



NTE - FROM PROCESS TO PRODUCTS: 1 YEAR, 15 NEW PIPELINE PRODUCTS

NTE (New Therapeutic Entity) – A process to generate new specialty products that **address an unmet patient need**, are **based on a known molecule** and are **formulated, delivered, or used in a novel way**

NTE process = attractive risk/return profile

- Proven efficacy
- Lower development risk
- Shorter timelines
- Lower costs
- Significant returns

NCE (New Chemical Entity) process = 10-15 years, \$1-2B



NTE process = 3-6 years, \$10-50M



- 505(b)(2) pathway in US
- Referencing safety & efficacy data of original molecule

Note: 505(b)(2) programs may not require Pre-clinical or Phase III

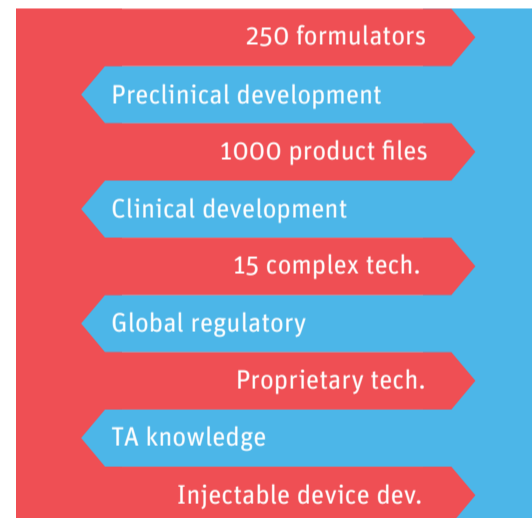
NTE @ Teva is unique

- Unprecedented scale
- Integration of established generic and specialty skills
- Disciplined process
- Dedicated resources

Combining technological and drug development capabilities in a unique integrated R&D organization



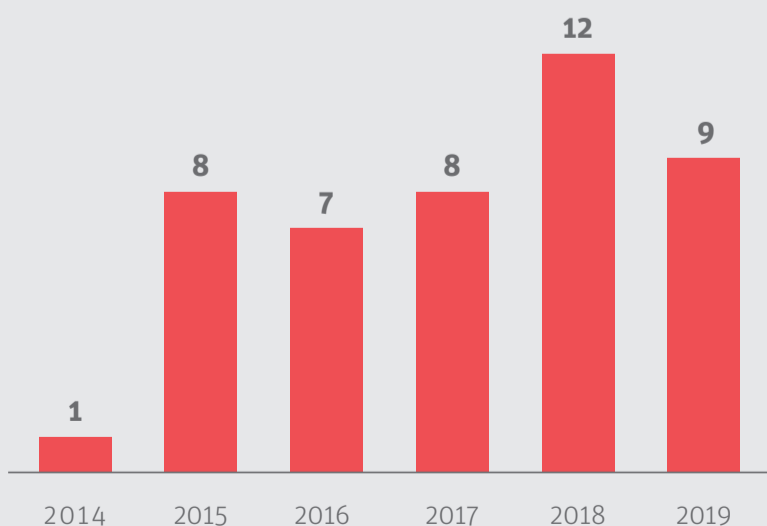
GENERIC R&D



SPECIALTY R&D

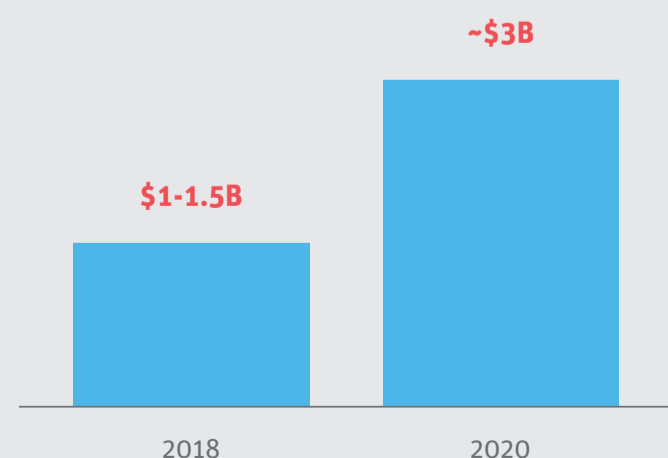
Where will we be in 2018 and 2020

- ~ 50 submissions by end of decade – not adjusted for risk
- ~ 30 submissions by end of decade – adjusted for risk



Not adjusted for risk

NTE Process can be a source of significant revenue: Classes of 2013-2017 can generate \$1-1.5B by 2018 and \$3B by 2020







Risk adjusted



PRODUCTS FROM THE NTE PROCESS - CLASS OF 2013

Spotlight on key products

				
Pain	Unmet patient need	Teva's NTE solution	Commercial Perspective	Submission
Abuse Deterrent Opioids	<p>Opioids are widely used to treat acute and chronic pain.</p> <p>Abuse of opioids - an epidemic in the US, prevalence quadrupled since 2009</p> <p>The problem: In 2011:</p> <ul style="list-style-type: none"> • 2M affected • 400K ER visits • 17K deaths • \$72.5 Billion per year in health care costs 	<p>Portfolio of 4 AD products in largest segments, based on proprietary technology</p> <p>The benefits:</p> <ul style="list-style-type: none"> + Reduce prevalence of a of abuse + Reduce social and economic burden 	<p>By 2018 50% of opioids sales in US will be abuse deterrent products = \$5B market</p> <p>We expect to capture a meaningful share of the AD segment</p>	<p>3 abuse deterrent tablets in 2015 1 abuse deterrent patch in 2018</p>
Schizophrenia	Unmet patient need	Teva's NTE solution	Commercial Perspective	Submission
Long acting injectable Risperidone (LAI)	<p>Schizophrenia is a severely disabling psychiatric disorder</p> <ul style="list-style-type: none"> • Affecting 2.2 million in the US alone • Total cost of schizophrenia in the US: \$63B (a year) <p>The problem: Low adherence to oral antipsychotics</p> <p>↓</p> <p>High relapse rates and re-hospitalization</p>	<p>Once a quarter subcutaneous injection instead of current daily oral and every-2-weeks intramuscular injection</p> <p>The benefits:</p> <ul style="list-style-type: none"> + Better adherence + Lower overall costs of treatment 	<p>LAI injectable segment will exceed \$3B by 2017</p> <p>We expect to capture a meaningful share of the LAI market</p>	<p>2018</p>
Glaucoma	Unmet patient need	Teva's NTE solution	Commercial Perspective	Submission
Fixed dose combination of prostaglandin agonist and beta-blocker	<p>Glaucoma is a progressive optic neuropathy, associated with intraocular pressure (IOP) Highly prevalent in the elderly population:</p> <ul style="list-style-type: none"> • In 2010, affected 2.7M in US • The 2nd largest cause of blindness in the western world <p>The problem: Prostaglandin Agonist + Beta Blocker is a common treatment of Glaucoma, prescribed separately and require 3 daily administrations</p> <p>↓</p> <ul style="list-style-type: none"> • Adherence to treatment declines over time • Systematic absorption of Beta Blockers results in systematic side effects 	<p>Once a day instead of 3 separate daily administration with lower dose of beta blocker</p> <p>The benefits:</p> <ul style="list-style-type: none"> + Similar efficacy to standard doses + Lower systemic exposure to beta blocker + Less side effects 	<p>Fixed dose combination (FDC) market in US will reach \$500M by 2018, \$750M by 2023</p> <p>We expect to take a meaningful share of glaucoma FDC market</p>	<p>2018</p>
Crohn's Disease	Unmet patient need	Teva's NTE solution	Commercial Perspective	Submission
Direct Release 6MP	<p>Crohn's is an autoimmune disorder, associated with inflammation of the intestines. Symptoms: Abdominal pain, diarrhea and bleeding, nutritional deficiencies</p> <p>The problem: 6-MP is a common and effectively used drug for moderate Crohn's Disease</p> <p>↓</p> <p>As an immunosuppressive drug, 6MP is associated with systemic side effects</p> <ul style="list-style-type: none"> • Reduction in white and red blood cell count • Greater susceptibility to infection and anemia 	<p>Novel formulation for targeted release of 6-MP in the intestine incorporates 2 formulation technologies:</p> <ul style="list-style-type: none"> • Technology 1: delays the release until drug is in intestine • Technology 2: release drug rapidly once drug is in the intestine <p>The benefits:</p> <ul style="list-style-type: none"> + Similar efficacy + Reduced adverse events 	<p>Global market for Crohn's Disease and Ulcerative Colitis: \$7B (2014)</p> <ul style="list-style-type: none"> • Non-TNF segment of these markets: \$2B <p>We expect to capture a meaningful share of non-TNF segment</p>	<p>2019</p>