

28th Annual J.P. Morgan Healthcare Conference

Eyal Desheh, Chief Financial Officer

William S. Marth, President and CEO, Teva North America

January 11th 2010

Forward looking statements



TODAY'S PRESENTATION CONTAINS FORWARD-LOOKING STATEMENTS, INCLUDING, AMONG OTHER THINGS, REGARDING OUR EXPECTED PROFITABLE GROWTH, REVENUES, NET INCOME, THE DRIVERS AND CONTRIBUTORS OF THIS GROWTH, STRATEGY AND COMPETITIVE ADVANTAGES, 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, 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®, PROTONIX® AND ELOXATIN®, THE CURRENT ECONOMIC CONDITIONS, 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 EFFECTS OF COMPETITION ON OUR INNOVATIVE PRODUCTS, ESPECIALLY COPAXONE® SALES, INCLUDING POTENTIAL ORAL AND GENERIC COMPETITION FOR COPAXONE®, DEPENDENCE ON THE EFFECTIVENESS OF OUR PATENTS AND OTHER PROTECTIONS FOR INNOVATIVE PRODUCTS, THE IMPACT OF CONSOLIDATION OF OUR DISTRIBUTORS AND CUSTOMERS, THE IMPACT OF PHARMACEUTICAL INDUSTRY REGULATION AND PENDING LEGISLATION THAT COULD AFFECT THE PHARMACEUTICAL INDUSTRY, OUR ABILITY TO ACHIEVE EXPECTED RESULTS THROUGH OUR INNOVATIVE R&D EFFORTS, THE DIFFICULTY OF PREDICTING U.S. FOOD AND DRUG ADMINISTRATION, EUROPEAN MEDICINES AGENCY AND OTHER REGULATORY AUTHORITY APPROVALS, THE UNCERTAINTY SURROUNDING THE LEGISLATIVE AND REGULATORY PATHWAY FOR THE REGISTRATION AND APPROVAL OF BIOTECHNOLOGY-BASED PRODUCTS, THE REGULATORY ENVIRONMENT AND CHANGES IN THE HEALTH POLICIES AND STRUCTURES OF VARIOUS COUNTRIES, SUPPLY INTERRUPTIONS OR DELAYS THAT COULD RESULT FROM THE COMPLEX MANUFACTURING OF OUR PRODUCTS AND OUR GLOBAL SUPPLY CHAIN, OUR ABILITY TO SUCCESSFULLY IDENTIFY, CONSUMMATE AND INTEGRATE ACQUISITIONS, THE POTENTIAL EXPOSURE TO PRODUCT LIABILITY CLAIMS TO THE EXTENT NOT COVERED BY INSURANCE, OUR EXPOSURE TO FLUCTUATIONS IN CURRENCY, EXCHANGE AND INTEREST RATES, SIGNIFICANT OPERATIONS WORLDWIDE THAT MAY BE ADVERSELY AFFECTED BY TERRORISM, POLITICAL OR ECONOMICAL INSTABILITY OR MAJOR HOSTILITIES, OUR ABILITY TO ENTER INTO PATENT LITIGATION SETTLEMENTS AND THE INTENSIFIED SCRUTINY BY THE U.S. GOVERNMENT, THE TERMINATION OR EXPIRATION OF GOVERNMENTAL PROGRAMS AND TAX BENEFITS, IMPAIRMENT OF INTANGIBLE ASSETS AND GOODWILL, ENVIRONMENTAL RISKS, AND OTHER FACTORS THAT ARE DISCUSSED IN THIS REPORT AND IN OUR OTHER FILINGS WITH THE U.S. SECURITIES AND EXCHANGE COMMISSION ("SEC").

Non-GAAP financial measures



3

TODAY'S PRESENTATIONS REFLECT NON-GAAP FINANCIAL MEASURES, INCLUDING OPERATING PROFIT, NET INCOME, EPS, OPERATING MARGIN, AND NET INCOME MARGIN, AND SHOULD NOT BE CONSIDERED REPLACEMENTS FOR GAAP RESULTS. WE PROVIDE SUCH NON-GAAP DATA BECAUSE MANAGEMENT BELIEVES THAT SUCH DATA PROVIDE USEFUL INFORMATION TO INVESTORS. HOWEVER, INVESTORS ARE CAUTIONED THAT, UNLIKE FINANCIAL MEASURES PREPARED IN ACCORDANCE WITH GAAP, NON-GAAP MEASURES MAY NOT BE COMPARABLE WITH THE CALCULATION OF SIMILAR MEASURES FOR OTHER COMPANIES. THE COMPARABLE GAAP MEASURES FOR 2008 AND RECONCILIATION BETWEEN OUR GAAP AND NON-GAAP RESULTS ARE AVAILABLE ON OUR WEBSITE AT WWW.TEVAPHARM.COM.

THE NON-GAAP MEASURES FOR YEARS 2009 – 2015 ARE FORWARD-LOOKING STATEMENTS FOR WHICH THE CORRESPONDING GAAP MEASURES ARE NOT AVAILABLE AND CANNOT BE PROVIDED WITHOUT UNDUE EFFORT BECAUSE WE ARE UNABLE TO ACCURATELY FORECAST INFORMATION RELATING TO NON-GAAP ADJUSTMENTS. WE BELIEVE THAT THE CORRESPONDING GAAP MEASURE IS NOT LIKELY TO BE SIGNIFICANT TO AN UNDERSTANDING OF OUR BUSINESS DUE TO THE VARIABILITY AND UNPREDICTABILITY OF OUR NON-GAAP ADJUSTMENTS. SUCH GAAP MEASURES MAY BE MATERIALLY DIFFERENT FROM SUCH FORWARD-LOOKING NON-GAAP MEASURES.

EXCEPT WHERE NOTED, THE 2009 DATA IN TODAY'S PRESENTATIONS ARE FIRST CALL CONSENSUS ESTIMATES OR OTHERWISE BASED ON ANALYST MODELS.

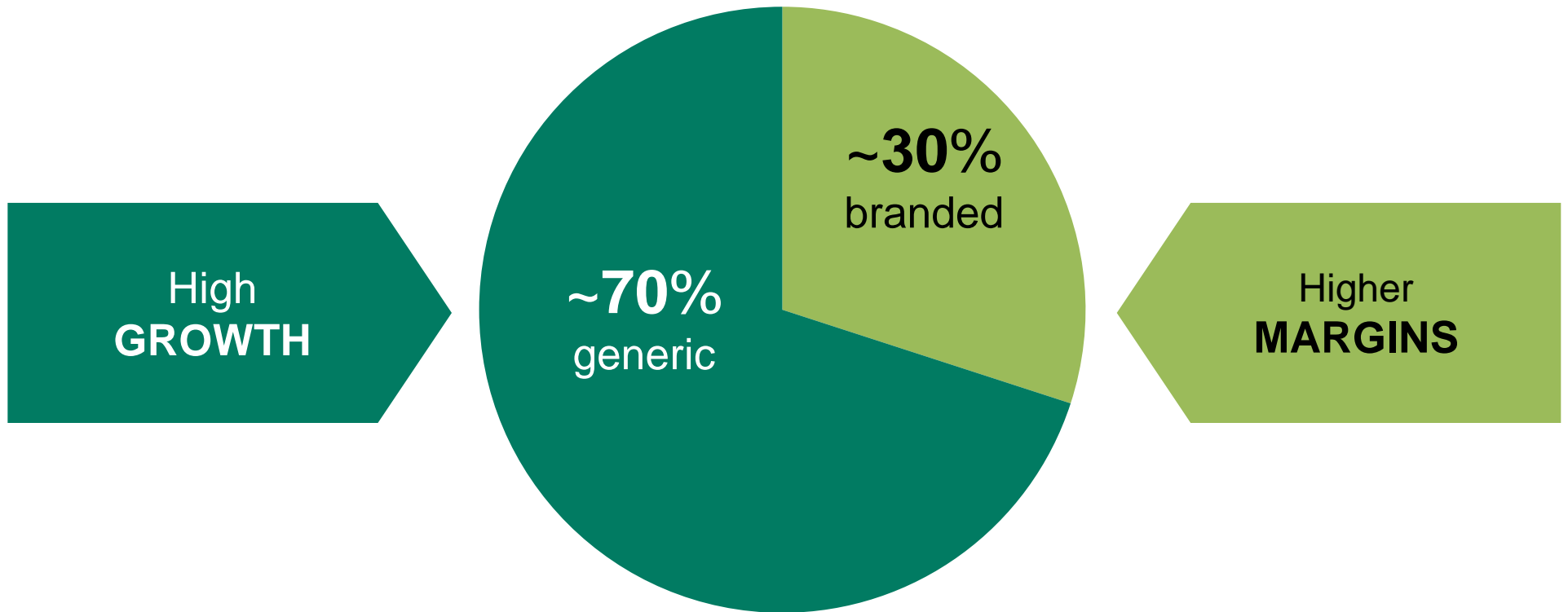
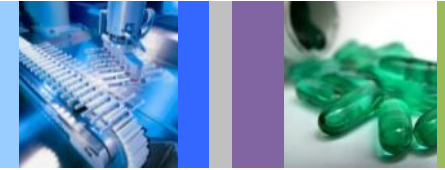
Two major topics



GENERICS GROWTH

COPAXONE & TEVA'S BRANDED BUSINESS

Balance between high-growth generics & higher-margin branded business



Diversity across: BUSINESS UNITS, PRODUCTS, GEOGRAPHIES

Is there still room to grow in generics? YES!



6

\$135-150 bn in 2015

GROWTH

Increasing opportunities in **emerging generics markets**

GROWTH

People living **longer** and consuming **more** drugs

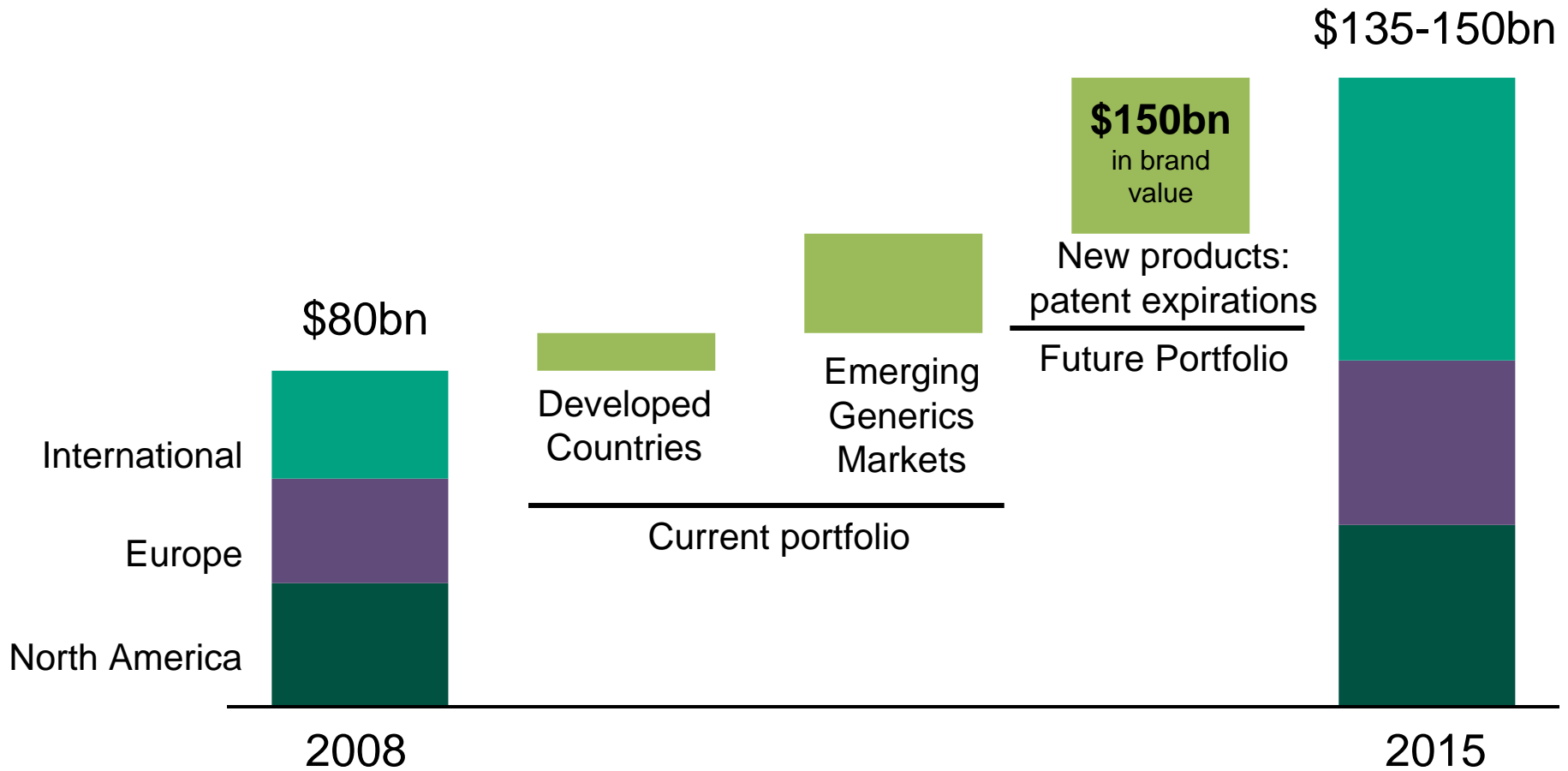
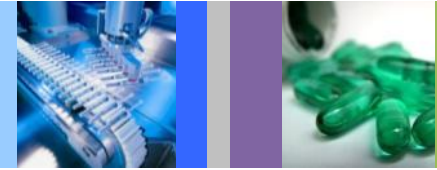
GROWTH

Healthcare **reforms** and cost saving initiatives

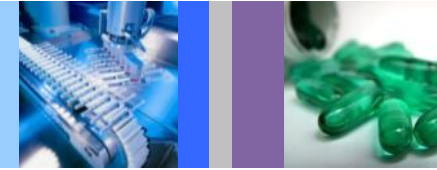
GROWTH

\$150bn of brands going **off-patent** in the next 5 years

Growing demand for generics



#1 by any measure



- 1st in Commitment to Our Customers
- 1st in Rxs Dispensed
- 1st in ANDA Filings
- 1st in Opening New Markets
- 1st in Product Launches
- 1st in Breadth of Product Line
- 1st in Vertical Integration
- 1st in Pedigree Technology
- 1st in Delivering Affordable Medicines

by any measure



TEVA PHARMACEUTICALS

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Leadership in the U.S. Pharmaceutical Industry

(000's)	Total Rx*	% Share
1 Teva	626,614	16.4
2 Mylan	331,807	8.7
3 Novartis	237,381	6.2
4 Watson	220,933	5.8
5 Pfizer	215,871	5.6
6 Apotex	107,384	2.8
7 Qualitest	95,968	2.5
8 Mallinckrodt	92,749	2.4
9 AstraZeneca	92,551	2.4
10 Lupin	86,611	2.3

*12 months ended September 2009

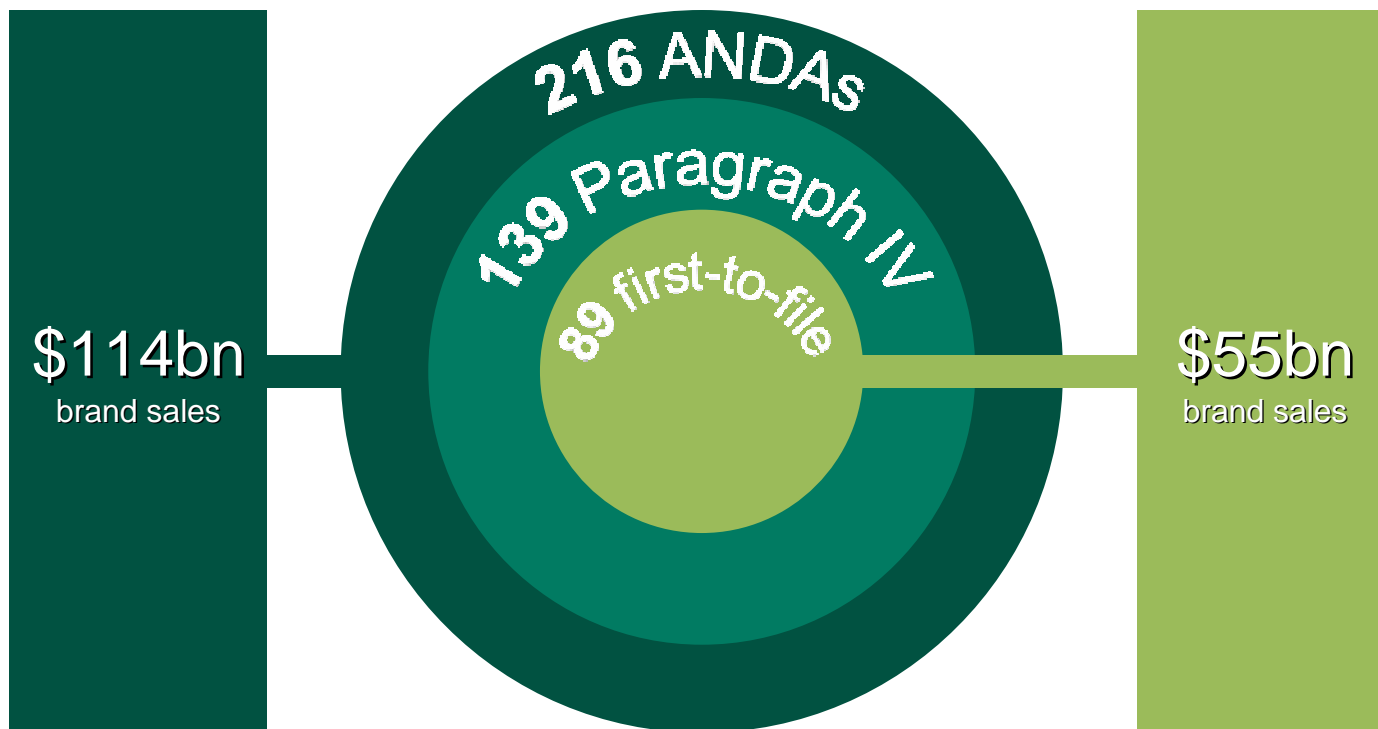
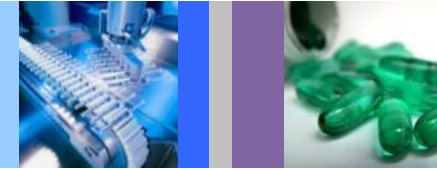
• In MAT 3Q09, Teva continues to maintain its TRx and NRx market share lead within the industry

• Highest market share in the industry, with 16.4%, the next closest competitor (Mylan) at 8.7%.

• Teva continues to widen the gap between the competitors, growing from an 11.9% share in 2Q2007 to a 16.4% share in 3Q2009

Source: IMS Health September 2009 NPA

How we will get there: pipeline



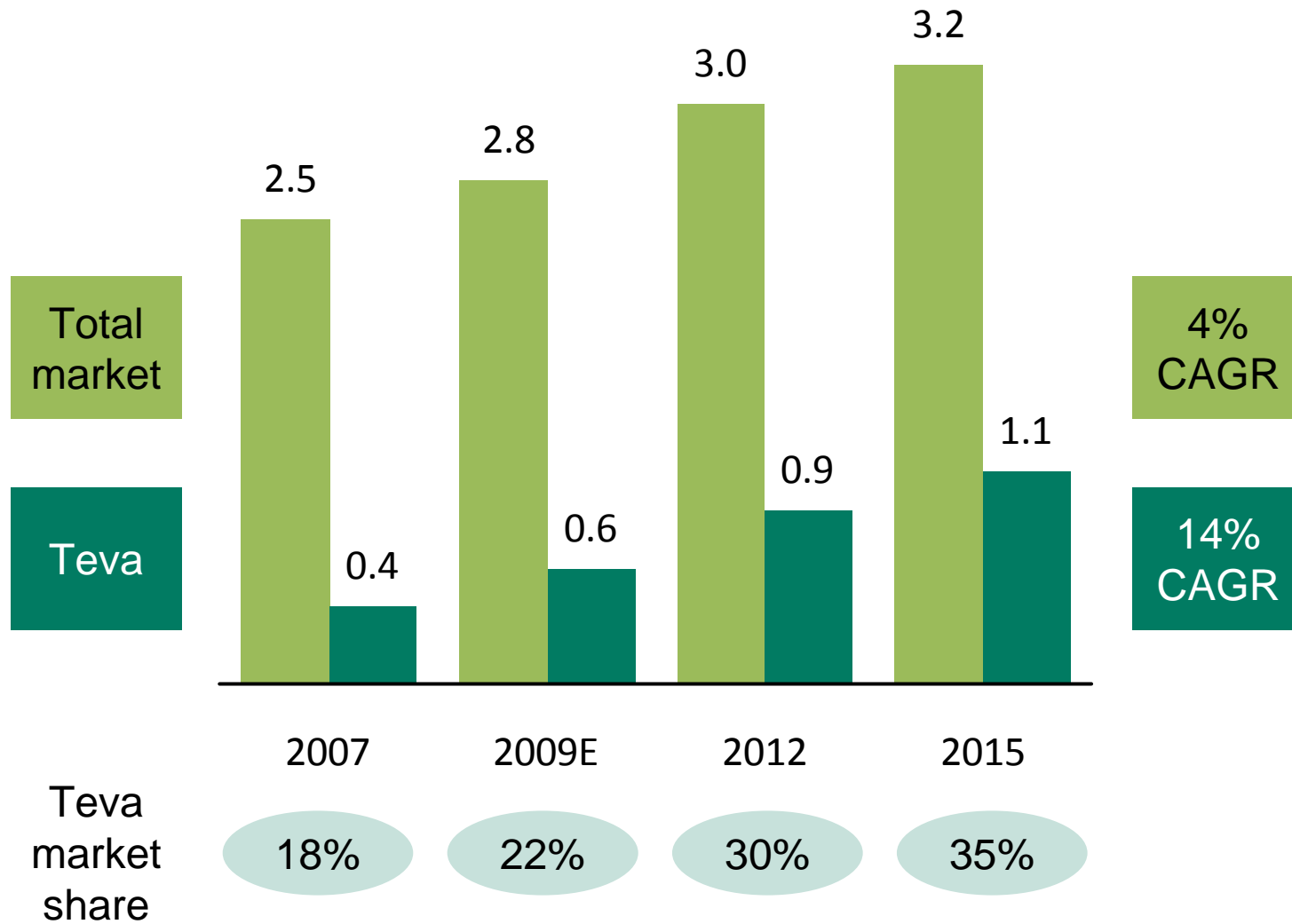
Teva's scale provides unparalleled leverage

- \$500m R&D investment
- 1,000+ R&D staff
- Breadth of plants and technology

Extending U.S. leadership to 35% market share



Number of GGx prescriptions, bn



Why Europe?



0.5 bn people
Aging population



Low generics penetration,
but rapid generics penetration growth



Governments and payors
are driving generics growth



1

Extend lead in UK, Italy and Netherlands

- Expand 'big-to-big' relations
- Drive profitability through scale

2

Secure leadership market by market

- Build leadership in "Latin" and CEE markets
- Leverage Teva's assets in the largest EU market - Germany

3

Invest to enhance our leadership

- Expand backward integration across portfolio
- Expand through acquisition where appropriate
- Further develop our BioGenerics platform for future growth

On track to deliver our strategic targets

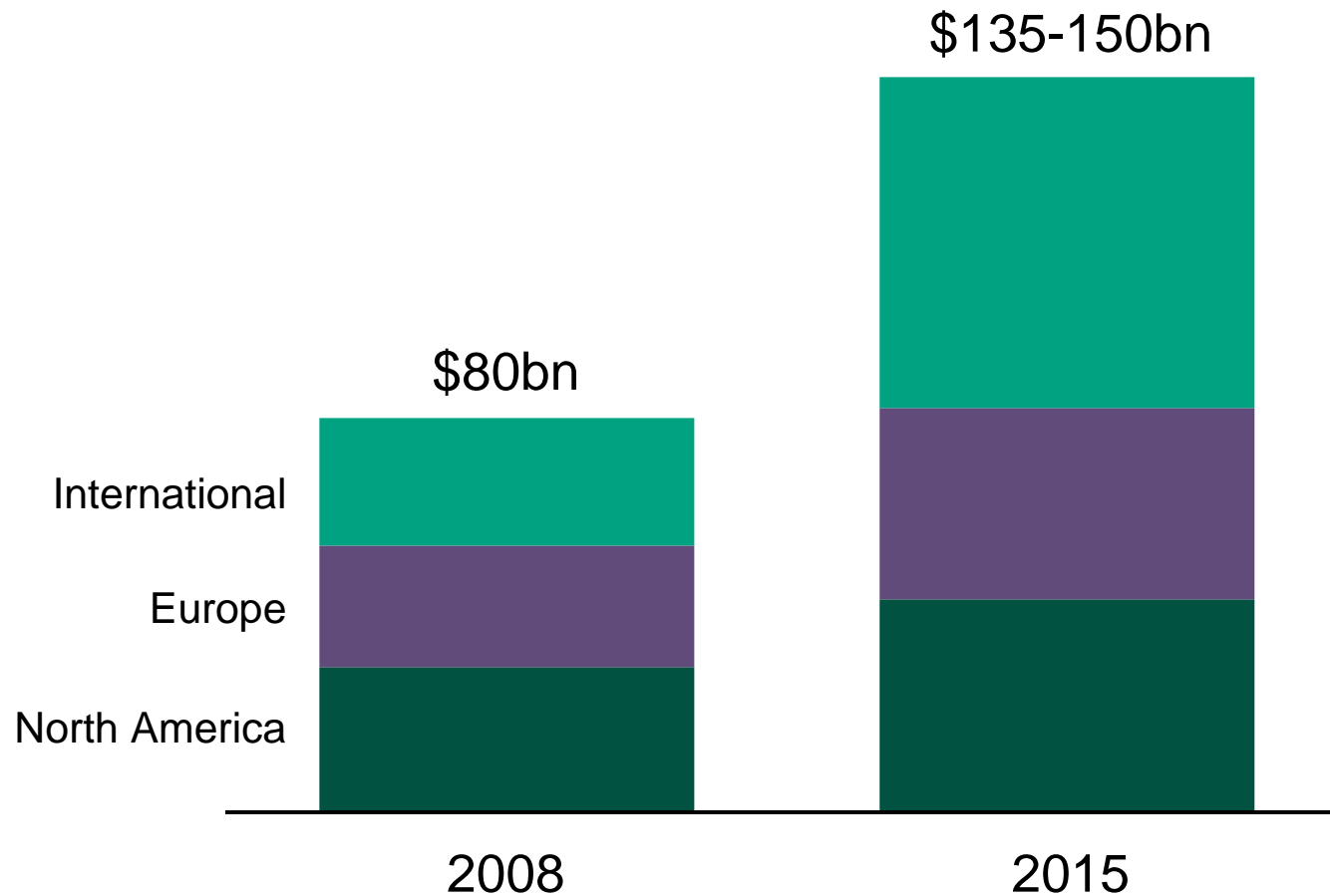


		2007	2008	2009	
Mature markets	UK	No.1	No.1	No.1	} Extended leadership
	Netherlands	No.1	No.1	No.1	
	Germany			Top 5	
Emerging markets "Latin Europe"	Italy	No.1	No.1	No.1	
	France	Top 10	Top 10	Top 3	
	Spain		Top 10	Top 3	
Emerging markets "CEE"	Hungary	Top 10	Top 10	Top 3	
	Poland			Top 3	
	Czech Republic	Top 3	Top 3	Top 3	

International markets - a main growth driver

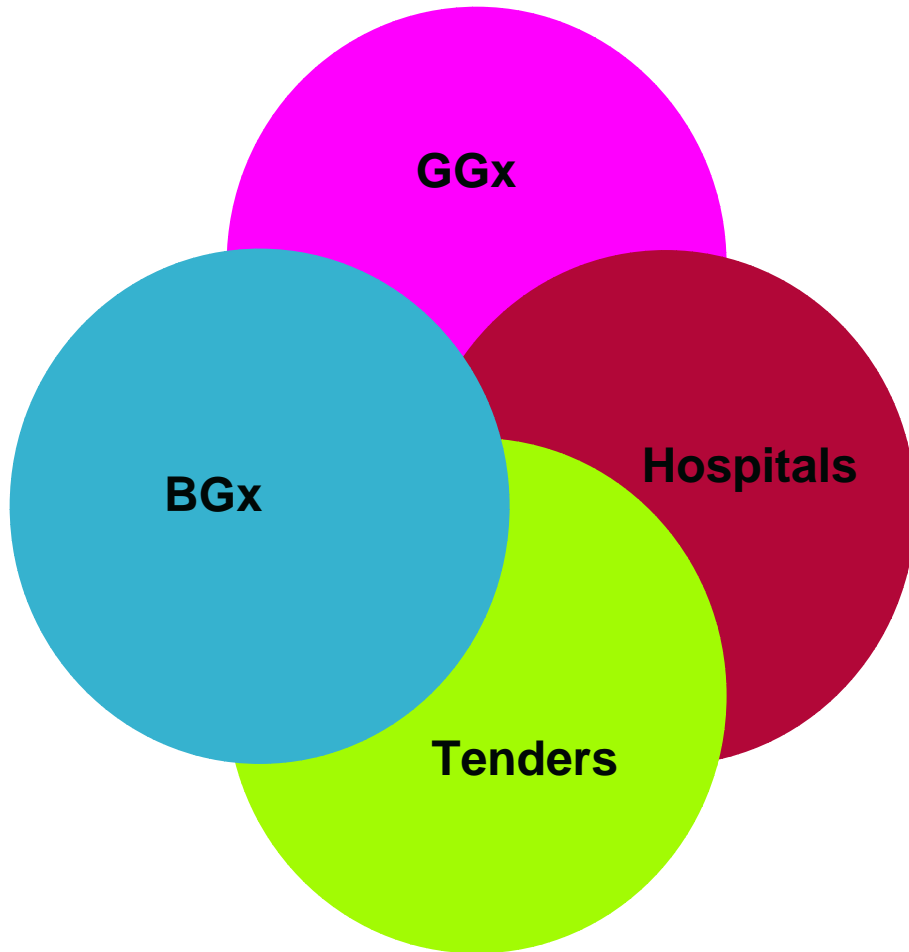


World-wide generics sales, \$bn





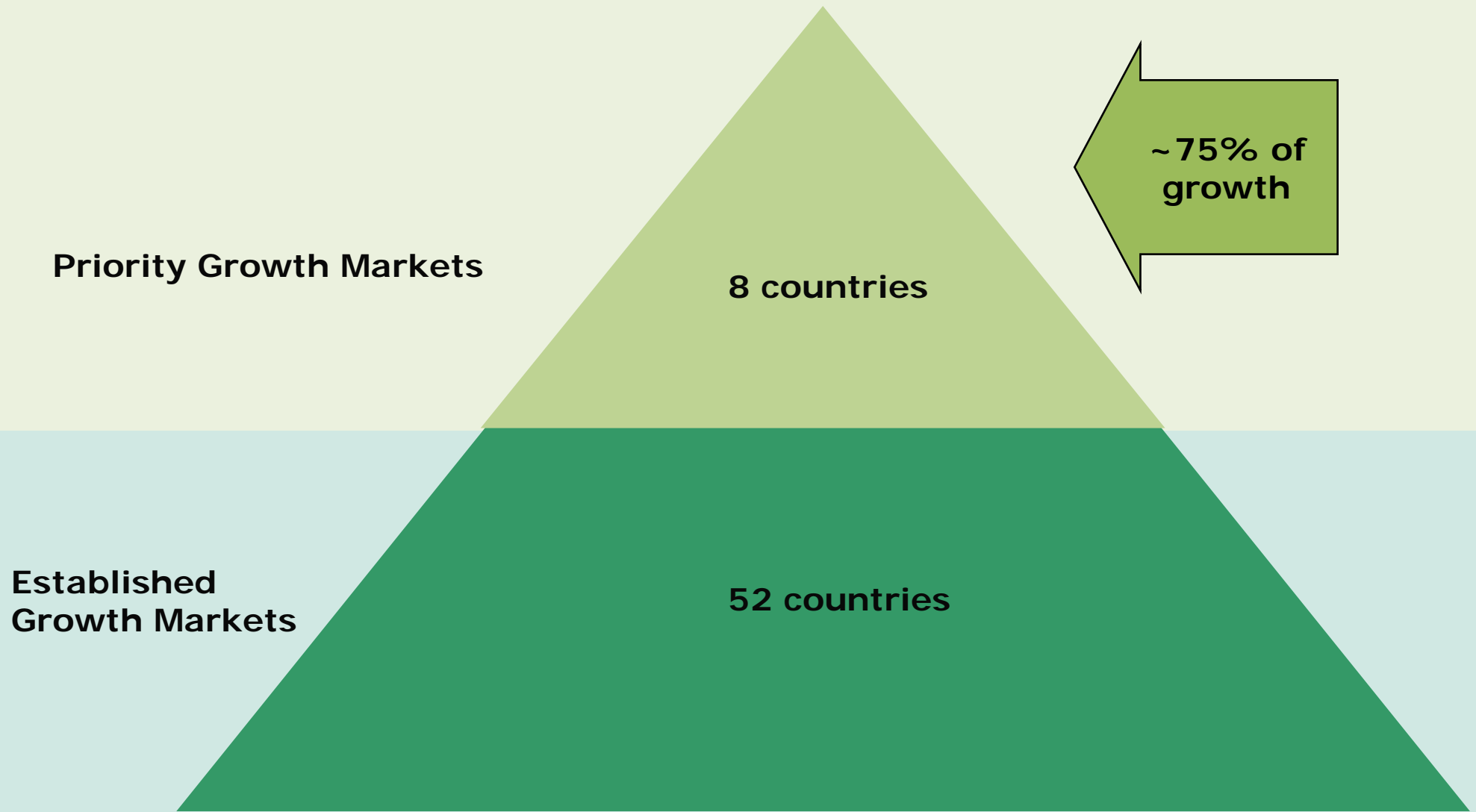
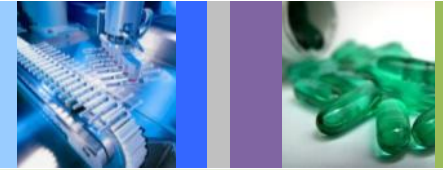
Multiple Generics Models



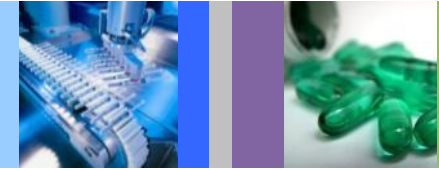
Teva's Advantage

- >1,000 molecules
- Local market knowledge
- Government relationships
- Speed and agility
- High quality products
- Low cost manufacturing

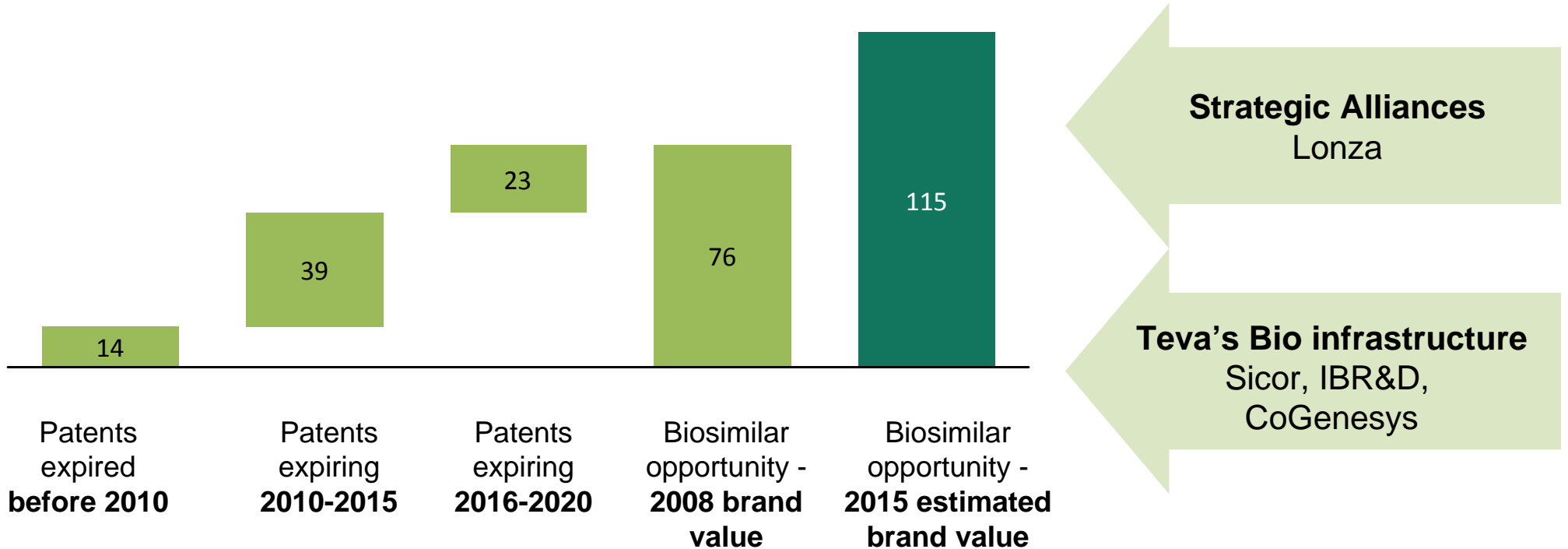
Teva continues to focus on high priority markets



Biosimilars: the future



2008 worldwide sales of biologics, \$bn



* Not including vaccines and blood products
Source: IMS, annual reports, Teva analysis



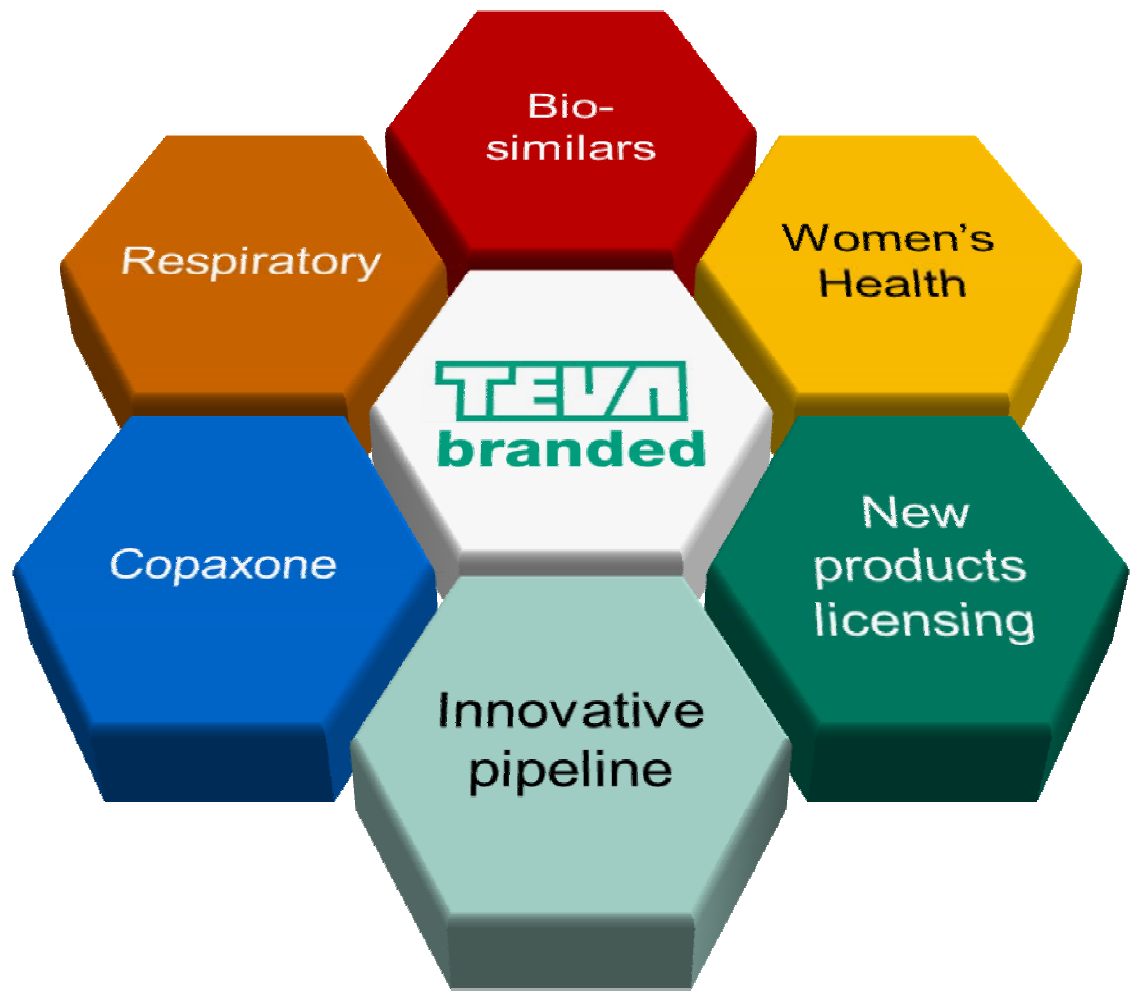
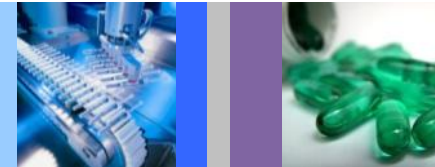
#1 global MS therapy

Complex product – R&D & manufacturing

Likely to require comprehensive clinical trials



Teva Branded – multifaceted approach & expertise



Branded products and growth opportunities



	Marketed	End phase III 2009-2012	End phase III 2012-2015
Innovative	<p>Copaxone® Multiple Sclerosis</p> <p>Azilect® Parkinson's</p>	<p>Laquinimod – Oral Multiple Sclerosis (Phase III)</p> <p>StemEx® – Hemato-oncological (Phase III)</p>	<p>TV-1101 (OGX-011) Solid Tumors (Phase III)</p> <p>DiaPep-277 – Type I Diabetes (Phase III)</p>
Respiratory	<p>QVAR® Inhaled Steroid</p> <p>ProAir™ Inhaled short acting beta-mimetic</p> <p>Easi-Breathe products Asthma & COPD</p>	<p>Debrase – Burns (Phase III)</p> <p>Pagoclone – Stuttering (Phase II)</p> <p>Talampanel – ALS (Phase II)</p>	<p>Talampanel – Glioblastoma (Phase II)</p> <p>Laquinimod – Crohn's disease (Phase II)</p> <p>CT-011 – Hemato-Oncological (Phase II)</p>
Women's health	<p>Seasonique® / LoSeasonique™ Contraception</p> <p>Plan B® One-Step Emergency Contraception</p> <p>ParaGard® Intrauterine Contraception</p> <p>Enjuvia™ Hormone Therapy</p>	<p>2 Respiratory projects (undisclosed)</p> <p>BDP HFA Nasal – Respiratory (Phase III)</p> <p>DR-103 – Contraception (Phase III)</p> <p>Oxybutynin Vaginal Ring – Overactive Bladder (Phase III)</p>	<p>CT-011 – Solid Tumor Oncology (Phase II)</p> <p>Laquinimod – Lupus (Phase I)</p> <p>TV-1390 – Multiple Sclerosis (Phase I)</p> <p>2 Respiratory projects (undisclosed)</p>
Biologics	<p>TEV-TROPIN® Growth Hormone Deficiency</p> <p>TevaGrastim® Hematology</p>	<p>Progesterone Vaginal Ring - Infertility (Phase III)</p> <p>Neugranin – Hematology (Phase II)</p>	<p>DR-1021 – Contraception (Phase III)</p> <p>2 MABs (undisclosed)</p>

Growth through market share



22

	2015 sales targets	2009-2015 CAGR
North America	\$15bn	9.5%
Europe	\$9bn	18.6%
International	\$7bn	23.2%
Total	\$31bn	14.3%

Strategy update: financial highlights



23

**Sales and profits
more than double**

Sales CAGR – 14.3%; EPS CAGR – 13.4%

**Financial
strength**

\$22 billion in cumulative cash flow

**Controlling
costs**

Expense growth kept in check

**External
factors**

FX environment – volatile and unpredictable

Net income to reach ~\$6.8bn by 2015



		2008	2009E	2012	2015	CAGR '09-'15
\$bn	Sales	11.1	13.9	21.0 - 23.2	29.5 - 32.6	14.3%
	R&D	0.8	0.8	1.7 - 1.9	2.2 - 2.4	18.5%
	Operating profit	2.9	3.9	6.4 - 7.0	8.2 - 9.0	14.1%
	Net income	2.5	3.0	4.9 - 5.5	6.5 - 7.1	14.6%
	EPS	3.03	3.37	5.30 - 5.86	6.80 - 7.52	13.4%
% of sales	R&D	7%	6%	8%	7%	
	Operating profit	26%	28%	30%	28%	
	Net income	23%	22%	24%	22%	



Acquisitions & licensing

Market share in attractive geographies

Niche specialty products

Strict criteria

Strategic fit

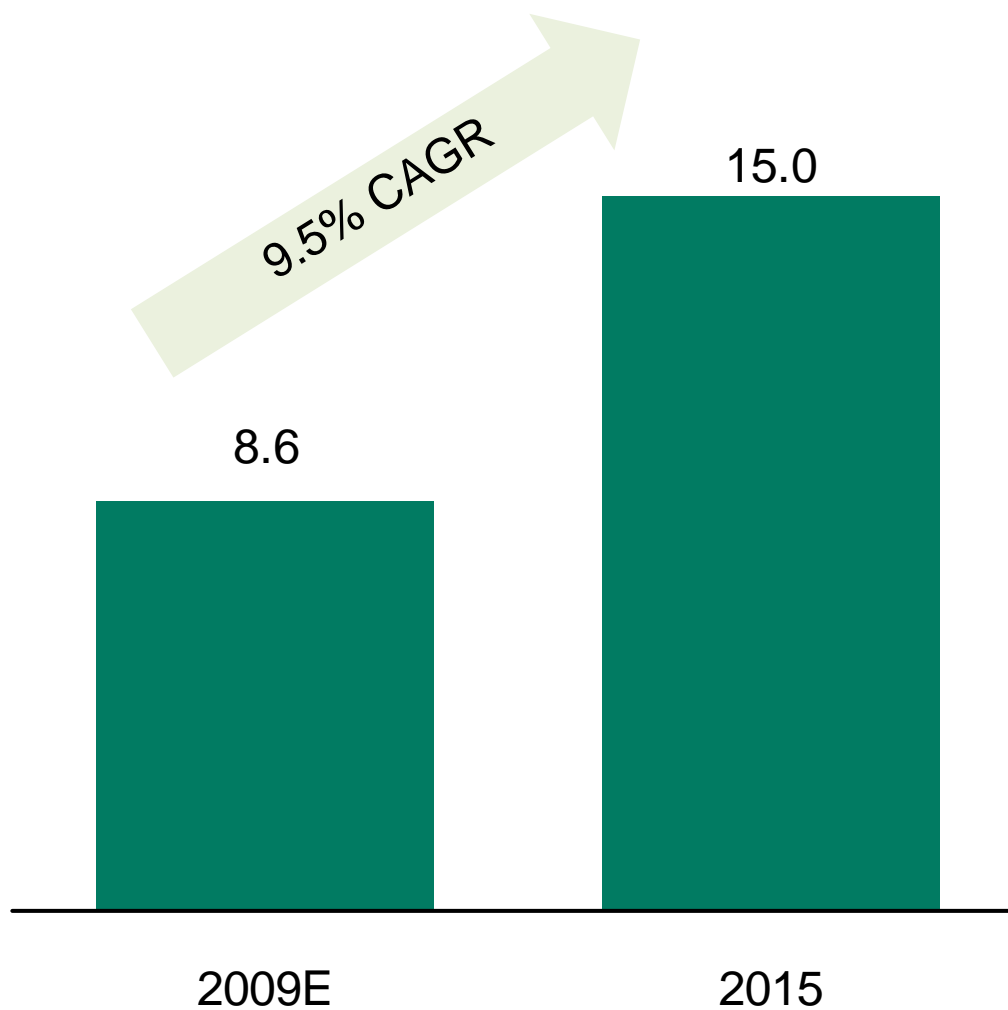
Compelling economics

Accretive within one year

Our North America goal



Sales targets, \$bn

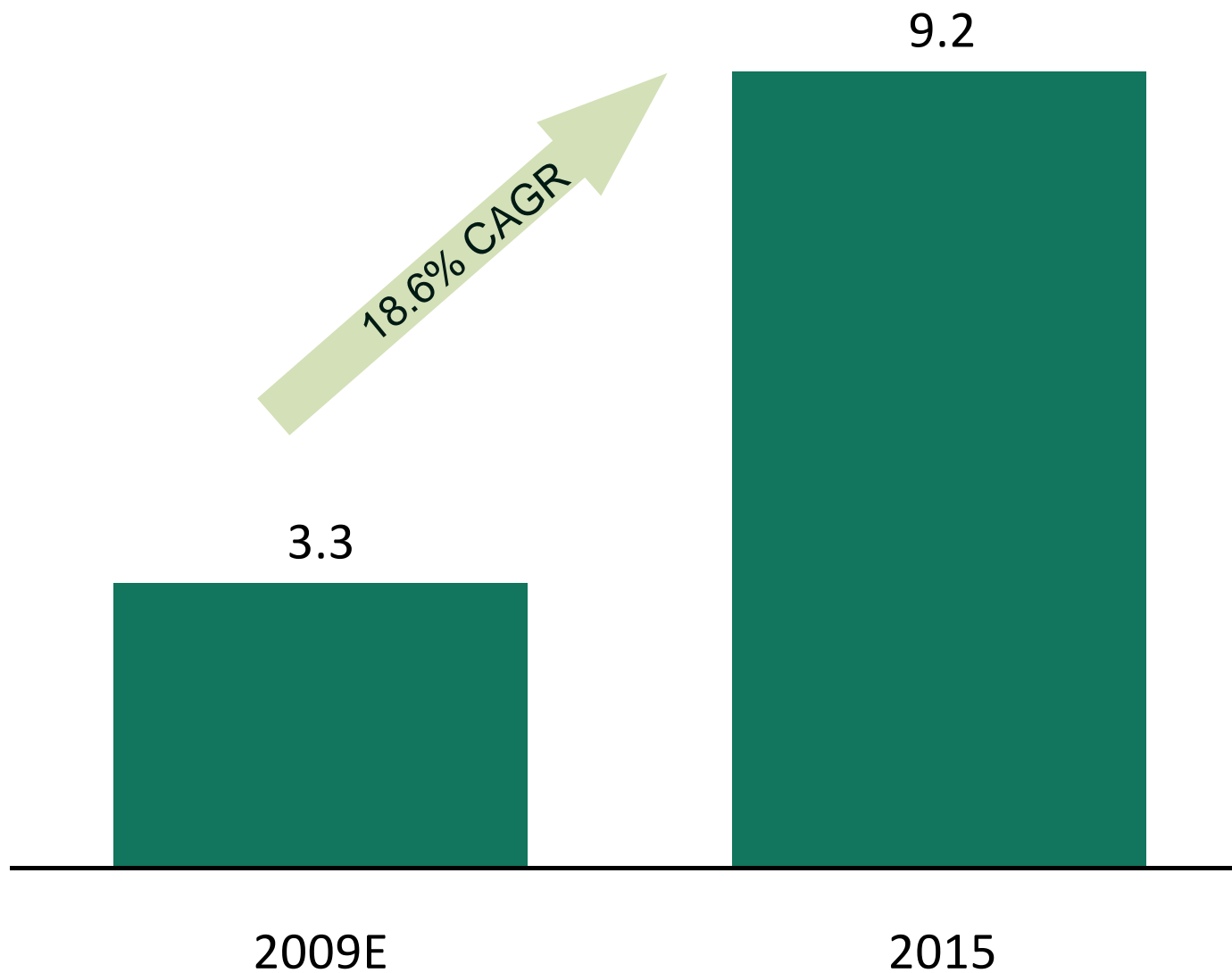


* includes all business Teva has in North America

Our European goal



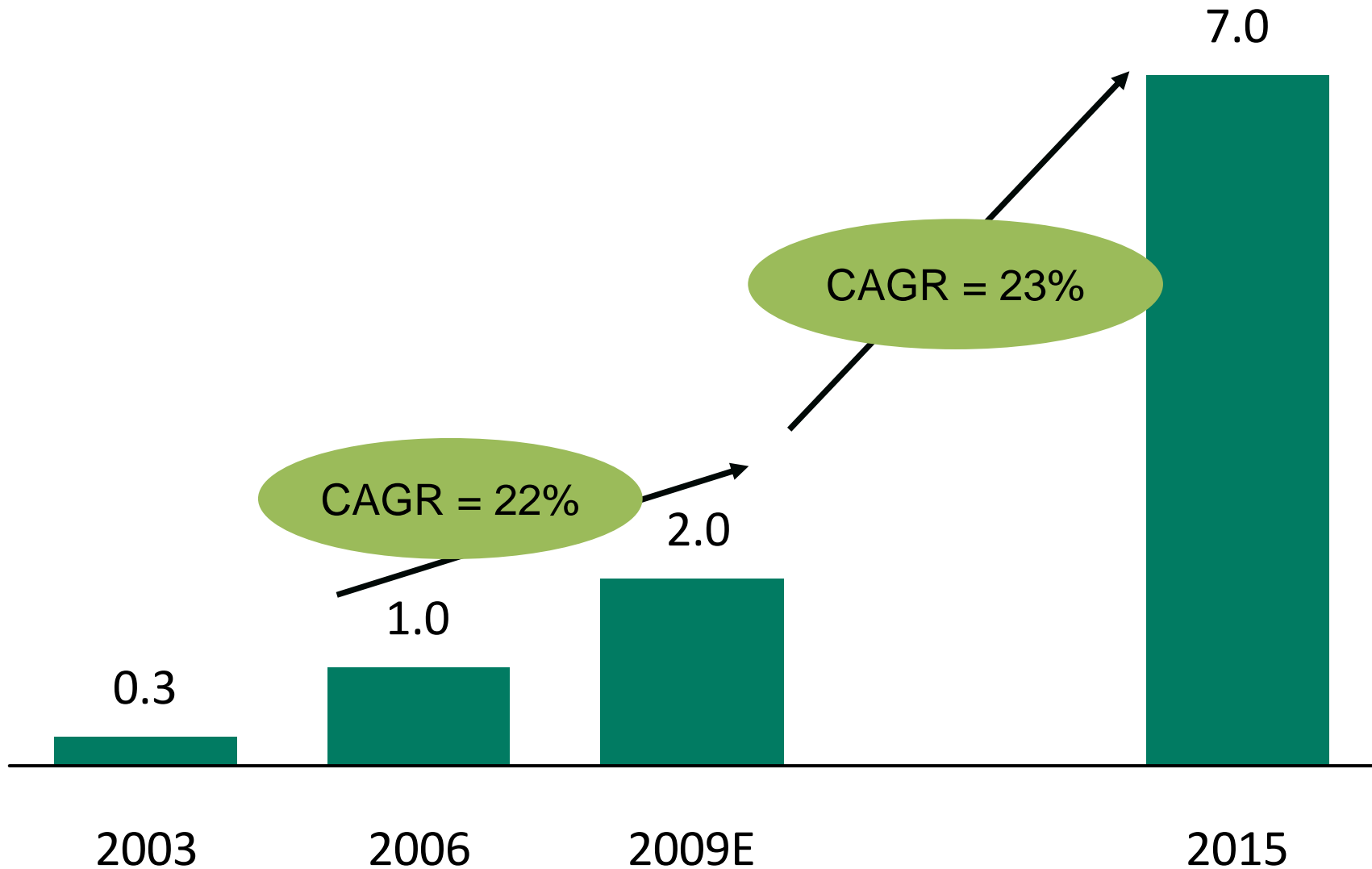
Sales targets, \$bn



* includes all business Teva has in Europe

Our International markets goal

International sales, \$bn

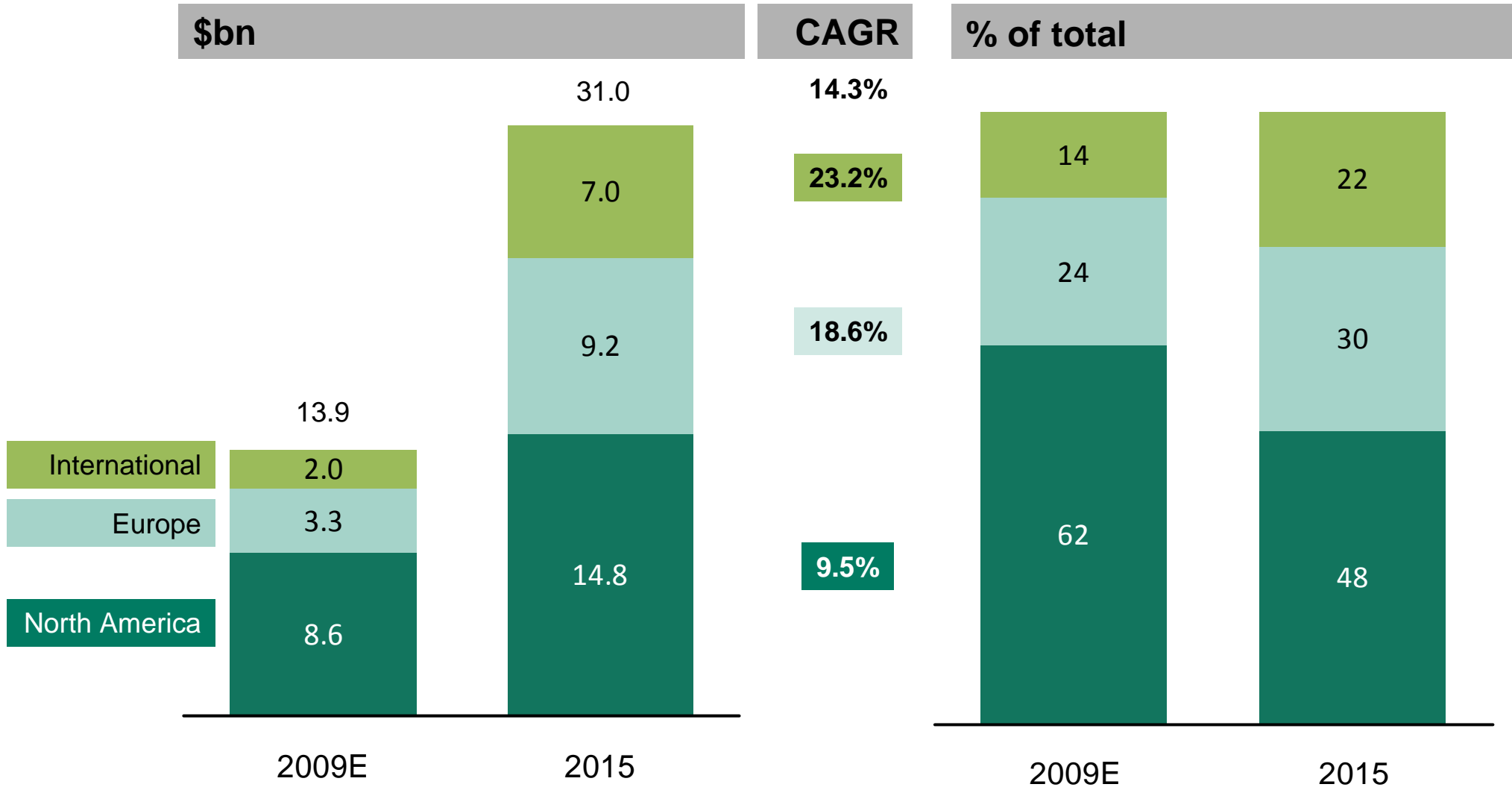


* includes all business Teva has in International markets

Geographic diversification of sales mix

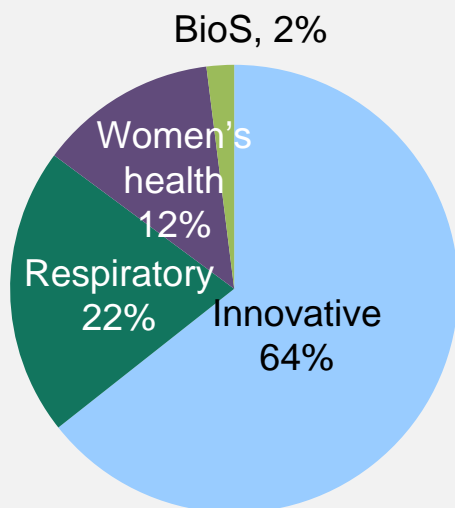


Sales by geography

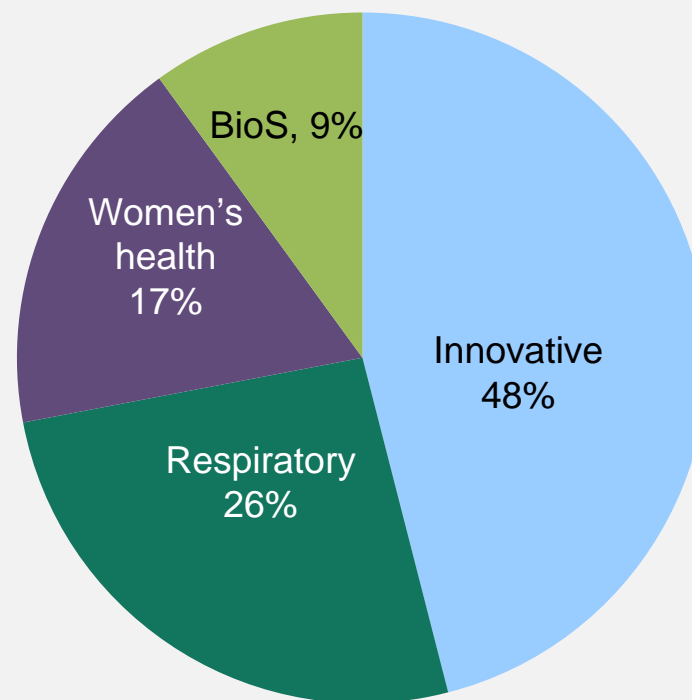




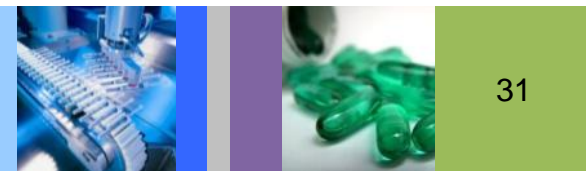
Sales 2009E = \$4.2 bn



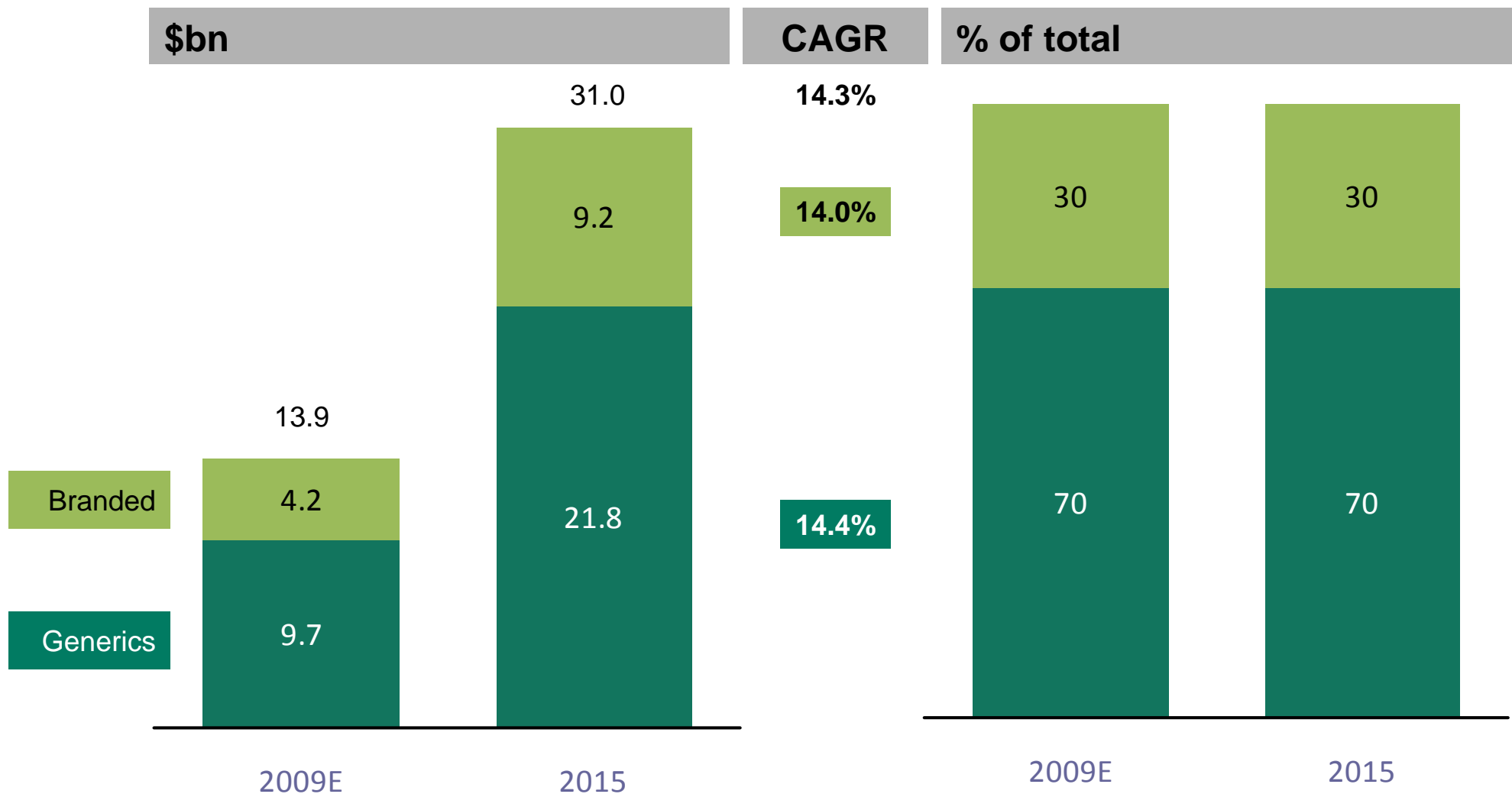
Sales 2015 = \$9.2 bn



Mix of generics and branded remains constant



Sales





Continued strong and profitable sales and EPS growth

Solid financials with strong cash generation

Teva in 2015 will be more diversified and less dependent on a single product or geography