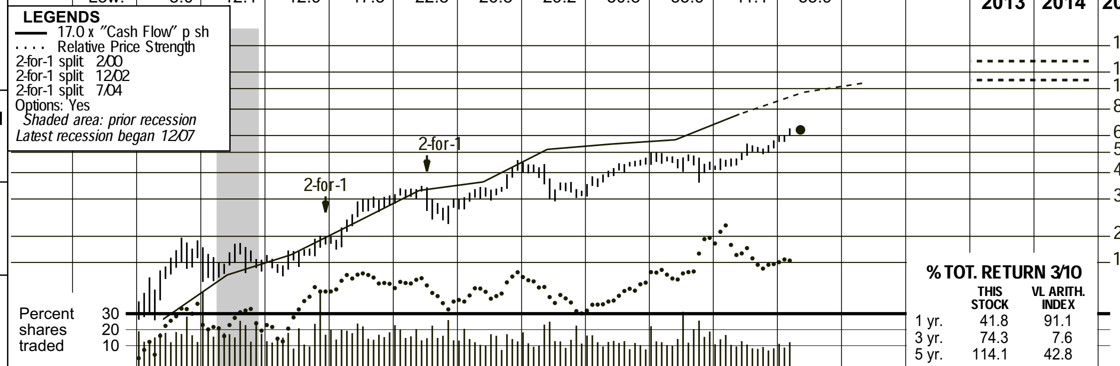
TEVA PHARM. (ADR) NDQ-TEVA [A]

RECENT PRICE 63.77 | P/E RATIO 15.2 (Trailing: 18.9 Median: NMF) | RELATIVE P/E RATIO 0.85 | DIV'D YLD 1.2% | VALUE LINE

TIMELINESS 2 Raised 2/26/10
SAFETY 1 Raised 10/16/09
TECHNICAL 3 Lowered 3/26/10
BETA .55 (1.00 = Market)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
High:	19.7	18.6	20.1	31.2	34.7	45.9	44.7	47.1	50.0	56.9	64.9
Low:	8.0	12.1	12.9	17.3	22.8	26.8	29.2	30.8	35.9	41.1	55.9

Target Price Range 2013 | 2014 | 2015



2013-15 PROJECTIONS

	Price	Gain	Ann'l Total Return
High	135	(+110%)	21%
Low	110	(+70%)	15%

Insider Decisions

	M	J	J	A	S	O	N	D	J
to Buy	0	0	0	0	0	0	0	0	0
Options	0	0	0	0	0	0	0	0	0
to Sell	0	0	0	0	0	0	0	0	0

Institutional Decisions

	2Q2009	3Q2009	4Q2009
to Buy	465	412	449
to Sell	333	407	375
Hld's(000)	568161	557392	544609

% TOT. RETURN 3/10

	THIS STOCK	VL ARITH. INDEX
1 yr.	41.8	91.1
3 yr.	74.3	7.6
5 yr.	114.1	42.8

1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	© VALUE LINE PUB., INC.	13-15
--	--	--	--	--	--	3.42	4.13	4.87	5.99	7.85	8.49	11.09	12.25	13.03	15.71	**18.00**	**19.65**	Sales per sh	24.55
--	--	--	--	--	--	.48	.77	.96	1.36	1.94	2.13	3.03	3.22	3.37	4.45	**5.65**	**6.30**	"Cash Flow" per sh	7.45
--	--	--	--	--	--	.29	.53	.76	1.07	1.42	1.59	2.30	2.38	2.86	3.37	**4.50**	**5.10**	Earnings per sh [B]	6.15
--	--	--	--	--	--	.06	.07	.10	.16	.20	.27	.31	.39	.49	.60	**.75**	**.75**	Div'ds Decl'd per sh [C]	1.00
--	--	--	--	--	--	.17	.23	.31	.38	.51	.50	.51	.71	.80	.81	**.85**	**.85**	Cap'l Spending per sh	.90
--	--	--	--	--	--	2.25	2.74	3.54	6.02	8.81	9.77	14.70	17.87	19.15	21.72	**25.50**	**30.00**	Book Value per sh [D]	44.00
--	--	--	--	--	--	511.67	503.40	517.20	546.80	611.40	618.60	758.00	768.00	851.00	885.00	**890.00**	**890.00**	Common Shs Outst'g [E]	875.00
--	--	--	--	--	--	46.5	28.9	21.4	23.7	21.1	21.0	15.9	17.1	15.8	14.3	*Bold figures are*		Avg Ann'l P/E Ratio	20.0
--	--	--	--	--	--	3.02	1.48	1.17	1.35	1.11	1.12	.86	.91	.95	.96	*Value Line*		Relative P/E Ratio	1.35
--	--	--	--	--	--	.4%	.5%	.6%	.6%	.7%	.8%	.9%	1.0%	1.1%	1.2%	*estimates*		Avg Ann'l Div'd Yield	.8%

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011		13-15
1749.9	2077.4	2518.6	3276.4	4798.9	5250.4	8408.0	9408.0	11085	13899	**16000**	**17500**	Sales ($mill)	21500
19.4%	23.4%	24.3%	27.9%	30.0%	29.6%	32.4%	31.0%	28.6%	34.3%	**37.5%**	**38.0%**	Operating Margin	37.0%
95.0	109.1	86.8	127.7	220.4	242.5	431.0	521.0	493.0	908.0	**910**	**920**	Depreciation ($mill)	950
148.4	278.2	410.3	617.8	964.6	1072.3	1867.0	1952.0	2374.0	3029.0	**4135**	**4685**	Net Profit ($mill)	5565
28.6%	18.7%	17.0%	20.0%	22.2%	18.0%	14.9%	16.9%	9.6%	15.8%	**16.0%**	**16.0%**	Income Tax Rate	17.0%
8.5%	13.4%	16.3%	18.9%	20.1%	20.4%	22.2%	20.7%	21.4%	21.8%	**25.8%**	**26.8%**	Net Profit Margin	25.9%
825.1	1439.8	1377.2	2021.5	1997.6	3245.2	3569.0	4488.0	2945.0	4539.0	**7850**	**11700**	Working Cap'l ($mill)	23000
813.9	1246.9	1152.2	815.4	1728.4	1773.3	4585.0	3347.0	5537.0	4311.0	**4100**	**3900**	Long-Term Debt ($mill)	3300
1151.3	1380.7	1829.4	3289.4	5388.9	6042.3	11142	13724	16300	19222	**22700**	**26700**	Shr. Equity ($mill)	38500
8.6%	11.4%	14.6%	15.5%	13.8%	13.9%	12.3%	11.8%	11.3%	13.4%	**16.0%**	**15.5%**	Return on Total Cap'l	13.5%
12.9%	20.2%	22.4%	18.8%	17.9%	17.7%	16.8%	14.2%	14.6%	15.8%	**18.0%**	**17.5%**	Return on Shr. Equity	14.5%
10.5%	17.8%	19.9%	16.5%	15.7%	15.1%	14.7%	12.0%	12.2%	13.0%	**15.5%**	**15.0%**	Retained to Com Eq	12.5%
19%	12%	11%	12%	13%	15%	12%	15%	16%	17%	**16%**	**14%**	All Div'ds to Net Prof	16%

CAPITAL STRUCTURE as of 12/31/09
Total Debt $5,612 mill. **Due in 5 Yrs** $2,855 mill.
LT Debt $4,311 mill. **LT Interest** $200.0 mill.
(18% of Cap'l)
Leases, Uncapitalized Annual rentals $64.0 mill.

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 885,000,000 shs.
(each ADR is equivalent to one common share)

MARKET CAP: $56.4 billion (Large Cap)

CURRENT POSITION ($MILL.)	2007	2008	12/31/09
Cash Assets	2875	1907	2248
Receivables	3546	4653	5019
Inventory (Avg Cst)	2440	3396	3332
Other	998	1470	1542
Current Assets	9859	11426	12141
Accts Payable	1383	2244	2680
Debt Due	1841	2906	1301
Other	2147	3331	3621
Current Liab.	5371	8481	7602

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '07-'09 to '13-'15
Sales	--	19.5%	11.0%
"Cash Flow"	--	25.5%	13.0%
Earnings	--	26.0%	14.0%
Dividends	--	29.0%	14.0%
Book Value	--	33.5%	15.0%

Cal-endar	QUARTERLY SALES ($ mill.) Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2007	2080	2386	2366	2576	9408
2008	2572	2823	2842	2848	11085
2009	3147	3400	3550	3802	13899
2010	**3700**	**3900**	**4100**	**4300**	**16000**
2011	**4100**	**4250**	**4450**	**4700**	**17500**

Cal-endar	EARNINGS PER SHARE [B] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2007	.42	.63	.64	.69	2.38
2008	.70	.68	.72	.76	2.86
2009	.71	.83	.89	.94	3.37
2010	**.95**	**1.10**	**1.20**	**1.25**	**4.50**
2011	**1.15**	**1.25**	**1.30**	**1.40**	**5.10**

Cal-endar	QUARTERLY DIVIDENDS PAID [C] Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.072	.074	.077	.078	.30
2007	.094	.099	.095	.101	.39
2008	.122	.135	.125	.111	.49
2009	.14	.15	.156	.157	.60
2010	.184				

BUSINESS: Teva Pharmaceutical Industries Limited, based in Israel, is a global pharmaceutical company that develops, manufactures, and markets generic and proprietary branded drugs and active pharmaceutical ingredients. About 85% of sales are derived from North America and Europe. Teva's largest proprietary branded products incl. *Copaxone* (used to treat multiple sclerosis) and *Azilect* (for Parkinson's disease). Acq'd Sicor in 1/04; IVAX, 1/06; Barr, 12/08. Has about 35,100 empls. worldwide. Off. and dir. own approx. 4.0% of common (2009 20-F). Chairman: Dr. Philip Frost. Pres./CEO: Shlomo Yanai. Inc.: Israel. Address: 5 Basel Street, P.O. Box 3190, Petach Tikva 49131 Israel. Tel. (Israel): 972-3-926-7267. Tel. (U.S.): 215-591-8912. Internet: www.tevapharm.com.

Teva ADRs recently hit an all-time high on news that the company has agreed to acquire ratiopharm, Germany's second-largest generic drug maker, for about $5 billion in cash and debt. The deal is scheduled to close by yearend, if all goes well. Once completed, it should generate at least $400 million in cost synergies over the next three years, and be accretive to earnings by next year. **We think ratiopharm is a good fit,** as it would strengthen Teva's leading position in Europe, particularly in key markets Germany, Spain, Italy, and France. The purchase is also consistent with Teva's long-term growth strategy (discussed below). (Note, however, that our estimates won't reflect the acquisition of ratiopharm until the deal is completed.)

Profits seem poised to advance at a solid pace in 2010. On a stand-alone basis, we still look for share net to climb 34% this year, on a revenue increase of about 15%. Results should be driven by continued strength from core drugs *Copaxone, Azilect,* and *ProAir* (respiratory product), as well as by contributions from Barr, namely the women's health business. In addition, **generic drug launches ought to be abundant.** As of February, the company had 216 product applications awaiting FDA approval, of which branded versions produce combined annual sales of $113 billion. Meanwhile, margins are on track to benefit from cost savings related to the Barr acquisition, estimated to total $500 million by 2011.

The company has outlined a plan that promises to deliver strong growth in the coming years, targeting sales of $31 billion and a net profit margin of 22% by 2015. As part of its strategy, which will include acquisitions, Teva will focus on expanding the core generics business, largely by widening its global footprint in markets with a low generic presence. It also plans to enlarge its branded drug portfolio. Biogenerics will be another avenue of growth that Teva intends to pursue.

This issue is an overall compelling choice. Not only is it ranked favorably for year-ahead price performance, it offers attractive capital appreciation possibilities out to 2013-2015, based on our conservative projections.

J. Susan Ferrara *April 16, 2010*

(A) All figures in US$. Based on U.S. GAAP.
(B) Diluted earnings. Excl. nonrec. gains (charges): '03, $0.11; '04, ($0.92); '06 ($1.61); '08, ($2.08); '09, ($1.14). Next egs. report due early May.
(C) Dividends historically paid early March, early June, late August, and mid-December.
(D) Incl. intangibles. At 12/31/09: $16,878 mill., $18.90/sh.
(E) In millions, adjusted for stock splits. Each ADR equals one common share.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	85
Earnings Predictability	95