

Teva Pharmaceutical Industries Ltd.

First Quarter 2017 Results

May 11, 2017

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

Cautionary Note Regarding Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, which are based on management's current beliefs and expectations and are subject to substantial risks and uncertainties, both known and unknown, that could cause our future results, performance or achievements to differ significantly from that expressed or implied by such forward-looking statements. Important factors that could cause or contribute to such differences include risks relating to:

- our generics medicines business, including: that we are substantially more dependent on this business, with its significant attendant risks, following our acquisition of Allergan plc's worldwide generic pharmaceuticals business ("Actavis Generics"); our ability to realize the anticipated benefits of the acquisition (and any delay in realizing those benefits) or difficulties in integrating Actavis Generics; the increase in the number of competitors targeting generic opportunities and seeking U.S. market exclusivity for generic versions of significant products; price erosion relating to our generic products, both from competing products and as a result of increased governmental pricing pressures; and our ability to take advantage of high-value biosimilar opportunities;
- our specialty medicines business, including: competition for our specialty products, especially Copaxone®, our leading medicine, which faces competition from existing and potential additional generic versions and orally-administered alternatives; our ability to achieve expected results from investments in our product pipeline; competition from companies with greater resources and capabilities; and the effectiveness of our patents and other measures to protect our intellectual property rights;
- our substantially increased indebtedness and significantly decreased cash on hand, which may limit our ability to incur additional indebtedness, engage in additional transactions or make new investments, and may result in a downgrade of our credit ratings;
- our business and operations in general, including: uncertainties relating to our recent senior management changes; our ability to develop and commercialize additional pharmaceutical products; manufacturing or quality control problems, which may damage our reputation for quality production and require costly remediation; interruptions in our supply chain; disruptions of our or third party information technology systems or breaches of our data security; the failure to recruit or retain key personnel, including those who joined us as part of the Actavis Generics acquisition; the restructuring of our manufacturing network, including potential related labor unrest; the impact of continuing consolidation of our distributors and customers; variations in patent laws that may adversely affect our ability to manufacture our products; adverse effects of political or economic instability, major hostilities or terrorism on our significant worldwide operations; and our ability to successfully bid for suitable acquisition targets or licensing opportunities, or to consummate and integrate acquisitions;
- compliance, regulatory and litigation matters, including: costs and delays resulting from the extensive governmental regulation to which we are subject; the effects of reforms in healthcare regulation and reductions in pharmaceutical pricing, reimbursement and coverage; potential additional adverse consequences following our resolution with the U.S. government of our FCPA investigation; governmental investigations into sales and marketing practices; potential liability for sales of generic products prior to a final resolution of outstanding patent litigation; product liability claims; increased government scrutiny of our patent settlement agreements; failure to comply with complex Medicare and Medicaid reporting and payment obligations; and environmental risks;
- other financial and economic risks, including: our exposure to currency fluctuations and restrictions as well as credit risks; the significant increase in our intangible assets, which may result in additional substantial impairment charges; potentially significant increases in tax liabilities; and 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;

and other factors discussed in our Annual Report on Form 20-F for the year ended December 31, 2016 ("Annual Report"), including in the section captioned "Risk Factors," and in our other filings with the U.S. Securities and Exchange Commission, which are available at www.sec.gov and www.tevapharm.com. 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 contained herein, whether as a result of new information, future events or otherwise. You are cautioned not to put undue reliance on these forward-looking statements.

Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures as defined by SEC rules. Please see our Annual Report on Form 20-F for the year ended December 31, 2016 for a reconciliation of those historical measures to the most directly comparable GAAP measures. The estimates contained in this presentation are non-GAAP financial measures, which exclude the amortization of purchased intangible assets, costs related to certain regulatory actions, inventory step-up, legal settlements and reserves, impairments and other costs and related tax effects. The non-GAAP data presented by Teva are the results used by Teva's management and board of directors to evaluate the operational performance of the company, to compare against the company's work plans and budgets, and ultimately to evaluate the performance of management. Teva provides such non-GAAP data to investors as supplemental data and not in substitution or replacement for GAAP measure, because management believes such data provides useful information to investors. A reconciliation of such forward-looking non-GAAP estimates to the corresponding GAAP measures is not being provided, due to the unreasonable efforts required to prepare it.

Dr. Sol J. Barer
Chairman of the Board

Dr. Yitzhak Peterburg
Interim President & CEO

Eyal Desheh
EVP, Chief Financial Officer

Q1 2017 P&L Highlights

\$ millions, except EPS	Q1 2017	Q1 2016	Q1 2017	Q1 2016
	GAAP		Non-GAAP	
Revenues	5,630	4,810	5,630	4,810
Operating income	895 15.9%	1,165 24.2%	1,621 28.8%	1,526 31.7%
Net income attributable to Teva	645	636	1,144	1,172
EPS (\$)	0.57 1,017M shares	0.62 920M shares	1.06 1,017M shares	1.20 979M shares
Cash flow from operations	470	1,376		

Q1 2017 Non-GAAP P&L Highlights

\$ billions, except EPS	Q1 2017	Q1 2016	Change
Revenues	5.6	4.8	+17%
Operating income	1.6 28.8%	1.5 31.7%	+6%
EBITDA	1.8	1.6	+9%
Net income	1.1	1.2	(2%)
EPS (\$)	1.06 1,017M shares	1.20 979M shares	(11%)
Cash flow from operations	0.5	1.4	(66%)
Free cash flow	0.3*	1.2	(77%)
Free cash flow including divestments	1.0*	1.2	(19%)

* Proceeds from divestitures related to Actavis Generics were \$0.7 billion in Q1 2017. Operating income, EBITDA, net income and EPS are presented on a non-GAAP basis.

Q1 2017 Non-GAAP Adjustments

\$ millions	Q1 2017	Details
Amortization	320	
Restructuring	130	Related to synergies and additional efficiency measures
Inventory step-up	64	Actavis
Capital loss from currency translation	52	Related to UK divested business
Acquisition and related expenses including contingent consideration	44	
Equity compensation	36	
Regulatory actions	34	
Other adjustments	5	
Related tax effect	(186)	
Total adjustments	499	

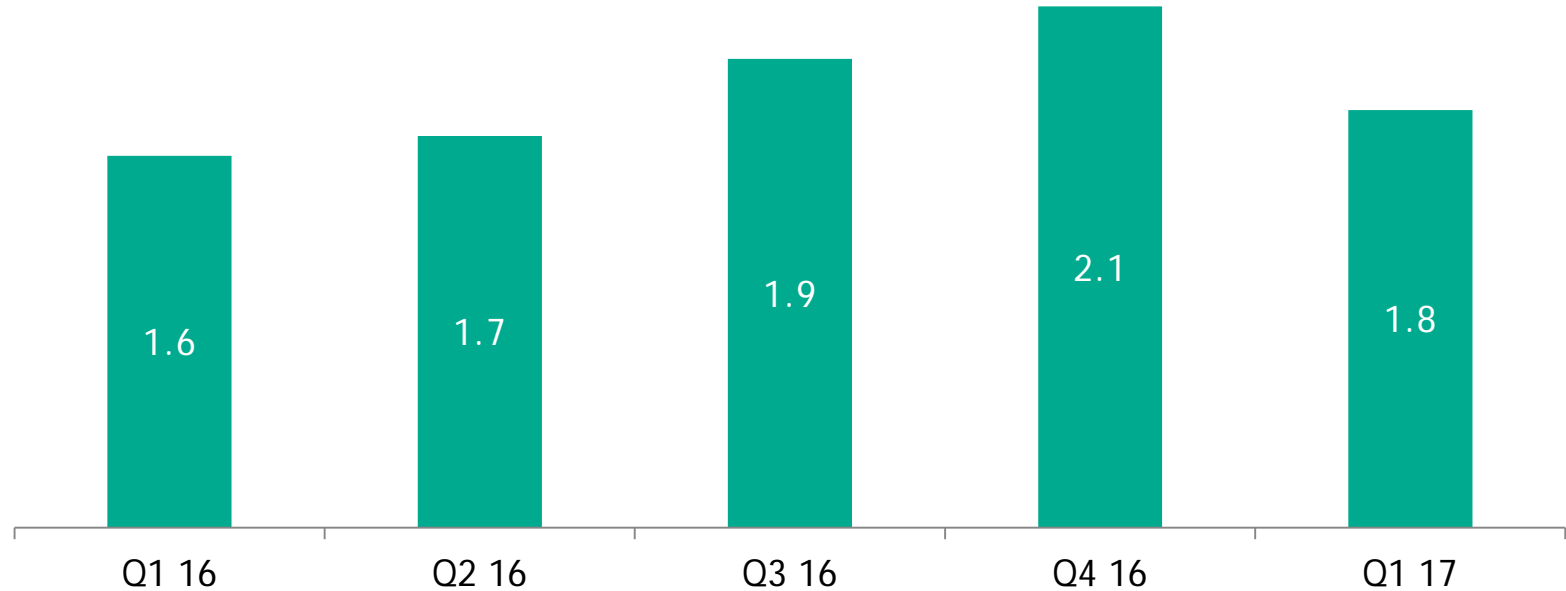
Q1 2017 Foreign Exchange & Venezuela Impact

\$ millions	Q1 2017	Q1 2016	Diff	FX Effect	Venezuela
Revenues	5,630	4,810	820	(37)	(217)
Operating income GAAP	895	1,165	(270)	(7)	(71)
Operating income Non-GAAP	1,621	1,526	95	(14)	(67)

In light of the economic conditions in Venezuela, we exclude the changes in revenues and operating profit in the country from any discussion of currency translation effects.

Quarterly EBITDA

\$ billions

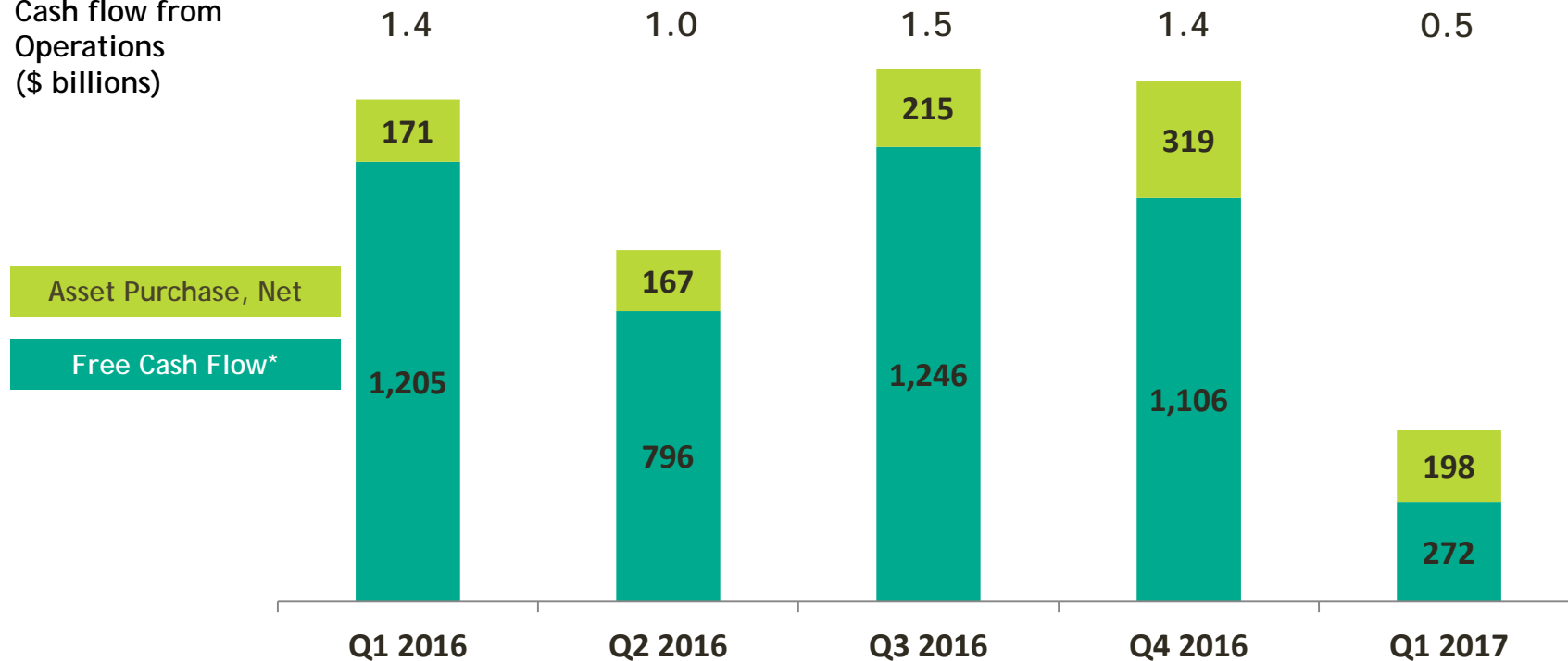


EBITDA is based on non-GAAP operating income (which excludes amortization and certain other items) and excludes depreciation expenses.

Cash Flow

\$ millions

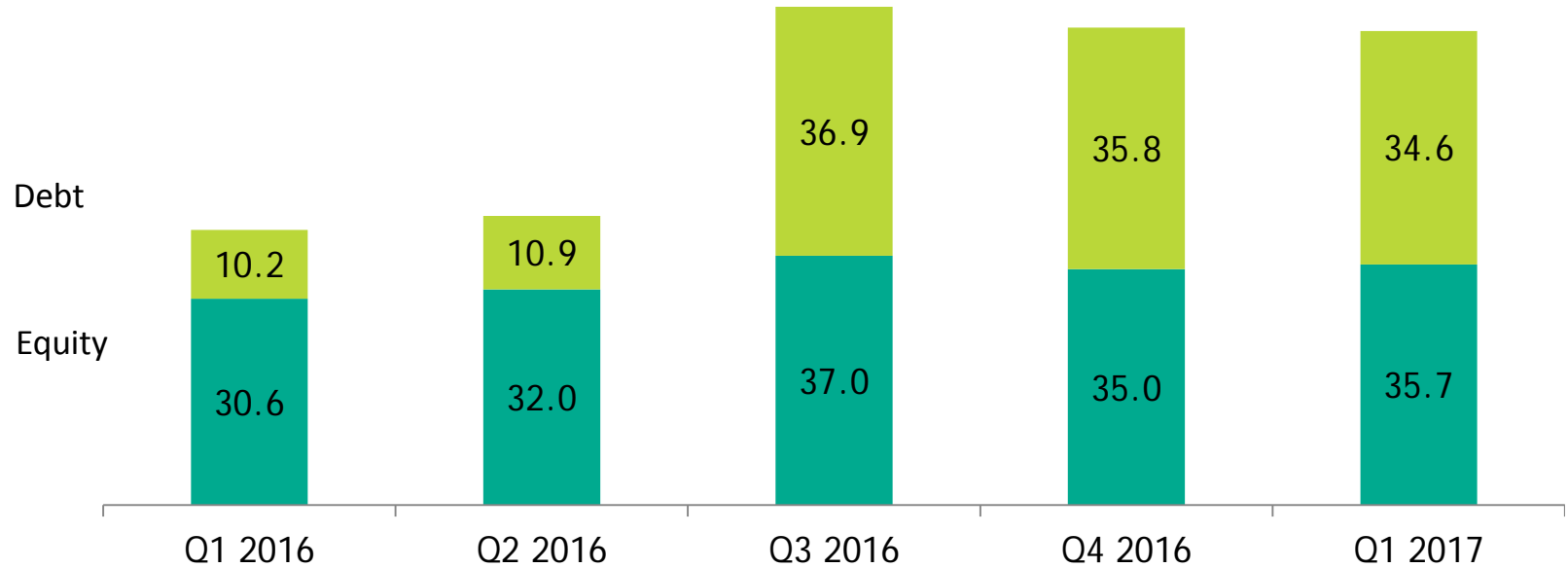
Cash flow from
Operations
(\$ billions)



* Proceeds from divestitures related to Actavis Generics were \$1.7 billion in Q3 2017 and \$0.7 billion in Q1 2017.

Liquidity

\$ billions



Leverage

25%

25%

50%

51%

49%

Debt/EBITDA

1.54

1.66

5.38

4.87

4.63

Net Debt/EBITDA

0.63

0.58

5.13

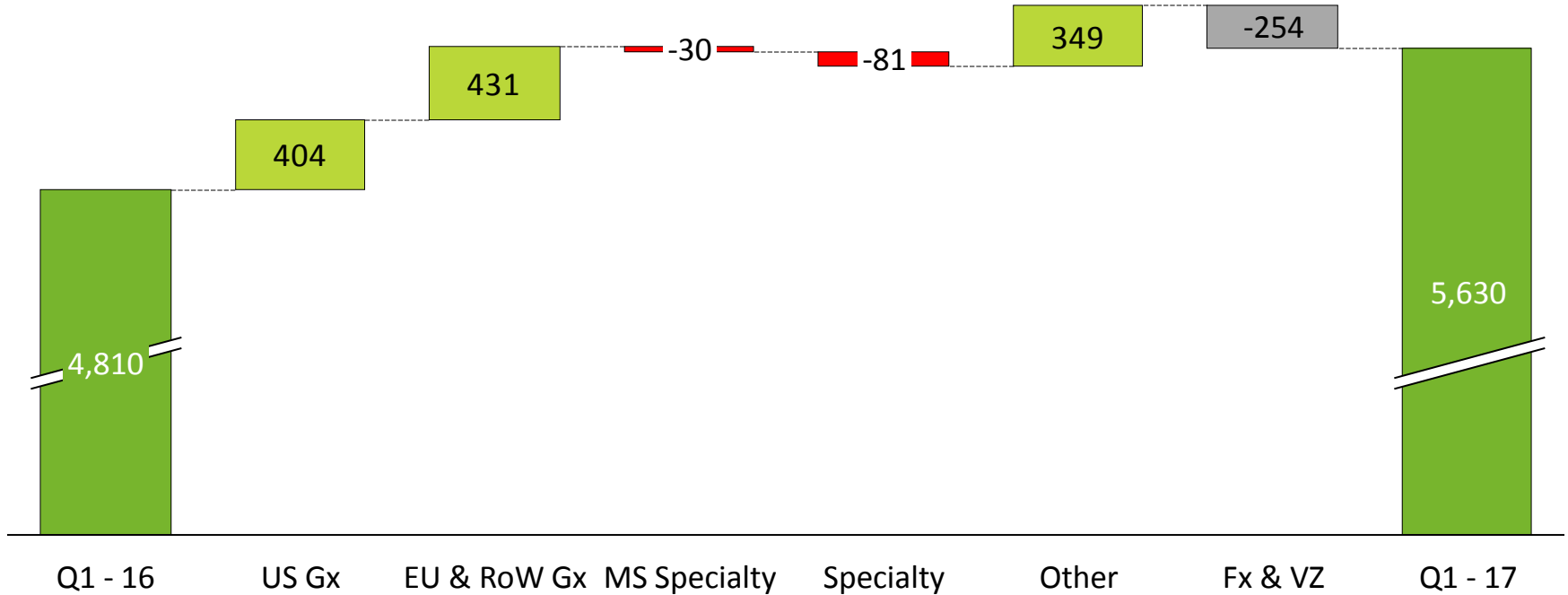
4.72

4.49

EBITDA is based on non-GAAP operating income (which excludes amortization and certain other items) and excludes depreciation expenses.

Quarterly Revenues

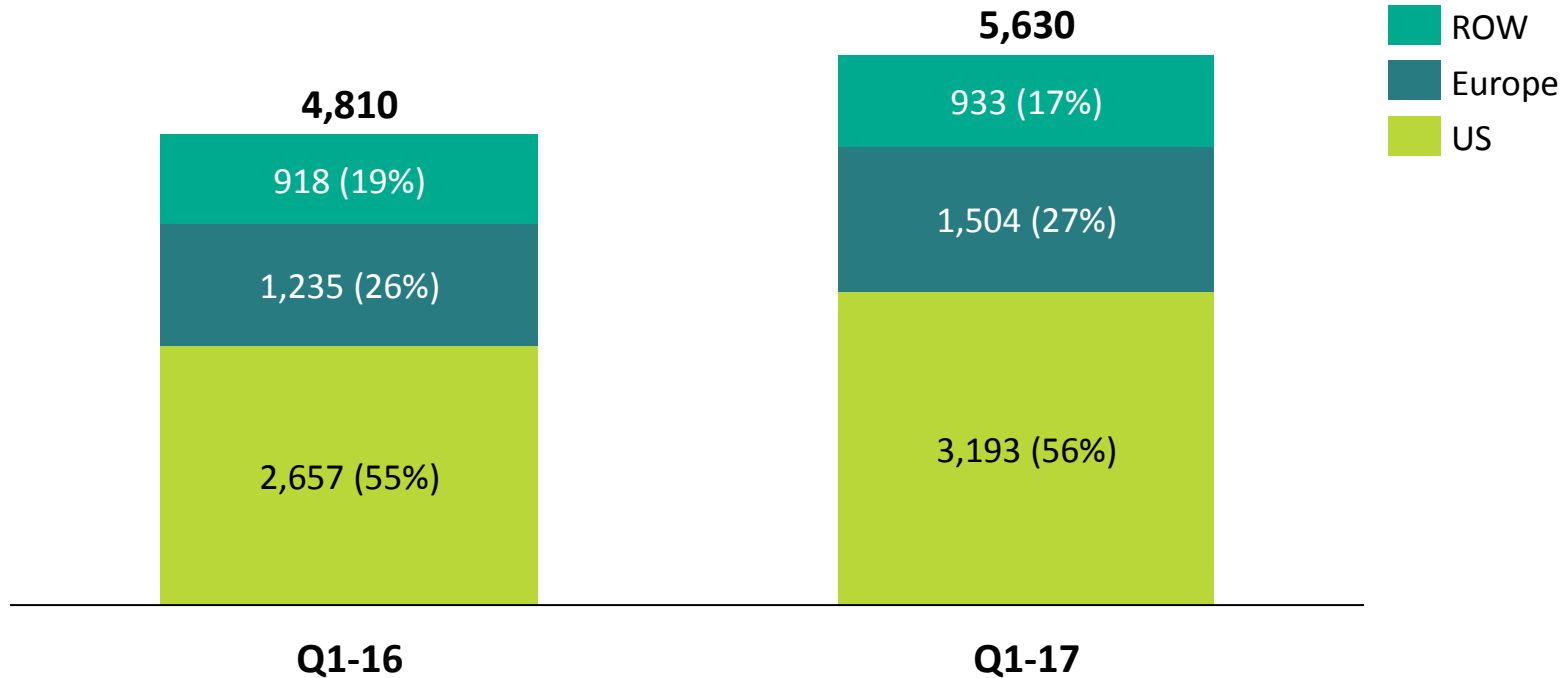
\$ millions



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

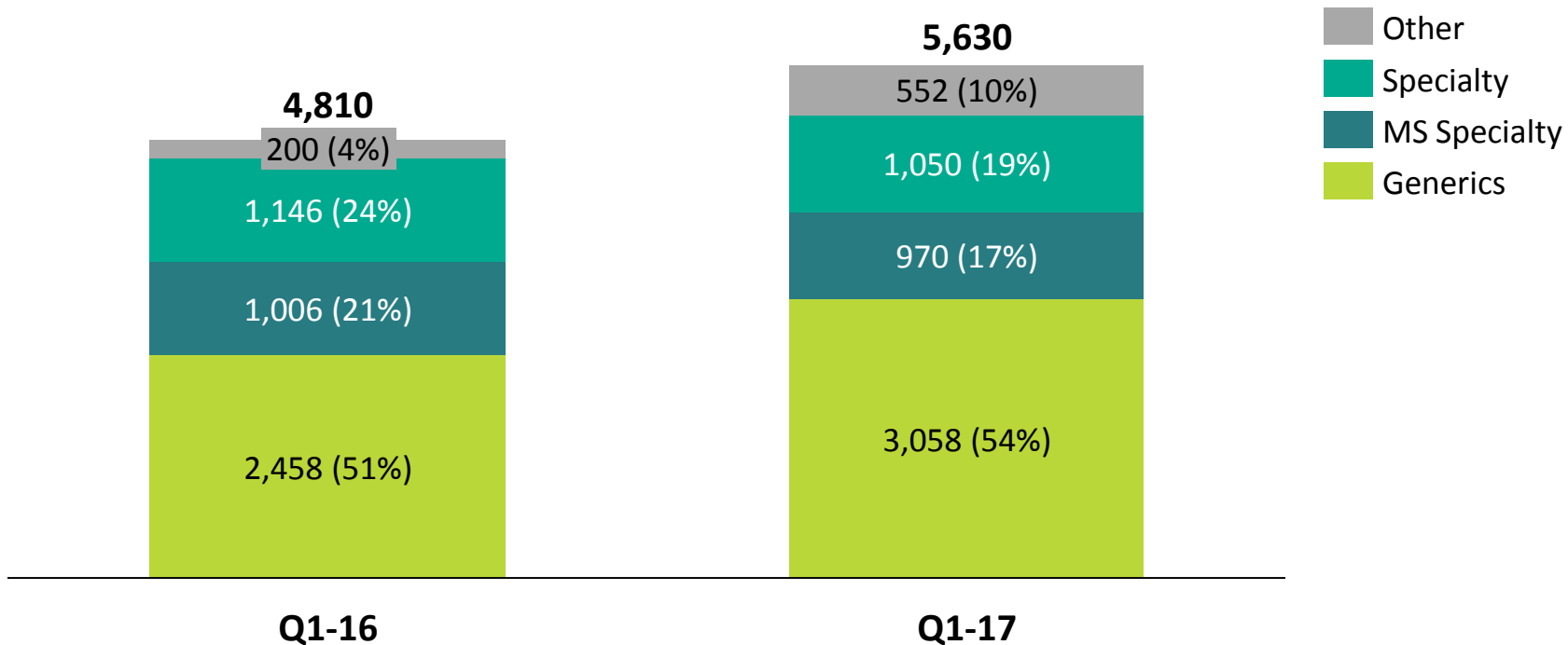
Quarterly Revenue Breakdown by Region

\$ millions



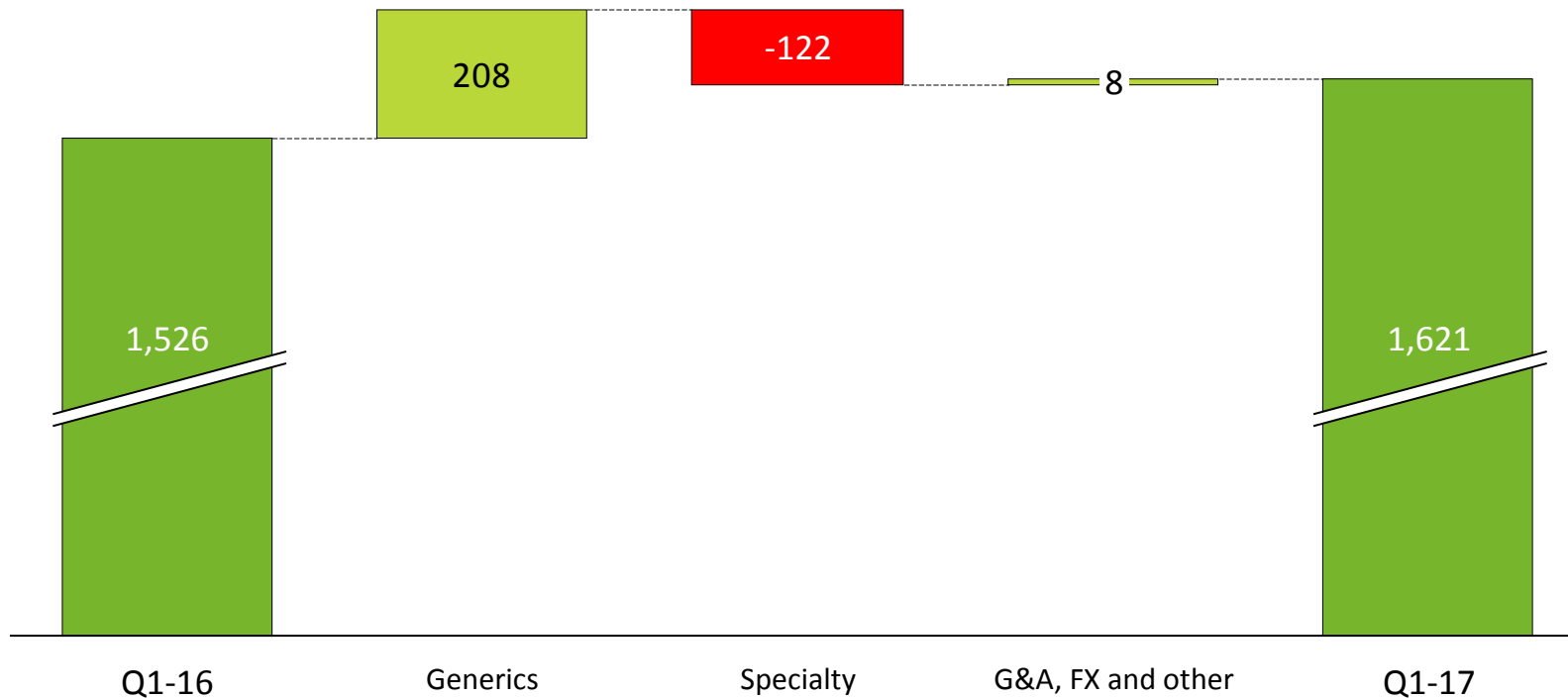
Quarterly Revenue Breakdown by Business Line

\$ millions



Quarterly Non-GAAP Operating Profit

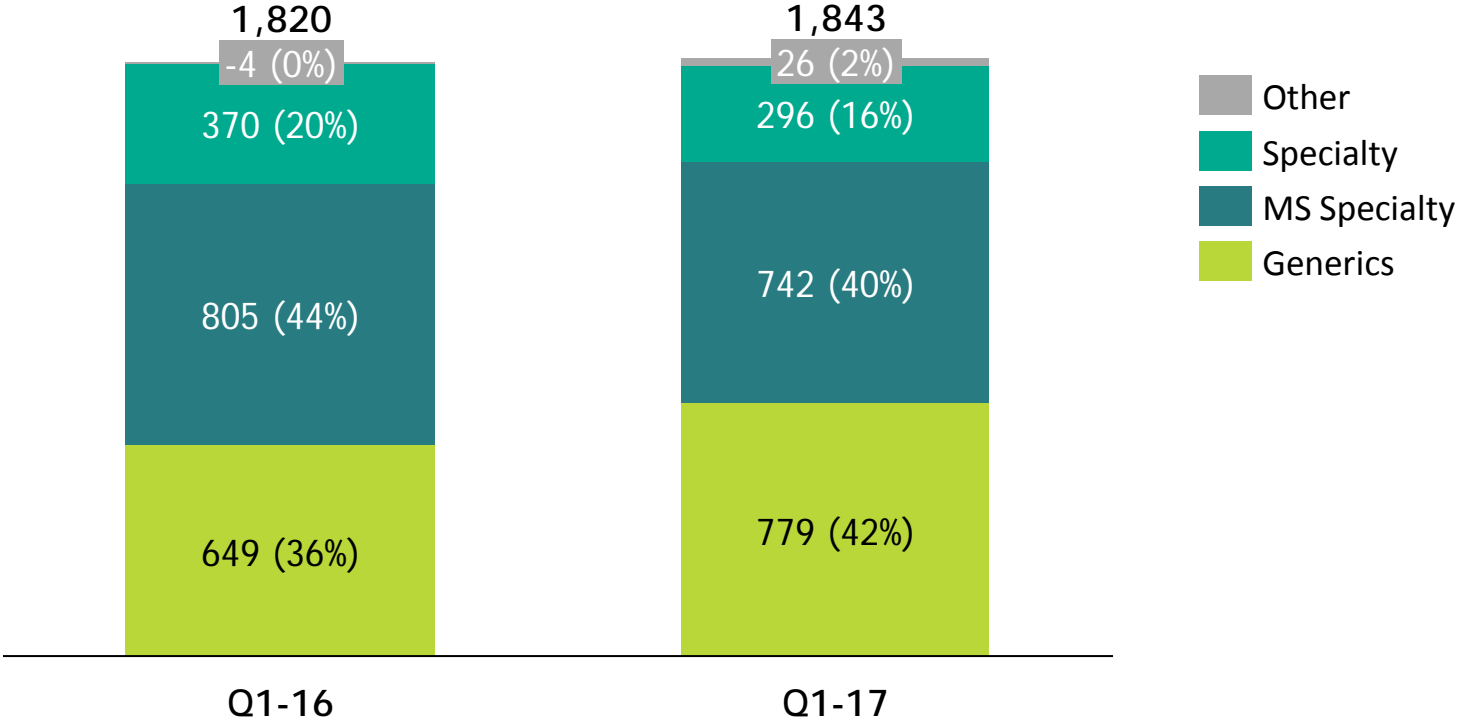
\$ millions



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

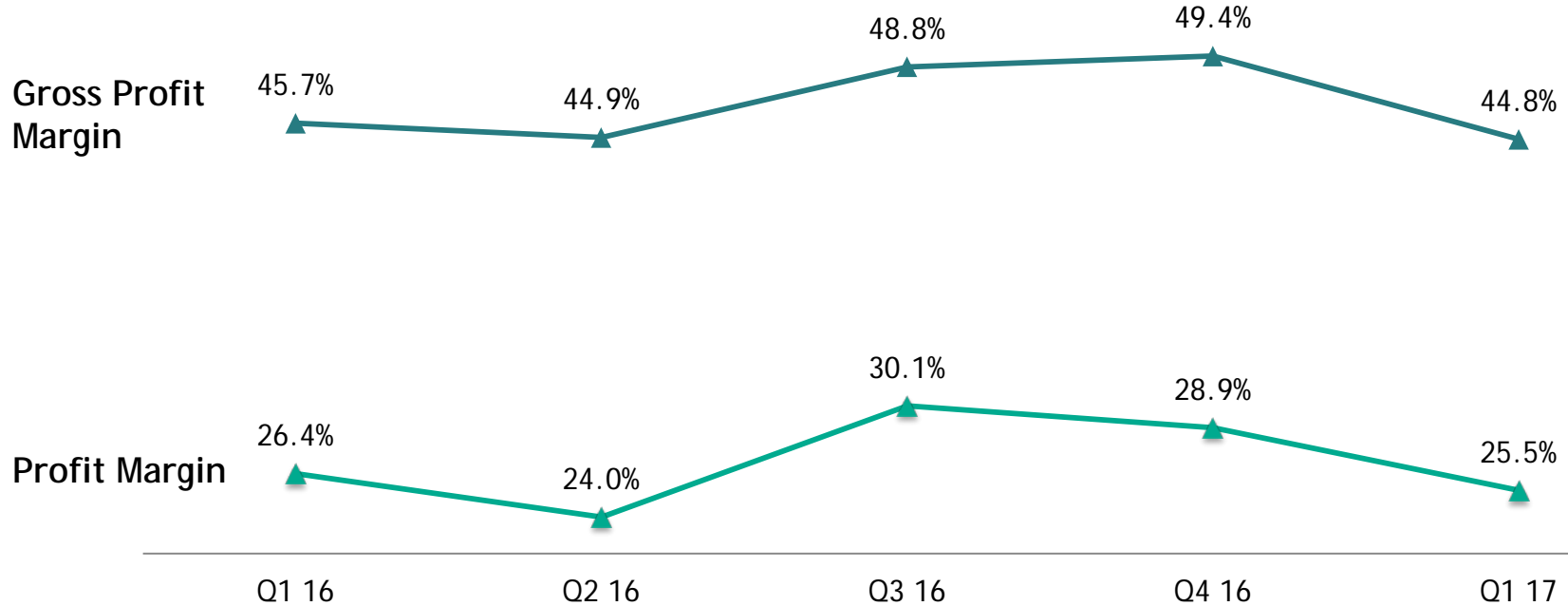
Quarterly Business Line Profit

\$ millions



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 and certain other items.

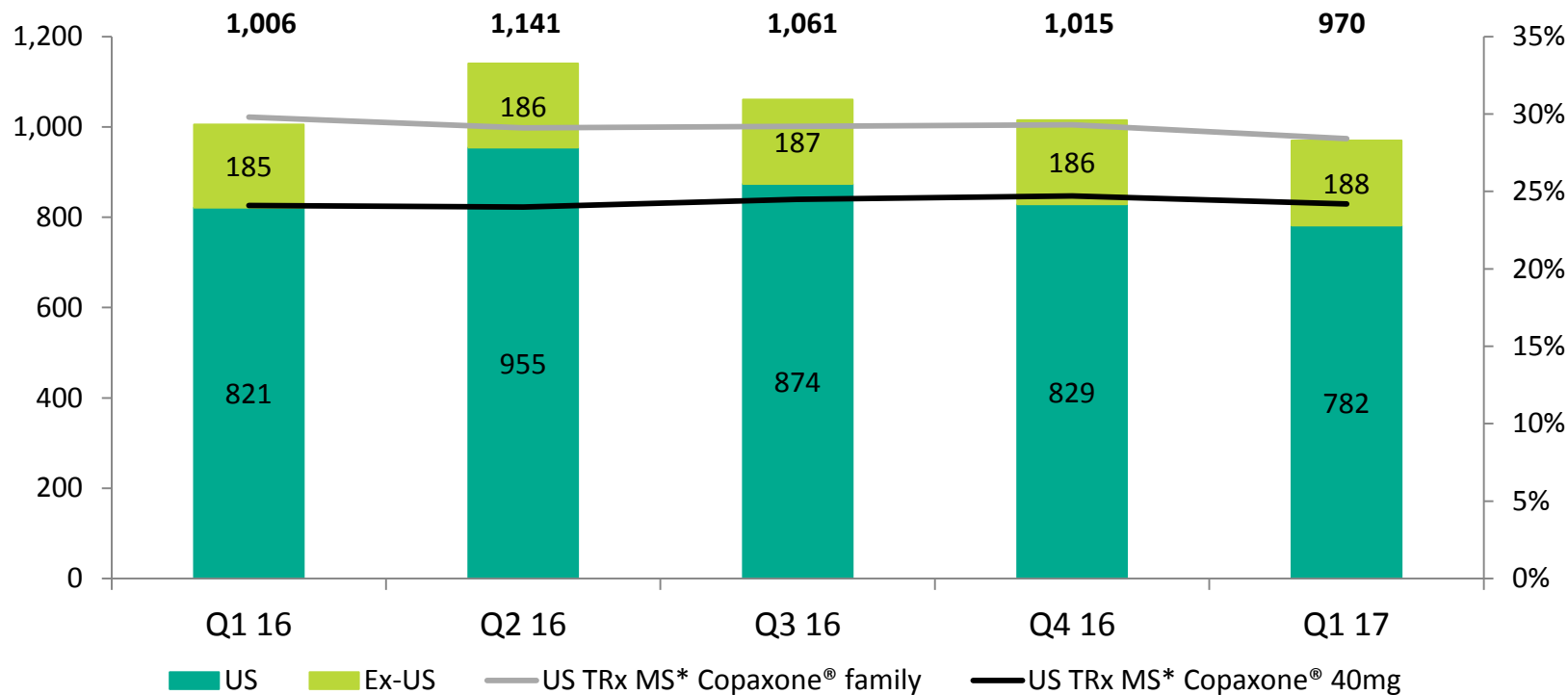
Generics Segment Gross Profit and Profit Margin



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.

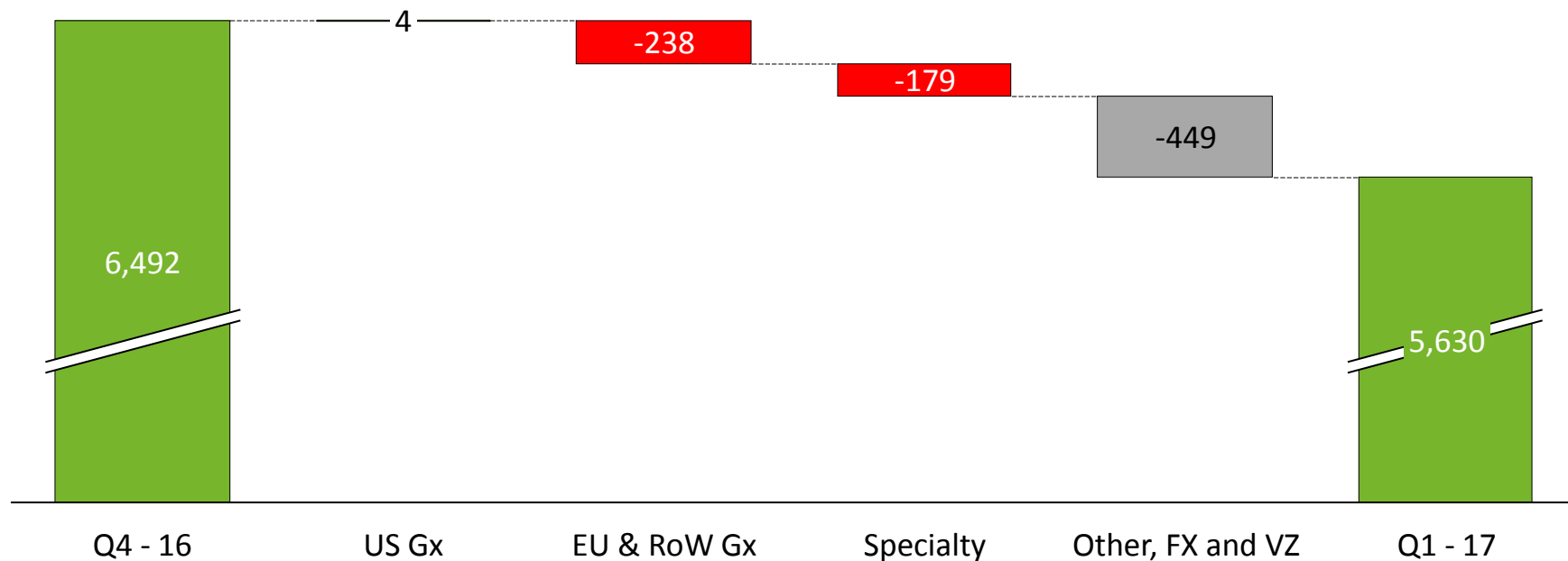
Copaxone[®] revenues and US market shares

\$ millions / % market share

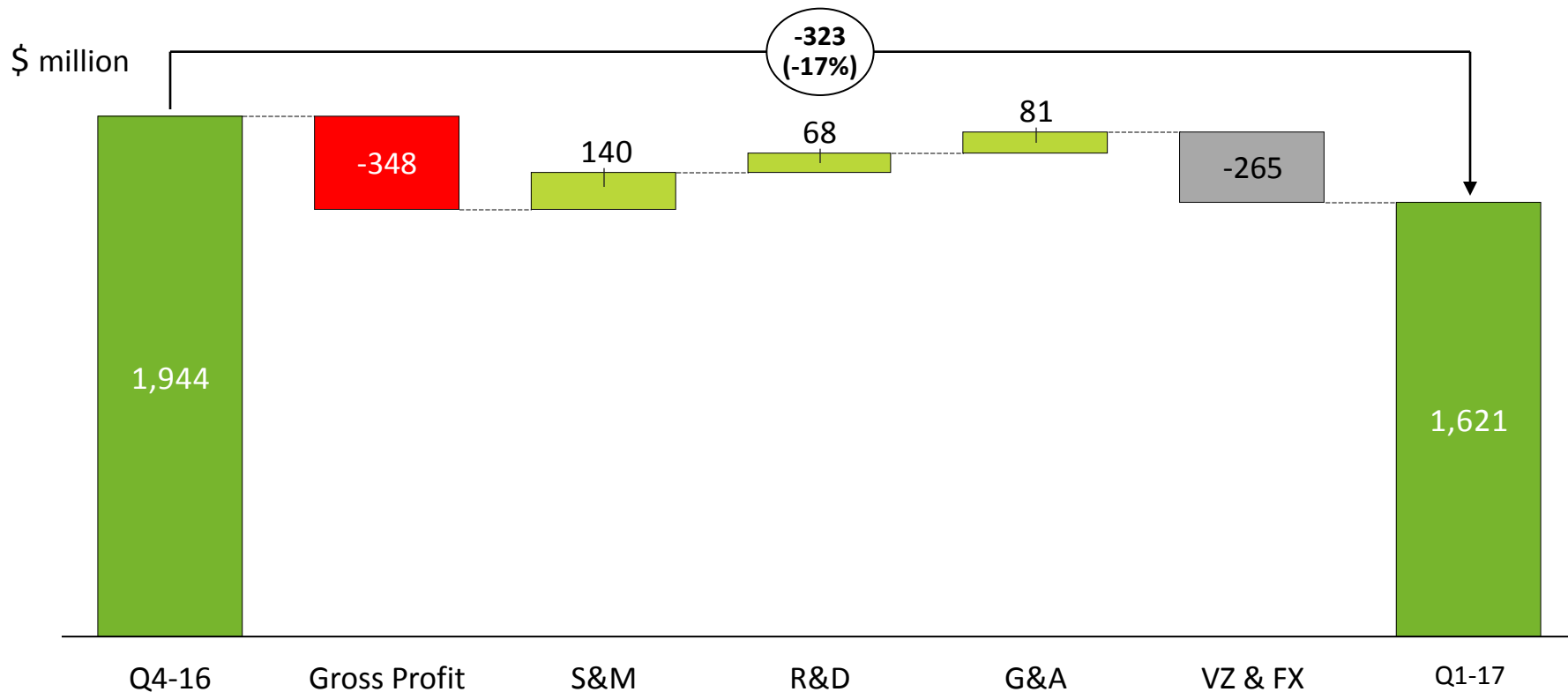


Quarterly Revenues compared to Q4 2016

\$ million



Quarterly Non-GAAP Operating Income compared to Q4 2016

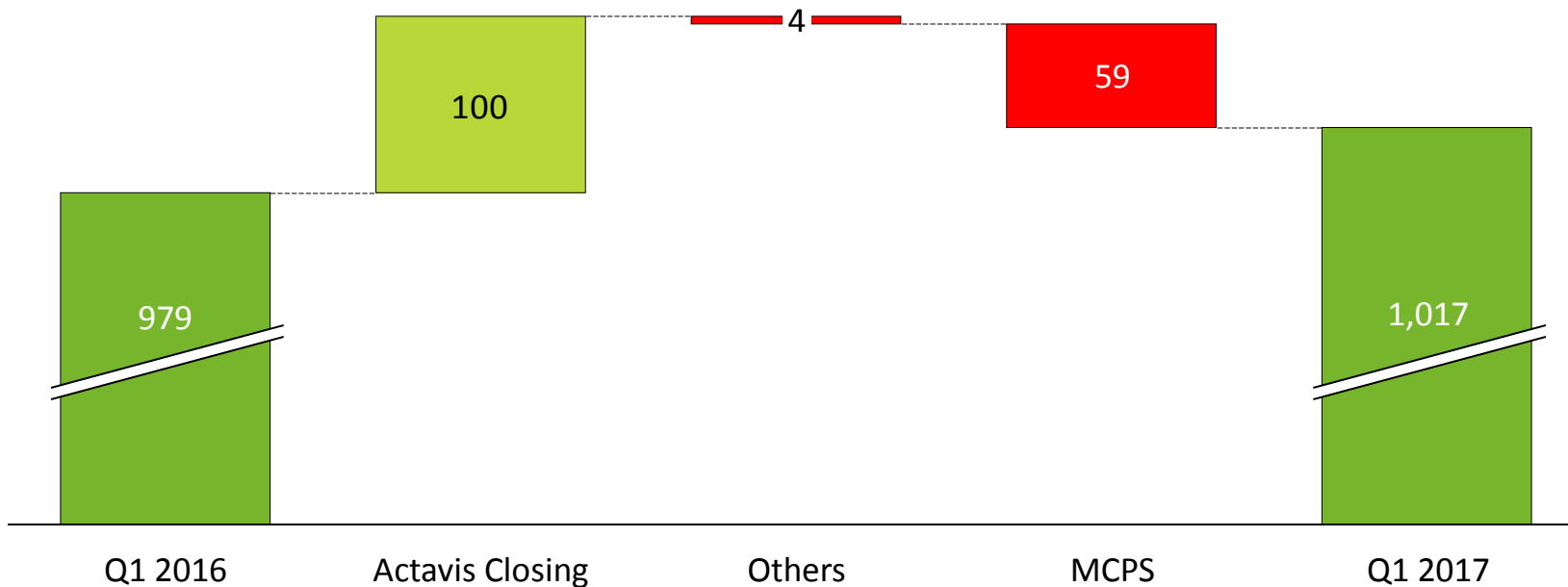


Balance Sheet

\$ billions	Mar 31, 2017	Dec 31, 2016	Diff
Cash and Cash Equivalents	0.9	1.0	-0.1
Other Financial assets	0.3	0.9	-0.6
AR Trade	7.3	7.5	-0.2
Pre-paid Expenses and Other Current Assets	1.7	2.8	-1.1
Inventory	5.0	5.0	0.0
Fixed Assets	8.2	8.1	0.1
Goodwill	45.0	44.4	0.6
Intangible Assets	21.2	21.5	-0.3
Other Long Term Assets	1.7	1.7	0.0
Total Assets	91.3	92.9	-1.6
AP Trade	2.4	2.2	0.2
SR&A	7.5	7.8	-0.3
AP Other	4.2	5.2	-1.0
Total Debt (ST+LT)	34.6	35.8	-1.2
Other Long Term liabilities	6.9	6.9	0.0
Minority	1.7	1.7	0.0
Teva Shareholders' Equity	34.0	33.3	0.7
Total Liabilities & Equity	91.3	92.9	-1.6

Non-GAAP Number of Shares

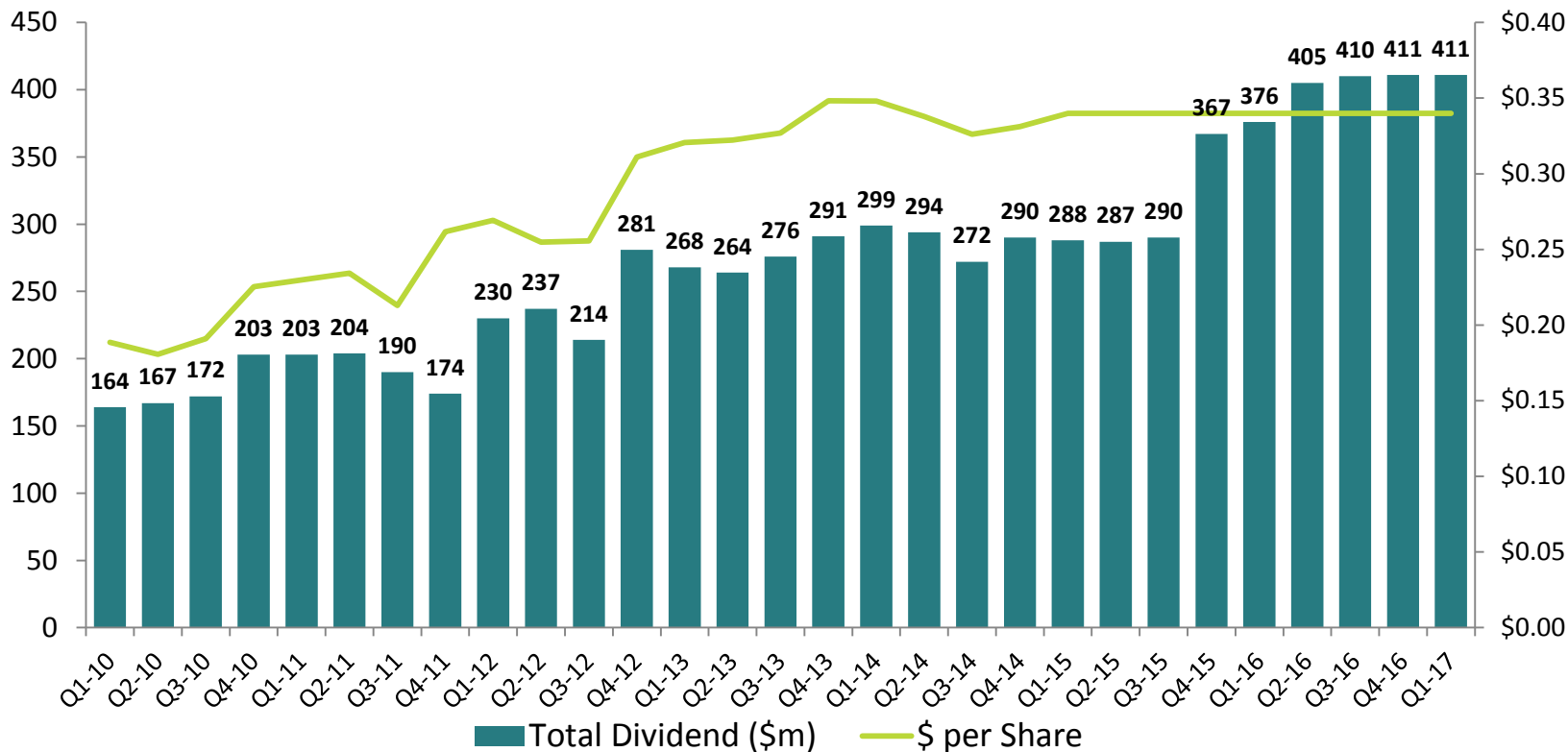
Million shares, fully diluted



Quarterly Dividend

Teva's Dividend History

Q1 2017 dividend per ordinary share / ADS 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").

Q&A

Additional Information

Q1 2017 GAAP Income Data

\$ millions, except EPS	Q1-17	Q1-17 Margins	Q1-16	Q1-16 Margins	Diff
Revenues	5,630		4,810		+17%
COGS	2,811	49.9%	2,019	42.0%	+39%
Gross profit	2,819	50.1%	2,791	58.0%	+1%
R&D	457	8.1%	389	8.1%	+17%
S&M	971	17.2%	839	17.4%	+16%
G&A	236	4.2%	304	6.3%	(22%)
Impairments, restructuring and others	240	4.3%	119	2.5%	+102%
Legal settlements and loss contingencies	20	0.4%	(25)	(0.5%)	n/a
Operating income	895	15.9%	1,165	24.2%	(23%)
Finance exp.	207	3.7%	298	6.2%	(31%)
Tax	54	7.8%	228	26.3%	(76%)
Minority and share in profit	(11)	(0.2%)	3	0.1%	n/a
Net income attributable to Teva	645	11.5%	636	13.2%	+1%
Dividends on preferred shares	65		66		
Net income attributable to ordinary shareholders	580		570		
# of shares (diluted, millions)	1,017		920		
EPS (\$)	0.57		0.62		(8%)

Q1 2017 Non-GAAP Income Data

\$ millions, except EPS	Q1-17	Q1-17 Margins	Q1-16	Q1-16 Margins	Diff
Revenues	5,630		4,810		+17%
COGS	2,434	43.2%	1,794	37.3%	+36%
Gross profit	3,196	56.8%	3,016	62.7%	+6%
R&D	446	7.9%	375	7.8%	+19%
S&M	907	16.1%	821	17.1%	+10%
G&A	222	3.9%	294	6.1%	(24%)
Operating income	1,621	28.8%	1,526	31.7%	+6%
Finance exp.	235		52		+352%
Tax	240	17.3%	302	20.5%	(21%)
Net income attributable to Teva	1,144	20.3%	1,172	24.4%	(2%)
Dividends on preferred shares	65		66		
Net income attributable to ordinary shareholders	1,079		1,106		
Net income attributable to ordinary shareholders for diluted EPS*	1,079		1,172		
# of shares (diluted, millions)	1,017		979		
EPS (\$)	1.06		1.20		(11%)

* Dividends on the mandatory convertible preferred shares of \$66 million in Q1 2016 are added back to non-GAAP net income attributable to ordinary shareholders, since such preferred shares had a dilutive effect on non-GAAP earnings per share.

Q1 2017 Non-GAAP Income Data

\$ millions, except EPS	Q1-17	Q1-17 Margins	Q1-16	Q1-16 Margins	Diff
Revenues	5,630		4,810		+17%
COGS	2,434	43.2%	1,794	37.3%	+36%
Gross profit	3,196	56.8%	3,016	62.7%	+6%
R&D	446	7.9%	375	7.8%	+19%
S&M	907	16.1%	821	17.1%	+10%
G&A	222	3.9%	294	6.1%	(24%)
Operating income	1,621	28.8%	1,526	31.7%	+6%
Finance exp.	235		52		+352%
Tax	240	17.3%	302	20.5%	(21%)
Minority and share in profit	2		0		n/a
Net income attributable to Teva	1,144	20.3%	1,172	24.4%	(2%)
# of shares (diluted, millions)	1,017		979		
EPS (\$)	1.06		1.20		(11%)