



TEVA PHARMACEUTICAL INDUSTRIES LTD.



26th Annual JPMorgan Healthcare Conference

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January 7, 2008





Forward-Looking Statements



TODAY'S PRESENTATION CONTAINS FORWARD LOOKING STATEMENTS WHICH EXPRESS THE CURRENT BELIEFS AND EXPECTATIONS OF MANAGEMENT. SUCH STATEMENTS ARE BASED ON CURRENT EXPECTATIONS AND INVOLVE A NUMBER OF KNOWN AND UNKNOWN RISKS AND UNCERTAINTIES THAT COULD CAUSE TEVA'S 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 TEVA'S ABILITY TO SUCCESSFULLY DEVELOP AND COMMERCIALIZE ADDITIONAL PHARMACEUTICAL PRODUCTS, THE INTRODUCTION OF COMPETITIVE GENERIC PRODUCTS, THE IMPACT OF COMPETITION FROM BRAND-NAME COMPANIES THAT SELL THEIR OWN GENERIC PRODUCTS OR SUCCESSFULLY EXTEND THE EXCLUSIVITY PERIOD OF THEIR BRANDED PRODUCT, TEVA'S ABILITY TO RAPIDLY INTEGRATE THE OPERATIONS OF ACQUIRED BUSINESSES, THE AVAILABILITY OF PRODUCT LIABILITY COVERGE IN THE CURRENT INSURANCE MARKET, THE IMPACT OF PHARMACEUTICAL INDUSTRY REGULATION AND PENDING LEGISLATION THAT COULD AFFECT THE PHARMACEUTICAL INDUSTRY, THE DIFFICULTY OF PREDICTING U.S. FOOD AND DRUGS ADMINISTRATION ("FDA") AND OTHER REGULATORY AUTHORITY APPROVALS, THE REGULATORY ENVIRONMENT AND CHANGES IN THE HEALTH POLICIES AND STRUCTURE OF VARIOUS COUNTRIES, ACCEPTANCE AND DEMAND FOR NEW PHARMACEUTICAL PRODUCTS AND NEW THERAPIES, UNCERTAINTIES REGARDING MARKET ACCEPTANCE OF INNOVATIVE PRODUCTS NEWLY LAUNCHED, CURRENTLY BEING SOLD OR IN DEVELOPMENT, THE IMPACT OF RESTRUCTURING OF CLIENTS, RELIANCE ON STRATEGIC ALLIANCES, EXPOSURE TO PRODUCT LIABILITY CLAIMS, DEPENDENCE ON PATENT AND OTHER PROTECTIONS FOR INNOVATIVE PRODUCTS, FLUCTUATIONS IN CURRENCY, EXCHANGE AND INTEREST RATES, OPERATING RESULTS, OTHER FACTORS THAT ARE DISCUSSED IN TEVA'S ANNUAL REPORT ON FORM 20-F AND ITS OTHER FILINGS WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION ("SEC"). FORWARD LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE ON WHICH THEY ARE MADE, AND THE COMPANY UNDERTAKES NO OBLIGATION TO UPDATE PUBLICLY OR REVISE ANY FORWARD LOOKING STATEMENTS, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE DEVELOPMENTS OR OTHERWISE.



Overview

- Vertically-integrated global pharmaceutical company founded in 1901
- Three main business segments
 - Finished Dosage Generic Pharmaceuticals
 - Active Pharmaceutical Ingredients (API)
 - Specialty Branded Pharmaceuticals
- Presence in 60 countries; approximately 26,000 employees
- Rank among the top 20 in revenues among all pharmaceutical companies



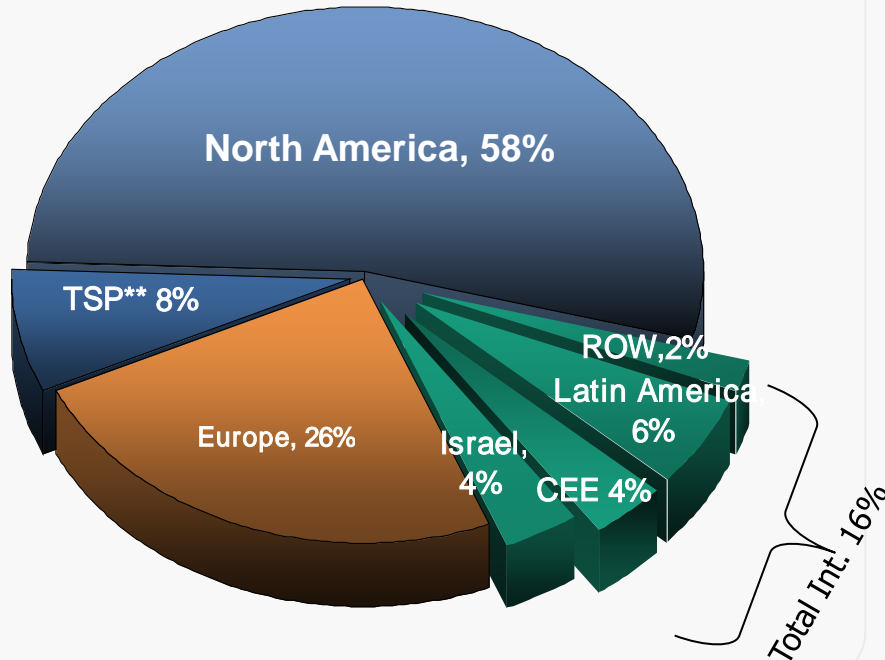
Financial Strength

	1-9/07	1-9/06	% Change
Sales (\$ Millions)	6,832	6,131	11%
Net Income (\$ Millions)	1,382	1,434	(4%)
Earnings per Share (diluted \$)	1.69	1.77	(5%)
Cash Flow from Operations	1,268	1,294	
P/E Ratio 2008 (F.C. Consensus \$2.66)	18		
Market Capitalization (as of Jan. 4, 2008: \$47.83)	\$38.5 B		

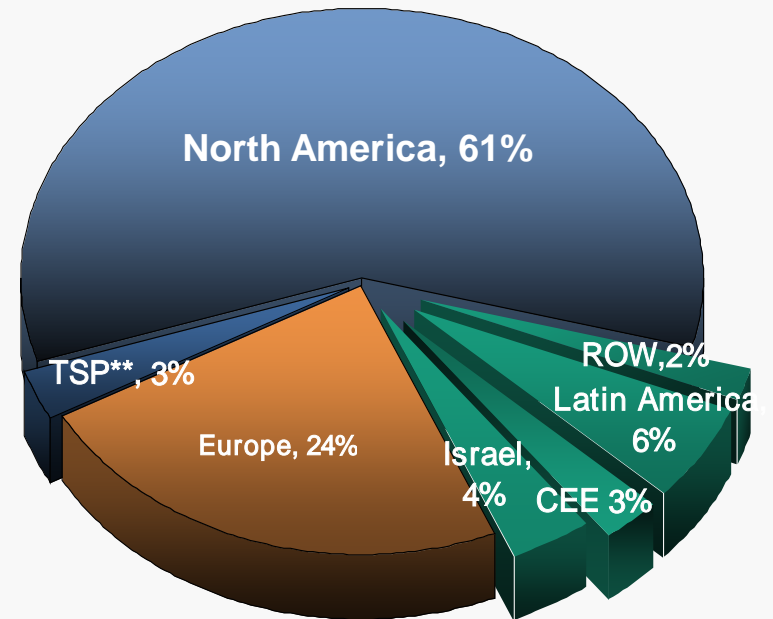


Sales By Region

1-9/07: \$6,832 Million



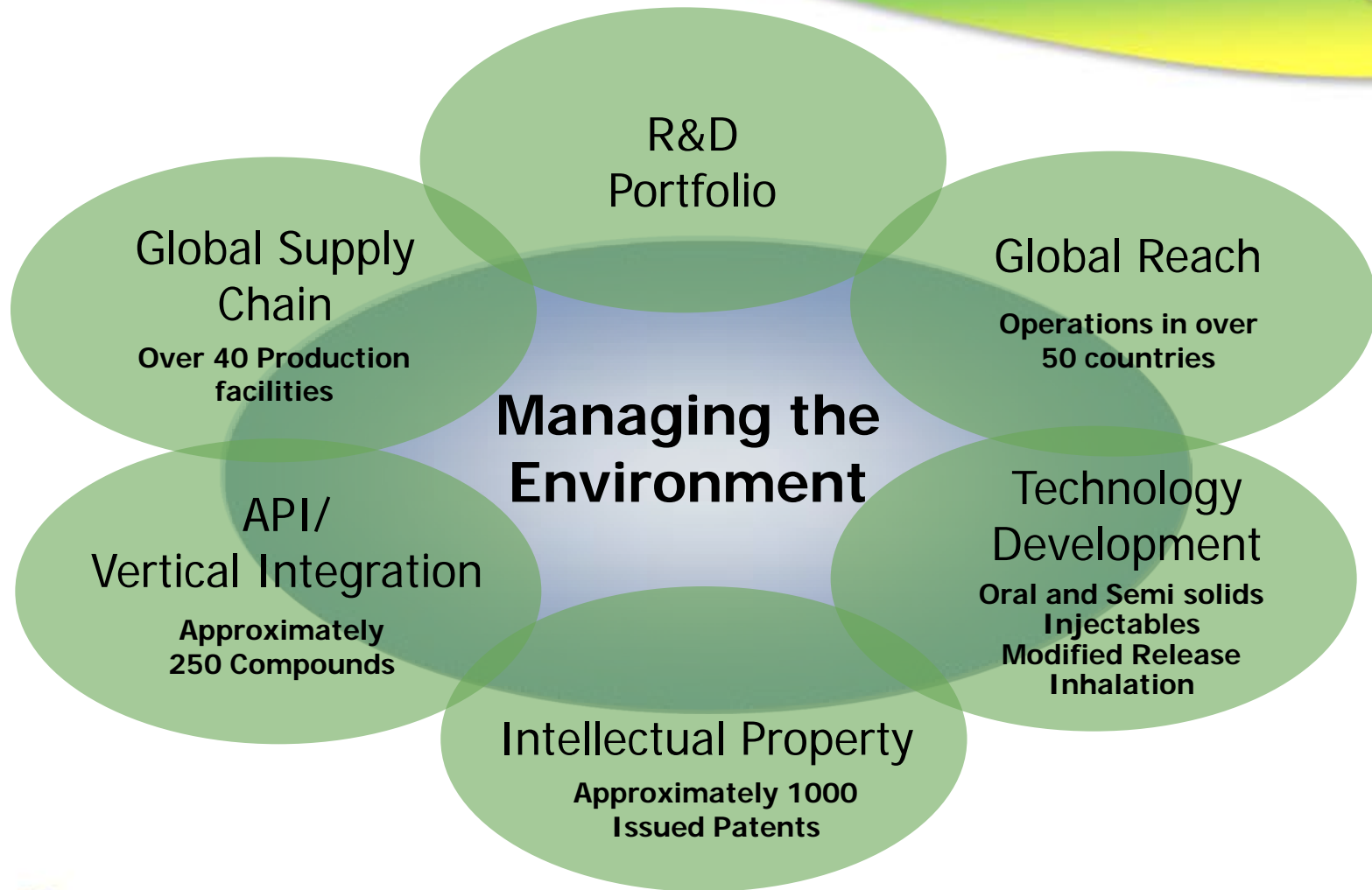
1-9/06: \$6,131 Million



* Western Europe and Hungary

** TSP as % of North America

Teva's Core Strengths in Generics



Q3/2007 – North America Pharmaceutical Sales

(\$ Millions)

CAGR = 31%

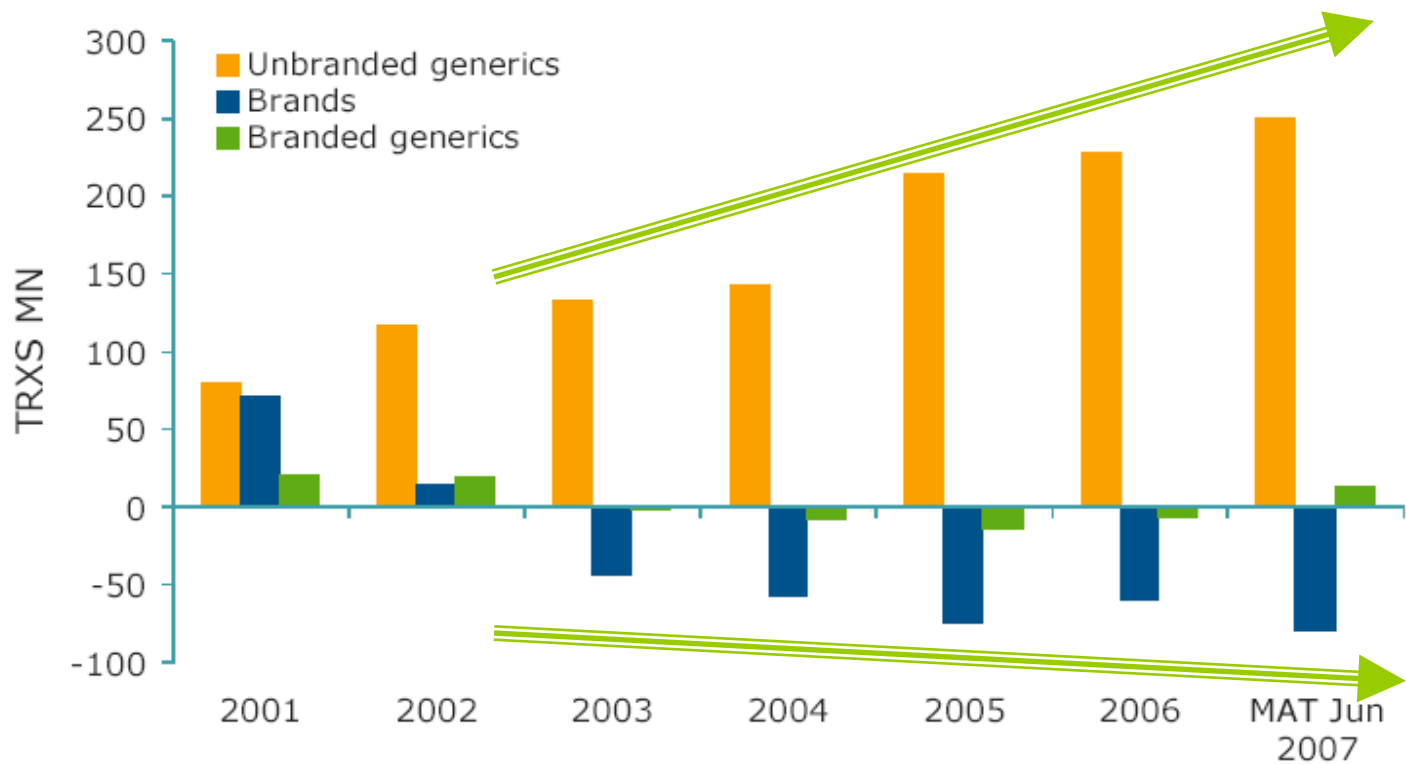
452	719	708	1,365	1,315
Q3/03	Q3/04	Q3/05	Q3/06	Q3/07



Absolute growth of generics takes off in the last four years; brands decline



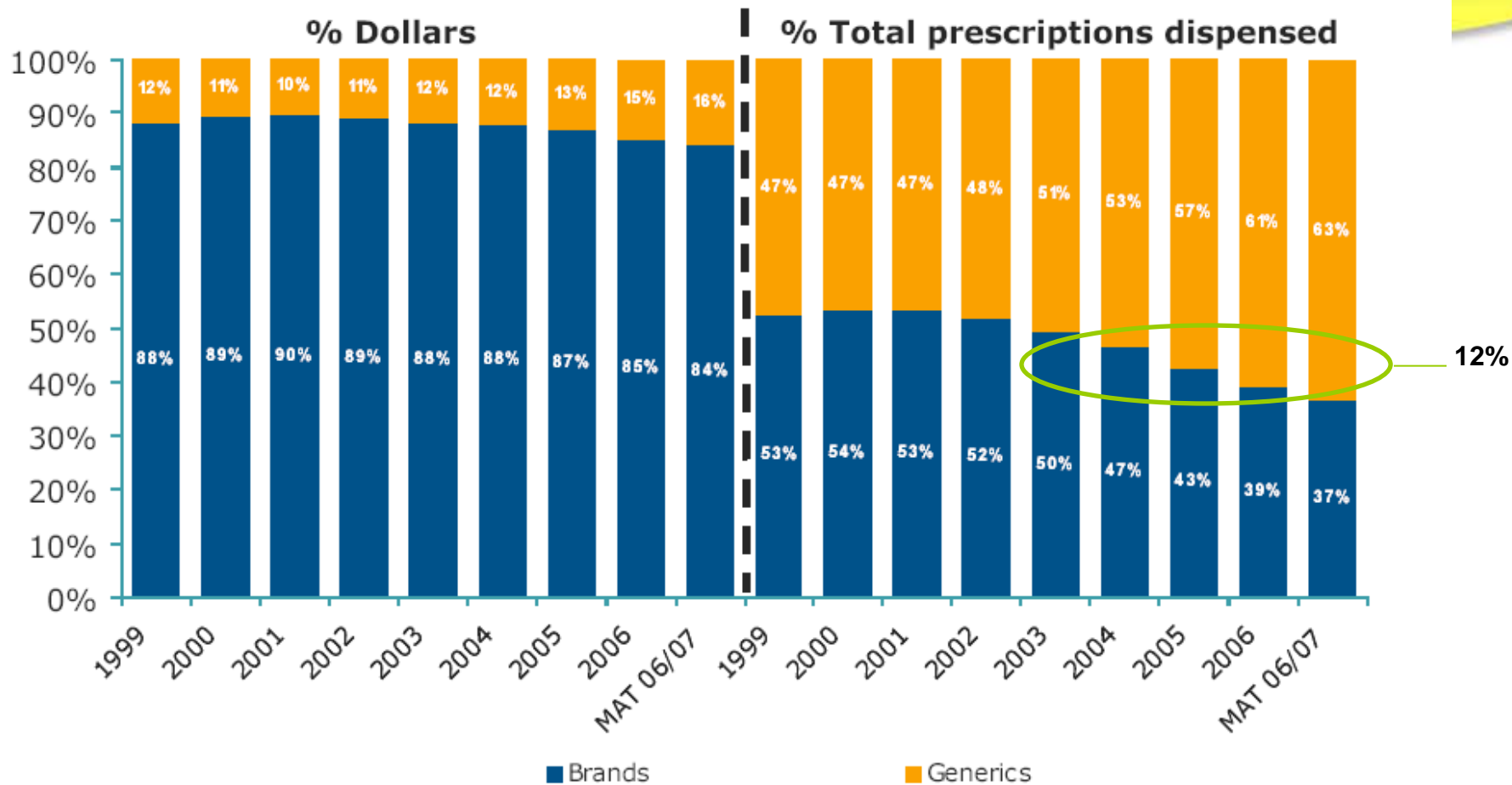
Absolute growth of prescriptions



Source: IMS Health, National Prescription Audit, Jun 2007



Generic TRx Continue to Gain Traction



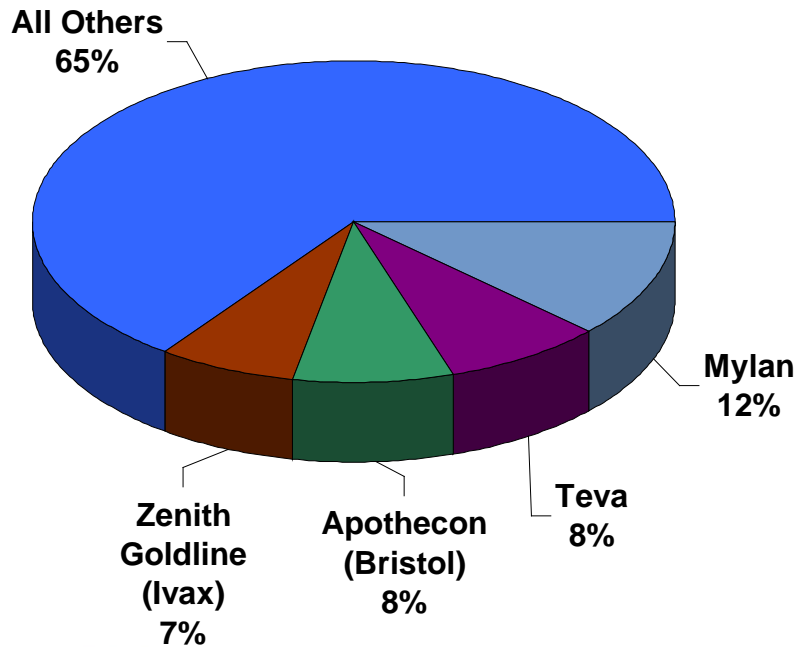
Source: IMS Health, National Prescription Audit Plus, National Sales Perspectives, Jun 2007



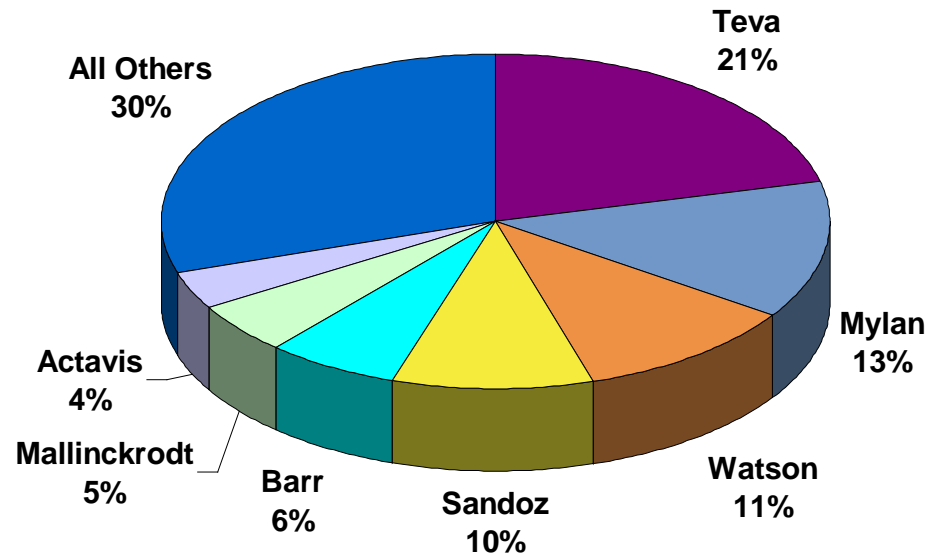
Generic Industry Consolidation

Top 4 have 55% market share combined

IMS TRx MAT Jun-97
(Top 4 = 35%)



IMS TRx MAT Jun-07
(Top 4 = 55%)



Top U.S. Pharmaceutical Companies

(In thousands)

Generic companies only

Total Rx's

1	Teva USA	431,054
2	Mylan	276,753
3	Watson	223,671
4	Sandoz	192,609
5	Barr	137,581
6	Mallinckrodt	97,291
7	Actavis	84,689
8	Qualitest	81,167
9	Greenstone	77,598
10	Par	71,370

All pharmaceutical companies

Total Rx's

1	Teva USA	443,824
2	Mylan	278,627
3	Pfizer	269,682
4	Novartis	267,918
5	Watson	223,674
6	Barr	137,671
7	Merck	120,555
8	AstraZeneca	111,617
9	GlaxoSmithKline	109,903
10	Mallinckrodt	97,291

Source: IMS Health September 2007 NPA



TEVA PHARMACEUTICAL INDUSTRIES LTD.

Pantoprazole – Protonix®



- Annual sales of Wyeth's tablet products are about \$2.5 B*
- Teva and Sun share 6-month first-to-file exclusivity
- Litigation on the compound patent is pending in the District of New Jersey
 - Sun and Kudco (who is not FTF) are also involved in the litigation
 - No trial date has been set
- September 6, 2007, the District Court denied Wyeth/Altana's preliminary injunction motion
 - This decision is currently on appeal
- Teva obtained final approval on August 2, 2007 and launched the product on December 21, 2007, triggering the first-to-file exclusivity

* IMS NSP Audit MAT-09-07



U.S. Generic Industry's Largest Pipeline



165 ANDAs – over \$103 billion in total brand sales

94 Paragraph IV Filings

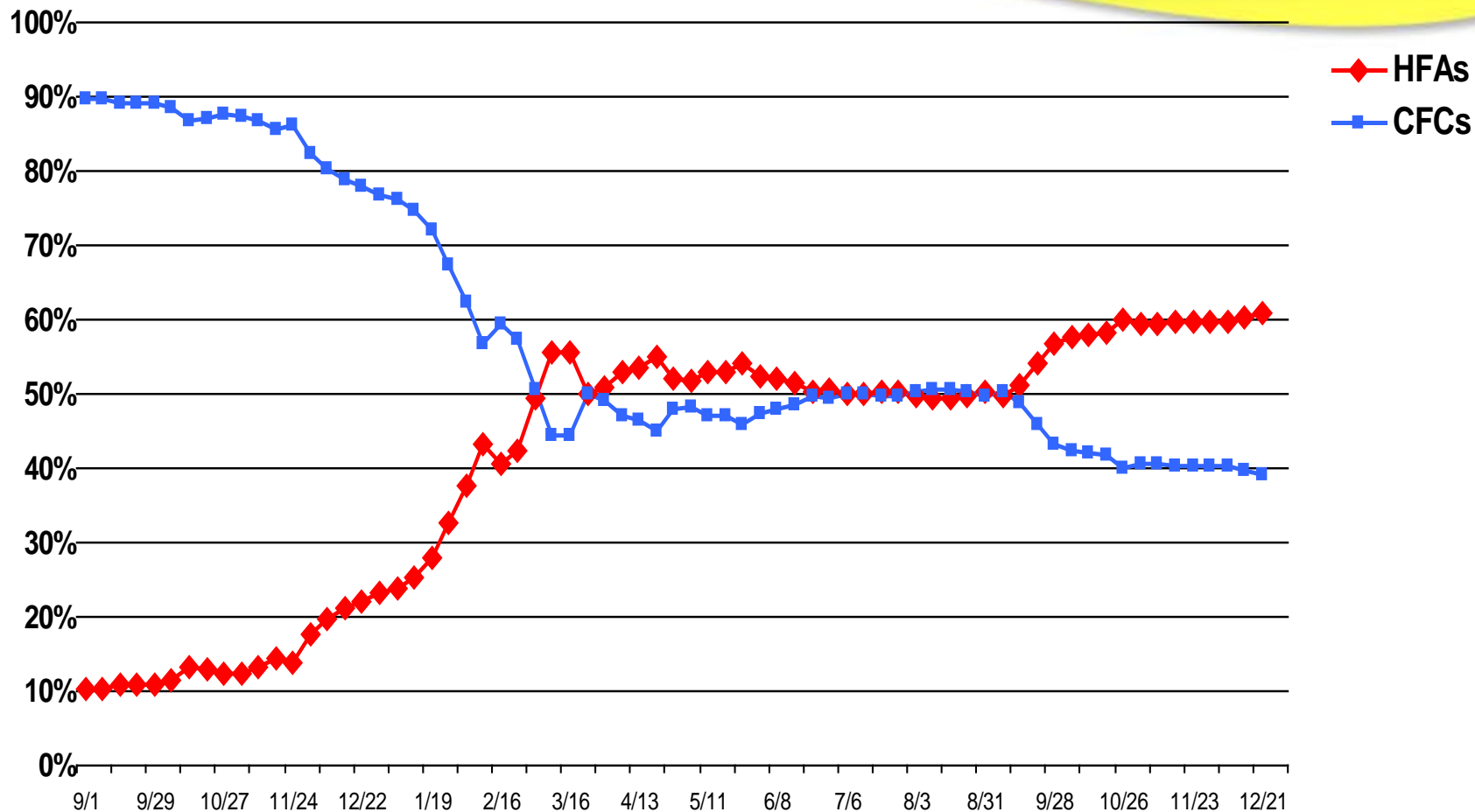
45 First-to-File – over \$38 billion in total brand sales

As of January 2, 2008



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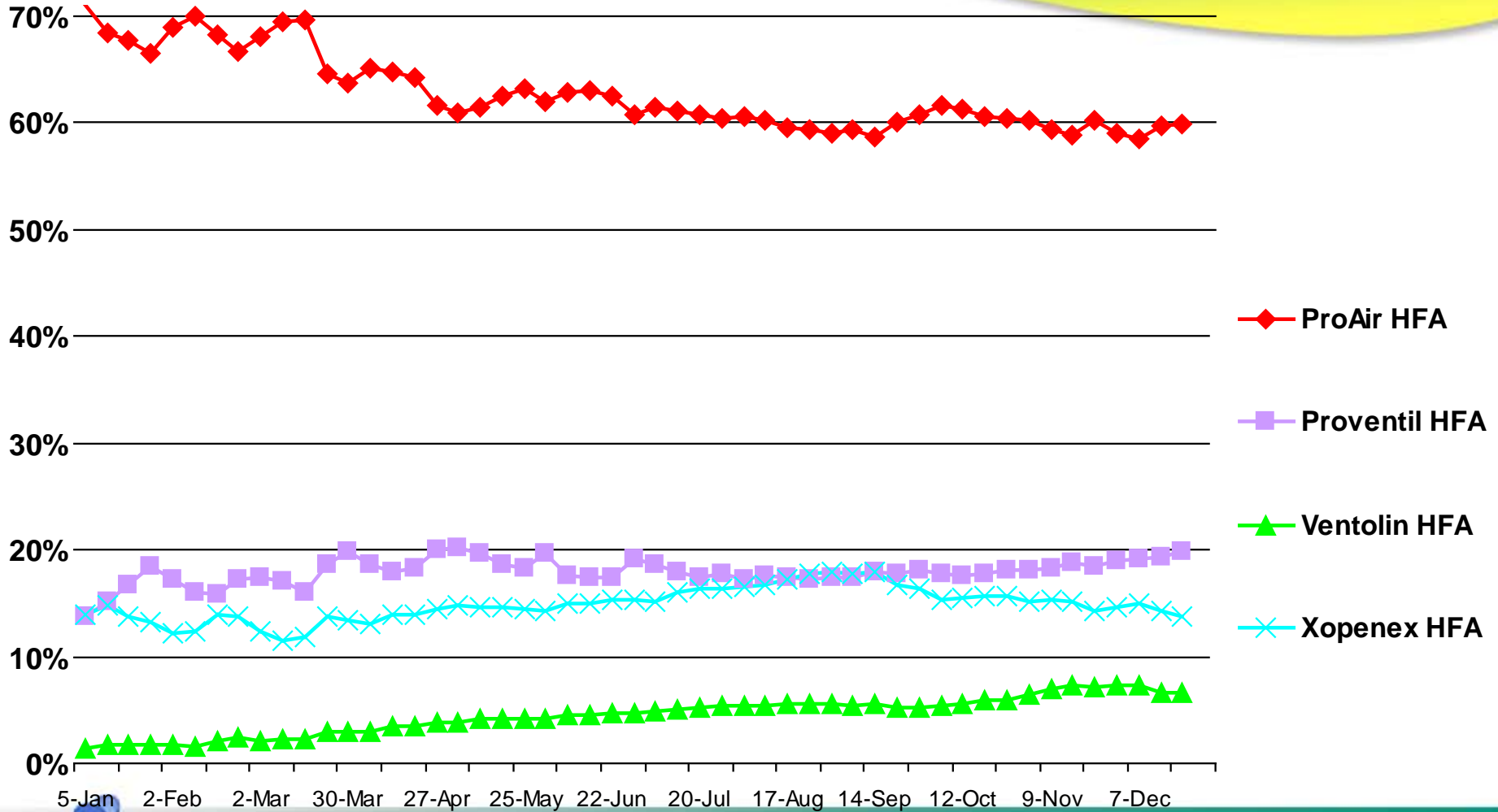
SABA TRx Weekly Market (Share)



Source: IMS NPA, Sept 1 – Dec 21, 2007



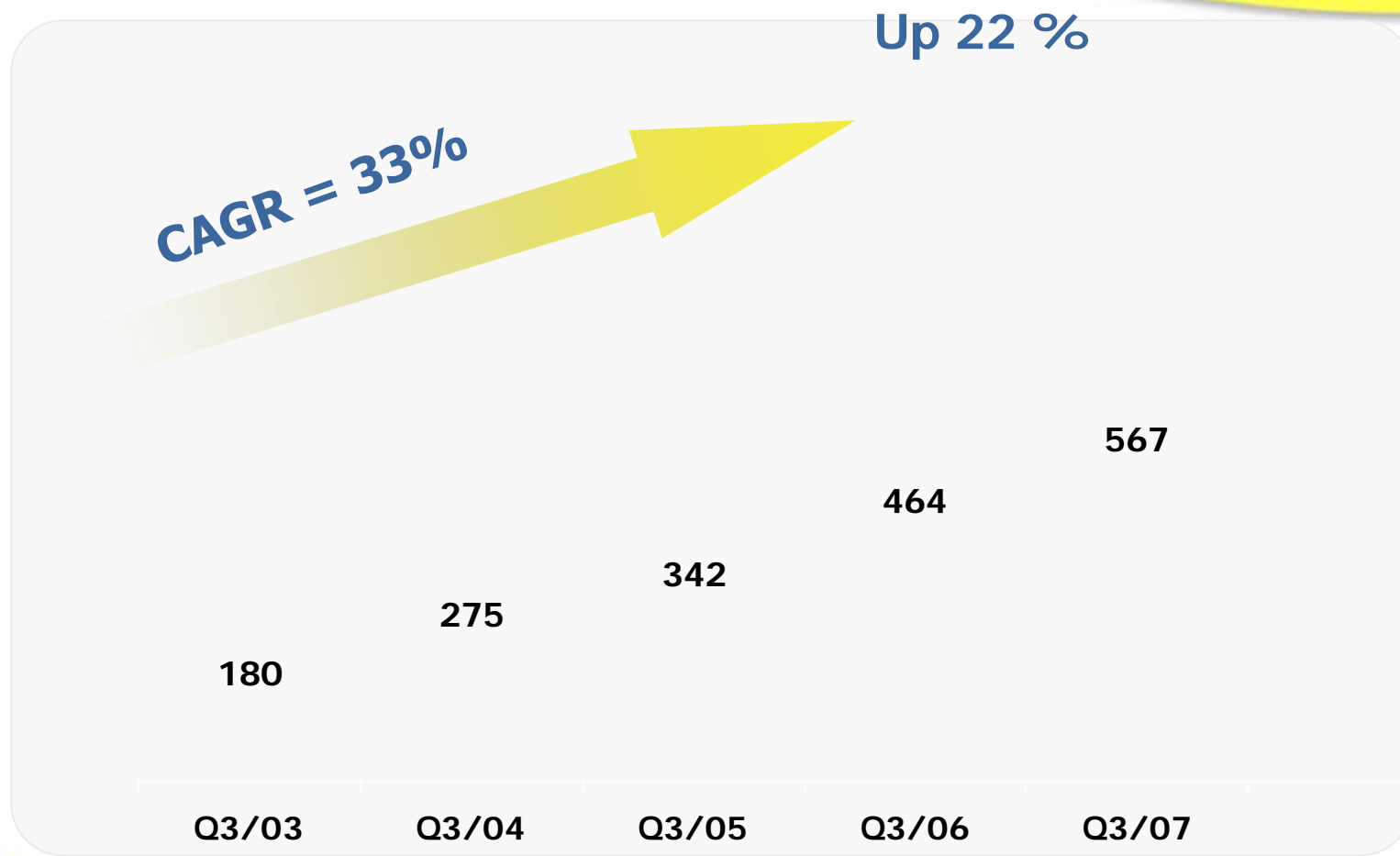
SABA-HFA TRx Market (Share)



Source: IMS NPA, Jan 1 – Dec 21, 2007

Q3/2007 – Europe* Pharmaceutical Sales

(\$ Millions)

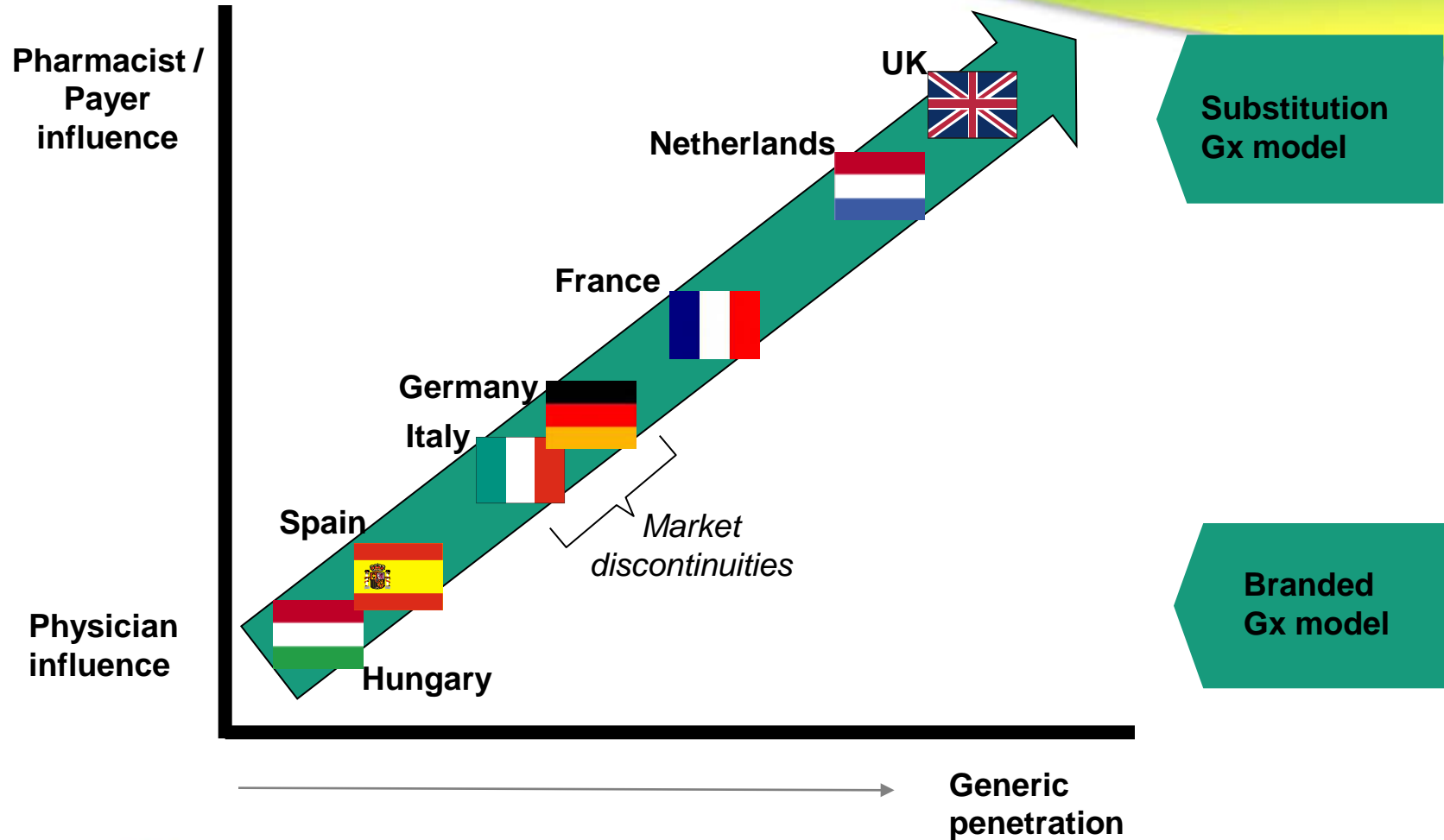


* Western Europe and Hungary



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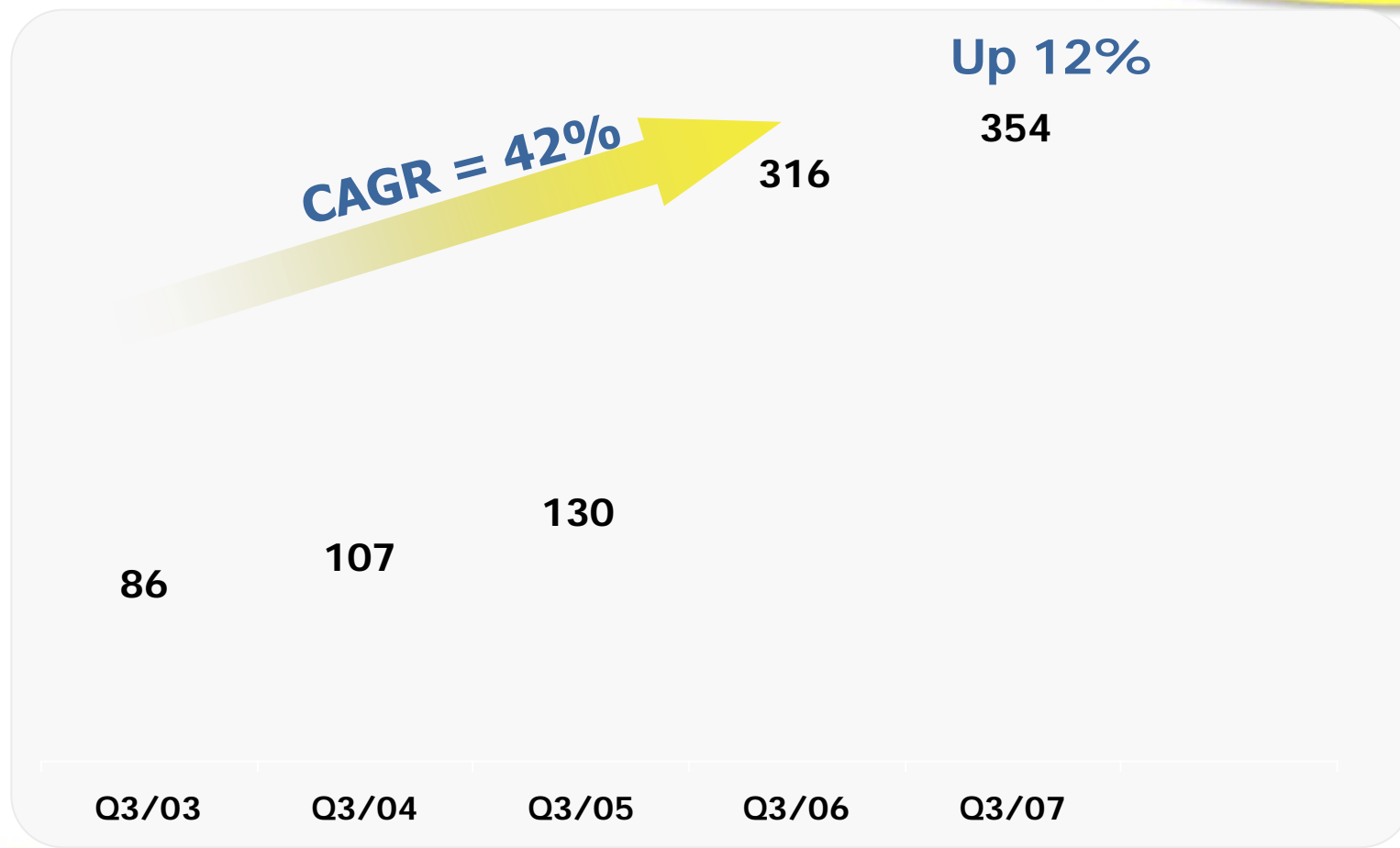
Western Europe is emerging as a pharmacy-focused region, facilitating higher penetration



Source: Teva Europe

Q3/2007 – International (ROW) Pharmaceutical Sales

(\$ Millions)



TAPI – Teva Active Pharmaceutical Ingredients

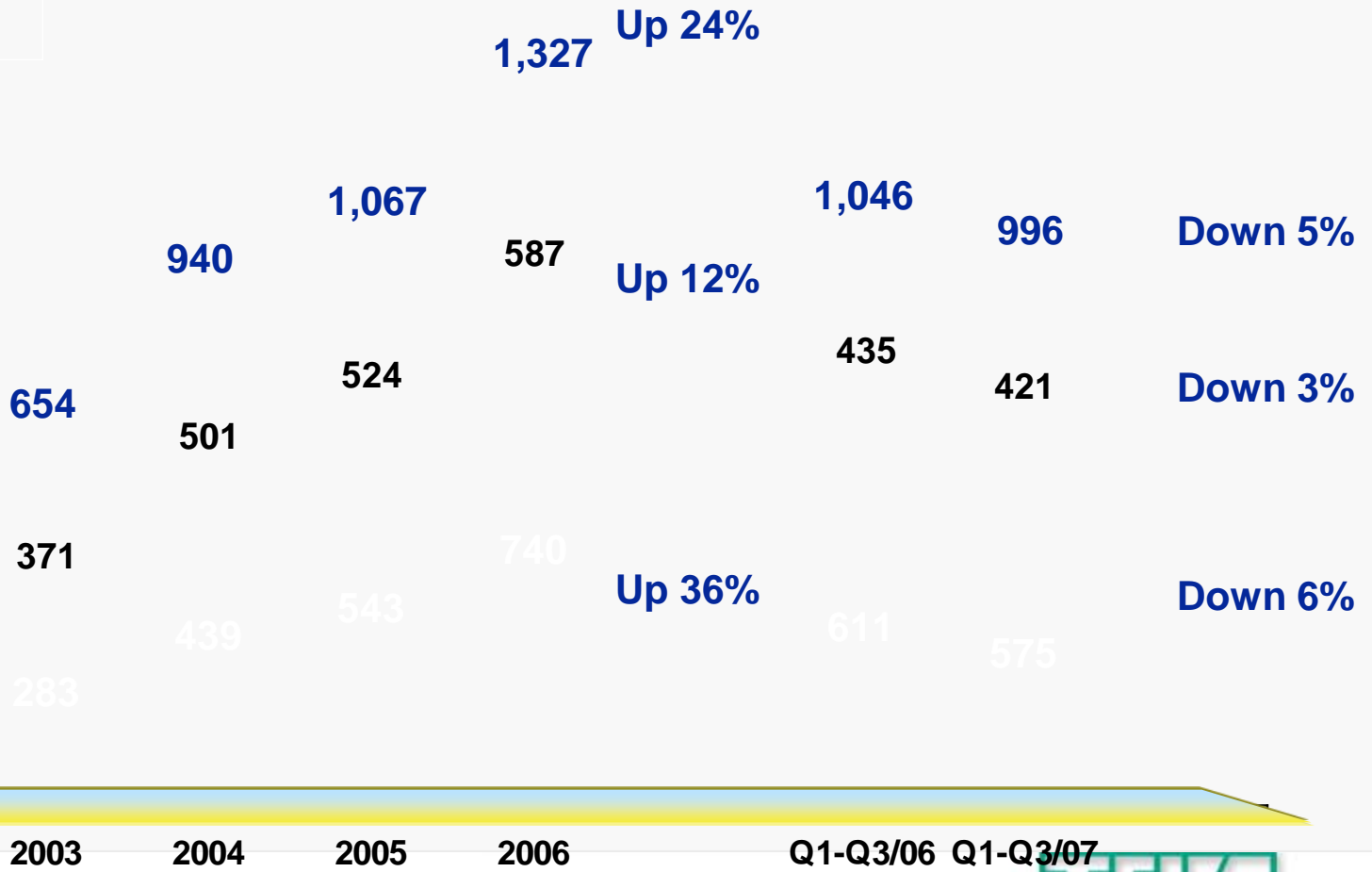
- Teva's API division is the Industry leader for active pharmaceutical ingredients (API) for generics
- Manufactures and sells approx. 250 products to Teva's finished pharmaceutical product businesses and to third parties
- **Be First – Stay Last**
- Provides Teva with strategic advantages through vertical integration
 - A major source for Teva's R&D and finished products
 - Provides Teva a strong competitive advantage – capital expenditures, strong IP and leading worldwide expertise make Teva's API capabilities hard to replicate
- 18 production sites located in Israel, U.S., Mexico, Switzerland, Hungary, Italy and India



Teva API Sales

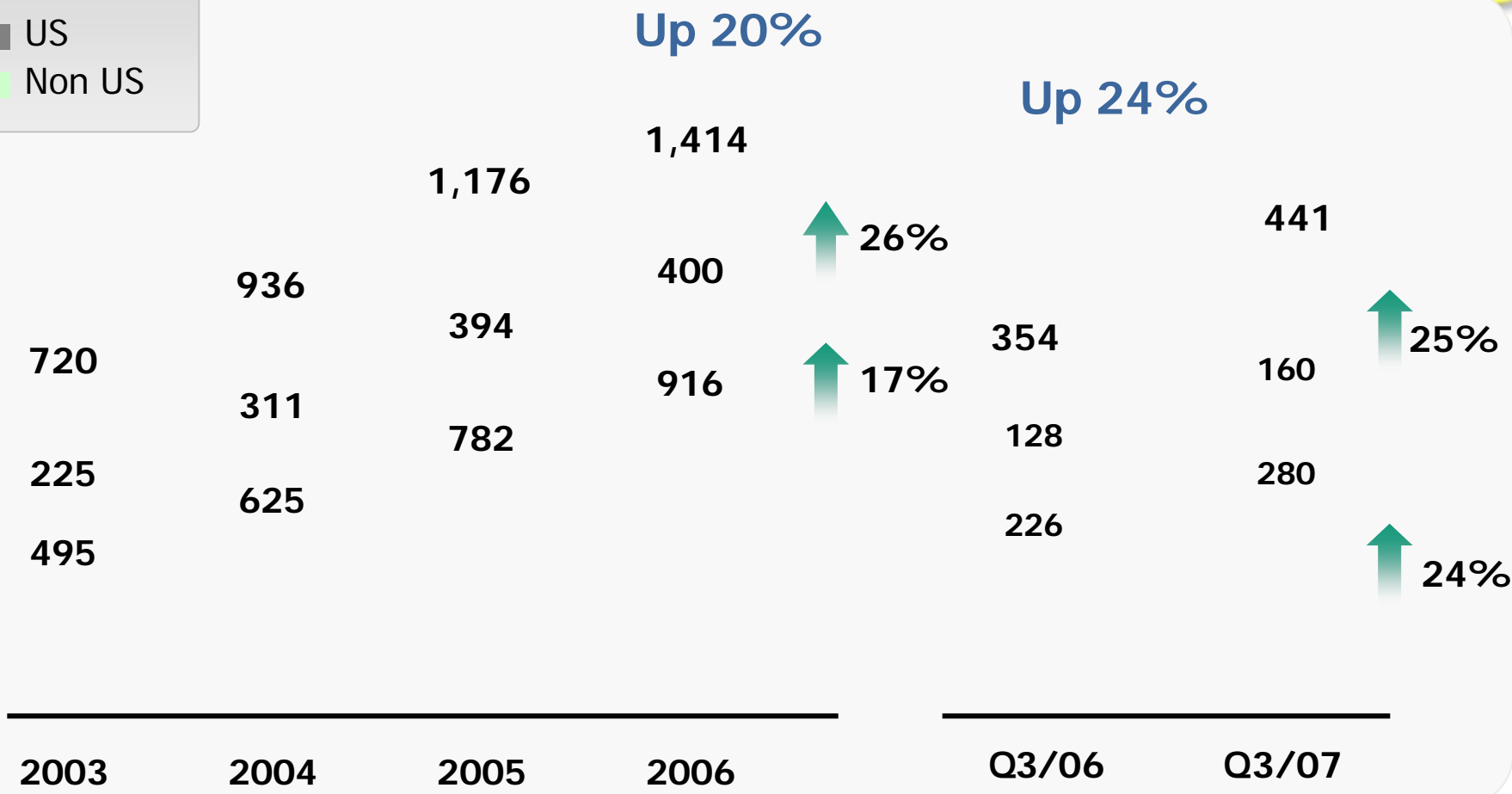
(\$ Millions)

- Third Party
- Internal



Q3/2007 – Copaxone® In-Market Global Sales

(\$ Millions)



Copaxone® 40 mg



- Copaxone®, at a 40 mg/day dose, has the potential to provide better efficacy compared to all approved first-line treatments
- Results of 9-month Phase II study, which compared to Copaxone® 20 mg/day
 - Patients taking the higher dose showed a 38% greater reduction in inflammatory disease activity as measured by MRI
 - Reduced mean on-trial relapse rate of 77% vs. 62%
- Phase III study (“FORTE”) initiated in July 2006

**Next Milestone
Submission To FDA – H2 /2008**



Laquinimod



- A novel, oral product for relapsing MS
- Licensed from Sweden's Active Biotech
- Positive results of Phase IIb study
 - Demonstrated that an oral 0.6 mg dose of laquinimod given daily significantly reduced MRI disease activity by 55 percent in RRMS patients
 - Favorable trend towards reducing annual relapse rates, the number of relapse-free patients and time to first relapse compared with placebo
 - Confirmed favorable safety profile
- Phase III studies initiated last year and are being conducted in 175 centers in the US, Europe, and Israel

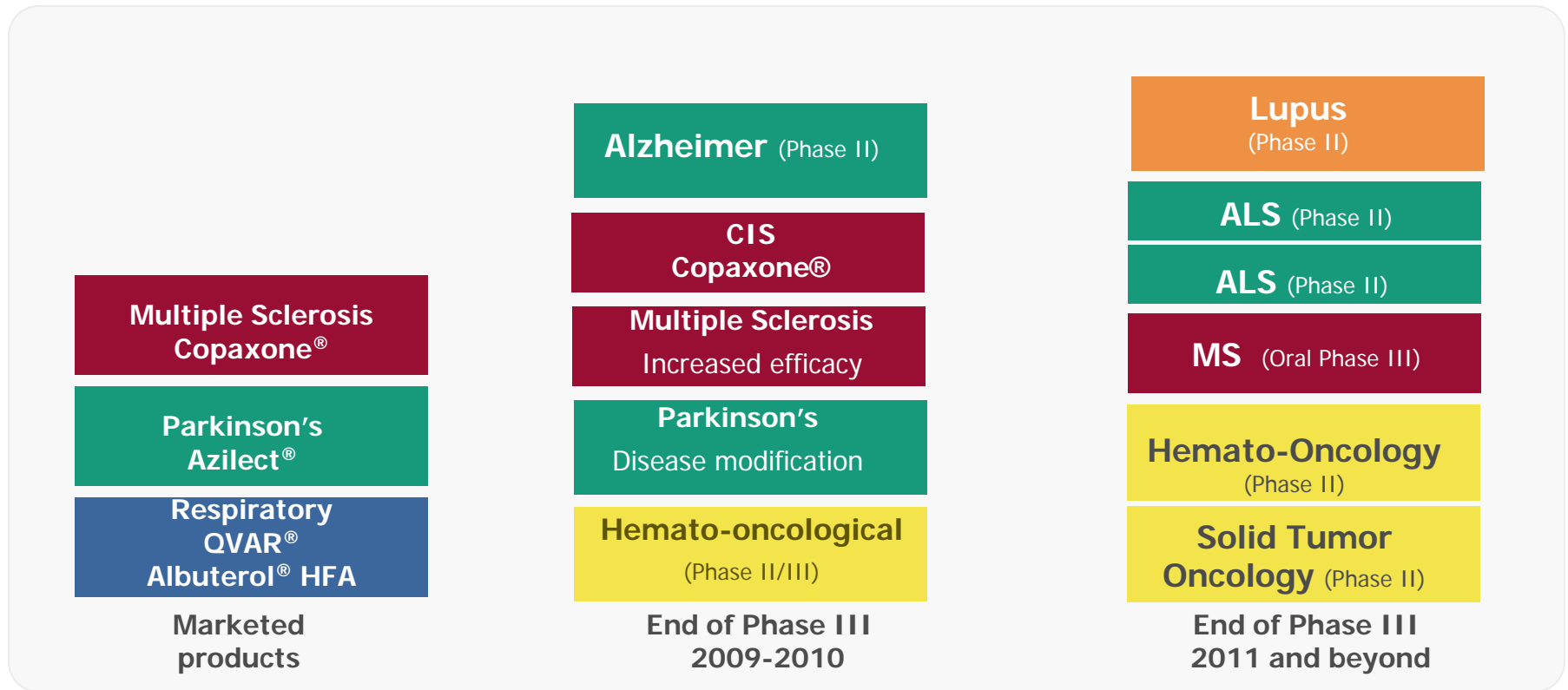


Azilect® for Parkinson's Disease

- Novel, potent, second generation, selective MAO-B Inhibitor approved for both monotherapy in early disease and adjunct therapy in more advanced stages
- Now available in 29 countries since initial launch in Israel in early 2005
- Offers patients the benefit of unique combination of efficacy with convenient once daily dosing, no titration and good tolerability
- ADAGIO study in close to 1200 patients – aims to demonstrate Azilect® as disease modifying therapy (results expected H2 2008)



Innovative Products and Growth Opportunities



* Potential sales include respiratory products



We Focus on Shareholder Value



Cash Flow Highlights



(\$ Millions)	Q3/07	Q2/07	Q1/07	Q4/06	Q3/06	Q2/06	YR2006
Net Income	525	515	342	461	606	488	546
Cash flow from operating activities	332	437	499	765	793	212	2,058
Acquisition of companies	17	-	-	5	2	24	3,587
Purchase of fixed assets (net of proceeds from sale)	104	106	149	129	76	90	366
Dividends *	73	75	72	58	59	57	229
Free cash flow **	155	256	278	578	658	65	1,463

* Actually distributed

** Net cash provided by operating activities less purchase of property, plant and equipment (net), and dividends paid



Financial Strength



(\$ Billions)	30-Sep-2007	30-Jun-2007
Total Equity	12.92 B	12.06 B
Total Debt	5.31 B	5.51 B
of which:		
short-term	1.95 B	1.52 B
long-term *	3.36 B	3.98 B
Leverage **	29%	31%

* Includes both converts of \$1.4 bn and straight debt of \$1.5 mn issued on Q1/06

** [DEBT/(Debt+Equity)]



Consolidated Statement of Income



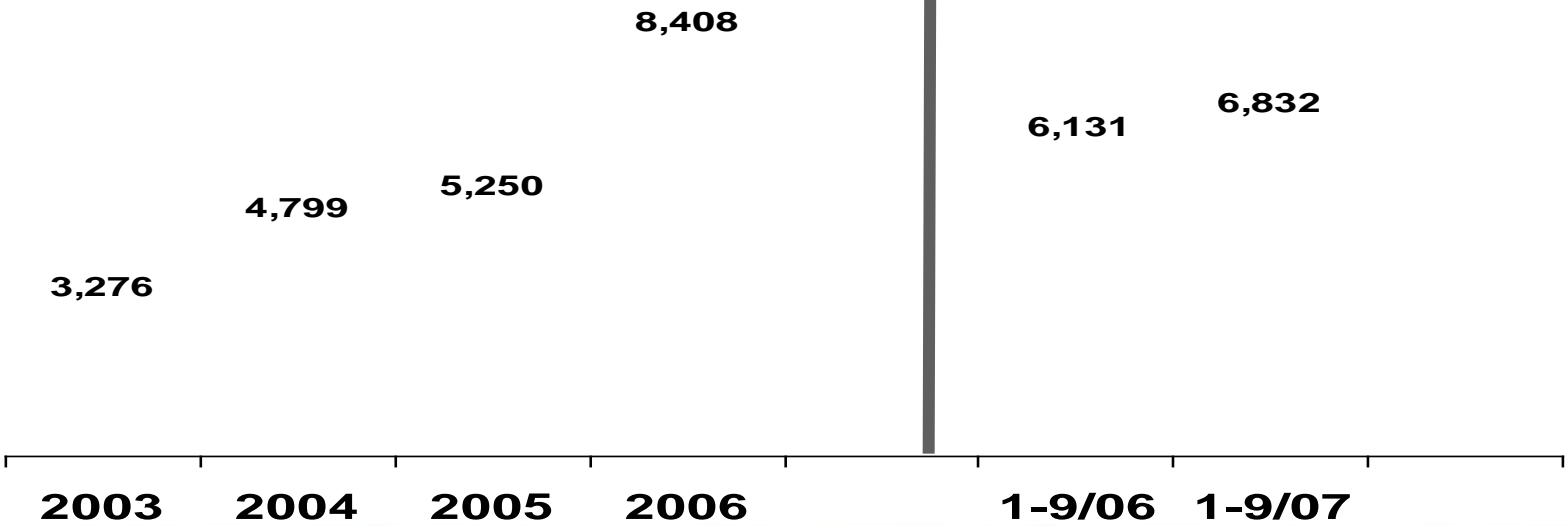
(\$ Millions)	(\$ Millions)				
	Q3/07	Q2/07	Q1/07	Q4/06	Q3/06
Sales	2,366	2,386	2,080	2,277	2,286
Gross profit	1,250	1,243	1,037	1,103	1,262
R&D – net	141	137	135	137	135
SG&A expenses	458	469	456	478	404
Operating income	651	637	446	488	723
Financial expenses – net	3	8	28	(4)	28
Income before taxes	648	629	418	492	695
Net income	525	515	342	433	606
Earnings per share (Diluted)	0.64	0.63	0.42	0.53	0.74
Tax Rate	19.2%	18.0%	18.0%	(15.7%)	12.5%

% of Sales				
Q3/07	Q2/07	Q1/07	Q4/06	Q3/06
100%	100%	100%	100%	100%
53%	52%	50%	48%	55%
6%	6%	6%	6%	6%
19%	20%	22%	21%	18%
28%	27%	21%	21%	32%
0%	0%	1%	0%	1%
27%	26%	20%	22%	30%
22%	22%	16%	19%	27%
19.2%	18.0%	18.0%	(15.7%)	12.5%



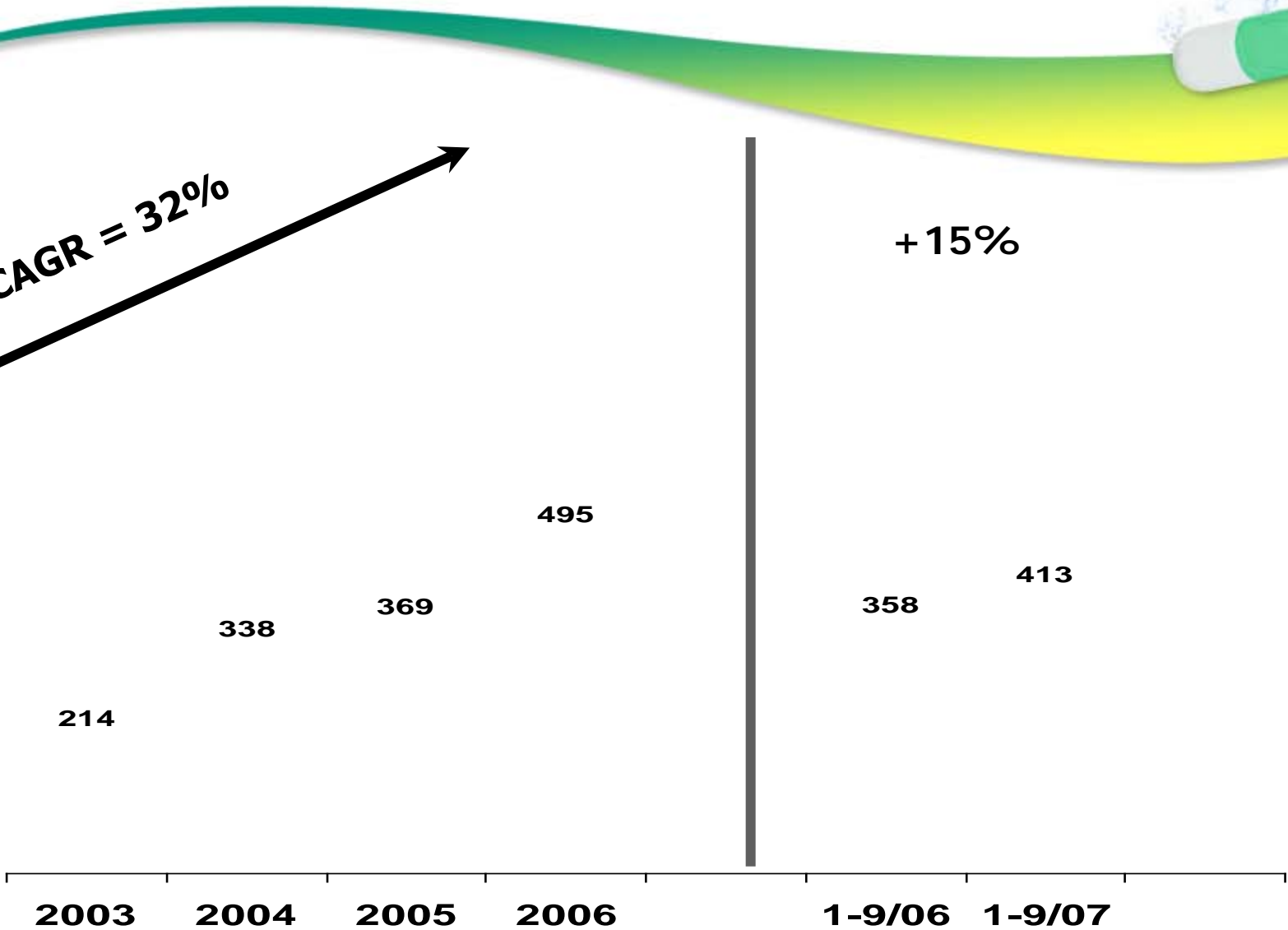
Sales (in \$ Millions)

CAGR = 37%



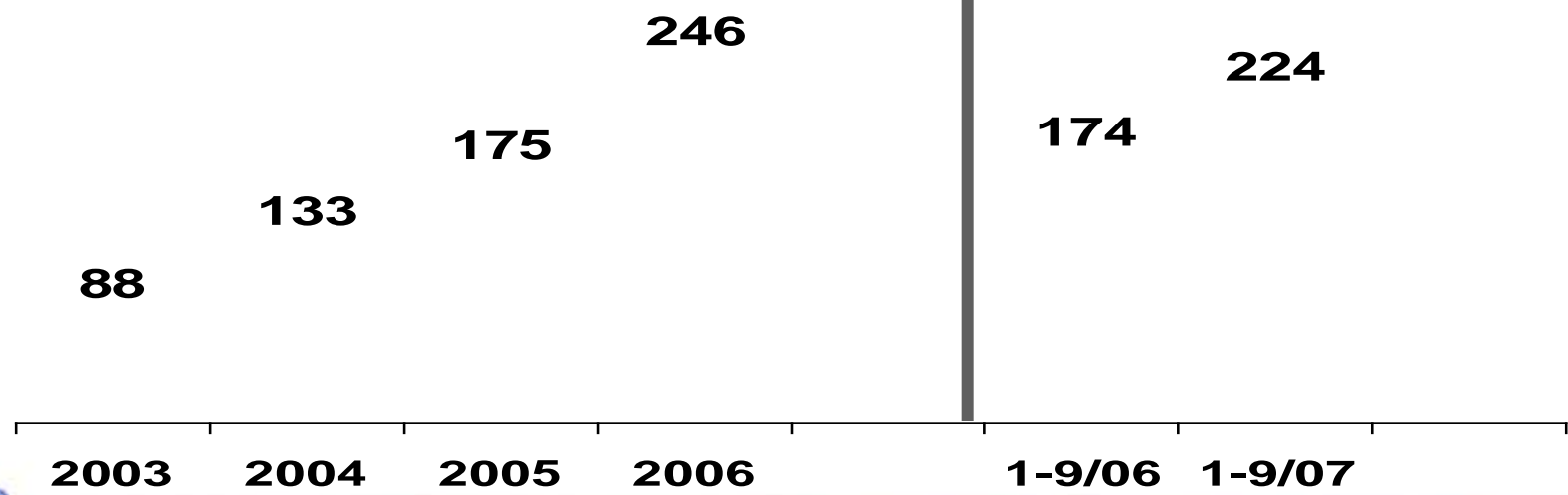
R&D (in \$ Millions)

CAGR = 32%



Dividends (in \$ Millions)

CAGR = 41%



NASDAQ Top 20 Companies

As of Jan. 7, 2007

1	MSFT	Microsoft Corporation	\$	321,639,992,820
2	CSCO	Cisco Systems, Inc.	\$	158,469,178,040
3	AAPL	Apple Inc.	\$	157,640,977,000
4	GOOG	Google Inc.	\$	154,718,901,000
5	INTC	Intel Corporation	\$	132,551,490,000
6	ORCL	Oracle Corporation	\$	112,822,459,300
7	QCOM	QUALCOMM Incorporated	\$	60,599,113,610
8	RIMM	Research in Motion Limited	\$	57,910,932,300
9	DELL	Dell Inc.	\$	49,389,838,140
10	AMGN	Amgen Inc.	\$	48,726,361,600
11	GILD	Gilead Sciences, Inc.	\$	42,722,434,800
12	EBAY	eBay Inc.	\$	42,365,457,700
13	TEVA	Teva Pharmaceutical Industries Ltd.	\$	38,585,512,495 *
14	AMZN	Amazon.com, Inc.	\$	36,863,565,830
15	CMCSA	Comcast Corporation	\$	34,990,623,520
16	YHOO	Yahoo! Inc.	\$	30,952,043,040
17	COST	Costco Wholesale Corporation	\$	28,497,614,600
18	INFY	Infosys Technologies Limited	\$	24,055,417,677
19	ADBE	Adobe Systems Incorporated	\$	23,158,083,680
20	AMAT	Applied Materials, Inc.	\$	23,110,820,850

* Share Price: \$47.83



TEVA PHARMACEUTICAL INDUSTRIES LTD.

Driving Growth, Expanding Leadership

Teva's growth is fueled by:

- Increasing demand globally for generics
- Expanding global market reach
- The generic industry's leading product offering
- Unmatched vertical integration
- The industry's most robust generic pipeline
- Growing specialty pharmaceutical business / pipeline
- Promising Biogenerics opportunities





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