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Teva At A Glance

Founded in 1901 in Israel by three young pharmacists, Teva today is a global pharmaceutical company that provides essential medicines to people around the world.

We are committed to increasing access to high quality healthcare by developing, producing and marketing both generic medicines and specialty medicines.

As the world’s leading generic medicines maker with a strong specialty medicines portfolio, we are strategically positioned to benefit from ongoing changes in the global healthcare environment.
Dear Shareholders:

In order to take a significant leap forward, we must first create a solid foundation from which to drive sustainable profitable growth. 2014 was that year for Teva, as we established a stable underlying base from which we will grow organically in the coming years, enabling us to continue unlocking the value that Teva offers its shareholders. Looking back at the year’s achievements, I am proud of the significant and measurable progress we made in pursuit of that goal.

Despite flat revenues, we significantly increased our margins in 2014, achieving a 10% rise in non-GAAP operating profit from the previous year. We also improved our net profit and EPS, and generated exceptionally strong cash flow from operations and free cash flow. We returned $1.65 billion of cash to shareholders in 2014, paying out more than $1.15 billion in dividends and purchasing $500 million of our stock. The complete details of our financial performance on a GAAP and non-GAAP basis can be reviewed in our 2014 annual report.

These results are the strong outcome of fixing the foundation of Teva: strengthening our leading position in generics; narrowing the focus on core therapeutic areas in specialty; managing the lifecycle of key products; and significantly improving our operations, quality and cash-flow generation.

Solidifying the Foundation

When I took office in February 2014, our first priority was to solidify the foundation of our existing generics and specialty businesses to unlock the value from our operations.

In Generics, we focused on cementing our global leadership. We consolidated our regional generics businesses into one organization, the Global Generic Medicines group, to achieve global integration and improve focus and effectiveness. The move supports organic growth, enhances operational and supply chain efficiencies, optimizes portfolio selection and development, and furthers the development of more complex products and go-to-market models.

In Specialty, we completed a strategic review to determine our core therapeutic areas. As a result of the review, we affirmed our long-term commitment to Central Nervous System (including pain and migraine) and Respiratory, both areas underpinned by significant and growing unmet patient needs where we have established strengths and market position. We outlined a strategy to leverage our focused R&D efforts, new product submissions and strong execution of product launches to achieve success in these areas.

We also remained focused on the continued execution of our cost reduction program, which achieved $600 million of net cost reductions which directly affected our bottom line in 2014.
Maintaining the Copaxone® Franchise

This year, we focused on enhancing the leadership of our Copaxone® franchise, our leading multiple sclerosis treatment.

In January 2014, we successfully introduced our three-times-a-week Copaxone® 40 mg/mL product in the United States, reducing the number of injections by 60%. By the end of the year, 62% of total Copaxone® prescriptions were filled with the 40 mg/mL version (65% as of February 2015). The launch has reenergized the entire Copaxone® family. We look forward to the launch of Copaxone® 40 mg/mL in Europe and other countries in 2015.

Creating a New Future For Teva

Through our efforts in 2014, we started to lay the groundwork for the new strategic framework and direction that we will pursue in the years to come.

We see an untapped opportunity for greater integration and innovation between generics and specialty assets – an opportunity which we believe Teva is uniquely positioned to capture with a single, powerful and differentiated offering. In developing this offering, we believe we can deliver even greater value to our patients and shareholders, as well as to healthcare systems around the world, in improving adherence and health outcomes in general.

On behalf of all of our employees, we thank you for your confidence in Teva. We look forward to reporting our progress in 2015, as we continue on our transformational journey to define and claim a differentiated space in the global pharmaceutical market.

Sincerely,

Erez Vigodman
President and Chief Executive Officer

Driving Organic Growth

We continued to drive organic growth in our Generics and Specialty businesses.

In 2014, we achieved a strong increase in the profitability of our Generics business. We also successfully launched 19 generic products in the United States, 209 in Europe and 87 in the rest of the world, generating a total of $1 billion in new revenues.

In our Specialty business, we successfully launched four new products, generating an estimated $200 million in new revenues. We also achieved six product submissions and received five approvals for specialty products.

Furthermore, our unique integrated Global R&D division, which combines generics and specialty capabilities, continued to expand the potential of our long-term pipeline. From 2015 to 2019, we anticipate the results of 130 clinical trials and the launch of 27 new specialty products, with a strong growth across our CNS and Respiratory portfolios.

These efforts enabled us to create a stable base of $5 earnings per share to organically grow the business starting in 2017. We plan to significantly complement our organic growth drivers with inorganic moves focused on Teva’s key strategic priorities for 2015 and beyond.

Sincerely,

Erez Vigodman
President and Chief Executive Officer
## Financial Highlights

### Amounts in millions of U.S. dollars except per share amounts

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net revenues</td>
<td>20,272</td>
<td>20,314</td>
<td>20,317</td>
<td>18,312</td>
<td>16,121</td>
</tr>
<tr>
<td>Gross profit – GAAP</td>
<td>11,056</td>
<td>10,707</td>
<td>10,652</td>
<td>9,515</td>
<td>9,065</td>
</tr>
<tr>
<td>Gross profit – non GAAP*</td>
<td>12,143</td>
<td>11,895</td>
<td>12,071</td>
<td>10,705</td>
<td>9,669</td>
</tr>
<tr>
<td>Operating income - GAAP</td>
<td>3,951</td>
<td>1,649</td>
<td>2,205</td>
<td>3,109</td>
<td>3,871</td>
</tr>
<tr>
<td>Operating income - non GAAP*</td>
<td>5,712</td>
<td>5,198</td>
<td>5,716</td>
<td>5,233</td>
<td>4,933</td>
</tr>
<tr>
<td>Net income - GAAP</td>
<td>3,055</td>
<td>1,269</td>
<td>1,963</td>
<td>2,759</td>
<td>3,331</td>
</tr>
<tr>
<td>Net income - non GAAP*</td>
<td>4,351</td>
<td>4,255</td>
<td>4,671</td>
<td>4,438</td>
<td>4,134</td>
</tr>
<tr>
<td>Earnings per share - GAAP</td>
<td>3.56</td>
<td>1.49</td>
<td>2.25</td>
<td>3.09</td>
<td>3.67</td>
</tr>
<tr>
<td>Earnings per share - non GAAP</td>
<td>5.07</td>
<td>5.01</td>
<td>5.35</td>
<td>4.97</td>
<td>4.54</td>
</tr>
</tbody>
</table>

* See non GAAP reconciliation in our 2014 Annual Report on Form 20-F

### Dividends per share in the past 5 years*

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends per share</td>
<td>$1.36</td>
<td>$1.31</td>
<td>$1.08</td>
<td>$0.95</td>
<td>$0.78</td>
</tr>
</tbody>
</table>

* According to USD/NIS exchange rate at declaration date

### 2014 Net revenues

- **Generics 49%**
- **Specialty 42%**
- **Other 9%**
- **ROW** 19%
- **Europe** 29%

* Other activities include our OTC business with P&G, distribution services primarily in Israel and Hungary, and sales of medical devices.

* All members of the European Union, Switzerland, Norway, Albania and the countries of former Yugoslavia.

* Primarily Japan, Canada and Russia.
Business Overview

Teva is well-positioned in the global pharmaceutical industry because of our combined capabilities in generic medicines and specialty medicines. Our world-class integrated Global R&D unit, which encompasses both generics and specialty capabilities, is unique within the industry.

Generics

We are the world’s leading generic medicines manufacturer, providing accessible generic medicines to millions of patients every day, around the world. We are in leading positions in the United States, Europe and Canada, have a significant presence in Japan, and a growing presence in Russia and certain Latin American countries.

With access to a global portfolio of more than 1,000 molecules, our Global Generic Medicines group provides a very wide array of generic products, in a variety of dosage forms – including oral solid doses, injectables, inhalations and other delivery devices – across almost every major therapeutic area. We are also one of the world’s leading manufacturers of Active Pharmaceutical Ingredients (APIs), which we use for our internal production, and also make available to other pharmaceutical companies.

Our position in the generic market is supported by our integrated Global R&D function, as well as our API R&D and manufacturing activities, which provide significant vertical integration for our products.

Specialty

We are a recognized leader in innovative and specialty pharmaceuticals, from drug development and delivery to monitoring and support services.

Our Global Specialty Medicines group delivers pharmaceutical solutions in our core therapeutic areas of central nervous system (CNS), which includes pain and migraine, and in which we have a leading presence, as well as respiratory (with a focus on asthma and chronic obstructive pulmonary disease). In addition, we have a strong commercial presence in other therapeutic areas, including women’s health and oncology.

Our Leading Brands

CNS

• Copaxone® is the leading multiple sclerosis therapy in the United States and worldwide
• Azilect® is used in the treatment of Parkinson’s disease, the second most common neurodegenerative disorder
• Nuvigil® is indicated for the treatment of excessive sleepiness associated with narcolepsy and certain other disorders

Respiratory

• ProAir® HFA is the leading quick relief inhaler for bronchospasm
• QVAR® is indicated as a treatment for asthma
• Duoresp Spiromax® is used in the treatment of asthma and COPD

2014 Generics net revenues
$9.814 B

2014 Specialty net revenues
$8.560 B
Research & Development (R&D)

We maintain a world-leading integrated Global R&D unit that spans the full breadth of our business - including generic medicines (finished goods and APIs), specialty medicines, New Therapeutic Entities (NTEs), and OTC products and is responsible for a robust pipeline of products that will improve patient lives.

In Generics, we develop products in all therapeutic areas, with an emphasis on developing high-value products, such as those with complex technologies and formulations. We also focus on NTEs, which are known molecules that are formulated, delivered or used in a novel way to address unmet patient needs. At the end of 2014, 15 NTE products were included in our pipeline.

In Specialty, we develop novel products in our core therapeutic areas of CNS and respiratory, with select projects in additional areas. From 2015 to 2019, we anticipate the results of 130 clinical trials and the launch of 27 new specialty products across our pipeline, with strong growth across our CNS and respiratory portfolios.

Over-the-Counter (OTC)

We maintain a consumer healthcare joint venture, PGT Healthcare, in partnership with P&G. PGT Healthcare markets more than 200 over-the-counter medicines and vitamins, minerals and food supplements around the world. This unique collaboration combines Teva’s core production capabilities and market reach with P&G’s marketing expertise and expansive global platform.

### Our Specialty pipeline

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Registration</th>
</tr>
</thead>
<tbody>
<tr>
<td>TV-66163 (abuse deterrent) Pain</td>
<td>Laquinimod Multiple Sclerosis (Progressive forms)</td>
<td>Laquinimod Multiple Sclerosis (Relapsing Remitting)</td>
<td>CEP-33327 ER Hydrocodone (abuse deterrent) US Pain</td>
</tr>
<tr>
<td>TV-66339 (abuse deterrent) Pain</td>
<td>Laquinimod Huntington Disease</td>
<td>Fingolimod Multiple Sclerosis</td>
<td>Copaxone® 40mg 3 x per W ROW Multiple Sclerosis</td>
</tr>
<tr>
<td>Platiunum Salmeterol Sputnik US</td>
<td>Topical Multiple Sclerosis</td>
<td>Sputnik Salmeterol Sputnik US</td>
<td>Copaxone® 20mg per day Japan Multiple Sclerosis</td>
</tr>
<tr>
<td>Resinase SC Asthma</td>
<td>TV-65970 Topical Huntington Disease</td>
<td>TV-65970 Topical Huntington Disease</td>
<td>Resinase® HIFUSIS Asthma, exercise induced bronchospasm</td>
</tr>
<tr>
<td>Platiunum Salmeterol MDI EU Breathable, COPD</td>
<td>TV-65970 Topical Huntington Disease</td>
<td>Platiunum Salmeterol MDI EU Breathable, COPD</td>
<td>Sputnik Salmeterol IV Asthma</td>
</tr>
<tr>
<td>TEV-90105</td>
<td>TV-65125 Chronic and Acute Pain</td>
<td>TV-65125 Chronic and Acute Pain</td>
<td>Sputnik Salmeterol IV Asthma</td>
</tr>
<tr>
<td>TEV-90132</td>
<td>CEP-41750 (Mesenchymal Precursor Cells) Acute Myocardial Infarction</td>
<td>CEP-41750 (Mesenchymal Precursor Cells) Acute Myocardial Infarction</td>
<td>CEP-41750 (Mesenchymal Precursor Cells) Acute Myocardial Infarction</td>
</tr>
</tbody>
</table>

### Notes:
- Pipeline correct as of January 31, 2015
- Phase 1 includes also projects designated for IND filing
Global Reach

Headquartered in Israel, Teva has a direct presence in countries across the globe, and distributes medicines in about 100 markets around the world. Our business is divided between the United States, Europe and Rest of the World (ROW).

- **Generics leadership**: Teva maintains a top 3 generics position in 25 of the markets in which we operate
- **Specialty leadership**: Copaxone®, our leading MS therapy, is used by more than 170,000 patients per year
- **Universal use**: Teva fills 1 in 8 prescriptions in the US and 1 in 6 prescriptions in the UK
- **Large-scale volume**: Teva produced approximately 64 billion tablets and capsules and more than 650 million sterile units in 2014
Leadership

Executive Committee

Erez Vigodman
President and Chief Executive Officer

Dr. Rob Koremans
President and Chief Executive Officer, Global Specialty Medicines

Iris Beck-Codner
Group Executive Vice President, Corporate Marketing Excellence and Communications

Dr. Carlo De Notaristefani
President and Chief Executive Officer, Global Operations

Eyal Desheh
Group Executive Vice President, Chief Financial Officer

Siggi Olafsson
President and Chief Executive Officer, Global Generic Medicines

Richard Egosi
Group Executive Vice President, Chief Legal Officer

Mark Sabag
Group Executive Vice President, Chief Human Resources Officer

Dr. Michael Hayden
President of Global Research and Development and Chief Scientific Officer

Board of Directors

Prof. Yitzhak Peterburg
Chairman of the Board of Directors

Prof. Richard Alan Lerner
Director

Erez Vigodman
Director

Prof. Moshe Many
Director

Roger Abravanel
Director

Galia Maor
Director

Dr. Sol J. Barer
Director

Joseph Nitzani
Director

Dr. Arie Beldegrun
Director

Dan Propper
Director

Amir Elstein
Director

Ory Slonim
Director

Jean-Michel Halton
Director

Dr. Phillip Frost
Director until February 2015
Chairman of the Board of Directors: 2010-2014
Vice Chairman of the Board: 2006-2010
Stockholder Information

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Denise Bradley
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Email: denise.bradley@tevapharm.com

Stock Information
Teva Pharmaceutical Industries Limited is listed and traded on the New York Stock Exchange and Tel Aviv Stock Exchange. The company’s symbol on both exchanges is TEVA.

Website
More information is available on Teva’s website at www.tevapharm.com.