
From: Jim Reilly </O=TEVA/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=JREILLY>
To: Chris Meyer
Sent: 9/24/2014 3:36:44 PM
Subject: FYI: Final CNS AOP Presentation Sept 24
Attachments: 9-24-14 6AM NASM CNS 2015 AOP 9-24-14 full brand deck with hidden slides.pptx

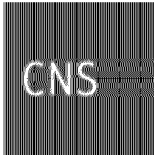
FYI only – for your reference (CNS BU – AOP 2015)



From: John Hassler
Sent: Wednesday, September 24, 2014 7:41 AM
To: David Loughery; Mike Derkacz; Jim Reilly
Subject: Final CNS AOP Presentation Sept 24

Best regards,

John



John Hassler
Vice President, CNS Marketing
Teva CNS Office: 913.777.3331 John.Hassler@tevapharm.com



Confidential

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CNS 2015 AOP Presentation

September
2014

This presentation is a draft for discussion purposes only. It may include information with respect to actual or potential prescriptions for uses of our products that are not presently approved by the FDA and thus not promoted by Teva. Off-label promotion is against company policy. Sales and marketing promotional activity is strictly limited to the indications currently listed in the products' respective package inserts. Information about non-promoted prescriptions is to be used only for legitimate business planning purposes (e.g., discussions of ongoing or potential clinical development plans, considerations of promotional strategies if and when new indications are approved, production planning, and for budgeting and forecasting revenues). All revenue assumptions or projections assume strict compliance with Teva's policy prohibiting any promotion of off-label uses of our products.

PRIVILEGED AND CONFIDENTIAL DRAFT Contingency/Scenario Planning and Analysis Document. Possible Alternative legal and business planning scenario options and related analysis. This document is a draft prepared for privileged planning purposes. It does not represent a final agreed course of action and any inference to that effect is not intended and is hereby expressly disclaimed. IP data provided by Teva Legal Department.

CNS

Maximize Operating Profit & Build Portfolio

Strategic:



Invest for Successful Launch Uptake

Leverage:



Maximize Profit

Built on
Success

Addressed
Opportunities
and Risks

Optimized
Resources

Expand Digital
SOV, PAPs

- Current 2014 portfolio trending to 105% and 106% NS and OP respectively
- Leveraging leadership position and relationships
- Preparing 3 near term product launches, 2 delayed vs LRP and limited regional pipeline support
- Assessed impact of delays, potential LOE and excluded PGx
- Proposed a conservative base expense plan relative to benchmarks and ROI analysis
- Increased competition has reduced carryover
- Optimized brand and portfolio promotional mix
- Growing emphasis on NMP and digital activity to improve SOV and maximize effort
- Financial assistance programs measured to maximize value and maintain patients on therapy

- | | |
|--------------------------------|--------------|
| ▪ AOP overview and agenda | John Hassler |
| ▪ Sales Force changes for 2015 | Jim Reilly |
| ▪ Copaxone | Mike Sheehy |
| ▪ Zecuity | Amanda Welsh |

Break

- | | |
|--|----------------|
| ▪ Vantrela ER, Nuvigil, Amrix, Fentora | Jeffrey Dierks |
| ▪ Azilect, pridopidine | Tom Gawlick |
| ▪ Financial summary | Dave Loughery |
| ▪ Close | Mike Derkacz |

CNS BU Sales Force AOP 2015 September 24, 2014

Portfolio Event Assumptions* (2014-2020) as of 6/24/14

2014				2015				2016				2017				2018				2019				2020							
Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4				
★ Cop 40mg Launch				★ Zecuity Launch				★ Vantrela ER Launch				★ IR Hydrocodone Launch				★ IR Oxy Launch				★ Pridopidine Launch				★ Laquinimod Launch							
				✗ Copaxone 20mg LOE				✗ Nuvigil LOE				✗ Azilect LOE				✗ Fentora LOE				✗ Azilect EC LOE				✗ Vantrela ER LOE							

The financial and operating impact is significant

- Headcount savings in the 10%-20% range (while achieving the same sales trajectory) and/or ...
- Increases in sales with the same headcount

Sensible design parameters lead to simple solutions for the local sales people

- Most reps still carry a small set of products (2-4 products)
- Physicians are seen by fewer reps from the same company
- The call activity that is eliminated is the "worst kind" - - the noisy, relationship-harming frequency that irritates physicians, frustrates sales reps, and does not drive sales

The stable footprint provides flexibility for market events (big and small)

- The approach handles "big" portfolio changes in a less disruptive way.
- No footprint changes; much less relationship disruption

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Optimized Resource structure delivers \$52M in incremental profit

Incremental Net Sales (\$MM)	2015	2016	2017	2018	LT Disc. ¹
Base Case (673 Reps)	-	-	-	-	-
Optimized Base Case (Optimized 673 Reps)	-\$3	\$22	\$37	\$31	\$60

Incremental Costs (\$MM)	2015	2016	2017	2018	LT Disc. ²
Base Case (673 Reps)	-	-	-	-	-
Optimized Base Case (Optimized 673 Reps)	\$0	\$0	\$0	\$0	\$0

Incremental Profit (\$MM)	2015	2016	2017	2018	LT Disc. ³
Base Case (673 Reps)	-	-	-	-	-
Optimized Base Case (Optimized 673 Reps)	-\$4	\$19	\$33	\$26	\$52

Source: ZS Analysis August 2014

Total CNS BU Sales Force Expense – AOP 2015

FY 2014 Q3V2		\$176m
Headcount Increase (150 Reps)	\$25m	
Training	\$2m	
Sales Analytics	\$4m	
Sales Operations	\$1m	
Fleet	\$1m	
Cost of Living	\$2m	
Increase in Sales Force Expense 2015 vs. 2014		\$35m
FY 2015 AOP		\$211m
FY 2015 LRP		\$227m
Variance (AOP vs. LRP)		\$(16m)



COPAXONE 2015 AOP Presentation

September
2014

COPAXONE
#1

- Key activities planned to ensure COPAXONE is competing and transitioning in order to maintain market leadership

Generic
Readiness

- Prepared to compete against purported generic GA by Market Access, Transition and Differentiation

ROI

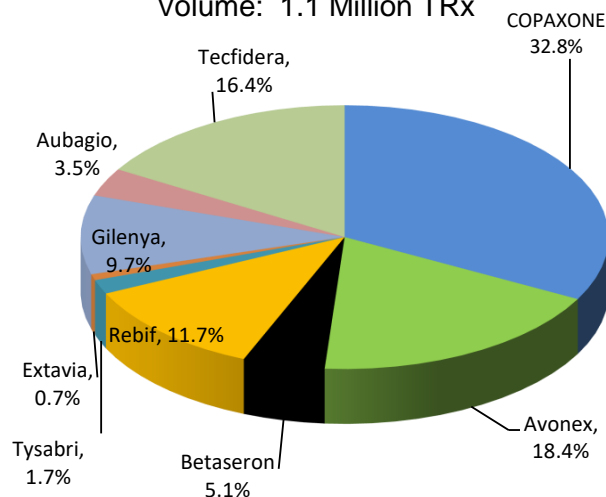
- COPAXONE has become more promotionally sensitive with new competitors and proposed investment to drive top line sales is conservative in recognition of potential risks

Level of Risk

- There is risk in the 2015 AOP forecast, however, COPAXONE still remains very profitable

Relapsing Forms of MS Market 2014 MAT

Volume: 1.1 Million TRx



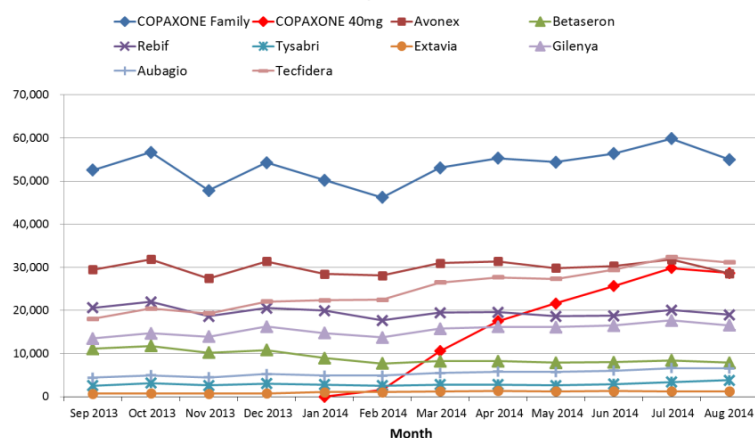
Key Insights & Opportunities

- Treatment Options:
 - Optimize benefit
- Patients want minimally invasive treatments
- Establish sequencing strategies for MS

Key Competitors

- Injectables (Avonex, Rebif, Betaseron, Plegridy)
- Orals (Tecfidera, Gilenya & Aubagio)
- MABs (Tysabri)
- New Products (alemtuzumab, daclizumab ('15/'16))
- Generic GA (Q4 '14 or later)

Monthly TRx Volume



Payer / Market Access Landscape

- COPAXONE 40mg has attained competitive market access
- Payers continue to shift cost to patients
- New entrants & threat of generic put significant pressure on rebates & some 40mg market access

Objectives

Strategies

KPIs

1

Compete & Transition C + T = C#1

- Compete to retain current COPAXONE patients
- Compete for newly diagnosed & competitive switch patients
- Continue transition from 20mg to 40mg
- Prepare for generic GA

- Maintain MS Market leadership – TRx share
- Achieve 80%, 40mg transition TRx share by 9/15
- Execute optimized call plan (137 PDEs) and messaging
- Compete against purported generic GA

2

Ensure Market Access to COPAXONE

- Maintain formulary status for 40mg
- Specialty Pharmacy Discounts
- Establish 20mg as the “House Brand” post generic

- Maintain COPAXONE patient market access: (Commercial w/ PP)
 - 20mg – 30/24/50*
 - 40mg – 14/20/22*
- COPAXONE Co-Pay Assistance Patient Out of Pocket:
 - 20mg - \$35
 - 40mg - \$0

3

Enhance COPAXONE offerings

- Enhance perception of Shared Solutions services
- Successfully launch CSYNC
- Introduce biomarker for COPAXONE
- Develop single dose pen

- Message benefits of ShS
- Launch CSYNC autoject in February
- Develop biomarker strategy and launch plan
- Develop strategy and launch plan for single dose pen



* Average rebate rate with price protection

(Exit rate of 2014 / 2015 pre generic / 2015 post generic)

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We are prepared to Compete against purported generic GA

Market Access

- Maintain broad market access to 40mg without any restrictions
- Execute 20mg house brand contracts with select payers
- Ensure continued viability of Co-Pay Solutions

Transition

- Leverage subnational analysis to drive further transition
- Capture/share 40mg patient & HCP success stories
- Communicate provision of ShS services only to brand patients
- Deploy incremental CRM/NMP to current 20mg patients

Differentiation

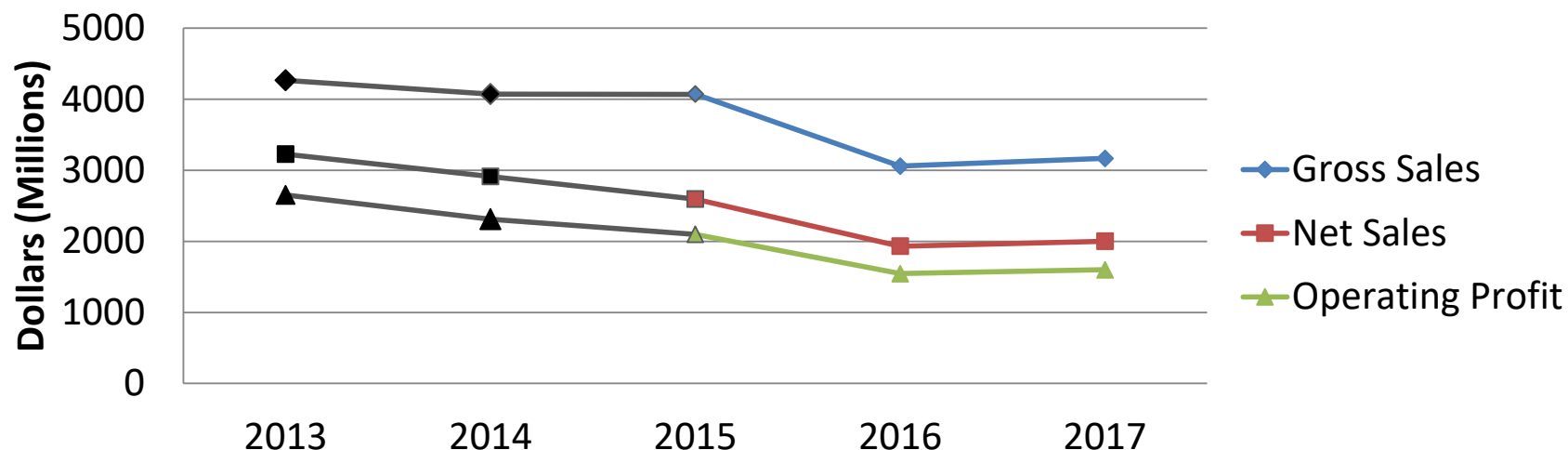
Pre-Gx:

- Execute market shaping activities
- Share gene expression data via Medical
- Communicate complexity of COPAXONE
- Empower HCPs and patients to demand/request brand
- Provision of ShS services only to branded patients
- Monitor HCP & patient receptivity to Gx

Post-Gx:

- Differentiate based on Experience & ShS services
- Empower HCPs and patients to demand/request brand
- Provision of ShS services only to branded patients

2015 AOP Forecast



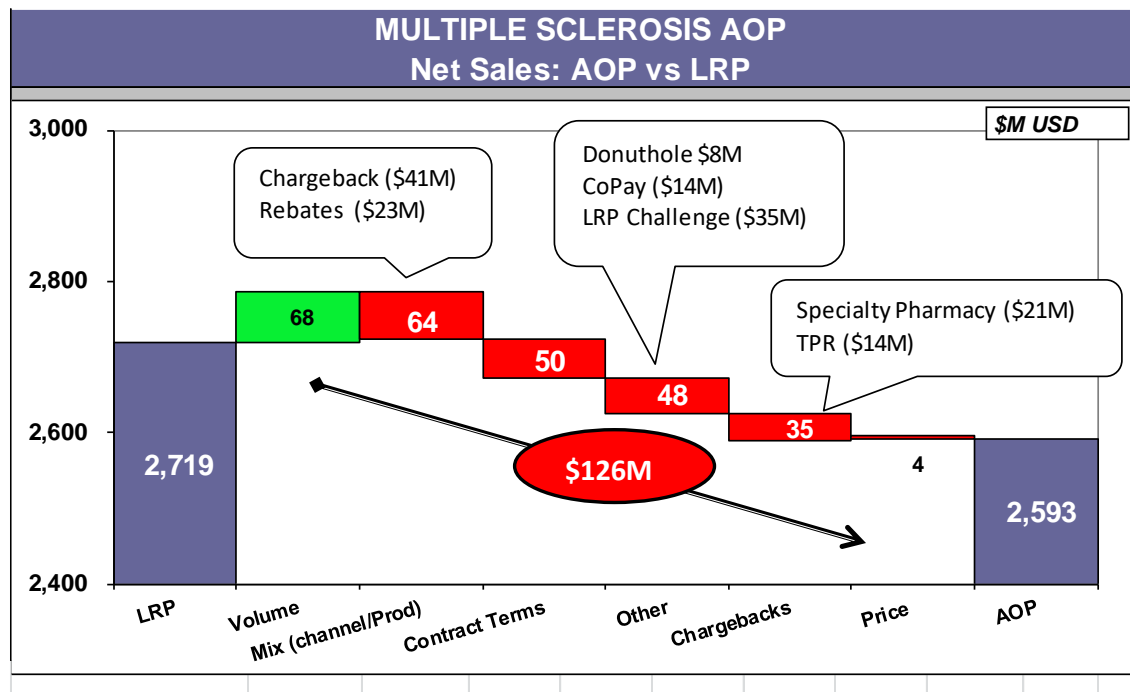
Market Assumptions

- Slight market growth (1.5% to 2%)
- Total Oral DOT share for December '15 is 37%
- Potential new new competitive entries:
 - Lemtrada (alemtuzumab)
 - Zinbryta (daclizumab)
- Potential generic entry – 1st in MS market

Product Assumptions

- LOE 20mg 9/2015; 40mg 1/2020
- 40mg transition 80% by 9/15
- Payer price protection – 8% on 80% of business
- COPAXONE Co-Pay Solutions - \$51 million
- Pricing Strategy 2015:
 - January: 20mg – 8%; 40mg – 6%
 - July: 20mg – 9.9%

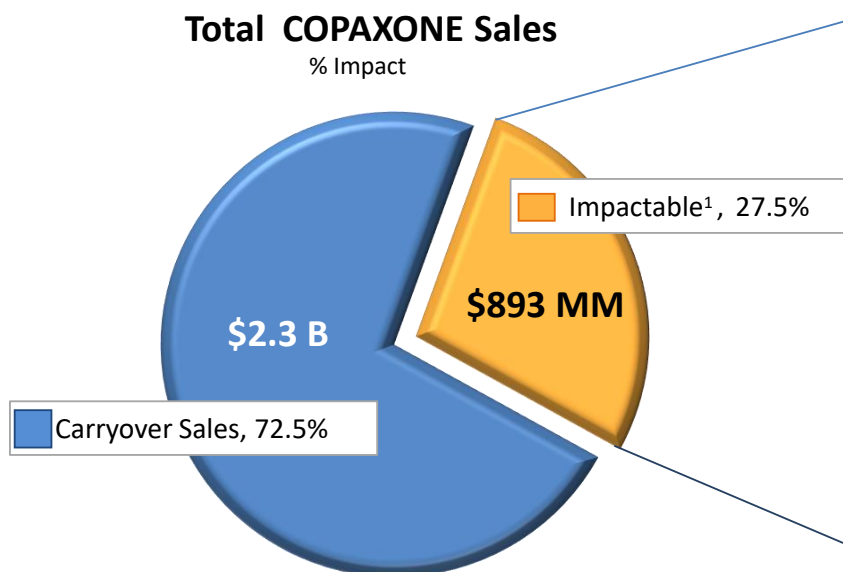
MULTIPLE SCLEROSIS AOP P&L Review			
\$ million	FY '15 AOP	FY '15 LRP	\$ Diff B(W)
Gross Sales	4,070	3,912	158
Deductions	1,477	1,193	(284)
Net Sales	2,593	2,719	(126)
COGS	37	39	2
Royalties	178	186	9
Gross Profit	2,378	2,493	(115)
SF Expenses	48	54	5
Direct Marketing	120	105	(15)
Indirect and Other Marketing	97	104	7
Medical Affairs	16	15	(1)
Total SM&M	281	277	(3)
Commercial Contribution	2,098	2,216	(118)
G&A	44	-	(44)
Operating Profit	2,054	2,216	(162)
Gross Margin %	92%	92%	
SM&M %	11%	10%	
SM&M w/o Royalty %	11%	10%	
Commercial Contribution %	81%	82%	
Operating Profit %	79%	82%	



Rebates Without Price Protection						
Copaxone 20mg Commercial				Copaxone 20mg Part D		
	LRP	AOP	Delta	LRP	AOP	Delta
Exist 2014	15%	22%	-7%	15%	15%	0%
Q1'15 - Q2'15	15%	19%	-4%	15%	17%	-2%
Post Gx	40%	40%	0%	40%	40%	0%
Copaxone 40mg Commercial				Copaxone 40mg Part D		
	LRP	AOP	Delta	LRP	AOP	Delta
Exist 2014	15%	14%	1%	15%	13%	2%
Q1'15 - Q2'15	15%	20%	-5%	15%	13%	2%
Post Gx	25%	22%	3%	25%	23%	2%

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COPAXONE is promotionally sensitive



Impact of Historical Promotional Effort

(Annualized Nov 2013 – Apr 2014)

Tactic ²	Revenue Impact	Total ROI
Sales Calls	\$322 M	450%
Shared Solutions	\$235 M	650%
Co-pay Solutions	\$130 M	200%
CNE Calls	\$58 M	350%
Private Co-pay	\$36 M	100%
Rep Patient Programs	\$20 M	225%

COPAXONE has become more promotionally sensitive with new competitor and 40mg launches (higher proportion of sales generated by promotion)

2014 vs. 2015 – Distribution of resources

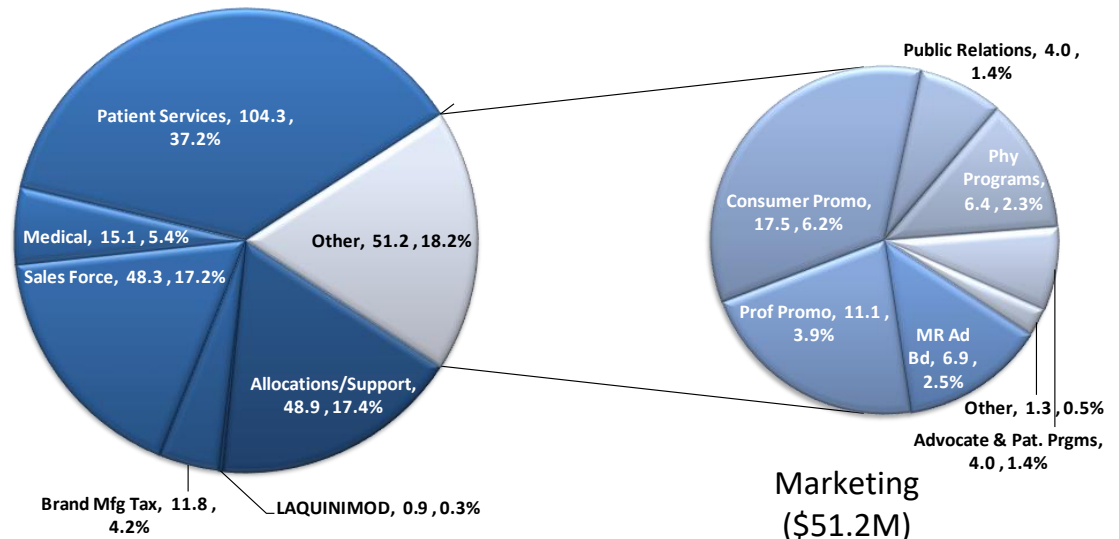
	2015	2014	Var B/(W)
Allocations/Support	48.9	46.5	(2.40)
LAQUINIMOD	0.9	-	(0.91)
Brand Mfg Tax	11.8	-	(11.82)
Sales Force	48.3	54.0	5.64
Medical	15.1	25.5	10.43
Patient Services	104.3	120.6	16.28

MR Ad Bd	6.9	6.5	(0.35)
Prof Promo	11.1	12.9	1.88
Consumer Promo	17.5	21.0	3.49
Public Relations	4.0	3.5	(0.47)
Phy Programs	6.4	9.0	2.63
Advocate & Pat. Prgms	4.0	3.5	(0.45)
Other	1.3	5.1	3.81

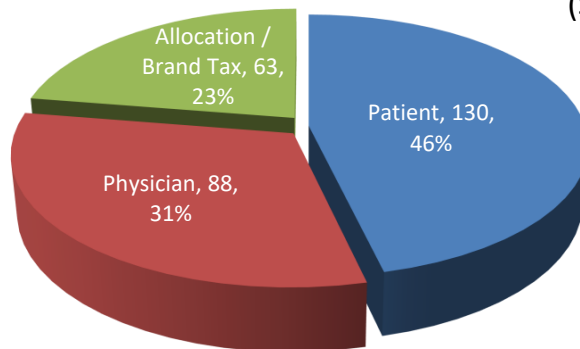
Marketing Direct	51.2	61.7	10.53
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Total Expenses	281	308	27.75
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MS EXPENSES 2015



Total Exp (\$281 M)



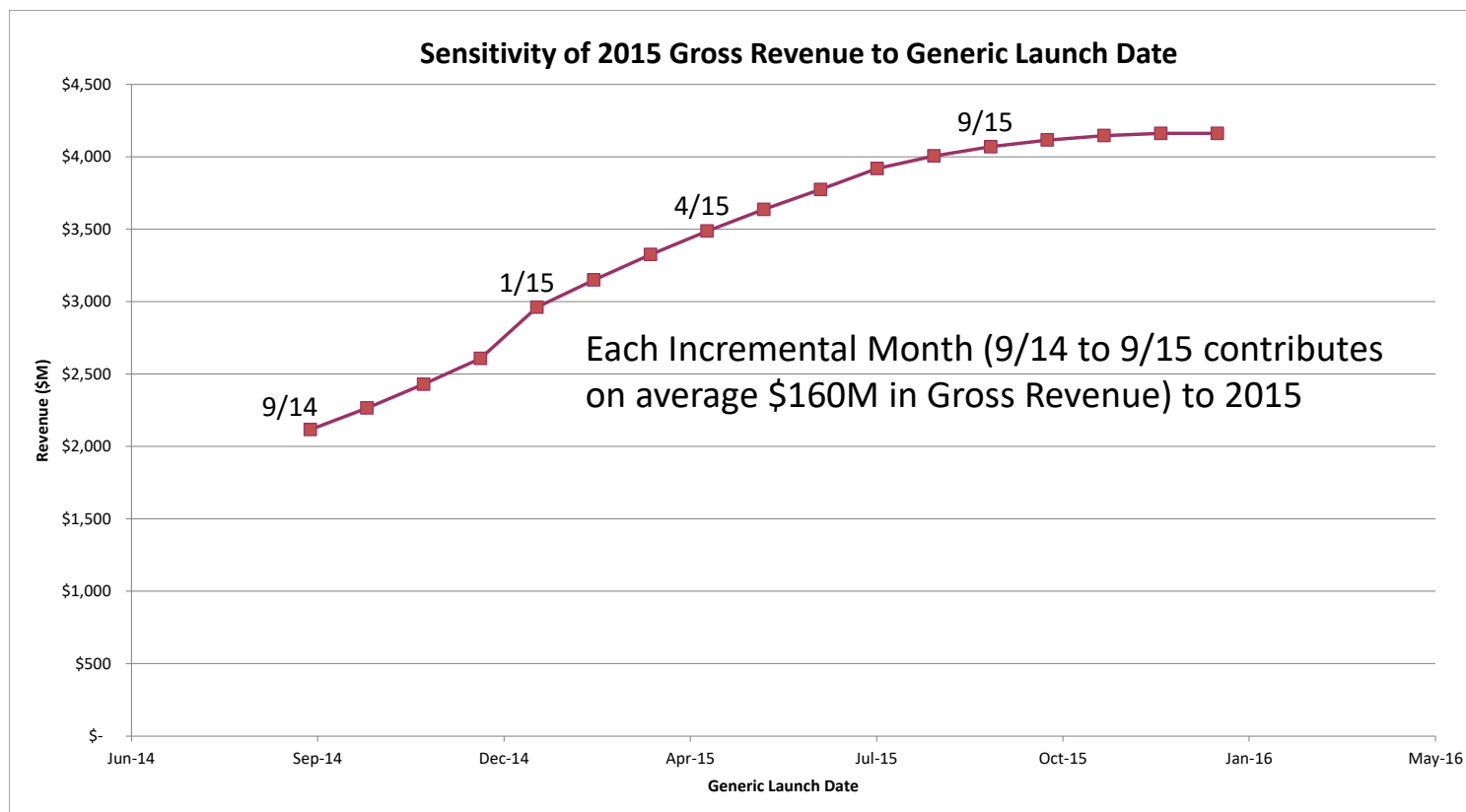
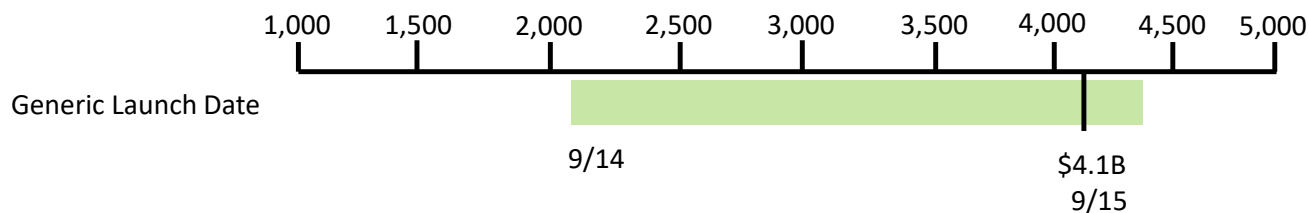
2015 Promotional Expenses are lower than 2014 effectively \$40M (\$28 tactics; \$12 Brand tax)

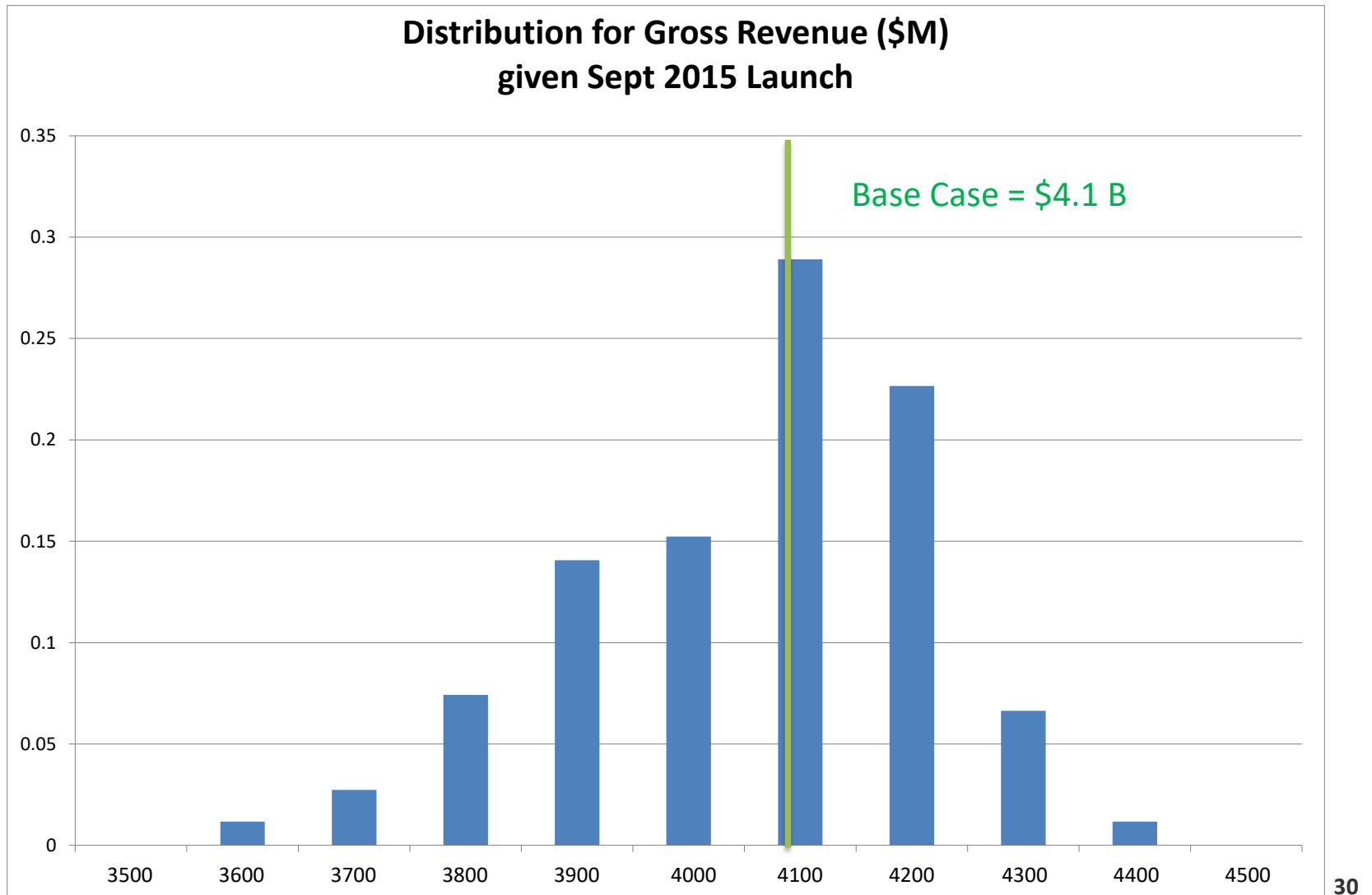
Alternate Scenario P&Ls are estimates* for illustration

	1/15 generic	4/15 generic	9/15 generic	No generic
Units 20mg 40mg Total				
Gross Sales				
Deductions*				
Net Sales*				
Total COGS*				
Total Expense*				
Operating Profit*				
Exp/NS				

Because of the continued promotional efforts for 40mg, Total Expenses do not vary that much by scenario

Generic Launch Date Contributes the Greatest Risk to COPAXONE Forecast (\$2B in Gross Revenue to Base Case)



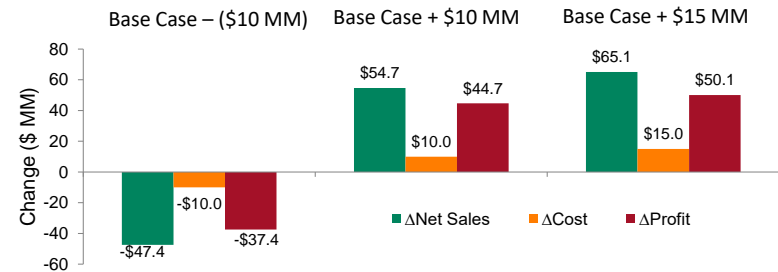


If investment is increased

	Difference Relative to Base Case (\$MM)		
Financials (\$MM)	Base Case - \$10 MM	Base Case + \$10 MM	Base Case + \$15 MM
Net Sales¹	(\$47.4)	\$54.7	\$65.1
Costs	(\$10.0)	\$10.0	\$15.0
Profit¹	(\$37.4)	\$44.7	\$50.1

Tactics	Base Case - \$10 MM	Base Case + \$10 MM	Base Case + \$15 MM
Details	-	-	-
CNE Calls	-	-	-
Shared Solutions ¹	(\$4.0)	\$2.0	\$2.0
Peer Programs	(\$1.0)	-	-
Rep Patient Programs	(\$2.0)	-	-
CNE Patient Programs	-	-	-
Private Copay	-	-	-
Free Product	-	-	-
Copay Solutions	-	-	\$1.0
Public Relations	(\$0.5)	\$1.0	\$1.0
Website visits	(\$0.5)	\$1.0	\$1.0
Consumer CRM	-	\$1.0	\$2.0
Consumer Digital Media	(\$0.5)	\$1.0	\$1.0
Consumer Print	(\$0.5)	\$0.5	\$1.0
HCP Digital	(\$1.0)	\$1.0	\$2.0
HCP Print	-	\$0.5	\$1.0
HCP CRM	-	\$2.0	\$3.0
Virtual Health Assistance	-	-	-
Total	(\$10)	\$10	\$15

Change from Base Case per Scenario



CNE expansion:

- Increase headcount by 11 (10 CNEs / 1 RM)
- \$2m expense / \$5m return

- Base case – simultaneous launch in September 2015 (35% incremental erosion; 17k units, \$85 million gross sales)
 - Rapid, deep 20mg brand erosion, loss of any perceived differentiation, unknown impact on 40mg, potential to trigger further price erosion, potential pressure on 40mg rebates
- Scenarios:
 - Q4 2014 generic approval:
 - AG would wait and see what erosion occurs
 - Not launch until SC ruling – expected Q1 2015
 - Assume Mylan would launch at risk
 - If Teva wins SC or Remand – distribution discontinues however product in the market would not be recalled
 - Q1 / Q2 2015 generic approval:
 - AG would wait and see what erosion occurs
 - Other generics dependent on timing of SC ruling
 - Win/Lose/Remand
- Based on forecasted erosion of COPAXONE 20mg, planned removal from market in January 2016
- Proposal:
 - Gain alignment with the generics division to not launch a 20mg AG

- We are prepared to compete against purported generic GA
- There is risk in the 2015 AOP forecast based on the timing of a potential generic – 40mg keeps COPAXONE very profitable
- COPAXONE has become more promotionally sensitive with new competitors and proposed investment to drive top line sales is conservative in recognition of potential risks
- COPAXONE will maintain Market Leadership in 2015 (base case)

COPAXONE[®]
(glatiramer acetate injection)



ZECUITY 2015 AOP Presentation

September
2014

Large
Market
Opportunity

- The US acute migraine market is large; more than 50% of migraineurs experience nausea which may impact their migraine treatment

- Current non-oral therapies do not offer ideal solutions for migraineurs with nausea

Focus on
education and
driving patient
activation

- Elevate the importance and impact of nausea as a symptom of migraine with HCPs
- Empower patients to identify with impact of nausea on their migraine treatment

Position
Zecuity as the
preferred non-
oral option

- Ensure ZECUITY is top of mind when patients need non-oral options
 - Contracting strategy and co-pay program remove barriers and provide access to 66% of commercial lives

ROI
benchmarks

- Industry spend and ROI benchmarks support marketing mix and sales force size/design to optimize spend and deliver maximum return on investment

U.S. Acute Migraine Prescription Treatments

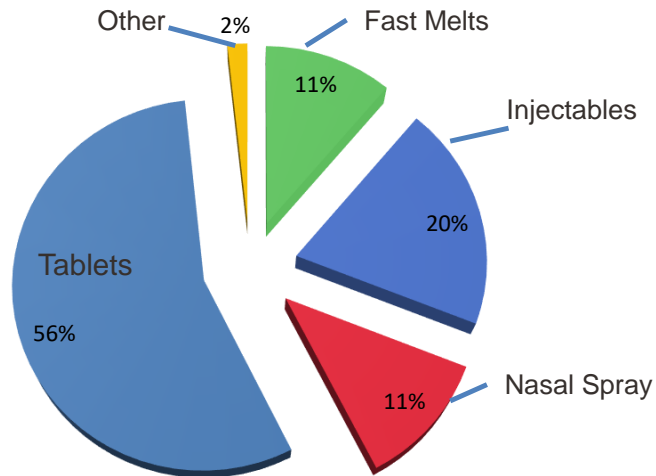
Sales: \$1.3B

Trx Volume: 13.9M

Diagnosed Cases: 17.7M

Graph Depicts MAT Sales through May 2014

MAT May 2014



Market Dynamics

- Sumatriptan is the gold standard in migraine therapy
- Half of migraineurs with nausea experience nausea in >50% of attacks. ^{1,2}
- Patients often delay treatment because of MRN
- Market growing at 0.5% per year
- Market is highly generic, new products drive top line \$ growth

Key Competitors

Generics

- Orals
- Nasals
- Injectable

Branded

Sumatriptans

- Sumavel DosePro
- Treximet

Other Branded

- Zomig
- Axert
- Relpax
- Frova
- Maxalt

Access Landscape

- Migraine market is highly genericized
- Payers will likely impose non-preferred status and step edits

Source: Sales: IMS; Other data: Decision Resources Migraine Report 2013



Providers—3,500 neurologists and 23,000 PCPs treating 65% of diagnosed migraine sufferers

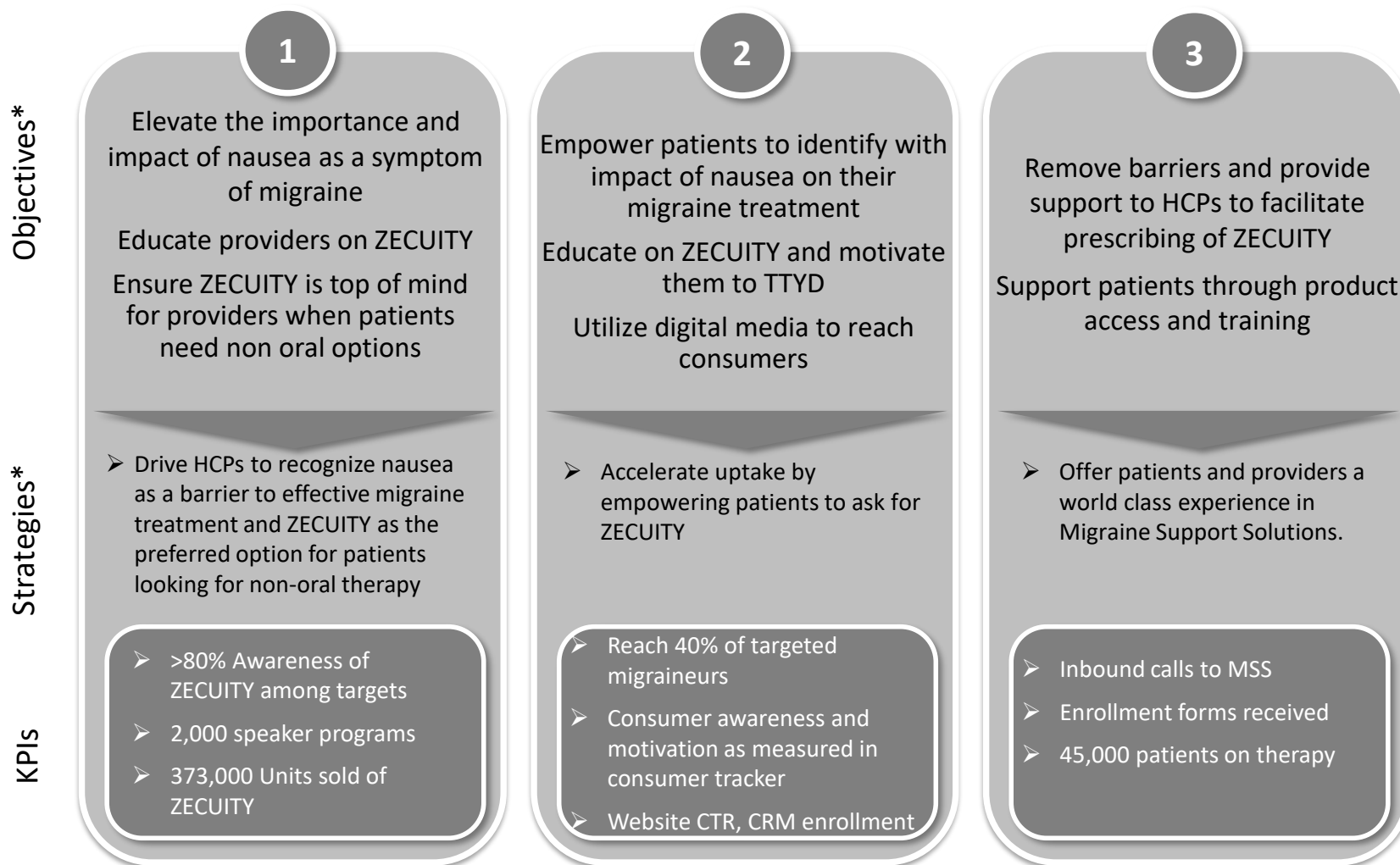


Patients—8 Million adults in the US diagnosed with migraines and use triptans to treat



Payers—Commercial insurers covering 80% of diagnosed migraine sufferers

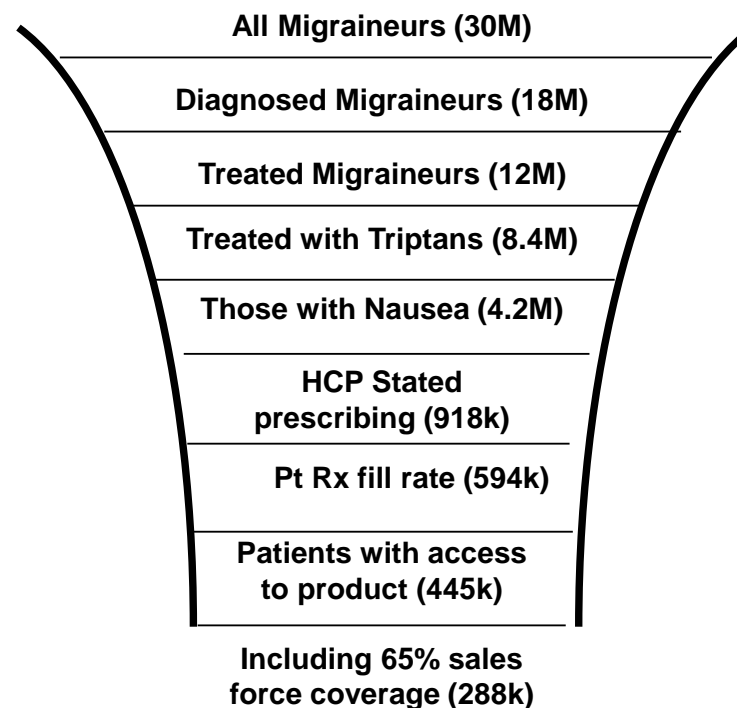
Overarching Objective*: To establish ZECUITY as the preferred acute migraine therapy for patients who may need or desire a non-oral option



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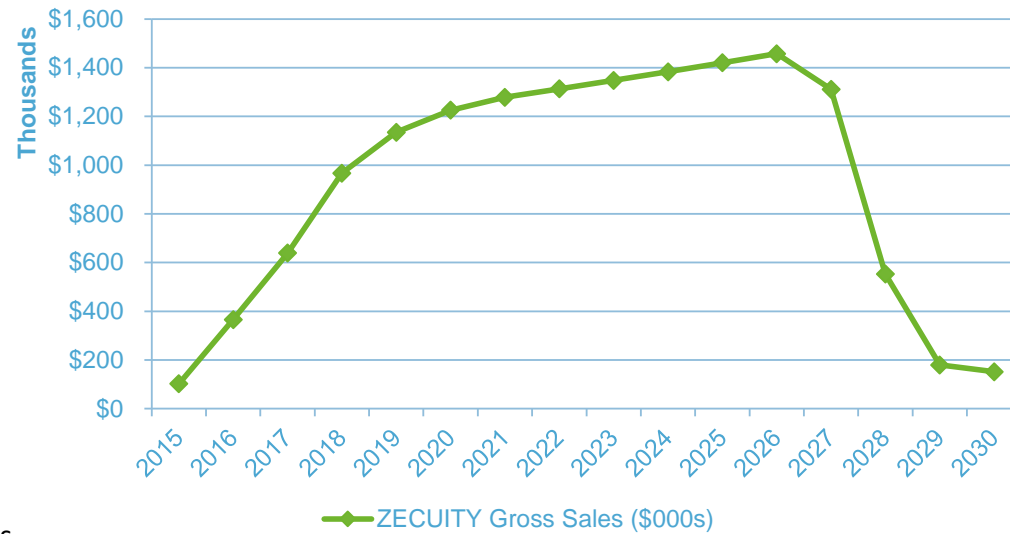
**Brand strategies and objectives are aspirational and do not represent messaging*

- **All U. S. Migrainers (31 million):** (Source: Decision Resources Migraine Study March 2014)
- **Diagnosed Migrainers (18 million):** (Source: Decision Resources Migraine Study March 2014)
- **Treated Migrainers (12 million):** These migraine sufferers receive prescription medication from their doctor. (Source: Decision Resources Migraine Study March 2014)
- **Treated with Triptans (8.4 million):** Triptans are the most widely prescribed class of migraine medicine available in the US market. Sumatriptan, the active molecule in ZECUITY, is the most widely prescribed product. (Source: Decision Resources Migraine Study 2012, patient volume projected for 2015)
- **Those with Nausea (4.2 million):** Many studies report that at least 50% of migrainers experience nausea as a primary symptom with the head pain. Patients whose migraines include nausea are more likely to delay or avoid treatment, and may look for non-oral migraine therapies.
- **HCP stated prescribing (918,000):** Based on Teva-conducted research, providers anticipate prescribing ZECUITY to 27% of patients; this assumption is discounted to 11% based upon industry benchmarks of physician overstatement of prescribing behavior. (Source: Advantage Healthcare April 2013)
- **Patient Rx Fill Rate (594,000):** Based on industry benchmarks of script abandonment rates. (Source: Teva forecasting benchmarks)
- **Patients with access to product (445,000):** Recently completed payer access research reports indicate that payers will tolerate a net price of ZECUITY of \$1,000 per script (one box of four patches). Research supports that this will allow access for >66% of commercial lives. (Source: Market Access Study 2014)
- **65% sales force coverage (288,000):** Based upon current sales force sizing projections, prescribers who generate 65% of all migraine prescriptions will be actively called on by Teva reps focused on ZECUITY. (Source: ZS recommends 65% target coverage to maximize launch uptake and profitability)



Peak forecast is 288,000 patients in 2026, assuming market growth YOY of 0.5%

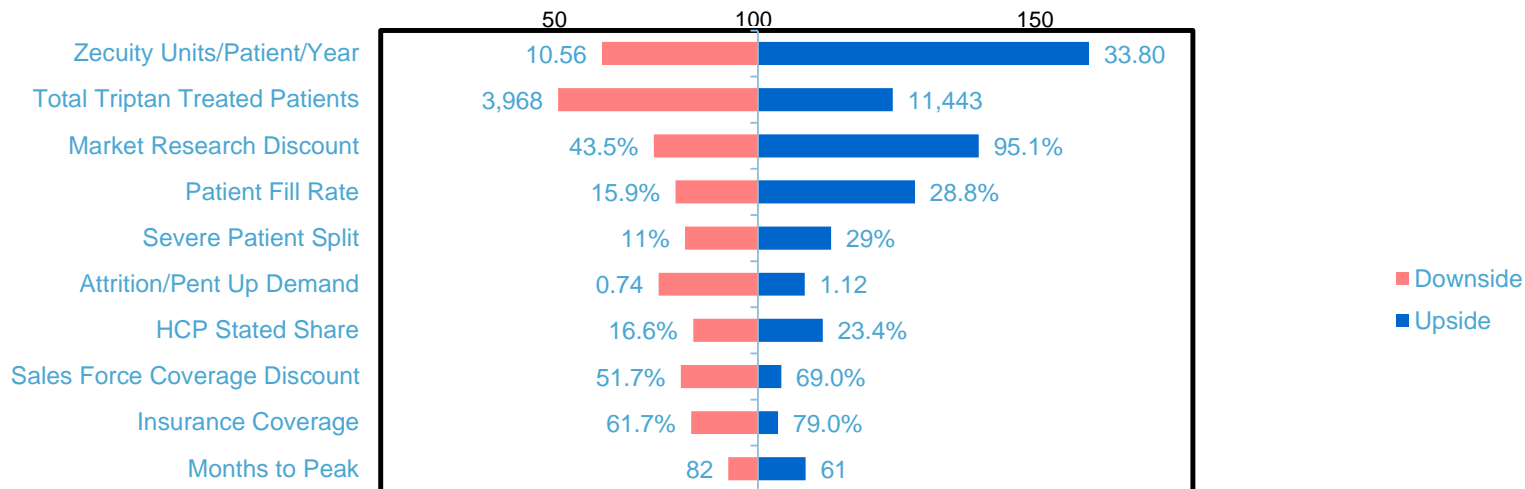
ZECUITY LRP Gross Forecast



Key Assumptions

- April 1st Launch Date AOP, Supply chain forecast loaded for March 1st
- \$275 per patch launch price, selective 7-15% contract rebates, \$5 co-pay program
 - 5% price increase YOY through 2018, 2% thereafter
- 3% peak unit share
 - ~7% TRx share-
 - Zecuity will be dispensed in packages of 4 units as compared to the industry average of 10 units per script, which will inflate our 3% unit/patient share to a ~ 7% TRx share
 - Linear launch curve
- Support of both TN and TNP sales force for launch, launch of Migraine Support Solutions, financial support for DTP campaign
- Most other migraine products (except ZECUITY) are delivered through retail pharmacy channels
- LOE- June of 2027

Potential Upsides/Downsides 2015



Variable	Sales_2015			Input		
	Downside	Upside	Range	Downside	Upside	Base Case
Zecuity Units/Patient/Year	54,507	174,461	119,953	10.56	33.80	18
Total Triptan Treated Patients	43,738	126,128	82,390	3,968	11,443	8,430
Market Research Discount	67,312	147,281	79,969	43.5%	95.1%	60.0%
Patient Fill Rate	72,617	131,558	58,941	15.9%	28.8%	20.3%
Severe Patient Split	74,916	110,925	36,009	11%	29%	20%
Attrition/Pent Up Demand	68,459	104,445	35,986	0.74	1.12	1
HCP Stated Share	76,965	108,877	31,912	16.6%	23.4%	20.0%
Sales Force Coverage Discount	73,953	98,639	24,685	51.7%	69.0%	65.0%
Insurance Coverage	76,482	97,876	21,394	61.7%	79.0%	75.0%
Months to Peak	85,608	104,671	19,063	81.9	61.34	72

ZS validated spend benchmarks across industry and recommendations for ZECUITY

Channel	Benchmark	Example 1: Specialty Care	Example 2: Specialty Care	Example 3: Specialty Care	Example 4: Very Large C/V Product	Example 5: Respiratory Product	Example 6: CNS Product
Total Promotion	---	\$93 MM	\$260 MM	\$73 MM	\$470 MM	\$290 MM	\$220 MM
Relative to Net Sales	14%	14%	12%	10%	16%	28%	27%

Non-retail & specialty brands with small target universe (e.g. Copaxone, Pridopidine)

Retail & primary care brands (e.g. other CNS & respiratory brands)



Brand	4 th Year Net Sales (\$MM)	Total Promotion	Annual Sales Force cost	Annual Direct Marketing cost
Zecuity	\$805	17%	9%	8%
		\$136M	\$72.5M	\$64M

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Source: ZS marketing mix database

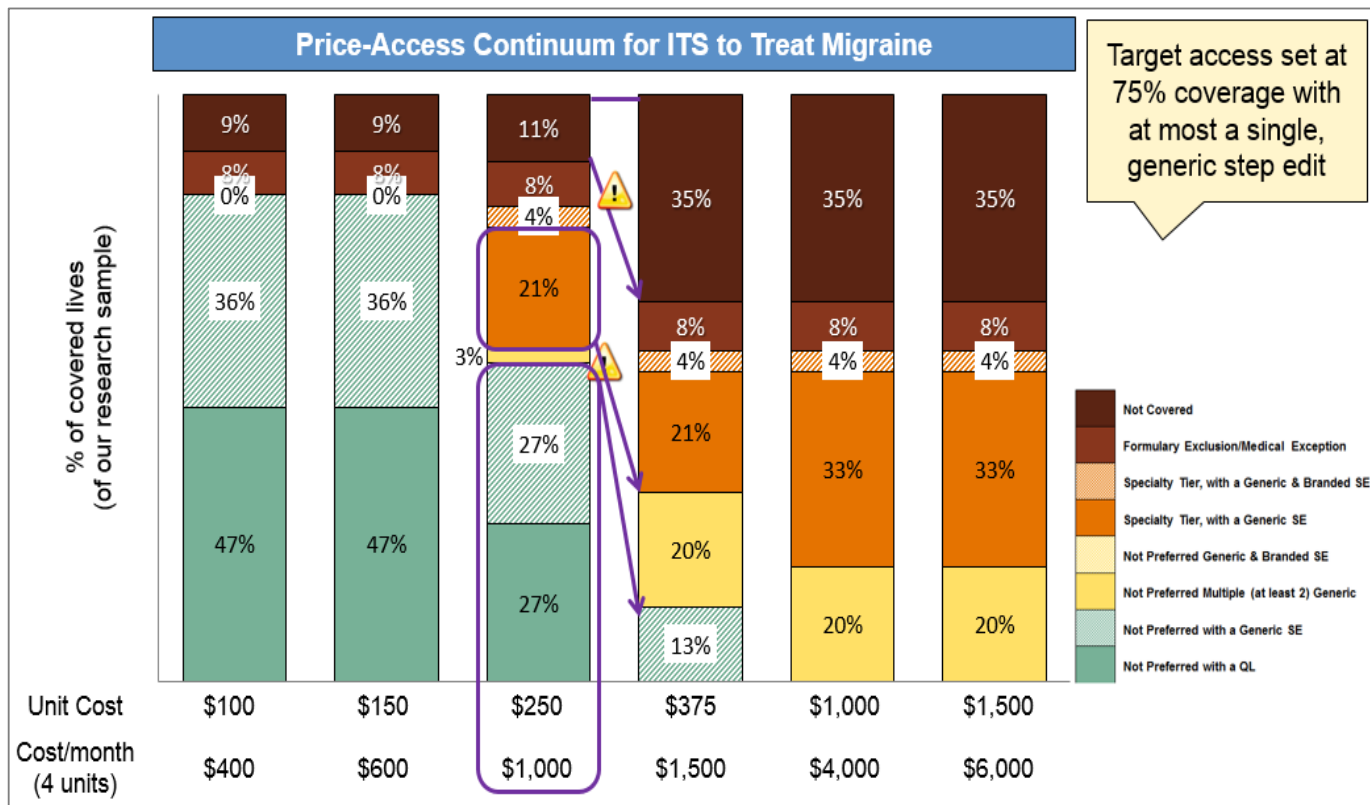
Promo Mix Benchmarks: ZS Case Studies

P-22528 _ 00038

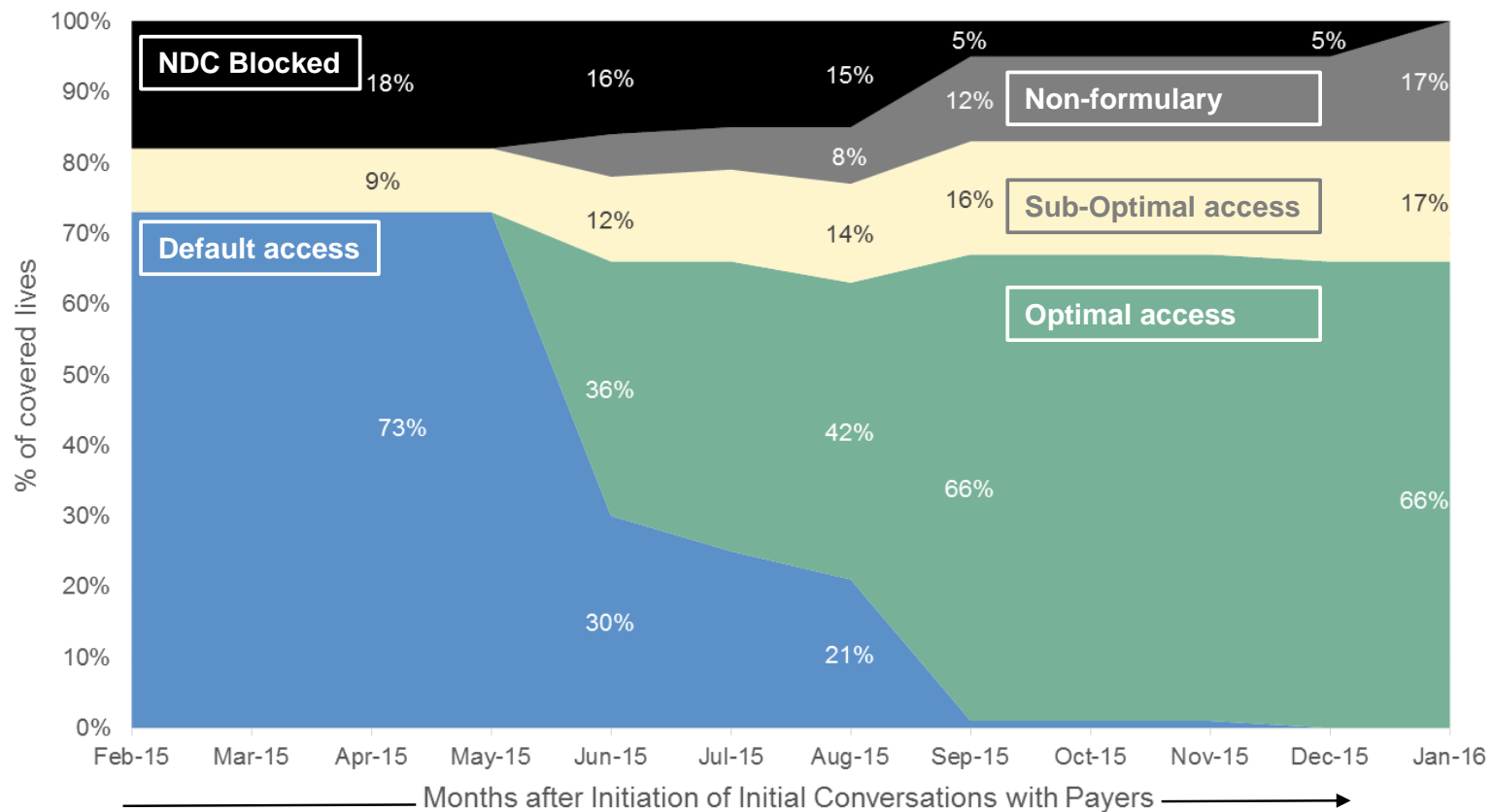
- **Overall Sales Call: - 50% to 0%**
 - Sales Force Detailing: -75% to -50%
 - Copay Programs: 150% to 300%
 - Note that profitability of sales force detailing and overall sales call continues to improve as the brand grows, and typically reaches breakeven or profitable levels by year 2 – year 3
- **Speaker Programs: 25% to 100%**
 - Profitability of speaker programs is typically highest in the first few years of launch
- **Consumer Awareness / Digital: 100% - 300%**

Source: ZS marketing mix database

Pricing research suggests payers will tolerate a net price point of appr. \$1000



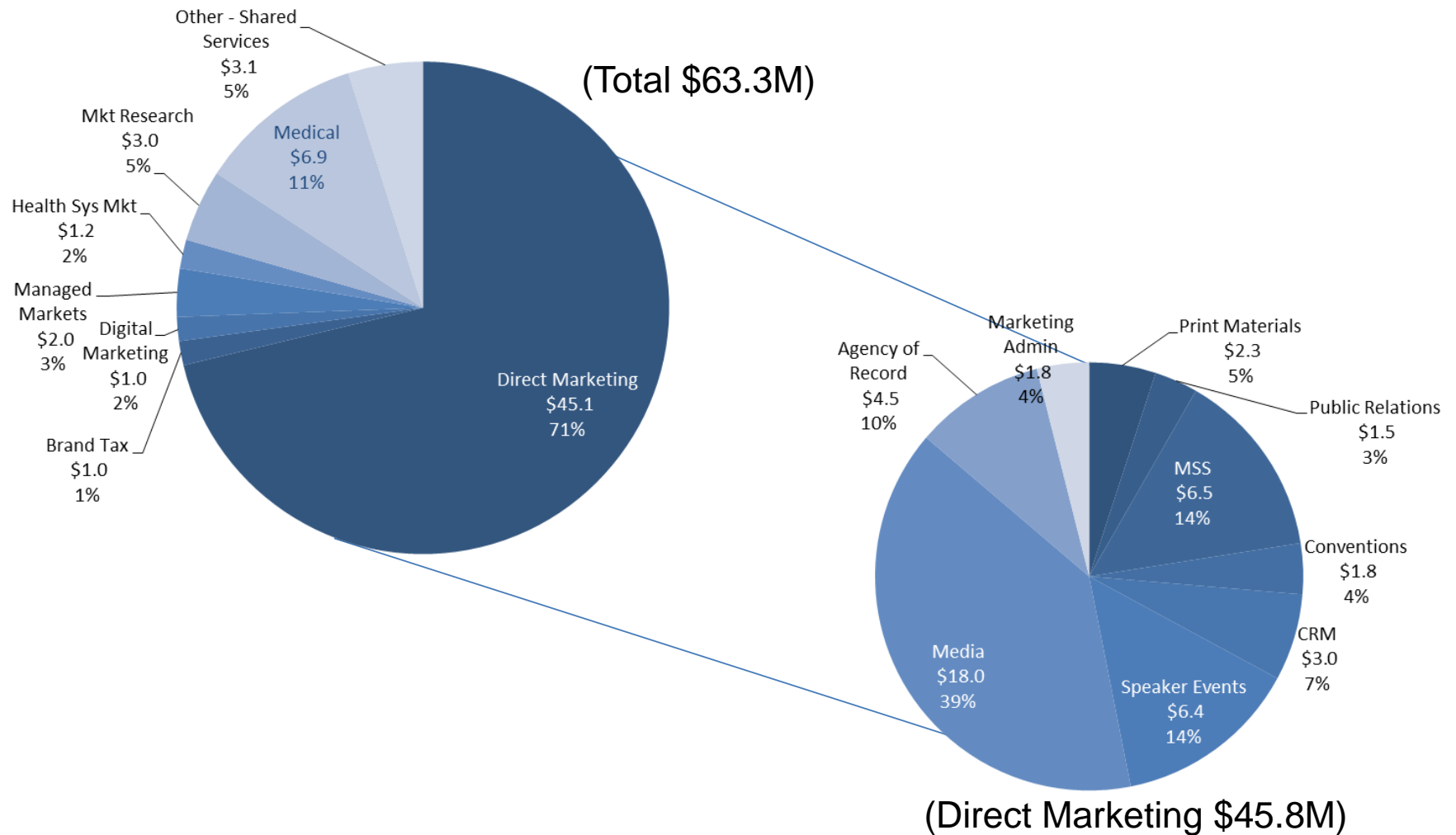
Access Projections: 1st year at \$275/unit with selective 7 – 15% rebates, Optimal access (no more than 1 step edit) = ~66% commercial lives



Zecuity P&L Review

\$ million	FY 15 AOP	FY 14 Q3V2	\$ Diff B(W)	FY 13 Actual	\$ Diff B(W)	FY 15 LRP	\$ Diff B(W)
Gross Sales	\$ 102.7	\$ -	102.7	\$ -	102.7	\$ 181.7	(79.0)
Deductions	27.5	-	(27.5)	-	(27.5)	57.6	30.1
Net Sales	75.2	-	75.2	-	75.2	124.1	(48.9)
COGS	13.1	-	(13.1)	-	(13.1)	25.7	12.6
Royalties	-	-	-	-	-	-	-
Gross Profit	62.1	-	62.1	-	62.1	98.4	(36.3)
SF Expenses	40.8	0.1	(40.7)	-	(40.8)	73.1	32.2
Direct Marketing	45.1	22.0	(23.1)	-	(45.1)	45.4	0.3
Indirect & Other Marketing	11.3	-	(11.3)	-	(11.3)	7.6	(3.7)
Royalties	-	-	-	-	-	-	-
Medical Affairs	6.9	-	(6.9)	-	(6.9)	4.0	(3.0)
Total SM&M	104.2	22.1	(82.1)	-	(104.2)	130.1	25.9
Commercial Contribution	(42.1)	(22.1)	(20.0)	-	(42.1)	(31.7)	(10.4)
G&A	4.3	-	(4.3)	-	(4.3)	-	(4.3)
Operating Profit	\$ (46.4)	\$ (22.1)	(24.3)	\$ -	(46.4)	\$ (31.7)	(14.7)
Gross Margin	82.6%	NA		NA		79.3%	
SM&M %	138.6%	NA		NA		104.8%	
SM&M w/o Royalty %	138.6%	NA		NA		104.8%	
Commercial Cont. %	-56.0%	NA		NA		-25.5%	
Operating Profit %	-61.7%	NA		NA		-25.5%	

Brand Expenses by Major Category



- The US Acute Migraine market is large; more than 50% of migraineurs experience nausea, which impacts their migraine treatment
- ZECUITY will be positioned as the preferred option for non-oral migraine therapy
- Forecast anticipates 3% peak patient share, delivering Operating Profit of more than \$6.2B over product lifetime
- ZECUITY Annual Operating Plan is anchored on rigorous analysis to support the launch and long term profitability of the brand
 - Pricing and contracting analysis suggests opportunity to optimize contracting to secure broadest access at minimal rebates
 - Patient co-pay program will lower barrier to uptake in generic market
 - Brand expenses have been benchmarked against industry launch products for profitability and the mix of AOP spend proposed reflects ROI analysis for launch brands.
 - Development and utilization of hub services will minimize script abandonment and incorrect product usage
 - Robust segmentation and targeting will ensure sales force effort is deployed against most meaningful customers

Brand strategies and objectives are aspirational and do not represent messaging

CONFIDENTIAL DRAFT PLANNING DOCUMENT: For internal discussion purposes only.



VANTRELA™ ER 2015 Annual Operating Plan

September
2014

**Large market
opportunity
with actionable
target segments**

- Significant chronic patient population, societal impact, advocacy pressure, limited LAO Abuse Deterrent options

**Abuse Deterrent
Education for
HCPs**

- Empower prescribers with understanding on technology, tiering and FDA guidelines to establish relevance, value of VANTRELA™ ER

**Establish equity
for TEVA AD
technology**

- CIMA® AD technology platform expected to deliver differentiated label tiering (Tier III – Oral/Nasal)
 - Foundation for entire ADT Opioid franchise

**Develop
Differentiated
Brand**

- ‘Intelligent Design’ positioning - broadest dosing range, differentiated ADT tiering, no alcohol dose dumping

**Optimized
Resourcing**

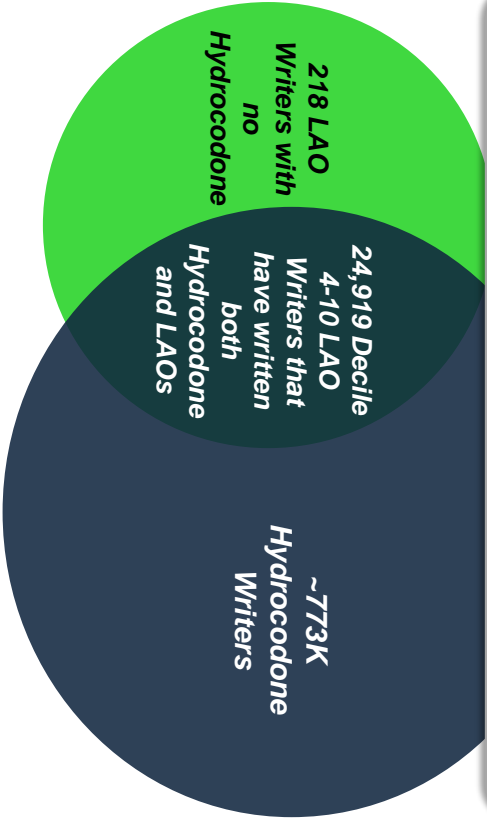
- Industry benchmarks, research inform go to market strategy to maximize return to organization over product life cycle

VANTRELA™ ER Target Audience

Actionable audience segments inform/drive resourcing

HCP TARGET AUDIENCE

- Opioid Experienced Pain Specialists treating pain severe enough to require around-the-clock opioid treatment
- ~25K HCPs make up 60% of market opportunity



ADVOCACY AUDIENCE



PRIORITY

ENGAGEMENT

AWARENESS



VANTRELA™ ER PATIENT

- Current SAO hydrocodone patients who are transitioning from SAO to LAO for improved pain relief/control
- 1.8MM patients



Product	PDUFA Date	Dosing	Total Daily Dose	Food Restriction	Effect of Alcohol PK	Anticipated AD Label Tiering
Hysingla™ ER	Q4 2014	QD	20-120mg	No food restriction	Decreased release with higher alcohol	Tier I, III (Nasal)
Zogenix	Q1 2015	Q12hrs	20-100mg	No food restriction	Increased release in presence of alcohol	No AD claims at launch
VANTRELA™ ER	Q2 2015	Q12hrs	30-180mg	Must take on empty stomach	No dose dumping	Tier I, III (Oral & Nasal)

Abuse Deterrent Tiering

Tiers	Study type	Claim
1	Laboratory extraction and manipulation studies	The product is formulated with physiochemical barriers to abuse
2	Pharmacokinetic studies	The product is expected to reduce or block effect of the opioid when the product is manipulated
3	Clinical abuse potential studies	The product is expected to result in a meaningful reduction in abuse
4	Post marketing studies	The product has demonstrated reduced abuse in the community

Strategies

Objectives

KPIs

1

Educate on Appropriate Use,
Abuse Potential and
Deterrence technology

- Educate marketplace about appropriate opioid prescribing, abuse potential, technology and FDA guidelines
- Help to shape, establish AD industry & market standards

- Reach 60% of target HCPs with '**Pain Matters**' educational program touchpoint
- Drive aided AD awareness among target physicians \geq 30%
 - D 9-10 > 50%
 - D 5- 8 > 25%

2

Develop a differentiated
brand

- Differentiate and integrate Teva AD technology into VANTRELA™ ER profile
- Build differentiated, ownable and unique positioning, message platform for defined appropriate patient
- Collaborate with clinical team to optimize data to align with unmet market needs

- Quantitative verification of differentiated profile, patient type
- Exceed industry benchmarks to measure message relevance, believability & credibility
- Initiation of conversion study by Q1, completion by Q4 2015

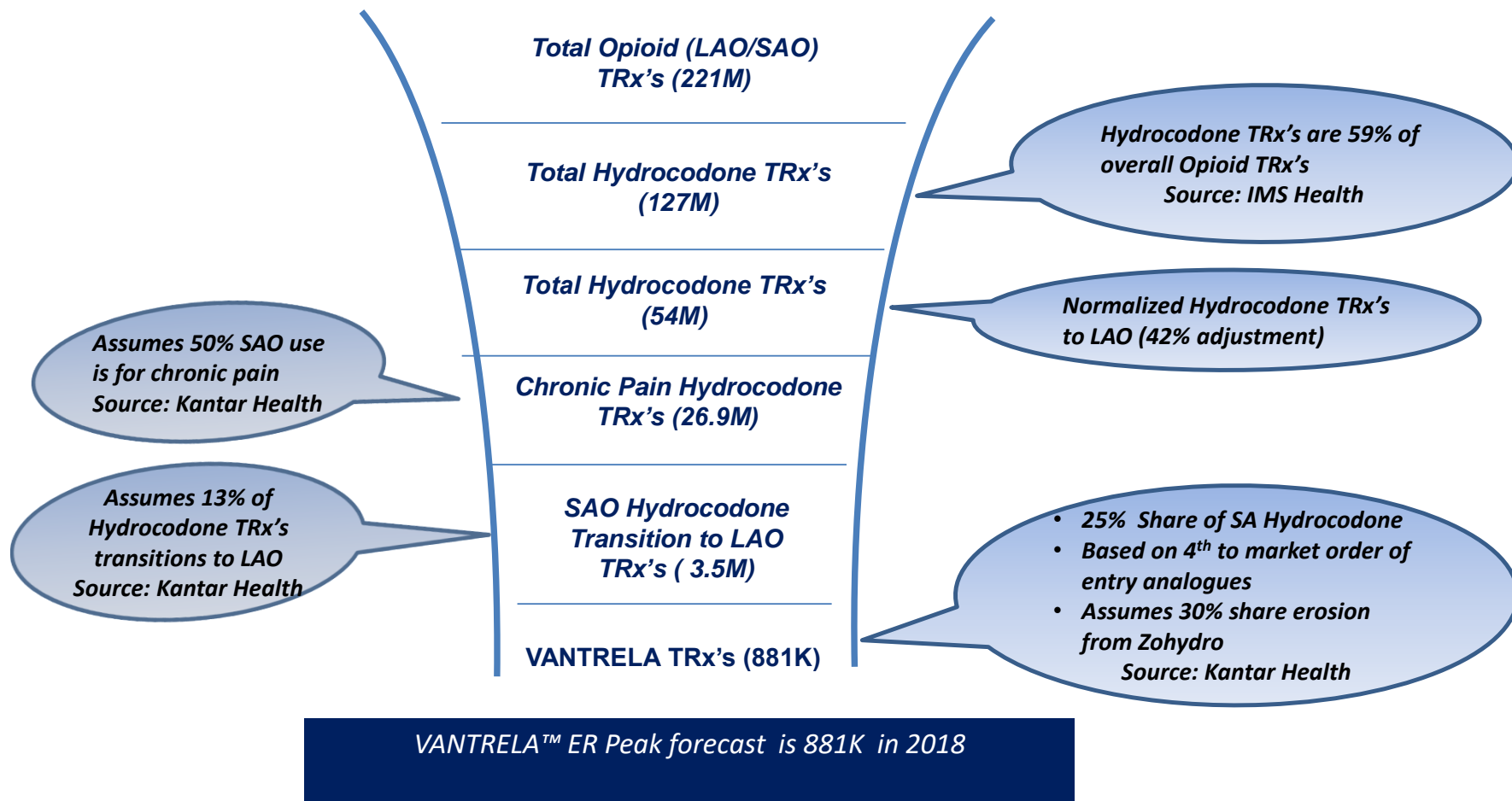
3

Ensure reimbursement
access for HCPs and
appropriate patients

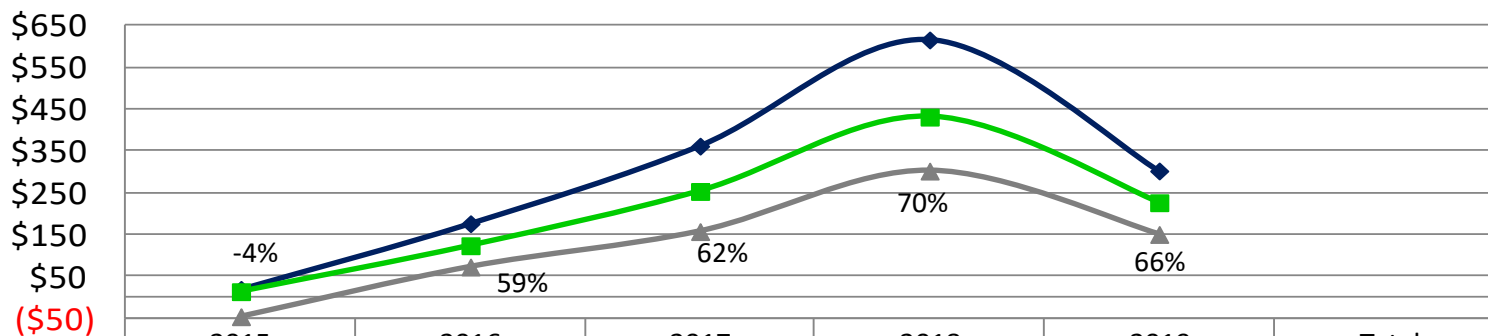
- Differentiate brand through clinical profile, compelling value proposition, optimal pricing and contracting platform
- Partner with key constituents to strengthen access landscape

- Ensure 75% Commercial live access
- Ensure launch stocking at 15K pharmacies
- Optimize sales force alignment to deliver maximum impact among ~20K targets
- Develop partnerships with top 4 advocacy groups

VANTRELA™ ER 2015 TRx Forecast Funnel



Gross Sales, Net Sales & Operating Profit



	2015	2016	2017	2018	2019	Total
◆ Gross Sales	\$19	\$176	\$361	\$616	\$302	\$1.5B
■ Net Sales	\$13	\$123	\$253	\$431	\$226	\$1.0B
▲ Operating Profit	-\$47	\$72	\$157	\$302	\$150	\$634M

Opioid Market Assumptions

- Flat market over product life cycle
- Competition Launch Dates:
 - Purdue QD AD Hydrocodone - Q4 2014
 - Mallinckrodt ER Hydro w/APAP – Q1 2015
 - Zohydro BID reformulation - Q1 2015
- VANTRELA™ ER Launch – September 2015
 - Change from LRP (May 2015)
 - July FDA Meeting, Targiniq review time
- Payer Landscape – 60% Commercial, 20% Part D, 7% Medicaid

VANTRELA™ ER Key Assumptions

- 48 Months prior to generic entry (LOE)
- **Peak Market Share 4.1% of SAO to LAO market**
- WAC Price \$511/TRx; 5% Annual price increase
- 75% Commercial Lives Access
- Sales Force – 90 FTEs; 30% SOV
- Product Labeling – AD Tier I/III
- Differentiation – Tier III Labeling (Oral & Nasal), Broadest dosing range (30mg – 180mg per 24 hours)

Investment Benchmarks across industry provide foundation for resource allocation requests

Direct Marketing Investment for Launch Brands








Benchmark Class	Launch Year Investment
Specialty care drug, revenue & market agnostic	\$16.8M
Specialty care drug w/peak year revenues between \$250M-\$750M, market agnostic (estimated)	\$19.8M
Specialty care drug w/ differentiation entering established market, revenue agnostic (estimated)	\$23.3M

Best Practices LLC. (a). *Winning in the U.S. Marketplace: Pre-launch and Launch Investment Benchmarks for New Products*. Retrieved August 8, 2014

Channel		Example : CNS Product		
Sales Detailing		62%		
DTC Advertising (Media)		22%		
Savings Cards/Vouchers (DTP)		3%		
Meeting & Events		5%		
Samples		4%		
Digital		4%		
TOTAL		\$220 MM		
Relative to Net Sales		27%		
Brand	Peak Net Sales (\$MM)	Total Promotion	Sales Force	Direct Marketing
Vantrela ER	\$439	21%	15%	6%

Promotional Mix Investment for Launch Brands

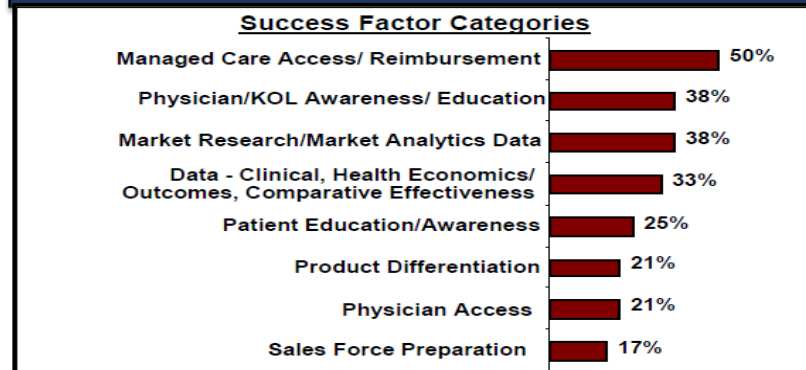
Analog-Based Relative Investment for Launch Brands

Launch Brand	Digital	Meetings	Journal Ads	Co-Pay
VANTRELA™ ER				
	DTC	Mailing	Sampling	
				

 = High Spend  = No Spend

Source: Cegedim US Promotional Audit Data (through Apr '14)
Data ranges from 2008 to 2014, analog data for earlier period may not reflect current utilization

What are the 3 most important success factors to consider in establishing and allocating new product launch budgets?



Sources: Best Practices, LLC Strategic Benchmarking Study 2012; n=27. NABP Brand Maximization Report 2011

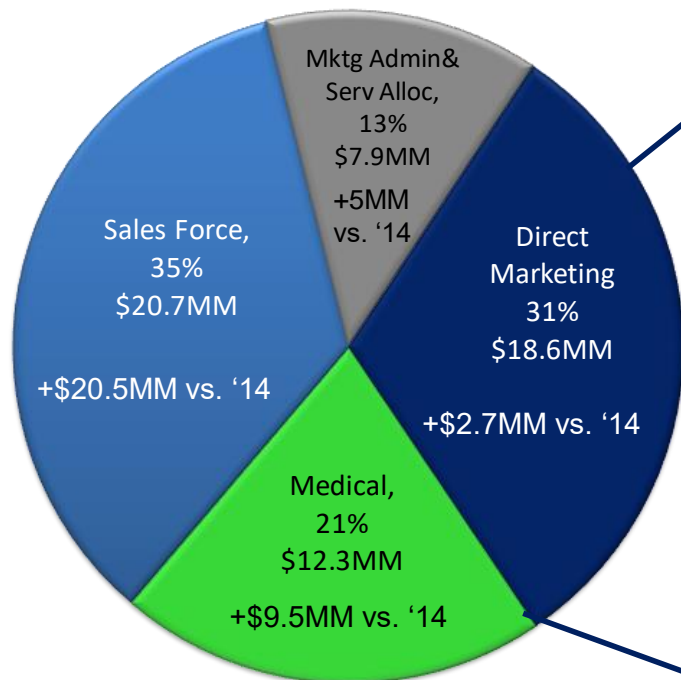
Vantrela P&L Review

\$ million	FY 15 AOP	FY 14 Q3V2	\$ Diff B(W)	FY 13 Actual	\$ Diff B(W)	FY 15 LRP	\$ Diff B(W)
Gross Sales	\$ 18.6	\$ -	18.6	\$ -	18.6	\$ 52.7	(34.1)
Deductions	5.6	-	(5.6)	-	(5.6)	12.8	7.2
Net Sales	13.0	-	13.0	-	13.0	39.9	(26.9)
COGS	1.1	-	(1.1)	-	(1.1)	3.5	2.4
Royalties	-	-	-	-	-	-	-
Gross Profit	11.9	-	11.9	-	11.9	36.4	(24.5)
SF Expenses	20.7	0.2	(20.5)	-	(20.7)	20.7	0.1
Direct Marketing	18.6	15.9	(2.7)	4.3	(14.2)	15.5	(3.1)
Indirect & Other Marketing	7.9	2.9	(5.1)	-	(7.9)	3.5	(4.4)
Royalties	-	-	-	-	-	-	-
Medical Affairs	12.3	2.8	(9.5)	-	(12.3)	13.0	0.7
Total SM&M	59.5	21.7	(37.7)	4.3	(55.1)	52.7	(6.8)
Commercial Contribution	(47.6)	(21.7)	(25.9)	(4.3)	(43.2)	(16.3)	(31.3)
G&A	2.4	1.6	(0.8)	-	(2.4)	-	(2.4)
Operating Profit	\$ (50.0)	\$ (23.4)	(26.6)	\$ (4.3)	(45.6)	\$ (16.3)	(33.7)
Gross Margin	91.4%	NA		NA		91.2%	
SM&M %	458.0%	NA		NA		132.1%	
SM&M w/o Royalty %	458.0%	NA		NA		132.1%	
Commercial Cont. %	-366.6%	NA		NA		-40.9%	
Operating Profit %	-385.1%	NA		NA		-40.9%	

VANTRELA™ ER: 2015 AOP

Expenses by Major Category

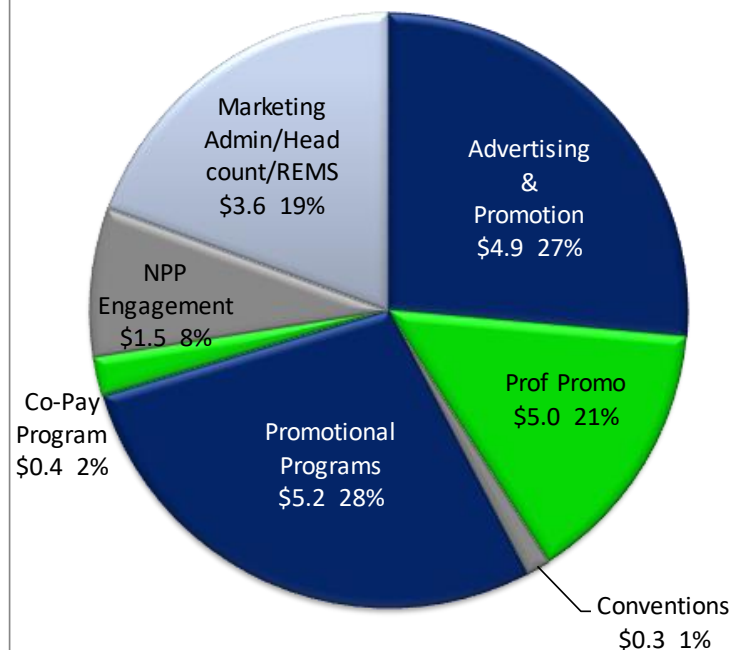
2015 AOP



Total: \$59.5M

174% increase vs. Q3v2 2014 (\$21.7M)

2015 Direct Marketing



Total: \$18.6M

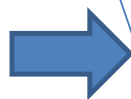


Pain Care 2015 Annual Operating Plan

September
2014

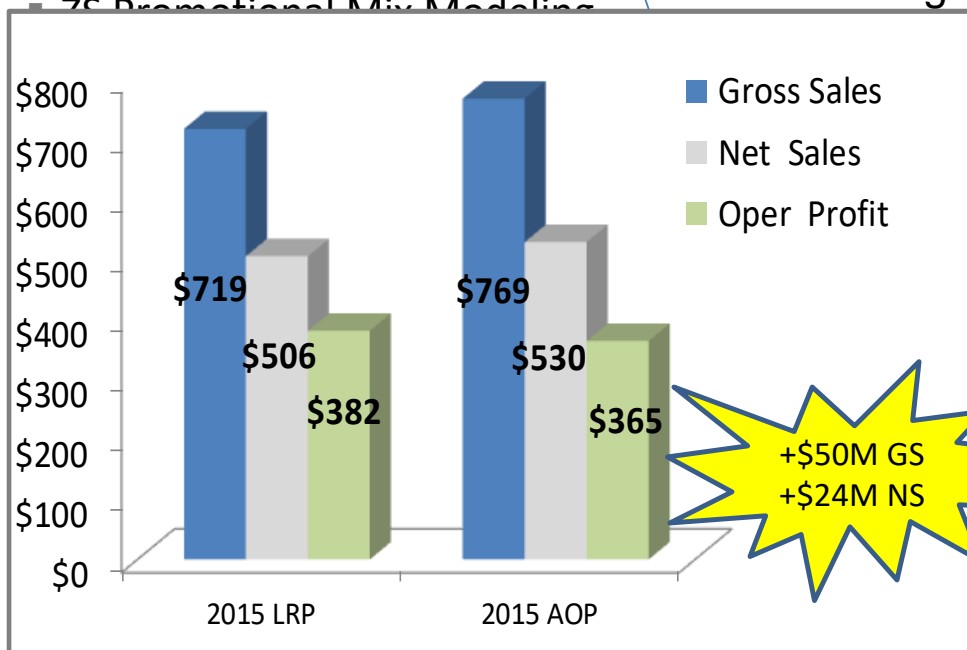
NUVIGIL
AMRIX
FENTORA

- Market Research
- Marketing Insights
- Profitability Analyses
- Industry Benchmarking
- 7C Promotional Mix Modeling



Choices Made to Drive Brand Growth,
Maximize Operating Profit

Deployment of Resources to Optimize
Existing Initiatives with Proven ROI



Co-Pay Program

Non-Personal Promotion

Free Sales Rep

Samples

Nuvigil, Fentora and Amrix P&L Review

\$ million	FY 15 AOP	FY 14 Q3V2	\$ Diff B(W)	FY 13 Actual	\$ Diff B(W)	FY 15 LRP	\$ Diff B(W)
Nuvigil	\$ 306.9	\$ 366.5	(59.7)	\$ 320.0	(13.2)	\$ 286.5	20.4
Fentora	136.4	129.7	6.7	138.3	(1.9)	132.8	3.6
Amrix	86.2	89.1	(2.9)	78.8	7.4	86.7	(0.5)
Net Sales	529.6	585.4	(55.8)	537.2	(7.6)	506.0	23.5
COGS	14.2	25.3	11.1	27.2	13.1	20.2	6.0
Royalties	6.4	5.0	(1.5)	7.7	1.3	6.2	(0.3)
Gross Profit	509.0	555.2	(46.2)	502.2	6.8	479.7	29.2
SF Expenses	69.5	92.9	23.4	92.9	23.4	58.5	(11.1)
Direct Marketing	36.8	42.5	5.7	40.3	3.5	25.1	(11.7)
Indirect & Other Marketing	17.8	28.6	10.7	36.8	19.0	5.1	(12.7)
Royalties	8.2	9.7	1.6	6.1	(2.0)	6.9	(1.2)
Medical Affairs	1.5	7.9	6.4	15.6	14.1	2.6	1.1
Total SM&M	133.8	181.6	47.8	191.8	58.0	98.2	(35.6)
Commercial Contribution	375.1	373.6	1.6	310.4	64.8	381.5	(6.4)
G&A	10.6	15.4	4.8	20.2	9.6	-	(10.6)
Operating Profit	\$ 364.6	\$ 358.2	6.4	\$ 290.2	74.4	\$ 381.5	(16.9)

Top Line
Growth:
\$50MM Gross,
\$23.5MM Net

Increase in SF
Costs,
Allocation
driving delta in
Operating
Profit vs. LRP

Gross Margin	96.1%	94.8%		93.5%		94.8%	
SM&M %	25.3%	31.0%		35.7%		19.4%	
SM&M w/o Royalty %	23.7%	29.4%		34.6%		18.0%	
Commercial Cont. %	70.8%	63.8%		57.8%		75.4%	
Operating Profit %	68.8%	61.2%		54.0%		75.4%	

**Significant
Opportunity
with
VANTRELA™ ER**

- Actionable target audiences within overall chronic patient population
- Societal, advocacy pressure tailwinds to advance abuse deterrence
- Differentiated brand/AD technology provide competitive positioning in market to succeed

**Strategic Choices
to Support
business**

- Industry benchmarks, rigorous investment analyses performed to inform go to market strategy to maximize return to organization over product life cycles
- Optimized investments in high return initiatives programs

**Maximizing
In-line Assets
to support
BU growth**

- Increase in Gross Sales, Net Sales from in-line pain brands
- Changes in LOE assumptions support long-term contributions from franchise (Nuvigil, AMRIX)
- Increased expenses (variable/fixed) and optimized sales force expenses supporting two launches necessary to deliver business for CNS BU



Azilect® 2015 AOP Presentation

September
2014

Target OOP
<\$75

- Communicate target out-of-pocket (OOP) cost of <\$75 to drive contract strategy, enhanced coupon and patient assistance tactics, and positioning of PSS program.

Optimized
Spending

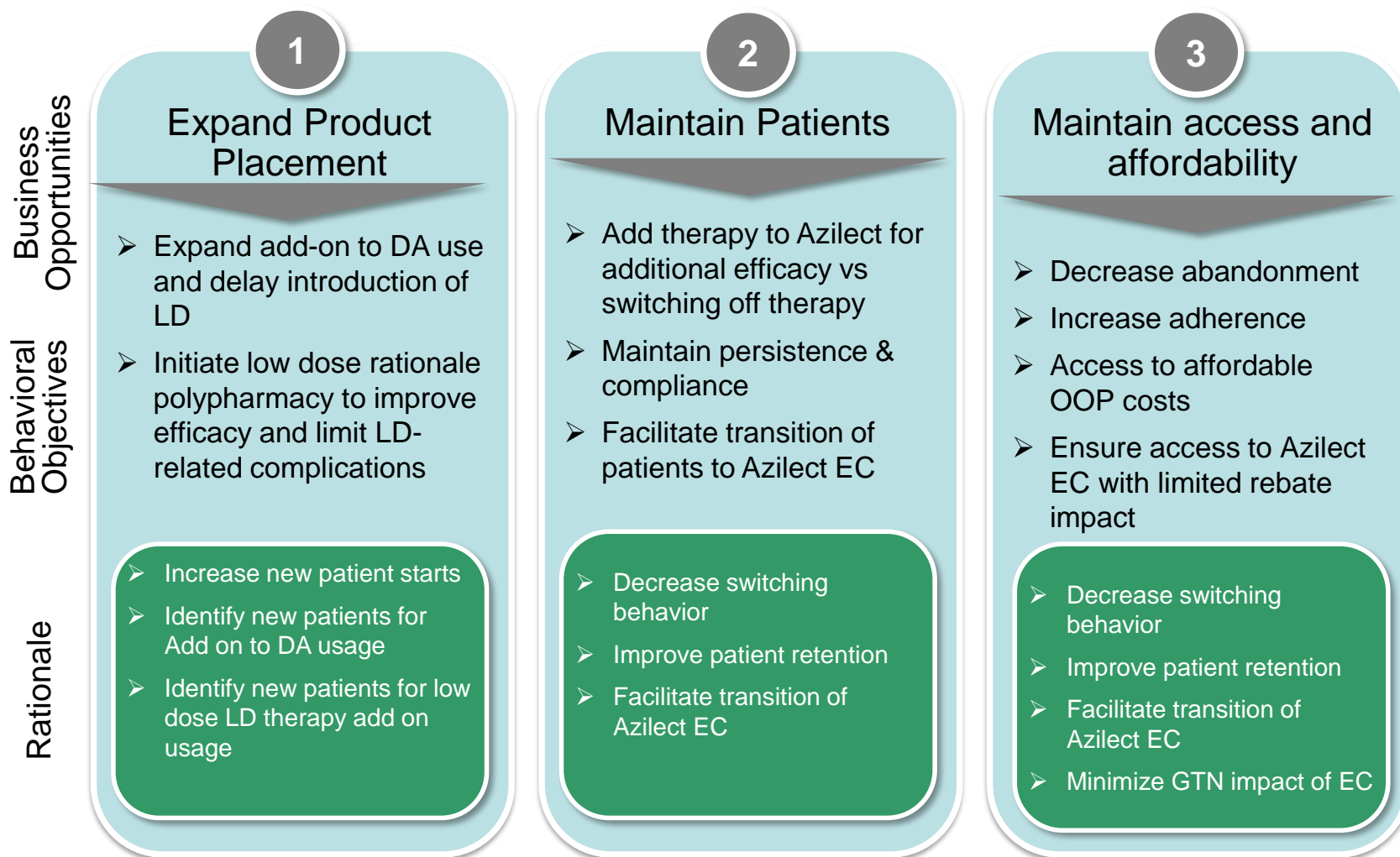
- Spending is consistent with benchmark analysis and ZS recommended levels of spend.

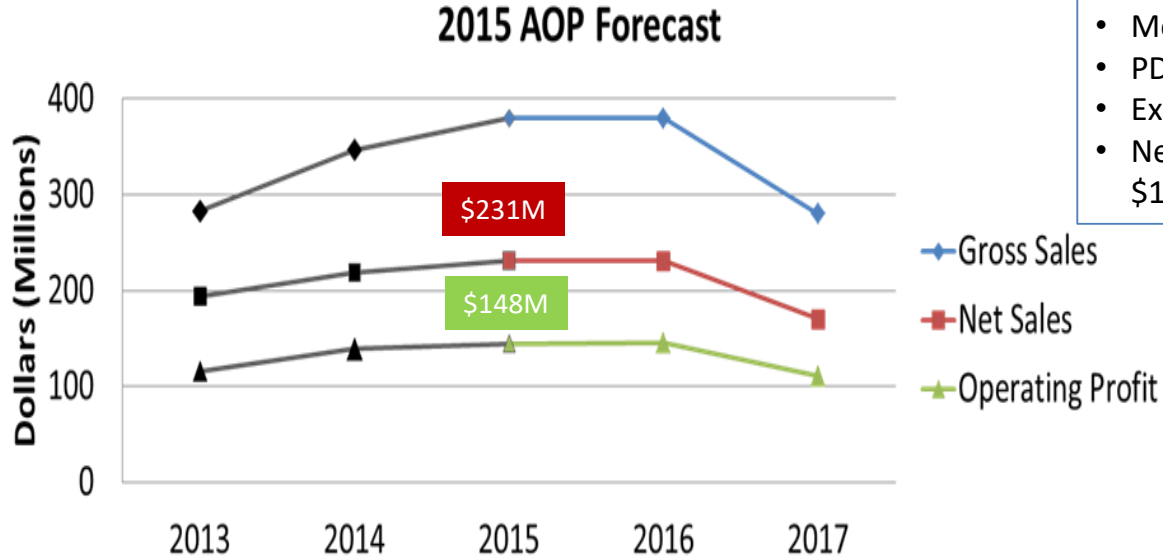
EC
Formulation

- Launch planning activity to prepare for launch of Azilect EC in 2016, which will deliver nearly an incremental \$200M in Net Sales compared to no EC scenario in 2016-19 horizon.

Expand
Digital SOV

- Additional emphasis will be given to digital/ non-manpower/ web activity to drive demand and supplement share of voice (SOV) needs.





Sales Force Planning Implications

- Move from 58k PDEs in LRP to 107k PDEs
- PDE SOV: 27% SOV in Q1 and 15% by Q4
- Expense var. from LRP: 2015: (\$9.6M)
- Net Sales var. from LRP: 2015: \$8M; 2016: \$16M; 2017: \$9M

Market Assumptions

- 2015-24 CAGR: ~ 1%
- Safinamide launch Q415
- Rytary launch Q415

Product Assumptions

- Price increase: 9.9%
- Clinical Data: ANDANTE in label Jul '14; AFU (-) Dec '14; MODERATO (+) Oct '15
- EC approval Nov '15; Launch Jan '16
- IR to EC transition 90% in 2016 (Lose 5% of patients in play/ 5% due to IR inventory)
- EC price parity to IR
- Sales Force delivers 107k PDEs



Pridopidine 2015 AOP Presentation

September
2014

Activity	Description/Objective	\$ Requirement for 2015
External expert identification	1) Ad board 2) Physician Influence map	+++
Market Research	1) Patient insight, Buying process 2) Physician insight, trade off/demand 3) Payer unmet need, pricing 4) Positioning and message testing	++++
Develop Prescriber database		++
Develop Unbranded Website and Patient Database		+
Advocacy Engagement	Work with HD advocacy groups to provide support to HD patients and families	+++
Develop patient support service offerings at launch	1) Ad board with HD social workers to understand patient needs 2) Work with Shared Solutions to plan for patient support programs	+
Evaluate distribution options	Evaluate and identify the best option to distribute pridopidine.	+

NEURODEGENERATIVE DISORDER AOP
P&L Review

\$ million	FY '15 AOP	FY '14 Q3V2	\$ Diff B(W)	FY '13 Actual	\$ Diff B(W)	FY '15 LRP	\$ Diff B(W)
Gross Sales	380	347	33	283	97	362	18
Deductions	149	128	(21)	89	(60)	139	(10)
Net Sales	231	219	13	194	37	223	8
COGS	2	2	(0)	2	(0)	2	0
Royalties	9	9	(1)	8	(1)	9	(0)
Gross Profit	220	208	12	185	35	212	8
SF Expenses	31	29	(2)	29	(3)	21	(10)
Direct Marketing	22	19	(2)	28	6	23	2
Indirect and Other Marketing	13	8	(5)	3	(10)	12	(1)
Medical Affairs	5	8	4	10	5	8	3
Total SM&M	71	65	(6)	69	(2)	64	(7)
Commercial Contribution	149	143	6	116	33	148	1
G&A	4	4	0	-	(4)	-	(4)
Operating Profit	145	139	6	116	29	148	(3)
Gross Margin %	95%	95%		95%		95%	
SM&M %	31%	30%		36%		29%	
SM&M w/o Royalty %	31%	30%		36%		29%	
Commercial Contribution %	64%	65%		60%		66%	
Operating Profit %	63%	63%		60%		66%	

- New Azilect initiatives focus on driving demand and improving profitability consistent with lifecycle, while preparing for EC launch:
 - Leverage price sensitivity point of \$75
 - Communicate as part of contract strategy
 - Expand patient assistance for Part D patients in the coverage gap
 - Reposition PSS program
 - Implement new coupon program
 - Execute optimized spend
 - Develop and implement EC launch plan
 - Expand NMP/ Web/ Digital SOV
- Pridopidine opportunity to meet huge unmet patient need in Huntington's Disease:
 - Identify and understand the customers
 - Engagement and market development
 - Evaluate patient support and distribution options



CNS Financial 2015 AOP Presentation

September
2014

NA Specialty Medicines AOP
CNS P&L Review

\$ million	Q1 '15 AOP	Q2 '15 AOP	Q3 '15 AOP	Q4 '15 AOP	FY '15 AOP	FY '14 Q3V2	\$ Diff B(W)	FY '15 LRP	\$ Diff B(W)
Gross Sales	1,379	1,398	1,380	1,286	5,444	5,334	110	5,331	114
Deductions	470	489	492	482	1,933	1,517	(415)	1,656	(277)
Net Sales	910	909	888	804	3,512	3,817	(305)	3,675	(163)
COGS	14	15	17	19	66	79	14	89	24
Royalties	52	52	49	42	196	216	20	204	8
Gross Profit	844	842	822	743	3,250	3,522	(272)	3,382	(132)
SF Expenses	49	52	56	54	211	176	(35)	227	16
Direct Marketing	59	67	63	59	247	242	(5)	215	(33)
Indirect and Other Marketing	41	38	35	35	149	128	(21)	132	(17)
Royalties	2	2	2	2	8	10	2	7	(1)
Medical Affairs	10	10	10	11	41	45	3	43	2
Total SM&M	161	169	166	160	657	601	(56)	624	(33)
Commercial Contribution	682	672	655	583	2,593	2,921	(328)	2,757	(165)
G&A	16	18	16	16	67	67	(0)	-	(67)
Operating Profit	666	655	639	567	2,526	2,854	(328)	2,757	(231)
Gross Margin %	93%	93%	92%	92%	93%	92%		92%	
SM&M %	18%	19%	19%	20%	19%	16%		17%	
SM&M w/o Royalty %	18%	18%	18%	20%	18%	15%		17%	
Commercial Contribution %	75%	74%	74%	72%	74%	77%		75%	
Operating Profit %	73%	72%	72%	70%	72%	75%		75%	

2015 LRP Commercial Contribution**2,757**

Gross Sales 114

COP +158, Nuvigil +43, Vantrela (29), Zecuity (30)

Deductions (277)

COP (284)

Net Sales (163)

COGS 32

Gross Margin**(132)****Sales Force****16****Direct Marketing****(33)** COP (15), Nuvigil (14)**Indirect Marketing and Other Marketing****(17)** Vantrela (6), Zecuity (6)**Medical Affairs****2****2015 AOP Commercial Contribution****2,593****Variance****(164)**

NA Specialty Medicines AOP
Neuroscience P&L Review

\$ million	Q1 '15 AOP	Q2 '15 AOP	Q3 '15 AOP	Q4 '15 AOP	FY '15 AOP	FY '14 Q3V2	\$ Diff B(W)	FY '15 LRP	\$ Diff B(W)
Gross Sales	1,160	1,162	1,125	1,003	4,450	4,418	32	4,274	176
Deductions	405	414	413	394	1,626	1,286	(339)	1,332	(294)
Net Sales	755	749	712	608	2,824	3,132	(308)	2,942	(118)
COGS	11	10	9	8	39	54	16	41	3
Royalties	50	50	47	40	187	208	21	195	8
Gross Profit	694	689	655	560	2,599	2,869	(271)	2,705	(107)
SF Expenses	23	20	19	18	80	83	3	75	(5)
Direct Marketing	35	37	35	36	142	160	19	128	(14)
Indirect and Other Marketing	30	28	26	26	110	96	(14)	115	5
Royalties	-	-	-	-	-	-	-	-	-
Medical Affairs	5	5	5	5	21	34	13	23	3
Total SM&M	94	89	85	84	352	373	21	342	(10)
Commercial Contribution	600	599	571	476	2,247	2,496	(250)	2,364	(117)
G&A	12	13	12	12	48	49	0	-	(48)
Operating Profit	589	586	559	464	2,198	2,447	(249)	2,364	(166)
Gross Margin %	92%	92%	92%	92%	92%	92%		92%	
SM&M %	12%	12%	12%	14%	12%	12%		12%	
SM&M w/o Royalty %	12%	12%	12%	14%	12%	12%		12%	
Commercial Contribution %	80%	80%	80%	78%	80%	80%		80%	
Operating Profit %	78%	78%	78%	76%	78%	78%		80%	

NA Specialty Medicines AOP
CNS East P&L Review

\$ million	Q1 '15 AOP	Q2 '15 AOP	Q3 '15 AOP	Q4 '15 AOP	FY '15 AOP	FY '14 Q3V2	\$ Diff B(W)	FY '15 LRP	\$ Diff B(W)
Gross Sales	220	236	255	283	994	916	79	1,057	(63)
Deductions	65	75	79	88	307	231	(76)	324	17
Net Sales	155	160	176	196	687	685	3	733	(46)
COGS	3	5	8	11	27	25	(2)	48	21
Royalties	2	2	2	2	9	8	(2)	9	(0)
Gross Profit	149	153	166	183	651	652	(1)	676	(25)
SF Expenses	26	32	37	36	131	93	(38)	152	21
Direct Marketing	24	31	28	23	105	82	(24)	87	(19)
Indirect and Other Marketing	11	10	9	9	39	32	(7)	17	(22)
Royalties	2	2	2	2	8	10	2	7	(1)
Medical Affairs	5	5	5	6	21	11	(10)	20	(1)
Total SM&M	68	80	81	76	305	228	(78)	283	(22)
Commercial Contribution	82	73	85	107	346	424	(78)	393	(47)
G&A	5	5	5	5	18	18	(1)	-	(18)
Operating Profit	77	68	80	102	328	407	(79)	393	(65)
Gross Margin %	96%	95%	94%	93%	95%	95%		92%	
SM&M %	44%	50%	46%	39%	44%	33%		39%	
SM&M w/o Royalty %	42%	49%	45%	38%	43%	32%		38%	
Commercial Contribution %	53%	45%	48%	55%	50%	62%		54%	
Operating Profit %	50%	43%	46%	52%	48%	59%		54%	

2015 AOP Teva CNS

OPPORTUNITIES

BU	Prob. Item	FY 2015	
		Sales (\$M)	OP (\$M)

RISKS

BU	Prob. Item	FY 2015	
		Sales (\$M)	OP (\$M)
PD	Decrease \$1.5M Marketing Expense	(11)	(9)
Pain	** Zecuity Launch Delay	(39)	(31)
Pain	** Vantrela Launch Delay	(12)	(11)

LOE RISKS

BU	Prob. Item	FY 2015	
		Sales (\$M)	OP (\$M)
COP	Gx enters market September 2014	(618)	(560)
COP	Generic enters market January 2015	(550)	(498)
COP	Generic enters market April 2015	(368)	(334)
COP	No Generic in 2015	196	180
Pain	Fentora LOE January 2015	(113)	(110)

** In the event of launch delays, financial risks will be partially offset by sales force effort moved to current in line brands

	Sales			Marketing			BU
	Employee	Contractor	Total	Employee	Contractor	Total	Total
6/30/14 Baseline	595.0	0.0	595.0	35.0	1.0	36.0	631
2014 Approved Changes	0	0	0	7	0	7	7
<i>Manager Nuvigil - Open</i>			0	1		1	1
<i>Assoc. Director - Zecuity</i>			0	1		1	1
<i>Assoc. Director - Vantrela ER/ONTE's</i>			0	1		1	1
<i>Manager - Zecuity</i>			0	2		2	2
<i>Coordinator - open</i>			0	1		1	1
<i>Sr Mgr Brand Mktg (AZL backfill Apprv'd)</i>			0	1		1	1
2014 Estimated Ending Headcount	595	0	595	42	1.0	43	638
2015 Proposed Changes	168	0	168	3	0	3	171
<i>Sales Manager</i>	16		16			0	16
<i>Sales Director</i>	2		2			0	2
<i>Sales Reps</i>	150		150			0	150
<i>Sr Product Manager (Pridopidine)</i>				1		1	1
<i>Marketing Manager - Vantrela ER/ONTE's</i>				2		2	2
2015 Ending Headcount	763	0	763	45	1	46	809
'15 vs. '14 Chg in Ending HC	168	0	168	3	0	3	171
'15 vs. 6/30/14 HC	168	0	168	10	0	10	178

CNS

Maximize Operating Profit & Build Portfolio

Strategic:



Invest for Successful Launch Uptake

Leverage:



Maximize Profit