TEVA PHARMACEUTICAL INDUSTRIES LTD
Form 424B5
December 03, 2015
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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-208238

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Security	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
7.00% Mandatory Convertible Preferred Shares, nominal (par) value NIS 0.10 per share	3,712,500(1)	$ 1,000.00	$ 3,712,500,000.00	$ 373,848.75(2)
Ordinary Shares, nominal (par) value NIS 0.10 per share (3)	59,400,000(4)			(5)

(1) Includes 337,500 7.00% Mandatory Convertible Preferred Shares (Mandatory Convertible Preferred Shares) issuable upon exercise of the underwriters option to purchase additional Mandatory Convertible Preferred Shares from us solely to cover overallotments, if any.

(2) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended. This Calculation of Registration Fee table shall be deemed to update the Calculation of Registration Fee table in our Registration Statement on Form F-3 (File No. 333-208238).

(3) Such Ordinary Shares may be represented by American Depositary Shares. Such American Depositary Shares are or will be registered on a separately filed registration statement on Form F-6. Each American Depositary Share represents one Ordinary Share.

(4) The number of Ordinary Shares to be registered is based on the maximum number of our Ordinary Shares into which such 3,712,500 Mandatory Convertible Preferred Shares can be converted, which is 16.0000 Ordinary Shares per Mandatory Convertible Preferred Share as described in this prospectus supplement, for a maximum of 59,400,000 Ordinary Shares. Pursuant to Rule 416, the number of Ordinary Shares registered includes an indeterminate number of additional Ordinary Shares that may be issued from time to time upon conversion of the Mandatory Convertible Preferred Shares as a result of the anti-dilution provisions thereof.

(5) Pursuant to Rule 457(i), there is no additional filing fee payable with respect to the Ordinary Shares issuable upon conversion of the Mandatory Convertible Preferred Shares because no additional consideration will be received in connection with the exercise of the conversion privilege.

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PROSPECTUS SUPPLEMENT

(To Prospectus dated November 30, 2015)

$3,375,000,000

Teva Pharmaceutical Industries Limited

7.00% Mandatory Convertible Preferred Shares

We are offering 3,375,000 of our 7.00% Mandatory Convertible Preferred Shares, nominal (par) value NIS 0.10 per share (Mandatory Convertible Preferred Shares).

Dividends on the Mandatory Convertible Preferred Shares will be payable on a cumulative basis when, as and if declared by our board of directors, or an authorized committee thereof, at an annual rate of 7.00% on the liquidation preference of $1,000.00 per Mandatory Convertible Preferred Share. Declared dividends will be paid in cash on March 15, June 15, September 15 and December 15 of each year commencing March 15, 2016, to and including December 15, 2018.

Each Mandatory Convertible Preferred Share will automatically convert on the mandatory conversion date of December 15, 2018, into between 13.3333 and 16.0000 ADSs (as defined below), subject to anti-dilution adjustments. The number of our ADSs issuable on conversion of the Mandatory Convertible Preferred Shares will be determined based on the average VWAP (as defined below) per ADS over the 20 consecutive trading day period beginning on and including the 22nd scheduled trading day immediately preceding the mandatory conversion date. At any time prior to the mandatory conversion date, other than during a fundamental change conversion period (as defined below), holders of the Mandatory Convertible Preferred Shares may elect to convert each Mandatory Convertible Preferred Share, in whole or in part, into our ADSs at the minimum conversion rate of 13.3333 ADSs per Mandatory Convertible Preferred Share, subject to anti-dilution adjustments. If a fundamental change (as defined below) occurs, holders may elect to convert any Mandatory Convertible Preferred Shares during a specified period beginning on the fundamental change effective date (as defined below), in which case such Mandatory Convertible Preferred Shares will be converted into our ADSs at the fundamental change conversion rate (as defined below) and converting holders will also be entitled to receive a fundamental change dividend make-whole amount and accumulated dividend amount (each as defined below), payable in cash or ADSs, at our discretion.

Concurrently with this offering, we are offering 54,000,000 American Depositary Shares (ADSs), each representing one of our ordinary shares, nominal (par) value NIS 0.10 per share. The concurrent ADS offering is being made by means of a separate prospectus supplement and not by means of this prospectus supplement. This prospectus supplement is not an offer to sell or a solicitation of an offer to buy any securities being offered in the concurrent ADS offering. See Summary Financing Transactions ADS Offering.

We intend to use the net proceeds of this offering, together with the net proceeds of the concurrent ADS offering and the proposed debt financings (each as described herein), to finance our pending acquisition of Allergan plc s worldwide generic pharmaceuticals business, and related fees and expenses, to finance our pending Rimsa acquisition (as described below) and/or otherwise for general corporate purposes. The completion of this offering is not contingent on the closing of the concurrent ADS offering (nor is the completion of the concurrent ADS offering contingent on the closing of this offering) or the completion of such acquisitions, which, if completed, will occur subsequent to the closing of this offering.

Prior to this offering, there has been no public market for the Mandatory Convertible Preferred Shares. We do not intend to list the Mandatory Convertible Preferred Shares on any securities exchange. Our ADSs are listed on the New York Stock Exchange (the NYSE) under the symbol TEVA. On December 2, 2015, the last reported sale price of our ADSs on the NYSE was $63.12 per share.

Investing in the Mandatory Convertible Preferred Shares involves risks. See Risk Factors beginning on page S-15 of this prospectus supplement.

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 Share	Total
Offering price	$ 1,000.00	$ 3,375,000,000
Underwriting discount	$ 25.00	$ 84,375,000
Proceeds to issuer (before expenses)	$ 975.00	$ 3,290,625,000

We have granted the underwriters the option to purchase up to an additional 337,500 Mandatory Convertible Preferred Shares from us solely to cover overallotments, if any, at the public offering price, less underwriting discounts and commissions, within 30 days from the date of this prospectus supplement. See the section entitled Underwriting beginning on page S-81 of this prospectus supplement.

The underwriters expect to deliver the Mandatory Convertible Preferred Shares to purchasers on or about December 8, 2015.

Joint Book-Running Managers

Barclays **BofA Merrill Lynch** **Citigroup** **Morgan Stanley**

BNP PARIBAS **Credit Suisse** **HSBC**
Mizuho Securities **RBC Capital Markets** **SMBC Nikko**

The date of this prospectus supplement is December 2, 2015.

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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 Mandatory Convertible Preferred Shares 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 (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order), (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 or (iv) persons to whom an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000) in connection with the issue or sale of any Mandatory Convertible Preferred Shares may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as relevant persons). The Mandatory Convertible Preferred Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the Mandatory Convertible Preferred Shares 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.

This prospectus supplement and accompanying prospectus have been prepared on the basis that any offer of Mandatory Convertible Preferred Shares in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under Article 3, paragraph 2 of the Prospectus Directive from the requirement to publish a prospectus for offers of Mandatory Convertible Preferred Shares. Accordingly any person making or intending to make an offer in that Relevant Member State of Mandatory Convertible Preferred Shares which are the subject of the offering contemplated in this prospectus supplement may only do so in circumstances in which no obligation arises for the issuer or any of the managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive, in each case, in relation to such offer. Neither the issuer nor the managers have authorized, nor do they authorize, the making of any offer of Mandatory Convertible Preferred Shares in circumstances in which an obligation arises for the issuer or the managers to publish a prospectus for such offer. The expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

In connection with the issue of the Mandatory Convertible Preferred Shares, the joint book-running managers (or persons acting on behalf of any of the joint book-running managers) may over-allot Mandatory Convertible Preferred Shares or effect transactions with a view to supporting the market price of the Mandatory Convertible Preferred Shares 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 joint 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 joint book-running managers (or persons acting on behalf of any joint book-running manager) in accordance with all applicable laws and rules.

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Prospectus Supplement

Prospectus

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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 the accompanying prospectus are to the prospectus dated November 30, 2015. Except as otherwise stated herein, we assume no exercise of the underwriters option to purchase up to an additional 337,500 Mandatory Convertible Preferred Shares.

The Company

We are a global pharmaceutical company, committed to increasing access to high-quality healthcare by developing, producing and marketing affordable generic medicines and a focused portfolio of specialty medicines. We operate in pharmaceutical markets worldwide, with major operations in the United States, Europe and other markets. As the world s leading generic medicines company with a strong specialty medicines portfolio, we are strategically positioned to benefit from ongoing changes in the global healthcare environment.

We seek to address unmet patient needs while capitalizing on evolving market, economic and legislative dynamics in global healthcare. These dynamics include the aging population, increased spending on pharmaceuticals in emerging markets, economic pressure on governments and private payors to provide accessible healthcare solutions, legislative and regulatory reforms, an increase in patient awareness and the growing importance of over-the-counter (OTC) medicines.

We believe that our dedicated leadership and employees, world-leading generics expertise and portfolio, focused specialty portfolio, OTC joint venture with The Procter & Gamble Company, active pharmaceutical ingredient production capability, integrated R&D capabilities and global infrastructure and scale position us to take advantage of opportunities created by these dynamics.

In addition to the Actavis Generics acquisition described below, we expect to separately pay $2.3 billion in cash upon the closing of our pending acquisition of Representaciones e Investigaciones Médicas, S.A. de C.V. (Rimsa). We expect to fund the Rimsa acquisition through available cash, borrowings under our credit facilities, the net proceeds of this offering and the concurrent ADS offering and/or the debt financings described below.

Segments

We operate our business in two segments:

Generic medicines, which include chemical and therapeutic equivalents of originator medicines in a variety of dosage forms, including tablets, capsules, injectables, inhalants, liquids, ointments and creams. We are the leading generic drug company in the United States and Europe, and we have a significant or growing presence in our Rest of the World markets. We are also one of the world s leading manufacturers of active pharmaceutical ingredients.

Specialty medicines, which include several franchises, most significantly our core therapeutic areas of central nervous system medicines such as Copaxone ®, Azilect ® and Nuvigil ® and of respiratory medicines such as ProAir ® HFA and QVAR ®. Our specialty medicines segment includes other therapeutic areas, such as oncology, women s health and selected other areas.

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In addition to these two segments, we have other activities, primarily PGT Healthcare, our OTC joint venture with The Procter & Gamble Company.

Actavis Generics Acquisition

On July 26, 2015, we entered into a definitive agreement with Allergan plc to acquire its worldwide generic pharmaceuticals business and certain other assets, which we refer to as Actavis Generics. We will pay total consideration consisting of $33.75 billion in cash and approximately 100 million Teva shares, which represented $6.75 billion in value, based on the previously-agreed price of approximately $67.30 per share. Closing of the transaction is subject to certain conditions, including relevant regulatory approvals. Subject to satisfaction of the closing conditions, we expect the acquisition to close in the first quarter of 2016. Following consummation of the acquisition, our generics segment is expected to make up a much larger percentage of our revenues. Further information about the Actavis Generics acquisition, including a copy of the Master Purchase Agreement, is contained in a Report of Foreign Private Issuer on Form 6-K filed by us with the U.S. Securities and Exchange Commission (the SEC) on July 28, 2015.

We expect to finance the $33.75 billion cash consideration for the Actavis Generics acquisition, together with related fees and expenses, through a combination of new equity (including the issuance and sale of ADSs in the concurrent ADS offering described below and of Mandatory Convertible Preferred Shares in the offering contemplated hereby) and the proposed debt financings described below.

Actavis Generics

Actavis Generics includes, with certain exceptions, Allergan s U.S. and international generic commercial units, third-party supplier Medis, global generic manufacturing operations, global generic research and development (R&D) unit, international OTC commercial unit (excluding OTC eye care products) and some mature international brands. Actavis Generics has operations in more than 60 countries, with the United States representing more than half of the revenues of the business in 2014 and for the nine months ended September 30, 2015. Its other major markets include the United Kingdom, Russia and Poland. As of September 30, 2015, Actavis Generics marketed over 275 generic pharmaceutical product families in the U.S.

Actavis Generics growth strategy has focused on (i) internal development of differentiated and high-demand products, including challenging patents associated with these products, (ii) establishment of strategic alliances and collaborations and (iii) acquisitions of complementary products and companies. Actavis Generics also develops and out-licenses generic pharmaceutical products through its Medis third party business.

Actavis Generics sells generic pharmaceutical products primarily to drug wholesalers, retailers and distributors, including national retail drug and food store chains, hospitals, clinics, mail order retailers, government agencies and managed healthcare providers such as health maintenance organizations and other institutions.

Actavis Generics has devoted significant resources to research and development. It conducts its R&D activities through a network of more than 20 global R&D centers, the majority of which are being acquired by Teva. As a result of these activities, Actavis Generics had a pipeline of more than 200 Abbreviated New Drug Applications (ANDAs) on file in the United States as of December 31, 2014.

The special purpose combined financial statements and other information relating to Actavis Generics are included in a Report of Foreign Private Issuer on Form 6-K filed by us with the SEC on November 30, 2015.

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Strategic Rationale

The acquisition will combine two generics businesses with complementary strengths, brands and cultures, creating a leading product portfolio and pipeline. The resulting product portfolio will be complemented by a significantly expanded and more efficient global footprint, including strengthened operations, sales and R&D platforms in attractive markets around the world. Teva will seek to leverage this expanded generics pipeline, R&D capabilities, operational network, supply chain, global commercial deployment and infrastructure to achieve greater efficiencies across the healthcare system and provide patients and consumers worldwide with better access to high quality affordable medicines.

In acquiring Actavis Generics, Teva seeks to create a dynamic generics and specialty pharmaceutical company that integrates and leverages our combined expertise to develop innovative products. Teva will continue to seek to develop high-value medicines, with an emphasis on complex and branded generics, focused on the needs of patients and the people who care for them. In particular, Teva believes that the acquisition, when and if consummated, will:

Provide Substantial Financial Benefits. The transaction is expected to provide substantial financial benefits for Teva, including more highly diversified revenues and profits, and substantial cost synergies and tax savings. Actavis Generics had net revenues and total direct expenses of $6,374.0 million and $5,441.3 million, respectively, in the year ended December 31, 2014, and $4,637.5 million and $3,988.5 million, respectively, in the nine months ended September 30, 2015. In addition, Teva expects to achieve substantial cost synergies and tax savings due to increased efficiencies in operations, G&A, manufacturing, and sales and marketing.

Create Leading Generics Portfolio and Pipeline. Following the acquisition (without giving effect to possible required divestitures), Teva will have an enhanced portfolio of generic products and an attractive pipeline of approximately 320 pending ANDAs in the United States, including approximately 110 exclusive U.S. first-to-file pending ANDAs (including shared exclusivities).

Enhance R&D Capabilities and Technology. Following the acquisition, Teva will have what it believes will be among the most advanced R&D capabilities in the generics industry. These capabilities will enhance Teva s ability to develop and offer a portfolio of complex and differentiated generic products.

Bolster Specialty Development Pipeline. Teva further expects to leverage these enhanced R&D capabilities with its expertise in its core specialty therapeutic areas to develop novel products based on known molecules, thereby expanding its specialty product portfolio.

Expand Global Commercial Reach. Through the acquisition, Teva will have a commercial presence across 100 markets, including a leading position in over 40 markets, positioning Teva to significantly enhance the global scale and efficiency of its sales and R&D platforms.

We caution you that the acquisition may not be consummated and, even if consummated, we may not realize the anticipated benefits of the acquisition. See Risk Factors Risks Related to the Actavis Generics Acquisition. Additionally, Allergan Generics business is subject to risks similar to those described in the risk factors that are incorporated herein by reference, and the combined business will continue to be subject to risks including ongoing consolidation of the pharmaceutical industry customer base.

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Financing Transactions

In addition to this offering, we expect to obtain or otherwise incur additional financing for the Actavis Generics acquisition as described below.

ADS Offering

Concurrently with this offering, we are offering, by means of a separate prospectus supplement, 54,000,000 of our ADSs, each representing one of our ordinary shares, plus up to 5,400,000 additional ADSs that the underwriters of such offering have the option to purchase from us solely to cover overallotments, if any, at the public offering price of $62.50 per share, less underwriting discounts and commissions. For a description of certain of the terms of our ordinary shares and ADSs, see Description of Ordinary Shares and Description of American Depositary Shares in the accompanying prospectus. This prospectus supplement is not an offer to sell or a solicitation of an offer to buy the securities being offered in such concurrent ADS offering.

Debt Financings

Subsequent to this offering and, if completed, the concurrent ADS offering, we expect to offer approximately $22 billion aggregate principal amount of notes. The proceeds of such offering, together with borrowings under our new $5 billion term loan facility (consisting of a tranche of three-year senior unsecured term loans in an aggregate principal amount of $2.5 billion and a tranche of five-year senior unsecured term loans in an original aggregate principal amount of $2.5 billion), are expected to fund the balance of the purchase price for the Actavis Generics acquisition, and related fees and expenses. This prospectus supplement is not an offer to sell or a solicitation of an offer to buy any notes that may be offered or sold in the proposed notes offerings. Further information about our term loan facility, including a copy of the term loan agreement, is contained in a Report of Foreign Private Issuer on Form 6-K filed by us with the SEC on November 18, 2015. In addition, we may incur additional debt in connection with the Rimsa acquisition.

If and to the extent the Mandatory Convertible Preferred Shares offered hereby, the ADSs being offered in the concurrent ADS offering or the proposed notes are not issued and sold (or are issued in lesser amounts), we will borrow up to $28.75 billion under our 364-day senior unsecured bridge facilities and pursuant to our equity bridge commitment letter. Further information about our bridge loan facilities and our equity bridge commitment letter, including copies of related agreements, is contained in Reports of Foreign Private Issuer on Form 6-K filed by us with the SEC on August 3, 2015, September 29, 2015 and November 18, 2015.

Completion of this offering is not contingent upon (1) the closing of the ADS offering, (2) the closing of the proposed notes offerings or bank financings or (3) the completion of the Actavis Generics acquisition. Accordingly, even if the acquisition or the other financing transactions do not occur, the Mandatory Convertible Preferred Shares sold in this offering will remain outstanding.

We cannot assure you that we will complete the Actavis Generics acquisition or any of the other financing transactions on the terms contemplated by this prospectus supplement or at all.

After the closing of the acquisition, if completed, we may also replenish our cash or repay any borrowings made in connection with the acquisition with the proceeds of additional financings.

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 4951033, Israel, and our telephone number is +972-3-926-7267.

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The Offering

The summary below contains basic information about this offering. It does not contain all of the information you should consider in making your investment decision. You should read the entire prospectus supplement and the accompanying prospectus and the information included or incorporated and deemed to be incorporated by reference herein and therein, including the section entitled Risk Factors included in this prospectus supplement, the section entitled Risk Factors in our Annual Report on Form 20-F for the year ended December 31, 2014, as updated by our subsequent filings incorporated in this prospectus supplement by reference, and the consolidated financial statements and the accompanying notes, and pro forma financial information, incorporated by reference in this prospectus supplement, before making an investment decision. As used in this section, we, our and us refer only to Teva Pharmaceutical Industries Limited and not to its consolidated subsidiaries.

Issuer	Teva Pharmaceutical Industries Limited.
Securities Offered	3,375,000 of our 7.00% Mandatory Convertible Preferred Shares, nominal (par) value NIS 0.10 per share.
Public Offering Price	$1,000.00 per Mandatory Convertible Preferred Share.
Overallotment Option	We have granted the underwriters the option to purchase up to 337,500 additional Mandatory Convertible Preferred Shares from us solely to cover overallotments, if any, at the public offering price, less underwriting discounts and commissions, within 30 days from the date of this prospectus supplement.
Dividends	7.00% of the liquidation preference of $1,000.00 per Mandatory Convertible Preferred Share per annum. Dividends shall accumulate from the most recent date as to which dividends shall have been paid or, if no dividends have been paid, from the first original issue date, whether or not in any dividend period or periods there have been funds legally available for the payment of such dividends, and, to the extent that we are legally permitted to pay dividends and our board of directors (which term, as used in this summary, to the extent permissible under applicable law and our Articles of Association (the Articles), includes an authorized committee of the board) declares a dividend with respect to the Mandatory Convertible Preferred Shares, we will pay such dividend in cash on each dividend payment date; provided that any undeclared or unpaid dividends will continue to accumulate. Dividends that are declared will be payable on the dividend payment dates to holders of record of the Mandatory Convertible Preferred Shares on the immediately preceding March 1, June 1, September 1 and December 1 (each a record date), whether or not such holders convert their shares, or such shares are automatically converted, after a record date and on or prior to the immediately succeeding dividend payment date. Assuming the initial issue date is December 8, 2015, the expected dividend payable on the first dividend payment date is $19.06 per share. Each subsequent dividend is expected to be $17.50 per share. See Description of Mandatory Convertible Preferred Shares Dividends.

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Dividend Payment Dates	March 15, June 15, September 15 and December 15 of each year, commencing on March 15, 2016 and to, and including, the mandatory conversion date.
Redemption	The Mandatory Convertible Preferred Shares will not be redeemable by us.
Mandatory Conversion Date	December 15, 2018.
Mandatory Conversion	On the mandatory conversion date, each Mandatory Convertible Preferred Share, unless previously converted, will automatically convert into our ADSs based on the conversion rate. If we declare a dividend for the dividend period ending on the mandatory conversion date, we will pay such dividend to the holders of record as of the immediately preceding record date, as described above. If, prior to the mandatory conversion date, we have not declared all or any portion of the accumulated and unpaid dividends on the Mandatory Convertible Preferred Shares, the amount of such undeclared, accumulated and unpaid dividends (such amount, the additional conversion amount) will be paid in cash, ADSs or a combination thereof, at our election. If we elect to deliver the additional conversion amount, or any portion thereof, in ADSs, such ADSs will be valued for such purpose at 97% of the average VWAP per ADS over the five consecutive trading day period beginning on and including the seventh scheduled trading day immediately preceding the mandatory conversion date.
Conversion Rate	The conversion rate for each Mandatory Convertible Preferred Share will be not more than 16.0000 of our ADSs and not less than 13.3333 of our ADSs (the minimum conversion rate), depending on the applicable market value of our ADSs, and subject to certain anti-dilution adjustments. The applicable market value of our ADSs is the average VWAP per ADS over the 20 consecutive trading day period beginning on and including the 22nd scheduled trading day immediately preceding the mandatory conversion date.

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The conversion rate will be calculated as described under Description of Mandatory Convertible Preferred Shares Mandatory Conversion, and the following table illustrates the conversion rate per Mandatory Convertible Preferred Share, subject to certain anti-dilution adjustments.

Applicable market value of our ADSs	Conversion rate (number of our ADSs to be received upon mandatory conversion of each Mandatory Convertible Preferred Share)
Greater than $75.00 (which is the threshold appreciation price)	13.3333 shares (approximately equal to $1,000.00 divided by the threshold appreciation price).
Equal to or less than $75.00 but greater than or equal to $62.50	Between 13.3333 and 16.0000 shares, determined by dividing $1,000.00 by the applicable market value of our ADSs.
Less than $62.50 (which is the reference price)	16.0000 shares (equal to $1,000.00 divided by the reference price).

The reference price is $62.50, which equals the per share public offering price of our ADSs in the concurrent ADS offering.

Conversion at the Option of the Holder

At any time prior to the mandatory conversion date, other than during a fundamental change conversion period (as defined below), holders of the Mandatory Convertible Preferred Shares may elect to convert their Mandatory Convertible Preferred Shares in whole or in part (but in no event less than one Mandatory Convertible Preferred Share), into our ADSs at the minimum conversion rate of 13.3333 ADSs per Mandatory Convertible Preferred Share (early conversion), as described under Description of Mandatory Convertible Preferred Shares Conversion at the Option of the Holder. The minimum conversion rate is subject to certain anti-dilution adjustments.

If, as of the effective date of any early conversion (the early conversion date), we have not declared all or any portion of the accumulated and unpaid dividends for all dividend periods ending on a dividend payment date prior to such early conversion date, the conversion rate for such early conversion will be adjusted so that holders converting their Mandatory Convertible Preferred Shares at such time receive an additional number of our ADSs equal to such amount of undeclared, accumulated and unpaid dividends for such prior dividend periods (the early conversion additional conversion amount), divided by the greater of the floor price (as defined below) and the average VWAP per ADS over the 20 consecutive trading day period commencing on and including the 22nd scheduled trading day immediately preceding the early conversion date (the early conversion average price). To the extent that the early conversion

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additional conversion amount exceeds the value of the product of the number of additional shares added to the conversion rate and the early conversion average price, we will not have any obligation to pay the shortfall in cash. The floor price is $21.875, which amount represents 35% of the reference price (subject to adjustment in a manner inversely proportional to any anti-dilution adjustment to each fixed conversion rate as described below).

Conversion at the Option of the Holder Upon Fundamental Change; Fundamental Change Dividend Make-Whole Amount

If a fundamental change (as defined under Description of Mandatory Convertible Preferred Shares Conversion at the Option of the Holder Upon Fundamental Change; Fundamental Change Dividend Make-Whole Amount) occurs on or prior to the mandatory conversion date, holders of the Mandatory Convertible Preferred Shares will have the right to convert their Mandatory Convertible Preferred Shares, in whole or in part, into ADSs at the fundamental change conversion rate during the period (the fundamental change conversion period) beginning on the effective date of such fundamental change (the fundamental change effective date) and ending on the date that is 20 business days after the fundamental change effective date (or, if earlier, the mandatory conversion date). The fundamental change conversion rate will be determined based on the fundamental change effective date and the price paid or deemed paid per ADS in the transaction resulting in such fundamental change (the fundamental change share price).

Holders who convert their Mandatory Convertible Preferred Shares within the fundamental change conversion period will also receive a fundamental change dividend make-whole amount, in cash or in our ADSs or any combination thereof, equal to the present value (computed using a discount rate of 3.50% per annum) of all remaining dividend payments on their Mandatory Convertible Preferred Shares (excluding any accumulated dividend amount (as defined under Description of Mandatory Convertible Preferred Shares Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-Whole Amount Fundamental Change Dividend Make-Whole Amount and Accumulated Dividend Amount) and declared dividends for a dividend period during which the fundamental change effective date falls) from such fundamental change effective date to, but excluding, the mandatory conversion date. If we elect to pay the fundamental change dividend make-whole amount in our ADSs in lieu of cash, the number of our ADSs that we will deliver will equal (x) the fundamental change dividend make-whole amount divided by (y) the greater of the floor price and 97% of the fundamental change share price.

In addition, to the extent that the accumulated dividend amount exists as of the fundamental change effective date, holders who convert their

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	Mandatory Convertible Preferred Shares within the fundamental change conversion period will be entitled to receive such accumulated dividend amount in cash (to the extent we are legally permitted to do so) or our ADSs or any combination thereof, at our election, upon conversion. If we elect to pay the accumulated dividend amount in our ADSs in lieu of cash, the number of our ADSs that we will deliver will equal (x) the accumulated dividend amount divided by (y) the greater of the floor price and 97% of the fundamental change share price. To the extent that the fundamental change dividend make-whole amount or the accumulated dividend amount or any portion thereof paid in our ADSs exceeds the product of the number of additional shares we deliver in respect thereof and 97% of the fundamental change share price, we will, if we are legally able to do so, declare and pay such excess amount in cash. See Description of Mandatory Convertible Preferred Shares Conversion at the Option of the Holder Upon Fundamental Change; Fundamental Change Dividend Make-Whole Amount.
Anti-Dilution Adjustments	The conversion rate may be adjusted in the event of, among other things: (1) issuance of ordinary shares as a dividend or other distribution; (2) certain issuances of ordinary share rights or warrants to purchase our ordinary shares at less than the current market price; (3) subdivisions or combinations of our ordinary shares; (4) certain distributions of evidences of our indebtedness, shares of our share capital, securities, rights to acquire shares of our share capital, cash or other assets, including share capital of subsidiaries or other business units in spin–offs; (5) dividends or other distributions consisting exclusively of cash other than a regular, quarterly cash dividend the gross amount of which does not exceed $0.34 per ordinary share or in connection with certain reorganization events, a voluntary or involuntary liquidation, dissolution or winding up, or a tender or exchange offer; and (6) certain self-tender or exchange offers for our ordinary shares or ADSs. See Description of Mandatory Convertible Preferred Shares Anti-Dilution Adjustments.
Liquidation Preference	$1,000.00 per Mandatory Convertible Preferred Share.
Voting Rights	Except as specifically provided by Israeli law or as explicitly set forth in our Articles, the Mandatory Convertible Preferred Shares shall not confer upon the holders thereof any voting rights or the right to appoint directors or any other right with respect to our annual meetings and special meetings.
	We will not, without the adoption of a resolution, by a majority of at least three-quarters in voting power of the Mandatory Convertible Preferred Shares who are present, entitled to vote thereon (if any) and voting thereon, voting together as a single class, at a meeting where a quorum of two-thirds of the then outstanding Mandatory Convertible Preferred Shares is present in person or by proxy: (1) amend or alter the provisions of our memorandum of association (the Memorandum) or

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our Articles so as to authorize or create, or increase the authorized amount of, any specific class or series of senior shares (as defined below); (2) amend, alter or repeal the provisions of our Articles so as to adversely affect the special rights, preferences, privileges or voting powers of the Mandatory Convertible Preferred Shares; or (3) consummate a binding share exchange or reclassification involving the Mandatory Convertible Preferred Shares or a merger or consolidation of us with another entity, unless in each case the Mandatory Convertible Preferred Shares remain outstanding or, in the case of any such merger or consolidation with respect to which we are not the surviving or resulting entity, are replaced by preferred shares of the surviving or resulting entity, and the Mandatory Convertible Preferred Shares that remain outstanding or such preferred shares, as the case may be, have terms, taken as a whole, not materially less favorable to holders, in each case subject to certain exceptions. For more information about voting rights, see Description of Mandatory Convertible Preferred Shares Voting Rights.

Certain matters, such as increasing the amount of authorized Mandatory Convertible Preferred Shares or the issuance of additional Mandatory Convertible Preferred Shares or the authorization or creation of any class or series of parity shares (as defined below) or junior shares (as defined below), will not require the consent or the adoption of a resolution by the holders of the Mandatory Convertible Preferred Shares. For more information, see Description of Mandatory Convertible Preferred Shares Voting rights and Risk Factors Risks Related to the Mandatory Convertible Preferred Shares and ADSs You will have no voting rights except under limited circumstances.

Notwithstanding the foregoing, pursuant to temporary guidelines issued by the Tel Aviv Stock Exchange, the conversion dates and the conversion rates and mechanisms, including the anti-dilution adjustments and adjustments in the event of recapitalizations or reclassifications as described herein cannot be changed.

Ranking

The Mandatory Convertible Preferred Shares will rank with respect to dividend rights and distribution rights upon our liquidation, winding-up or dissolution:

- senior to (i) our ordinary shares, ordinary A shares and deferred shares and (ii) each class or series of our share capital established in the future unless the terms of such shares expressly provide that they will rank senior to, or on parity with, the Mandatory Convertible Preferred Shares (junior shares);
- on parity with each class or series of our share capital established in the future the terms of which expressly provide that they will rank on parity with the Mandatory Convertible Preferred Shares (parity shares); and
- junior to each class or series of our share capital established in the future the terms of which expressly provide that they will rank senior to the Mandatory Convertible Preferred Shares (senior shares).

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	For information concerning the ranking of the Mandatory Convertible Preferred Shares, see Description of Mandatory Convertible Preferred Shares Ranking.
	As of September 30, 2015, we had a total of approximately $11.7 billion of outstanding indebtedness and, on an as-adjusted basis after giving effect to the proposed debt financings and the Actavis Generics acquisition (but not the Rimsa acquisition), would have had approximately $38.7 billion of outstanding indebtedness, in each case including long-term debt and short-term debt. We have the ability to, and may incur, additional indebtedness in the future.
Use of Proceeds	We estimate that the net proceeds to us from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $3.29 billion (or approximately $3.62 billion if the underwriters exercise their overallotment option in full).
	We expect to use the net proceeds of this offering, together with the net proceeds of the concurrent ADS offering and the proposed debt financings, to finance the cash consideration portion of the purchase price for the Actavis Generics acquisition and related fees and expenses, to finance our pending Rimsa acquisition and/or otherwise for general corporate purposes. In the event that we do not consummate the Actavis Generics acquisition and the Rimsa acquisition for any reason, then we expect to use the net proceeds from this offering for general corporate purposes.
Additional Tax Amounts	All payments made by the Company on or with respect to the Mandatory Convertible Preferred Shares (including but not limited to dividend payments) will be made without withholding or deduction for taxes imposed by relevant tax jurisdictions, unless such withholding or deduction is required by law. In certain cases and subject to certain exceptions, if there is a change in tax laws, the Company will pay such additional amounts as may be necessary so that the net amount received by holders of the Mandatory Convertible Preferred Shares after such change will not be less than the amount that would have been received in the absence of such change. For a description of current Israeli withholding, see Israeli Tax Considerations.
United States Federal Income Tax Considerations	The material United States federal income tax consequences of purchasing, owning and disposing of the Mandatory Convertible Preferred Shares and any ADSs received upon conversion are described in United States Federal Income Tax Considerations.
Israeli Tax Considerations	The material Israeli tax consequences of purchasing, owning and disposing of the Mandatory Convertible Preferred Shares and any ADSs received upon conversion are described in Israeli Tax Considerations.

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Listing	We do not intend to list the Mandatory Convertible Preferred Shares on any securities exchange. Our ADSs are listed on the NYSE under the symbol TEVA. Our ordinary shares are listed on the Tel Aviv Stock Exchange.
Concurrent ADS Offering	Concurrently with this offering, we are offering, by means of a separate prospectus supplement, 54,000,000 of our ADSs, plus up to an additional 5,400,000 of our ADSs that the underwriters of such offering have the option to purchase from us solely to cover overallotments, if any, at a public offering price of $62.50 per ADS. The proceeds of such offering are expected to also be used to finance the Actavis Generics acquisition or otherwise for general corporate purposes. For a description of the ADSs and the ordinary shares, see Description of American Depositary Shares and Description of Ordinary Shares in the accompanying prospectus.
Transfer Agent and Registrar	Computershare Trust Company, N.A. is the transfer agent and registrar for the Mandatory Convertible Preferred Shares.
Payment and Settlement	The Mandatory Convertible Preferred Shares are expected to be delivered against payment on December 8, 2015. The Mandatory Convertible Preferred Shares will be registered in the name of a nominee of Depository Trust Company (DTC) in New York, New York. In general, beneficial ownership interests in the Mandatory Convertible Preferred Shares will be shown on, and transfers of these beneficial ownership interests will be effected only through, records maintained by DTC and its direct and indirect participants.

Immediately after the consummation of this offering, we will have 3,375,000 Mandatory Convertible Preferred Shares issued and outstanding (or 3,712,500 if the underwriters exercise their overallotment option in full). Immediately after the completion of the concurrent ADS offering, we will have approximately 1,015 million of our ordinary shares (including ADSs representing ordinary shares) issued and outstanding, excluding:

- 5,400,000 of our ADSs issuable upon the exercise of the underwriters overallotment option in the concurrent ADS offering;
- the issuance of approximately 100 million ordinary shares (or ADSs with respect thereto) to pay the aggregate stock consideration portion of the Actavis Generics acquisition;
- the issuance, upon conversion of the Mandatory Convertible Preferred Shares, of a number of our ADSs equal to up to the product of (i) the number of Mandatory Convertible Preferred Shares offered hereby, multiplied by (ii) the maximum conversion rate (as defined below), together with any ADSs issued in respect of accrued and unpaid dividends, as well as applicable make-whole amounts, upon conversion of the Mandatory Convertible Preferred Shares;
- an aggregate of approximately 30 million of our ordinary shares (or ADSs with respect thereto) reserved for issuance under our various share compensation plans as of September 30, 2015; and
- an aggregate of approximately 3.8 million of our ordinary shares (or ADSs with respect thereto) issuable upon conversion of our outstanding convertible debentures.

Risk Factors

See Risk Factors beginning on page S-15 of this prospectus supplement for a discussion of factors to which you should refer and carefully consider prior to making an investment in the Mandatory Convertible Preferred Shares.

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Summary Selected Historical and Pro Forma Financial Data of Teva

The following summary selected operating data of Teva for each of the years in the three-year period ended December 31, 2014 and summary selected balance sheet data at December 31, 2014 and 2013 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 summary selected operating data for each of the years in the two-year period ended December 31, 2011 and summary selected balance sheet data at December 31, 2012, 2011 and 2010 are derived from other audited consolidated financial statements of Teva, which have been prepared in accordance with U.S. GAAP.

The unaudited pro forma financial information of Teva is based upon the historical financial statements of Teva and the special purpose combined statements of net assets acquired and revenues and direct expenses of Actavis Generics for the year ended December 31, 2014 and the nine month period ended September 30, 2015, each of which are incorporated by reference herein, adjusted to give effect to the Actavis Generics acquisition and related financing, as described under Unaudited Pro Forma Condensed Combined Financial Statements included in this prospectus supplement.

The summary selected unaudited financial data of Teva as of and for each of the nine-month periods ended September 30, 2015 and 2014 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. Comparability of data across the periods set forth below is affected by acquisitions that occurred during those periods.

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 for the year ended December 31, 2014 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.

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Operating Data

	For the nine months ended September 30,			For the year ended December 31,					
	2015 Pro forma	2015 (unaudited)	2014	Pro forma 2014	2014	2013	2012	2011	2010
	U.S. dollars in millions (except per share and share amounts)								
Net revenues	19,051	14,771	15,104	26,160	20,272	20,314	20,317	18,312	16,121
Cost of sales	9,700	6,262	6,937	13,865	9,216	9,607	9,665	8,797	7,056
Gross profit	9,351	8,509	8,167	12,295	11,056	10,707	10,652	9,515	9,065
Research and development expenses	1,401	1,079	1,109	1,966	1,488	1,427	1,356	1,095	951
Selling and marketing expenses	2,981	2,562	2,855	4,504	3,861	4,080	3,879	3,478	2,968
General and administrative expenses	1,346	948	897	1,741	1,217	1,239	1,238	932	865
Legal settlements, loss contingencies, impairments, restructuring and others	1,669	1,499	297	650	539	2,312	1,974	901	410
Operating income	1,954	2,421	3,009	3,434	3,951	1,649	2,205	3,109	3,871
Financial expenses net	1,239	930	243	614	313	399	386	153	225
Income before income taxes	715	1,491	2,766	2,820	3,638	1,250	1,819	2,956	3,646
Income taxes	231	385	405	428	591	(43)	(137)	127	283
Share in losses of associated companies net	7	7	13	5	5	40	46	61	24
Net income	477	1,099	2,348	2,387	3,042	1,253	1,910	2,768	3,339
Net income (loss) attributable to non-controlling interests	11	11	(20)	(13)	(13)	(16)	(53)	9	8
Net income attributable to Teva	466	1,088	2,368	2,400	3,055	1,269	1,963	2,759	3,331
Earnings per share attributable to Teva:									
Basic ($)	0.44	1.28	2.78	2.26	3.58	1.49	2.25	3.10	3.72
Diluted ($)	0.44	1.26	2.76	2.25	3.56	1.49	2.25	3.09	3.67
Weighted average number of shares (in millions):									
Basic	1,060	851	852	1,062	853	849	872	890	896
Diluted	1,069	860	857	1,067	858	850	873	893	921

Balance Sheet Data

	As of September 30, 2015		As of December 31,				
	Pro Forma (unaudited)	2014	2013	2012	2011	2010
	U.S. dollars in millions					
Financial assets (cash, cash equivalents and marketable securities)	1,731	2,042	2,601	1,245	3,089	1,748	1,549

Working capital (operating assets minus liabilities)	3,793	742	1,642	2,493	3,589	3,937	3,835
Total assets	98,888	48,625	46,420	47,508	50,609	50,142	38,152
Short-term debt and current maturities of long term liabilities	24,398	2,148	1,761	1,804	3,006	4,280	2,771
Long-term debt, net of current maturities	14,266	9,516	8,566	10,387	11,712	10,236	4,110
Total debt	38,664	11,664	10,327	12,191	14,718	14,516	6,881
Total equity	35,595	22,900	23,355	22,636	22,867	22,343	22,002

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RISK FACTORS

Before you invest in the Mandatory Convertible Preferred Shares, 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 also Forward-Looking Statements.

Risks Related to Our Business

Investment in our securities involves 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, 2014, 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 Actavis Generics Acquisition

If the Actavis Generics acquisition is consummated, generics will be a significantly larger component of our business.

For the nine months ended September 30, 2015, our generics segment represented approximately 46% of our revenues. Following the consummation of the Actavis Generics acquisition, generics will comprise a significantly larger component of our business, expected to be approximately 60% of our revenues. Accordingly, we will be increasingly subject to the risks associated with that business.

Teva may fail to realize all of the anticipated benefits of the Actavis Generics acquisition or those benefits may take longer to realize than expected. Teva may also encounter significant difficulties in integrating Actavis Generics.

The ability of Teva to realize the anticipated benefits of the Actavis Generics acquisition will depend, to a large extent, on Teva s ability to integrate the Actavis Generics business. The combination of two independent businesses is a complex, costly and time-consuming process. As a result, Teva and Actavis Generics will be required to devote significant management attention and resources prior to closing to prepare for integrating, and Teva will be required to devote significant management attention and resources post-closing to integrate, the business practices and operations of Teva and Actavis Generics. The integration process may disrupt the businesses and, if implemented ineffectively, would restrict the realization of the full expected benefits. The failure to meet the challenges involved in integrating the two businesses and to realize the anticipated benefits of the transactions could cause an interruption of, or a loss of momentum in, the activities of the combined businesses and could adversely affect the results of operations of the combined businesses.

In addition, the overall integration of the businesses may result in material unanticipated problems, expenses, liabilities, competitive responses, loss of customer and other business relationships, and diversion of management s attention. The difficulties of combining the operations of the companies include, among others:

- the diversion of management s attention to integration matters;
- difficulties in achieving anticipated cost savings, synergies, business opportunities and growth prospects from the combination;
- difficulties in the integration of operations and systems;
- conforming standards, controls, procedures and accounting and other policies, business cultures and compensation structures between the two companies;

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- difficulties in the assimilation of employees;
- difficulties in managing the expanded operations of a significantly larger and more complex company;
- challenges in keeping existing customers and obtaining new customers;
- challenges in attracting and retaining key personnel; and
- coordinating a geographically dispersed organization.

Many of these factors will be outside of our control and any one of them could result in increased costs, decreases in the amount of expected revenues and diversion of management s time and energy, which could materially impact the business, financial condition and results of operations of the combined company. In addition, even if the operations of the businesses of Teva and Actavis Generics are integrated successfully, the full benefits of the transactions and other pending acquisitions (such as the Rimsa acquisition) may not be realized, including the synergies, cost savings or sales or growth opportunities that are expected. These benefits may not be achieved within the anticipated time frame, or at all. Further, additional unanticipated costs may be incurred in the integration of the businesses of Teva and Actavis Generics. All of these factors could cause dilution to the earnings per share of Teva, decrease or delay the expected accretive effect of the transactions, and negatively impact the price of the Mandatory Convertible Preferred Shares or our ADSs. As a result, it cannot be assured that the Actavis Generics acquisition will result in the realization of the full benefits anticipated from such transaction.

If the Actavis Generics acquisition is consummated, Teva will incur a substantial amount of debt to finance the aggregate cash consideration portion and certain other amounts to be paid in connection with the acquisition, which will increase its expenses and could adversely affect Teva s business, including by restricting its ability to engage in additional transactions or incur additional indebtedness or resulting in a downgrade or other adverse action with respect to Teva s credit rating.

In connection with the Actavis Generics acquisition, Teva expects that one or more of its subsidiaries will borrow approximately $27 billion through various debt financings that it will guarantee. Following the completion of the acquisition, on a pro forma basis, giving effect to the incurrence of debt, the consolidated debt of Teva would have been approximately $38.7 billion as of September 30, 2015. As a result, Teva s borrowing costs will increase significantly.

This substantial level of debt could have important consequences to Teva s business, including, but not limited to:

- reducing the benefits Teva expects to receive from the Actavis Generics acquisition;
- making it more difficult for Teva to satisfy its obligations;
- limiting Teva s ability to borrow additional funds and increasing the cost of any such borrowing;
- increasing Teva s vulnerability to, and reducing its flexibility to respond to, general adverse economic and industry conditions;
- limiting Teva s flexibility in planning for, or reacting to, changes in its business and the industry in which it operates;
- placing Teva at a competitive disadvantage as compared to its competitors, to the extent that they are not as highly leveraged; and

restricting Teva from pursuing certain business opportunities.

Teva s credit ratings impact the cost and availability of future borrowings and, accordingly, Teva s cost of capital. Teva s ratings at any time will reflect each rating organization s then opinion of Teva s financial

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strength, operating performance and ability to meet its debt obligations. Following the announcement of the Actavis Generics acquisition, Standard and Poor s Financial Services LLC and Moody s Investor Service, Inc. downgraded Teva s ratings to BBB+ and Baa1, respectively, and expect to further downgrade Teva s ratings in connection with the consummation of the acquisition to BBB and Baa2, respectively. Any reduction in Teva s credit ratings may limit Teva s ability to borrow at interest rates consistent with the interest rates that have been available to Teva prior to the acquisition. If Teva s credit ratings are downgraded or put on watch for a potential downgrade, Teva may not be able to sell additional debt securities or borrow money in the amounts, at the times or interest rates or upon the more favorable terms and conditions that might be available if Teva s current credit ratings are maintained.

Teva expects that, for a period of time following the consummation of the Actavis Generics acquisition, Teva will have significantly less cash on hand than the pro forma cash on hand of the combined businesses prior to the closing. This reduced amount of cash could adversely affect Teva s ability to grow.

Teva is expected to have, for a period of time following the consummation of the Actavis Generics acquisition, significantly less cash and cash equivalents on hand than the approximately $928 million of cash and cash equivalents that Teva had as of September 30, 2015. On a pro forma basis, giving effect to the Actavis Generics acquisition as if it had been consummated on September 30, 2015, Teva would have had $617 million of cash and cash equivalents. Although the management of Teva believes that it will have access to cash sufficient to meet Teva s business objectives and capital needs, the lessened availability of cash and cash equivalents for a period of time following the consummation of the Actavis Generics acquisition could constrain Teva s ability to grow its business. Teva s more leveraged financial position following the Actavis Generics acquisition could also make it vulnerable to general economic downturns and industry conditions, and place it at a competitive disadvantage relative to its competitors that have more cash at their disposal. In the event that Teva does not have adequate capital to maintain or develop its business, additional capital may not be available to Teva on a timely basis, on favorable terms, or at all.

The purchase agreement for the Actavis Generics acquisition may be terminated in accordance with its terms and the Actavis Generics acquisition may not be completed.

The purchase agreement for the Actavis Generics acquisition contains a number of conditions that must be fulfilled to complete the acquisition. Those conditions primarily consist of U.S. and European Union antitrust approvals and other customary conditions, including, among others, (i) the accuracy of representations and warranties and compliance with covenants and (ii) the absence of any material adverse effect with respect to Actavis Generics or Teva. The purchase agreement contains certain customary termination rights, including, among others, the right of either party to terminate the purchase agreement if the closing has not occurred by July 26, 2016, which date may be extended by up to an additional three months in certain circumstances.

While we intend to use the proceeds of this offering to fund the Actavis Generics acquisition, this offering is not contingent on the completion of the Actavis Generics acquisition. If the Actavis Generics acquisition is not consummated, holders of the Mandatory Convertible Preferred Shares will be exposed to the risks faced by the Company s existing business without any of the potential benefits from the Actavis Generics acquisition. In these circumstances, such holders will also be relying on the judgment of our management and board of directors with regard to the use of the proceeds from this offering, and will not have the opportunity, as part of their investment decision, to assess whether the proceeds are being used appropriately. In these circumstances it is possible that the proceeds will be invested in a way that does not yield a favorable, or any, return for us or our securityholders. In addition, if the purchase agreement is terminated in specified circumstances, certain termination fees become payable.

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Teva and Allergan must obtain governmental and regulatory consents to consummate the Actavis Generics acquisition, which if delayed or not granted or granted with unacceptable conditions, may prevent, delay or jeopardize the consummation of the transaction, result in additional expenditures of money and resources and/or reduce the anticipated benefits of the transaction.

Consummation of the Actavis Generics acquisition will require approval by certain governmental and regulatory authorities, including those required under the antitrust and competition laws of those in the U.S., the European Union and certain other foreign countries and authorities. The governmental agencies with which the parties will make these filings and seek certain of these approvals and consents have broad discretion in administering the governing regulations. Teva can provide no assurance that all required approvals and consents will be obtained. Moreover, as a condition to their approval of the transaction, certain governmental agencies may impose requirements, limitations or costs or require divestitures or place restrictions on the conduct of the business of the combined company after the closing of the acquisition. Any one of these requirements, limitations, costs, divestitures or restrictions could jeopardize or delay the effective time of the acquisition or materially reduce the anticipated benefits of the transaction. If the parties to the transaction agree to any material requirements, limitations, costs, divestitures or restrictions in order to obtain any approvals or clearances required to consummate the acquisition, these requirements, limitations, costs, divestitures or restrictions could adversely affect Teva s ability to integrate Actavis Generics with its operations and/or reduce or eliminate the anticipated benefits of the transaction. This could result in a failure to consummate the transactions or have a material adverse effect on the business and results of operations of the combined company. In addition, if the purchase agreement is terminated under certain circumstances by Allergan or Teva due to failure to obtain necessary antitrust approvals, then Teva must pay Allergan $1 billion.

The actual financial positions and results of operations of Teva and Actavis Generics may differ materially from the unaudited pro forma financial data included in this prospectus supplement.

The pro forma financial information contained in this prospectus supplement is presented for illustrative purposes only and may not be an indication of what Teva s financial position or results of operations would have been had the transactions been completed on the dates indicated. The pro forma financial information has been derived from the audited and unaudited historical financial statements of Teva, and Actavis Generics and certain adjustments and assumptions have been made regarding the combined businesses after giving effect to the transactions. The assets and liabilities of Actavis Generics have been measured at fair value based on various preliminary estimates using assumptions that Teva s management believes are reasonable utilizing information currently available. The process for estimating the fair value of acquired assets and assumed liabilities requires the use of judgment in determining the appropriate assumptions and estimates. These estimates may be revised as additional information becomes available and as additional analyses are performed. Differences between preliminary estimates in the pro forma financial information and the final acquisition accounting will occur and could have a material impact on the pro forma financial information and the combined company s financial position and future results of operations.

In addition, the assumptions used in preparing the pro forma financial information may not prove to be accurate, and other factors may affect Teva s financial condition or results of operations following the closing. Any potential decline in Teva s financial condition or results of operations may cause significant variations in Teva s share price.

Teva will incur direct and indirect costs as a result of the Actavis Generics acquisition.

Teva will incur substantial expenses in connection with and as a result of completing the Actavis Generics acquisition and, over a period of time following the completion of the Actavis Generics acquisition, Teva further expects to incur substantial expenses in connection with coordinating the businesses, operations, policies and procedures of Teva and Actavis Generics. While Teva has assumed that a certain level of transaction expenses will be incurred, factors beyond Teva s control could affect the total amount or the timing of these expenses. Many of the expenses that will be incurred, by their nature, are difficult to estimate accurately.

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Risks Related to the Mandatory Convertible Preferred Shares and ADSs

You will bear the risk of a decline in the market price of our ADSs between the pricing date for the Mandatory Convertible Preferred Shares and the mandatory conversion date.

The number of our ADSs that you will receive upon mandatory conversion of the Mandatory Convertible Preferred Shares is not fixed but instead will depend on the applicable market value of our ADSs, which is the average VWAP per ADS over the 20 consecutive trading day period beginning on and including the 22nd scheduled trading day immediately preceding the mandatory conversion date. The aggregate market value of our ADSs that you would receive upon mandatory conversion may be less than the aggregate liquidation preference of the Mandatory Convertible Preferred Shares. Specifically, if the applicable market value of our ADSs is less than the reference price of $62.50, the market value of our ADSs that you would receive upon mandatory conversion of each Mandatory Convertible Preferred Share will be less than the $1,000.00 liquidation preference, and an investment in the Mandatory Convertible Preferred Shares would result in a loss. Accordingly, you will bear the risk of a decline in the market price of our ADSs. Any such decline could be substantial.

The opportunity for equity appreciation provided by your investment in the Mandatory Convertible Preferred Shares is less than that provided by a direct investment in our ADSs.

The market value of our ADSs that you would receive upon mandatory conversion of each Mandatory Convertible Preferred Share on the mandatory conversion date will only exceed the liquidation preference of $1,000.00 per Mandatory Convertible Preferred Share if the applicable market value of our ADSs exceeds the threshold appreciation price of $75.00. The threshold appreciation price represents an appreciation of 20% over the reference price. In this event, you would receive on the mandatory conversion date approximately 83.33% (which percentage is equal to the reference price divided by the threshold appreciation price) of the value of our ADSs that you would have received if you had made a direct investment in our ADSs on the date of this prospectus supplement. This means that the opportunity for equity appreciation provided by an investment in the Mandatory Convertible Preferred Shares is less than that provided by a direct investment in our ADSs.

In addition, if the market value of our ADSs appreciates and the applicable market value of our ADSs is equal to or greater than the reference price but less than or equal to the threshold appreciation price, the aggregate market value of our ADSs that you would receive upon mandatory conversion will only be equal to the aggregate liquidation preference of the Mandatory Convertible Preferred Shares, and you will realize no equity appreciation on our ADSs.

Investors will not have any rights to require us to redeem the Mandatory Convertible Preferred Shares for any reason, including in the event that the Actavis Generics acquisition is not completed.

Investors will not have any rights to require us to redeem the Mandatory Convertible Preferred Shares for any reason, including, in the event that the Actavis Generics acquisition is not completed. Further, investors will not have any right to require us to redeem the Mandatory Convertible Preferred Shares if, subsequent to the completion of this offering, we or Actavis Generics experience any changes in our business or financial condition or if the terms of the Actavis Generics acquisition or the financing thereof change.

Our ability to declare and pay dividends on the Mandatory Convertible Preferred Shares may be limited.

Our declaration and payment of dividends on the Mandatory Convertible Preferred Shares in the future will be determined by our board of directors (or, to the extent permissible under applicable law and the Articles, an authorized committee thereof) in its sole discretion and will depend on business conditions, our financial condition, earnings and liquidity and other factors. The agreements governing any of our and our subsidiaries existing or future indebtedness may limit our ability to declare and pay dividends on our ordinary shares and the Mandatory Convertible Preferred Shares. In the event that the agreements governing any such indebtedness restrict our ability to declare and pay dividends in cash on the Mandatory Convertible Preferred Shares, we may be unable to declare and pay dividends in cash on the Mandatory Convertible Preferred Shares unless we can repay or refinance the amounts outstanding under such agreements.

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Under Israeli law, we may declare and pay a dividend only if, upon the reasonable determination of our board of directors, the distribution will not prevent us from being able to meet the terms of our existing and foreseeable obligations as they become due. Under the Israeli Companies Law, the distribution amount is further limited to the greater of retained earnings or earnings accumulated over the two most recent years according to our then last adjusted, reviewed or audited financial statements, provided that the date of the financial statements is not more than six months prior to the date of distribution. In the event that we do not have accumulated earnings legally available for distribution, as defined in the Israeli Companies Law, we may seek the approval of the court in order to distribute a dividend. The court may approve our request if it is convinced that there is no reasonable concern that the payment of a dividend will prevent us from satisfying our existing and foreseeable obligations as they become due.

If upon an early conversion at the option of a holder we have not declared and paid all or any portion of the accumulated dividends payable on the Mandatory Convertible Preferred Shares for specified periods prior to such conversion, converting holders will receive an additional number of ADSs having a market value generally equal to the amount of such undeclared, accumulated and unpaid dividends, subject and pursuant to the calculations and limitations described under Description of Mandatory Convertible Preferred Shares Conversion at the Option of the Holder . Furthermore, upon mandatory conversion or conversion at the option of the holder upon a fundamental change, we may, at our sole discretion, pay any undeclared, unpaid and accumulated dividends (as well as the dividend make-whole amount, in the event of a conversion upon a fundamental change) in ADSs, having a market value generally equal to the amount of such dividend amounts, subject and pursuant to the calculations and limitations described under Description of Mandatory Convertible Preferred Shares Mandatory Conversion, and Description of Mandatory Convertible Preferred Shares Conversion at the Option of the Holder Upon Fundamental Change; Fundamental Change Dividend Make-Whole Amount, respectively. Due to the calculations and limitations used in determining the number of ADSs to be issued in lieu of any undeclared, unpaid and accumulated dividends (or in lieu of any dividend make-whole amount) in the event of an early conversion upon a fundamental change, in certain circumstances, a certain shortfall may occur between the value of the ADSs so issued and the respective dividend amounts in lieu of which they were issued, which we may be required to pay in cash, provided that we are legally permitted to do so and are not restricted by the terms of our indebtedness at that time. However, we will not have any obligation to pay any such shortfall in in the event of an early conversion at the option of the holder.

Recent regulatory actions may adversely affect the trading price and liquidity of the Mandatory Convertible Preferred Shares.

Investors in, and potential purchasers of, the Mandatory Convertible Preferred Shares who employ, or seek to employ, a convertible arbitrage strategy with respect to the Mandatory Convertible Preferred Shares may be adversely impacted by regulatory developments that may limit or restrict such a strategy. The SEC and other regulatory and self-regulatory authorities have implemented various rules and may adopt additional rules in the future that restrict and otherwise regulate short selling and over-the-counter swaps and security-based swaps, which restrictions and regulations may adversely affect the ability of investors in, or potential purchasers of, the Mandatory Convertible Preferred Shares to conduct a convertible arbitrage strategy with respect to the Mandatory Convertible Preferred Shares. This could, in turn, adversely affect the trading price and liquidity of the Mandatory Convertible Preferred Shares.

The adjustment to the conversion rate and the payment of the fundamental change dividend make-whole amount upon the occurrence of certain fundamental changes may not adequately compensate you.

If a fundamental change (as defined in Description of Mandatory Convertible Preferred Shares Conversion at the Option of the Holder Upon Fundamental Change; Fundamental Change Dividend Make-Whole Amount) occurs on or prior to the mandatory conversion date, holders will be entitled to convert their Mandatory Convertible Preferred Shares during the fundamental change conversion period at the fundamental change conversion rate (in each case as defined in Description of Mandatory Convertible Preferred

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Shares Conversion at the Option of the Holder Upon Fundamental Change; Fundamental Change Dividend Make-Whole Amount). The fundamental change conversion rate provides an adjustment to the conversion rate otherwise applicable unless the fundamental change share price (as defined in Description of Mandatory Convertible Preferred Shares Conversion at the Option of the Holder upon Fundamental Change; Fundamental Change Dividend Make-whole Amount) is less than $30.00 or above $300.00 (in each case, subject to adjustment). In addition, with respect to any Mandatory Convertible Preferred Shares converted during the fundamental change conversion period, you will also receive, among other consideration, a fundamental change dividend make-whole amount in cash, ADSs or a combination thereof, at our election. Although this adjustment to the conversion rate and the payment of the fundamental change dividend make-whole amount are designed to compensate you for the lost option value of the Mandatory Convertible Preferred Shares and lost dividends as a result of a fundamental change, they are only an approximation of such lost value and lost dividends and may not adequately compensate you for your actual loss.

The conversion rate of the Mandatory Convertible Preferred Shares may not be adjusted for all dilutive events that may adversely affect the market price of the Mandatory Convertible Preferred Shares or our ADSs issuable upon conversion of the Mandatory Convertible Preferred Shares.

The number of our ADSs that you are entitled to receive upon conversion of the Mandatory Convertible Preferred Shares is subject to adjustment for share splits and combinations, share dividends and certain other transactions described in Description of Mandatory Convertible Preferred Shares Anti-Dilution Adjustments, including in the event we declare dividends on our ordinary shares above our current rate of $0.34 per share per quarter. However, other events, such as employee and director option grants or offerings of our ADSs or securities convertible into our ADSs (other than those set forth in Description of Mandatory Convertible Preferred Shares Anti-dilution adjustments) for cash or in connection with acquisitions, which may adversely affect the market price of our ADSs, may not result in any adjustment. Further, if any of these other events adversely affects the market price of our ADSs, it may also adversely affect the market price of the Mandatory Convertible Preferred Shares. In addition, the terms of the Mandatory Convertible Preferred Shares do not restrict our ability to offer ADSs or securities convertible into ADSs in the future or to engage in other transactions that could dilute our ADSs. We have no obligation to consider the interests of the holders of the Mandatory Convertible Preferred Shares in engaging in any such offering or transaction.

You will have no rights with respect to our ADSs until the Mandatory Convertible Preferred Shares are converted, but you may be adversely affected by certain changes made with respect to our ADSs.

You will have no rights with respect to our ADSs, including voting rights, rights to respond to tender offers for our ADSs, if any, and rights to receive dividends or other distributions on our ADSs, if any (other than through a conversion rate adjustment), prior to the conversion date with respect to a conversion of the Mandatory Convertible Preferred Shares, but your investment in the Mandatory Convertible Preferred Shares may be negatively affected by these events. Upon conversion, you will be entitled to exercise the rights of a holder of ADSs only as to matters for which the record date occurs after the conversion date. For example, in the event that an amendment is proposed to our Articles requiring shareholder approval and the record date for determining the shareholders of record entitled to vote on the amendment occurs prior to the conversion date, you will not be entitled to vote on the amendment, unless the proposed amendment will adversely affect the rights, preferences, privileges or voting powers of the Mandatory Convertible Preferred Shares, although you will nevertheless be subject to any changes in the powers, preferences or rights of our ADSs. See Description of American Depositary Shares in the accompanying prospectus for further discussion of our ADSs.

You will have no voting rights except under limited circumstances.

You will have no voting rights, except in certain limited circumstances and as specifically required by Israeli law. In certain circumstances where the rights, preferences, privileges or voting powers of the Mandatory Convertible Preferred Shares are adversely affected thereby, holders of the Mandatory Convertible Preferred

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Shares will have the right to vote with respect to certain amendments to our Articles or in connection with certain reclassifications, mergers or consolidation transactions. See Description of Mandatory Convertible Preferred Shares Voting Rights. You will have no right to vote for any members of our board of directors.

The Mandatory Convertible Preferred Shares will rank junior to all of our consolidated liabilities.

In the event of a bankruptcy, liquidation, dissolution or winding up, our assets will be available to pay obligations on the Mandatory Convertible Preferred Shares only after all of our consolidated liabilities have been paid. In the event of a bankruptcy, liquidation, dissolution or winding up, there may not be sufficient assets remaining, after paying our and our subsidiaries liabilities, to pay amounts due on any or all of the Mandatory Convertible Preferred Shares then outstanding. As of September 30, 2015, we had a total of approximately $11.7 billion of outstanding debt and, on an as-adjusted basis after giving effect to the Actavis Generics acquisition (but not the Rimsa acquisition) and the proposed debt financings, would have had approximately $38.7 billion of outstanding debt. We have the ability to, and may incur, additional debt in the future.

You may be subject to tax with respect to the Mandatory Convertible Preferred Shares even though you do not receive a corresponding cash distribution.

The conversion rate of the Mandatory Convertible Preferred Shares is subject to adjustment in certain circumstances. See Description of Mandatory Convertible Preferred Shares Anti-Dilution Adjustments. If, as a result of an adjustment (or failure to make an adjustment), your proportionate interest in our assets or earnings and profits is increased, you may be deemed to have received for U.S. federal income tax purposes a taxable distribution without the receipt of any cash. In addition, we may make certain distributions to holders of the Mandatory Convertible Preferred Shares that are paid in ADSs. In these circumstances and possibly others, a holder of Mandatory Convertible Preferred Shares may be subject to tax even though it has received no cash with which to pay that tax, thus giving rise to an out-of-pocket expense. Additionally, the amount of the dividend paid in ADSs, and tax withheld, may be calculated differently under U.S. and Israeli tax law. See United States Federal Income Tax Considerations and Israeli Tax Considerations for a further discussion of the U.S. federal tax implications and Israeli tax implications for U.S. shareholders and non-Israeli shareholders.

Certain rights of the holders of the Mandatory Convertible Preferred Shares and certain contractual and statutory provisions could delay or prevent an otherwise beneficial takeover or takeover attempt of us and, therefore, the ability of holders of Mandatory Convertible Preferred Shares to exercise their rights associated with a potential fundamental change.

Certain rights of the holders of the Mandatory Convertible Preferred Shares could make it more difficult or more expensive for a third party to acquire us. For example, if a fundamental change were to occur on or prior to December 15, 2018, holders of the Mandatory Convertible Preferred Shares may have the right to convert their Mandatory Convertible Preferred Shares, in whole or in part, at an increased conversion rate and will also be entitled to receive a fundamental change dividend make-whole amount equal to the present value of all remaining dividend payments on their Mandatory Convertible Preferred Shares. See Description of Mandatory Convertible Preferred Shares Conversion at the Option of the Holder Upon Fundamental Change; Fundamental Change Dividend Make-Whole Amount. These features of the Mandatory Convertible Preferred Shares could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management.

The Israeli withholding rate on dividend distributions is uncertain and may vary from distribution to distribution.

The rate of withholding taxes under Israeli law applicable to dividend payments with respect to the Mandatory Convertible Preferred Shares and ADSs depends on the profits out of which Teva chooses to make the payments. Accordingly, withholding on dividend distributions could be imposed generally at a rate of 15%,

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20% or 25%, or a blended rate between 15% and 25%, unless the shareholder is or was a substantial shareholder, as defined under Israeli law. See Israeli Tax Considerations Israeli Taxation Applicable to Holders of Mandatory Convertible Preferred Shares and ADSs Capital Gains and Income Taxes Applicable to Israeli Resident Shareholders and Withholding Taxes on Dividends Distributed by Teva to Non-Israeli Residents. Holders should consult their tax advisors regarding the availability of the foreign tax credit under the holder s particular circumstances and the requirements for claiming such credit.

An active trading market for the Mandatory Convertible Preferred Shares does not exist and may not develop.

The Mandatory Convertible Preferred Shares are a new issue of securities with no established trading market. We do not intend to list the Mandatory Convertible Preferred Shares on any securities exchange. Even if a trading market for the Mandatory Convertible Preferred Shares does develop, the depth or liquidity of that market or the ability of the holders to sell the Mandatory Convertible Preferred Shares, or to sell the Mandatory Convertible Preferred Shares at a favorable price, may be limited.

The price of the Mandatory Convertible Preferred Shares and ADSs may be volatile.

We expect that generally the market price of our ADSs will affect the market price of the Mandatory Convertible Preferred Shares more than any other single factor. The market price of our ADSs may be influenced by many factors, some of which are beyond our control, including those described in or incorporated by reference in this Risk Factors section and the following:

- the factors described below under the heading Forward-Looking Statements;
- actual or anticipated fluctuations in our operating results or our competitors operating results;
- announcements by us or our competitors of new products, capacity changes, significant contracts, acquisitions or strategic investments;
- our growth rate and our competitors growth rates;
- the financial market and general economic conditions;
- changes in stock market analyst recommendations regarding us, our competitors or the pharmaceutical industry generally, or lack of analyst coverage of our ADSs;
- sales of our ADSs by our executive officers, directors and significant shareholders or any sales of substantial amounts of our ADSs;
- developments indicating the Actavis Generics acquisition will or will not occur;
- changes in accounting principles; and
- changes in tax laws and regulations.

In addition, we expect that the market price of the Mandatory Convertible Preferred Shares will be influenced by yield and interest rates in the capital markets, the time remaining to the mandatory conversion date, our creditworthiness and the occurrence of certain events affecting us that

do not require an adjustment to the conversion rate. Fluctuations in yield rates in particular may give rise to arbitrage opportunities based upon changes in the relative values of our ADSs and Mandatory Convertible Preferred Shares. Any such arbitrage could, in turn, cause a decrease in the market prices of our ADSs and the Mandatory Convertible Preferred Shares.

Sales of substantial amounts of our ADSs in the public market, or the perception that these sales may occur, could cause the market price of our ADSs, and thus the Mandatory Convertible Preferred Shares, to decline.

Sales of substantial amounts of our ADSs in the public market, including the shares being offered in our concurrent ADS offering and the approximately 100 million of our ordinary shares (or ADSs with respect

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thereto) being issued to pay the stock consideration portion of the Actavis Generics acquisition, or the perception that these sales may occur, or the conversion of the Mandatory Convertible Preferred Shares or the payment of dividends on the Mandatory Convertible Preferred Shares in the form of our ADSs, or the perception that such conversions or dividends could occur, could cause the market price of our ADSs and thus, the market price of the Mandatory Convertible Preferred Shares, to decline. This could also impair our ability to raise additional capital through the sale of our equity securities.

The availability of our ADSs for sale in the future could reduce the market price of our ADSs.

In the future we may issue additional securities to raise capital. We may also acquire interests in other companies using our ADSs or a combination of cash and our ADSs. We may also issue securities convertible into our ADSs in addition to the Mandatory Convertible Preferred Shares offered hereby. Any of these events may dilute your ownership interest in us and have an adverse impact on the price of our ADSs.

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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 anticipated results of acquisitions, including our pending Actavis Generics and Rimsa acquisitions;
- the development and launch of our products, including product approvals and results of clinical trials;
- projected markets and market size;
- anticipated results of litigation and regulatory proceedings;
- our projected revenues, market share, expenses, net income margins and capital expenditures; and
- our liquidity.

This prospectus supplement contains or incorporates by reference forward-looking statements, which express the current beliefs and expectations of management 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 develop and commercialize additional pharmaceutical products; competition for our specialty products, especially Copaxone® (including competition from orally-administered alternatives, as well as from generic equivalents such as the recently launched Sandoz product) and our ability to continue to migrate users to our 40 mg/mL version and maintain patients on that version; our ability to identify and successfully bid for suitable acquisition targets or licensing opportunities, or to consummate and integrate acquisitions (such as our pending Actavis Generics and Rimsa acquisitions); the possibility of material fines, penalties and other sanctions and other adverse consequences arising out of our ongoing FCPA investigations and related matters; our ability to achieve expected results from the research and development efforts invested in our pipeline of specialty and other products; our ability to reduce operating expenses to the extent and during the timeframe intended by our cost reduction program; the extent to which any manufacturing or quality control problems damage our reputation for high quality production and require costly remediation; increased government scrutiny in both the U.S. and Europe of our patent settlement agreements, confidentiality agreements and other measures to protect the intellectual property rights of our specialty medicines; the effects of reforms in healthcare regulation and pharmaceutical pricing, reimbursement and coverage; governmental investigations into sales and marketing practices, particularly for our specialty pharmaceutical products; adverse effects of political or economic instability, corruption or acts of terrorism on our significant worldwide operations; interruptions in our supply chain or problems with internal or third-party information technology systems that adversely affect our complex manufacturing processes; significant disruptions of our information technology systems or breaches of our security data; competition for our generic products, both from other pharmaceutical companies and as a result of increased governmental pricing pressures; competition for our specialty pharmaceutical businesses from companies with greater resources and capabilities; the impact of continuing consolidation of our distributors and customers; decreased opportunities to obtain U.S. market exclusivity for new generic products; potential liability in the U.S., Europe and other foreign markets for sales of generic products prior to a final resolution of outstanding patent litigation; our potential exposure to product liability claims that are not covered by insurance; any failure to retain key personnel, or to attract additional executive and managerial talent; any failures to comply with the complex Medicare and Medicaid reporting and payment obligations; significant impairments charges relating to intangible assets goodwill and property, plant and equipment; the effects of the increase of leverage

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and our resulting reliance on access to the capital markets; potentially significant increases in tax liabilities; the effect on our overall effective tax rate of the termination or expiration of governmental programs or tax benefits, or a change in our business; variations in patent laws that may adversely affect our ability to manufacture products in the most efficient manner; environmental risks; and other factors that are discussed in this prospectus supplement including under Risk Factors above, our Annual Report on Form 20-F for the year ended December 31, 2014, and in our other filings with the SEC.

Forward-looking statements speak only as of the date on which they are made and we assume no obligation to update or revise any forward-looking statements or other information contained herein, 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. These are factors that we believe 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 each of the periods presented below was as follows:

	Nine months ended September 30,	Year ended December 31,				
	2015	2014	2013	2012	2011	2010
Ratio of earnings to fixed charges	7.7	11.8	4.7	5.7	12.5	16.5

Teva did not have any issued and outstanding preferred shares for the relevant periods.

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CAPITALIZATION

The following table sets forth Teva s capitalization as of September 30, 2015:

- on a historical basis;
- on an as adjusted basis after giving effect to the net proceeds from this offering (but not the application of the net proceeds therefrom) based on the public offering price of $1,000 per Mandatory Convertible Preferred Share;
- on an as further adjusted basis to also give effect to the net proceeds from the concurrent ADS offering (but not the application of the net proceeds therefrom), based on the public offering price of $62.50 per ADS;
- on an as further adjusted basis to also give effect to the proposed debt financings (but not the application of the net proceeds therefrom); and
- on a pro forma basis to give effect to the consummation of the Actavis Generics acquisition, including the issuance of approximately 100 million Teva shares to Allergan (but not the Rimsa acquisition), estimated transaction costs, and the application of the net proceeds from this offering, the concurrent ADS offering and the proposed debt financings.

You should read this table together with our financial statements and pro forma information included or incorporated by reference in this prospectus supplement, as well as the information under Summary Actavis Generics Acquisition, Risk Factors and Use of Proceeds. Investors in the Mandatory Convertible Preferred Shares should not place undue reliance on the as adjusted information included in this prospectus supplement because this offering is not contingent upon any of the transactions reflected in the adjustments included in the following information.

	September 30, 2015 (Unaudited)				
	Actual	As Adjusted for this Offering	As Further Adjusted for the ADS Offering	As Further Adjusted for the Proposed Debt Financings	Pro Forma for the Actavis Generics Acquisition
	U.S. Dollars in Millions				
0.25% Convertible Senior Debentures due 2026	$ 521	$ 521	$ 521	$ 521	$ 521
New bridge loan facilities(1)				22,000	22,000
Other short-term debt, including current maturities	1,627	1,627	1,627	1,877	1,877
Total short-term debt	2,148	2,148	2,148	24,398	24,398
2.400% Senior Notes due 2016	950	950	950	950	950
0.99% and 1.42% JPY Term Loans due 2017 and 2019(2)	839	839	839	839	839
JPY LIBOR +0.3% Term Loan due 2018(2)	292	292	292	292	292
1.500% CHF Senior Notes due 2018(3)	463	463	463	463	463
2.875% EUR Senior Notes due 2019(4)	1,123	1,123	1,123	1,123	1,123
2.250% Senior Notes due 2020	700	700	700	700	700

3.650% Senior Notes due 2021	1,198	1,198	1,198	1,198	1,198
2.950% Senior Notes due 2022	843	843	843	843	843
1.25% EUR Senior Notes due 2023(5)	1,451	1,451	1,451	1,451	1,451
1.875% EUR Senior Notes due 2027(6)	781	781	781	781	781
6.150% Senior Notes due 2036	803	803	803	803	803
Term facilities	15	15	15	15	15
New term loan facilities				4,750	4,750
Other long-term debt, net of current maturities	58	58	58	58	58
Total long-term debt	$ 9,516	$ 9,516	$ 9,516	$ 14,266	$ 14,266

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	September 30, 2015 (Unaudited)				
	Actual	As Adjusted for this Offering	As Further Adjusted for the ADS Offering	As Further Adjusted for the Proposed Debt Financings	Pro Forma for the Actavis Generics Acquisition
	U.S. Dollars in Millions				
Equity:					
Teva shareholders equity:					
Mandatory Convertible Preferred Shares of NIS 0.10 par value per share; authorized 5 million shares; no shares issued prior to this offering		$ 3,290	$ 3,290	$ 3,290	$ 3,290
Ordinary shares of NIS 0.10 par value per share; authorized 2,495 million shares; 957 million shares issued prior to the concurrent ADS offering(7)	$ 50	$ 50	$ 51	$ 51	$ 54
Additional paid-in capital	14,425	14,425	17,715	17,715	23,900
Retained earnings	14,657	14,657	14,657	14,657	14,583
Accumulated other comprehensive loss	(2,141)	(2,141)	(2,141)	(2,141)	(2,141)
Treasury shares 109 million ordinary shares	(4,252)	(4,252)	(4,252)	(4,252)	(4,252)
	22,739	26,029	29,320	29,320	35,434
Non-controlling interests	161	161	161	161	161
Total equity	22,900	26,190	29,481	29,481	35,595
Total capitalization	$ 34,564	$ 37,854	$ 41,145	$ 68,145	$ 74,259

(1) Teva expects that borrowings under these bridge loan facilities will be reduced in proportion to the new notes that Teva expects to issue in the proposed debt financings.
(2) ¥100.5 billion senior unsecured fixed-rate term loan facility (equivalent amount based on exchange rate published by Bloomberg of ¥119.67 to $1 on September 30, 2015).
(3) CHF 450 million senior notes (equivalent amount based on the exchange rate published by Bloomberg of CHF0.9749 to $1 on September 30, 2015).
(4) 1 billion senior notes (equivalent amount based on the exchange rate published by Bloomberg of 0.8944 to $1 on September 30, 2015).
(5) 1.3 billion senior notes (equivalent amount based on the exchange rate published by Bloomberg of 0.8944 to $1 on September 30, 2015).
(6) 700 million senior notes (equivalent amount based on the exchange rate published by Bloomberg of 0.8944 to $1 on September 30, 2015).
(7) Pro forma includes $6.2 billion from the issuance of approximately 100 million Teva shares to Allergan, based on the closing price of a Teva share at November 20, 2015 of $61.70.

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USE OF PROCEEDS

We estimate that the net proceeds to us from this offering, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us, will be approximately $3.29 billion (or approximately $3.62 billion if the underwriters exercise their overallotment option in full).

We expect to use the net proceeds of this offering, together with the net proceeds of the concurrent ADS offering and the proposed debt financings, to finance the cash consideration portion of the purchase price for the Actavis Generics acquisition and related fees and expenses, to finance our pending Rimsa acquisition and/or otherwise for general corporate purposes. For additional information regarding sources and uses of funds in connection with the Actavis Generics acquisition, refer to notes 3 and 6 to the Unaudited Condensed Combined Financial Statements, together with Summary The Company Financing Transactions. In the event that we do not consummate the Actavis Generics acquisition and the Rimsa acquisition for any reason, then we expect to use the net proceeds from this offering for general corporate purposes.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The unaudited pro forma condensed combined statements of operations (pro forma statements of operations) for the nine months ended September 30, 2015 and for the year ended December 31, 2014 have been prepared by Teva and give effect to the acquisition of the global generics business and certain other assets of Allergan plc (Actavis Generics) as if the transaction had occurred on January 1, 2014.

The unaudited pro forma condensed combined balance sheet (pro forma balance sheet) as of September 30, 2015 combines the historical consolidated balance sheets of Teva and Actavis Generics (including financing that will occur upon consummation of the acquisition of Actavis Generics) as if the transactions had occurred on September 30, 2015.

In the preparation of the unaudited pro forma financial information Teva has received limited information from Allergan. Full access to all relevant information of Actavis Generics will only be available to Teva upon closing of the acquisition due to regulatory restrictions.

The historical consolidated financial information has been adjusted to give effect to pro forma events that are: (i) directly attributable to the aforementioned transactions, (ii) factually supportable, and (iii) with respect to the unaudited pro forma statements of operations, expected to have a continuing impact on the combined results.

The unaudited pro forma condensed combined financial statements (pro forma financial statements) should be read in conjunction with the accompanying notes to the unaudited pro forma financial statements. In addition, the unaudited pro forma financial statements were based on and should be read in conjunction with the:

- Unaudited condensed consolidated financial statements of Teva as of and for the nine months ended September 30, 2015 and the related notes, included in Teva s Report on Form 6-K, as filed with the SEC on October 29, 2015;

- Audited consolidated financial statements of Teva as of and for the year ended December 31, 2014 and the related notes, included in Teva s Annual Report on Form 20-F for the year ended December 31, 2014, as filed with the SEC on February 9, 2015;

- Unaudited abbreviated special purpose combined financial statements of Actavis Generics for the nine months ended September 30, 2015, as filed with the SEC on Form 6-K on November 30, 2015; and

- Audited special purpose combined statements of net assets acquired and revenues and direct expenses (abbreviated special purpose combined financial statements) of Actavis Generics as of and for the year ended December 31, 2014, as filed with the SEC on Form 6-K on November 30, 2015.

The unaudited pro forma financial statements are for informational purposes only. They do not purport to indicate the actual results that would have been attained had the acquisition of Actavis Generics been completed on the assumed dates or for the periods presented. In addition, the unaudited pro forma financial statements do not purport to project the future financial position or operating results of Teva following the acquisition of Actavis Generics.

The unaudited pro forma financial statements have been prepared assuming the application of the purchase method of accounting under U.S. GAAP, with Teva being the accounting acquirer.

To produce the unaudited pro forma financial information, Teva allocated the estimated purchase price for the acquisition of Actavis Generics using its best estimates of fair value. To the extent there are changes to the business of Actavis Generics or we obtain additional or more complete information related to the underlying assets and liabilities acquired, the assumptions and estimates herein could change significantly. The allocation of the purchase price is dependent upon certain valuations and other studies that are not yet finalized. Accordingly,

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the pro forma acquisition adjustments are preliminary, and subject to further adjustments, as additional information becomes available, and as additional analyses are performed. There can be no assurance that the final valuation will not result in material changes to the unaudited pro forma financial statements.

In addition, the unaudited pro forma financial statements do not reflect any cost savings (or the associated costs to achieve such savings), operating synergies or revenue enhancements that the combined company may achieve following the acquisition of Actavis Generics.

Furthermore, Teva could have additional expenses as a result of post-closing restructuring activities. The unaudited pro forma financial information does not reflect such potential expenses, which could be significant.

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Unaudited Pro Forma Balance Sheet Information as of September 30, 2015

(U.S. $ in millions)

	Historical	Special purpose, as adjusted*	Pro forma				Teva/Actavis Generics
	Teva September 30, 2015 I	Actavis Generics September 30, 2015 II	Pro forma adjustments III	Note	Financing adjustments IV	Note	Pro Forma Combined I+II+III+IV
ASSETS							
Current assets:							
Cash and cash equivalents	$ 928	$	$ (74)	4c	$ 33,750	6a	**$ 617**
			(33,750)	3, 4a	(237)	6c, 6f	
Accounts receivable	5,275	2,878					**8,153**
Inventories	4,092	1,163	801	4d			**6,056**
Deferred income taxes	915	355					**1,270**
Other current assets	1,290	305			56	6c	**1,651**
Total current assets	12,500	4,701	(33,023)		33,569		**17,747**
Other non-current assets	2,469	159			12	6c	**2,640**
Property, plant and equipment, net	6,422	1,309		4e			**7,731**
Identifiable intangible assets, net	8,060	2,855	22,059	4f			**30,119**
			(2,855)	4f			
Goodwill	19,174	3,695	21,477	4g			**40,651**
			(3,695)	4g			
Total assets	**$ 48,625**	**$ 12,719**	**$ 3,963**		**$ 33,581**		**$ 98,888**
LIABILITIES AND EQUITY							
Current liabilities:							
Short-term debt	$ 2,148	$	$		$ 22,250	6b, 6d	**$ 24,398**
Sales reserves and allowances	6,759	1,292					**8,051**
Accounts payable and accruals	2,964	964					**3,928**
Other current liabilities	1,107	91	160	4h			**1,358**
Total current liabilities	12,978	2,347	160		22,250		**37,735**
Long-term liabilities:							
Deferred income taxes	1,909	444	7,450	4h			**9,803**
Other taxes and long term liabilities	1,322	167					**1,489**
Senior notes and loans	9,516				4,750	6b, 6e	**14,266**
Total long term liabilities	12,747	611	7,450		4,750		**25,558**
Total liabilities	**25,725**	**2,958**	**7,610**		**27,000**		**63,293**
Equity:							
Shareholders equity:							
Ordinary shares	50		3	3, 4a	3	6a, 6f	**56**
Additional paid-in capital	14,425		6,185	3, 4a	6,578	6a, 6f	**27,188**
Retained earnings	14,657		(74)	4c			**14,583**
Accumulated other comprehensive loss	(2,141)						**(2,141)**
Treasury shares	(4,252)						**(4,252)**
	22,739		6,114		6,581		**35,434**
Non-controlling interests	161						**161**
Total equity	22,900		6,114		6,581		**35,595**

Total liabilities and equity	**$ 48,625**	**$ 2,958**	**$ 13,724**	**$ 33,581**	**$ 98,888**
Net assets acquired		**$ 9,761**	**$ (9,761)**	**4b**	

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