

**Barr Acquisition Conference Call
Teva Management Prepared Comments**

July 18, 2008

Thank you, operator. Good morning and good afternoon, everyone. Welcome to Teva's conference call to discuss the Barr acquisition. We hope you have had a chance to review our press release which we issued earlier this morning. A copy of the press release is available on our website at www.tevapharm.com as well as on Barr's at www.barrlabs.com.

Additionally we are conducting a live webcast of this call that is also available on our website. Today we are joined by Shlomo Yanai, Teva's President and CEO, Bruce Downy, Chairman and CEO of Barr, Eyal Desheh, Teva's Chief Financial Officer, Bill Marth, President and CEO of Teva North America, and Dr. Gerard Van Odijk, CEO of Teva Europe. Shlomo, Bruce and Eyal will begin by providing an overview of the transaction. We will then open the call for question-and-answer period. Before we proceed with the call, I would like to remind everyone that the Safe Harbor language contained in today's press release also pertains to this conference call and webcast.

Shlomo.

Shlomo Yanai, Teva President and CEO:

I would like to welcome all of you and to thank you for joining us on this very exciting day for Teva and for Barr.

Last night Teva signed a definitive agreement to acquire Barr, the fourth largest generics drug company in the world, for 7.46 billion dollars. In addition, we will assume approximately 1.5 billion dollars of Barr's net debt. The consideration will comprise 60% cash and 40% Teva common stock.

I would like to begin by sharing with you just some of the deal's highlights:

First and foremost, this acquisition will enhance our market leadership, our market share, and our leadership position in the US and in key global markets.

Second, the deal has compelling economics, supported by substantial synergies, and is expected to be accretive to GAAP earnings in the fourth quarter after closing.

Third, Barr will significantly strengthen our product portfolio and pipeline.

Finally, this is a transaction born of opportunity, in which two great, strong companies are joining forces to capture an even greater share of the growing opportunities in generics and provide even more value for our stakeholders.

This transaction is driven by a strong strategic rationale. The combination of these two global leaders presents an outstanding opportunity strategically and economically, and will elevate Teva's market leadership to a new dimension. Our unrivaled global platform

will enable us to further leverage our R&D, manufacturing, legal, marketing, and distribution capabilities; enhance our go to market strategies; and provide the most comprehensive ‘big-to-big’ value proposition to our largest customers on a global scale.

Teva’s strategy, as you know, is focused on market leadership. This acquisition will significantly enhance our global market share and our position as the global generics leader.

In the US, the world’s largest generics market, Teva’s market share in terms of total prescriptions will expand from approximately 18% to 24%, enabling us to break away even further from the pack of our competitors. But our market leadership won’t stop there, as Teva will now capture 16% of the total prescriptions in the US pharmaceutical market overall including divisions devoted to Neurology, Respiratory, and Women’s Health.

Outside the US, we will be significantly strengthening our position in key European and Central and Eastern European markets. In some of these countries we will become the generics leader; in others we will be very well-positioned to become the leader. Let me give you some examples.

In Germany, the largest market for generic pharmaceuticals in Europe, where the environment is beginning to favor generics, Barr brings a valuable platform which will enable us to double our sales and become the 5th largest corporation in the German market.

In Poland, the sixth largest pharmaceutical market in the European Union, this acquisition will position us among the top three pharmaceutical companies.

And in Russia, one of the world’s fastest-growing markets, and a region that we identified in our strategic plan as a priority market, this acquisition will position us as a top-10 pharma player.

This acquisition will enable tremendous expansion not only geographically, but also in terms of product offerings and development pipelines. As you know, one of the major pillars of our strategic growth plan is to double down on our product portfolio, with a special emphasis on first to file and first to market opportunities.

Following the acquisition, Teva will have a portfolio in the U.S. of over 500 marketed products, and more than 200 ANDAs pending with the FDA, representing branded sales in excess of 120 billion dollars. Of these, approximately 70 are believed to be first-to-file Paragraph IV challenges.

It is important to mention that the combination of the two companies’ product portfolios is highly complementary, with minimal overlap—which means that we expect the acquisition to add a large number of new products to our portfolio.

In addition to these new products, we are gaining an entirely new segment-- Barr’s broad and substantial women’s health portfolio-- which includes both generic and specialty products.

All of this will enable us to speed our progress in doubling our product portfolio.

What's more, by combining Barr's novel women's health franchise with Teva's growing franchise of respiratory products, we will be further diversifying our specialty products division, and thus further improving the balance of Teva's business model.

Barr will also provide us with valuable know-how, and infrastructure in biogenerics, which, together with Teva's current R&D efforts and our recent acquisition of CoGenesys, will help us shape the future landscape of biogenerics, and achieve our long-term strategic goal of becoming the leader in what is going to be the next wave in science and generics.

This transaction is not only a great strategic fit, it also more than meets Teva's rigorous economic criteria for acquisitions.

We expect the combination to generate substantial synergies, including R&D synergies from pipeline reorganization; manufacturing synergies from our existing infrastructure and API capabilities; and G&A synergies from infrastructure overlap. We expect that within 3 years the transaction will generate at least 300 million dollars in annual cost synergies, and, as I mentioned earlier, that it will become accretive in the fourth quarter after closing.

On a pro forma basis, the combined company would have had 2007 revenues of 11.9 billion dollars.

As I explained, the acquisition is very well aligned with the key pillars of Teva's strategic plan, when it comes to market leadership, market share, product portfolio, and biogenerics.

Now I would like to say a few words about how this acquisition affects our long-term targets. Last February, we announced our 20/20 strategic targets--to reach 20 billion dollars in revenue, with 20 percent net profit margins. These targets are based on organic growth with small, targeted acquisitions, such as our acquisition of Bentley in Spain, which we announced on March 31st. Clearly, Barr is not a small add-on acquisition, but rather a very major acquisition which will in fact provide upside to our 20/20 targets and enable us to exceed them.

This of course means that we will need to adjust our long-term targets upwards. Once we have closed the deal, we will be able to provide you with more precise information about our new, higher, long-term targets.

As you know, Teva has a long track-record of very successful acquisitions and integrations. Along the way, we have learned many things about what makes for a smooth integration, and some of the most important qualities are those that are intangible, that cannot be measured in numbers, such as shared corporate culture and values.

Barr and Teva have known each other a long time, and over the last few months we have of course come to know each other even better. I cannot imagine a company that could be a better fit with Teva—our business, our people, our values. We believe that Barr will make a meaningful contribution to the future of leadership within Teva.

On behalf of everyone at Teva, I want to warmly welcome all of Barr's employees from around the world into the Teva family. We are delighted to join forces with you, and we are very enthusiastic about all that we can accomplish together.

And now it gives me great pleasure to turn the call over to Barr's Chairman and CEO, and my friend, Bruce Downey.

Eyal Desheh, Teva's CFO:

Thank you, Bruce and good morning everyone and good Friday afternoon to our friends in Israel. As you already heard from Shlomo and Bruce this transaction provides an outstanding opportunity strategically and economically for Teva. Specifically, through a combination of revenue and cost synergies as well as additional growth opportunities, it is expected to contribute to our top line, bottom line and EPS.

At this time, I would like to delve into some of the financial details of the transaction in order to highlight what we find so compelling about this combination.

Under the terms of the agreement, which have been unanimously approved by both company's Boards, Teva will acquire 100% of the shares of Barr for total cash and stock consideration of \$7.46 billion. This is based upon the NASDAQ closing price of \$42.41 for Teva's ADR on July 16, 2008, which was the unaffected trading price prior to market rumors about the deal. The indicated combined per share consideration for each outstanding share of Barr common stock amounts to \$66.50, which is comprised of a fixed amount of 0.6272 Teva ADRs (representing \$26.60) and \$39.90 in cash. Upon the closing of the transaction, Barr shareholders collectively will own approximately 7.8% of Teva on a fully diluted basis. The transaction has been structured as a tax free reorganization.

In addition, Teva will assume Barr's long term debt which is expected to amount to approximately \$1.4 billion at the time of closing.

With respect to the financing, we will require approximately \$6 billion in cash to execute this transaction this amount includes a possible re-financing of Barr's \$1.4 billion in debt. The cash portion of the consideration will be funded with a combination of Teva's and Barr's cash and marketable securities on hand and long term financing. In the meantime, Teva has obtained committed short term bridge loans to fund the transaction. We believe that our total combined debt will increase by up to \$2.5 billion and we expect to have at least \$1 billion of cash on hand after closing.

Barr will convene a shareholders' meeting as soon as practicable after they prepare a proxy statement which will be filed with the SEC. Barr must obtain the affirmative vote of a majority of the outstanding shares of Barr common stock. No vote of Teva's shareholders is required for the transaction,

Teva will seek clearance with the Federal Trade Commission in accordance with the Hart-Scott-Rodino Antitrust Improvements Act and with the European Commission, as well as several other required antitrust filings, notifications or approvals.

We expect to close this transaction in late 2008 and anticipate that this acquisition will become accretive beginning in the fourth quarter subsequent to the close.

Following the completion of the transaction, we expect our balance sheet to remain strong due to the relatively high equity component of the transaction. It is our intention to use a portion of our future cash flow to reduce future debt levels.

All of us at Teva are tremendously excited about the additional opportunities and value that this transaction represents for all of our stakeholders. We are confident Teva will do what we have done so well over the years while building this great company –which is to acquire, efficiently integrate and deliver value from strategic acquisitions --- ultimately driving the long term growth and profitability of our company.

I would like to thank you all for your time and interest—and now we will open the call to your questions.

Shlomo Yanai, Teva President and CEO – Closing Remarks:

Thank you.

As you have heard today, we are very excited about this deal, which is going to offer us outstanding strategic and economic opportunities. This acquisition is all about two great companies joining forces to capitalize on the major opportunities in the generics industry in order to deliver even greater value to all our stakeholders.

Thank you all for joining us today.