value of
  - Success in integrating the historic strengths of PLIVA into Barr
  - Strong management of operations in more than 30 countries
  - Manufacturing and marketing capabilities
  - Current portfolio of products, the pipeline of products pending approval and in various stages of development and significant portfolio of Paragraph IV filings
- Recognizes hard work and dedication of all 8,900 people of Barr in creating a successful, competitive company in an increasingly competitive pharmaceutical environment

Process to Close

- Successful close will require various approvals
  - Hart-Scott-Rodino in the United States
  - Governments/Regulators in select other countries
  - Barr Shareholders
- From now through close both companies will operate separately
- Close expected by end of 2008

Acquisition Timeline

- July 18, 2008: Announcement
- July/August: SEC/Regulatory filings
  - Hart-Scott-Rodino review
- October/November 2008: Mailing of Shareholder Proxy
- November/December 2008: Shareholder vote
- End of 2008: Anticipated closing

Rationale

Financial

- Strong business fundamentals in complementary geographies
- Exciting Global Growth Prospects both Product and Markets
  - Generics
  - Brands
  - Biologics
- Minimal Overlap in Value and Volume

Intangible

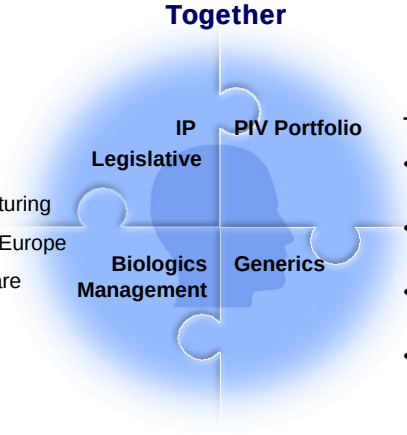
- World class capabilities to deliver affordable medicine globally
- Like-minded Management
- Legislative Prowess
- Scale Opportunities
  - Retain & Recruit Talent
  - Product Development
  - Legal Expertise

Strategic Fit Between Barr and Teva

Together

Barr brings:

- Niche Products
- Specialty Manufacturing
- Eastern & Central Europe
- Women's Healthcare



Teva brings:

- Broad Line Manufacturing
- Significant Global Scale
- Neuroscience, Specialty Pharma
- Tax Efficiency

Barr & Teva Comparison

	Barr	Teva
Revenues	$2.5 Billion	$9.4 Billion
R&D Budget	$248 Million	$581 Million
U.S. Generic Portfolio	120	330
U.S. Proprietary Portfolio	27	3
Global Product Registrations (Pending)	700	3,000
Biopharmaceuticals Marketed	0	4
API	Yes	Yes
Key Markets	U.S., Germany, Croatia, Poland, Russia	North America, Europe, Latin America, Israel, CEE
Therapeutic Categories	Female Healthcare, Oncology, Cardiovascular, Anti-Infectives, Psycho-therapeutics	Neurology, Respiratory
Principal Facilities	U.S., Croatia, Czech Republic, Poland	Israel, North America, Western Europe and Latin America
Number of Employees	8,900	28,000

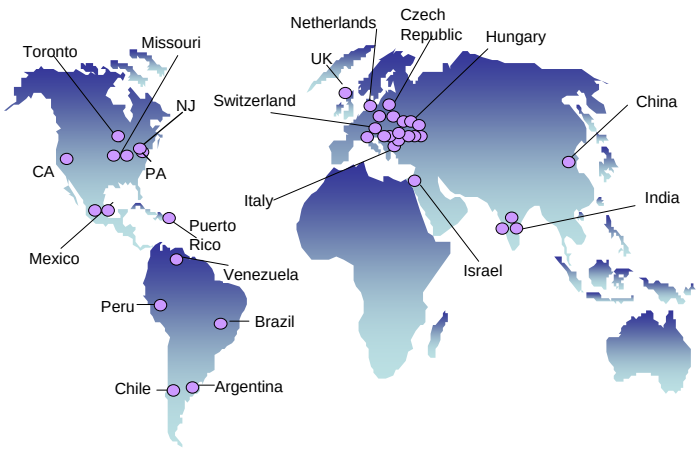
Overview of Teva

- Vertically-integrated global pharmaceutical company founded in 1901
- Three main business segments
  - Finished Dosage Generic Pharmaceuticals
  - Active Pharmaceutical Ingredients (API)
  - Specialty Branded Pharmaceuticals
- Approximately 28,000 employees

Overview of Teva *(cont'd)*

- Direct presence in more than 60 countries
- Product distribution in 80+ countries
- 44 pharmaceutical manufacturing sites producing 50 billion doses
- 15 R&D centers
- 18 API manufacturing sites
- During 2007:
  - 58% of sales in North America
  - 25% in Western Europe (including Hungary)
  - 17% in other regions (primarily Latin America, including Mexico, Israel and Central and Eastern Europe)

Teva Operations



Barr North American Generic Business

- 120+ marketed products
  - Products sold under Barr label
  - Pure substitution model
  - Majority are barrier-to-entry generic products, including women's healthcare and injectables
  - Generic oral contraceptive portfolio totals 26 products
  - Growing injectable portfolio
    - Total of 7 products
    - Expect to double portfolio in 12-18 months

Teva North American Generic Business

- U.S. generic market leader
  - Highest share in industry with over 12%*
- 330 marketed products
- Largest first-to-file / Paragraph IV pipeline
- Broad product portfolio, multiple capabilities
  - Launched 25 products in 2007
  - Recent 2008 launches include Alendronate, Budeprion XL, Risperidone, Epoprostenol Injection

* Source: MAT data for the 12-months ending March 2008

Barr European and ROW Generic Business

- Key commercial markets are Croatia, Poland, Germany and Russia
- Portfolio of 1,025+ products representing 255 molecules
  - Products compete in branded, generic and hybrid markets
  - 1,300 sales and marketing representatives promote products
    - Target physicians, pharmacists and distributors
- Balanced portfolio of branded, branded-generic, niche and OTC products
- Investing in infrastructure for improved future results

Barr's Key European and ROW Markets

Germany
- Company's largest European market based on revenues
- Katadolon is company's largest selling product
- Company competes in both branded and branded-generic markets

Croatia
- Company's second largest European market based on revenues
- European headquarters for Barr
- Leader in generic market with approx. 25% market share

Poland
- Second largest pharmaceutical market in Central and Eastern Europe
- Company ranks fourth in generic sector
- Market prescription and OTC products

Russia
- Largest and fastest growing pharmaceutical market in Central and Eastern Europe
- Offers significant growth potential
- Continue to seek expansion of operations

Teva Europe

- Direct presence in 24 countries
- Product distribution in 29+ countries
- 11 production centers
- 10 R&D centers
- 9,000 employees

Teva 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, South Korea, Singapore, Taiwan

Teva Market Positions in Europe

Retail market position – selected markets

Legend
- Market leader
- In top 3
- In top 10
- Not in top 10

UK	Market leader
France	In top 3
Italy	Market leader
Spain	In top 10 / Not in top 10
Germany	Not in top 10
Netherlands	Market leader
Belgium	In top 10
Hungary	In top 3
Czech	In top 3
Poland	Not in top 10
Scandinavia	In top 10

Barr Brand Products

Product		Description
Plan B		Emergency contraceptive that can still prevent a pregnancy for up to 72 hours after contraceptive failure
ParaGard		Flexible plastic intrauterine copper contraceptive that does not contain synthetic hormones
seasonique		Next generation extended-cycle oral contraceptive product; provides for maintenance of 4 periods per year
Mircette		Low-dose monthly oral contraceptive that prevents pregnancy and allows for maintenance of a monthly period
Enjuvia		Once-daily oral estrogen therapy for the treatment of moderate-to-severe hot flashes and night sweats associated with menopause, and the only estrogen approved for vulvar and vaginal atrophy
AmniScreen		The first and only at-home amniotic fluid leakage detector; consists of a panty liner designed to detect elevated pH levels
Niaspan	Co-Promoted	Extended-release tablets for treatment of high cholesterol; royalties earned under agreement with Abbott (formerly Kos)
Advicor	Co-Promoted	Extended-release tablets for treatment of high cholesterol; royalties earned under agreement with Abbott (formerly Kos)

19 Non-Promoted Products

Barr Brand Pipeline

- High value near term opportunities
  - Four New Drug Applications (NDAs) awaiting approval at U.S. FDA
  - Biologics License Application (BLA) for Adenovirus to be filed in mid-2008
  - Three projects in Phase III
  - Robust programs in Phase I/II
- Actively developing products utilizing vaginal ring technology
  - Efforts focused on products that treat endometriosis, fertility, fibroids, labor & delivery and urinary incontinence
- Expanding focus toward global development to support new European opportunities

Teva Brand Products

- Copaxone®: Largest product and its first major innovative drug, is a leading multiple sclerosis (“MS”) therapy
- Azilect®: Second significant innovative drug, indicated for the treatment of Parkinson’s disease

Teva Brand Pipeline

- 5 projects in Phase III Clinical Studies
- Products in various development stages in the areas of psoriasis, asthma, amyotrophic lateral sclerosis, Crohn's disease, lupus/lupus nephritis and oncology

Barr Biologics

- Several products in development including:
  - Adenovirus with U.S. Department of Defense
    - Expect to file BLA in U.S. in Q3 2008
  - G-CSF (Granulocyte Colony Stimulating Factor) for U.S. and Europe
  - Half a dozen undisclosed products in various stages of development
- State-of-the-art development facilities and excellent scientists in place
- Building new multi-product biologics facility in Croatia

Teva Biologics

- G-CSF, interferon alpha 2b, and hGH (human growth hormone) sold in limited number of markets
- Manufacturing facilities in Mexico, Hungary and China
- Bulk substance manufacturing facilities in Lithuania and China
- CoGenesys' biotechnology research team, technologies and innovative pipeline (acquired February 2008)

Summary of Benefits

Combined Company will have:

- Annual revenues of approximately $11.9 billion
- 15.9% market share for all U.S. pharma companies
- 23.9% market share for all U.S. generic companies
- Operations in over 60 countries
- Leadership in the generic industry in number and success rate of patent challenges
- 450+ marketed generic products in the U.S.
- 230+ generic applications pending approval at FDA
- 3,700 product registrations pending in markets in Europe and around the world
- 30 brand products
- R&D funding in excess of $820 million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