



# Barclays Global Healthcare Conference

March 14, 2013



# Eyal Desheh

Executive Vice President,  
Chief Financial Officer

# Disclaimer

This presentation and the accompanying remarks contain forward-looking statements, which express the current beliefs and expectations of management. Such statements 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 from the introduction of competing generic equivalents and due to increased governmental pricing pressures, the effects of competition on sales of our innovative medicines, especially Copaxone<sup>®</sup> (including competition from innovative orally-administered alternatives as well as from potential generic equivalents), potential liability for sales of generic medicines prior to a final resolution of outstanding patent litigation, including that relating to our generic version of Protonix<sup>®</sup>, our ability to execute the strategies and initiatives described in this presentation (including, without limitation, cost-cutting measures), the extent to which we may obtain U.S. market exclusivity for certain of our new generic medicines, the extent to which any manufacturing or quality control problems damage our reputation for high quality production and require costly remediation, our ability to identify, consummate and successfully integrate acquisitions, our ability to achieve expected results through our innovative R&D efforts, dependence on the effectiveness of our patents and other protections for innovative medicines, intense competition in our specialty pharmaceutical businesses, uncertainties surrounding the legislative and regulatory pathway for the registration and approval of biotechnology-based medicines, our potential exposure to product liability claims to the extent not covered by insurance, any failures to comply with the complex Medicare and Medicaid reporting and payment obligations, our exposure to currency fluctuations and restrictions as well as credit risks, the effects of reforms in healthcare regulation and pharmaceutical pricing and reimbursement, adverse effects of political instability and adverse economic conditions, major hostilities or acts of terrorism on our significant worldwide operations, increased government scrutiny in both the U.S. and Europe of our agreements with brand companies, interruptions in our supply chain or problems with our information technology systems that adversely affect our complex manufacturing processes, the impact of continuing consolidation of our distributors and customers, the difficulty of complying with U.S. Food and Drug Administration, European Medicines Agency and other regulatory authority requirements, potentially significant impairments of intangible assets and goodwill, potential increases in tax liabilities resulting from challenges to our intercompany arrangements, the termination or expiration of governmental programs or tax benefits, any failure to retain key personnel or to attract additional executive and managerial talent, environmental risks. Other factors in addition to those discussed herein could cause our results to differ materially from the forward-looking statements. Such factors are discussed in our Annual Report on Form 20-F for the year ended December 31, 2011 and in our 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 we undertake no obligation to update any forward-looking statements or other information contained in this presentation, whether as a result of new information, future events or otherwise. You are advised, however, to consult any additional disclosures we make in our reports to the SEC on Form 6-K.

# Today's objectives

Vision and strategy

Reshaping of Teva

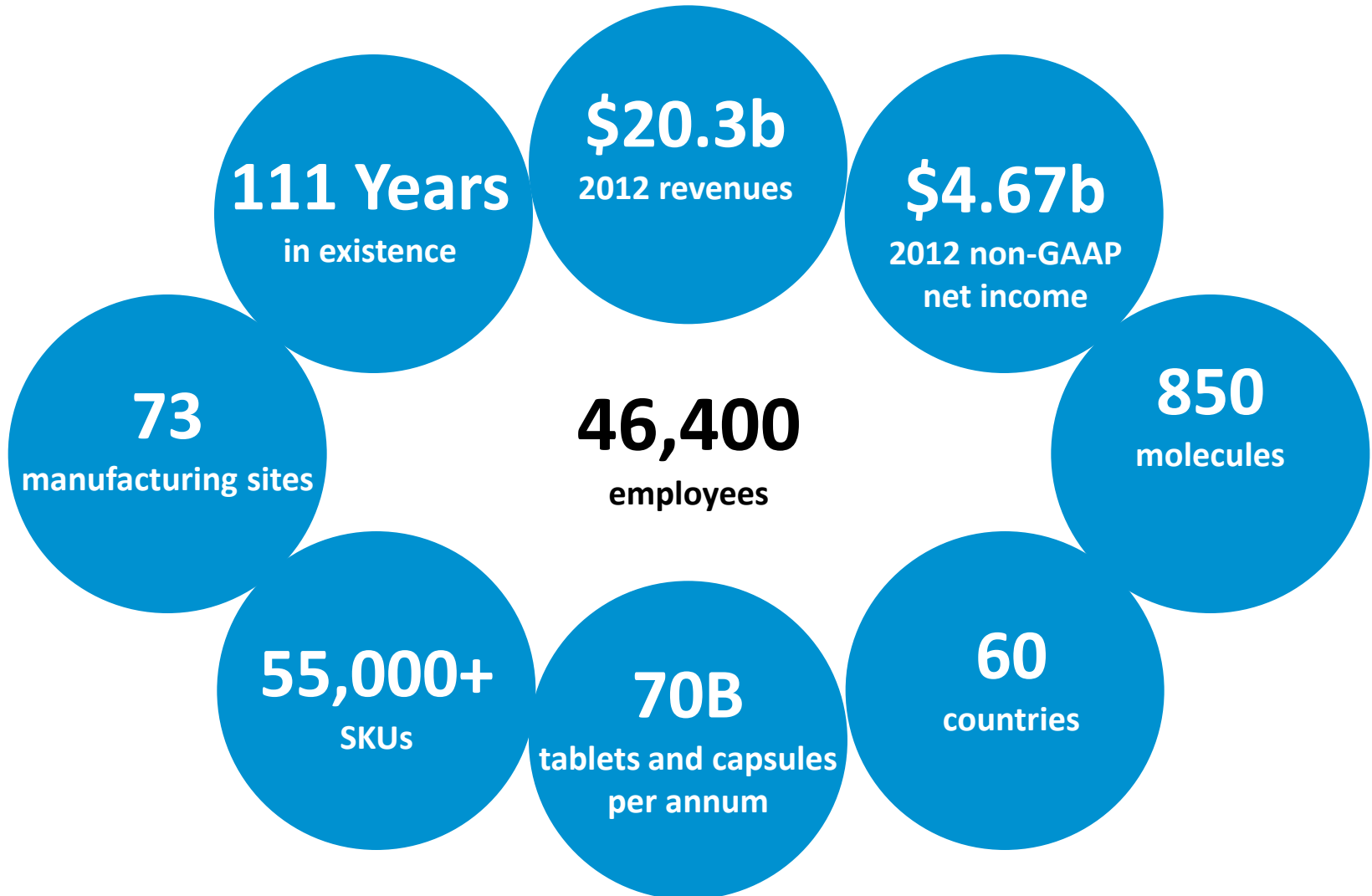
Growth platforms

Business development

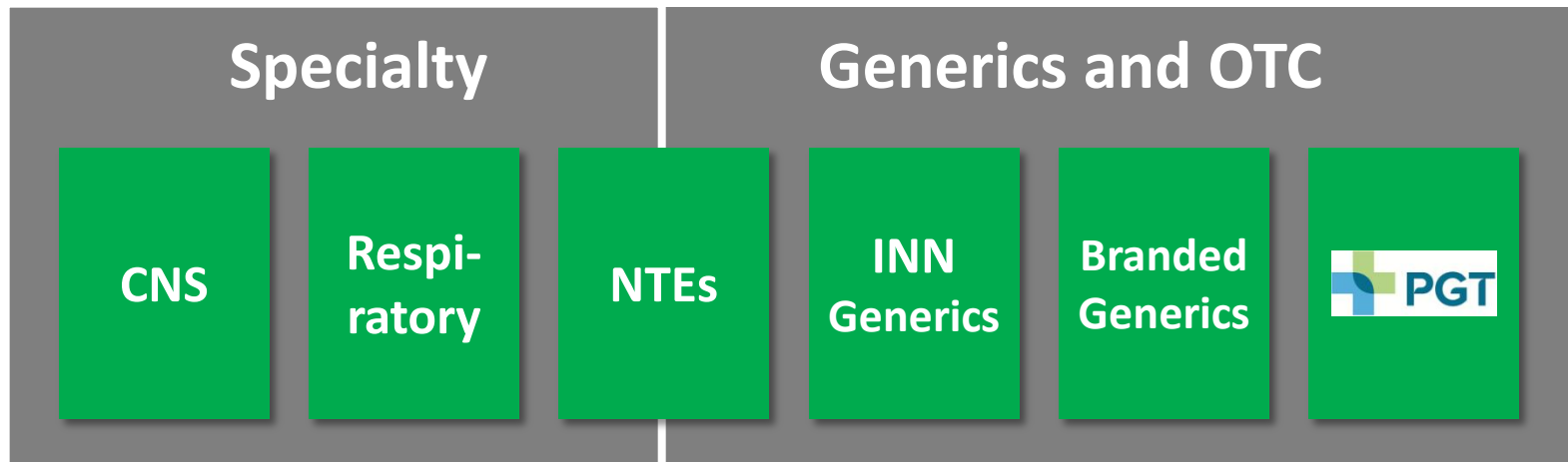
# Our vision

The most indispensable medicines  
company in the world, executing on our  
obligation to our patients, customers,  
shareholders and employees

# Teva Today



# Aligned with customer and market needs



Medical  
Needs

Societal  
Needs

Consumer  
Needs



**Reshape**



**Renew**



**Reward**



# How do we get there?

Accelerate growth platforms

Extend global presence

Strategic business development

Focus, protect and expand core franchises

Reduce cost base

Develop people and foster entrepreneurial spirit

# Profitable growth 2013-17 and beyond

Top line organic growth (despite loss of patent exclusivity)

Cost savings opportunities (\$1.5-2.0B) allows for stable and robust operating profit

Strong cash flow enables

- investment in inorganic growth
- shareholder reward

The background of the image is a clear, vibrant blue sky filled with several fluffy white clouds of varying sizes and shapes. The clouds are scattered across the frame, with some appearing more prominent than others. The overall atmosphere is bright and airy.

**Teva today**

# Our Foundation

Passionate employees

Unparalleled global footprint

Solid fundamentals

Comprehensive portfolio

World-leading multiple sclerosis franchise

# Challenges

Legacy of large acquisitions

Unfocused pipeline

Complexity of business

Inefficient cost structure

Increasing competition in multiple sclerosis

Specialty products losing exclusivity

# A changing industry

Fewer large generic opportunities

Increasing competition in commodity generics

Healthcare systems under pressure

Rising bar for product innovation

Complicated, expanding global market

# Strengths

Critical provider to global healthcare systems

Generics, Specialty and OTC

Local entrepreneurship and global scale

Patient engagement capabilities

Integrated Generics and Specialty R&D

Customer understanding and relationships

Strong partnering experience

A bright blue sky with scattered white clouds. The clouds are of various sizes and shapes, some appearing as soft, fluffy patches while others are more defined and wispy. The overall scene is clear and bright, suggesting a sunny day.

Teva **tomorrow**



# The new Teva

## Less

Complexity

Cost

Network footprint

Commodity

## More

Globalized

Valuable pipeline

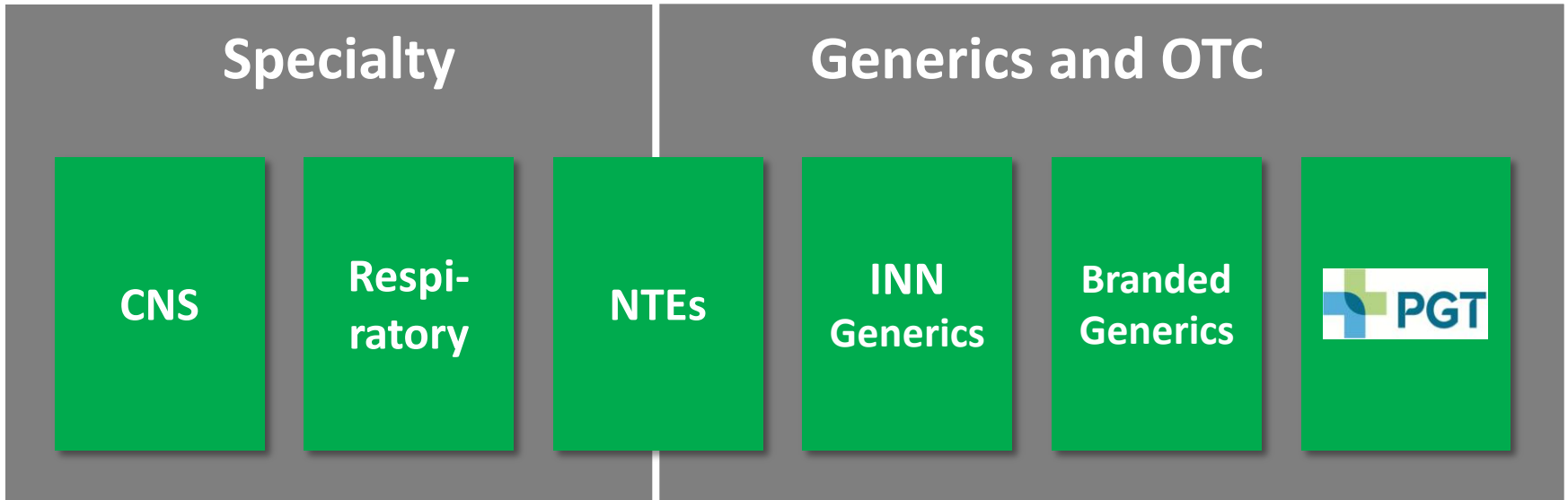
Sustainable products

Patient and customer focus

Balanced profits

Shareholder value

# Our Path to Growth



- **Protect and expand MS franchise**
  - **Build CNS products & pipeline**
  - **Invest in respiratory capabilities & pipeline; Continue global expansion**
  - **Capitalize on unique Teva interface between generics & specialty through NTEs**
  - **Selectively invest in Oncology, Women's Health & Biologics**
- **First-to-file, First-to-market**
  - **Highly differentiated, high barrier complex products**
  - **Enhanced presence in emerging markets**
  - **Focus on value creation and sustained profitability**

# Generics: a strong core

Impact  
healthcare system



EU: 2.7M prescriptions a day  
U.S.: 1.5M prescriptions a  
day

Pipeline of  
high value products



450 launches in 2012

Branded  
generics business



~\$2B focused on  
growing economies

R&D capabilities



~400 molecules in  
development

# Generics: a great future

Impact  
healthcare system



Global

Pipeline  
of high-value products



Sustainable  
high-barrier to entry

Branded  
generics business



Rapid growth

R&D capabilities



Dramatically enhanced  
in selected areas

# Emerging Markets: A growth engine

<b>Sizable</b>	~6 billion patients
<b>Fast growing</b>	Expected to double in 5 years ~\$100B to over \$200B
<b>Sustained profitability</b>	Branded generics markets that value quality

# Tailored growth plan

Current  
position

Top 3  
Gx Co.

Top 50  
Pharma Co.

Early  
Stage

New  
Markets



**Commercial  
excellence**



**Critical mass**



**Partnership**



**Alliance**

# OTC: a winning partnership

Strategic  
alliance

*P&G*

Footprint

Over 20 countries,  
focused on high growth

Growth

11% in FY12

Brands



**ratiopharm**

# Specialty medicines: Maintain revenue through organic growth

Active defense of key products

Significant value in core therapeutic areas

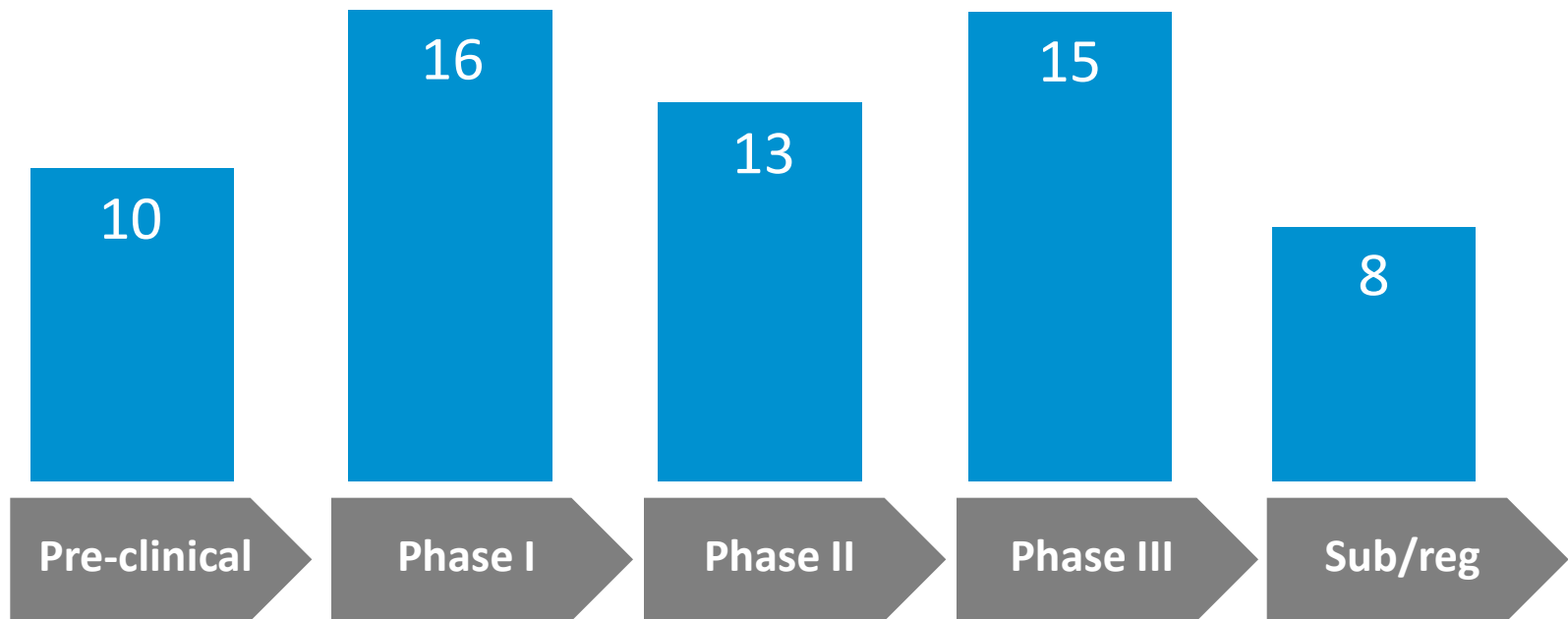
Attractive organic growth



# Refine and enhance pipeline - 2013

18 new programs

12 programs discontinued



# NEW THERAPEUTIC ENTITY

Known molecule that is formulated, delivered, or used in a novel way to address specific patient needs

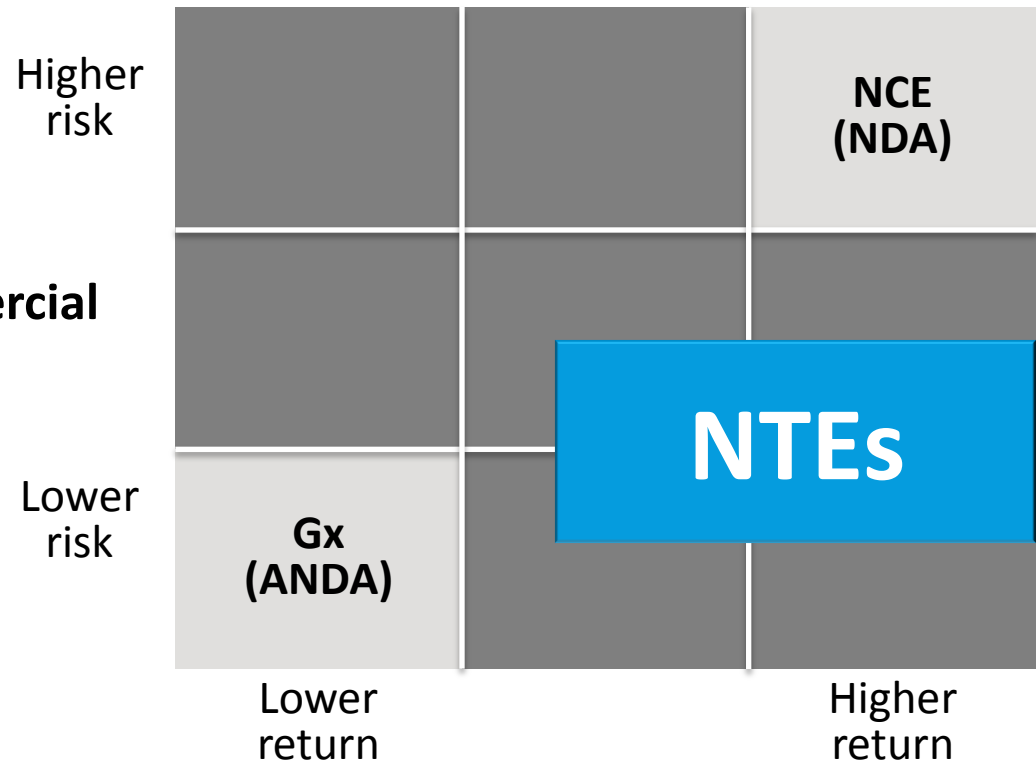
# New Therapeutic Entities (NTEs)

**Commercial opportunity linked to level of differentiation and value added**

- Efficacy
- Compliance/adherence
- Safety/tolerability

**Teva can apply different commercial models and expertise**

- Demand creation
- Patient support services
- Market access
- Retail channel



# Business development

Global vision, global strategy

Resources of large pharma, flexibility of biotech

Linking strategy with BD to drive major growth

Expertise in strategic transactions

\$10B available over next five years

# Business development strategy

Balance investment in growth with return to investors

Build CNS, Respiratory, OTC

Strategic alliances in key areas

Selective geographic investment

Small to mid-size deals

Accretive and growth transactions

Divest non-core assets

# Balanced cash allocation for more shareholder reward

Organic cash flow from operations: \$4.5-5.5B per year until 2017

Business development	Around <b>\$2 Billion</b> per year
Shareholder return	<b>\$1 - 2 Billion</b> per year
Debt service	Up to <b>\$1 Billion</b> per year
Capital expenditure	Up to <b>\$1 Billion</b> per year

# Reshaping Teva

Increase organizational effectiveness

Optimize procurement

Move to lower-cost plants in network

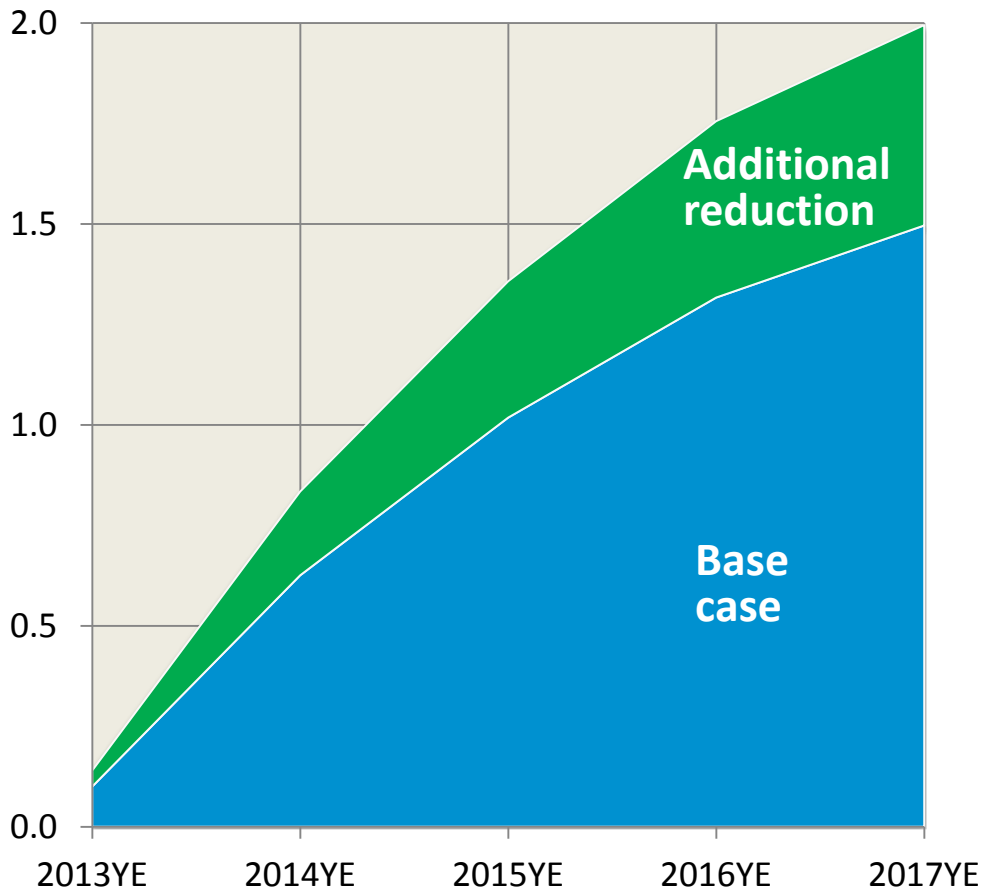
Reduce excess capacity

Improve plant efficiency

# \$1.5B to 2.0B cost savings

70% achievable  
in 3 years

Estimated reduction 2013-2017, \$B



Ramp-up over time due to magnitude and complexity of change

Expect most impact in 2014-2015

Help mitigate price erosion, volume growth and other factors



# Teva 2017: a reshaped company

Sustainable profitable growth

Sector leadership

Present in all major markets

Consistent shareholder value creation

Successful alliances

Rich pipeline

# Teva

Visibility on current status of business

Strong growth platforms

Clear path forward

Strong management team

Commitment to reward investors

**Significant value creation**



# Barclays Global Healthcare Conference

March 14, 2013