



1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	© VALUE LINE PUB., INC.	12-14
--	--	--	--	--	--	--	3.42	4.13	4.87	5.99	7.85	8.49	11.09	12.25	13.03	15.95	18.20	Sales per sh	23.25
--	--	--	--	--	--	--	.48	.77	.96	1.36	1.94	2.13	3.03	3.22	3.37	4.05	5.20	"Cash Flow" per sh	6.45
--	--	--	--	--	--	--	.29	.53	.76	1.07	1.42	1.59	2.30	2.38	2.86	3.35	4.40	Earnings per sh <sup>B</sup>	5.35
--	--	--	--	--	--	--	.06	.07	.10	.16	.20	.27	.31	.39	.49	.60	.62	Div'ds Decl'd per sh <sup>C</sup>	.64
--	--	--	--	--	--	--	1.7	.23	.31	.38	.51	.50	.51	.71	.80	.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	21.60	25.55	Book Value per sh <sup>D</sup>	39.20
--	--	--	--	--	--	--	511.67	503.40	517.20	546.80	611.40	618.60	758.00	768.00	851.00	880.00	880.00	Common Shs Outst'g <sup>E</sup>	860.00
--	--	--	--	--	--	--	46.5	28.9	21.4	23.7	21.1	21.0	15.9	17.1	15.8	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	21.0
--	--	--	--	--	--	--	3.02	1.48	1.17	1.35	1.11	1.12	.86	.91	.95			Relative P/E Ratio	1.40
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CAPITAL STRUCTURE as of 6/30/09		2007	2008	6/30/09	Leases, Uncapitalized		No Defined Benefit Pension Plan		Pfd Stock		Common Stock		MARKET CAP: \$44.8 billion (Large Cap)	
Total Debt	\$6,746 mill.	1749.9	2077.4	2518.6	3276.4	4798.9	5250.4	8408.0	9408	11085	14050	16000	Sales (\$mill)	20000
LT Debt	\$4,718 mill.	19.4%	23.4%	24.3%	27.9%	30.0%	29.6%	32.4%	31.0%	28.6%	31.0%	34.5%	Operating Margin	33.0%
LT Interest	\$200.0 mill.	95.0	109.1	86.8	127.7	220.4	242.5	431.0	521.0	493.0	520	540	Depreciation (\$mill)	600
(21% of Cap'l)		148.4	278.2	410.3	617.8	964.6	1072.3	1867.0	1952.0	2374.0	3050	4025	Net Profit (\$mill)	4930
Annual rentals	\$69.0 mill.	28.6%	18.7%	17.0%	20.0%	22.2%	18.0%	14.9%	16.9%	9.6%	17.0%	17.0%	Income Tax Rate	17.0%
		8.5%	13.4%	16.3%	18.9%	20.1%	20.4%	22.2%	20.7%	21.4%	21.7%	25.2%	Net Profit Margin	24.7%
		825.1	1439.8	1377.2	2021.5	1997.6	3245.2	3569.0	4488.0	2945.0	4700	7600	Working Cap'l (\$mill)	16800
		813.9	1246.9	1152.2	815.4	1728.4	1773.3	4585.0	3347.0	5537.0	4700	4700	Long-Term Debt (\$mill)	3300
		1151.3	1380.7	1829.4	3289.4	5388.9	6042.3	11142	13724	16300	19000	22500	Shr. Equity (\$mill)	33700
		8.6%	11.4%	14.6%	15.5%	13.8%	13.9%	12.3%	11.8%	11.3%	13.5%	15.0%	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%	16.0%	18.0%	Return on Shr. Equity	14.5%
		10.5%	17.8%	19.9%	16.5%	15.7%	15.1%	14.7%	12.0%	12.2%	13.5%	15.5%	Retained to Com Eq	13.0%
		19%	12%	11%	12%	13%	15%	12%	15%	16%	17%	13%	All Div'ds to Net Prof	11%

Cal-endar	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2006	1672.5	2172.4	2285.7	2277.4	8408.0
2007	2080	2386	2366	2576	9408
2008	2572	2823	2842	2848	11085
2009	3147	3400	3650	3853	14050
2010	3700	3900	4100	4300	16000

Cal-endar	EARNINGS PER SHARE <sup>B</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2006	.37	.66	.74	.53	2.30
2007	.42	.63	.64	.69	2.38
2008	.70	.68	.72	.76	2.86
2009	.71	.83	.87	.94	3.35
2010	1.00	1.10	1.10	1.20	4.40

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>C</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2005	.069	.068	.066	.063	.27
2006	.072	.074	.077	.078	.30
2007	.094	.099	.095	.101	.39
2008	.122	.135	.125	.111	.49
2009	.14	.15	.156		

**Teva Pharmaceutical seems poised to excel in 2009 and 2010.** So far, performance has been driven by record-level *Copaxone* sales; strong growth of other key drugs, including *Azilect* (for Parkinson's disease) and *ProAir* (respiratory product); international expansion; and contributions from Barr (acquired late last year), namely its women's health business. The launch of several generics, such as *Adderall XR* (for ADHD) and *Lotrel* (for blood pressure), has benefited results, too. We expect momentum to continue through the second half of 2009 and into next year. Accordingly, we've added \$0.05 and \$0.25 to our 2009 and 2010 share-net estimates, respectively, representing growth of 17% and 31%. **An abundance of generic drug launches is forthcoming,** auguring well for sales. In fact, as of the end of July, the company had nearly 200 product applications awaiting FDA approval (of which branded versions generate combined annual sales of over \$110 billion). Of these, 132 were "Paragraph IV" applications challenging patents. What's more, Teva has received approval on more than 460 generics in Europe so far this year, and

has about 3,275 marketing authorizations pending in 30 European countries. **Cost synergies related to the recent Barr acquisition should be ample.** Management indicated that the integration of Barr is running ahead of schedule, enabling synergies to be realized more quickly than originally anticipated. Total savings are currently estimated to be close to \$500 million by around 2011. **Long-term growth prospects are promising,** thanks mostly to the Barr addition. Indeed, Teva is now the largest player in the generic drug industry, as it owns a vast and diverse product portfolio, and holds a sizable footprint in the U.S. and in key markets across Europe. Meanwhile, the biogenerics (copies of biotech drugs) market presents a good growth opportunity, provided that regulatory guidelines are created in the next few years. **This issue should interest a broad range of investors.** Not only is TEVA ranked Above-Average for Timeliness, it offers wide appreciation potential to 2012-2014, based on our projections, which may even prove conservative. *J. Susan Ferrara* October 16, 2009

(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); Q1'09, (\$0.20); Q2'09, (\$0.25). (C) Dividends historically paid early March, early June, late August, and mid-December. (D) Incl. intangibles. At 12/31/08: \$16,878 mill. (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		90