TEVA PHARM. (ADR) NDQ-TEVA A	RECENT PRICE 53.20	P/E RATIO 11.0 (Trailing: 13.9 Median: NMF)	RELATIVE P/E RATIO 0.71	DIV'D YLD 1.4%	VALUE LINE

TIMELINESS 3 Lowered 7/2/10
SAFETY 1 Raised 10/16/09
TECHNICAL 3 Lowered 7/16/10
BETA .55 (1.00 = Market)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
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	47.0	

Target Price Range
2013 | 2014 | 2015

2013-15 PROJECTIONS

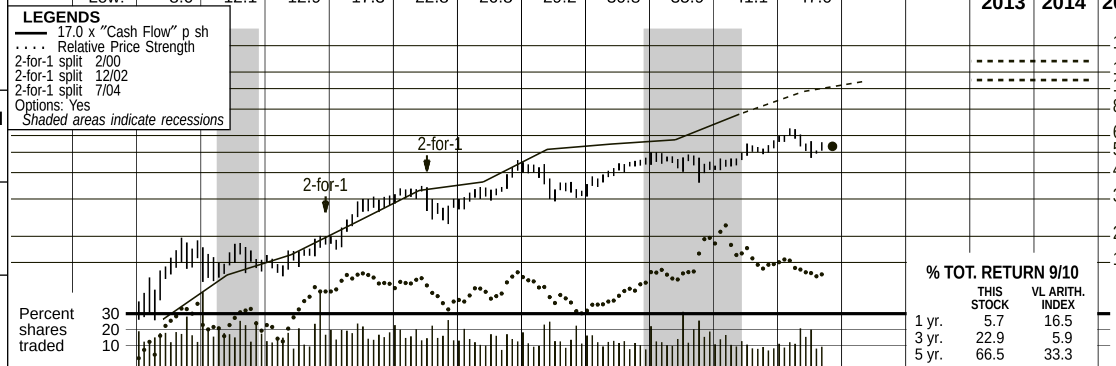
	Price	Gain	Ann'l Total Return
High	135	(+155%)	27%
Low	110	(+105%)	21%

Insider Decisions

	N	D	J	F	M	A	M	J	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

	4Q2009	1Q2010	2Q2010
to Buy	449	446	515
to Sell	375	415	400
Hld's(000)	544609	532266	507854



% TOT. RETURN 9/10

	THIS STOCK	VL ARITH. INDEX
1 yr.	5.7	16.5
3 yr.	22.9	5.9
5 yr.	66.5	33.3

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	17.95	20.55	Sales per sh	25.55
- -	- -	- -	- -	- -	- -	.48	.77	.96	1.36	1.94	2.13	3.03	3.22	3.37	4.45	5.70	6.40	"Cash Flow" per sh	7.70
- -	- -	- -	- -	- -	- -	.29	.53	.76	1.07	1.42	1.59	2.30	2.38	2.86	3.37	4.55	5.20	Earnings per sh B	6.40
- -	- -	- -	- -	- -	- -	.06	.07	.10	.16	.20	.27	.31	.39	.49	.60	.74	.75	Div'ds Decl'd per sh C	1.00
- -	- -	- -	- -	- -	- -	.17	.23	.31	.38	.51	.50	.51	.71	.80	.81	.75	.80	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	25.05	29.70	Book Value per sh D	43.55
- -	- -	- -	- -	- -	- -	511.67	503.40	517.20	546.80	611.40	618.60	758.00	768.00	851.00	885.00	898.00	900.00	Common Shs Outst'g E	890.00
- -	- -	- -	- -	- -	- -	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	19.0
- -	- -	- -	- -	- -	- -	3.02	1.48	1.17	1.35	1.11	1.12	.86	.91	.95	.96	Value Line		Relative P/E Ratio	1.25
- -	- -	- -	- -	- -	- -	.4%	.5%	.6%	.6%	.7%	.8%	.9%	1.0%	1.1%	1.2%	estimates		Avg Ann'l Div'd Yield	.8%

CAPITAL STRUCTURE as of 6/30/10
Total Debt $7,017 mill. **Due in 5 Yrs** $2,855 mill.
LT Debt $5,071 mill. **LT Interest** $300.0 mill.
(21% of Cap'l)
Leases, Uncapitalized Annual rentals $64.0 mill.

No Defined Benefit Pension Plan

Pfd Stock None

Common Stock 897,000,000 shs.
(each ADR is equivalent to one common share)

MARKET CAP: $47.7 billion (Large Cap)

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	16100	18500	Sales ($mill)	22750
19.4%	23.4%	24.3%	27.9%	30.0%	29.6%	32.4%	31.0%	28.6%	34.3%	37.0%	37.5%	Operating Margin	37.0%
95.0	109.1	86.8	127.7	220.4	242.5	431.0	521.0	493.0	908.0	940	950	Depreciation ($mill)	970
148.4	278.2	410.3	617.8	964.6	1072.3	1867.0	1952.0	2374.0	3029.0	4185	4800	Net Profit ($mill)	5875
28.6%	18.7%	17.0%	20.0%	22.2%	18.0%	14.9%	16.9%	9.6%	15.8%	15.0%	15.0%	Income Tax Rate	17.0%
8.5%	13.4%	16.3%	18.9%	20.1%	20.4%	22.2%	20.7%	21.4%	21.8%	26.0%	26.0%	Net Profit Margin	25.8%
825.1	1439.8	1377.2	2021.5	1997.6	3245.2	3569.0	4488.0	2945.0	4539.0	7500	11200	Working Cap'l ($mill)	23000
813.9	1246.9	1152.2	815.4	1728.4	1773.3	4585.0	3347.0	5537.0	4311.0	5500	5300	Long-Term Debt ($mill)	4400
1151.3	1380.7	1829.4	3289.4	5388.9	6042.3	11142	13724	16300	19222	22500	26750	Shr. Equity ($mill)	38750
8.6%	11.4%	14.6%	15.5%	13.8%	13.9%	12.3%	11.8%	11.3%	13.4%	15.5%	15.5%	Return on Total Cap'l	14.0%
12.9%	20.2%	22.4%	18.8%	17.9%	17.7%	16.8%	14.2%	14.6%	15.8%	18.5%	18.0%	Return on Shr. Equity	15.0%
10.5%	17.8%	19.9%	16.5%	15.7%	15.1%	14.7%	12.0%	12.2%	13.0%	15.5%	15.5%	Retained to Com Eq	13.0%
19%	12%	11%	12%	13%	15%	12%	15%	16%	17%	16%	14%	All Div'ds to Net Prof	15%

CURRENT POSITION ($MILL.)	2008	2009	6/30/10
Cash Assets	1907	2248	4878
Receivables	4653	5019	4985
Inventory (Avg Cst)	3396	3332	3078
Other	1470	1542	1502
Current Assets	11426	12141	14443
Accts Payable	2244	2680	2647
Debt Due	2906	1301	1946
Other	3331	3621	3589
Current Liab.	8481	7602	8182

ANNUAL RATES of change (per sh)	Past 10 Yrs.	Past 5 Yrs.	Est'd '07-'09 to '13-'15
Sales	- -	17.0%	11.0%
"Cash Flow"	- -	21.0%	13.0%
Earnings	- -	22.0%	14.0%
Dividends	- -	26.5%	13.0%
Book Value	- -	26.0%	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	3653	3800	4200	4447	16100
2011	4400	4550	4700	4850	18500

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	.91	1.08	1.23	1.33	4.55
2011	1.20	1.27	1.33	1.40	5.20

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	.179	.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 Pharmaceutical's core drug, *Copaxone*, faces heightened competition in the multiple sclerosis therapy market, following the FDA's recent approval of a new treatment in oral form. Until now, *Copaxone* has dominated the MS market. But that may change with Novartis' Gilenia in the picture, as the rival therapy is administered orally, not injected, as is *Copaxone*, and thus more convenient to use. On the other hand, although the new treatment is likely to initially attract prospective patients, Teva believes *Copaxone* will remain a strong seller for a couple of more years, given its top-notch safety/efficacy profile versus the rival drug, which has adverse side effects associated with it. Too, doctors may not be eager to switch patients responding well to *Copaxone* to the other medication.

An arsenal of potential drug launches should offset any slowdown of *Copaxone* sales, possibly before mid-decade. For starters, the company has some 200 generic product applications (as of July) awaiting FDA approval. It also has several late-stage drugs in development addressing women's health and respiratory conditions, which should help boost the branded portfolio. Plus, Teva is developing its own oral MS therapy, *laquinimod*, and aims to introduce a low-dose form of *Copaxone*.

Meanwhile, the ratiopharm purchase has been completed. The German generic drugmaker will essentially strengthen Teva's position in Europe. Management expects the deal to yield cost synergies of $400 million over the next three years and to add to profits by 2011. (Note that our estimates are subject to change, pending updated guidance on the combined entity.)

Long-term earnings prospects are favorable. As part of its growth strategy, which includes acquisitions, the company plans to expand the core generics business by widening its global footprint. As well, it will focus on increasing its branded offerings. Biogenerics (copies of biotech drugs) will be another opportunity the generic drug giant intends to pursue.

Teva ADRs have not moved much lately, likely due to concerns over the new oral MS drug that hit the market. However, our projections suggest the stock has room to climb to 2013-2015.

J. Susan Ferrara *October 15, 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); Q1'10, ($0.12); Q2'10, ($0.20). Next egs. report due late Oct. (C) Dividends historically paid early March, early June, late August, and mid-December. Before a 9% Israeli withholding tax. (D) Incl. intangibles. At 12/31/09: $16,727 mill., $18.90/sh. (E) In mills., adjusted for stock splits. Each ADR equals one common share.

Company's Financial Strength	A
Stock's Price Stability	95
Price Growth Persistence	80
Earnings Predictability	95