

Mylan N.V.
Form 425
May 05, 2015

Teva and Mylan

May 5, 2015

Combination to Create an Industry-Leading Company, Well Positioned to Transform the Global
Generics Space and Create a Unique and Differentiated Business Model,

Leveraging on Its Significant Assets and Capabilities in Generics and Specialty

Filed by Teva Pharmaceutical Industries Ltd.

(Commission File No. 001-16174) pursuant to

Rule 425 under the Securities Act of 1933

and deemed filed pursuant to Rule 14a-12 under

the Securities Exchange Act of 1934

Subject Company: Mylan N.V.

Commission File No.: 333-199861

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Safe Harbor Statement

This communication contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 based on management's current beliefs and expectations and involve a number of assumptions, known and unknown risks and uncertainties that may change over time and could cause future results, performance or achievements to differ materially from the results, performance or achievements or implied by such forward-looking statements. These assumptions, known and unknown risks and uncertainties include, but are not limited to, those discussed in our Annual Report on Form 20-F for the year ended December 31, 2014 and in our other filings with the U.S. Securities and Exchange Commission.

Commission (the SEC), and those relating to Mylan's business, as detailed from time to time in Mylan's filings with the SEC, are incorporated herein by reference. Forward-looking statements are generally identified by the words "expects," "anticipates," "estimates," "will," "would," "could," "should," "may," "plans" and similar expressions. All statements, other than statements of historical fact, that could be deemed to be forward-looking statements, including statements about the proposed acquisition of Mylan, the proposed transaction, the expected future performance (including expected results of operations and financial guidance), and our company's future financial condition, operating results, strategy and plans. Important factors that could cause actual results, performance and achievements to differ materially from the forward-looking statements we make in this communication include, but are not limited to: the outcome of any possible transaction between Teva and Mylan, including the possibility that no transaction between Teva and Mylan will occur or that a transaction will be pursued on different terms and conditions; the effects of the business combination of Teva and Mylan on our combined company's future financial condition, operating results, strategy and plans; uncertainties as to the timing of the transaction; that the expected benefits of the transaction and the integration of our operations with Mylan's operations (including any expected synergies) may not be fully realized by us or may take longer to realize than expected; adverse effects on the market price of Teva's or Mylan's securities; the effects of this communication or the consummation of the possible transaction; the ability to obtain regulatory approvals on the terms expected and satisfy other conditions to the offer, including any necessary stockholder approval, in each case, on a timely basis; our ability to comply with all covenants in our or its current or future indentures and credit facilities, any violation of which, if not cured in a timely manner, could trigger a default of other obligations under cross default provisions; our and Mylan's exposure to currency fluctuations and related risks; the effects of reforms in healthcare regulation and pharmaceutical pricing and reimbursement; uncertainties surrounding regulatory pathways for the registration and approval of biotechnology-based medicines; the impact of competition from other companies; adverse effects of political or economic instability, corruption, major hostilities or acts of terrorism on our or Mylan's significant operations; other risks, uncertainties and other factors detailed in our Annual Report on Form 20-F for the year ended December 31, 2014, as filed with the SEC; and the risks and uncertainties and other factors detailed in Mylan's reports and documents filed with the SEC. All forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by this cautionary statement. We caution you not to place undue reliance on any of these forward-looking statements. Forward-looking statements speak only as of the date they are made and we assume no obligation to update or revise any forward-looking statement, whether as a result of new information or otherwise.

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Additional Information

This communication is for informational purposes only and does not constitute an offer to buy or solicitation of an offer to sell. This communication relates to a proposal which Teva has made for a business combination transaction with Mylan. In furtherance of this proposal, subject to future developments, Teva and Mylan may file one or more proxy statements, registration statements or other documents. This communication is not a substitute for any proxy statement, registration statement, prospectus or other document Teva and/or Mylan may file with the SEC in connection with the proposed transaction. No offering of securities shall be made except by means of a prospectus.

requirements of Section 10 of the U.S. Securities Act of 1933, as amended. INVESTORS AND SECURITY HOLDERS ARE STATEMENT(s), REGISTRATION STATEMENT, PROSPECTUS AND OTHER DOCUMENTS THAT MAY BE FILED WITH THE SEC. IF AND WHEN THEY BECOME AVAILABLE AS THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE COMPANY. Any proxy statement(s) (if and when available) will be mailed to stockholders. Investors and security holders may obtain free copies of any proxy statement, registration statement, prospectus and other documents (in each case, if and when available) filed with the SEC at the web site maintained by the SEC at <http://www.sec.gov>.

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Proven Leadership Team Committed to Creating Value for All Stakeholders

Teva is Well-Positioned to Maintain Its Leadership, Drive Growth and Continue

Superior Financial Performance

Pathway Forward

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Teva is fully committed and willing to devote the time necessary to unlocking value for both Teva and Mylan stockholders through an acquisition of Mylan
Teva is Committed to an Acquisition of Mylan

Our
Board

of
Directors
and
management
team
have
unanimously
approved
and
are
fully
supportive
of
this
transaction
We
continue
to
prefer
a
friendly,
negotiated
transaction
and
welcome
the
opportunity
to
discuss
any
and
all
aspects
of
our
proposal
with
the
Mylan
Board
The
combination
makes
clear
and
compelling
strategic
and
financial
sense

for
Teva
stakeholders
supported
by
significant
short-
and
long-term
value
creation
Our
proposal
offers
Mylan's
stockholders
superior
value
to
its
standalone
plan,
or
to
its
proposed
acquisition
of
Perrigo,
and
we
are
committed
to
helping
ensure
that
Mylan's
stockholders
are
given
the
proper
opportunity
to
evaluate
our
proposal
We
have

carefully
studied
the
regulatory
/
antitrust
aspects
of
the
combination
and
are
confident
any
necessary
requirements
can
be
completed
this
year
We
firmly
believe
that
the
combined
company
will
be
better
positioned
to
lead
in
the
industry,
provide
affordable,
high-quality
medicines
to
patients
across
the
world
and
invest
in
talent

and
capabilities
to
drive
growth
and
innovation

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Proposed Transaction Overview

\$82.00 per share

Approximately 50% cash / 50% stock

Implies a total equity value of approximately \$43 billion

Proposed Price and

Consideration

Significant

Premium

48.3% premium to the unaffected Mylan stock price of \$55.31 on March 10, 2015, after which there was widespread speculation of a transaction between Teva and Mylan

Clear Roadmap to

Completion

Have carefully studied the regulatory aspects of proposed combination

Confident that any necessary regulatory requirements will be met

in a timely manner; divestitures can

be determined and implemented promptly

Filed for HSR on April 21, 2015 and began pre-notification process with the European Commission that same week

Can be completed in 2015

Financing and

Conditions

No financing condition

Contingent on Mylan not completing its proposed acquisition of Perrigo or any alternative transactions

Does not require a Teva stockholder vote

Value Creation

Transaction expected to deliver approximately \$2 billion annually in cost synergies and tax savings to be largely achieved by the third anniversary of the closing of the transaction, plus approximately \$350 million annually in capital expenditure savings, to be largely achieved from the time of transaction closing

Significant savings from operational, SG&A, manufacturing and R&D efficiencies

Expected non-GAAP EPS accretion in the mid-teens in the first year, and approaching 30% by the third year

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Facts About Teva and Its Offer for Mylan

Offer is at a

Premium Value

Teva's proposal represents a 48.3% premium to the unaffected Mylan stock price

Offer price is above all external, objective benchmarks for Mylan's stock price,

including every sell-side analyst estimate on Wall Street
Creates significant synergies and allows Mylan stockholders to participate in
future upside while also receiving immediate cash value
Antitrust is Not a
Barrier to
Completion
Teva has filed for U.S. HSR antitrust clearance and initiated the pre-merger
notification process with the European Commission
Teva has a successful track record of timely antitrust clearances in similar
situations (IVAX, Barr, ratiopharm and Cephalon)
Teva
expects
to
secure
all
necessary
antitrust
clearances
within
4
to
7
months
Companies Have
Strong Cultural and
Strategic Fit
Teva is a leader and a global pioneer in generics and has set industry standards
for years
Teva
has
a
rich
history
of
integrating
large,
global
and
diverse
organizations
from an operational, geographic and cultural perspective
Teva
and
Mylan
have
highly
complementary
capabilities
in
product

portfolios,
complex technologies and marketing
This transaction is consistent with Teva's clearly articulated strategy

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Facts About Teva and Its Offer for Mylan (Cont d)
Teva Has a Strong
Leadership Team
Well-respected
and
established

leadership
team,
strongly
delivered
on
the

transformation of Teva starting in 2014

Truly global team, highly diverse and rich in experience in generics, specialty and other relevant industries

Teva is Well-

Positioned for

Growth and

Superior Financial

Performance

Teva's 2014 and Q1 2015 results demonstrated strong financial performance building on a solidified base

Industry-leading generics business generates robust and increasing profitability with optimized market and product portfolio

Teva's specialty pipeline is poised to deliver significant value to stockholders and patients and diversify future revenues

In 2019, Teva expects to generate up to \$4.5 billion in incremental annual risk-adjusted revenues from new specialty product launches that started in 2014

Teva has a strong track record of achieving cost savings and operational improvements

Transformed Board

Aligned with

Management

Teva has demonstrated recently that it is highly attentive to its stockholders views on matters of business strategy and corporate governance and has made decisive and rapid changes to the composition and conduct of the Board Headed by our new Chairman of the Board, Professor Yitzhak Peterburg, the Teva Board has been significantly transformed, adding experienced industry participants as truly independent directors and enhancing the diversity, global perspective and breadth of experience of its membership

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Value Creating Proposal for Teva & Mylan Stakeholders

Clear and compelling strategic and financial rationale supported

by significant short-

and long-term value creation to stakeholders of both companies

Industry-leading company, well-positioned to transform the global generics

space

Significantly expanded and more efficient global footprint, including leadership positions and strengthened operations, sales and R&D platforms in attractive markets around the world

Benefit from a robust, industry-leading sales infrastructure and deep customer and provider relationships across the expanded network

Enhanced financial profile

The combined company is expected to have substantial debt capacity and an investment grade rating

Strong cash flow generation will allow deleveraging to at or below 3.0x gross debt to EBITDA after 24 months

Strongly positioned from day one to pursue future acquisitions to expand portfolio in both specialty pharmaceuticals and generics

Establish a unique and differentiated business model, leveraging on its

significant assets and capabilities in generics and specialty

Leading positions in multiple sclerosis, respiratory, pain,

migraine, movement disorders and allergy

therapeutics

Enhanced global infrastructure to pursue current and future commercialization

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Superior Alternative to a Mylan / Perrigo Combination
or Standalone Mylan
A clear industry leader
Significant synergies
Strong strategic and cultural fit
Clear value creation

Upside participation

A substantial premium and
immediate cash value for Mylan
stockholders

Teva's Proposal

Mylan Standalone

Mylan's Proposal for Perrigo

No premium

No upfront liquidity

Smaller scale

No synergies

Paying a premium rather
than receiving one

No upfront liquidity

Smaller scale

Weaker strategic fit

Weaker financial profile

Less synergies

Limited value creation

Teva's proposal creates the strongest combination
while delivering the most value to Mylan stockholders

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\$82.00 per share represents a significant premium for Mylan stockholders

May 2014

Jul 2014

Sep 2014

Dec 2014

Feb 2015

May 2015

\$20

\$30

\$40

\$50

\$60

\$70

\$80

Prior to speculation

regarding Teva's

acquisition of

Mylan (March 10,

2015)

Significant Premium to Current and Historic Valuation

48.3% premium

to the unaffected Mylan stock price of \$55.31 on March 10, 2015,

after which

there was widespread speculation of a transaction between Teva and Mylan

Mylan LTM Price Performance

Proposed Price per Share: \$82.00

\$55.31

\$ per share

3/10/15

48% Premium

Source: FactSet as of May 1, 2015

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Offer Price Comparison

Teva's offer far exceeds various share price benchmarks for Mylan and represents

extremely attractive, immediate value for Mylan stockholders

Source: Press releases and FactSet

1.

Based on Mylan's closing stock price on February 27, 2015

2.

Per Mylan's One-Time Special Performance-Based Incentive Program as described in the company's 10-K/A filed on 4/30/15, the team in such a short period of time)

Price per Share

Offer Premium

Unaffected as of March 10, 2015

\$55.31

48.3%

Price of equity issued to Abbott

(1)

\$57.33

43.0%

2018 extraordinary achievement

stock price target in Mylan special

performance-based management incentive program of \$73.33

(2)

14

Average Target:

\$61.00

Significant Premium to Research Analyst Price Targets

Analyst Price Targets as of March 10, 2015 (Unaffected Price)

Source: Bloomberg and FactSet; excludes analysts that do not provide price targets

Teva Proposal:

\$82.00
\$41.00
\$53.00
\$54.00
\$54.00
\$56.00
\$60.00
\$60.00
\$61.00
\$62.00
\$65.00
\$65.00
\$65.00
\$65.00
\$66.00
\$66.00
\$67.00
\$67.00
\$68.00
\$69.00
\$55.31
\$20.00
\$40.00
\$60.00
\$80.00
Analyst 19
Analyst 18
Analyst 17
Analyst 16
Analyst 15
Analyst 14
Analyst 13
Analyst 12
Analyst 11
Analyst 10
Analyst 9
Analyst 8
Analyst 7
Analyst 6
Analyst 5
Analyst 4
Analyst 3
Analyst 2
Analyst 1
Mylan Price as of 3/10/2015

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Antitrust is Not a Barrier to Completion

Teva filed for U.S. HSR antitrust clearance on April 21, and that same week initiated the pre-merger notification process with the European Commission; Teva will make and secure other regulatory filings as appropriate

Teva

expects

to

secure
all
necessary
antitrust
clearances
within

4
to
7
months.

Teva
has
told
U.S.

antitrust

authorities it wants to reach agreement on any necessary divestitures quickly, and wants to secure clearance as soon as possible

Teva has a successful track record of timely antitrust clearances in similar situations

Antitrust clearance is in motion and is not a barrier to completion

Acquisition of IVAX: Teva divested 15 products and agreed to additional remedies to address U.S. regulatory concerns; six months from announcement to closing

Acquisition of Barr: Teva divested 29 products in the U.S. and 17 products in Europe to address regulatory concerns; five months from announcement to closing

Acquisition of ratiopharm: Teva divested 16 products in the Netherlands, one product in Hungary and two products in Canada to address regulatory concerns; less than five months from announcement to closing

Acquisition of Cephalon: Teva divested products with annual sales exceeding \$300 million in the U.S., and undertook additional remedies in the EU, to address regulatory concerns; less than six months from announcement to closing

Several potential purchasers have already shown interest in acquiring likely divested assets

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Combination Advances Teva's Strategy

Aligns with strategy to aggressively pursue growth opportunities that further strengthen Teva's position in the evolving global pharmaceutical space

Positions combination as a fully-integrated leading generics and specialty pharmaceutical company

Enhances scale, resources and capabilities to drive significant value across

the business

Advances our goal of being the most competitive manufacturer

Opportunity to become a more diversified organization

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Teva and Mylan's Businesses are Highly Complementary

Teva

(1)

Mylan

(2)

Business units: Generics, Specialty

Specialty TAs: respiratory / allergy

Operates in 145 markets

30,000 employees

2014 Revenue: \$9.7 billion

Current Rating: Baa3 / BBB-

Business units: Generics, Specialty, OTC

Specialty TAs: CNS, pain, respiratory

Operates in 100 markets

43,000 employees

2014 Revenue: \$20.3 billion

Current Rating:

A3 / A-

Source: 2014 Company filings

1.

Based on 2014 actuals

2.

Pro forma for Abbott Non-U.S. Developed Markets Specialty and Branded Generics Business; revenue and geographic mix ba

Product offerings are highly complementary and would

further enhance the broadest portfolio in the industry

Generics

85%

Specialty

13%

OTC / Other

2%

Generics

49%

Specialty

42%

Other

9%

North

America

48%

Europe

33%

ROW

19%

U.S.

52%

Europe

29%

ROW

19%

20

The Strength of the Combined Company

Source: Company filings; financials include contributions from Abbott assets

1.

2.

The combined company is an attractive investment opportunity: financially, strategically and as a platform for future M&A

Long-Term Impact
Combined Company

Revenue

EBITDA

>\$30 billion

>\$6 billion

Significantly expanded and more efficient global
footprint

Pro Forma 2014

Revenue Mix

Expected investment grade rating

Opportunity for rapid deleveraging and the funding of
future growth

Opportunities for capital expenditures synergies of
approximately \$350 million annually

Enhances product diversification

Enhances geographic diversification

More diversified organization with the scale and
resources to drive value

By Product Type

(2)

By Geography

(2)

>\$10 billion

Opportunities for substantial achievable cost synergies
and tax savings are estimated to be approximately \$2
billion annually

2016E

2018E

~\$33 billion

>\$8.5 billion

~\$13 billion

Cash Flow from
Operations

(1)

Free Cash

Flow

(1)

>\$5 billion

>\$7.5 billion

North

America

51%

Europe

30%

Rest of

World

19%

Generics

60%

Specialty

33%

OTC / Other

7%

Net of one-time restructuring costs

Pro Forma for Abbott Non-U.S. Developed Markets Specialty and Branded Generics Business based on 2014 financials

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Significantly Expands Global Footprint in Key Markets
of Focus
Source: Company filings
Data as of 12/31/2014
Joint
Teva

Mylan
Markets of Focus
The
combined
company
will
have
enhanced
opportunities
in
markets
worldwide
India
Netherlands
production positions
manufacturing sites
employees
European and specialty business headquarters for Teva
Almost 1,000 Teva employees in management, R&D and
Six Teva
Thousands of Teva

22

Creates the most efficient, flexible and competitive global platform with industry-leading go-to-market capabilities

Creates the Most Efficient, Flexible and Competitive Pharmaceutical Platform

Global Manufacturing Facilities

(1)

1.

Excludes R&D, distribution and corporate facilities; shading denotes manufacturing facilities

Industry-Leading Infrastructure

North America

Teva: 12

Mylan: 4

Latin America

Teva: 8

Mylan: 3

Europe

Teva: 26

Mylan: 6

Asia-Pacific

Teva: 16

Mylan: 23

Robust, industry-leading

sales infrastructure and

deep customer and

provider relationships

across expanded

network

Strengthened operations,

sales and R&D platforms

around the world

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Combination and Recent Industry Trends
U.S. Generics Increasingly Fragmented
Recent Channel Consolidation
2009
2013
Market Share of the Top Three U.S. Generics Players

Source: IMS Health; market share as measured by sales

1.

2.

The market share of Teva's top three customers increased significantly from 2009 to 2013, with top 3 customer share growing from 52% to 83% in the U.S.

(1)

and 51% to 60% in the EU

(2)

Top 3

35%

Other

65%

Top 3

43%

Other

57%

Wholesaler

Retailer

PBM

Key Global

Distributors

Wholesaler

Retailer

PBM

2007

Today

Top three include ABC-Walgreens, Cardinal-CVS and McKesson-RiteAid

Top three include Celesio, Alliance Boots and Phoenix

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Company
Headquarters
Presence
Annual Synergies
Continued Contribution to Teva Today
Targeted

Achieved

2006

35 markets

\$150

million

Forms core of current presence in Latin America and CIS

Added scale, talent and infrastructure in U.S.,

2008

30 markets

\$600

million

Added scale, talent and infrastructure in U.S

Forms core of current presence in CIS

2010

26 markets

\$450

million

Forms core of current presence in Germany and other countries in EU

Strong capabilities in OTC and biologic R&D

Germany site a vital part of global supply chain

2011

100 markets

\$525

million

Significant contributor to the specialty business

Contributed people, capabilities and pipeline to specialty platform

Teva's History of Integrating Large, Global and Diverse Organizations

Flexible, results-oriented culture that effectively integrates acquisitions

Over its history, Teva has integrated large, global and diverse organizations from an operational, geographic and cultural perspective

Its leadership team:

Creates value by achieving financial synergy goals

Preserves each organization's core strengths, competencies and talent

Is

meritocratic

and

fair

committed

to

identifying

the

best

people

and

best

assets

across
each
company
particularly in respiratory

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Truly global team, highly diverse and rich in experience in generics, specialty and other relevant industries

Committed to cost control, restraint and pay-for-performance

Headed by new Chairman, Professor Yitzhak Peterburg, the Teva Board is highly attentive to stockholders

views

Significantly transformed, adding experienced industry participants as truly independent directors, and enhancing the diversity, global perspective and breadth of experience of its membership Highly collaborative working relationship with the management team Management Board Proven Leadership Team Countries Represented by Board and Management Team Well-respected and established leadership team, strongly delivered on the transformation of Teva starting in 2014

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Name

Position

Executive

Officer Since

Prior Affiliations

Erez Vigodman

President & CEO
2014
President & CEO, Adama Agricultural Solutions
President & CEO, Strauss Group
Iris Beck-Codner
Group EVP, Corporate
Marketing Excellence and
Communication
2014
Group CEO, McCann Erickson Israel, IPG
VP of Marketing & Content, Partner Communications Company
General Manager, Lever Israel
Eyal Desheh
Group EVP, Chief Financial
Officer
2008
EVP and CFO, Check Point Software Technologies
CFO, Scitex
Richard S. Egesi
Group EVP, Chief Legal Officer
2010
Law firms, including Jones Day
Dr. Michael
Hayden
President of Global R&D,
Chief Scientific Officer
2012
Founder of NeuroVir, Aspreva Pharmaceuticals and Xenon
Pharmaceuticals
Director, Med Biogene
Dr. Rob
Koremans
President and Chief Executive
Officer, Specialty Medicines
2012
Member of the Global Leadership Team, Sanofi
CEO, Zentiva
CEO, CryoSave
Dr. Ing. Carlo de
Notaristefani
President and Chief Executive
Officer, Global Operations
2012
President Technical Operations and Global Support Functions,
Bristol-Myers Squibb
Several senior positions at Aventis
Sigurdur (Siggi)
Olafsson
President and Chief Executive
Officer, Global Generic

Medicines Group

2014

President, Actavis Pharma

CEO, Actavis Group

Mark Sabag

Group EVP, Human Resources

2013

Senior HR roles at Intel

Tim R. Wright

Group EVP, Business

Development, Strategy and

Innovation Group

2015

Director of the Drug Discovery and Development Institute for The

Ohio State University Comprehensive Cancer Center

President and CEO of Mallinckrodt Covidien

Teva Management Team

Source: Company filings

28
Name
Director Since
Years in
Healthcare
Current / Prior Affiliations
Prof. Yitzhak Peterburg

(Chairman)

2012

36

Teva Group President

Global Branded Products

Director General of Clalit Health Services

CEO, Cellcom Communications Ltd.

Roger Abravanel

2007

8

Director, McKinsey

Director, COFIDE

Gruppo De Benedetti

Dr. Sol J. Barer

2015

41

Executive Chairman & CEO, Celgene

Director, Amicus Therapeutics

Dr. Arie Beldegrun

2013

15+

Founder, Chairman & CEO, Kite Pharma

Chairman, Arno Therapeutic

Amir Elstein

2009

19

EVP of Global Pharmaceutical Resources, Teva

General Manager, Intel

Jean-Michel Halfon

2014

28

President & General Manager of Emerging Markets, Pfizer

Director of Marketing, Merck

Prof. Richard Alan Lerner

2012

3

Director, Opko Health

Director, Kraft Foods

Prof. Moshe Many

1987

63

Chairman of Surgery, Sheba Medical Center

Director, Rosetta Genomics

Galia Maor

2012

3

President & CEO, Bank Leumi le-Israel B.M. Group

Director, Equity One

Joseph Nitzani

2008

19

Chairman, Hadassah Medical Center

CEO, Tel-Aviv Stock Exchange

Dan Propper

2012

7

Chairman & CEO, Osem

President, Manufacturers Association of Israel

Ory Slonim

2008

12

Director, U-Dori Group

Director, Oil Refineries Ltd.

Erez Vigodman

2009

6

President & CEO, Adama Agricultural Solutions

President & CEO, Strauss Group

Teva Board of Directors

Source: Company filings

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Significant Achievements on All 2014 Must Wins
Drive Organic Growth
Creating
a New
Future
for Teva

Solidify the Foundation
Maintain COPAXONE®
Franchise

Teva is well on its way to create a new future for the company by targeting a unique space in the industry, building on its strong capabilities in generics and specialty and the intersection between the two

Mylan proposal aligns with this strategy by aggressively pursuing growth opportunities positioning Teva to succeed in the evolving global pharmaceutical industry

Cost Reduction: Reduced net costs by ~\$600 million

Operations: Accelerated the transformation of our operational network; closed or divested 11 facilities

Quality: Significant achievements making quality a core competitive competency

Cash Flow: Strong focus resulted in robust cash flow from operations and free cash flow

Successful

and

further

upcoming

launches

in

various

EU

countries

and

elsewhere

Significant endeavors on the legal and regulatory front

Generics:

Solid 2014 performance with stronger profitability

19 product launches in the U.S., 209 in Europe and 87 in ROW delivering ~\$1.0 billion in revenues

Specialty:

Successfully launched four new products with revenues of ~\$200 million

Therapeutic areas selection and focus

Six major submissions of specialty products; eight major approvals

Complemented the specialty pipeline with the acquisitions of Labrys and Auspex

Successfully launched COPAXONE® 40mg in the U.S. and achieved 67% conversion rate as of the end of Q1 2015

Generics: Established Global Generic Medicines; improved profitability by ~500 bps

31
2013
2014
% YoY
2015E
Q1 2015
% QoQ

Revenues

\$m
 \$20,314
 \$20,272
 -
 \$19.0B-19.4B
 \$4,982

Operating

Income

\$m
 \$5,198
 25.6%
 \$5,732
 28.3%
 +10%
 \$5.7B-5.9B
 \$1,533
 30.8%
 +11%

EPS

\$ per share
 \$5.01
 \$5.07
 +1%
 \$5.05-5.35
 \$1.36
 +11%

Cash flow from
 Operations

\$m
 \$3,237
 \$5,127
 +58%
 \$4.3B-4.7B
 \$1,354
 +51%

Free Cash Flow

\$m
 \$2,309
 \$4,256
 +84%
 \$3.5B-\$3.9B
 \$1,213
 +80%

Solidified Base Manifested in Strong Performance in
 2014 and Q1 2015

Note: Operating income and EPS are non GAAP results

32

Teva has a long track record of creating superior value for its stockholders, including a total stockholder return of over 1,600% over the last two decades

And in Delivering Superior Total Stockholder Return

Total Stockholder Return Since Erez Vigodman was Announced as President & CEO

Source: FactSet

Note:

Total
stockholder
return
is
comprised
of
share
price
appreciation
and
Teva's
regular
dividend.
Returns
calculated
from
January
8,
2014,
the
day
prior
to
announcement
of
Erez
Vigodman
as
President
&
CEO
of
Teva
through
May
1,
2015. Returns calculated assuming dividends are reinvested.
56%
18%
28%

33
Teva's Robust and Integrated Core Assets
Generics
Specialty
Integrated Assets
Integrated and innovative
R&D

Complex formulation technologies, devices and manufacturing capabilities
Broad commercial footprint and go-to-market know-how
World-class legal and IP
Partner to healthcare systems around the world
Integrated innovation in IEMs (innovation around existing molecules)
Global scale and local capabilities have translated into consistent leadership
Improved operating profitability
Vertical integration from APIs to the market
Complementary OTC proposition
Generic pipeline and portfolio shifting to complex products
Fully deliver on all planned launches (~240 globally), estimated revenues of ~\$800 million in 2015
Focused on established areas of strength

Depth of understanding of disease treatment paradigms in key franchises

Positioned to claim market leadership
Solid pipeline with key product launches from 2014 onward
Recent acquisitions are well-positioned to further accelerate growth
Effective life cycle management of upcoming loss of exclusivities

34
Clear Pathway to EPS Growth
Teva's Four Levers of
Growth
EPS (\$)
Profitable
Growth in

Generics

Manage the Life

Cycle of Key

Specialty Products

Deliver on Promise in

the Specialty Pipeline

Execute Cost Reduction

Program

ILLUSTRATIVE

In 2014, Teva established a stable base for future organic EPS growth

1

2

3

4

5.00

Generics

Specialty Pipeline

Cost Reduction

Existing Specialty

35

Continued Profitable Growth and Improvement in
Generics

Note: Profitability consists of gross profit less S&M and R&D expenses related to the segment
1.

Segment profitability does not include G&A expenses, amortization and certain other items
Continue to improve

operating profitability
More focus on key markets
and portfolio management
Execution of growth
market strategy
Clear strategy
for OTC
Sales force effectiveness
in key markets

1

10%

20%

30%

40%

50%

45.2%

43.5%

41.3%

43.3%

46%

20.2%

19.9%

16.7%

21.9%

27%

(1)

FY11

FY12

FY13

FY14

Gross Profit Margin

Segment Profit Margin

FY15 guidance

mid-point

36
Strong Track Record of Driving Cost Savings
(\$ in millions, rounded)
2014A
2015E
2016E
2014-2016

Cumulative
With 2013
Gross Cost
Savings
(1,000)
(650)
(400)
(2,050)
(2,450)
Reinvestment in
Additional Activities
400
100
200
700
1,600
Net Spend
Reduction
(600)
(500)
(250)
(1,350)
(850)
2

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Improving the Specialty Products Portfolio:

Maintaining the COPAXONE®

Franchise

Successful launch in the U.S. of COPAXONE®

40mg, which has already achieved a 67%

conversion rate

Teva has three Orange Book patents that expire in 2030

(1)

These patents provide substantial coverage against generic competition

The Patent Office has upheld Teva's position on COPAXONE®

40mg

Teva is also well-positioned to respond to IPRs

1.

U.S. Patent Nos. 8,232,250; 8,399,413; and 8,969,302

Teva has successfully introduced patent protected COPAXONE®

40mg with significant

customer conversion to this new dosage

3

Clearly highlights the patient need and demand for this improved product offering

Successful and further upcoming launches in various EU countries and elsewhere

New filings use arguments that do not differ materially from arguments already considered and overcome at the Patent Office

Successful Launches

IP Protection

38

Maintaining Other Specialty Products in 2015

Revenues from Specialty Products (\$B)

Sales of new products launched from our pipeline more than offset lower revenues from products potentially losing exclusivity

0

5

10

2014

2015

2016

2017

2018

2019

LOEs

New Launches

Net Sales

3

License to commercialize Eagle s Bendamustine Rapid Infusion Product (February 2015)

Allows

Teva

to

enhance

the

TREANDA®

(bendamustine

hydrochloride)

franchise,

a

major

revenue

contributor,

by

commercializing

a

new

and

improved

rapid

infusion

formulation

FDA Approval of ProAir®

RespiClick (April 2015)

Breath-actuated dry-powder rescue inhaler for the treatment of acute asthma symptoms;

launch expected in Q2 2015

Expansion of the Azilect franchise to markets outside of the U.S.

Note:

LOEs

include

the

COPAXONE

®

family

39
Registration
CEP-33237 ER Hydrocodone
(abuse det.) U.S. -
Pain
COPAXONE®
40mg 3w ROW

Multiple sclerosis

COPAXONE®

20mg per Day

Japan

Multiple sclerosis

Reslizumab IV

Asthma

Bendamustine Rapid

Infusion*

CLL, NHL

* Filed by Eagle Pharmaceutical, commercialized by Teva

Note: Pipeline as of April 15, 2015. Phase I includes also projects designated for IND filing

Phase I

TV-46763 (abuse deterrent)

Pain

TV-46139 (abuse deterrent)

Pain

Fluticasone Salmeterol

Spiromax EU

Asthma, COPD

Reslizumab SC

Asthma

Fluticasone Salmeterol (MDI) EU

Asthma, COPD

TEV-46017 (tidal inhaler)

COPD

TEV-48108 (tidal inhaler)

COPD

TEV-90110

HIV

TEV-90112

HIV

SD-809

Tourette Syndrome

SD-560

Idiopathic pulmonary

fibrosis/other fibrotic conditions

Phase II

Laquinimod

Multiple sclerosis (progressive forms)

Laquinimod

Huntington's Disease

Pridopidine

Huntington's Disease

TV-45070 Topical

Osteoarthritis pain

TV-45070 Topical

Neuropathic pain

TEV-48125

(anti
CGRP)
Chronic and episodic
migraine
CEP-41750
(mesenchymal
precursor cell) *Acute*
myocardial infarction
Albutropin
Growth hormone deficiency
Phase III
Laquinimod
Multiple sclerosis (relapsing
remitting)
Fluticasone Propionate MDPI
Asthma
Fluticasone Salmeterol MDPI
Asthma
QVAR®
(BAI) U.S.
Asthma
CEP-41750
(mesenchymal
precursor cell) *Chronic heart*
failure
SD-809
Tardive dyskinesia
SD-809
HD (Mid-2015
NDA filing)
CNS & Pain
Respiratory
Other
Auspex
pending completion
Multiple growth drivers at various stages of development
to fuel sustainable growth and contribute up to \$4.5
billion in incremental specialty revenues by 2019
Building a Promising Pipeline
4

40

40 mg/ml

Cumulative estimated sales from new specialty product launches of ~\$200 million in 2014 and ~\$600 million in 2015

(2)

Q1 2015

Q2 2015

Q3 2015

Q4 2015

Select

European

markets,

Mexico,

Turkey

and

Australia

(1)

Hydrocodone

ER AD

Delivering on the Promise of the Pipeline: Multiple Product

Launches in 2014 and 2015

2014

4

(1) Launches in 2014 include the U.S., Israel, Argentina and Chile

(2) Sales

figures

exclude

U.S.

sales

of

COPAXONE

®

40mg

41

Accelerating Business Development to Drive Growth

Acquisition included TEV-48125, a
cornerstone drug for leadership in
migraine prevention

Expanding TEV-48125 into other

headache conditions

Positive Phase IIb results in chronic and episodic migraine

Estimated peak sales around \$2-3 billion

Large, unmet clinical need

Global leader in pain by 2020

Acquired the emerging leader in movement disorders

Strengthened Teva's leadership position in the core CNS franchise

Enhanced the specialty portfolio

Attractive close-to-market and pipeline assets in areas with substantial unmet needs

Novel therapies with differentiated safety and efficacy characteristics

Will enhance revenues by up to \$800 million by 2019

Auspex

Labrys Biologics

Acquisition strategy positions both specialty and generics businesses for growth

Ideally positions Teva for the transformative pain market

42

Teva Reiterates Commitment to Acquisition of Mylan

1

Agenda

2

Teva's Proposal Provides Premium Value for Mylan and Its Prospects

3

Antitrust is Not a Barrier to Completion

4

Teva and Mylan's Obviously Strong Strategic and Cultural Fit

5

Proven Leadership Team Committed to Creating Value for All Stakeholders

Teva is Well-Positioned to Maintain Its Leadership, Drive Growth and Continue

Superior Financial Performance

Pathway Forward

6

7

43

Stakeholder

Value Creation

Providing many more people around the world with affordable and more accessible treatments

Creating the most efficient, flexible and competitive global platform with industry-leading go-to-market capabilities

Unparalleled opportunity for value creation for respective
stockholders
Respectful of acquired company's heritage and strengths
Meritocratic and fair
Broadest global reach combined with deep conviction to improve
people's lives
Respectful of the interests of all stakeholders and not just a select few
Patients
Customers
Employees
Communities
Stockholders
Teva & Mylan: Value Creation For All Stakeholders

44
Teva is Prepared to Engage
The
Teva
Board
and
management

team
are
committed
to
consummating
a
transaction
as
soon as possible

We are prepared to devote all necessary resources to completing the proposed transaction

We are ready and willing to meet with Mylan and its advisors immediately
Teva's proposal is extremely attractive for Mylan stockholders

Substantial premium and immediate cash value

Significant upside potential of a financially and commercially stronger company
The transaction would deliver more value to Mylan stockholders than any other alternative

Synergies of approximately \$2 billion annually
Compelling strategic and financial rationale for the combination
of Teva and Mylan

Together, Teva and Mylan would have the financial profile and operational infrastructure
to be a more efficient, competitive and profitable company

Teva and Mylan combined are positioned to set new standards for innovation in the
industry, and meet the evolving needs of patients and customers around the world
Significant upside potential for Teva stockholders in the combined company

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Thank You