This document contains forward-looking statements, which express the current beliefs and expectations of management. Such statements 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 develop and commercialize additional pharmaceutical products, including our ability to develop, manufacture, market and sell biopharmaceutical products, competition for our innovative medicines, especially Copaxone® (including competition from innovative orally-administered alternatives, as well as from potential purported generic equivalents), competition for our generic products (including from other pharmaceutical companies and as a result of increased governmental pricing pressures), competition for our specialty pharmaceutical businesses, our ability to achieve expected results through our specialty, including innovative, R&D efforts, the effectiveness of our patents and other protections for innovative products, decreasing opportunities to obtain U.S. market exclusivity for significant new generic products, our ability to identify, consummate and successfully integrate acquisitions and license products, our ability to reduce operating expenses to the extent and during the timeframe intended by our cost restructuring program, uncertainties relating to the replacement of and transition to a new President & Chief Executive Officer, the effects of increased leverage as a result of recent acquisitions, the extent to which any manufacturing or quality control problems damage our reputation for high quality production and require costly remediation, our potential exposure to product liability claims to the extent not covered by insurance, increased government scrutiny in both the U.S. and Europe of our settlement agreements with brand companies and liabilities arising from class action litigation and other third-party claims relating to such agreements, potential liability for sales of generic medicines prior to a final resolution of outstanding patent litigation, our exposure to currency fluctuations and restrictions as well as credit risks, the effects of reforms in healthcare regulation and pharmaceutical pricing and reimbursement, any failures to comply with complex Medicare and Medicaid reporting and payment obligations, governmental investigations into sales and marketing practices, particularly for our specialty medicines (and our ongoing FCPA investigations and related matters), uncertainties surrounding the legislative and regulatory pathways for the registration and approval of biotechnology-based medicines, adverse effects of political or economic instability, corruption, major hostilities or acts of terrorism on our significant worldwide operations, interruptions in our supply chain or problems with our information technology systems that adversely affect our complex manufacturing processes, any failure to retain key personnel or to attract additional executive and managerial talent, the impact of continuing consolidation of our distributors and customers, variations in patent laws that may adversely affect our ability to manufacture our products in the most efficient manner, potentially significant impairments of intangible assets and goodwill, potential increases in tax liabilities resulting from challenges to our intercompany arrangements, the termination or expiration of governmental programs or tax benefits, environmental risks, and other factors that are discussed in our Annual Report on Form 20-F for the year ended December 31, 2012 and in our other filings with the U.S. Securities and Exchange Commission. Forward-looking statements speak only as of the date on which they are made and the Company undertakes no obligation to update or revise any forward looking statement, whether as a result of new information, future events or otherwise.
### A focused R&D strategy

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## A focused R&D strategy

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R&D shifting resources toward complex generics
## Complex Generics – definition

### Complex Generics

<table>
<thead>
<tr>
<th>High-Barrier Entry</th>
<th>Complex Technology</th>
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<tbody>
<tr>
<td>• Low stability compounds</td>
<td>• Long Acting Release</td>
</tr>
<tr>
<td>• Formulation complexity</td>
<td>• Liposomal</td>
</tr>
<tr>
<td>• Development without reference</td>
<td>• Transdermal</td>
</tr>
<tr>
<td>• API complexity</td>
<td>• Thin Film</td>
</tr>
<tr>
<td>• Bioequivalence risk (in-vivo or in-vitro)</td>
<td>• Nasal suspension</td>
</tr>
<tr>
<td></td>
<td>• Devices</td>
</tr>
<tr>
<td></td>
<td>• Vaginal rings</td>
</tr>
<tr>
<td></td>
<td>• Inhalers</td>
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Complex Generics share of Teva submissions is expected to increase to 60% by 2015 (US+EU)

Share of Complex Products of US and EU Generic Submissions
Recent Progress in Complex Generics

- **Patches and Thin Film**
  - First in-house developed thin film submitted to FDA

- **Injectable devices**
  - First in-house developed and manufactured drug-cartridge combo submitted to FDA

- **Nasal suspension**
  - First in-house developed nasal suspension submitted to FDA

- **Long-Acting Injectable**
  - In-house development capabilities established.
Generic submissions in 2013: strong performance

- Met or exceeded submission targets in all major regions
- Value of submissions* in 2013 is 20% higher than 2012
- 9 first-to-market launches in US in 2013

* Value of submissions: in US average annual Teva sales in first 3 years, other markets annual Teva sales in year 3
Specialty Pharmaceuticals
Significant increase in number of specialty submissions: ~60 between 2014-2018

Expected specialty submissions
(2013 pipeline + NTE; not adjusted for risk)
Focus on areas of established strength

Teva’s Position in US
(2013 sales)

- CNS: #1
- Respiratory: #4
- Oncology: #9
A focused R&D strategy

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The NTE process generates new specialty products that:

- Address an unmet patient need
- Are based on a known molecule
- Are formulated, delivered, or used in a novel way
Abuse of opioids:

- Opioids are crushed and dissolved then snorted or injected
- An epidemic in the US: 2M affected, 400K ER visits, 17K deaths

↓ Prevalence of addiction
↓ Social and economic burden
Products from NTE process have shorter development timelines and lower costs

10-15 years, $1-2B

- NCE
  - Discovery
  - Pre-clinical
  - Phase I
  - Phase II
  - Phase III
  - Sub.

3-6 years, $10-50M

- Products from NTE Process
  - Formulation
  - Pre-clinical
  - Phase I (PK)
  - Phase III
  - Sub. 505b2-

- 505(b)(2) pathway in US
- Referencing safety & efficacy data of original molecule
Products from NTE process have higher development success rates

Success rates in Phase 3: NCE vs. 505(b)(2)

- NCE: 40%
- 505(b)(2): 66%

Benchmark for products from NTE process

Source: Biomed Tracker / BIO
Products from NTE process can generate significant sales

- Distribution of peak sales per product of current portfolio of products under development:

<table>
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<tr>
<th>Peak Sales</th>
<th>Share of NTE Portfolio</th>
</tr>
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<tbody>
<tr>
<td>100-300 M$</td>
<td>50%</td>
</tr>
<tr>
<td>300-500 M$</td>
<td>40%</td>
</tr>
<tr>
<td>&gt;500 M$</td>
<td>10%</td>
</tr>
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</table>

Note: not adjusted for risk
Products from NTE process target an attractive space

RISK, TIME, COST

High

Low

RETURN

Generic

Products from NTE process

NCE
Why is Teva positioned to succeed in this space?
NTE process at Teva

• Unprecedented scale
• Based on integration of established generic and specialty skills
• Disciplined process
• Dedicated resources
Teva has strong technological capabilities

- > 250 formulators
- > 1000 product files:
  - API characteristics, analytical methods, formulation challenges, PK Profile
- > 15 distinct complex technologies in house:
  - LAR, Liposomal, transdermal, thin film, patches etc.
- Multiple proprietary formulation technologies:
  - Abuse deterrence, gastric retention, etc.
- In-house injectable device development capabilities:
  - Including generation of new device IP

We have the skill set to develop the right technological solutions: rapidly and cost-effectively
Teva has established drug development capabilities

- Full scale pre-clinical development
- Highly experienced clinical development team
- Strong global regulatory affairs
- Deep medical understanding of patient needs
Combining technological and drug development capabilities in a unique integrated R&D organization

**Generic R&D**
- > 250 formulators
- Preclinical development
- > 1000 product files
- Clinical development
- > 15 complex tech.
- Global regulatory
- Proprietary tech.
- TA knowledge
- Injectable device dev.

**Specialty R&D**
Product concept generation is a creative multidisciplinary process

Many different sources:

- Generic R&D Technology
- Specialty R&D Medical need
- Commercial Customer / Payer
- IP Patent opportunities
- KOL / Advisory Boards
- External companies (BD)

“nurturing” phase

A steady stream of 20 new product concepts each month
Ideas are evaluated in a disciplined multidisciplinary process.

**Product Concept**

- **Viability assessment**
  (Generic & Specialty R&D, Commercial)

- **Initial commercial validation**
  (Commercial, payer)

- **Technical feasibility**
  (Generic & Specialty R&D)

- **Building Business case**
  Generic, Specialty R&D, IP, commercial

- **Go/No Go: Steering Committee**
“Class of 2013” emerged following evaluation of 150 ideas

Objective: 10-15

Viability assessment (Generic & Specialty R&D, Commercial)

Initial commercial validation (Commercial, payer)

Technical feasibility (Generic & Specialty R&D) Including in-vitro studies

Building Business case Generic, Specialty R&D, IP, commercial) Incl. physician & payer research

Go/No Go: Steering Committee
NTE Webinar
December 4th 3:00PM Israel time

“Teva unveils new pipeline assets from the NTE program of 2013”
## A focused R&D strategy

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Enhance presence in pain

Sustain MS franchise

Expand into neurodegenerative diseases

Explore other CNS disorders

CORE

ADJACENT

TRANSFORM
Sustain strength in MS

Leverage full potential of Laquinimod

New mechanisms (BD)

Expand in Neuro-degeneration

HD: Symptoms (Huntexil), Progression (Laquinimod)

Parkinson’s Disease: Azilect Patch, NTE / BD

Enhance presence in Pain

Opioids: NTEs (e.g. CIMA)

Non-Opioid: Novel mechanisms (e.g. NaV1.7)

Develop Neuropsychiatry

Schizophrenia (BD / NTE)
Copaxone – Established Therapy for Patients

**Copaxone 20mg**

- Record sales, despite new competitors
- Leader in total prescriptions – 35% (US - 3Q2013)
- Leader in new prescriptions – 28% (US – 3Q2013))

**Copaxone 40mg – 3 times per week**

- Improving patient experience and clinical value
- Submitted in the US, EU, Canada
- Commercial and manufacturing plans are in place
Copaxone: Enhancing Scientific Understanding
Differentiated properties from purported generics with potential clinical implications

Published data
COPAXONE’s biological impact is consistent across batches - purported generic’s biological impact is variable across batches.
Roadmap in CNS

- **Sustain strength in MS**
  - Sustain Copaxone
  - Leverage full potential of Laquinimod
  - New mechanisms (BD)

- **Expand in Neuro-degeneration**
  - HD: Symptoms (Huntexil), Progression (Laquinimod)
  - Parkinson’s Disease: Azilect Patch, NTE / BD

- **Enhance presence in Pain**
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  - Non-Opioid: Novel mechanisms (e.g. NaV1.7)

- **Develop Neuropsychiatry**
  - Schizophrenia (BD / NTE)
Laquinimod - a unique asset in MS

Unique mechanism of action

- Direct effect on central nervous system
- Impacts a central pathway of neurodegeneration

Impact

- Prevents neuronal damage
- Decreases progression of disability
Brain Atrophy in MS

Baseline

Month 6

Month 12

Month 18
33% reduction in brain volume loss

Laquinimod significantly reduces progression of disability (6-months confirmed)

Hazard ratio, 0.54
P=0.0001

Placebo (n=1006)
Laquinimod 0.6 mg (n=984)

Pooled Analysis (ALLEGRO+BRAVO)
Laquinimod clinical development plan in MS

ALLEGRO
0.6mg, placebo
Completed – Dec 2012

BRAVO
0.6mg, placebo, Avonex
Completed - July 2011

Filed in EU

Primary endpoint: EDSS (confirmed at 6 months)

Primary endpoint: Brain atrophy (at 1 year)

CONCERTO
0.6mg, 1.2mg, Placebo

LIBRETTO
0.6mg, 1.2mg, Avonex
Laquinimod: backbone for combination with other drugs
**Roadmap in CNS**

- **Sustain strength in MS**
  - Sustain Copaxone
- **Leverage full potential of Laquinimod**
- **New mechanisms (BD)**

- **Expand in Neurodegeneration**
  - HD: Symptoms (Huntexil), Progression (Laquinimod)
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  - Non-Opioid: Novel mechanisms (e.g. NaV1.7)

- **Develop Neuropsychiatry**
  - Schizophrenia (BD / NTE)
Why HD?

- Increasing prevalence
- Genetic cause facilitates early identification of patients
- Tractable endpoints for disease modification trials
- Preclinical animal models
- Opportunity to modify disease progression, treat motor symptoms and manage non-motor symptoms
- HD Community is well organized
- Limited number of compounds in clinical development
- Estimated number of symptomatic in US: ~40,000
- Ratio between symptomatic and mutation carriers: 1: 3-5
- Number of target population for disease modifying treatment in the US: 120,000 – 200,000
- In comparison, number of MS patients in US: 250,000 – 350,000
The golden window of opportunity

Healthy Neurons

Neurons struggling

Disease signs

Genetic Test

Symptom Onset

Neurons dying
A psychomotor stabilizer: “First in class dopidine”

Consistent and encouraging results in MermaHD and HART with significant effect on Total Motor Score (TMS)

Advantages:
- Improvement of impaired motor function associated with HD
- No apparent worsening of other HD symptoms
- Benign safety profile

Entering Phase II/III
Mechanism of Action - effect on key HD pathways

- Down regulation of microglial and astrocytic activation
- Induction of BDNF secretion

Data in relevant animal models:

- YAC 128
- Cuprizone

Submission of IND of Laquinimod in HD: early 2014
Roadmap in CNS

- **Sustain strength in MS**
  - Sustain Copaxone
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  - New mechanisms (BD)

- **Expand in Neurodegeneration**
  - HD: Symptoms (Huntexil), Progression (Laquinimod)
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  - Non-Opioid: Novel mechanisms (e.g. NaV1.7)

- **Develop Neuropsychiatry**
  - Schizophrenia (BD / NTE)
Most prescribed medication for acute pain (e.g. post-surgery)

Most prescribed medication for cancer-related chronic pain

Since 1997 (broadening of label) expanding use in the treatment of chronic pain (non-cancer related)

From 1999 to 2011 opioid sales in US increased > 300%

Current sales of opioid drug class in US: > $8B

Opioids are widely used
In 2011:

- > 1,800,000 people with opioid dependence problems
- > 400,000 Emergency Room visits for opioid misuse
- > 150,000 abuse treatment admissions
- > 17,000 deaths

Prevalence quadrupled since 2009

$72.5 Billion per year in health care costs
• FDA issued draft guidelines for approval of abuse deterrent formulations (1/2013)

• FDA barred generic versions of OxyContin without tamper-resistant properties (4/2013)
• Introduction of Abuse Deterrent opioids – a major thrust in the war against opioid abuse

• By 2018 50% of opioid sales in US will be abuse deterrent

Source: Teva market model 2013-2023
Teva has a proprietary and differentiated abuse deterrent technology – OraGurad®
OraGuard effectively addresses key tampering approaches

- Crush into a powder (snort / swallow)
- Dissolve in water (inject)
- Dissolve in alcohol (drink)

Note: first two methods are relevant for both immediate and extended release opioids, third method is relevant for extended release only.
OraGuard technology creates a multi-layer gel-forming polymer coating of the opioid particles
We have a broad abuse deterrent opioid portfolio

**AD1**
Abuse deterrent tablet of an approved opioid (immediate release opioid + acetaminophen)

**AD2**
Abuse deterrent tablet of an approved opioid (immediate release opioid + acetaminophen)

**AD3**
Abuse deterrent tablet of an approved opioid (extended release opioid)

**CEP-33237**
Abuse deterrent extended-release hydrocodone

NTE in Development

In Phase 3
**Roadmap in CNS**

- **Sustain strength in MS**: Sustain Copaxone
- **Expand in Neuro-degeneration**: HD: Symptoms (Huntexil), Progression (Laquinimod)
- **Enhance presence in Pain**: Opioids: NTEs (e.g. CIMA)
- **Develop Neuropsychiatry**: Schizophrenia (BD / NTE)
- **Leverage full potential of Laquinimod**
- **New mechanisms (BD)**
- **Parkinson’s Disease**: Azilect Patch, NTE / BD
- **Non-Opioid**: Novel mechanisms (e.g. NaV1.7)
Edward Gibson
‘The Human Pincushion’
Circa 1920
Na\textsubscript{v}1.7 blockade: a novel non-opioid target in pain

Congenital indifference to pain (CIP)

Mutations in gene encoding sodium channel protein Na\textsubscript{v}1.7 in CIP pts

5-10% gain of function mutations in Na\textsubscript{v}1.7 in erythromelalgia
TV-45070 (formerly XEN402)

A novel non-opioid

$\text{Na}_v1.7$ inhibitor

2 products: oral, topical

Orphan designation - Erythromelalgia

Phase 2 study to start shortly
Efficacy Demonstrated in All Subjects

TV-45070 Oral Phase 2a IEM

<table>
<thead>
<tr>
<th>Subject</th>
<th>Pain Reduction on TV-45070*</th>
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<tbody>
<tr>
<td>1001</td>
<td>10%</td>
<td>NS</td>
</tr>
<tr>
<td>1002</td>
<td>21%</td>
<td>0.011</td>
</tr>
<tr>
<td>1003</td>
<td>33%</td>
<td>0.004</td>
</tr>
<tr>
<td>1004</td>
<td>88%</td>
<td>0.031</td>
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Mean pain reduction on TV-45070 of 38%

* Compared to placebo
NS: not significant
## A focused R&D strategy

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A broad-based R&D Strategy:
• 10 clinical stage programs
• Targeting all major drug classes
• Proprietary devices addressing unmet needs
• AB-rated strategy in US

13 submissions in next 5 years
• Targeting classes with aggregate value of $20B

Strong growth expected:
• From a $1B franchise today...
...to a multi-billion $ franchise by end of decade
Teva Respiratory today: a ~$1B business (excl. generics)

- **2012**:
  - Qvar®: $856M
  - ProAir®
  - Other*

- **2013E**:
  - Qvar®
  - ProAir®
  - Other*

* Qnasl® in US, local brands in EU
Our strategy in Respiratory

- **Enhance value of existing brands (Qvar® and ProAir®):**
  - Introduce next-generation based on novel inhalers

- **Enter new high-value drug classes in Asthma/COPD:**
  - Launch differentiated products based on novel inhalers

- **Expand geographically:**
  - All EU countries, significant ROW markets

- **Enter adjacent disease areas (e.g. RSV)**

- **Launch AB-rated products in US**
Multiple approaches to address unmet needs

- Novel molecules
- Differentiated products based on innovative devices
- AB-rated

- Spiromax®
- Teva-MicroDose
Improving inhaled therapy

**PROBLEMS**

- Inappropriate inhaler use (device errors / coordination)
- Inadequate adherence (% of prescribed doses taken)

**SOLUTIONS**

- Simpler intuitive inhalers
- Consistency across inhalers
Spiromax®: designed to be simple and intuitive

1. Open
2. Inhale
3. Close

Easy to use
Easy to educate
Intuitive
Spiromax®: Preferred by patients

Preference: Spiromax® vs. Diskus®
- No preference
- Preference: 65% N=17

Preference: Spiromax® vs. Turbuhaler®
- No preference
- Preference: 71% N=63

GFK Research, August 2013 (market study conducted in EU, sponsored by Teva)
DuoResp® Spiromax®

- ICS/LABA - maintenance therapy
- Same molecules as Symbicort® (Budesonide/Formoterol)
- Intuitive Spiromax device with dose counter
- Achieved bioequivalence according to EU guidelines
- Submitted in EU in 1/2013 (centralized procedure)
Teva-MicroDose is designed to be a unique type of nebulizer

- Dose preparation not needed
- Fast dosing: 30 seconds
- Feedback (LED)
- Exact and efficient dose
- Battery operated
- Small and portable
- Remote monitoring
- Easy to clean
Considerable effort to prepare dose
Long dosing time (5-20 minutes)
No feedback
Inefficient and inexact dosing
Large and bulky
Most use mains electricity
Cleaning is cumbersome

Significant advantages over current nebulizers
Nebulizers: Used to treat the young and the elderly

**Inhalers**

- More able patients

**Nebulizers**

- Young children & the elderly

*Difficulty operating an inhalation device*
Teva-MicroDose: Preferred delivery modality for young children and the elderly

Inhalers

Teva-MicroDose

More able patients

Young children & the elderly

Physicians surveyed* would switch to a Teva-MicroDose device:

- 77% of their poorly-controlled patients currently on nebulizer
- 46% of their well-controlled patients currently on nebulizer

* National Analysts Worldwide, Global survey, Fall 2012, 81 MDs
Pipeline based on Teva-MicroDose device

- **MDT637 (RSV) - enters phase II:**
  
  - Developed for treatment of RSV infection in infants
  
  - In highly predictive animal models, MDT-637 was 10 times more potent than currently approved treatment (Ribavirin)
  
  - 3 Phase I studies completed successfully

- **3 pre-clinical programs**
Currently marketed brands + pipeline

Expected total respiratory revenue

- **Today (2013)**: $1B
- **In 5 years (2018)**: $2B
- **In 10 years (2023)**: $4B
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Teva has strong market presence in Oncology today

Enhanced by recent launches of multiple GCSF products

Custersin in advanced development
- Phase III data in mid-2014

Earlier programs (phase 1 and discovery):
- Focused and differentiated
- **MoA:** inhibition of expression of clusterin
  - Fundamental mechanism of tumor survival

- **Three Phase 3 trials ongoing:**
  - 2 in prostate cancer (1st and 2nd line)
  - 1 in lung cancer
Focus on areas which meet the following criteria:

- Emerging research with high medical potential
- Opportunity to develop a competitive position
- Personalized medicine approach is applicable:
  - Early identification of responsive patients by use of molecular diagnostics
  - Reduced development risks, costs, and timelines
Growth factor signaling: phase 1 compounds

- **Braf EGFR inhibitor**
  - Inhibitor of Braf and EGFR, important signaling molecules that help cancer grow
  - Only dual Braf / EGFR inhibitor in development
  - Phase 1 clinical trial in advanced melanoma and colorectal cancer patients with an activating mutation of Braf

- **ALK/FAK inhibitor**
  - Inhibitor of FAK, a molecule that helps cancer spread throughout the body
  - Only FAK inhibitor with activity against ALK, another valuable cancer target
  - Phase 1 clinical trial in patients where FAK is over-expressed by the cancer
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Significant increase in number of specialty submissions: ~60 between 2014-2018

Expected submissions: 2013 pipeline + NTEs (not adjusted for risk)

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<th>Year</th>
<th>Specialty (2013 pipeline)</th>
<th>NTEs</th>
<th>Total</th>
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<tr>
<td>2011</td>
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15 submissions 2011-2013