TEVA PHARMACEUTICAL INDUSTRIES LTD
Form 424B5
June 16, 2010
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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-155927

333-155927-03

333-155927-04

Title of Each Class of Securities to be Registered	Amount to be Registered	Amount of Registration Fee
Teva Pharmaceutical Finance III, LLC Floating Rate Senior Notes due 2011	$ 500,000,000	$ 35,650.00[1]
Teva Pharmaceutical Industries Limited Guarantee of Floating Rate Senior Notes due 2011	[2]	[2]
Teva Pharmaceutical Finance III, LLC 1.500% Senior Notes due 2012	$ 1,000,000,000	$ 71,300.00[1]
Teva Pharmaceutical Industries Limited Guarantee of 1.500% Senior Notes due 2012	[2]	[2]
Teva Pharmaceutical Finance II B.V. 3.000% Senior Notes due 2015	$ 1,000,000,000	$ 71,300.00[1]
Teva Pharmaceutical Industries Limited Guarantee of 3.000% Senior Notes due 2015	[2]	[2]
Total		$ 178,250.00[1]

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended. A filing fee of $178,250.00 has been transmitted to the SEC in connection with the securities offered from the registration statement (File No. 333-155927) by means of this prospectus supplement.

(2) No separate consideration will be received for the guarantees. Pursuant to Rule 457(n) under the Securities Act, no separate fee is payable with respect to the guarantees being registered.

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PROSPECTUS SUPPLEMENT

(To Prospectus dated December 4, 2008)

$2,500,000,000

Teva Pharmaceutical Finance III, LLC

$500,000,000 Floating Rate Senior Notes due 2011

$1,000,000,000 1.500% Senior Notes due 2012

Teva Pharmaceutical Finance II B.V.

$1,000,000,000 3.000% Senior Notes due 2015

Payment of principal and interest unconditionally guaranteed by

Teva Pharmaceutical Industries Limited

This is an offering by

Teva Pharmaceutical Finance III, LLC (Teva Finance LLC) of $500,000,000 of its Floating Rate Senior Notes due 2011 (the 2011 notes) and $1,000,000,000 of its 1.500% Senior Notes due 2012 (the 2012 notes); and

Teva Pharmaceutical Finance II B.V. (Teva Finance BV and, together with Teva Finance LLC, the issuers) of $1,000,000,000 of its 3.000% Senior Notes due 2015 (the 2015 notes).

Teva Finance LLC will pay interest on the 2011 notes quarterly in arrears on the 19th day of March, June, September and December of each year, beginning September 19, 2010, to the holders of record at the close of business on the preceding March 1, June 1, September 1 and December 1, respectively. The issuers will pay interest on the 2012 notes and the 2015 notes on June 15 and December 15 of each year, beginning December 15, 2010, to the holders of record at the close of business on the preceding June 1 and December 1, respectively. Payment of all principal and interest payable on the notes is unconditionally guaranteed by Teva Pharmaceutical Industries Limited (Teva).

The issuers may redeem, in whole or in part, the 2012 notes and/or the 2015 notes, at any time or from time to time, on at least 20 days , but not more than 60 days , prior notice. These notes will be redeemable at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments (as defined herein) discounted on a semi-annual basis, at a rate equal to the sum of the Treasury Rate and 12 basis points with respect to the 2012 notes and 15 basis points for the 2015 notes.

The notes will be unsecured senior obligations of the issuers, which are indirect subsidiaries of Teva, and the guarantees will be unsecured senior obligations of Teva. Teva intends to use the proceeds from the offering to repay approximately $800 million of the approximately $1.5 billion outstanding under its unsecured credit facility assumed in connection with the acquisition of Barr Pharmaceuticals, Inc. (Barr) in 2008, pay a portion of the purchase price for its pending acquisition of Merckle-ratiopharm Group and/or for general corporate purposes.

Investing in the notes involves risks. See Risk Factors beginning on page S-7 of this prospectus supplement and page 3 of the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Floating Rate Senior Note due 2011	Total	Per 1.500% Senior Note due 2012	Total	Per 3.000% Senior Note due 2015	Total
Offering price(1)	100.000%	$ 500,000,000	99.902%	$ 999,020,000	99.876%	$ 998,760,000
Underwriting discount	0.100%	$ 500,000	0.200%	$ 2,000,000	0.350%	$ 3,500,000
Proceeds to the issuers (before expenses)	99.900%	$ 499,500,000	99.702%	$ 997,020,000	99.526%	$ 995,260,000

(1) Plus accrued interest, if any, from June 18, 2010, if settlement occurs after that date.

The underwriters expect to deliver the notes on or about June 18, 2010.

Active Joint Book-Running Managers

Credit Suisse **Goldman, Sachs & Co.** **Morgan Stanley**

Passive Book-Running Managers

Barclays Capital **Citi**

Co-Managers

BNP PARIBAS **Credit Agricole CIB** **HSBC**

The date of this prospectus supplement is June 15, 2010.

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We have not authorized anyone to provide any information or to make any representations other than those contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectuses we have prepared. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus supplement and the accompanying prospectus is an offer to sell only the notes offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus supplement and the accompanying prospectus is current only as of the respective dates of such documents.

This prospectus supplement and accompanying prospectus are only being distributed to and are only directed at (1) persons who are outside the United Kingdom or (2) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (iii) high net worth entities, and other persons to whom they may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as relevant persons). The notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the notes will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this prospectus supplement or the accompanying prospectus.

In relation to each Member State of the European Economic Area (EEA) which has implemented the Prospectus Directive (each, a Relevant Member State) an offer to the public of any notes which are the subject of the offering contemplated by this prospectus may not be made in that Relevant Member State except for an offer to qualified investors in that Member State within the meaning of the Prospectus Directive, provided that no such offer of notes shall result in a requirement for the publication by the issuers or the book-running managers of a prospectus pursuant to Article 3 of the Prospectus Directive.

This prospectus has been prepared on the basis that any offer of notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for the offer of these notes. Accordingly any person making or intending to make any offer within the EEA of notes which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for the issuers, or any of the book-running managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the issuers nor the book-running managers have authorized, nor do they authorize, the making of any offer (other than permitted public offers) of notes in circumstances in which an obligation arises for the issuers or the book-running managers to publish a prospectus for such offer.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any notes under, the offers contemplated in this prospectus will be deemed to have represented, warranted and agreed to and with each of the issuers and each book-running manager that:

- **it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and**

- **in the case of any notes acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the notes acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the book-running managers has been given to the offer or resale; or (ii) where notes have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those notes to it is not treated under the Prospectus Directive as having been made to such persons.**

For the purposes of the above, the expression an offer to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any notes to be offered so as to enable an investor to decide to purchase or

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subscribe for the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

In connection with the issue of the notes, the book-running managers (or persons acting on behalf of any of the book-running managers may over-allot notes or effect transactions with a view to supporting the market price of the notes at a level higher than that which might otherwise prevail. However, there is no assurance that the joint book-running managers (or persons acting on behalf of a book-running manager) will undertake stabilization action. Such stabilizing, if commenced, may be discontinued at any time and, if begun, must be brought to an end after a limited period. Any stabilization action or over-allotment must be conducted by the relevant book-running managers (or persons acting on behalf of any book-running manager) in accordance with all applicable laws and rules.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information contained elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. This is not intended to be a complete description of the matters covered in this prospectus supplement and the accompanying prospectus and is subject to, and qualified in its entirety by, reference to the more detailed information and financial statements (including the notes thereto) included or incorporated by reference in this prospectus supplement and the accompanying prospectus. Unless otherwise indicated, all references to the Company, we, us, our or Teva refer to Teva Pharmaceutical Industries Limited and its subsidiaries. All references to Teva Finance LLC refer to Teva Pharmaceutical Finance III, LLC, an indirect subsidiary of Teva, to Teva Finance BV refer to Teva Pharmaceutical Finance II B.V., an indirect subsidiary of Teva, and to issuers refer to both Teva Finance LLC and Teva Finance BV.

The Company

We are a global pharmaceutical company that develops, produces and markets generic drugs covering all major treatment categories. We are the leading generic drug company in the world, as well as in the United States, in terms of both total and new prescriptions. We also have a significant and growing branded pharmaceutical portfolio, including Copaxone® for multiple sclerosis and Azilect® for Parkinson s disease, respiratory products and women s health products. Our active pharmaceutical ingredient (API) manufacturing capabilities provide significant vertical integration to our own pharmaceutical production.

Our global presence covers North America, Europe, Latin America, Asia and Israel. We currently have direct operations in more than 60 countries, including 38 finished dosage pharmaceutical manufacturing sites in 17 countries, 15 generic R&D centers operating mostly within certain manufacturing sites and 21 API manufacturing sites around the world. In 2009, we generated approximately 60% of our sales in North America (i.e., the United States and Canada only), approximately 25% in Europe (i.e., all European Union (EU) member states and other Western European countries) and approximately 15% in other regions (primarily Latin America, including Mexico, Israel and Central and Eastern European countries that are not members of the EU).

Teva was incorporated in Israel on February 13, 1944, and is the successor to a number of Israeli corporations, the oldest of which was established in 1901. Our executive offices are located at 5 Basel Street, P.O. Box 3190, Petach Tikva 49131 Israel, telephone number +972-3-926-7267.

Teva Finance LLC

Teva Finance LLC is a Delaware limited liability company that was formed on December 5, 2003 to issue debt securities pursuant to the accompanying prospectus. Its address is 1090 Horsham Road, North Wales, Pennsylvania 19454, telephone number (215) 591-3000.

Teva Finance BV

Teva Finance BV is a Netherlands Antilles private limited liability company that was formed on June 30, 2003 to issue debt securities pursuant to the accompanying prospectus. Its address is Schottegatweg Oost 29D, Curacao, Netherlands Antilles, telephone number +5999-736-6066.

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Recent Developments

Ratiopharm Acquisition.

As previously announced, on March 18, 2010, we entered into a definitive agreement to acquire Merckle-ratiopharm Group (Ratiopharm), Germany s second-largest generic drug company and the sixth-largest generic drug company worldwide, for an enterprise value of 3.625 billion (or approximately $5 billion). The closing of the transaction is subject to various conditions, including approval by antitrust authorities in Europe and in Canada. We expect that the closing of the transaction will take place by the end of 2010.

The acquisition of Ratiopharm is part of our strategic objective of strengthening our position in key European markets, and is expected to position us as the leading generic pharmaceutical company in Europe in terms of sales. It will also substantially increase our sales in Germany, Canada, Russia and Ukraine.

New Credit Facilities.

In addition to our existing credit facilities, we recently executed commitment letters from three banks, with each agreeing to provide us with up to $500 million, or the Euro equivalent, to be used to pay a portion of the purchase price for the Ratiopharm acquisition. The credit facilities are unsecured, provide for a floating LIBOR-based interest rate and have a term of up to one-year from the drawing of the loan. Consummation of these loans remains subject to various closing conditions.

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The Offering

Issuers	Teva Pharmaceutical Finance III, LLC (Teva Finance LLC); and Teva Pharmaceutical Finance II B.V. (Teva Finance BV), each of which are indirect, wholly owned subsidiaries of Teva Pharmaceutical Industries Limited that have no assets or operations other than in connection with this offering.
Securities Offered	$500,000,000 aggregate principal amount of Floating Rate Senior Notes due 2011 of Teva Finance LLC (the 2011 notes); $1,000,000,000 aggregate principal amount of 1.500% Senior Notes due 2012 of Teva Finance LLC (the 2012 notes); and $1,000,000,000 aggregate principal amount of 3.000% Senior Notes due 2015 of Teva Finance BV (the 2015 notes).
Guarantees	Teva will irrevocably and unconditionally guarantee the punctual payment when due of the principal and interest, whether at maturity, upon redemption, by acceleration or otherwise (including any additional amounts in respect of taxes as described in Description of the Notes and the Guarantees Additional Tax Amounts), if any, on the notes of each series.
Ranking	As indebtedness of Teva, the guarantees will rank: senior to the rights of creditors under debt expressly subordinated to the notes; equally with other unsecured debt of Teva from time to time outstanding other than any that is subordinated to the notes; effectively junior to Teva s secured indebtedness up to the value of the collateral securing that indebtedness; and effectively junior to the indebtedness of Teva s subsidiaries.
Maturity	The 2011 notes will mature on December 19, 2011, the 2012 notes will mature on June 15, 2012 and the 2015 notes will mature on June 15, 2015, unless earlier redeemed.

Interest Payment Dates	March 19, June 19, September 19 and December 19 of each year, beginning September 19, 2010, and at maturity, with respect to the 2011 notes. June 15 and December 15, beginning December 15, 2010, and at maturity, with respect to the 2012 notes and the 2015 notes.
Interest Rate	A rate equal to three-month LIBOR (calculated as set forth in the Description of the Notes and the Guarantees Payment of Interest and Principal Interest on the 2011 Notes) plus 0.400% in the case of the 2011 notes. 1.500% per year in the case of the 2012 notes; and 3.000% per year in the case of the 2015 notes.

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Optional Redemptions by the Issuers	The 2011 notes will not be subject to redemption at Teva Finance LLC s option (other than as set forth below in Description of the Notes and the Guarantees Tax Redemption). The applicable issuers may, however, redeem the 2012 notes or the 2015 notes, in whole or in part, at any time or from time to time, on at least 20 days , but not more than 60 days , prior notice. These notes will be redeemable at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments (as defined under Description of the Notes and the Guarantees Optional Redemption by the Applicable Issuer) discounted, on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), at a rate equal to the sum of the Treasury Rate (as defined in Description of the Notes and the Guarantees Optional Redemption by the Applicable Issuer) and 12 basis points in the case of the 2012 notes or 15 basis points in the case of the 2015 notes, plus accrued and unpaid interest, if any, to the redemption date.
Use of Proceeds	Teva intends to use the proceeds from the offering to repay approximately $800 million of the approximately $1.5 billion outstanding under its unsecured credit facility assumed in connection with the acquisition of Barr in 2008, pay a portion of the purchase price for its pending acquisition of Ratiopharm and/or for general corporate purposes. See Use of Proceeds.
Form, Denomination and Registration	The notes will be issued only in fully registered form without coupons and in minimum denominations of $2,000 principal amount and whole multiples of $1,000 in excess of $2,000. The notes will be evidenced by one or more global notes deposited with the trustee of the notes, as custodian for Depository Trust Company (DTC). Beneficial interests in the global notes will be shown on, and transfers will be effected through, records maintained by DTC and its direct and indirect participants.
Absence of a Public Market for the Notes	The notes are new securities for which no market currently exists. While one or more of the underwriters have informed us that they intend to make a market in the notes, they are under no obligation to do so and may discontinue such activities at any time without notice. The notes will not be listed on any securities exchange or included in any automated quotation system. We cannot assure you that any active or liquid market will develop in the notes.

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Summary Selected Historical Financial Data of Teva

The summary selected financial data set forth below for each of the years in the three-year period ended December 31, 2009 and at December 31, 2009 and 2008 are derived from Teva s audited consolidated financial statements and related notes incorporated by reference into this prospectus supplement, which have been prepared in accordance with accounting principles generally accepted in the United States, or U.S. GAAP. The selected financial data for each of the years in the two-year period ended December 31, 2006 and at December 31, 2007 are derived from other audited consolidated financial statements of Teva, which have been prepared in accordance with U.S. GAAP.

The summary selected unaudited financial data as of and for each of the three month periods ended March 31, 2010 and 2009 are derived from unaudited consolidated financial statements incorporated by reference into this prospectus supplement. Such financial statements include, in Teva s opinion, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the results for the unaudited periods. You should not rely on these interim results as being indicative of results Teva may expect for the full year or any other interim period.

The information set forth below is only a summary and is not necessarily indicative of the results of future operations of Teva, and you should read the summary selected historical financial data together with Teva s audited and unaudited consolidated financial statements and related notes and Operating and Financial Review and Prospects included in Teva s Annual Report on Form 20-F and Reports of Foreign Private Issuer on Form 6-K incorporated into this prospectus supplement by reference. See the section entitled Where You Can Find More Information for information on where you can obtain copies of these documents.

Operating Data

	For the three months ended March 31,		For the year ended December 31,				
	2010	2009	2009	2008	2007	2006	2005
	(unaudited)						
	U.S. dollars in millions (except per share amounts)						
Net sales	3,653	3,147	13,899	11,085	9,408	8,408	5,250
Cost of sales	1,640	1,576	6,532	5,117	4,531	4,149	2,770
Gross profit	2,013	1,571	7,367	5,968	4,877	4,259	2,480
Research and development expenses net	207	219	802	786	581	495	369
Selling and marketing expenses	752	604	2,676	1,842	1,264	1,024	533
General and administrative expenses	182	196	823	669	637	548	266
Legal settlements, acquisition and restructuring expenses and impairment	34	14	638	124		96	
Acquisition of research and development in process	4		23	1,402		1,295	
Operating income	834	538	2,405	1,145	2,395	801	1,312
Financial expenses net	27	63	202	345*	91*	137*	4
Income before income taxes	807	475	2,203	800	2,304	664	1,308
Provision for income taxes	85	25	166	184*	386*	145*	236
	722	450	2,037	616	1,918	519	1,072

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	For the three months ended March 31,		For the year ended December 31,				
	2010	2009	2009	2008	2007	2006	2005
	(unaudited)						
	U.S. dollars in millions (except per share amounts)						
Share in profit (losses) of associated companies net	(8)	1	(33)	(1)	(3)	(3)	2
Net income	714	451	2,004	615	1,915	516	1,074
Net income attributable to non-controlling interests	1	***	4	6**	1**	2**	2**
Net income attributable to Teva	713	451	2,000	609	1,914	514	1,072
Earnings per share attributable to Teva:							
Basic ($)	0.80	0.53	2.29	0.78	2.49	0.68	1.73
Diluted ($)	0.79	0.51	2.23	0.75	2.36	0.65	1.59
Weighted average number of shares (in millions):							
Basic ($)	892	857	872	780	768	756	618
Diluted ($)	921	894	896	820	830	805	681

* After giving retroactive effect to the adoption of an accounting pronouncement which requires issuers to account separately for the liability and equity components of convertible debt instruments that may be settled in cash (including partial cash settlement).
** After giving retroactive effect to non-controlling interests reclassification.
*** Represents an amount of less than $0.5 million.

Balance Sheet Data

	As of March 31,		As of December 31,		
	2010	2009	2009	2008	2007
	(unaudited)				
	U.S. dollars in millions				
Working capital (current assets net of current liabilities)	4,268	2,570	4,539	2,945	4,492*
Total assets	34,051	32,243	33,810	32,920*	23,423*
Short-term debt, including current maturities:					
Short-term debt	1,974	3,356	1,301	2,906	1,837*
Long-term debt, net of current maturities:					
Convertible senior debentures	47	1,208	817	1,821*	1,345*
Senior notes and loans	3,416	3,855	3,494	3,654	1,914
Total long-term debt	3,463	5,063	4,311	5,475	3,259
Non-controlling interests	33	58	37	60	36
Total equity	19,683	16,137	19,259	16,438*	13,864*

* After giving retroactive effect to the adoption of an accounting pronouncement which requires issuers to account separately for the liability and equity components of convertible debt instruments that may be settled in cash (including partial cash settlement).

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RISK FACTORS

Before you invest in the notes, you should carefully consider the risks involved. Accordingly, you should carefully consider the information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus, including the risk factors listed below and in the accompanying prospectus. See Forward-Looking Statements.

Risks Related to Our Business

Investment in our securities involve various risks. In making an investment decision, you should carefully consider the risks and uncertainties described under the heading Risk Factors in our Annual Report on Form 20-F for the year ended December 31, 2009, our Reports of Foreign Private Issuer on Form 6-K that are incorporated herein by reference and any future filings made by Teva pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), prior to the termination of this offering as well as the risk factors below.

Risks Related to the Notes

There may not be a liquid market for the notes, and you may not be able to sell your notes at attractive prices or at all.

The notes are a new issue of securities for which there is currently no trading market. Although one or more of the underwriters have advised us that they currently intend to make a market in the notes, they are not obligated to do so and may discontinue their market-making activities at any time without notice. We do not intend to apply for listing of the notes on any exchange or any automated quotation system. If an active market for the notes fails to develop or be sustained, the trading price of the notes could fall, and even if an active trading market were to develop, the notes could trade at prices that may be lower than the initial offering price. The trading price of the notes will depend on many factors, including:

- prevailing interest rates and interest rate volatility;
- the markets for similar securities;
- our financial condition, results of operations and prospects;
- the publication of earnings estimates or other research reports and speculation in the press or investment community;
- changes in our industry and competition; and
- general market and economic conditions.

As a result, we cannot assure you that you will be able to sell the notes at attractive prices or at all.

A downgrade, suspension or withdrawal of the rating assigned by a rating agency to the notes, if any, could cause the liquidity or market value of the notes to decline significantly.

We cannot assure you what rating, if any, will be assigned to the notes. In addition, we cannot assure you that any rating so assigned will remain for any given period of time or that the rating will not be lowered or withdrawn entirely by the rating agency if in that rating agency s judgment future circumstances relating to the basis of the rating, such as adverse changes in our business, so warrant.

We will significantly increase our total indebtedness as a result of the sale of the notes and our expected new credit facilities.

As a result of the sales of the notes and our expected use of new credit facilities in connection with the Ratiopharm acquisition, net of the expected repayment of $800 million of the Barr credit facility, we will incur

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an additional $3.2 billion of indebtedness. As a result of this indebtedness, our principal and interest payment obligations will increase substantially. The degree to which we will be leveraged could affect our ability to obtain additional financing for working capital, acquisitions or other purposes and could make us more vulnerable to industry downturns and competitive pressures. Our ability to meet our debt service obligations will be dependent upon our future performance and access to financing, which will be subject to financial, business and other factors affecting our operations, many of which are beyond our control.

Because Teva and Teva Finance BV are foreign entities, you may have difficulties enforcing your rights under the guarantees and under the notes offered by Teva Finance BV.

Teva is an Israeli company. In addition, most of Teva s officers, directors or persons of equivalent position reside outside of the United States. As a result, service of process on them may be difficult or impossible to effect in the United States. Furthermore, due to the fact that a substantial portion of our assets are located outside of the United States, it may be difficult to enforce judgments obtained against us or any of our directors and officers in a United States Court.

An Israeli court may declare a judgment rendered by a foreign court in a civil matter, including judgments awarding monetary or other damages, enforceable if it finds that:

(1) the judgment was rendered by a court which was, according to the foreign country s law, competent to render it;

(2) the judgment is no longer appealable;

(3) the judgment is enforceable according to the rules relating to the enforceability of judgments in Israel and the substance of the judgment is not contrary to public policy in Israel; and

(4) the judgment can be executed in the state in which it was given.

A foreign judgment will not be declared enforceable by Israeli courts if it was given in a state, the laws of which do not provide for the enforcement of judgments of Israeli courts (subject to exceptional cases) or if its enforcement is likely to prejudice the sovereignty or security of Israel. An Israeli court also will not declare a foreign judgment enforceable if it is proved to the Israeli court that:

(1) the judgment was obtained by fraud;

(2) there was no due process;

(3) the judgment was given by a court not competent to render it according to the laws of private international law in Israel;

(4) the judgment is at conflict with another judgment that was given in the same matter between the same parties and which is still valid; or

(5) at the time the action was brought to the foreign court a claim in the same matter and between the same parties was pending before a court or tribunal in Israel.

Teva Finance BV is organized under the laws of the Netherlands Antilles and its managing directors reside outside the United States, and all or a significant portion of the assets of such person may be, and substantially all of the assets of Teva Finance BV are, located outside the United

States. As a result, it may not be possible to effect service of process within the United States upon Teva Finance BV or any such person or to enforce against Teva Finance BV or any such person judgments obtained in United States courts predicated upon the civil liability provisions of the federal securities laws of the United States.

The United States and the Netherlands Antilles do not currently have a treaty providing for reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the United States based on civil liability, whether or

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not predicated solely upon the federal securities laws of the United States, would not be directly enforceable in the Netherlands Antilles.

If the party in whose favor such a final judgment is rendered brings a new suit in a competent court in the Netherlands Antilles, that party may submit to the Netherlands Antilles court the final judgment that has been rendered in the United States. A foreign judgment would be enforceable in the Netherlands Antilles generally, without any re-examination of the merits of the original judgment provided that:

(1) the judgment is final in the jurisdiction where rendered and was issued by a competent court;

(2) the judgment is valid in the jurisdiction where rendered;

(3) the judgment was issued following personal service of the summons upon the defendant or its agent and, in accordance with due process of law, an opportunity for the defendant to defend against the foreign action;

(4) the judgment does not violate natural justice or any compulsory provisions of Netherlands Antilles law or principles of public policy;

(5) the terms and conditions governing the indentures do not violate any compulsory provisions of Netherlands Antilles law or principles of public policy;

(6) the judgment is not contrary to a prior or simultaneous judgment of a competent Netherlands Antilles court; and

(7) the judgment has not been rendered in proceedings of a penal, revenue or other public law nature.

The notes will be subordinated to some of our existing and future indebtedness.

Teva will irrevocably and unconditionally guarantee the punctual payment when due of the principal of and interest, if any, on the notes. As indebtedness of Teva, the notes will be Teva s general, unsecured obligations and will rank equally in right of payment with all of Teva s existing and future unsubordinated, unsecured indebtedness. The notes will be effectively subordinated to any existing and future secured indebtedness Teva may have up to the value of the collateral securing that indebtedness and structurally subordinated to any existing and future liabilities and other indebtedness of our subsidiaries with respect to the assets of those subsidiaries. These liabilities may include debt securities, credit facilities, trade payables, guarantees, lease obligations, letter of credit obligations and other indebtedness. See Description of the Notes and the Guarantees Description of the Guarantees. The indenture does not restrict us or our subsidiaries from incurring debt in the future, nor does it limit the amount of indebtedness we can issue that is equal in right of payment. At March 31, 2010, Teva s subsidiaries, other than finance subsidiaries, had $2,519 million of indebtedness outstanding.

Teva is, and may in the future be, subject to restrictions on receiving dividends and other payments from its subsidiaries.

Teva s income is derived in large part from its subsidiaries. Accordingly, Teva s ability to pay its obligations under the guarantees depends in part on the earnings of its subsidiaries and the payment of those earnings to Teva, whether in the form of dividends, loans or advances. Such payment by Teva s subsidiaries to Teva may be subject to restrictions. For example, the Barr credit facilities restrict the payment of dividends to Teva by the Barr subsidiaries covered under such agreement. The indenture does not restrict Teva or its subsidiaries from entering into additional agreements that contain similar restrictions.

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FORWARD LOOKING STATEMENTS

Our disclosure and analysis in this prospectus supplement contain or incorporate by reference some forward-looking statements. Forward-looking statements describe our current expectations or forecasts of future events. You can identify these statements by the fact that they do not relate strictly to historical or current facts. Such statements may include words such as anticipate , estimate , expect , project , intend plan , believe and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. In particular, these statements include, among other things, statements relating to:

- our business strategy;
- the development of our products;
- our projected capital expenditures; and
- our liquidity.

This prospectus supplement contains or incorporates by reference forward-looking statements which express the beliefs and expectations of management. Such statements are based on management s current beliefs and expectations and involve a number of known and unknown risks and uncertainties that could cause our future results, performance or achievements to differ significantly from the results, performance or achievements expressed or implied by such forward-looking statements. Important factors that could cause or contribute to such differences include risks relating to: our ability to successfully develop and commercialize additional pharmaceutical products, the introduction of competing generic equivalents, the extent to which we may obtain U.S. market exclusivity for certain of our new generic products and regulatory changes that may prevent us from utilizing exclusivity periods, potential liability for sales of generic products prior to a final resolution of outstanding patent litigation, including that relating to the generic versions of Neurontin®, Lotrel® and Protonix®, current economic conditions, the extent to which any manufacturing or quality control problems damage our reputation for high quality production, the effects of competition on our innovative products, especially Copaxone® sales, dependence on the effectiveness of our patents and other protections for innovative products, especially Copaxone®, the impact of consolidation of our distributors and customers, the impact of pharmaceutical industry regulation and pending legislation that could affect the pharmaceutical industry, our ability to achieve expected results though our innovative R&D efforts, the difficulty of predicting U.S. Food and Drug Administration, European Medicines Agency and other regulatory authority approvals, the uncertainty surrounding the legislative and regulatory pathway for the registration and approval of biotechnology-based products, the regulatory environment and changes in the health policies and structures of various countries, any failures to comply with the complex Medicare and Medicaid reporting and payment obligations, the effects of reforms in healthcare regulation, supply interruptions or delays that could result from the complex manufacturing of our products and our global supply chain, interruptions in our supply chain or problems with our information technology systems that adversely affect our complex manufacturing processes, potential tax liabilities that may arise should our agreements (including intercompany arrangements) be challenged successfully by tax authorities, our ability to successfully identify, consummate and integrate acquisitions and other business combinations (including our pending acquisition of Ratiopharm), the potential exposure to product liability claims to the extent not covered by insurance, our exposure to fluctuations in currency, exchange and interest rates, as well as to credit risk, significant operations worldwide that may be adversely affected by terrorism, political or economical instability or major hostilities, our ability to enter into patent litigation settlements and the increased government scrutiny of our agreements with brand companies in both the U.S. and Europe, the termination or expiration of governmental programs and tax benefits, impairment of intangible assets and goodwill, any failure to retain key personnel or to attract additional executive and managerial talent, environmental risks, and other factors that are discussed in this prospectus, our Annual Report on Form 20-F for the year ended December 31, 2009, and in our other filings with the SEC.

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Forward looking statements speak only as of the date on which they are made, and we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. You are advised, however, to consult any additional disclosures we make in our Annual Reports on Form 20-F and our Reports of Foreign Private Issuer on Form 6-K that are filed with the SEC. Also note that we provide a cautionary discussion of risks and uncertainties under Risk Factors above and in the accompanying prospectus. These are factors that we think could cause our actual results to differ materially from expected results. Other factors besides those listed here or in the accompanying prospectus could also adversely affect us. This discussion is provided as permitted by the Private Securities Litigation Reform Act of 1995.

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RATIO OF EARNINGS TO FIXED CHARGES

Our ratio of earnings to fixed charges in accordance with U.S. GAAP for the periods presented are as follows:

	Three Months Ended March 31, 2010 (Unaudited)	Year Ended December 31,				
		2009	2008	2007	2006	2005
Ratio of earnings to fixed charges	16.9	9.4	4.5	9.5	4.1	30.4

The issuers did not have any operations for the relevant periods.

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CAPITALIZATION

The following table sets forth our capitalization as of March 31, 2010:

- On a historical basis; and
- On an as adjusted basis to give further effect to the issuance and sale of the notes and the application of the net proceeds to repay approximately $800 million of the approximately $1.5 billion outstanding under our unsecured credit facility assumed in connection with the acquisition of Barr in 2008 (but without giving effect to our expected use of $1.5 billion in new credit facilities in connection with the Ratiopharm acquisition).

We or our affiliates expect to enter into swap agreements or related hedging transactions in connection with the sale of the notes offered hereby (1) to swap the fixed interest rate with respect to the 2012 notes to a floating rate and (2) to convert the dollar denominated 2015 notes to a Euro denomination.

You should read this table together with the unaudited consolidated financial statements and the notes thereto and our supplemental financial data incorporated by reference in this prospectus supplement.

	March 31, 2010 (Unaudited)	
	Actual	As adjusted
	U.S. Dollars in Millions	
Short-term debt, including current maturities excluding convertible debentures	$ 613	$ 613
0.25% Convertible Senior Debentures due 2026	575	575
1.75% Convertible Senior Debentures due 2026	786	786
Total short-term debt	1,974	1,974
0.50% Series A Convertible Senior Debentures due 2024(1)	6	6
0.25% Series B Convertible Senior Debentures due 2024(1)	41	41
5.550% Senior Notes due 2016	493	493
6.150% Senior Notes due 2036	987	987
Floating Rate Senior Notes due 2011		500
1.500% Senior Notes due 2012		1,000
3.000% Senior Notes due 2015		1,000
Other long-term debt, net of current maturities	1,936	1,136
Total long-term debt	3,463	5,163
Equity:		
Teva shareholders equity:		
Ordinary shares of NIS 0.10 par value: authorized 1,500 million shares; issued and outstanding actual 931 million shares	49	49
Additional paid-in capital	13,035	13,035
Retained earnings	7,210	7,210
Accumulated other comprehensive income	280	280
Treasury shares 38 million ordinary shares	(924)	(924)
	19,650	19,650
Non-controlling interests	33	33

Total equity	19,683	19,683
Total capitalization	$ 25,120	$ 26,820

(1) See Note 11 of the notes to our consolidated financial statements for the year ended December 31, 2009 incorporated by reference in this prospectus supplement for a discussion of these securities.

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USE OF PROCEEDS

The issuers estimate that they will receive net proceeds of approximately $2,491,280,000. Teva intends to, either directly or through affiliates, on-lend the net proceeds from this offering to repay approximately $800 million of the $1.5 billion outstanding under Teva s unsecured credit facility assumed in connection with the Barr acquisition in 2008. Such facilities bear a floating rate of interest based on USD LIBOR plus 1.25%, and the portion that Teva will repay matures in October 2011. The balance of the proceeds is expected to be used to pay a portion of the purchase price of the acquisition of Ratiopharm, which we currently expect to consummate by the end of 2010. If we are unable to consummate the acquisition, we will use the balance of the net proceeds of this offering for general corporate purposes.

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DESCRIPTION OF THE NOTES AND THE GUARANTEES

Teva Finance LLC will issue the Floating Rate Senior Notes due 2011 (the 2011 notes) and the 1.500% Senior Notes due 2012 (the 2012 notes) under a senior indenture, to be dated as of June 18, 2010, by and among Teva Finance LLC, Teva and The Bank of New York Mellon, as trustee, as supplemented by a supplemental indenture to be dated as of June 18, 2010. Teva Finance BV will issue the 3.000% Senior Notes due 2015 (the 2015 notes) under a senior indenture, to be dated as of June 18, 2010, by and among Teva Finance BV, Teva and The Bank of New York Mellon, as trustee, as supplemented by a supplemental indenture to be dated as of June 18, 2010. The terms of the notes of each series include those provided in the applicable indenture. Teva will irrevocably and unconditionally guarantee the punctual payment by the applicable issuer of the principal of and interest, if any, on the notes of each series by the applicable issuer.

The following description is only a summary of the material provisions of the notes of each series and the related indentures and guarantees. We urge you to read these documents in their entirety because they, and not this description, define your rights as holders of the notes. You may request copies of these documents at our address set forth in the section titled Incorporation of Certain Documents by Reference.

When we refer to Teva in this section, we refer only to Teva Pharmaceutical Industries Limited. When we refer to Teva Finance LLC in this section, we refer to Teva Pharmaceutical Finance III, LLC, an indirect, wholly owned subsidiary of Teva organized under the laws of the State of Delaware. When we refer to Teva Finance BV in this section, we refer to Teva Pharmaceutical Finance II BV, an indirect, wholly owned subsidiary of Teva organized as a Netherlands Antilles private limited liability company.

We refer to each of the two indentures referenced in the first paragraph of this section, as supplemented, as an indenture; we refer to each of Teva Finance LLC and Teva Finance BV as an issuer, and together, the issuers; and we refer to the 2011 notes, the 2012 notes and the 2015 notes each, respectively, as a series of notes.

Brief Description of the Notes

The notes will:

be limited to:

$500 million aggregate principal amount with respect to the 2011 notes;

$1,000 million aggregate principal amount with respect to the 2012 notes; and

$1,000 million aggregate principal amount with respect to the 2015 notes,

subject to reopening of any series of notes at the discretion of its respective issuer:

accrue interest:

at a rate equal to three-month LIBOR (calculated as set forth below under Payment of Interest and Principal Interest on the 2011 Notes) plus % on the 2011 notes, payable quarterly in arrears on the 19th day of March, June, September and December, beginning September 19, 2010, to the holders of record at the close of business on the preceding March 1, June 1, September 1 and December 1, respectively, prior to the relevant quarterly interest payment date; and

at a rate of 1.500% on the 2012 notes and 3.000% on the 2015 notes, payable semiannually in arrears on June and December of each year, beginning December 15, 2010 to the holders of record at the close of business on the preceding June 1 and December 1, respectively.

be general unsecured obligations of Teva Finance LLC in the case of the 2011 notes and the 2012 notes and general unsecured obligations of Teva Finance BV in the case of the 2015 notes;

in the case of the 2011 notes, not be subject to redemption at Teva Finance LLC s option (other than as set forth below under Tax Redemption) and, in the case of the 2012 notes and the 2015 notes, be

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redeemable at the option of the applicable issuer at any time at the greater of (1) 100% of the principal amount of the notes to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments (as defined below) discounted, on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), at a rate equal to the sum of the Treasury Rate (as defined below) and 12 basis points in the case of the 2012 notes or 15 basis points in the case of the 2015 notes, plus accrued and unpaid interest, if any, to the date of redemption (in addition to being redeemable as set forth below under Tax Redemption); and

be due on:

December 19, 2011 in the case of the 2011 notes;

June 15, 2012 in the case of the 2012 notes; and

June 15, 2015 in the case of the 2015 notes;

in each case unless earlier redeemed by the relevant issuer.

Each indenture restricts the issuer that it governs from paying dividends, repurchasing its or Teva s securities other than notes of the series it is issuing, or incurring other indebtedness except with respect to the issuance of additional securities that have the same ranking, interest rate and other terms as the notes it is issuing. The indentures do not, however, contain any financial covenants or restrictions on the amount of additional indebtedness that Teva or any of its other subsidiaries may incur except as described in Certain Covenants below. The indentures do not protect you in the event of a highly leveraged transaction or change of control of Teva or either issuer. The notes do not contain any sinking fund provisions.

You may present definitive notes for registration of transfer and exchange, without service charge, at our office or agency in New York City, which shall initially be the office or agency of the trustee in New York City. For information regarding registration of transfer and exchange of global notes, see Form, Denomination and Registration below.

Description of the Guarantees

Teva will irrevocably and unconditionally guarantee the punctual payment when due, whether at maturity, upon redemption, by acceleration or otherwise, of the principal of and interest (including any additional amounts in respect of taxes as provided herein), if any, on the notes of each series. The respective guarantees will be enforceable by the trustee, the holders and their successors, transferees and assigns, in each case of the applicable series of notes.

Each guarantee will be an unsecured senior obligation of Teva. As indebtedness of Teva, after giving effect to the offerings contemplated hereby, each guarantee will rank:

senior to the rights of creditors under debt expressly subordinated to the notes (at March 31, 2010, Teva had no subordinated debt outstanding);

equally with other unsecured debt of Teva from time to time outstanding other than any that is subordinated to the notes (at March 31, 2010, Teva had $5,437 million of senior unsecured debt outstanding);

effectively junior to Teva s secured indebtedness up to the value of the collateral securing that indebtedness (at March 31, 2010, Teva had no secured debt outstanding); and

effectively junior to the indebtedness of Teva s subsidiaries (at March 31, 2010, Teva s subsidiaries, other than finance subsidiaries, had $2,519 million of indebtedness outstanding).

Except as described in Certain Covenants below, the indentures do not contain any financial covenants or restrictions on the amount of additional indebtedness that Teva or any of its subsidiaries (other than the applicable issuer) may incur.

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Payment of Interest and Principal

Interest on the 2011 Notes

The 2011 notes will bear interest from June 18, 2010, payable quarterly in arrears on the 19th day of March, June, September and December (each, a Quarterly Interest Payment Date) to the holders of record at the close of business on the preceding March 1, June 1, September 1 and December 1, respectively, whether or not a Business Day. However, interest payable on the maturity date or on a redemption date of a 2011 note will be paid to the person to whom principal is payable.

The initial Quarterly Interest Payment Date for the 2011 notes is September 19, 2010. The amount of interest payable on the 2011 notes will be computed on the basis of the actual number of days elapsed over a 360-day year. If any Quarterly Interest Payment Date (other than the maturity date or a redemption date) would otherwise be a day that is not a Business Day, the Quarterly Interest Payment Date will be the next succeeding Business Day. If the maturity date or a redemption date for the 2011 notes is not a Business Day, the principal and interest due on that date will be payable on the next succeeding Business Day, and no interest shall accrue for the intervening period.

The 2011 notes will bear interest for each quarterly Interest Period at a per annum rate determined by the Calculation Agent, subject to the maximum interest rate permitted by New York or other applicable state law, as such law may be modified by United States law of general application. The interest rate applicable to the 2011 notes during each quarterly Interest Period will be equal to LIBOR on the Interest Determination Date for such Interest Period plus 0.400%. Promptly upon such determination, the Calculation Agent will notify Teva Finance LLC and the trustee, if the trustee is not then serving as the Calculation Agent, of the interest rate for the new Interest Period. The interest rate determined by the Calculation Agent, absent manifest error, shall be binding and conclusive upon the beneficial owners and holders of the 2011 notes, Teva Finance LLC and the trustee.

Upon the request of a holder of the 2011 notes, the Calculation Agent will provide to such holder the interest rate in effect on the date of such request and, if determined, the interest rate for the next Interest Period.

The accrued interest for any period is calculated by multiplying the principal amount of a 2011 note by an accrued interest factor. The accrued interest factor is computed by adding the interest factor calculated for each day in the period for which accrued interest is being calculated. The interest factor (expressed as a decimal rounded upwards if necessary) is computed by dividing the interest rate (expressed as a decimal rounded upwards if necessary) applicable to such date by 360.

All percentages resulting from any calculation of the interest rate on the 2011 notes will be rounded, if necessary, to the nearest one-hundred thousandth of a percentage point, with five one-millionths of a percentage point rounded upwards (e.g., 9.876545% (or ..09876545) being rounded to 9.87655% (or .0987655) and 9.876544% (or .09876544) being rounded to 9.87654% (or .0987654)), and all dollar amounts used in or resulting from such calculation will be rounded to the nearest cent (with one-half cent being rounded upwards).

Business Day means a day other than (i) a Saturday or Sunday, (ii) a day on which banks in New York, New York are authorized or obligated by law or executive order to remain closed, or (iii) a day on which the trustee s corporate trust office is closed for business.

Calculation Agent means The Bank of New York Mellon, or its successor appointed by Teva Finance LLC, acting as calculation agent.

Interest Determination Date means the second London Business Day immediately preceding the first day of the relevant Interest Period.

Interest Period means the period commencing on a Quarterly Interest Payment Date for the 2011 notes (or, with respect to the initial Interest Period only, commencing on the issue date for the 2011 notes) and ending on the day before the next succeeding Quarterly Interest Payment Date for the 2011 notes.

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LIBOR means, with respect to any Interest Period, the rate (expressed as a percentage per annum) for deposits in U.S. dollars for a three-month period commencing on the first day of that Interest Period and ending on the next Quarterly Interest Payment Date that appears on Reuters LIBOR01 Page as of 11:00 a.m. (London time) on the Interest Determination Date for that Interest Period. If such rate does not appear on the Reuters LIBOR01 Page as of 11:00 a.m. (London time) on the Interest Determination Date for that Interest Period, LIBOR will be determined on the basis of the rates at which deposits in U.S. dollars for the Interest Period and in a principal amount of not less than $1,000,000 are offered to prime banks in the London interbank market by four major banks in the London interbank market, which may include affiliates of one or more of the underwriters, selected by Teva Finance LLC, at approximately 11:00 a.m., London time, on the Interest Determination Date for that Interest Period. Teva Finance LLC will request the principal London office of each such bank to provide a quotation of its rate. If at least two such quotations are provided, LIBOR with respect to that Interest Period will be the arithmetic mean of such quotations. If fewer than two quotations are provided, LIBOR with respect to that Interest Period will be the arithmetic mean of the rates quoted by three major banks in New York City, which may include affiliates of one or more of the underwriters, selected by Teva Finance LLC, at approximately 11:00 a.m., New York City time, on the first day of that Interest Period for loans in U.S. dollars to leading European banks for that Interest Period and in a principal amount of not less than $1,000,000. However, if fewer than three banks selected by Teva Finance LLC to provide quotations are quoting as described above, LIBOR for that Interest Period will be the same as LIBOR as determined for the previous Interest Period.

London Business Day means a day that is a Business Day and a day on which dealings in deposits in U.S. dollars are transacted, or with respect to any future date are expected to be transacted, in the London interbank market.

Reuters LIBOR01 Page means the display designated as Reuters LIBOR01 on the Reuters 3000 Xtra (or such other page as may replace the Reuters LIBOR01 Page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying rates or prices comparable to the London Interbank Offered Rate for U.S. dollar deposits).

Interest on the 2012 Notes and the 2015 Notes

The 2012 notes and the 2015 notes will bear interest at the rate of 1.500% per year and 3.000% per year, respectively, payable semiannually in arrears on June 15 and December 15 of each year, beginning December 15, 2010, to the holders of record at the close of business on the preceding June 1 and December 1, respectively, whether or not a Business Day. If an interest payment date for the 2012 notes or the 2015 notes falls on a day that is not a Business Day (as defined below), interest will be payable on the next succeeding Business Day with the same force and effect as if made on such interest payment date. Interest on the 2012 notes and the 2015 notes generally will be computed on the basis of a 360-day year comprised of twelve 30-day months, and will accrue from June 18, 2010 or from the most recent interest payment date to which interest has been paid.

Mechanics of Payment

Except as provided below, the applicable issuer will pay interest on:

- the global notes to DTC in immediately available funds;
- any definitive notes having an aggregate principal amount of $5,000,000 or less by check mailed to the holders of these notes; and
- any definitive notes having an aggregate principal amount of more than $5,000,000 by wire transfer in immediately available funds at the election of the holders of these notes.

At maturity, the applicable issuer will pay interest on the definitive notes at our office or agency in New York City, which initially will be the office or agency of the trustee in New York City.

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The applicable issuer will pay principal on:

- the global notes to DTC in immediately available funds; and
- any definitive notes at our office or agency in New York City, which initially will be the office or agency of the trustee in New York City.

Reference to payments of interest in this section, unless the context otherwise requires, refer to the payment of interest and additional amounts in respect to taxes, if any.

Optional Redemption by the Applicable Issuer

The 2011 notes will not be subject to redemption at Teva Finance LLC s option (other than as set forth below under Tax Redemption). The applicable issuer may, however, redeem the 2012 notes or the 2015 notes, in whole or in part, at any time or from time to time, on at least 20 days , but not more than 60 days , prior notice mailed to the registered address of each holder of the relevant series of notes. The redemption prices will be equal to the greater of (1) 100% of the principal amount of the notes to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments (as defined below) discounted, on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), at a rate equal to the sum of the Treasury Rate (as defined below) and 12 basis points in the case of the 2012 notes or 15 basis points in the case of the 2015 notes, plus accrued and unpaid interest, if any, to the redemption date.

Comparable Treasury Issue means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the relevant series of notes.

Comparable Treasury Price means, with respect to any redemption date, (1) the average of the Reference Treasury Dealer Quotations for such redemption date after excluding the highest and lowest of such Reference Treasury Dealer Quotations or (2) if the Independent Investment Banker obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such quotations.

Independent Investment Banker means one of the Reference Treasury Dealers appointed by us.

Reference Treasury Dealer means each of Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co. and Morgan Stanley & Co. Incorporated and their respective successors and two other primary U.S. Government securities dealers (each a Primary Treasury Dealer) selected by us. If any of the foregoing shall cease to be a Primary Treasury Dealer, we will substitute another nationally recognized investment banking firm that is a Primary Treasury Dealer.

Reference Treasury Dealer Quotations means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third Business Day preceding such redemption date.

Remaining Scheduled Payments means, with respect to each note to be redeemed, the remaining scheduled payments of principal of and interest on such note that would be due after the related redemption date but for such redemption. If such redemption date is not an interest payment date with respect to such note, the amount of the next succeeding scheduled interest payment on such note will be reduced by the amount of interest accrued on such note to such redemption date.

Treasury Rate means, with respect to any redemption date, the rate per year equal to the semi-annual equivalent yield to maturity (computed as of the second Business Day immediately preceding such redemption

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date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

On and after the redemption date, interest will cease to accrue on the relevant series of notes or any portion of such series of notes as is called for redemption (unless we default in the payment of the redemption price and accrued interest). On or before the redemption date, we will deposit with a paying agent (or the trustee) money sufficient to pay the redemption price of and accrued interest on the notes to be redeemed on such date. If less than all of the relevant series of notes are to be redeemed, the notes to be redeemed shall be selected by the trustee on a pro rata basis, by lot or by such method as the trustee shall deem fair and appropriate.

The terms of the notes do not prevent us from purchasing notes on the open market.

Certain Covenants

Limitations on Secured Debt. If Teva or any of its subsidiaries creates, incurs, assumes or suffers to exist any lien on any of its property (including a subsidiary s stock or debt), Teva will secure the notes on the same basis, unless, after giving effect to such lien, the aggregate amount of the secured debt then outstanding (not including debt secured by liens permitted below) plus the value of all sale and leaseback transactions described in paragraph (3) of Limitations on Sales and Leasebacks below would not exceed 10% of Teva s consolidated net worth. The restrictions do not apply to the following liens:

liens existing as of the date when the applicable issuer first issued notes pursuant to the applicable indenture;

liens on property created prior to, at the time of or within 120 days after the date of acquisition, completion of construction or completion of improvement of such property to secure all or part of the cost of acquiring, constructing or improving all or any part of such property;

landlord s, material men s, carriers , workmen s, repairmen s or other like liens which are not overdue or which are being contested in good faith in appropriate proceedings;

liens existing on any property of a corporation or other entity at the time it became or becomes a subsidiary of Teva (provided that the lien has not been created or assumed in contemplation of that corporation or other entity becoming a subsidiary of Teva);

liens securing debt owing by a subsidiary to Teva or to one or more of its subsidiaries;

liens in favor of any governmental authority of any jurisdiction securing the obligation of Teva or any of its subsidiaries pursuant to any contract or payment owed to that entity pursuant to applicable laws, regulations or statutes; and

any extension, renewal, substitution or replacement of the foregoing, provided that the principal amount is not increased and that such lien is not extended to other property.

Limitations on Sales and Leasebacks. Teva will not, and will not permit any subsidiary to, enter into any sale and leaseback transaction covering any property after the date when we first issue notes pursuant to the applicable indenture unless:

(1) the sale and leaseback transaction:

A. involves a lease for a period, including renewals, of not more than five years;

B. occurs within 270 days after the date of acquisition, completion of construction or completion of improvement of such property; or

C. is with Teva or one of its subsidiaries; or

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(2) Teva or any subsidiary, within 270 days after the sale and leaseback transaction shall have occurred, applies or causes to be applied an amount equal to the value of the property so sold and leased back at the time of entering into such arrangement to the prepayment, repayment, redemption, reduction or retirement of any indebtedness of Teva or any subsidiary that is not subordinated to the notes and that has a stated maturity of more than twelve months; or

(3) Teva or any subsidiary would be entitled pursuant to the exceptions under Limitations on Secured Debt above to create, incur, issue or assume indebtedness secured by a lien in the property without equally and ratably securing the notes.

Certain Other Covenants

Each indenture will contain certain other covenants regarding, among other matters, corporate existence and reports to holders of notes.

Additional Tax Amounts

Neither of the issuers of the notes, as the issuer, nor Teva, as the guarantor, will withhold or deduct from payments made with respect to the notes of any series on account of any present or future taxes, duties, assessments or governmental charges imposed by or on behalf of any Relevant Jurisdiction taxing authority unless such withholding or deduction is required by law. In the event that the applicable issuer or Teva is required to withhold or deduct on account of any such taxes from any payment made under or with respect to the notes of any series, that issuer or Teva, as the case may be, will pay such additional tax amounts so that the net amount received by each holder of notes of that series, including those additional tax amounts, will equal the amount that such holder would have received if such taxes had not been required to be withheld or deducted. The term Relevant Jurisdiction as used herein means, with respect to the 2011 notes and the 2012 notes, the United States, Israel or any jurisdiction where a successor to Teva Finance LLC or Teva is incorporated or organized or considered to be a resident, if other than the United States or Israel, respectively, and with respect to the 2015 notes, the Netherlands Antilles, Israel or any jurisdiction where a successor to Teva Finance BV or Teva is incorporated or organized or considered to be a resident, if other than the Netherlands Antilles or Israel, respectively.

Notwithstanding the preceding paragraph, additional tax amounts will not be payable with respect to a payment made to a holder of notes to the extent:

(1) the holder is:

able to avoid such withholding or deduction by making a declaration of non-residence or other claim for exemption to the tax authority, or

liable for such taxes, duties, assessments or governmental charges in respect of the notes by reason of its having some connection with the taxing jurisdiction other than merely by the holding of the notes:

(2) of any estate, inheritance, gift, sales, transfer or personal property taxes imposed with respect to the notes, except as otherwise provided in the applicable indenture; or

(3) that any such taxes would not have been imposed but for the presentation of such notes, where presentation is required, for payment on a date more than 30 days after the date on which such payment became due and payable or the date on which payment thereof is duly provided for, whichever is later, except to the extent that the holder would have been entitled to additional tax amounts had the notes been presented for payment on any date during such 30-day period.

The applicable issuer, as the issuer, and Teva, as the guarantor, will pay any present or future stamp, court or documentary taxes or any other excise or property taxes, charges or similar levies that arise from the execution, delivery, enforcement or registration of the notes of any series or any other document or instrument in relation thereto.

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Tax Redemption

The notes of each series may be redeemed as a whole but not in part, at the option the applicable issuer at any time prior to maturity, upon the giving of a notice of tax redemption to the holders, if the applicable issuer determines that, as a result of:

any change in or amendment to the laws, or any regulations or rulings promulgated under the laws of the Relevant Jurisdiction or any political subdivision or taxing authority of or in the Relevant Jurisdiction affecting taxation, or

any change in official position regarding the application or interpretation of the laws, regulations or rulings referred to above,

which change or amendment becomes effective or, in the case of a change in official position, is announced on or after the issuance of the notes, the applicable issuer, Teva or any successor to the applicable issuer or Teva, as the case may be, is or will become obligated to pay additional tax amounts with respect to the notes of that series, as described above under Payment of Additional Tax Amounts ; provided that the applicable issuer (or its successor), in its business judgment, determines that such obligation cannot be avoided by the applicable issuer, Teva or any successor, as the case may be, taking reasonable measures available to it.

The redemption price will be equal to 100% of the principal amount of the notes plus accrued and unpaid interest to the date fixed for redemption. The date and the applicable redemption price will be specified in the notice of tax redemption, which such notice will be given not earlier than 90 days prior to the earliest date on which the applicable issuer (or its successor) or, as the case may be, Teva (or its successor) would be obligated to pay such additional tax amounts if a payment in respect of the notes were actually due on such date and, at the time such notification of redemption is given, such obligation to pay such additional tax amounts remains in effect.

Prior to giving the notice of a tax redemption, the applicable issuer (or its successor) will deliver to the trustee:

a certificate signed by a duly authorized officer stating that the applicable issuer is entitled to effect the redemption and setting forth a statement of facts showing that the conditions precedent to the right of the applicable issuer to so redeem have occurred; and

an opinion of independent legal counsel of recognized standing to that effect based on the statement of facts.

Events of Default

Each of the following constitutes an event of default under each indenture:

(1) The applicable issuer s failure to pay when due the principal of any of the notes issued under that indenture at maturity or upon redemption;

(2) The applicable issuer s failure to pay an installment of interest on any of the notes issued under that indenture for 30 days after the date when due;

(3) Teva s failure to perform its obligations under its guarantee under that indenture;

(4) Except as permitted by the applicable indenture, the related guarantee by Teva shall be held in any final, nonappealable judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect or Teva, or any person acting on behalf of the Teva, shall deny or disaffirm its obligations under that guarantee;

(5) Teva s or the applicable issuer s failure to perform or observe any other term, covenant or agreement contained in the applicable indenture or the notes issued under it for a period of 60 days after written

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notice of such failure, requiring Teva or the applicable issuer, as the case may be, to remedy the same, shall have been given to the applicable issuer by the trustee or to the applicable issuer and the trustee by the holders of at least 25% in aggregate principal amount of the notes of the relevant series then outstanding;

(6) Teva s or the applicable issuer s default under any Indebtedness (as defined below) for money borrowed by it, the aggregate outstanding principal amount of which is in an amount in excess of $100 million, for a period of 30 days after written notice to the applicable issuer by the trustee or to the applicable issuer and the trustee by holders of at least 25% in aggregate principal amount of the notes of the relevant series then outstanding, which default:

is caused by Teva or the applicable issuer s, as the case may be, failure to pay when due principal or interest on such Indebtedness by the end of the applicable grace period, if any, unless such Indebtedness is discharged; or

results in the acceleration of such Indebtedness, unless such acceleration is waived, cured, rescinded or annulled; and

(7) Teva or the applicable issuer s, bankruptcy, insolvency or reorganization.

Each indenture will provide that the trustee shall (other than in the case of (6) above, which shall result in the notes becoming immediately due and payable), within 90 days of the occurrence of a default, give to the registered holders of the notes notice of all uncured defaults known to it, but the trustee shall be protected in withholding such notice if it, in good faith, determines that the withholding of such notice is in the best interest of such registered holders, except in the case of a default in the payment of the principal of or interest on, any of the notes when due or in the payment of any redemption or repurchase obligation.

If an event of default shall occur and be continuing, the trustee or the holders of at least 25% in aggregate principal amount of a series of notes affected then outstanding may declare the principal amount of the notes of that series due and payable together with accrued interest, and then the trustee may, at its discretion, proceed to protect and enforce the rights of the holders of notes of that series by appropriate judicial proceedings. Such declaration may be rescinded or annulled with the written consent of the holders of a majority in aggregate principal amount of the notes of the relevant series then outstanding.

Each indenture contains a provision entitling the trustee, subject to the duty of the trustee during default to act with the required standard of care, to be indemnified by the holders of a given series of notes before proceeding to exercise any right or power under that indenture at the request of such holders. Each indenture provides that the holders of a majority in aggregate principal amount of the notes of each series then outstanding through their written consent, or the holders of a majority in aggregate principal amount of the notes of each series then outstanding represented at a meeting at which a quorum is present by a written resolution, may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred upon the trustee.

Each issuer will be required to furnish annually to the trustee a statement as to the fulfillment of its obligations under the applicable indenture.

Indebtedness means, with respect to any person:

(1) any liability for borrowed money, or evidenced by an instrument for the payment of money, or incurred in connection with the acquisition of any property, services or assets (including securities), or relating to a capitalized lease obligation, other than accounts payable or any other indebtedness to trade creditors created or assumed such person in the ordinary course of business in connection with the obtaining of materials or services;

(2) obligations under exchange rate contracts or interest rate protection agreements;

(3)

any obligations to reimburse the issuer of any letter of credit, surety bond, performance bond or other guarantee of contractual performance;

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(4) any liability of another person of the type referred to in clause (1), (2) or (3) which has been assumed or guaranteed by such person; and

(5) any obligations described in clauses (1) through (3) secured by any mortgage, pledge, lien or other encumbrance existing on property which is owned or held by such person, regardless of whether the indebtedness or other obligation secured thereby shall have been assumed by such person.

Consolidation, Merger or Assumption

An issuer may, without the consent of the holders of the notes that it issues, consolidate with, merge into or transfer all or substantially all of its respective assets to any other corporation, limited liability company, partnership or trust organized under the laws of the United States, any state thereof and the District of Columbia in the case of Teva Finance LLC, or the laws of the Netherlands Antilles in the case of Teva Finance BV, provided that:

the successor entity assumes all of the obligations of the applicable issuer under the applicable indenture and the notes that issuer has issued; and

at the time of such transaction, no event of default, and no event which, after notice or lapse of time, would become an event of default, shall have happened and be continuing.

Under the terms of each indenture, Teva may, without the consent of the holders of notes, consolidate with, merge into or transfer all or substantially all of its respective assets to any other corporation provided that:

the successor corporation assumes all of the obligations of Teva under that indenture and the notes issued pursuant to it; and

at the time of such transaction, no event of default, and no event which, after notice or lapse of time, would become an event of default, shall have happened and be continuing.

Each indenture provides that so long as any notes issued under it are outstanding, all of the applicable issuer s membership interests will be owned directly or indirectly by Teva or its successor.

Modifications and Amendments

Changes Requiring Approval of Each Affected Holder

Each indenture provides that it cannot be modified or amended without the written consent or the affirmative vote of the holder of each note affected by such change to:

change the maturity of the principal of or any installment of interest on that note;

reduce the principal amount of or interest on that note;

change the currency of payment of that note or interest thereon;

impair the right to institute suit for the enforcement of any payment on or with respect to that note;

modify the applicable issuer s obligations to maintain an office or agency in New York City;

modify Teva s obligation to own, directly or indirectly, all of the applicable issuer s outstanding membership interests;

modify the redemption provisions of that indenture in a manner adverse to the holders of notes of that series;

modify the applicable guarantee in a manner adverse to the holders of the notes of that series;

reduce the percentage in aggregate principal amount of outstanding notes of that series necessary to modify or amend the indenture or to waive any past default; or

reduce the percentage in aggregate principal amount of notes of that series outstanding required for the adoption of a resolution.

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Changes Requiring Majority Approval

Except as described above, the indenture may be modified or amended with the written consent of the holders of at least a majority in aggregate principal amount of each series of notes affected at the time outstanding.

Changes Requiring No Approval

Each indenture may be modified or amended by the applicable issuer, Teva and the trustee, without the consent of the holder of any note of a given series, for the purposes of, among other things:

adding to Teva or the applicable issuer s covenants for the benefit of the holders of notes of that series;

surrendering any right or power conferred upon Teva or the applicable issuer;

providing for the assumption of Teva or the applicable issuer s obligations to the holders of notes of that series in the case of a merger, consolidation, conveyance, transfer or lease;

complying with the requirements of the SEC in order to effect or maintain the qualification of that indenture under the Trust Indenture Act;

curing any ambiguity, supplying any omission or correcting any defective provision contained in that indenture; provided that such modification or amendment does not, in the good faith opinion of the applicable issuer s board of directors, adversely affect the interests of the holders of notes of that series in any material respect; provided, further, that any amendment made solely to conform the provisions of that indenture to the description of the notes issued under that indenture contained in this prospectus supplement will not be deemed to adversely affect the interests of the holders of the notes of any series; or

adding or modifying any other provisions which the applicable issuer and the trustee may deem necessary or desirable and which will not adversely affect the interests of the holders of notes of that series.

Satisfaction and Discharge

The applicable issuer and Teva may satisfy and discharge their obligations under an indenture while notes issued under that indenture remain outstanding if:

all outstanding notes issued under that indenture have become due and payable at their scheduled maturity; or

all outstanding notes issued under that indenture have been called for redemption,

and, in either case, the applicable issuer has deposited with the trustee an amount sufficient to pay and discharge all outstanding notes issued under that indenture on the date of their scheduled maturity or the scheduled date of redemption.

Governing Law

Each indenture and the notes of each series will be governed by, and construed in accordance with, the law of the State of New York.

Information Concerning the Trustee and Paying Agent

The Bank of New York Mellon, as trustee under each indenture, has been appointed by us as paying agent, registrar and custodian with regard to the notes of each series, as well as Calculation Agent with respect to the 2011 notes. The Bank of New York Mellon, 101 Barclay Street, New York, New York, 10286, is also the depositary for Teva s ADSs. The trustee or its affiliates may from time to time in the future provide banking and other services to us in the ordinary course of their business.

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Form, Denomination and Registration

Denomination and Registration. The notes will be issued in fully registered form, without coupons, in denominations of $2,000 principal amount and whole multiples of $1,000 in excess of $2,000.

Global Notes; Book-Entry Form. The notes of each series will be represented by permanent global notes in definitive, fully registered form without interest coupons. The global notes will be deposited with the trustee as custodian for DTC and registered in the name of a nominee of DTC in New York, New York for the accounts of participants in DTC.

Except as set forth below, the global notes will be transferable, in whole or in part, only to another nominee of DTC or to a successor of DTC or its nominee.

DTC has advised us that it is:

a limited purpose trust company organized under the laws of the State of New York;

a member of the Federal Reserve System;

a clearing corporation within the meaning of the New York Uniform Commercial Code; and

a clearing agency registered pursuant to the provisions of Section 17A of the Exchange Act.

DTC was created to hold securities of institutions that have accounts with DTC and to facilitate the clearance and settlement of securities transactions among its participants in securities through electronic book-entry changes in accounts of the participants, thereby eliminating the need for physical movement of securities certificates. DTC s participants include:

securities brokers and dealers;

banks;

trust companies; and

clearing corporations.

Access to DTC s book-entry system is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant whether directly or indirectly.

Upon the issuance of the global notes, DTC credited, on its book-entry registration and transfer system, the respective principal amounts of the individual beneficial interests represented by the global notes to the accounts of participants. The accounts credited were designated by the underwriters of the beneficial interests. Ownership of beneficial interests in the global notes is limited to participants or persons that may hold interests through participants. Ownership of beneficial interests in the global notes is shown on, and the transfer of those ownership interests will be effected only through, records maintained by DTC (with respect to participants interests) and the participants (with respect to the owners of beneficial interests in the global notes other than participants).

So long as DTC or its nominee is the registered holder and owner of the global notes, DTC or its nominee, as the case may be, will be considered the sole legal owner of the notes represented by the global notes for all purposes under the applicable indenture and the notes. Except as set forth below, owners of beneficial interests in the global notes will not be entitled to receive definitive notes and will not be considered to be the owners or holders of any notes under the global notes. The issuers understand that under existing industry practice, in the event an owner of a beneficial interest in the global notes desires to take any action that DTC, as the holder of the global notes, is entitled to take, DTC would authorize the participants to take the action, and that participants would authorize beneficial owners owning through the participants to take the action or would otherwise act upon the instructions of beneficial owners owning through them. No beneficial owner of an interest in the global notes will be able to transfer the interest except in accordance with DTC s applicable procedures, in addition to those provided for under the indenture and, if applicable, those of Euroclear and Clearstream.

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The applicable issuer will make payments of the principal and interest on the notes represented by the global notes registered in the name of and held by DTC or its nominee to DTC or its nominee, as the case may be, as the registered owner and holder of the global notes.

The issuers expect that DTC or its nominee, upon receipt of any payment of principal or interest in respect of the global notes, will credit participants accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of the global notes as shown on the records of DTC or its nominee. The issuers also expect that payments by participants and indirect participants to owners of beneficial interests in the global notes held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for accounts of customers registered in the names of nominees for these customers. The payments, however, will be the responsibility of the participants and indirect participants, and none of the applicable issuer, Teva, the trustee or any paying agent will have any responsibility or liability for:

any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the global notes;

maintaining, supervising or reviewing any records relating to the beneficial ownership interests;

any other aspect of the relationship between DTC and its participants; or

the relationship between the participants and indirect participants and the owners of beneficial interests in the global notes.

Unless and until they are exchanged in whole or in part for definitive notes, the global notes may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC.

Participants in DTC will effect transfers with other participants in the ordinary way in accordance with DTC rules and will settle transfers in same-day funds. Participants in Euroclear and Clearstream will effect transfers with other participants in the ordinary way in accordance with the rules and operating procedures of Euroclear and Clearstream, as applicable. If a holder requires physical delivery of a definitive note for any reason, including to sell notes to persons in jurisdictions which require physical delivery or to pledge notes, the holder must transfer its interest in the global notes in accordance with the normal procedures of DTC and the procedures set forth in the indenture.

Cross-market transfers between DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depositary; however, these cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in the system in accordance with its rules and procedures and within its established deadlines (Brussels time). Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depositary to take action to effect final settlement on its behalf by delivering or receiving interests in the global notes in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositaries for Euroclear or Clearstream.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in the global notes from a DTC participant will be credited during the securities settlement processing day immediately following the DTC settlement date, and the credit of any transactions interests in the global notes settled during the processing day will be reported to the relevant Euroclear or Clearstream participant on that day. Cash received in Euroclear or Clearstream as a result of sales of interests in the global notes by or through a Euroclear or Clearstream participant to a DTC participant will be received with value on the DTC settlement date, but will be available in the relevant Euroclear or Clearstream cash account only as of the business day following settlement in DTC.

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The issuers expect that DTC will take any action permitted to be taken by a holder of notes only at the direction of one or more participants to whose accounts at DTC interests in the global notes are credited and only in respect of the portion of the aggregate principal amount of the notes as to which the participant or participants has or have given direction. However, if there is an event of default under the notes, DTC will exchange the global notes for definitive notes, which it will distribute to its participants.

Although the issuers expect that DTC, Euroclear and Clearstream will agree to the foregoing procedures in order to facilitate transfers of interests in the global notes among participants of DTC, Euroclear and Clearstream, DTC, Euroclear and Clearstream are under no obligation to perform or continue to perform these procedures, and these procedures may be discontinued at any time. None of the applicable issuer, Teva or the trustee have any responsibility for the performance by DTC, Euroclear or Clearstream or their participants or indirect participants of their obligations under the rules and procedures governing their operations.

If DTC is at any time unwilling or unable to continue as a depositary for the global notes of any series or ceases to be a clearing agency registered under the Exchange Act and the applicable issuer does not appoint a successor depositary within 90 days, the applicable issuer will issue definitive notes in exchange for the global notes of the affected series.

Definitive Notes. Definitive notes may be issued in exchange for notes of any series represented by global notes if the applicable issuer does not appoint a successor depositary as set forth above under Global Notes; Book-Entry Form or in other circumstances set forth in the applicable indenture.

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UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Willkie Farr & Gallagher LLP, the following are the material U.S. federal tax consequences of ownership and disposition of the notes. This discussion only applies to notes that meet all of the following conditions:

- they are purchased by those initial holders who purchase notes at the issue price, which will equal the first price to the public (not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at which a substantial amount of the notes is sold for money; and
- they are held as capital assets.

This discussion does not describe all of the tax consequences that may be relevant to holders in light of their particular circumstances or to holders subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- dealers in securities or foreign currencies;
- persons holding notes as part of a hedge or other integrated transaction;
- U.S. Holders (as defined below) whose functional currency is not the U.S. dollar;
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes; and
- persons subject to the alternative minimum tax.

This summary is based on the Internal Revenue Code of 1986, as amended to the date hereof, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury Regulations, changes to any of which subsequent to the date of this prospectus supplement may affect the tax consequences described herein. Persons considering the purchase of notes are urged to consult their tax advisers with regard to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

Tax Consequences to U.S. Holders

As used herein, the term U.S. Holder means a beneficial owner of a note that is for U.S. federal income tax purposes:

- a citizen or resident of the United States;

a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States or of any political subdivision thereof; or

an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source;

The term U.S. Holder also includes certain former citizens and residents of the United States.

Payments of Interest

It is expected (and this discussion assumes) that the notes will be issued without original issue discount for U.S. federal income tax purposes. Accordingly, interest paid on a note will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with the Holder s method of accounting for federal income tax purposes.

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Interest income earned by a U.S. Holder will constitute U.S. source income for U.S. federal income tax purposes with respect to the 2011 notes and the 2012 notes and will constitute foreign source income for U.S. federal income tax purposes with respect to the 2015 notes, which may be relevant to a U.S. Holder in calculating the holder s foreign tax credit limitation. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. The rules governing foreign tax credits are complex and, therefore, U.S. Holders should consult their own tax advisors regarding the availability of foreign tax credits in their particular circumstances.

Sale, Exchange or Retirement of the Notes

Upon the sale, exchange or retirement of a note, a U.S. Holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the Holder s adjusted tax basis in the note. A U.S. Holder s adjusted tax basis in a note generally will equal its initial investment in that note. For these purposes, the amount realized does not include any amount attributable to accrued interest. Amounts attributable to accrued interest are treated as interest as described under Payments of Interest above.

Gain or loss realized on the sale, exchange or retirement of a note will generally be U.S. source capital gain or loss and will be long-term capital gain or loss if at the time of sale, exchange or retirement the note has been held for more than one year.

Backup Withholding and Information Reporting

Information returns will be filed with the Internal Revenue Service in connection with payments on the notes and the proceeds from a sale or other disposition of the notes. A U.S. Holder will be subject to U.S. backup withholding tax on these payments if the U.S. Holder fails to provide its taxpayer identification number to the paying agent and comply with certain certification procedures or does not otherwise establish an exemption from backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder s U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is furnished to the Internal Revenue Service.

Tax Consequences to Non-U.S. Holders

As used herein, the term Non-U.S. Holder means a beneficial owner of a note that is, for U.S. federal income tax purposes:

- an individual who is classified as a nonresident for U.S. federal income tax purposes;
- a foreign corporation; or
- a foreign estate or trust.

Non-U.S. Holder does not include a Holder who is an individual present in the United States for 183 days or more in the taxable year of disposition and who is not otherwise a resident of the United States for U.S. federal income tax purposes. Such a Holder is urged to consult his or her own tax advisor regarding the U.S. federal income tax consequences of the sale, exchange or other disposition of a note.

Subject to the last paragraph under Certification Requirement below, there generally should not be any material U.S. federal income tax consequences to a Non-U.S. Holder of the 2015 notes.

Subject to the discussion below concerning backup withholding, payments of principal, interest and premium on the 2011 notes and the 2012 notes or any paying agent to any Non-U.S. Holder will not be subject to U.S. federal withholding tax, provided that, in the case of interest,

- the Non-U.S. Holder does not own, actually or constructively, 10 percent or more of the total combined voting power of all classes of stock of Teva Finance LLC or Teva Pharmaceuticals USA, Inc. (Teva

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USA) entitled to vote and is not a controlled foreign corporation related, directly or indirectly, to Teva Finance LLC or Teva USA through stock ownership; and

the certification requirement described below has been fulfilled with respect to the beneficial owner, as discussed below;

Subject to the discussion below concerning backup withholding, a Non-U.S. Holder of the 2011 notes and the 2012 notes will not be subject to U.S. federal income tax on gain realized on the sale, exchange or other disposition of such note, unless the gain is effectively connected with the conduct by the holder of a trade or business in the United States (and if an income tax treaty applies, to a permanent establishment in the United States).

Certification Requirement

Interest on the 2011 notes and the 2012 notes will not be exempt from withholding tax unless the beneficial owner of that note certifies on Internal Revenue Service Form W-8BEN, under penalties of perjury, that it is not a U.S. person. If the beneficial owner of such a note fails to make this certification, payments of interest on that note will be subject to U.S. federal withholding tax at a rate of 30%.

If a Non-U.S. Holder of a note is engaged in a trade or business in the United States, and if interest on the note is effectively connected with the conduct of this trade or business (and, if an income tax treaty applies, is attributable to a permanent establishment or fixed base maintained by the Non-U.S. Holder in the United States), the Non-U.S. Holder, although exempt from the withholding tax discussed in the preceding paragraph, will generally be taxed in the same manner as a U.S. Holder (see Tax Consequences to U.S. Holders above), except that, in the case of the 2011 notes and the 2012 notes, the Holder will be required to provide to Teva Finance LLC a properly executed Internal Revenue Service Form W-8ECI in order to claim an exemption from withholding tax. These holders should consult their own tax advisors with respect to other U.S. tax consequences of the ownership and disposition of notes, including the possible imposition of a 30% branch profits tax.

Backup Withholding and Information Reporting

With respect to the 2011 notes and 2012 notes, information returns will be filed with the U.S. Internal Revenue Service in connection with payments on such notes. Unless the Non-U.S. Holder complies with certification procedures to establish that it is not a U.S. person, information returns may be filed with the U.S. Internal Revenue Service in connection with the proceeds from a sale or other disposition and the Non-U.S. Holder may be subject to U.S. backup withholding tax on payments on such notes or on the proceeds from a sale or other disposition of such notes. The certification procedures required to claim the exemption from withholding tax on interest described above will satisfy the certification requirements necessary to avoid the backup withholding tax as well. The amount of any backup withholding from a payment to a Non-U.S. Holder will be allowed as a credit against the Non-U.S. Holder s U.S. federal income tax liability and may entitle the Non-U.S. Holder to a refund, provided that the required information is furnished to the Internal Revenue Service.

With respect to the 2015 notes, U.S. information reporting and backup withholding will generally not apply to payments made on such notes held through a non-U.S. bank or other non-U.S. financial institution that is a participant in Euroclear, Clearstream or The Depository Trust Company. In certain situations, however, information reporting and backup withholding may apply to these payments if a Non-U.S. Holder does not comply with applicable certification procedures to establish that it is not a U.S. person. Payments of sale proceeds made within the United States or through certain U.S.-related financial institutions may be subject to information reporting and backup withholding unless the Non-U.S. Holder complies with applicable certification procedures to establish that it is not a U.S. person.

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ISRAELI TAX ISSUES

The following is a summary of certain material Israeli tax considerations relating to the purchase, ownership and disposition of the notes by persons who are not residents of the State of Israel. It is not, however, a complete analysis of all the potential tax considerations that may be applicable to all potential investors.

The following discussion is for general information only. Investors considering the purchase of the notes should consult their own tax advisors with respect to the application of Israeli income tax laws to their particular situations as well as any tax consequences arising under any non-Israeli taxing jurisdiction or under any applicable tax treaty.

Withholding Taxes on Interest Payable by Teva to Non-Israeli Residents

An Israeli company paying interest on a note denominated in a foreign currency to an individual who is a non-Israeli resident is subject to a 20% withholding tax, except for interest paid to material shareholders, who are subject to tax according to their marginal tax rate. Material shareholders for these purposes are shareholders who hold directly or indirectly, including with others, at least 10% of any means of control in the company. Taxes to be withheld from non-Israeli residents with respect to interest received from an Israeli company may be reduced under an applicable tax treaty.

An Israeli company paying interest on a similar note to a corporate entity will be subject to withholding tax in accordance with the applicable corporate tax rate for the year in which the interest is paid, such rates being 25% in 2010, 24% in 2011, 23% in 2012, 22% in 2013, 21% in 2014 and 20% in 2015.

The aforementioned might only apply if Teva as a guarantor pays interest on the notes.

In the event that interest is paid by Teva as a guarantor to a United States resident entitled to the reduced tax rate under the U.S.-Israel tax treaty, then the tax rate on such gross interest amounts shall not exceed 17.5%.

Teva and the issuers have agreed to pay certain additional amounts in connection with withholding taxes or deductions that may be imposed by Israeli or United States authorities. See Description of the Notes and the Guarantees Additional Tax Amounts.

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UNDERWRITING

We have entered into underwriting agreements with Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co. and Morgan Stanley & Co. Incorporated as representatives of the underwriters, pursuant to which, and subject to the terms and conditions of which, we have agreed to sell to the underwriters and the underwriters have severally agreed to purchase from us the principal amount of notes set forth in the following table.

Underwriters	Principal Amount of the 2011 Notes	Principal Amount of the 2012 Notes	Principal Amount of the 2015 Notes
Credit Suisse Securities (USA) LLC	$ 136,111,000	$ 272,223,000	$ 272,222,000
Goldman, Sachs & Co.	136,111,000	272,223,000	272,222,000
Morgan Stanley & Co. Incorporated	136,111,000	272,223,000	272,222,000
Barclays Capital Inc.	33,334,000	66,665,000	66,668,000
Citigroup Global Markets Inc.	33,334,000	66,665,000	66,668,000
BNP Paribas Securities Corp.	8,333,000	16,667,000	16,666,000
Credit Agricole Securities (USA) Inc.	8,333,000	16,667,000	16,666,000
HSBC Securities (USA) Inc.	8,333,000	16,667,000	16,666,000
Total	$ 500,000,000	$ 1,000,000,000	$ 1,000,000,000

The underwriting agreements provide that the underwriters obligations to purchase the notes depends on the satisfaction of certain customary conditions contained in the underwriting agreement.

The underwriters have advised us that they intend to offer the notes of each series initially at the applicable offering price shown on the cover page of this prospectus supplement and to certain dealers at the offering price less a selling concession in each issue not to exceed $0.60 per $1,000 aggregate principal amount with respect to the 2011 notes, $1.00 per $1,000 aggregate principal amount with respect to the 2012 notes and $2.00 per $1,000 aggregate principal amount with respect to the 2015 notes. The underwriters may allow, and dealers may reallow, a concession on sales to other dealers not to exceed $0.25 per $1,000 in aggregate principal amount with respect to the 2011 notes, $0.50 per $1,000 in aggregate principal amount with respect to the 2012 notes and $1.00 per $1,000 in aggregate principal amount with respect to the 2015 notes. After the initial offering of the notes, the underwriters may change the public offering price and the concession to selected dealers. The offering of the notes by the underwriters is subject to receipt and acceptance and subject to the underwriters right to reject any order in whole or in part.

Commission and Expenses

The following table shows the underwriting fees to be paid to the underwriters by us in connection with this offering. The underwriting discounts and commissions are equal to 0.10% of the principal amount of the 2011 notes, 0.20% of the principal amount of the 2012 notes and 0.35% of the principal amount of the 2015 notes.

	Per Note	Total
2011 Notes	$ 1.00	$ 500,000
2012 Notes	2.00	2,000,000
2015 Notes	3.50	3,500,000
Total		$ 6,000,000

The expenses of the offering that are payable by us, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding underwriting discounts and commissions, will be approximately $500,000.

Prior to this offering, there has been no public market for the notes. Certain underwriters have advised us that they presently intend to make a market in the notes as permitted by applicable laws and regulations. The underwriters are not obligated, however, to make a market in the notes, and they may discontinue this market making at any time in their sole discretion. Accordingly, we cannot assure investors that there will be adequate liquidity or adequate trading market for the notes.

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Price Stabilization and Short Positions

The underwriters may engage in over-allotment and stabilizing transactions or purchases and passive market making for the purpose of pegging, fixing or maintaining the price of the notes in accordance with Regulation M under the Exchange Act:

- over-allotment involves sales by the underwriters of notes in excess of the number of notes the underwriter is obligated to purchase, which creates a short position. Since the underwriters in this offering do not have an over-allotment option to purchase additional securities, their short position will be a naked short position. A naked short position can only be closed out by buying notes in the open market. A naked short position is more likely to be created if the underwriters are concerned that there could be downward pressure on the price of the notes in the open market after pricing that could adversely affect investors who purchase in the offering; and

- stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. These stabilizing transactions as well as other purchases made by the underwriters for their own accounts may have the effect of raising or maintaining the market price of the notes or preventing or retarding a decline in the market price of the notes. As a result, the price of the notes may be higher than the price that might otherwise exist in the open market. These transactions may be effected on the Nasdaq National Market or otherwise, and, if commenced, may be discontinued at any time. The underwriters also may impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased notes sold by or for the account of such underwriter in stabilizing or short covering transactions.

Neither we nor the underwriters make any representations or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the notes. In addition, neither we nor the underwriters make representations that the representatives will engage in these stabilizing transactions or that any transaction, once commenced, will not be discontinued without notice.

Electronic Distributions

This prospectus supplement and the accompanying prospectus in electronic format may be made available on the Internet sites or through other online services maintained by one or more of the underwriters or by their affiliates. In these cases, prospective investors may view offering terms online and, depending upon the underwriter, prospective investors may be allowed to place orders online. The underwriters may agree with us to allocate a specific number of notes for sale to online brokerage account holders. Any such allocation for online distributions will be made by the underwriters on the same basis as other allocations.

Other than this prospectus supplement and the accompanying prospectus in electronic format, the information on any underwriter s web site and any information contained in any other web site maintained by any underwriter is not a part of this prospectus supplement and the attached prospectus, has not been approved and/or endorsed by us or the underwriters in their capacity as underwriters and should not be relied upon by investors.

Lock-up Agreements

The issuers and Teva have agreed with the underwriters that, unless we receive the prior written consent of the representatives of Credit Suisse Securities (USA) LLC, Goldman, Sachs & Co. and Morgan Stanley & Co. Incorporated, which we refer to as the representatives, we may not, subject to certain customary exceptions, from the date of the underwriting agreements to the closing date of this offering, directly or indirectly, offer, sell, or contract to sell, or otherwise dispose of any debt securities issued or guaranteed by the issuers or Teva.

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Indemnification

We have agreed to indemnify the several underwriters against liabilities relating to the offering, including liabilities under the Securities Act of 1933, as amended, and liabilities arising from breaches of certain representations and warranties contained in the underwriting agreement, and to contribute to payments that the underwriters may be required to make for these liabilities.

Stamp Taxes

Purchasers of the notes offered by this prospectus supplement may be required to pay stamp taxes and other charges under the laws and practices of the country of purchase, in addition to the offering price listed on the cover page of this prospectus supplement. Accordingly, we urge you to consult a tax advisor with respect to whether you may be required to pay taxes or charges, as well as any other consequences that may arise under the laws of the country of purchase.

Israeli Legal Matters

This prospectus supplement and the accompanying prospectus are not, and under no circumstances are to be construed as, an advertisement or a public offering of securities in Israel. Any public offer or sale of notes in Israel may be made only in accordance with the Israeli Securities Act-1968 (which requires, inter alia, the filing of a prospectus in Israel).

United Kingdom Legal Matters

Each underwriter has represented and agreed that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to the issuers or Teva;

- and it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

European Economic Area Legal Matters

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of notes to the public in that Relevant Member State at any time:

(a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;

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(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or

(d) in any other circumstances which do not require the publication by the issuers of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Other Legal Matters

The notes may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may the notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the notes under Section 275 except: (1) to an institutional investor under Section 274 of the

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SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Each underwriter has represented and agreed that it will comply with applicable laws and regulations in each jurisdiction (including each jurisdiction in the European Economic Area that has not, as of the date of this prospectus supplement, implemented the Prospectus Directive) in which it acquires, offers, sells or delivers the notes, or has in its possession or distributes any free writing prospectus and any preliminary prospectus or final prospectus relating to the notes.

Other Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. From time to time, the underwriters and their respective affiliates have directly and indirectly provided investment and/or commercial banking services to us, and may do so in the future, for which they have received customary compensation and expense reimbursement, including, but not limited to, serving as:

- financial advisors to us and providing commitments for bridge loan facilities and otherwise assisting in obtaining financing necessary to consummate the pending acquisition of Ratiopharm; and
- lenders under our other credit facilities.

Affiliates of certain underwriters are lenders under the unsecured credit facility that we assumed in connection with our acquisition of Barr in 2008. As described above, we intend to use a portion of the proceeds from this offering to repay approximately $800 million of the approximately $1.5 billion outstanding under this unsecured credit facility.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of the issuers or Teva. The underwriters and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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EXPERTS

The consolidated financial statements of Teva as of December 31, 2009 and 2008, and for each of the three years in the period ended December 31, 2009, the related financial statement schedules, incorporated in this prospectus supplement by reference to Teva s Annual Report on Form 20-F for the year ended December 31, 2009, and the effectiveness of Teva s internal control over financial reporting have been audited by Kesselman & Kesselman, independent registered public accounting firm in Israel and a member of PricewaterhouseCoopers International Limited, as stated in their reports, which are incorporated by reference herein. Such consolidated financial statements and financial statement schedules have been so incorporated in reliance upon the reports of such firm given on their authority as experts in auditing and accounting.

LEGAL MATTERS

Certain legal matters with respect to United States and New York law with respect to the validity of the notes offered by this prospectus supplement will be passed upon for the issuers by Willkie Farr & Gallagher LLP, New York, New York. Certain legal matters with respect to Netherlands Antilles law with respect to the validity of the notes offered by this prospectus supplement will be passed upon for Teva Finance BV by VanEps Kunneman VanDoorne, Curacao, Netherlands Antilles. Certain legal matters with respect to Israeli law with respect to the validity of the notes offered by this prospectus supplement will be passed upon for the issuers by Tulchinsky Stern Marciano Cohen Levitsky & Co., Israel. Certain legal matters relating to this offering will be passed upon for the underwriters by Cleary Gottlieb Steen & Hamilton LLP, New York, New York and with respect to Israeli law by Meitar Liquornik Geva & Leshem Brandwein, Ramat Gan, Israel.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus supplement is part of a registration statement that we filed with the SEC. The registration statement, including the attached exhibits, contains additional relevant information about us. The rules and regulations of the SEC allow us to omit some of the information included in the registration statement from this prospectus supplement. In addition, we file annual and special reports and other information with the SEC. You may read and copy such material at the public reference facilities maintained by the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549, as well as at the SEC s regional offices. You may also obtain copies of such material from the SEC at prescribed rates by wiring to the Public Reference Section of the SEC, 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms.

The SEC maintains an Internet website at http://www.sec.gov that contains reports, proxy, information statements and other material that are filed through the SEC s Electronic Data Gathering, Analysis and Retrieval (EDGAR) system and filed electronically with the SEC. We began filing through the EDGAR system on October 31, 2002.

Our ADSs are quoted on the Nasdaq Global Select Market under the symbol TEVA. You may inspect certain reports and other information concerning us at the offices of the Financial Industry Regulatory Authority, 1735 K Street, N.W., Washington, D.C. 20006.

Information about us is also available on our website at http://www.tevapharm.com. Such information on our website is not part of this prospectus supplement.

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INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The rules of the SEC allow us to incorporate by reference information into this prospectus. The information incorporated by reference is considered to be a part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information.

The following documents filed with the SEC are incorporated in this prospectus by reference:

(1) Our Annual Report on Form 20-F for the year ended December 31, 2009; and

(2) Our Reports of Foreign Private Issuer on Form 6-K, filed with the SEC on March 18, 2010, May 4, 2010, May 10, 2010, May 18, 2010, May 20, 2010 and June 15, 2010.

All reports and other documents filed by Teva pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date hereof and until this offering is completed.

Any statement contained in a document incorporated or deemed to be incorporated by reference shall be deemed to be modified or superseded for purposes of this prospectus supplement to the extent that a statement contained in this prospectus or in any other subsequently filed document which is incorporated or deemed to be incorporated by reference modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus supplement.

You may also obtain copies of these documents free of charge by contacting us at our address or telephone number set forth below:

Teva Pharmaceutical Industries Limited

Investor Relations

5 Basel Street

P.O. Box 3190

Petach Tikva 49131 Israel

972-3-926-7267

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TEVA PHARMACEUTICAL INDUSTRIES LIMITED

American Depositary Shares, each representing

one Ordinary Share, Debt Securities,

Purchase Contracts, Units and Warrants

TEVA PHARMACEUTICAL FINANCE III, LLC

TEVA PHARMACEUTICAL FINANCE IV, LLC

TEVA PHARMACEUTICAL FINANCE II B.V.

TEVA PHARMACEUTICAL FINANCE III B.V.

Debt Securities, fully and unconditionally guaranteed by

TEVA PHARMACEUTICAL INDUSTRIES LIMITED

We and our finance subsidiaries may offer and sell from time to time:

- American Depositary Shares, or ADSs, each representing one ordinary share;
- senior or subordinated debt securities;
- purchase contracts;
- units; and
- warrants.

We will provide the specific terms and initial public offering prices of these securities in supplements to this prospectus. You should read this prospectus and any supplement carefully before you invest.

We may sell these securities to or through underwriters and also to other purchasers or through agents. The names of any underwriters or agents will be stated in an accompanying prospectus supplement.

Our ADSs are quoted on the Nasdaq National Market under the symbol TEVA. If we decide to list any of these other securities on a national securities exchange upon issuance, the applicable prospectus supplement to this prospectus will identify the exchange and the date when we expect trading to begin.

Investing in our securities involves risks. See Risk Factors beginning on page 3 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is December 4, 2008.

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ABOUT THIS PROSPECTUS

This prospectus is part of a Registration Statement that Teva and the other registrants filed with the SEC utilizing a shelf registration process. Under this shelf process, any of the registrants may, from time to time, sell the securities described in this prospectus in one or more offerings.

This prospectus provides you with a general description of the securities which we may offer and the related guarantees, if any, of those securities. Each time we sell securities we will provide a prospectus supplement that will contain specific information about the terms of the offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and any prospectus supplement together with additional information described below under the heading Where You Can Find More Information before purchasing any of our securities.

You should rely only on the information contained or incorporated by reference in this prospectus. Incorporated by reference means that we can disclose important information to you by referring you to another document filed separately with the SEC. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making, nor will we make, an offer to sell securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus and any supplement to this prospectus is current only as of the dates on their respective covers. Our business, financial condition, results of operations and prospects may have changed since that date.

Unless the context otherwise requires, references in this prospectus and any supplement to this prospectus to Teva, we, us and our refer to Teva Pharmaceutical Industries Limited and its subsidiaries, collectively. References to Teva Finance III LLC refer to Teva Pharmaceutical Finance III, LLC. References to Teva Finance IV LLC refer to Teva Pharmaceutical Finance IV, LLC. References to the LLCs refer to Teva Finance III LLC and Teva Finance IV LLC. References to Teva Finance II BV refer to Teva Pharmaceutical Finance II B.V. References to Teva Finance III BV refer to Teva Pharmaceutical Finance III B.V. References to the BVs refer to Teva Finance II BV and Teva Finance III BV. References to the finance subsidiaries refer to the LLCs and BVs, collectively.

TEVA PHARMACEUTICAL INDUSTRIES LIMITED

We are a global pharmaceutical company that develops, produces and markets generic drugs covering all major treatment categories. We are the leading generic drug company in the world, as well as in the United States, in terms of total and new prescriptions. We also have a significant and growing innovative pharmaceutical business, whose principal products are Copaxone® for multiple sclerosis and Azilect® for Parkinson s disease, as well as an expanding proprietary specialty pharmaceutical business, which consists primarily of respiratory products. Our active pharmaceutical ingredients (API) business sells to third-party manufacturers and provides significant vertical integration to our own pharmaceutical production.

Our global operations are conducted in North America, Europe, Latin America, Asia and Israel. We have operations in more than 50 countries, as well as 36 pharmaceutical manufacturing sites in 16 countries, 17 generic R&D centers operating mostly within certain manufacturing sites and 18 API manufacturing sites around the world. During the first nine months of 2008, we generated approximately 57% of its sales in North America, 27% in Europe and 16% in the rest of the world (primarily Latin America and Israel).

On July 17, 2008, we signed a definitive agreement with Barr Pharmaceuticals, Inc. (Barr), under which we will acquire Barr for an aggregate consideration of $7.5 billion plus the assumption of net debt of approximately $1.5 billion. Under the terms of the agreement, each share of Barr common stock will be converted into $39.90 in cash and 0.6272 Teva ADSs. The shareholders of Barr approved the merger on

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November 21, 2008. The merger remains subject to antitrust notification and clearance statutes in North America and Europe, as well as other customary conditions. We expect the transaction to close in December 2008.

We were incorporated in Israel on February 13, 1944, and are the successor to a number of Israeli corporations, the oldest of which was established in 1901. Our executive offices are located at 5 Basel Street, P.O. Box 3190, Petach Tikva 49131 Israel, telephone number 972-3-926-7267.

FINANCE SUBSIDIARIES

Teva has organized various finance subsidiaries for the purpose of issuing debt securities pursuant to this prospectus. There are no separate financial statements of the finance subsidiaries in this prospectus because these entities are, or will be treated as, subsidiaries of Teva for financial reporting purposes. We do not believe the financial statements would be helpful to the holders of the securities of these entities because:

- Teva is a reporting company under the Securities Exchange Act of 1934 (referred to in this prospectus as the Exchange Act) and owns, directly or indirectly, all of the voting interests of these entities;
- these entities do not have any independent operation and do not propose to engage in any activities other than issuing securities and investing the proceeds in Teva or its affiliates; and
- these entities obligations under the securities will be fully and unconditionally guaranteed by Teva.

These entities are exempt from the information reporting requirements of the Exchange Act.

Teva Finance III LLC

Teva Finance III LLC is a limited liability company that was formed on December 5, 2003 under the Delaware Limited Liability Company Act, as amended. Its address is 1090 Horsham Road, North Wales, Pennsylvania 19454, telephone number (215) 591-3000.

Teva Finance IV LLC

Teva Finance IV LLC is a limited liability company that was formed on December 1, 2008 under the Delaware Limited Liability Company Act, as amended. Its address is 1090 Horsham Road, North Wales, Pennsylvania 19454, telephone number (215) 591-3000.

Teva Finance II BV

Teva Finance II BV is a Netherlands Antilles limited liability company that was formed on June 13, 2003. Its address is Teva Pharmaceutical Finance II B.V., Schottegatweg Oost 29-D, Curaçao, Netherlands Antilles, telephone number +5999 7366066.

Teva Finance III BV

Teva Finance III BV is a Netherlands Antilles limited liability company that was formed on December 9, 2003. Its address is Teva Pharmaceutical Finance III B.V., Schottegatweg Oost 29-D, Curaçao, Netherlands Antilles, telephone number +5999 7366066.

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RISK FACTORS

Before you invest in our securities, you should carefully consider the risks involved. In addition, we may include additional risk factors in a prospectus supplement to the extent there are additional risks related to the securities offered by that prospectus supplement. Accordingly, you should carefully consider the following factors, other information in this prospectus or in the documents incorporated by reference and any additional risk factors included in the relevant prospectus supplement:

Risks Associated with Teva and the Pharmaceutical Industry

Our success depends on our ability to successfully develop and commercialize additional pharmaceutical products.

Our financial results depend, to a significant degree, upon our ability to successfully commercialize additional generic and innovative pharmaceutical products as well as active pharmaceutical ingredients. We must develop, test and manufacture generic products as well as prove that our generic products are the bio-equivalent of their branded counterparts. All of our products must meet and continue to comply with regulatory and safety standards and receive regulatory approvals; we may be forced to withdraw a product from the market if health or safety concerns arise with respect to such product. The development and commercialization process, particularly with respect to innovative products, is both time-consuming and costly and involves a high degree of business risk. Our products currently under development, if and when fully developed and tested, may not perform as we expect, necessary regulatory approvals may not be obtained in a timely manner, if at all, and we may not be able to successfully and profitably produce and market such products. Delays in any part of the process or our inability to obtain regulatory approval of our products could adversely affect our operating results by restricting or delaying our introduction of new products. Our ability to introduce and benefit from new products may depend upon our ability to successfully challenge patent rights held by branded companies or otherwise develop non-infringing products. The continuous introduction of new pharmaceutical products as well as active pharmaceutical ingredients is critical to our business.

Our revenues and profits from generic pharmaceutical products generally decline as competitors introduce their own generic equivalents.

Net selling prices of generic drugs typically decline, sometimes dramatically, especially as additional companies receive approvals and enter the market for a given product and competition intensifies. In particular, we face increasing competition from brand-name companies in addition to local and foreign generic companies. Our ability to sustain our sales and profitability on any product over time is dependent on both the number of new companies selling such product and the timing of approvals of those products. Our overall profitability depends on, among other things, our ability to continuously and timely introduce new products.

Our revenues and profits are closely tied to our success in obtaining U.S. market exclusivity for generic versions of significant products.

To the extent that we succeed in being the first to market a generic version of a significant product, and particularly if we obtain the 180-day period of market exclusivity for the U.S. market provided under the Hatch-Waxman Act, our sales, profits and profitability can be substantially increased in the period following the introduction of such product and prior to a competitor s introduction of the equivalent product. For example, our 2007 operating results included major contributions from products sold with U.S. market exclusivity, such as pantoprazole. Our ability to achieve sales growth and profitability is dependent on our success in challenging patents and/or developing non-infringing products and launching products with U.S. market exclusivity. In addition, the flow of potential new generic products with exclusivity and the size of the product opportunities vary significantly from year-to-year, or even from quarter-to-quarter. Failure to continue to obtain such market exclusivities could have a material adverse effect on our sales and profitability.

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If we elect to sell a generic product prior to the final resolution of outstanding patent litigation, we could be subject to liability for damages.

At times, we or our partners seek approval to market generic products before the expiration of patents relating to those products, based upon our belief that such patents are invalid or otherwise unenforceable, or would not be infringed by our products. As a result, we are involved in patent litigation, the outcome of which, in certain cases, could materially adversely affect our business. Based upon a complex analysis of a variety of legal and commercial factors, we may elect to sell a generic product even though litigation is still pending whether before any court decision is rendered or while an appeal of a lower court decision is pending. For example, we launched, and continue to sell, generic versions of Neurontin®, Lotrel® and Protonix®, despite the fact that litigation with the companies that sell these branded products is still pending.

To the extent we elect to proceed in this manner, and the final court decision is adverse to us, we could be required to cease selling the infringing products, causing us to lose future sales revenue from such products and to face substantial liability for patent infringement, in the form of either payment for the innovator s lost profits or a royalty on our sales of the infringing products. These damages may be significant, and could materially adversely affect our business. In the event of a finding of willful infringement, the damages may be up to three times the profits lost by the patent owner and not based on the profits we earned. Because of the discount pricing typically involved with generic pharmaceutical products, patented brand products generally realize a significantly higher profit margin than generic pharmaceutical products.

Although we currently have insurance coverage for certain of the specified types of damage described above, we may be subject to claims that are subject to our deductible, involve a co-insurance participation, exceed our policy limits or relate to damages that are not covered by our policy. In addition, there is a very limited market for such insurance coverage, and consequently it may be more difficult, in comparison with other types of insurance, to continue maintaining this insurance coverage.

Our revenues and profits from generic pharmaceutical products may decline as a result of intense competition from brand-name companies that are under increased pressure to counter generic products.

Our generic pharmaceutical products face intense competition from brand-name companies that have taken aggressive steps to thwart competition from generic companies. In particular, brand-name companies continue to sell or license their products directly or through licensing arrangements or strategic alliances with generic pharmaceutical companies (so-called authorized generics). No significant regulatory approvals are required for a brand-name company to sell directly or through a third party to the generic market, and brand-name companies do not face any other significant barriers to entry into such market. In addition, such companies continually seek to delay generic introductions and to decrease the impact of generic competition, using tactics which include:

- obtaining new patents on drugs whose original patent protection is about to expire;
- filing patent applications that are more complex and costly to challenge;
- filing suits for patent infringement that automatically delay approval of the U.S. Food and Drug Administration (FDA);
- filing citizens petitions with the FDA contesting approval of the generic versions of products due to alleged health and safety issues;
- developing controlled-release or other next-generation products, which often reduce demand for the generic version of the existing product for which we are seeking approval;
- changing product claims and product labeling;
- developing and marketing as over-the-counter products those branded products which are about to face generic competition; and

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making arrangements with managed care companies and insurers to reduce the economic incentives to purchase generic pharmaceuticals.

These strategies may increase the costs and risks associated with our efforts to introduce generic products and may delay or prevent such introduction altogether.

Our sales of innovative products, especially Copaxone®, could be adversely affected by competition.

Our innovative products face or may face intense competition from competitors products, which may adversely affect our sales and profitability. Copaxone® is our leading innovative product, from which we derive substantial revenues and profits. To date, we and our marketing partners have been successful in our efforts to establish Copaxone® as the leading therapy for multiple sclerosis and have increased our global market share among the currently available major therapies for multiple sclerosis. However, Copaxone® faces intense competition from existing products, such as Avonex®, Betaseron®, Rebif® and Tysabri®. We may also face competition from additional products in development, including an orally administered treatment for multiple sclerosis. In addition, the exclusivity protections afforded us in the United States through orphan drug status for Copaxone® expired on December 20, 2003. If our patents on Copaxone® are successfully challenged, we may also face generic competition for this product. In July 2008, Sandoz Inc., the U.S. generic drug division of Novartis AG, in conjunction with Momenta Pharmaceuticals, Inc., filed an ANDA with the FDA for a generic version of Copaxone®. In August 2008, we filed a complaint against Sandoz/Momenta, which triggered a stay of any FDA approval of the ANDA until the earlier of January 2011 or a district court decision (if any) in favor of the ANDA filer.

Sales of our products may be adversely affected by the continuing consolidation of our U.S. distribution network, seasonality, other pricing factors, financial constraints of pharmaceutical distributors and the concentration of our customer base.

A significant proportion of our sales are made to relatively few U.S. retail drug chains, wholesalers, managed care purchasing organizations, mail order distributors and hospitals. These customers, which represent an essential part of the distribution chain of pharmaceutical products, are continuing to undergo significant consolidation. This consolidation may provide our customers with additional purchasing leverage and consequently increase the pricing pressures that we face. Additionally, the emergence of large buying groups representing independent retail pharmacies and the prevalence and influence of managed care organizations and similar institutions enable those groups to extract price discounts on our products.

Our net sales and quarterly growth comparisons may be affected by fluctuations in the buying patterns of retail chains, major distributors and other trade buyers. These fluctuations may result from seasonality, pricing, wholesaler buying decisions or other factors. In addition, many of the major pharmaceutical distributors have experienced downturns and financial constraints, which may impact both our sales and the collectibility of our receivables and result in even greater consolidation among our customers. These developments may have a material adverse effect on our business, financial condition and results of operations.

Changes in the regulatory environment may prevent us from utilizing the exclusivity periods that are important to the success of our generic products.

The Medicare Prescription Drug Act provides that the 180-day market exclusivity period provided under the Hatch-Waxman Act is only triggered by commercial marketing of the product. However, the Medicare Act also contains forfeiture provisions which would deprive the first Paragraph IV filer of exclusivity if certain conditions are met. Accordingly, we may face the risk of forfeiture and therefore may not be able to exploit a given exclusivity period for specific products.

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Research and development efforts invested in our innovative pipeline may not achieve expected results.

We invest increasingly greater resources to develop our innovative pipeline, both through our own efforts and through collaborations with third parties, which results in higher risks.

The time from discovery to a possible commercial launch of an innovative product is substantial and involves multiple stages during which the product may be abandoned as a result of such factors as serious developmental problems, the inability to achieve our clinical goals, the inability to obtain necessary regulatory approvals in a timely manner, if at all, and the inability to produce and market such innovative products successfully and profitably. In addition, we face the risk that some of the third parties we collaborate with may fail to perform their obligations. Accordingly, our investment in research and development of innovative products can involve significant costs with no assurances of future revenues or profits.

We are subject to government regulation that increases our costs and could prevent us from marketing or selling our products.

We are subject to extensive pharmaceutical industry regulations in countries where we operate. We cannot predict the extent to which we may be affected by legislative and other regulatory developments concerning our products.

We are dependent on obtaining timely approvals before marketing most of our products. In the United States, any manufacturer failing to comply with FDA or other applicable regulatory agency requirements may be unable to obtain approvals for the introduction of new products and, even after approval, initial product shipments may be delayed. The FDA also has the authority to revoke drug approvals previously granted and remove from the market previously approved drug products containing ingredients no longer approved by the FDA. Our major facilities, both within and outside the United States, and our products are periodically inspected by the FDA, which has extensive enforcement powers over the activities of pharmaceutical manufacturers, including the power to seize, force to recall and prohibit the sale or import of non-complying products, and to halt operations of and criminally prosecute non-complying manufacturers. In addition, we are subject in the U.S. to other regulations, including those related to quotas for controlled substances, which may from time to time limit our ability to meet demand for products containing such substances.

In the European Union (EU) and Israel, the manufacture and sale of pharmaceutical products is regulated in a manner substantially similar to that in the United States. Legal requirements generally prohibit the handling, manufacture, marketing and importation of any pharmaceutical product unless it is properly registered in accordance with applicable law. The registration file relating to any particular product must contain medical data related to product efficacy and safety, including results of clinical testing and references to medical publications, as well as detailed information regarding production methods and quality control. Health ministries are authorized to cancel the registration of a product if it is found to be harmful or ineffective or manufactured and marketed other than in accordance with registration conditions.

Data exclusivity provisions exist in many countries where we operate, although their application is not uniform. In general, these exclusivity provisions prevent the approval by, and/or submission of generic drug applications to, the health authorities for a fixed period of time following the first approval of a novel brand-name product in that country or other recognized countries. As these exclusivity provisions operate independently of patent exclusivity, they may prevent the approval and/or submission of generic drug applications for some products even after patent protection has expired.

We are subject to legislation in Israel, primarily relating to patents and data exclusivity provisions. Modifications of this legislation or court decisions regarding this legislation may adversely affect us and may prevent us from exporting Israeli-manufactured products in a timely fashion. Additionally, the existence of third-party patents in Israel, with the attendant risk of litigation, may cause us to move production outside of Israel or

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otherwise adversely affect our ability to export certain products from Israel. Exports from Europe may similarly be affected by legislation relating to patents and data exclusivity provisions and also by the risk of patent litigation.

Current economic conditions may adversely affect our industry, business and results of operations.

The global economy is currently undergoing a period of unprecedented volatility, and the future economic environment may be less favorable than that of recent years. This has led, and could further lead, to reduced consumer spending in the foreseeable future, which may include reduced spending on healthcare. While generic drugs present an alternative to higher-priced branded products, our sales could be negatively impacted if patients forego obtaining healthcare and purchasing pharmaceutical products. In addition, reduced consumer spending may drive us and our competitors to decrease prices. These conditions may adversely affect our industry, business and results of operations.

Regulations to permit the sale of biotechnology-based products as bioequivalent or biosimilar drugs, primarily in the U.S., may be delayed, or may otherwise jeopardize our investment in such products.

We have made, and expect to continue to make, significant investments in our ability to develop and produce biotechnology-based products, including our recent acquisition of CoGenesys Inc. Although some of these products may be sold as branded, innovative products, one of our key strategic goals in making these investments is to position Teva at the forefront of the development of bioequivalent or biosimilar generic versions of currently marketed biotechnology products. To date, in many markets, most notably the U.S., there does not yet exist a clear legislative or regulatory pathway for the registration and approval of such biogeneric products. Significant delays in the development of such pathways, or significant impediments that may be built into such pathways, could diminish the value of the investments that we have made, and will continue to make, in our biotechnology capabilities.

The manufacture of our products is highly complex, and sometimes single-sourced, and a supply interruption or delay could adversely affect our business, financial condition or results of operations.

The products we market, distribute and sell are either manufactured at our own manufacturing facilities or, in certain cases, through supply agreements with third parties. Many of our products are the result of complex manufacturing processes, and are sometimes dependent on highly specialized raw materials. In addition, for certain of our products, and certain key raw materials, we have only a single source of supply. As a result, we can provide no assurances that supply sources will not be interrupted from time to time. For these same reasons, the volume of production of any product cannot be rapidly altered. As a result, if we fail to accurately predict market demand for any of our products, we may not be able to produce enough of the product to meet that demand, which could affect our business, financial condition or results of operations.

We may not be able to consummate and integrate future acquisitions.

In the past, we have grown, in part, through a number of significant acquisitions, including our pending acquisition of Barr and our acquisitions of Ivax Corporation in January 2006 and Sicor Inc. in January 2004. We continue to be engaged in various stages of evaluating or pursuing potential acquisitions and may in the future acquire other pharmaceutical and active pharmaceutical ingredients businesses and seek to integrate them into our own operations. In particular, we have recently agreed to acquire Barr for an aggregate consideration of $7.5 billion in cash and ADSs, plus the assumption of net debt of approximately $1.5 billion. Closing of the acquisition remains subject to various conditions including clearance under the U.S. Hart-Scott Rodino Antitrust Improvements Act of 1976 and approval from the European Competition Commission. For a more detailed discussion regarding our acquisition of Barr, read carefully the section below entitled Risks Associated with our Pending Acquisition of Barr.

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Future acquisitions involve known and unknown risks that could adversely affect our future revenues and operating results. For example:

- We may fail to identify acquisitions that enable us to execute our business strategy.
- We compete with others to acquire companies. We believe that this competition has intensified and may result in decreased availability of, or increased prices for, suitable acquisition candidates.
- We may not be able to obtain the necessary regulatory approvals, including those of competition authorities, in countries where we are seeking to consummate acquisitions.
- We may ultimately fail to consummate an acquisition even if we announce that we plan to acquire a company.
- Potential acquisitions may divert management s attention away from our primary product offerings, resulting in the loss of key customers and/or personnel and exposing us to unanticipated liabilities.
- We may fail to successfully integrate acquisitions in accordance with our business strategy, including the pending acquisition of Barr.
- We may not be able to retain the skilled employees and experienced management that may be necessary to operate the businesses we acquire and, if we cannot retain such personnel, we may not be able to attract new skilled employees and experienced management to replace them.
- We may purchase a company that has contingent liabilities that include, among others, known or unknown patent infringement or product liability claims.

We may be susceptible to product liability claims that are not covered by insurance, including potential claims relating to products that we previously sold or currently sell and that are not covered by insurance.

Our business inherently exposes us to claims relating to the use of our products. We sell, and will continue to sell, pharmaceutical products for which product liability insurance coverage is not available to us, and, accordingly, we may be subject to claims that are not covered by insurance. Additional products for which we currently have coverage may be excluded in the future. In addition, we may be subject to claims that are subject to our deductible, exceed our policy limits or relate to damages that are not covered by our policy. Because of the nature of these claims, we are generally not permitted under U.S. GAAP to establish reserves in our accounts for such contingencies. In addition, product liability coverage for pharmaceutical companies is becoming more expensive and increasingly difficult to obtain and, as a result, we may not be able to obtain the type and amount of coverage we desire or to maintain our current coverage.

Reforms in the healthcare industry and the uncertainty associated with pharmaceutical pricing, reimbursement and related matters could adversely affect the marketing, pricing and demand for our products.

Increasing expenditures for healthcare have been the subject of considerable public attention almost everywhere we conduct business. Both private and governmental entities are seeking ways to reduce or contain healthcare costs. In many countries where we currently operate, pharmaceutical prices are subject to regulation. In the United States, numerous proposals that would effect changes in the U.S. healthcare system have been introduced in Congress (as well as in some state legislatures), including expanded Medicare coverage for drugs, which became effective in January 2006. Similar measures are being taken or introduced throughout Western Europe, Israel, Russia and certain countries in Central and Eastern Europe. These changes may cause delays in market entry or adversely affect pricing and profitability. We cannot predict which measures may be adopted or their impact on the marketing, pricing and demand for our products.

In the United States, the Deficit Reduction Act of 2005 mandated a new regulation, which became effective in part on October 1, 2007, establishing the method by which pharmaceutical manufacturers, including us, must

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calculate average manufacturer price. The Act strongly encouraged state Medicaid programs to utilize this average manufacturer price in the future as the benchmark for prescription drug reimbursement in place of the previous, widely used benchmark of average wholesale price. The Act also changed the method used to determine the federal upper limit on payment for generic drugs. Payments to pharmacies for Medicaid-covered outpatient prescription drugs are set by the states. Federal reimbursements to states for the federal share of those payments are subject to this federal ceiling, which, effective January 1, 2007, was 250% of the average manufacturer price for generic drugs. This price limit may have the effect of reducing the reimbursement rates for certain medications that we currently sell. We are reviewing the potential impact of these provisions on our business and profitability and have not yet been able to draw conclusions, because the implementation of certain provisions of the final regulations promulgated under the Act has been stayed by litigation. We do not know how long the court-ordered stay will remain in effect or what the final outcome will be.

A number of markets in which we operate (including, most recently, the Netherlands and Germany) have implemented tender systems for generic pharmaceuticals in an effort to lower prices. Under such tender systems, manufacturers submit bids which establish prices for generic pharmaceutical products. The measure is likely to impact marketing practice and reimbursement of drugs and may increase pressure on competition and reimbursement margins. Certain other countries may consider the implementation of a tender system. Failing to win tenders, or the implementation of similar systems in other markets leading to further price declines, could have a material adverse affect on our business, financial position and results of operations.

The success of our innovative products depends on the effectiveness of our patents, confidentiality agreements and other measures to protect our intellectual property rights.

The success of our innovative products depends, in part, on our ability to obtain patents and to defend our intellectual property rights. If we fail to protect our intellectual property adequately, competitors may manufacture and market products identical or similar to ours. We have been issued numerous patents covering our innovative products, and have filed, and expect to continue to file, patent applications seeking to protect newly developed technologies and products in various countries, including the United States. Any existing or future patents issued to or licensed by us may not provide us with any competitive advantages for our products or may be challenged or circumvented by competitors. In addition, such patent rights may not prevent our competitors from developing, using or commercializing products that are similar or functionally equivalent to our products, especially Copaxone® , our leading innovative product. In July 2008, Sandoz Inc., the U.S. generic drug division of Novartis AG, in conjunction with Momenta Pharmaceuticals, Inc., filed an ANDA with the FDA for a generic version of Copaxone®. In August 2008, we filed a complaint against Sandoz/Momenta, which triggered a stay of any FDA approval of the ANDA until the earlier of January 2011 or a district court decision (if any) in favor of the ANDA filer.

We also rely on trade secrets, unpatented proprietary know-how, trademarks, data exclusivity and continuing technological innovation that we seek to protect, in part by confidentiality agreements with licensees, suppliers, employees and consultants. If these agreements are breached, it is possible that we will not have adequate remedies. Disputes may arise concerning the ownership of intellectual property or the applicability of confidentiality agreements. Furthermore, our trade secrets and proprietary technology may otherwise become known or be independently developed by our competitors or we may not be able to maintain the confidentiality of information relating to such products.

We have significant operations in countries that may be adversely affected by acts of terrorism, political or economical instability or major hostilities.

We are a global pharmaceutical company with worldwide operations. Over 80% of our sales are in North America and Western Europe. However, we expect to derive an increasing portion of our sales and future growth from other regions such as Latin America and Central and Eastern Europe, which may be more susceptible to political or economic instability.

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Significant portions of our operations are conducted outside the markets in which our products are sold, and accordingly we often import a substantial number of products into such markets. We may, therefore, be denied access to our customers or suppliers or denied the ability to ship products from any of our sites as a result of a closing of the borders of the countries in which we sell our products, or in which our operations are located, due to economic, legislative, political and military conditions, including hostilities and acts of terror, in such countries.

Our executive offices and a substantial percentage of our manufacturing capabilities are located in Israel. Our Israeli operations are dependent upon materials imported from outside Israel. We also export significant amounts of products from Israel. Accordingly, our operations could be materially and adversely affected by acts of terrorism or if major hostilities should occur in the Middle East or trade between Israel and its present trading partners should be curtailed, including as a result of acts of terrorism in the United States or elsewhere.

Because we have substantial international operations, our sales and, to a lesser extent, our profits may be adversely affected by currency fluctuations and restrictions as well as credit risks.

Over 40% of our revenues is from sales outside of the United States. As a result, we are subject to significant foreign currency risk, including foreign currency payment restrictions in certain countries. An increasing amount of our sales, particularly in Latin America and Central and Eastern European countries, is recorded in local currencies, which exposes us to the direct risk of local currency devaluations or fluctuations. We may also be exposed to credit risks in some of these less developed markets.

In particular, although the majority of our net sales and operating costs were denominated in, or linked to, the U.S. dollar, due to our geographic diversity of our operations, we used in the first nine months of 2008 over 30 functional currencies in addition to the U.S. dollar. Approximately one third of our operating costs in 2008 were incurred outside the United States in other currencies, particularly in Israeli Shekels, and Hungarian Forints.

As a result, fluctuations in exchange rates between the currencies in which such costs are incurred and the U.S. dollar may have a material adverse effect on our results of operations, the value of balance sheet items denominated in foreign currencies and our financial condition.

We use derivative financial instruments to further reduce our net exposure to currency exchange rate fluctuations in the major foreign currencies in which we operate. However, we cannot assure you that we will be able to effectively limit all of our exposure to currency exchange rate fluctuations which could affect our financial results.

The imposition of exchange or price controls or other restrictions on the conversion of foreign currencies could also have a material adverse effect on our business, results of operations and financial condition.

Termination or expiration of governmental programs or tax benefits could adversely affect our overall effective tax rate

We can not assure you that our estimated annual tax rate of 11% for 2008 will not change over time as a result of changes in corporate income tax rates or other changes in the tax laws of the various countries in which we operate. We have benefited or currently benefit from a variety of government programs and tax benefits that generally carry conditions that we must meet in order to be eligible to obtain any benefit.

If we fail to meet the conditions upon which certain favorable tax treatment is based, we would not be able to claim future tax benefits and could be required to refund tax benefits already received. Additionally, some of these programs and the related tax benefits are available to us for a limited number of years, and these benefits expire from time to time.

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Any of the following could have a material effect on our overall effective tax rate:

- some programs may be discontinued,
- we may be unable to meet the requirements for continuing to qualify for some programs,
- these programs and tax benefits may be unavailable at their current levels,
- upon expiration of a particular benefit, we may not be eligible to participate in a new program or qualify for a new tax benefit that would offset the loss of the expiring tax benefit, or
- we may be required to refund previously recognized tax benefits if we are found to be in violation of the stipulated conditions.

Because we and certain of the finance subsidiaries are foreign entities, you may have difficulties enforcing your rights under the securities offered by this prospectus.

We are an Israeli company and the BVs are non-U.S. entities. In addition, most of our officers, directors or persons of equivalent position reside outside the United States. As a result, service of process on them may be difficult or impossible to effect in the United States. Furthermore, due to the fact that a substantial portion of our assets are located outside of the United States, it may difficult to enforce judgments obtained against us or any of our directors and officers in a United States Court. See Enforcement of Civil Liabilities below.

Our failure to comply with applicable environmental laws and regulations worldwide could adversely impact our business and results of operations.

We are subject to laws and regulations concerning the environment, safety matters, regulation of chemicals and product safety in the countries where we manufacture and sell our products or otherwise operate our business. These requirements include regulation of the handling, manufacture, transportation, use and disposal of materials, including the discharge of pollutants into the environment. In the normal course of our business, we are exposed to risks relating to possible releases of hazardous substances into the environment, which could cause environmental or property damage or personal injuries, and which could require remediation of contaminated soil and groundwater. Under certain laws, we may be required to remediate contamination at certain of our properties, regardless of whether the contamination was caused by us or by previous occupants of the property.

In recent years, the operations of all companies have become subject to increasingly stringent legislation and regulation related to occupational safety and health, product registration and environmental protection. Such legislation and regulations are complex and constantly changing, and we cannot assure you that future changes in laws or regulations would not require us to install additional controls for certain of our emission sources, to undertake changes in our manufacturing processes or to remediate soil or groundwater contamination at facilities where such clean-up is not currently required.

An increasing amount of intangible assets and goodwill on our books may lead to significant impairment charges in the future.

We regularly review our long-lived assets, including identifiable intangible assets and goodwill, for impairment. Goodwill, trade names and acquired product and marketing rights are subject to impairment review at least annually. Other long-lived assets are reviewed for impairment when there is an indication that an impairment may have occurred. The amount of goodwill and other intangible assets on our consolidated balance sheet has increased significantly in recent years, primarily as a result of our recent acquisitions. For a more detailed discussion regarding our acquisition of Barr, read carefully the section below entitled Risks Associated with our Pending Acquisition of Barr. Impairment testing under U.S. GAAP may lead to further impairment charges in the future. Any significant impairment charges could have a material adverse effect on our results of operations.

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Risks Associated with our Pending Acquisition of Barr

We may experience difficulties in integrating Barr s business with our existing businesses.

The merger with Barr involves the integration of two companies that have previously operated independently. The difficulties of combining the companies operations include:

the necessity of coordinating and consolidating geographically separated organizations, systems and facilities; and

integrating the management and personnel of Teva and Barr, maintaining employee morale and retaining key employees, particularly in Europe, where Barr s European operations were recently acquired and have not yet been fully integrated into Barr s operations.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of one or more of the combined company s businesses and the loss of key personnel. The diversion of management s attention and any delays or difficulties encountered in connection with the merger and the integration of the two companies operations could have an adverse effect on the business, results of operations, financial conditions or prospects of the combined company after the merger.

Achieving the anticipated benefits of the merger will depend in part upon whether Teva and Barr can integrate their businesses in an efficient and effective manner. We may not accomplish this integration process smoothly or successfully. If management is unable to successfully integrate the operations of the two companies, the anticipated benefits of the merger may not be realized.

We may not achieve the revenue and cost synergies we have anticipated for the combined company.

Our rationale for the merger is, in part, predicated on the projected ability of the combined company to realize certain revenue and cost synergies. Achieving these synergies is dependent upon a number of factors, some of which are beyond our control. These synergies may not be realized in the amount or time frame that we currently anticipate.

Uncertainties associated with the merger may cause Barr to lose employees.