Q1 2016 Results

May 9 2016

Teva's Safe Harbor Statement under the U. S. Private Securities Litigation Reform Act of 1995:

The following discussion and analysis contains forward-looking statements, which 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 develop and commercialize additional pharmaceutical products; competition for our specialty products, especially Copaxone® (including competition from orally-administered alternatives, as well as from generic equivalents such as the recently launched Sandoz product) and our ability to continue to migrate users to our 40 mg/mL version and maintain patients on that version; our ability to identify and successfully bid for suitable acquisition targets or licensing opportunities (such as our pending acquisition of Allergan's generics business and Rimsa), or to consummate and integrate acquisitions; the possibility of material fines, penalties and other sanctions and other adverse consequences arising out of our ongoing FCPA investigations and related matters; our ability to achieve expected results from the research and development efforts invested in our pipeline of specialty and other products; our ability to reduce operating expenses to the extent and during the timeframe intended by our cost reduction program; the extent to which any manufacturing or quality control problems damage our reputation for quality production and require costly remediation; increased government scrutiny in both the U.S. and Europe of our patent settlement agreements; our exposure to currency fluctuations and restrictions as well as credit risks; the effectiveness of our patents, confidentiality agreements and other measures to protect the intellectual property rights of our specialty medicines; the effects of reforms in healthcare regulation and pharmaceutical pricing, reimbursement and coverage; governmental investigations into sales and marketing practices, particularly for our specialty pharmaceutical products; adverse effects of political or economic instability, major hostilities or acts of terrorism on our significant worldwide operations; interruptions in our supply chain or problems with internal or third-party information technology systems that adversely affect our complex manufacturing processes; significant disruptions of our information technology systems or breaches of our data security; competition for our generic products, both from other pharmaceutical companies and as a result of increased governmental pricing pressures; competition for our specialty pharmaceutical businesses from companies with greater resources and capabilities; the impact of continuing consolidation of our distributors and customers; decreased opportunities to obtain U.S. market exclusivity for significant new generic products; potential liability in the U.S., Europe and other markets for sales of generic products prior to a final resolution of outstanding patent litigation; our potential exposure to product liability claims that are not covered by insurance; any failure to recruit or retain key personnel, or to attract additional executive and managerial talent; any failures to comply with complex Medicare and Medicaid reporting and payment obligations; significant impairment charges relating to intangible assets, goodwill and property, plant and equipment; the effects of increased leverage and our resulting reliance on access to the capital markets; potentially significant increases in tax liabilities; the effect on our overall effective tax rate of the termination or expiration of governmental programs or tax benefits, or of a change in our business; variations in patent laws that may adversely affect our ability to manufacture our products in the most efficient manner; environmental risks; and other factors that are discussed in our Annual Report on Form 20-F for the year ended December 31, 2015 and in our other filings with the U.S. Securities and Exchange Commission (the "SEC"). Forward-looking statements speak only as of the date on which they are made and we assume no obligation to update or revise any forward-looking statements or other information, whether as a result of new information, future events or otherwise

Erez Vigodman

President & CEO

Strong Financial Performance in Q1 2016

	Q1 2016	Q1 2015	Change	Outlook
Revenues $m	4,810	4,982	(3%)	$4.7-4.9b
Gross Margin %	62.7%	61.5%		
Operating Income $m	1,526	1,533	-	
Operating Margin %	31.7%	30.8%		
Net Income* $m	1,172	1,165	+1%	
EPS $	1.20			1.16-1.20
EPS adjusted to exclude Dec 15 equity offerings $	1.36	1.36	-	1.32-1.36
Cash flow from Operations $m	1,376	1,354	+2%	$1.2-1.3b

Operating Income, Net Income, EPS and EBITDA are presented on a non-GAAP basis

* Net income is net income attributable to ordinary shareholders

Q1 2016 Highlights

Strong Results

EPS after December 15 equity offerings of $1.20, at the high end of our EPS guidance

Improved profitability - gross margin by 120 bps and operating margin by 90 bps

Robust cash flow generation - Operating Cash Flow of $1.38B

Driven by Robust Execution

Strong profitability in Generics (OM of 26.9%)

Solid profit in Specialty (21% higher QoQ)

Copaxone® 40mg achieves 82% share of franchise and 24.5% overall MS TRx share*

Bendeka™ launched and achieved 71% share**

Strengthening Our Specialty Business

CINQAIR® (reslizumab) approved

On track for two H1 NDA submissions in respiratory / asthma: FS RespiClick® and FP RespiClick®

TEV-48125 Phase 3 episodic/chronic trials initiated

Closing and Integrating

Closed the Rimsa acquisition

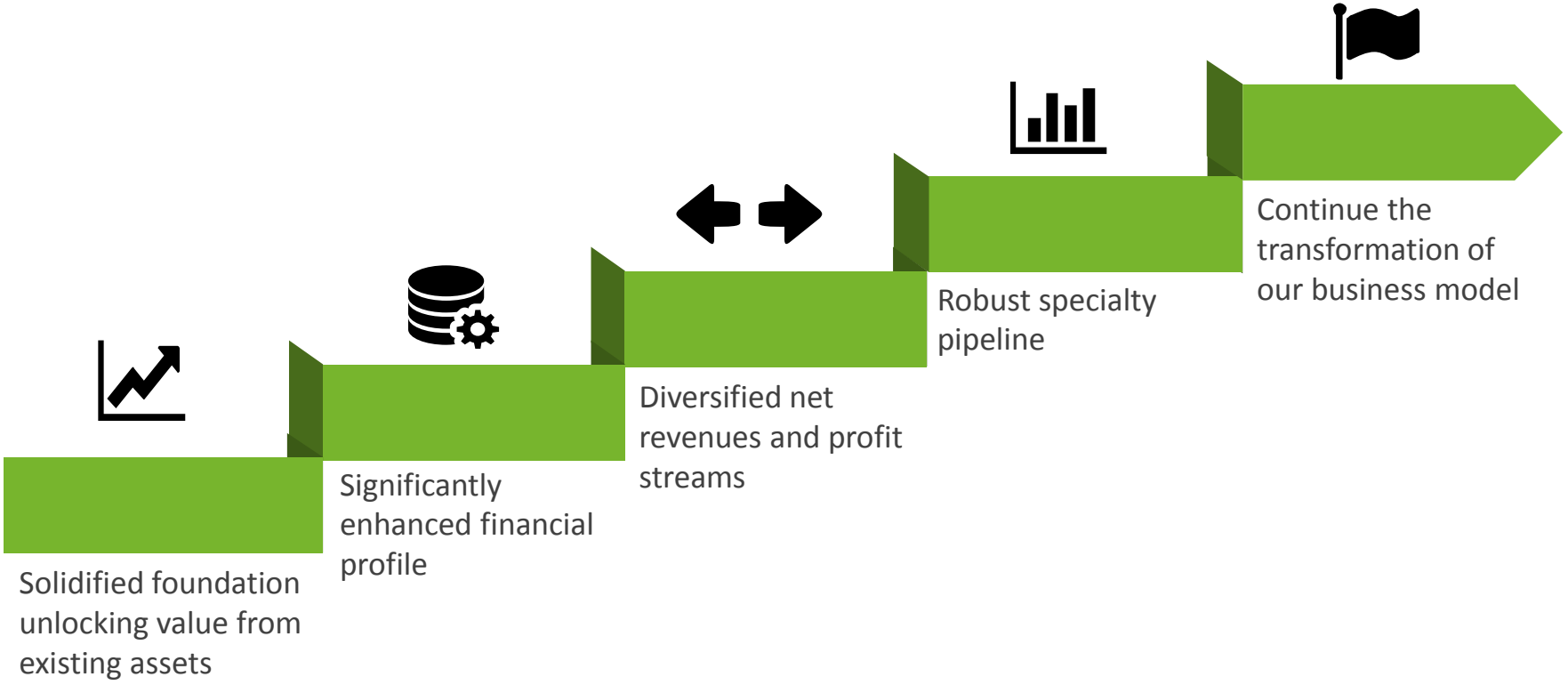
Japan BV with Takeda established March 31st

Significant progress towards closing the Actavis Generics deal

* As of March 25, 2016
** As of May 5, 2016
*** Operating Income and EPS are presented on a non-GAAP basis

We Are Building A New Teva

All the measures we are taking are fundamentally changing Teva



2016 Priorities and Near Term Catalysts

Defend

- Deliver our operational and financial targets for 2016, on a standalone basis
- Defend Copaxone® and Bendeka™
- Continue our operational network transformation
- Continued cost control and efficiency measures

Integrate & Extract Synergies

- Actavis Generics deal closing and integration
- Capturing all planned synergies
  - Rimsa
  - Teva-Takeda BV in Japan

Build

- Specialty pipeline:
  - Approvals:
    - SD-809 in HD, Vantrela® ER HC
  - Key clinical milestones:
    - Submission: QVAR® BAI for asthma
    - PIII: SD-809 in tardive dyskinesia
    - PIII: TV-46763 for pain
    - PII: Pridopidine for HD
- Cement our biologics capabilities & bolster our biosimilars portfolio
- Selective BD deals
- Continue the transformation of our business model

Business Outlook Timeline

June 2016

Actavis Gx Deal Close

August 2016

Q2 2016 results & 2016 Combined Company outlook

September 2016

2017-2018 Business & Financial Outlook

Siggi Olafsson, President & CEO

Global Generic Medicines

What has changed in the US pricing environment since Q4 2015?

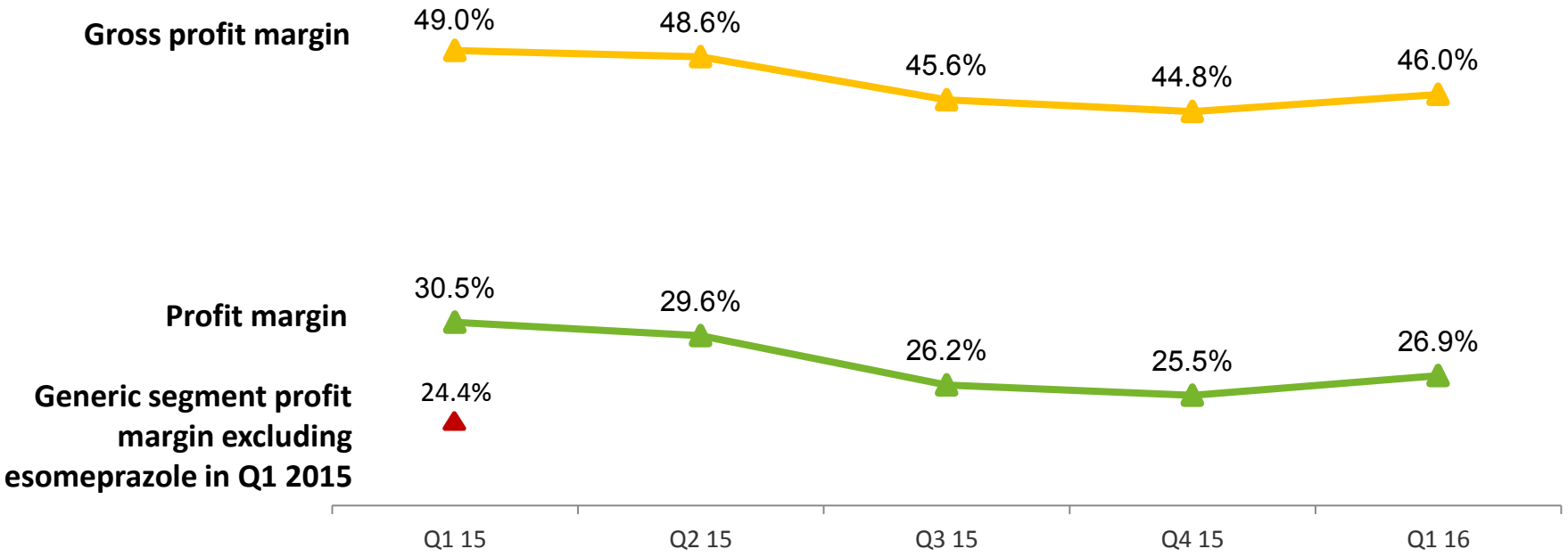
The short answer is…nothing
We still expect 4% price erosion on our portfolio

There is no change in the pricing environment

It all comes down to each company’s business model

Generic segment maintaining its profitability

Portfolio, cost improvements and efficiencies defend against loss of exclusivity of new products and price pressures

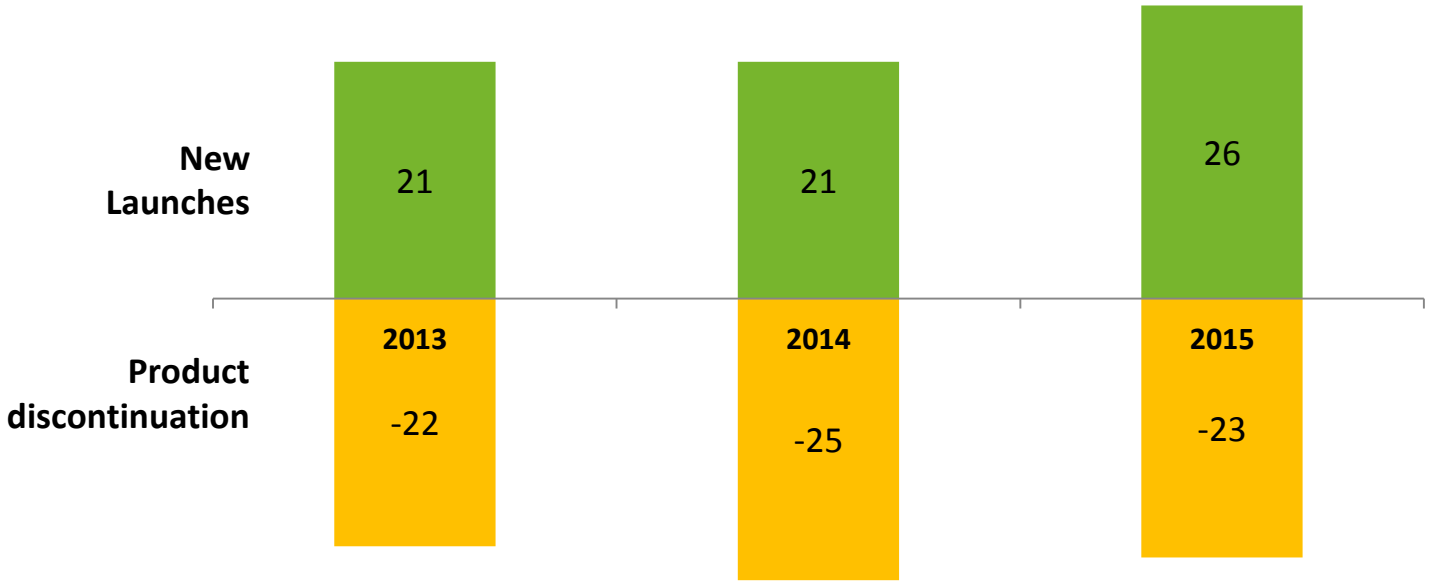


* Segment profit consists of gross profit, less S&M and R&D expenses related to the segment, but exclude s G&A expenses, and certain other items.

Why is Teva generics performance better than most Gx companies?

Portfolio optimization is one of the ways Teva is maintaining its generic profitability

Number of products launched and discontinued in the US

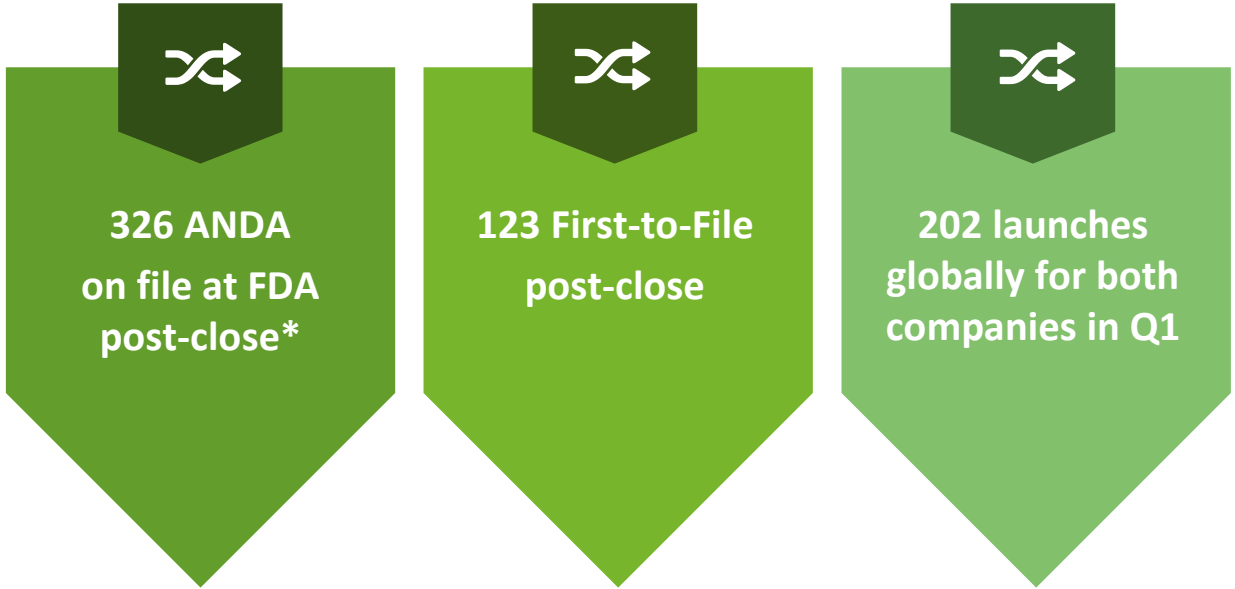


New products are the lifeline of any good generic company

5% growth in generics = 10% growth from **new products** - **~5% erosion** (price ~3-4% + volume ~1-2%)

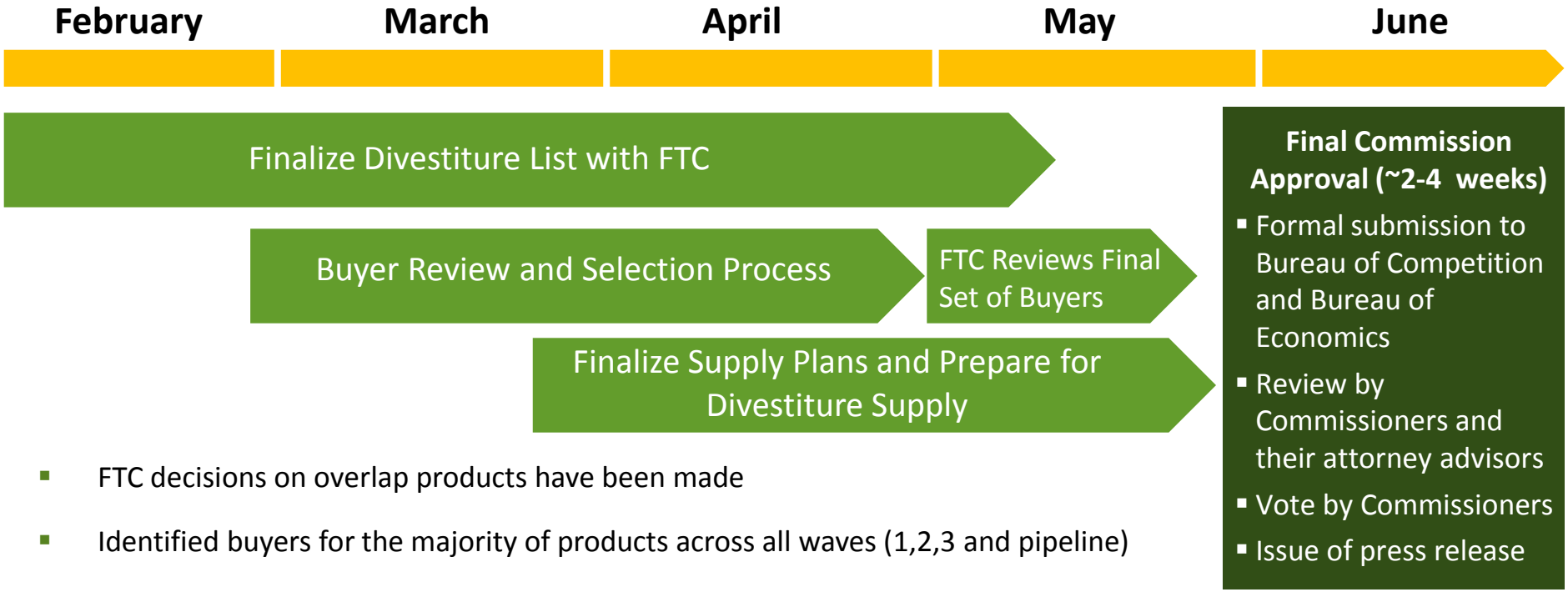
- 450 new launches in 2015
- Over 1,000 new product launches in 2016, on a full-year pro-forma basis with Actavis Generics
- Expect ~1500 new products in 2017

The combined company looks as good or better than what was presented in July 2015



* Excluding divestments

Regulatory approval process nearly complete



- FTC decisions on overlap products have been made
- Identified buyers for the majority of products across all waves (1,2,3 and pipeline)
- Received clearance in Europe and other international territories

Actavis Generics

Maintaining our commitment to the Actavis numbers presented in July

Expect to achieve cost synergies and tax savings of approximately $1.4 billion annually, largely achievable by the third anniversary of the closing of the transaction

- Assume approximately $1.1b of net global revenue divested

Transforming the generic business over the last two years

Build organization and platform to enable **launches of 1000 products** in 2016

Revised **pipeline selection** and optimized portfolio management

Terminated business in 24 markets around the world

Fully **integrated OTC** into the business

Improved customer service level

Significantly **improved gross margins and operating margins across the business**

Acquired **Actavis Generics** to solidify our position as **global generics leader**

Joint venture with Takeda to **transform the Japan business**

Acquisition of Rimsa in Mexico to build capabilities in fast growing market

Eyal Desheh

EVP, Chief Financial Officer

First Quarter 2016 Results

Q1 2016 Financial Highlights

	Q1 2016	Q1 2015	Change	Outlook
Revenues $m	4,810	4,982	(3%)	4.7-4.9 billion
Operating Income $m	1,526 (31.7%)	1,533 (30.8%)	-	
EBITDA $m	1,634	1,644	(1%)	
Net Income* $m	1,172	1,165	+1%	
EPS $	1.20 (979M shares)			1.16-1.20 (978M shares)
EPS adjusted to exclude Dec 15 equity offerings $	1.36 (861M shares)	1.36 (859M shares)	-	1.32-1.36 (863M shares)
Cash flow from Operations $m	1,376	1,354	+2%	1.2-1.3 billion

Operating Income, Net Income, EPS and EBITDA are presented on a non-GAAP basis

* Net income is net income attributable to ordinary shareholders

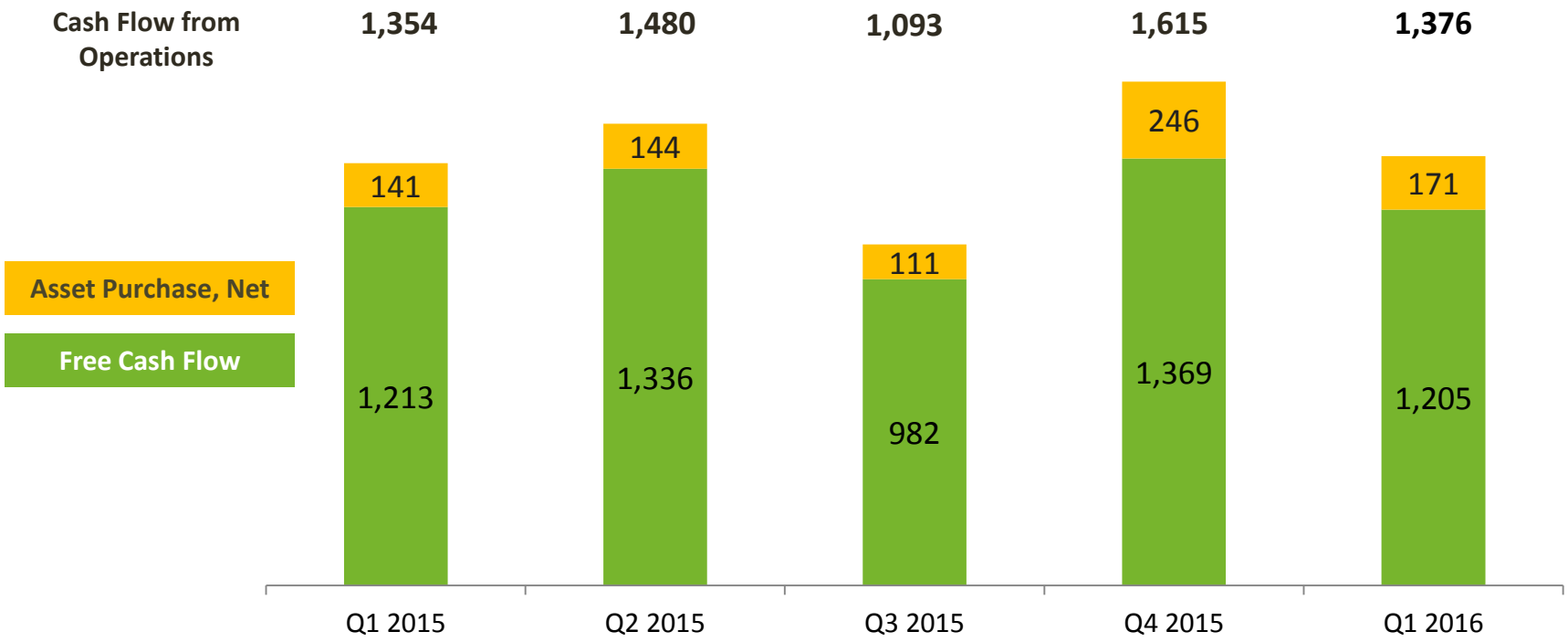
Foreign Exchange Impact

	Q1 2016	Q1 2015	Change	FX Effect	Real Change	
Revenues $m	4,810	4,982	(172)	(107)	(65)	-1%
Operating income $m	1,526	1,533	(7)	(30)	+23	+2%

Operating Income is presented on a non-GAAP basis

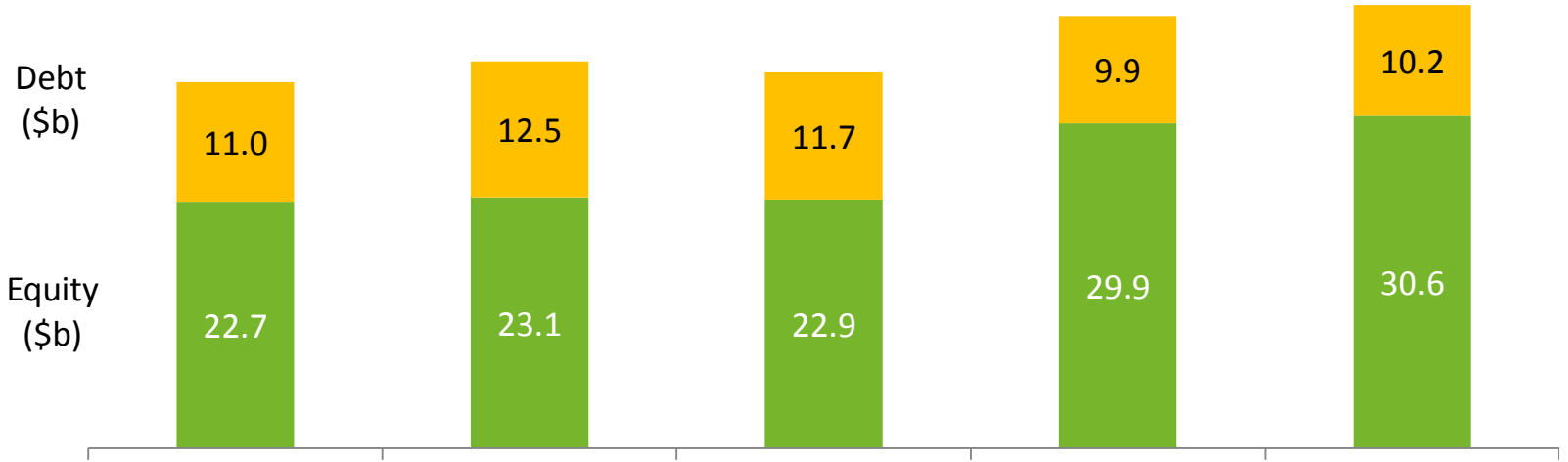
Cash Flow Trends

$ million



Liquidity Trends

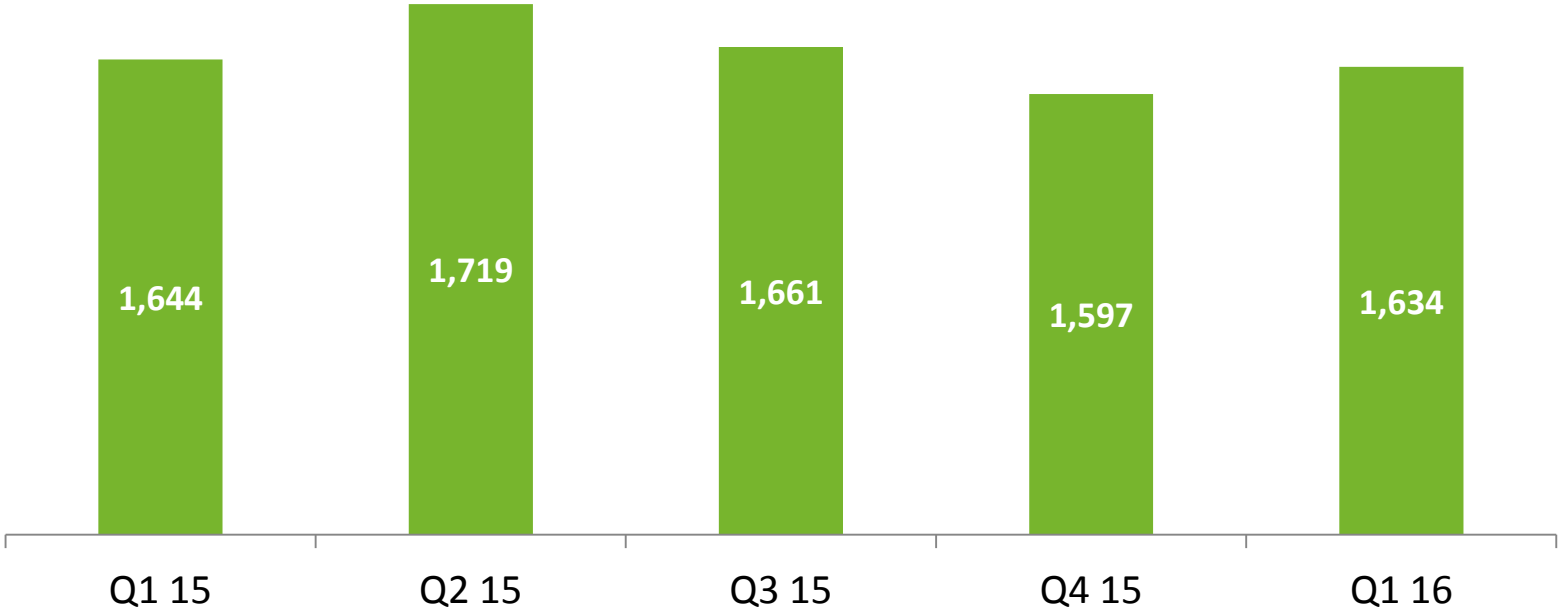
Leverage and debt remain low



	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016
Leverage	**33%**	**35%**	**34%**	**25%**	**25%**
Debt/EBITDA	**1.72**	**1.89**	**1.75**	**1.50**	**1.54**

Quarterly EBITDA

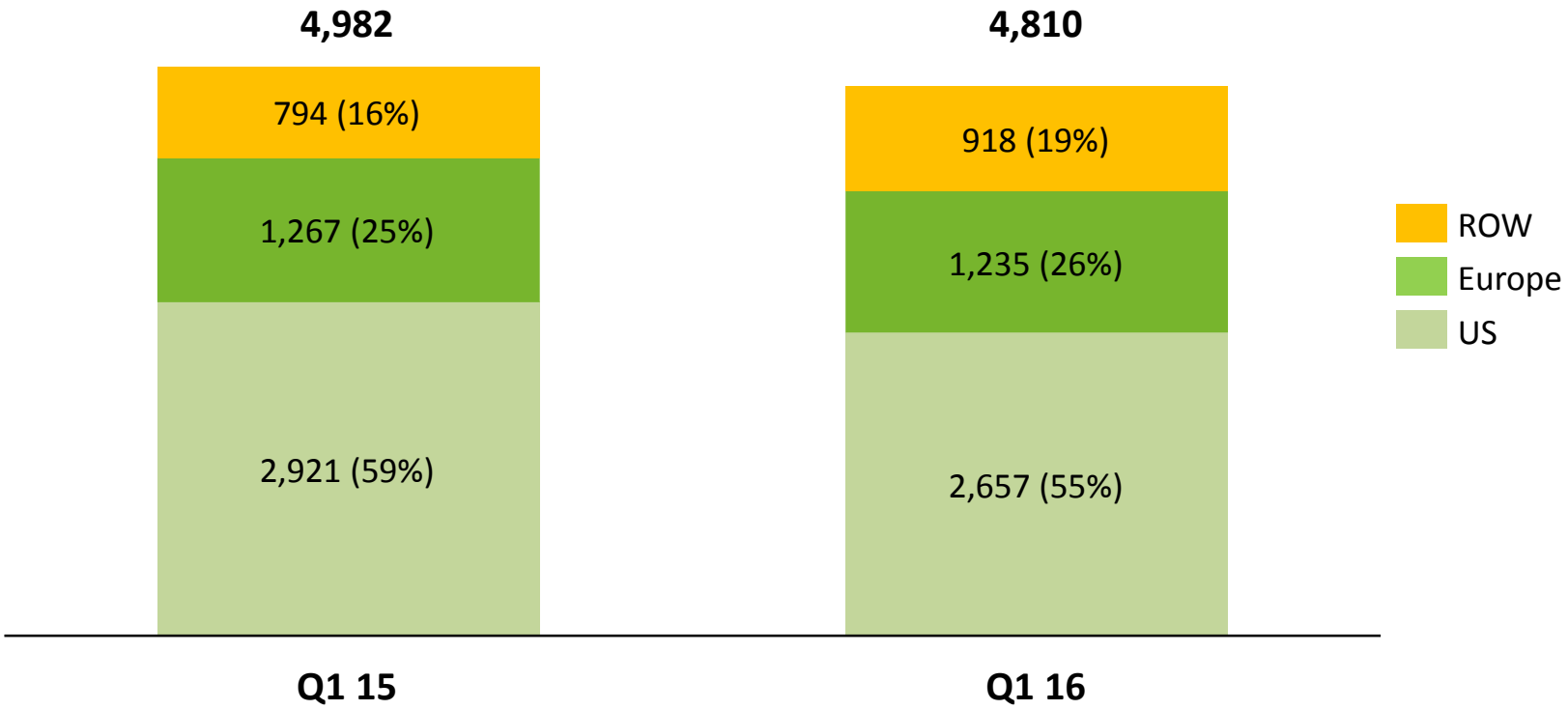
$ million



* EBITDA is based on non-GAAP operating income plus non-GAAP depreciation.

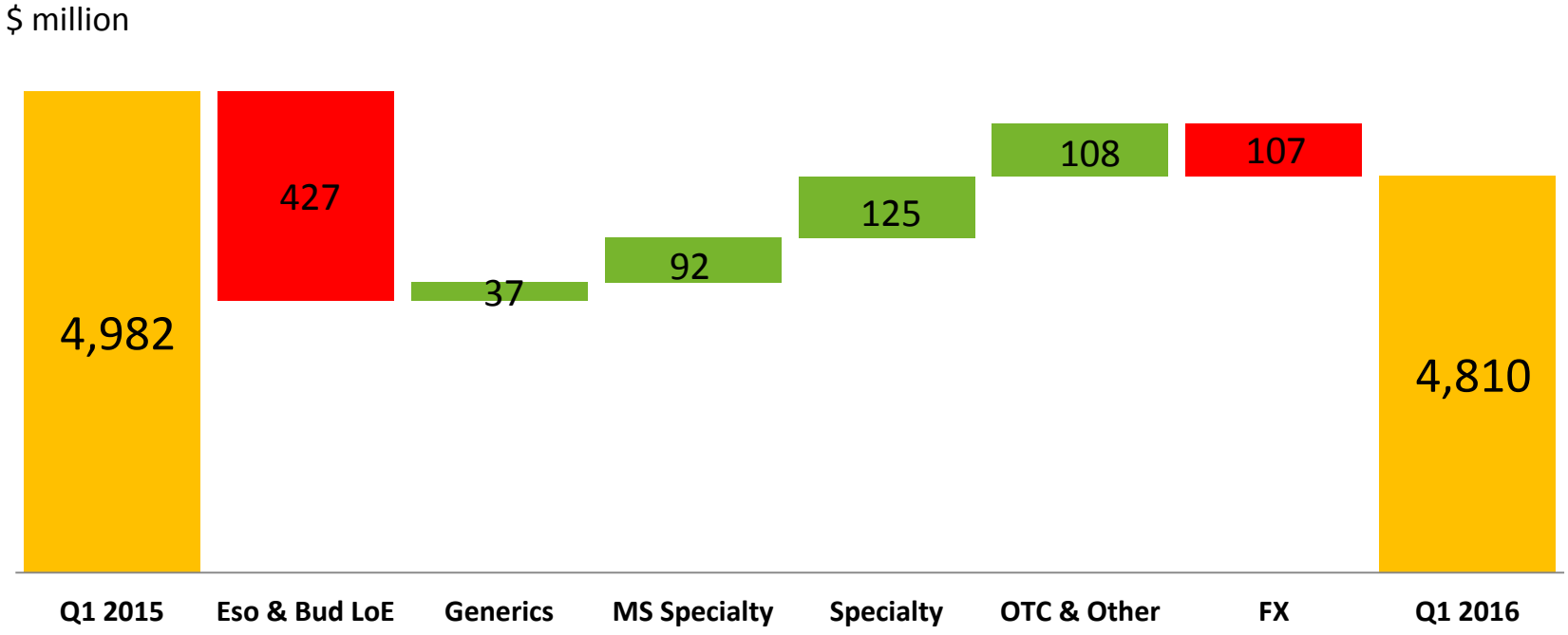
Quarterly Revenue Breakdown by Region

$ million



Quarterly Revenues

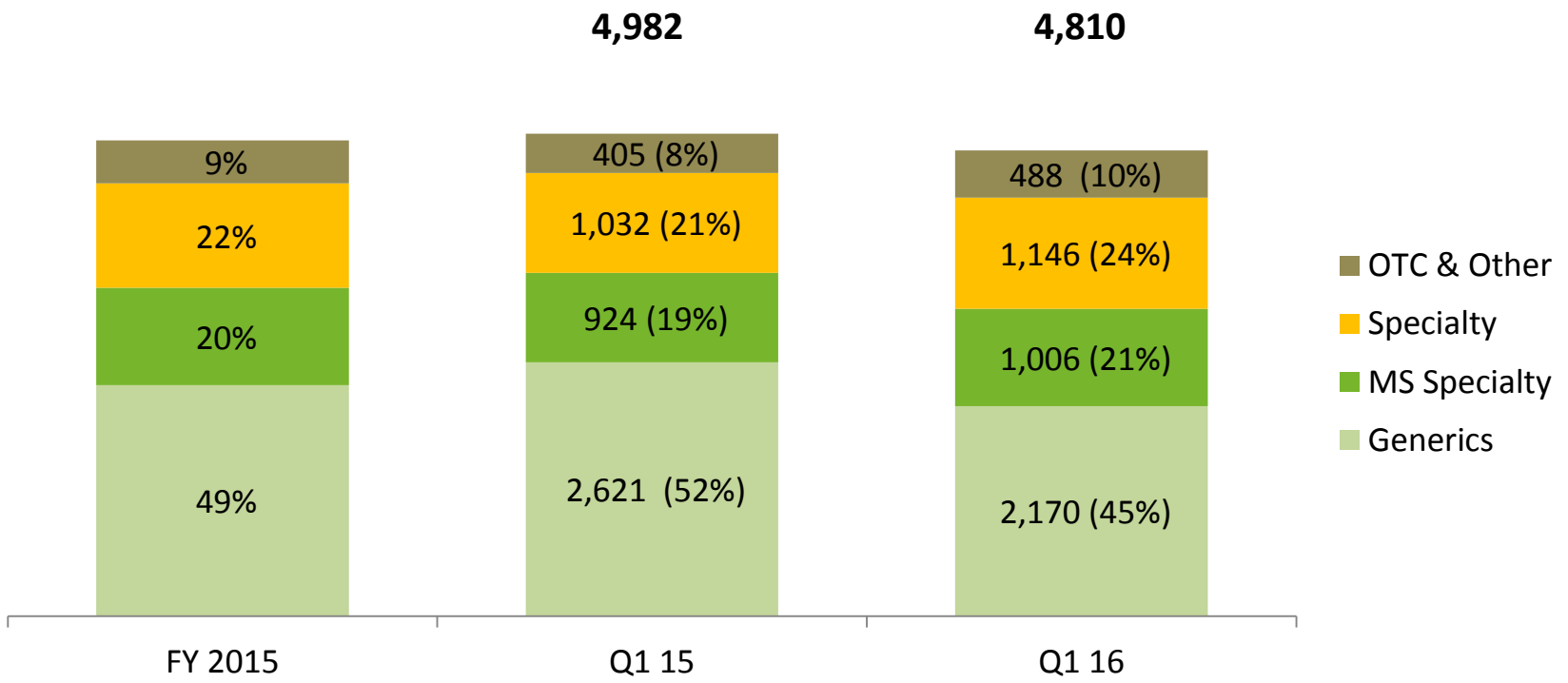
Loss of exclusivity on esomeprazole and budesonide in the U.S. reduced generics revenues



All data, except Fx, are net of the impact of foreign exchange fluctuations.

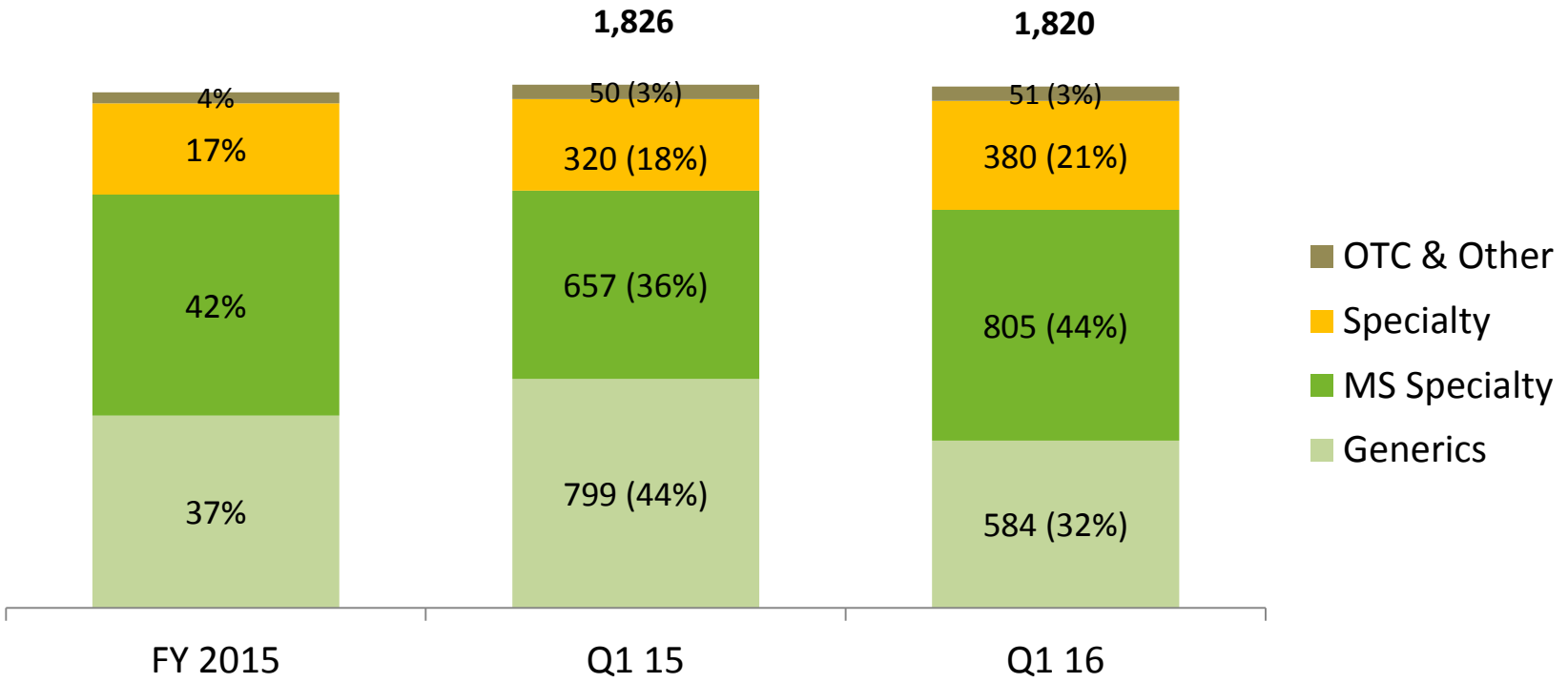
Quarterly Revenues Breakdown by Segment

$ million



Quarterly Profit* Breakdown by Segment

$ million

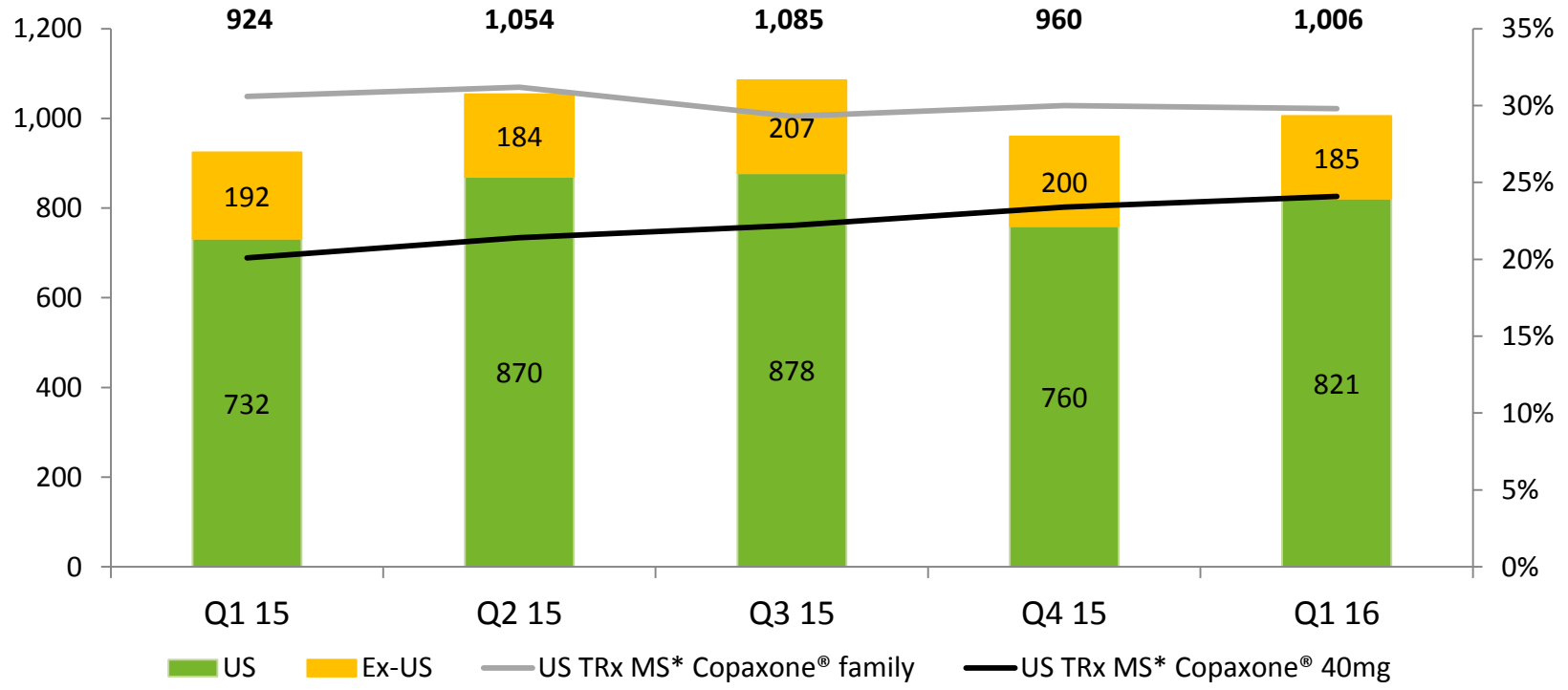


* Segment profit consists of gross profit, less S&M and R&D expenses related to the segment, but exclude s G&A expenses, and certain other items.

Copaxone® Revenue Evolution

Copaxone® 40mg is a leader in prescriptions to new patients in the U.S.

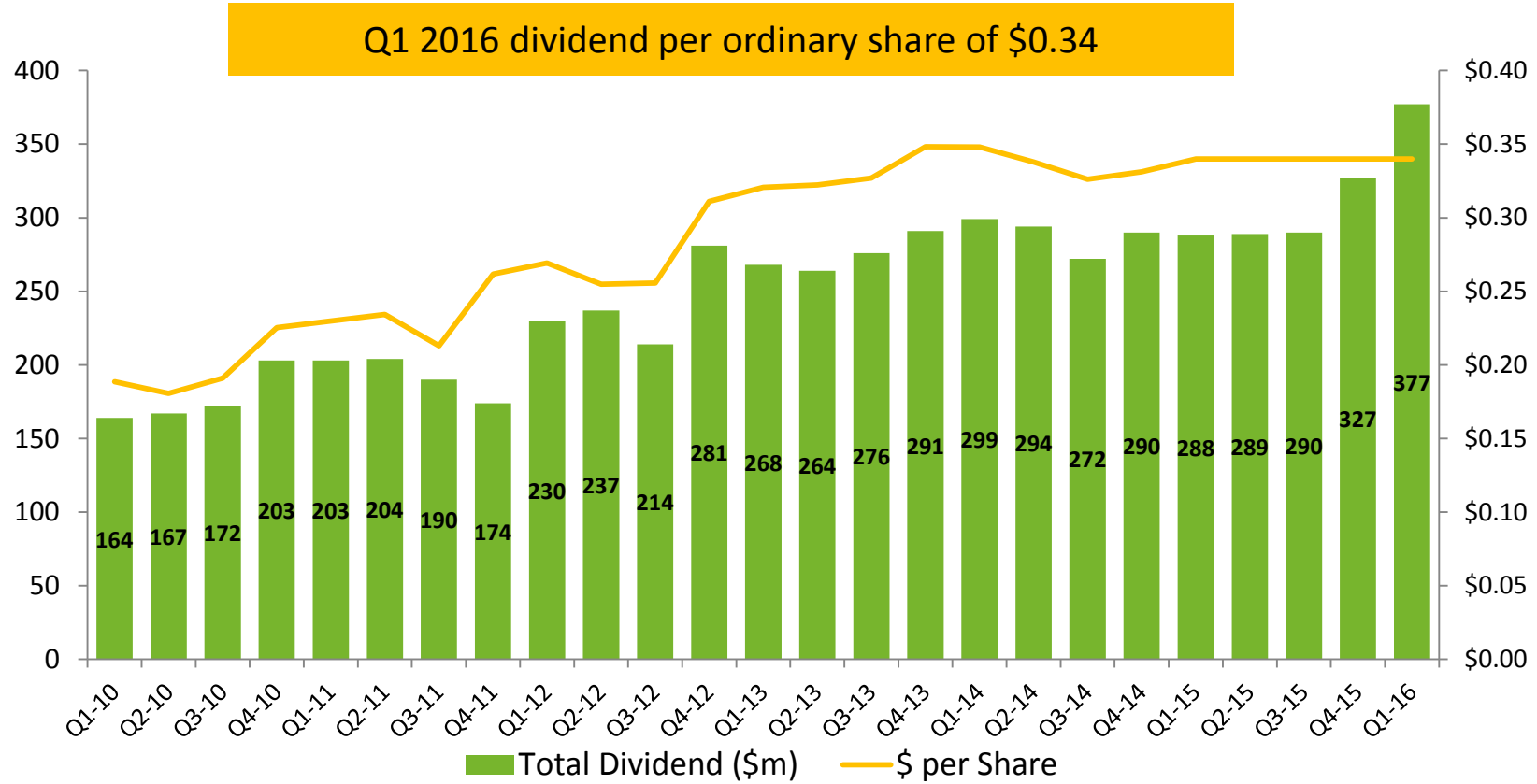
$ million



* Market share data is from IMS.

Quarterly Dividend

Teva's Dividend History



Total dividends represent payment of the dividend declared for the quarter. Current quarter data is an estimate.
From Q4 15, dividends includes dividends accrued to holders of our mandatory convertible preferred shares.

Financial Outlook

Guidance Background

- Pending the closing of the Actavis Generics acquisition, we are providing revenue and non-GAAP EPS guidance for the second quarter 2016. This includes the results of the Rimsa acquisition and the Teva-Takeda BV, but not of the Actavis Generics acquisition.

- We continue to work toward satisfying all conditions for the closing and, based on our estimate of the timing to obtain clearance from the U.S. Federal Trade Commission, we currently expect to close in June 2016.

- Assuming a June closing, and as you already heard from Erez, we expect to provide additional guidance as follows:
  - Full-year 2016 guidance, including Actavis Generics, during the Q2 2016 earnings call in August
  - 2017-18 Business & Financial Outlook in September 2016

Q2 2016 Financial Outlook Highlights

	Q2 2016 Outlook	Weighted average number of shares, in millions
Revenues $ billions	4.7-4.9	
Non GAAP EPS $	1.16-1.20	980
Non GAAP EPS adjusted to exclude Dec 15 equity offerings $	1.32-1.36	861
Cash flow from Operations $ billions	1.2-1.3	

Q&A

Additional Information

Q1 2016 Non GAAP P&L Summary

$ million Except EPS	Q1 2016	Q1 16 margins	Q1 2015	Q1 15 margins	Change
Revenues	**4,810**		**4,982**		**(3%)**
COGS	1,794	37.3%	1,920	38.5%	(7%)
Gross Profit	**3,016**	**62.7%**	**3,062**	**61.5%**	**(2%)**
R&D	375	7.8%	328	6.6%	+14%
S&M Royalties	22	17.1%	111	18.2%	(10%)
S&M (w/o Royalties)	799		797		
G&A	294	6.1%	293	5.9%	-
Operating Income	**1,526**	**31.7%**	**1,533**	**30.8%**	**-**
Finance exp.	52		49		+6%
Tax	302	6.3%	312	6.3%	(3%)
Net Income	**1,172**	**24.4%**	**1,165**	**23.4%**	**+1%**
# of Shares (diluted, millions)	979		859		
EPS ($)	**1.20**		**1.36**		
# of Shares (diluted, millions) adjusted	861		859		
EPS adjusted to exclude Dec 15 equity offerings ($)	**1.36**		**1.36**		**-**

Q1 2016 GAAP P&L Summary

$ million Except EPS	Q1-16	Q1 2016 Margins	Q1-15	Q1 2015 Margins	Change
Revenues	**4,810**		**4,982**		**(3%)**
COGS	2,019	42.0%	2,146	43.1%	(6%)
Gross Profit	**2,791**	**58.0%**	**2,836**	**56.9%**	**(2%)**
R&D	389	8.1%	332	6.7%	+17%
S&M	839	17.4%	922	18.5%	(9%)
G&A	304	6.3%	307	6.1%	(1%)
Legal settlements and loss contingencies	(25)	(0.5%)	227	4.6%	n/a
Impairments, restructuring and others	119	2.5%	299	6.0%	(60%)
Operating Income	**1,165**	**24.2%**	**749**	**15.0%**	**+56%**
Finance exp.	298	6.2%	192	3.8%	+55%
Tax	228	4.7%	104	2.1%	+119%
Net Income	**636**	**13.2%**	**446**	**9.0%**	**+43%**
# of Shares (diluted, millions)	979		859		
EPS ($)	**0.62**		**0.52**		