

Teva Pharmaceutical Industries

Third Quarter 2016 Results

November 15, 2016

The logo for Teva Pharmaceutical Industries, consisting of the word "TEVA" in a bold, white, sans-serif font, centered within a dark blue square.

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® (which faces competition from orally-administered alternatives and existing and potential generic versions); our ability to integrate Allergan plc's worldwide generic pharmaceuticals business ("Actavis Generics") and to realize the anticipated benefits of the acquisition (and the timing of realizing such benefits); the fact that following the consummation of the Actavis Generics acquisition, we are dependent to a much larger extent than previously on our generic pharmaceutical business; potential restrictions on our ability to engage in additional transactions or incur additional indebtedness as a result of the substantial amount of debt incurred to finance the Actavis Generics acquisition; the fact that for a period of time following the Actavis Generics acquisition, we will have significantly less cash on hand than previously, which could adversely affect our ability to grow; 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 investments in our pipeline of specialty and other products; our ability to identify and successfully bid for suitable acquisition targets or licensing opportunities, or to consummate and integrate acquisitions; 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; competition for our generic products, both from other pharmaceutical companies and as a result of increased governmental pricing pressures; 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 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

Q3 2016 Non-GAAP P&L Highlights

\$ billion, except EPS	Q3 2016	Q3 2015	Change
Revenues	5.6	4.8	+15%
Operating Income	1.8 32.2%	1.6 32.1%	+16%
EBITDA	1.9	1.7	+16%
Net Income	1.4	1.2	+17%
EPS (\$)	1.31 1,044M shares	1.35 862M shares	(3%)
Cash flow from Operations	1.5	1.1	+34%
Free cash flow	3.0		
Free cash flow excluding divestments*	1.2	1.0	+27%

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

* Free cash flow excludes proceeds from divestitures related to Actavis Generics of \$1,724 million in Q3 2016.

Siggi Olafsson

President & CEO, Global Generic Medicines

Q3 2016 - Generics Medicines Segment Highlights

\$ billion, except EPS	Q3 2016	Q3 2015	Change
Revenues	2.9	2.2	+32%
Gross profit	1.5	1.0	+46%
<i>Gross profit margin</i>	50.5%	45.6%	
Segment profit	0.9	0.6	+50%
<i>Segment profitability</i>	29.9%	26.2%	

Segment profit consists of gross profit, less S&M and R&D expenses related to the segment, but excludes G&A expenses, amortization, inventory step-up and certain other items.

Excellence in execution remains key focus

Operational network
rationalization plan is
being finalized

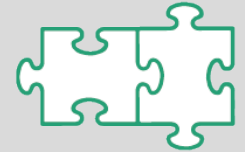


Synergy targets are
on track to be met

Smooth closing of
Actavis transaction
with no business
interruptions



Anda integration
plan finalized and
embarked on



R&D delivers record
number of FTF
submissions



Streamlined the
integration of the Japanese
JV—full distribution
integration achieved

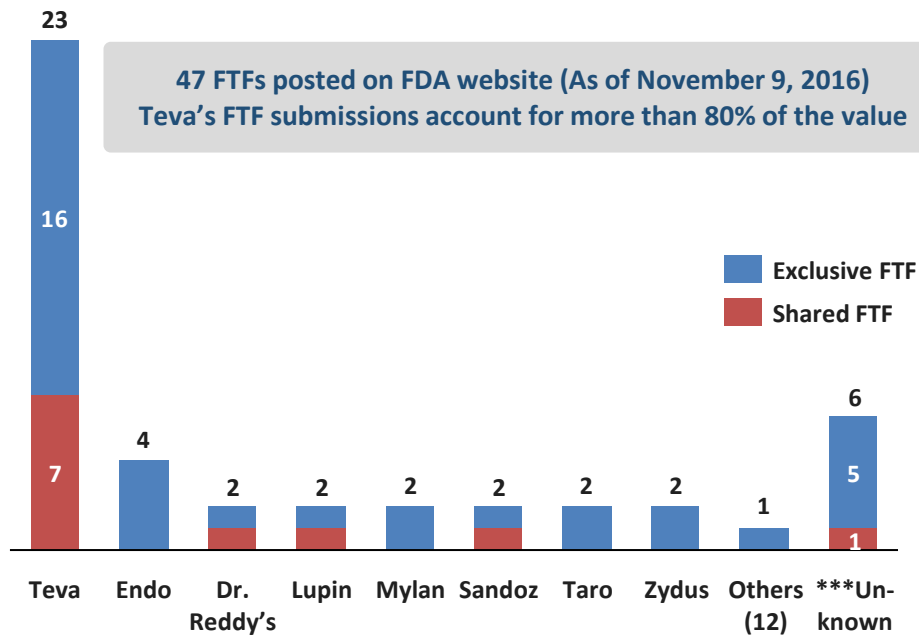


R&D network
optimization is being
executed



Continuously expanding Teva's industry leading pipeline

US First-to-file performance in 2016 YTD*



Global Pipeline – Files under review**

Region	Product opportunities
North America	>350
Europe	>1,400
Growth Markets	>600

*Source: FDA Paragraph IV Certifications Website, IPD Analytics and internal analysis; ** Product filing = unique molecule or molecule combination, dosage form and Country
***Unknown: Generic filer not yet identified (not sued)

Eyal Desheh
EVP, Chief Financial Officer

Q3 2016 Results

Q3 2016 GAAP P&L Highlights

\$ million, except EPS	Q3 2016	Q3 2015	Change
Revenues	5,563	4,823	+15%
Operating Income	765 13.8%	1,010 20.9%	(24%)
Net Income	412	103	+300%
EPS (\$)	0.35 984M shares	0.12 862M shares	+198%

Q3 2016 Non-GAAP P&L Highlights

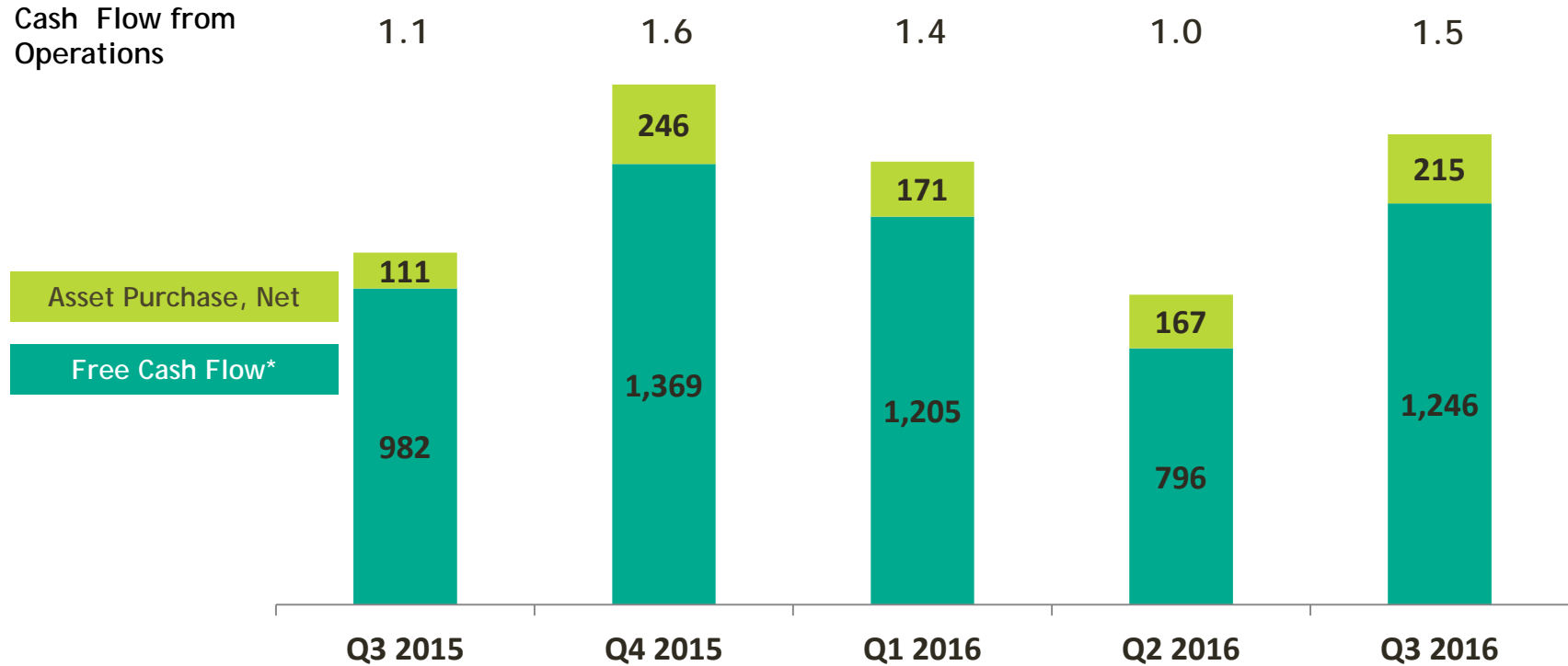
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EPS (\$)	1.31 1,044M shares	1.35 862M shares	(3%)
Cash flow from Operations	1.5	1.1	+34%
Free cash flow excluding divestments*	1.2	1.0	+27%

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

* Free cash flow including proceeds from divestitures was \$3.0 billion.

Cash Flow Trends

\$ million



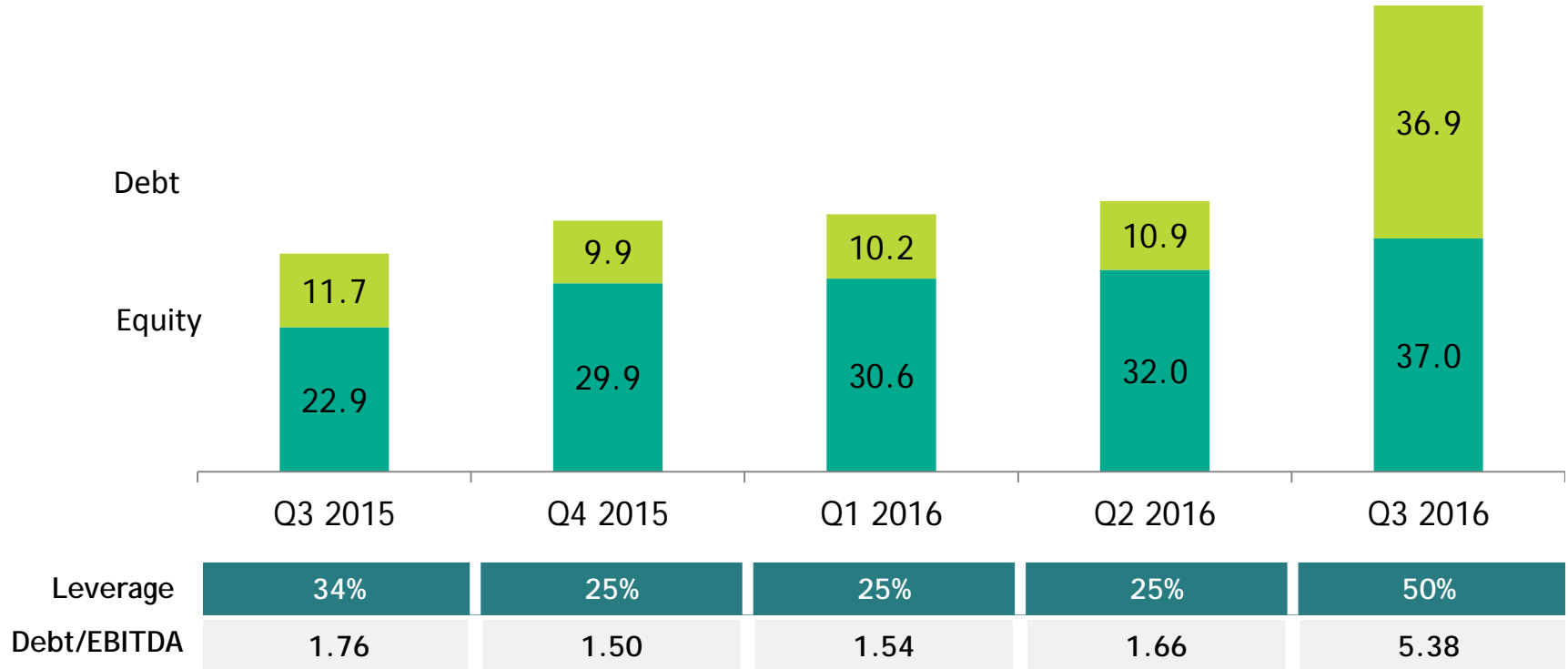
* Free cash flow excludes proceeds from divestitures related to Actavis Generics of \$1,724 million in Q3 2016.

Q3 2016 Non GAAP Adjustments

\$ million	Q3 2016	Description
Legal settlements	533	Including FCPA charge of approximately \$520M
Amortization	429	Actavis (\$237M), Teva (\$192M)
IPR&D and contingent consideration	286	Regeneron (\$250M), Bendeka™ (\$43M)
Inventory step-up	152	
Restructuring	115	Mainly related to the Actavis acquisition
Acquisition and transaction expenses	85	
Other items	99	
Divestments	(693)	Gain from divestment of Teva products, related to the Actavis acquisition
Corresponding tax benefit	(54)	
Total Adjustments	952	

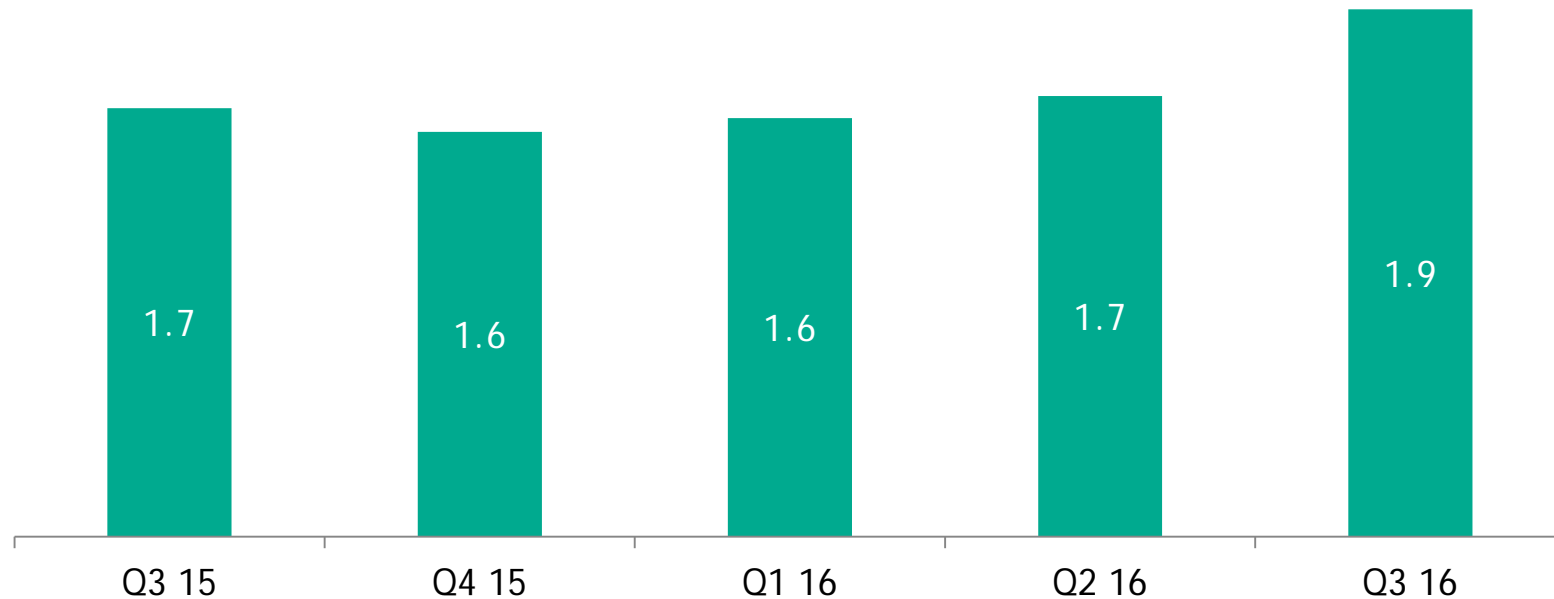
Liquidity Trends

\$ billion



EBITDA

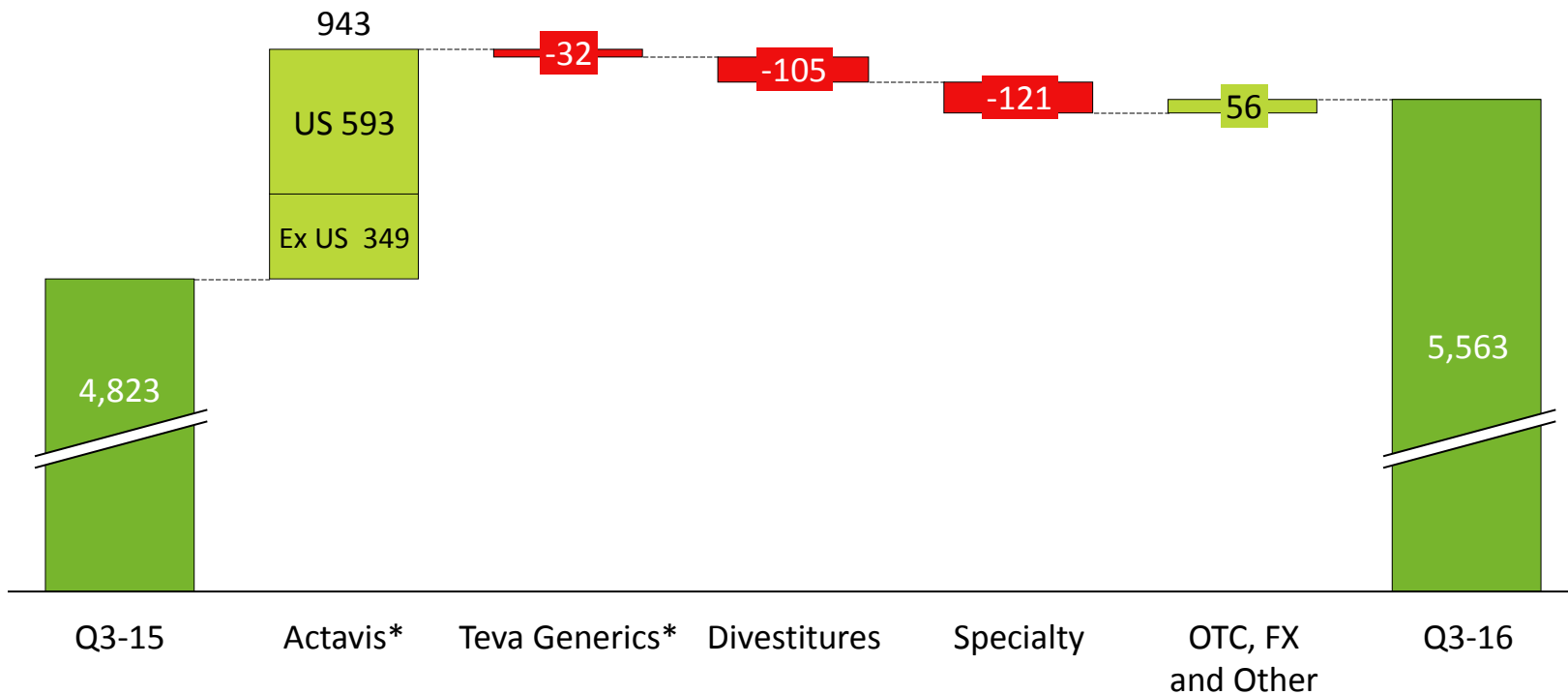
\$ billion



Adjusted EBITDA is based on non-GAAP operating income, which excludes amortization and certain other items, and excluding depreciation expenses.

Quarterly Revenues

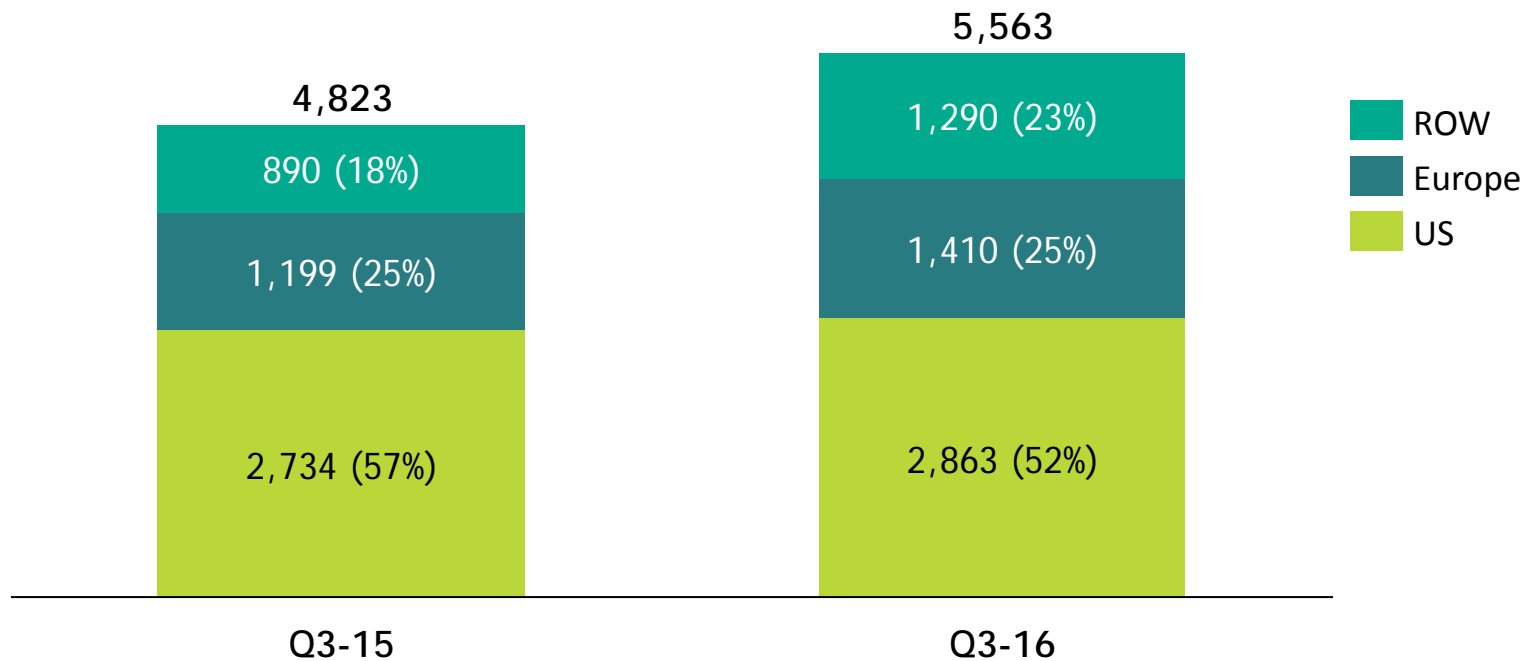
\$ million



* Including divestitures and revenues from manufacturing services related to divested products.
All data, except FX, are net of the impact of foreign exchange fluctuations.

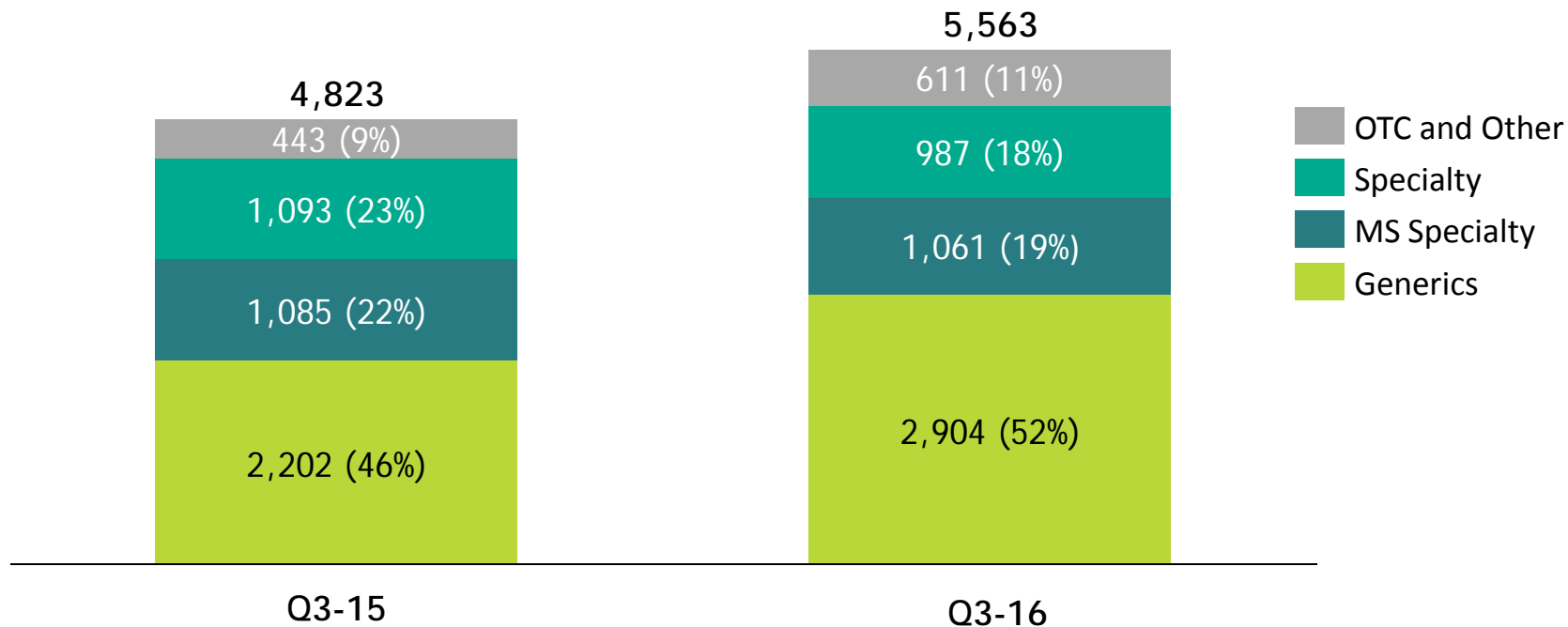
Quarterly Revenue Breakdown by Region

\$ million



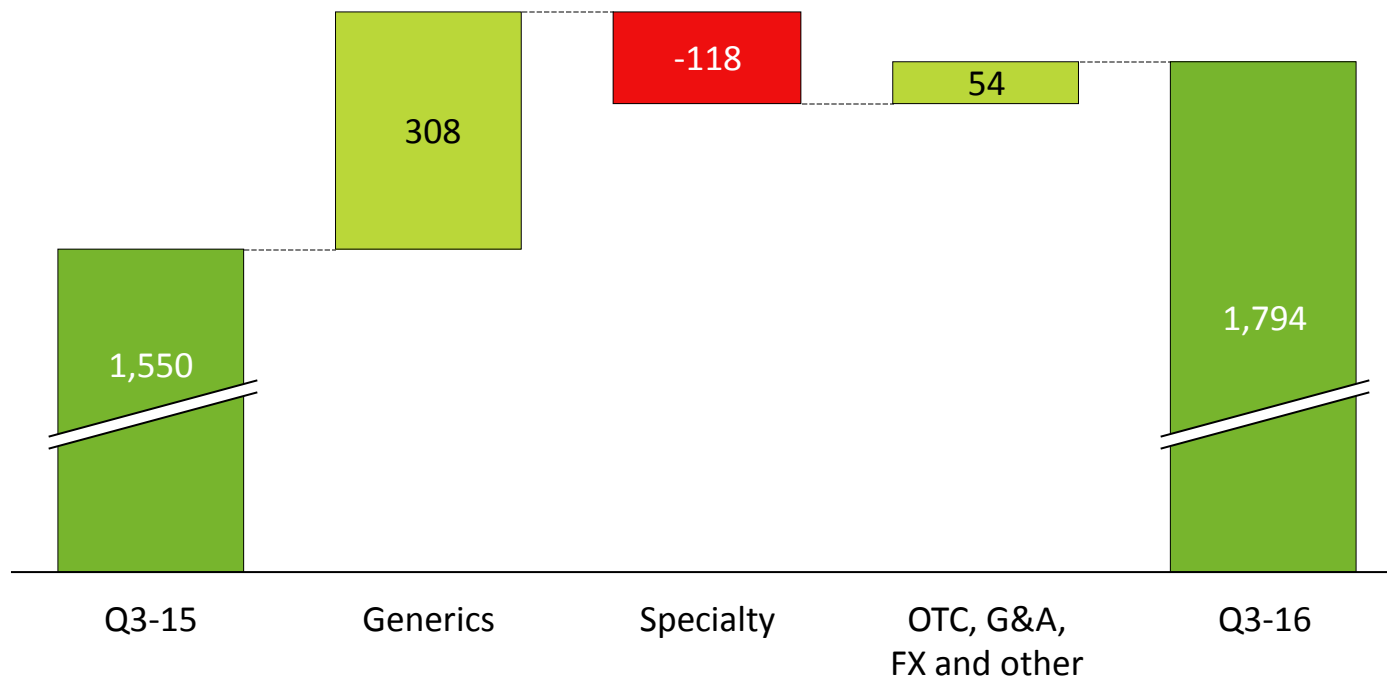
Quarterly Revenue Breakdown by Business Line

\$ million



Quarterly Operating Profit

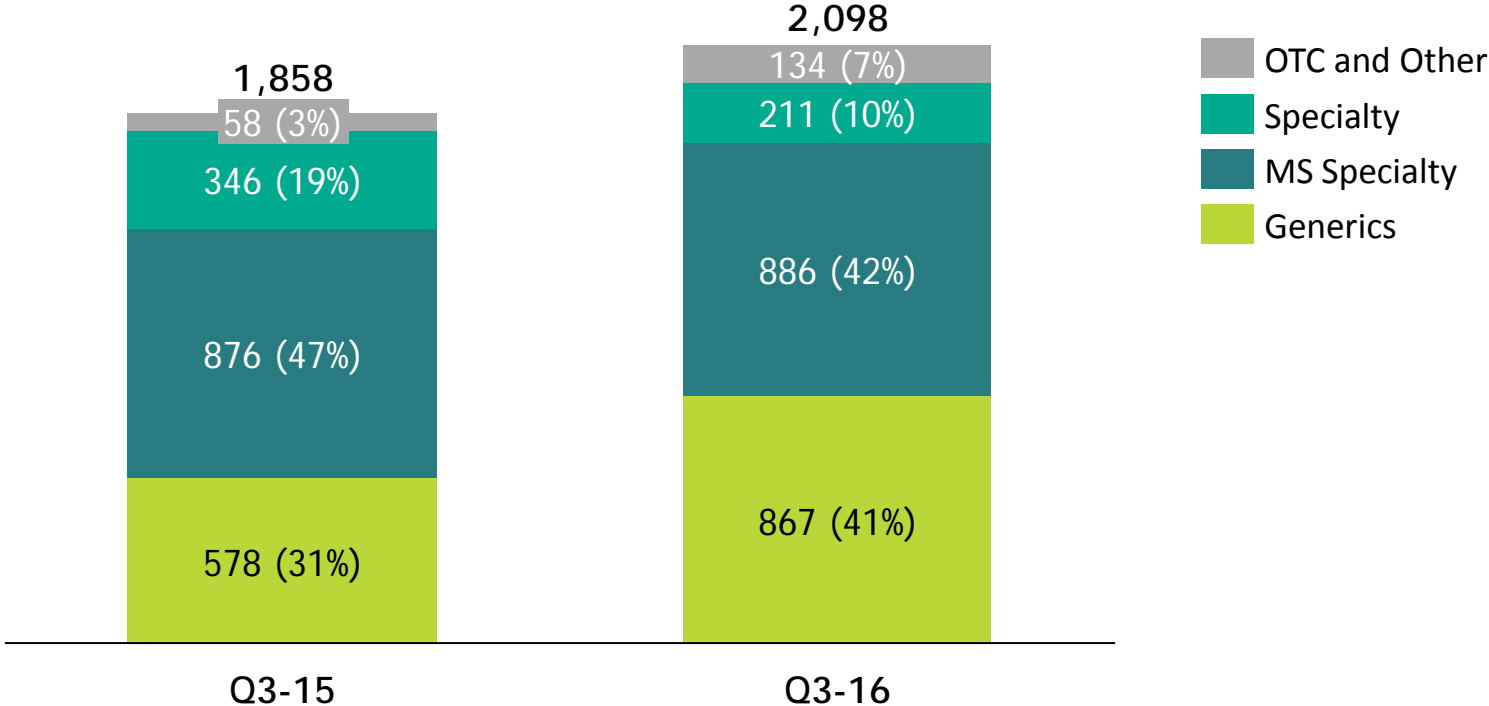
\$ million



Operating Profit is presented on a non-GAAP basis. Segment and business line profit consists of gross profit, less S&M and R&D expenses related to the segment or business line, but excludes G&A expenses, amortization, inventory step-up and certain other items.

Quarterly Business Line Profit

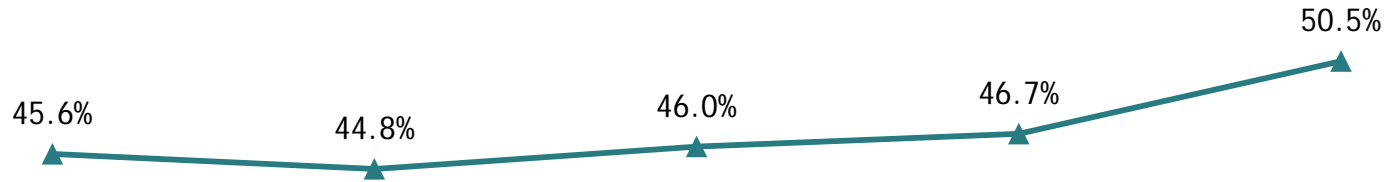
\$ million



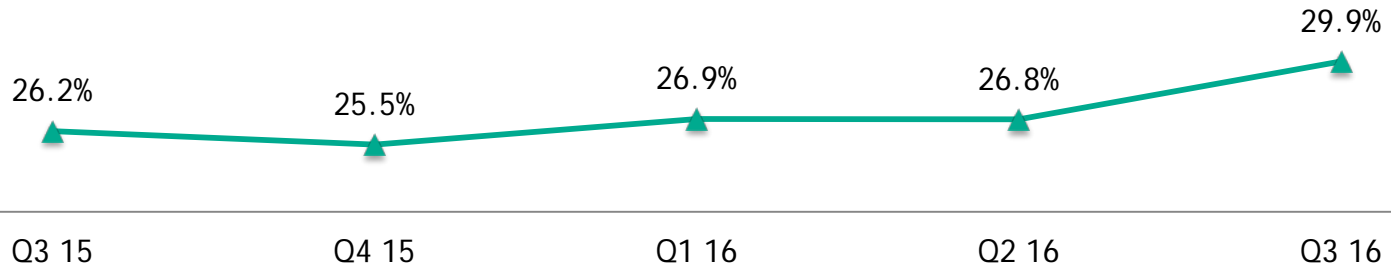
Operating Profit is presented on a non-GAAP basis. Segment and business line profit consists of gross profit, less S&M and R&D expenses related to the segment or business line, but excludes G&A expenses, amortization, inventory step-up and certain other items.

Generics Segment Gross Profit and Profit* Margin Evolution

Gross Profit Margin



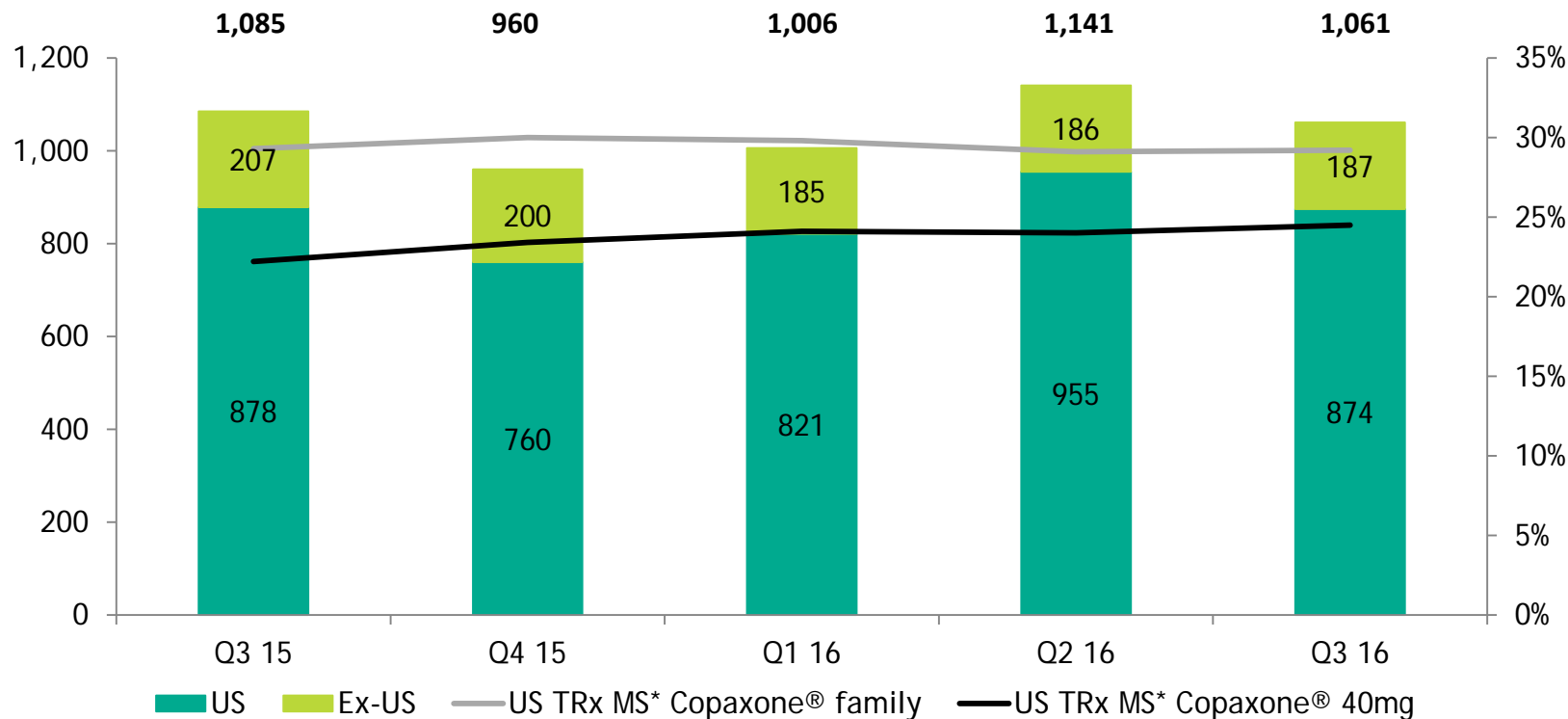
Profit Margin



* Segment profit consists of gross profit, less S&M and R&D expenses related to the segment. Segment profit does not include G&A expenses, amortization, expenses, inventory step-up and certain other items.

Copaxone[®] revenues and US market shares

\$ million / market share



Q3 YTD 2016 Results

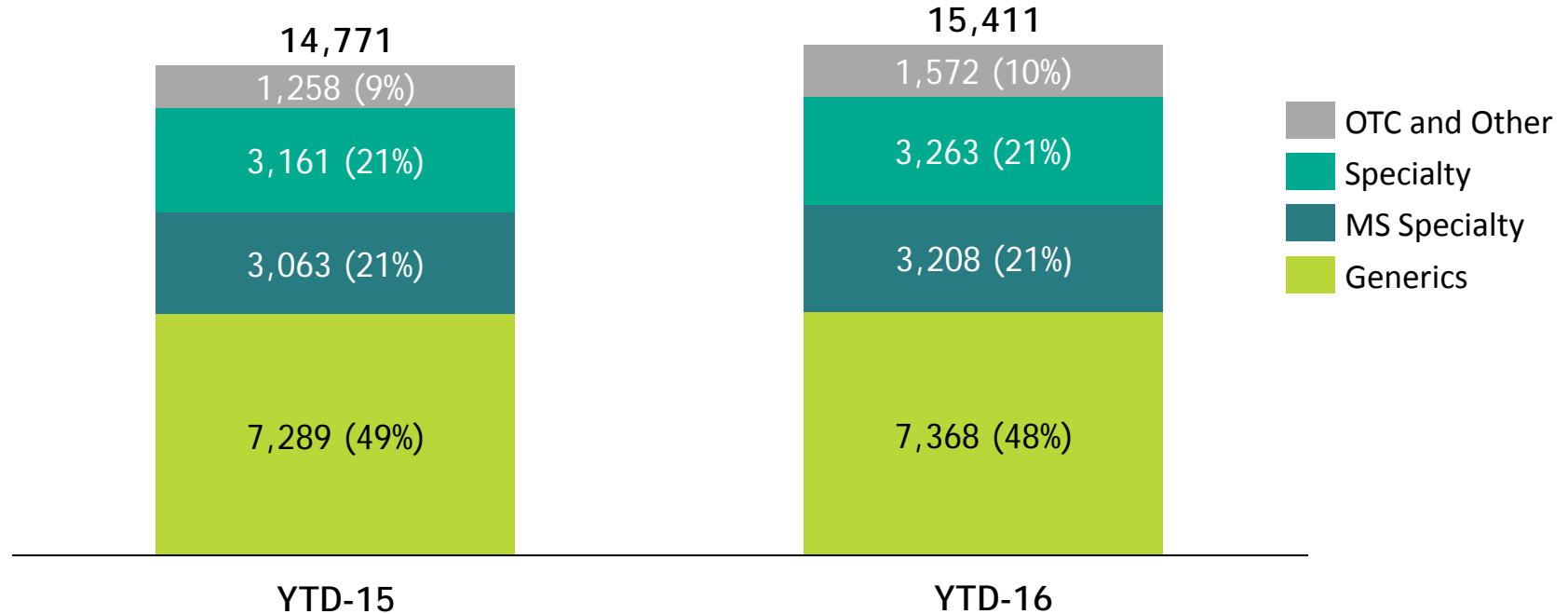
YTD 2016 P&L Highlights

\$ million, except EPS	YTD 2016 Non-GAAP	YTD 2015 Non-GAAP	Change	YTD 2016 GAAP	YTD 2015 GAAP	Change
Revenues	15,411	14,771	+4%	15,411	14,771	+4%
Operating Income	4,903 31.8%	4,693 31.8%	+4%	2,291 14.9%	2,421 16.4%	(5%)
EBITDA	5,257	5,023	+5%	3,458	3,390	+2%
Net Income	3,764	3,560	+6%	1,302	1,088	+20%
EPS	3.76 1,001M shares	4.14 860M shares	(9%)	1.17 942M shares	1.26 860M shares	(7%)
Free cash flow excluding divestments*	3,247	3,531	(8%)			

* 2016 Free cash flow including proceeds from divestitures was \$5.0 billion.

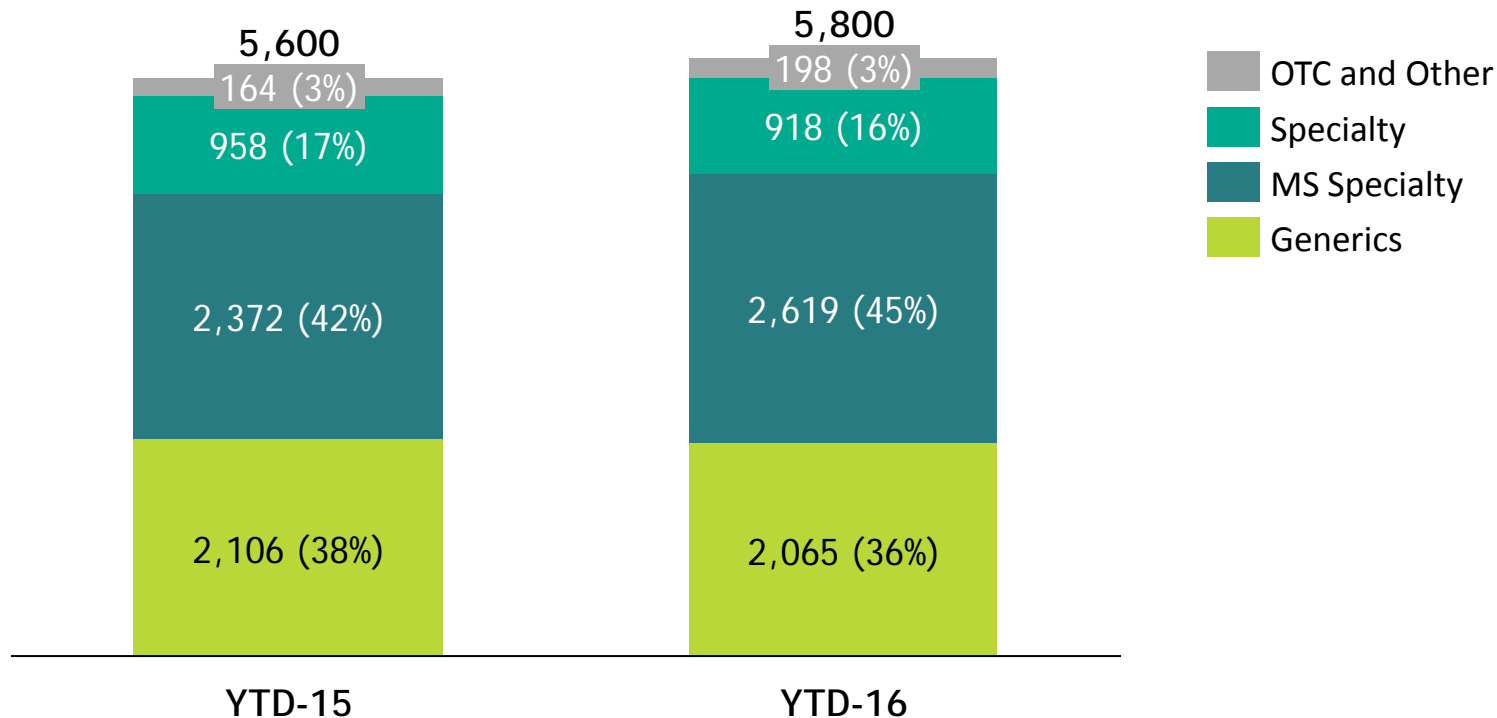
YTD 2016 Revenue Breakdown by Business Line

\$ million



YTD Business Line Profit

\$ million

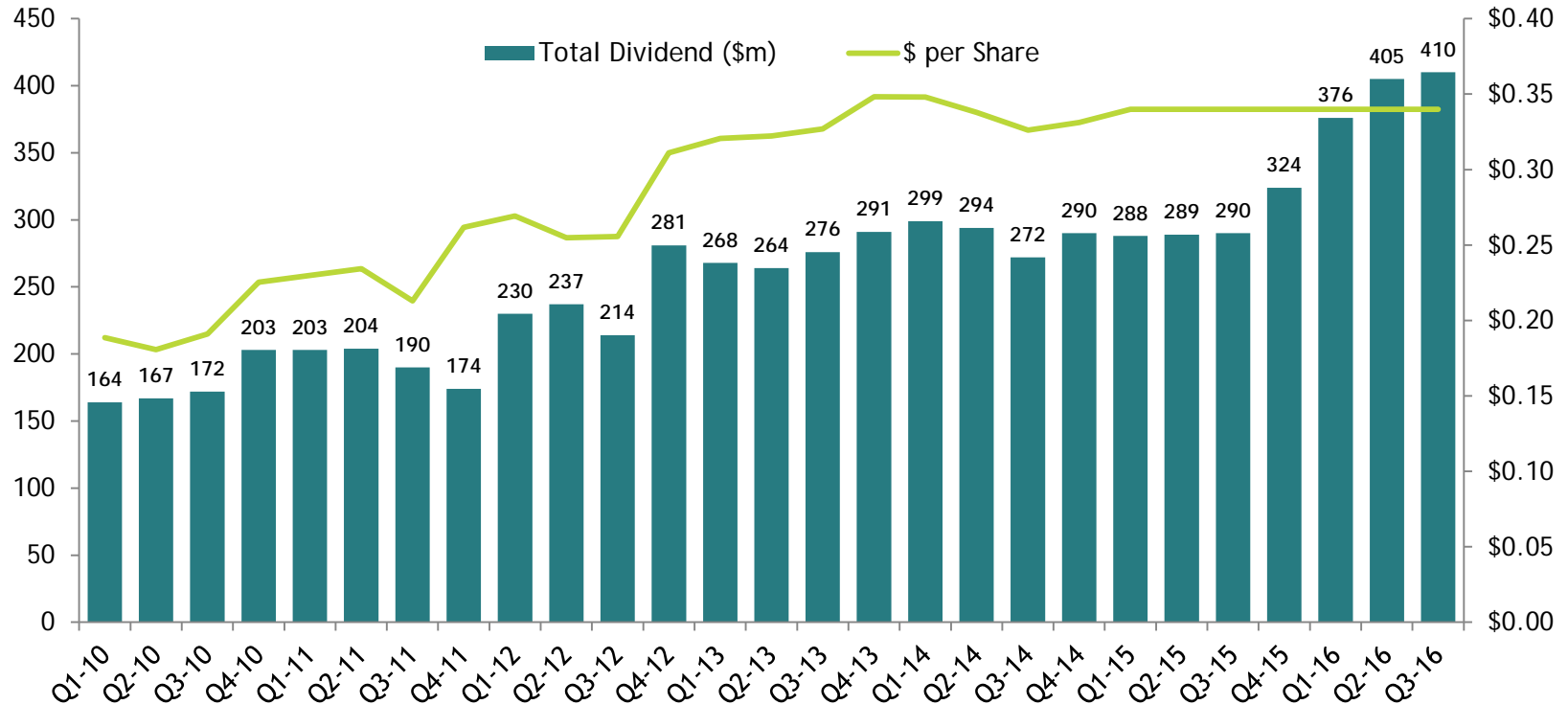


Segment and business line profit consists of gross profit, less S&M and R&D expenses related to the segment or business line, but excludes G&A expenses, amortization, inventory step-up and certain other items.

Quarterly Dividend

Teva's Dividend History

Q3 2016 dividend per ordinary share of \$0.34; dividend per MCPS of \$17.50



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 ("MCPS").

Financial Outlook

FY 2016 Financial Outlook

	FY 2016 Outlook	Q4 2016 Outlook
Revenues \$ billions	21.6-21.9	6.2-6.5
Non GAAP EPS \$	5.10-5.20	1.34-1.44
Weighted average number of shares, in millions	1,020	1,077
Cash flow from Operations \$ billions	4.8-5.0	1.0-1.2

Q&A

Additional Information

Q3 2016 GAAP Income Data

\$ million, except EPS	Q3-16	Q3-16 Margins	Q3-15	Q3-15 Margins	Change
Revenues	5,563		4,823		+15%
COGS	2,762	49.6%	2,052	42.5%	+35%
Gross Profit	2,801	50.4%	2,771	57.5%	+1%
R&D	663	11.9%	361	7.5%	+84%
S&M	940	16.9%	780	16.2%	+21%
G&A	310	5.6%	316	6.6%	(2%)
Legal settlements and loss contingencies	533	9.6%	(80)	(1.7%)	(766%)
Impairments, restructuring and others	(410)	(7.4%)	384	8.0%	(207%)
Operating Income	765	13.8%	1,010	20.9%	(24%)
Finance exp.	150	2.7%	697	14.4%	(78%)
Tax	207	33.7%	193	61.7%	+7%
Minority and Share in profit	(4)	(0.1%)	17	(0.3%)	(124%)
Net Income	412	7.4%	103	2.1%	+300%
# of Shares (diluted, millions)	984		862		
EPS (\$)	0.35		0.12		+198%

Q3 2016 Non GAAP Income Data

\$ million, except EPS	Q3-16	Q3-16 Margins	Q3-15	Q3-15 Margins	Change
Revenues	5,563		4,823		+15%
COGS	2,170	39.0%	1,844	38.2%	+18%
Gross Profit	3,393	61.0%	2,979	61.8%	+14%
R&D	406	7.3%	356	7.4%	+14%
S&M	889	16.0%	766	15.9%	+16%
G&A	304	5.5%	307	6.4%	(1%)
Operating Income	1,794	32.2%	1,550	32.1%	(16%)
Finance exp.	151		65		132%
Tax	261	15.9%	319	21.5%	(18%)
Net Income	1,364	24.5%	1,165	24.2%	+17%
# of Shares (diluted, millions)	1,044		862		
EPS (\$)	1.31		1.35		(3%)

YTD 2016 GAAP Income Data

\$ million, except EPS	YTD-16	YTD-16 Margins	YTD-15	YTD-15 Margins	Change
Revenues	15,411		14,771		+4%
COGS	6,942	45.0%	6,262	42.4%	+11%
Gross Profit	8,469	55.0%	8,509	57.6%	(0.5%)
R&D	1,427	9.3%	1,079	7.3%	+32%
S&M	2,731	17.7%	2,562	17.3%	+7%
G&A	925	6.0%	948	6.4%	(2%)
Legal settlements and loss contingencies	674	4.4%	531	3.6%	+27%
Impairments, restructuring and others	421	2.7%	968	6.6%	(57%)
Operating Income	2,291	14.9%	2,421	16.4%	(5%)
Finance exp.	553	3.6%	930	6.3%	(41%)
Tax	464	26.7%	385	25.8%	+21%
Minority and Share in profit	(28)	(0.2%)	18	0.1%	(2546)
Net Income	1,302	8.5%	1,088	7.4%	+20%
# of Shares (diluted, millions)	942		860		
EPS (\$)	1.17		1.26		(7%)

YTD 2016 Non GAAP Income Data

\$ million, except EPS	YTD-16	YTD-16 margins	YTD-15	YTD-15 margins	Change
Revenues	15,411		14,771		+4%
COGS	5,852	38.0%	5,610	38.0%	+4%
Gross Profit	9,559	62.0%	9,161	62.0%	+4%
R&D	1,151	7.5%	1,041	7.0%	+11%
S&M	2,608	16.9%	2,520	17.1%	+3%
G&A	897	5.8%	907	6.1%	(1%)
Operating Income	4,903	31.8%	4,693	31.8%	+4%
Finance exp.	209		155		+35%
Tax	896	19.1%	976	21.5%	(8%)
Net Income	3,764	24.4%	3,560	24.1%	+6%
# of Shares (diluted, millions)	1,001		860		
EPS (\$)	3.76		4.14		(9%)