

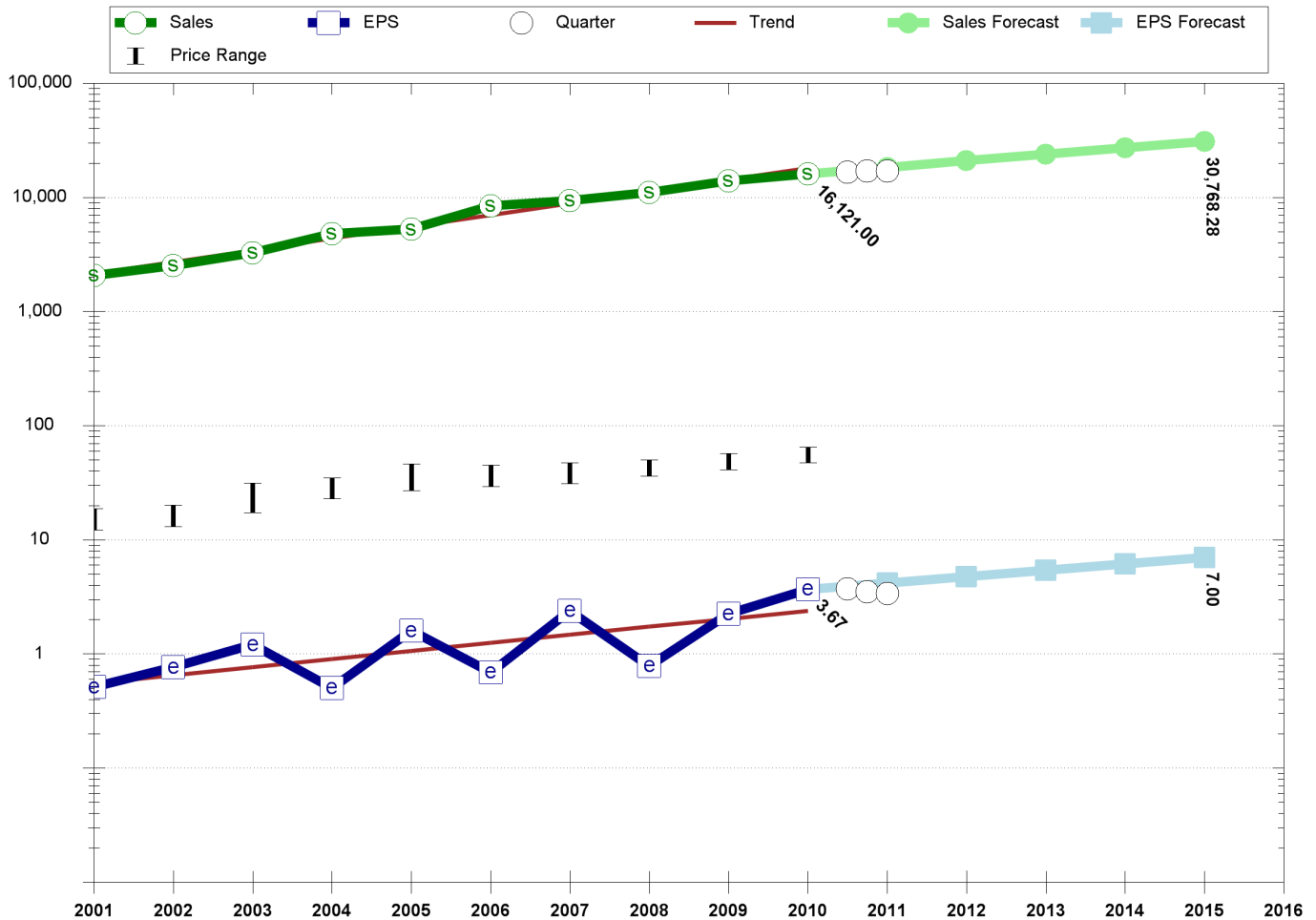
Company	Teva Pharmaceutical		Date	11/21/2011	
Prepared by	Taylor IV		Data taken from	BI Stock Data	
Where traded	NAS	Industry	Drug Manufacturers - Specialty & G		
Capitalization --- Outstanding Amounts	Reference				
Preferred (\$M)	0.0	% Insiders	% Institution		
Common (M Shares)	888.0	0.0	48.1		
Debt (\$M)	8,179.0	% to Tot Cap	26.3	% Pot Dil	0.2

Stock Selection Guide

Symbol: TEVA

1 VISUAL ANALYSIS of Sales, Earnings, and Price

FY2010 Quarter Ending (09/11)	Sales (\$M)	Earnings Per Share
Latest Quarter	4,344.0	1.03
Year Ago Quarter	4,250.0	1.15
Percentage Change	2.21%	-10.43%



(1) Historical Sales Growth	26.7%	(3) Historical Earnings Per Share Growth	17.8%
(2) Estimated Future Sales Growth	13.80%	(4) Estimated Future Earnings Per Share Growth	13.80%

2 EVALUATING Management

Teva Pharmaceutical

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Last 5 Year Avg.
Pre-tax Profit on Sales (Net Before Taxes/Sales)	14.15%	19.83%	26.85%	25.01%	24.92%	23.80%	25.01%	8.58%	20.61%	25.27%	20.65%
% Earned on Equity (E/S / Book Value)	18.93%	21.28%	20.17%	5.82%	16.50%	4.00%	13.25%	4.25%	10.27%	15.01%	9.36%

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

PRESENT PRICE 38.5

HIGH THIS YEAR 57.08

LOW THIS YEAR 35.00

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
1 2006	44.71	29.22	0.69	64.80	42.35	0.255	36.96	0.87
2 2007	47.14	30.81	2.38	19.81	12.95	0.327	13.74	1.06
3 2008	50.00	35.89	0.78	64.10	46.01	0.411	52.69	1.15
4 2009	56.88	41.05	2.23	25.51	18.41	0.482	21.61	1.17
5 2010	64.95	46.99	3.67	17.70	12.80	0.670	18.26	1.43
6 TOTAL		184.0		191.9	132.5		143.3	
7 AVERAGE		36.8		38.4	26.5		28.7	
8 AVERAGE PRICE EARNINGS RATIO 32.4					9 CURRENT PRICE EARNINGS RATIO 11.4			

4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 15.00 X Estimate High Earnings/Share 7.00 = Forecasted High Price \$ 105.00

B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 26.50 X Estimate Low Earnings/Share 3.67 = Forecasted Low Price \$ 97.26

(b) Avg. Low Price of Last 5 Years 36.79

(c) Recent Market Low Price 35.00

(d) Price Dividend Will Support $\frac{\text{Present Dividend}}{\text{High Yield}} = \frac{0.700}{1.40\%} = 50.00$

Selected Forecasted Low Price 35.00

C ZONING using 25%-50%-25%

Forecasted High Price 105.00 Minus Forecasted Low Price 35.00 = 70.00 Range. 25% of Range 17.50

Buy Zone 35.00 to 52.50

Hold Zone 52.50 to 87.50

Sell Zone 87.50 to 105.00

Present Market Price of 38.45 is in the **Buy** Zone

D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Present Price}}{\text{Present Price} - \text{Low Price}} = \frac{105.00 - 38.45}{38.45 - 35.00} = \frac{66.55}{3.45} = 19.29$ To 1

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price} - \text{Present Market Price}}{\text{Present Market Price}} = \frac{105.00 - 38.45}{38.45} = 2.73$ X 100 = 273.08 - 100 = 173.08 % Appreciation

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

A $\frac{\text{Present Full Year's Dividend \$}}{\text{Present Price of Stock}} = \frac{0.700}{38.45} = 0.02 = 1.82\%$ Present Yield

B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{28.65\%}{15.00} = 1.91\%$

C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 22.25 %

Average Yield 1.91 %

Annualized Rate of Return 24.16 %