TEVA PHARMACEUTICAL INDUSTRIES LTD
Form 424B5
June 16, 2010
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Filed Pursuant to Rule 424(b)(5)

Registration No. 333-155927

333-155927-03

333-155927-04

Title of Each Class of Securities to be Registered	**Amount to be Registered**	**Amount of Registration Fee**
Teva Pharmaceutical Finance III, LLC Floating Rate Senior Notes due 2011	$ 500,000,000	$ 35,650.00(1)
Teva Pharmaceutical Industries Limited Guarantee of Floating Rate Senior Notes due 2011	(2)	(2)
Teva Pharmaceutical Finance III, LLC 1.500% Senior Notes due 2012	$ 1,000,000,000	$ 71,300.00(1)
Teva Pharmaceutical Industries Limited Guarantee of 1.500% Senior Notes due 2012	(2)	(2)
Teva Pharmaceutical Finance II B.V. 3.000% Senior Notes due 2015	$ 1,000,000,000	$ 71,300.00(1)
Teva Pharmaceutical Industries Limited Guarantee of 3.000% Senior Notes due 2015	(2)	(2)
Total		$ 178,250.00(1)

(1) Calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended. A filing fee of $178,250.00 has been transmitted to the SEC in connection with the securities offered from the registration statement (File No. 333-155927) by means of this prospectus supplement.

(2) No separate consideration will be received for the guarantees. Pursuant to Rule 457(n) under the Securities Act, no separate fee is payable with respect to the guarantees being registered.

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Prospectus Supplement

(To Prospectus dated December 4, 2008)

$2,500,000,000

Teva Pharmaceutical Finance III, LLC

$500,000,000 Floating Rate Senior Notes due 2011

$1,000,000,000 1.500% Senior Notes due 2012

Teva Pharmaceutical Finance II B.V.

$1,000,000,000 3.000% Senior Notes due 2015

Payment of principal and interest unconditionally guaranteed by

Teva Pharmaceutical Industries Limited

This is an offering by

- Teva Pharmaceutical Finance III, LLC (Teva Finance LLC) of $500,000,000 of its Floating Rate Senior Notes due 2011 (the 2011 notes) and $1,000,000,000 of its 1.500% Senior Notes due 2012 (the 2012 notes); and

- Teva Pharmaceutical Finance II B.V. (Teva Finance BV and, together with Teva Finance LLC, the issuers) of $1,000,000,000 of its 3.000% Senior Notes due 2015 (the 2015 notes).

Teva Finance LLC will pay interest on the 2011 notes quarterly in arrears on the 19th day of March, June, September and December of each year, beginning September 19, 2010, to the holders of record at the close of business on the preceding March 1, June 1, September 1 and December 1, respectively. The issuers will pay interest on the 2012 notes and the 2015 notes on June 15 and December 15 of each year, beginning December 15, 2010, to the holders of record at the close of business on the preceding June 1 and December 1, respectively. Payment of all principal and interest payable on the notes is unconditionally guaranteed by Teva Pharmaceutical Industries Limited (Teva).

The issuers may redeem, in whole or in part, the 2012 notes and/or the 2015 notes, at any time or from time to time, on at least 20 days , but not more than 60 days , prior notice. These notes will be redeemable at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments (as defined herein) discounted on a semi-annual basis, at a rate equal to the sum of the Treasury Rate and 12 basis points with respect to the 2012 notes and 15 basis points for the 2015 notes.

The notes will be unsecured senior obligations of the issuers, which are indirect subsidiaries of Teva, and the guarantees will be unsecured senior obligations of Teva. Teva intends to use the proceeds from the offering to repay approximately $800 million of the approximately $1.5 billion outstanding under its unsecured credit facility assumed in connection with the acquisition of Barr Pharmaceuticals, Inc. (Barr) in 2008, pay a portion of the purchase price for its pending acquisition of Merckle-ratiopharm Group and/or for general corporate purposes.

Investing in the notes involves risks. See Risk Factors beginning on page S-7 of this prospectus supplement and page 3 of the accompanying prospectus.

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 Floating Rate Senior Note due 2011	Total	Per 1.500% Senior Note due 2012	Total	Per 3.000% Senior Note due 2015	Total
Offering price(1)	100.000%	$ 500,000,000	99.902%	$ 999,020,000	99.876%	$ 998,760,000
Underwriting discount	0.100%	$ 500,000	0.200%	$ 2,000,000	0.350%	$ 3,500,000
Proceeds to the issuers (before expenses)	99.900%	$ 499,500,000	99.702%	$ 997,020,000	99.526%	$ 995,260,000

(1) Plus accrued interest, if any, from June 18, 2010, if settlement occurs after that date.

The underwriters expect to deliver the notes on or about June 18, 2010.

Active Joint Book-Running Managers

Credit Suisse **Goldman, Sachs & Co.** **Morgan Stanley**

Passive Book-Running Managers

Barclays Capital **Citi**

Co-Managers

BNP PARIBAS **Credit Agricole CIB** **HSBC**

The date of this prospectus supplement is June 15, 2010.

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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 notes 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 (1) persons who are outside the United Kingdom or (2) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order) or (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 (all such persons together being referred to as relevant persons). The notes are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire the notes 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.

In relation to each Member State of the European Economic Area (EEA) which has implemented the Prospectus Directive (each, a Relevant Member State) an offer to the public of any notes which are the subject of the offering contemplated by this prospectus may not be made in that Relevant Member State except for an offer to qualified investors in that Member State within the meaning of the Prospectus Directive, provided that no such offer of notes shall result in a requirement for the publication by the issuers or the book-running managers of a prospectus pursuant to Article 3 of the Prospectus Directive.

This prospectus has been prepared on the basis that any offer of notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for the offer of these notes. Accordingly any person making or intending to make any offer within the EEA of notes which are the subject of the offering contemplated in this prospectus may only do so in circumstances in which no obligation arises for the issuers, or any of the book-running managers to publish a prospectus pursuant to Article 3 of the Prospectus Directive in relation to such offer. Neither the issuers nor the book-running managers have authorized, nor do they authorize, the making of any offer (other than permitted public offers) of notes in circumstances in which an obligation arises for the issuers or the book-running managers to publish a prospectus for such offer.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any notes under, the offers contemplated in this prospectus will be deemed to have represented, warranted and agreed to and with each of the issuers and each book-running manager that:

- **it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and**

- **in the case of any notes acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the notes acquired by it in the offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the book-running managers has been given to the offer or resale; or (ii) where notes have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those notes to it is not treated under the Prospectus Directive as having been made to such persons.**

For the purposes of the above, the expression an offer to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any notes to be offered so as to enable an investor to decide to purchase or

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subscribe for the notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

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

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PROSPECTUS SUPPLEMENT 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 Teva Finance LLC refer to Teva Pharmaceutical Finance III, LLC, an indirect subsidiary of Teva, to Teva Finance BV refer to Teva Pharmaceutical Finance II B.V., an indirect subsidiary of Teva, and to issuers refer to both Teva Finance LLC and Teva Finance BV.

The Company

We are a global pharmaceutical company that develops, produces and markets generic drugs covering all major treatment categories. We are the leading generic drug company in the world, as well as in the United States, in terms of both total and new prescriptions. We also have a significant and growing branded pharmaceutical portfolio, including Copaxone® for multiple sclerosis and Azilect® for Parkinson s disease, respiratory products and women s health products. Our active pharmaceutical ingredient (API) manufacturing capabilities provide significant vertical integration to our own pharmaceutical production.

Our global presence covers North America, Europe, Latin America, Asia and Israel. We currently have direct operations in more than 60 countries, including 38 finished dosage pharmaceutical manufacturing sites in 17 countries, 15 generic R&D centers operating mostly within certain manufacturing sites and 21 API manufacturing sites around the world. In 2009, we generated approximately 60% of our sales in North America (i.e., the United States and Canada only), approximately 25% in Europe (i.e., all European Union (EU) member states and other Western European countries) and approximately 15% in other regions (primarily Latin America, including Mexico, Israel and Central and Eastern European countries that are not members of the EU).

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 49131 Israel, telephone number +972-3-926-7267.

Teva Finance LLC

Teva Finance LLC is a Delaware limited liability company that was formed on December 5, 2003 to issue debt securities pursuant to the accompanying prospectus. Its address is 1090 Horsham Road, North Wales, Pennsylvania 19454, telephone number (215) 591-3000.

Teva Finance BV

Teva Finance BV is a Netherlands Antilles private limited liability company that was formed on June 30, 2003 to issue debt securities pursuant to the accompanying prospectus. Its address is Schottegatweg Oost 29D, Curacao, Netherlands Antilles, telephone number +5999-736-6066.

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Recent Developments

Ratiopharm Acquisition.

As previously announced, on March 18, 2010, we entered into a definitive agreement to acquire Merckle-ratiopharm Group (Ratiopharm), Germany s second-largest generic drug company and the sixth-largest generic drug company worldwide, for an enterprise value of 3.625 billion (or approximately $5 billion). The closing of the transaction is subject to various conditions, including approval by antitrust authorities in Europe and in Canada. We expect that the closing of the transaction will take place by the end of 2010.

The acquisition of Ratiopharm is part of our strategic objective of strengthening our position in key European markets, and is expected to position us as the leading generic pharmaceutical company in Europe in terms of sales. It will also substantially increase our sales in Germany, Canada, Russia and Ukraine.

New Credit Facilities.

In addition to our existing credit facilities, we recently executed commitment letters from three banks, with each agreeing to provide us with up to $500 million, or the Euro equivalent, to be used to pay a portion of the purchase price for the Ratiopharm acquisition. The credit facilities are unsecured, provide for a floating LIBOR-based interest rate and have a term of up to one-year from the drawing of the loan. Consummation of these loans remains subject to various closing conditions.

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The Offering

Issuers	Teva Pharmaceutical Finance III, LLC (Teva Finance LLC); and Teva Pharmaceutical Finance II B.V. (Teva Finance BV),

each of which are indirect, wholly owned subsidiaries of Teva Pharmaceutical Industries Limited that have no assets or operations other than in connection with this offering.

Securities Offered	$500,000,000 aggregate principal amount of Floating Rate Senior Notes due 2011 of Teva Finance LLC (the 2011 notes); $1,000,000,000 aggregate principal amount of 1.500% Senior Notes due 2012 of Teva Finance LLC (the 2012 notes); and $1,000,000,000 aggregate principal amount of 3.000% Senior Notes due 2015 of Teva Finance BV (the 2015 notes).
Guarantees	Teva will irrevocably and unconditionally guarantee the punctual payment when due of the principal and interest, whether at maturity, upon redemption, by acceleration or otherwise (including any additional amounts in respect of taxes as described in Description of the Notes and the Guarantees Additional Tax Amounts), if any, on the notes of each series.
Ranking	As indebtedness of Teva, the guarantees will rank: senior to the rights of creditors under debt expressly subordinated to the notes; equally with other unsecured debt of Teva from time to time outstanding other than any that is subordinated to the notes; effectively junior to Teva s secured indebtedness up to the value of the collateral securing that indebtedness; and effectively junior to the indebtedness of Teva s subsidiaries.
Maturity	The 2011 notes will mature on December 19, 2011, the 2012 notes will mature on June 15, 2012 and the 2015 notes will mature on June 15, 2015, unless earlier redeemed.

Interest Payment Dates	March 19, June 19, September 19 and December 19 of each year, beginning September 19, 2010, and at maturity, with respect to the 2011 notes. June 15 and December 15, beginning December 15, 2010, and at maturity, with respect to the 2012 notes and the 2015 notes.
Interest Rate	A rate equal to three-month LIBOR (calculated as set forth in the Description of the Notes and the Guarantees Payment of Interest and Principal Interest on the 2011 Notes) plus 0.400% in the case of the 2011 notes.
	1.500% per year in the case of the 2012 notes; and
	3.000% per year in the case of the 2015 notes.

Optional Redemptions by the Issuers	The 2011 notes will not be subject to redemption at Teva Finance LLC s option (other than as set forth below in Description of the Notes and the Guarantees Tax Redemption). The applicable issuers may, however, redeem the 2012 notes or the 2015 notes, in whole or in part, at any time or from time to time, on at least 20 days , but not more than 60 days , prior notice. These notes will be redeemable at a redemption price equal to the greater of (1) 100% of the principal amount of the notes to be redeemed or (2) the sum of the present values of the Remaining Scheduled Payments (as defined under Description of the Notes and the Guarantees Optional Redemption by the Applicable Issuer) discounted, on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), at a rate equal to the sum of the Treasury Rate (as defined in Description of the Notes and the Guarantees Optional Redemption by the Applicable Issuer) and 12 basis points in the case of the 2012 notes or 15 basis points in the case of the 2015 notes, plus accrued and unpaid interest, if any, to the redemption date.
Use of Proceeds	Teva intends to use the proceeds from the offering to repay approximately $800 million of the approximately $1.5 billion outstanding under its unsecured credit facility assumed in connection with the acquisition of Barr in 2008, pay a portion of the purchase price for its pending acquisition of Ratiopharm and/or for general corporate purposes. See Use of Proceeds.
Form, Denomination and Registration	The notes will be issued only in fully registered form without coupons and in minimum denominations of $2,000 principal amount and whole multiples of $1,000 in excess of $2,000. The notes will be evidenced by one or more global notes deposited with the trustee of the notes, as custodian for Depository Trust Company (DTC). Beneficial interests in the global notes will be shown on, and transfers will be effected through, records maintained by DTC and its direct and indirect participants.
Absence of a Public Market for the Notes	The notes are new securities for which no market currently exists. While one or more of the underwriters have informed us that they intend to make a market in the notes, they are under no obligation to do so and may discontinue such activities at any time without notice. The notes will not be listed on any securities exchange or included in any automated quotation system. We cannot assure you that any active or liquid market will develop in the notes.

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Summary Selected Historical Financial Data of Teva

The summary selected financial data set forth below for each of the years in the three-year period ended December 31, 2009 and at December 31, 2009 and 2008 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 selected financial data for each of the years in the two-year period ended December 31, 2006 and at December 31, 2007 are derived from other audited consolidated financial statements of Teva, which have been prepared in accordance with U.S. GAAP.

The summary selected unaudited financial data as of and for each of the three month periods ended March 31, 2010 and 2009 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.

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 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.

Operating Data

	For the three months ended March 31,		For the year ended December 31,				
	2010	2009	2009	2008	2007	2006	2005
	(unaudited)						
	U.S. dollars in millions (except per share amounts)						
Net sales	3,653	3,147	13,899	11,085	9,408	8,408	5,250
Cost of sales	1,640	1,576	6,532	5,117	4,531	4,149	2,770
Gross profit	2,013	1,571	7,367	5,968	4,877	4,259	2,480
Research and development expenses net	207	219	802	786	581	495	369
Selling and marketing expenses	752	604	2,676	1,842	1,264	1,024	533
General and administrative expenses	182	196	823	669	637	548	266
Legal settlements, acquisition and restructuring expenses and impairment	34	14	638	124		96	
Acquisition of research and development in process	4		23	1,402		1,295	
Operating income	834	538	2,405	1,145	2,395	801	1,312
Financial expenses net	27	63	202	345*	91*	137*	4
Income before income taxes	807	475	2,203	800	2,304	664	1,308
Provision for income taxes	85	25	166	184*	386*	145*	236
	722	450	2,037	616	1,918	519	1,072

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	For the three months ended March 31,		For the year ended December 31,				
	2010	2009	2009	2008	2007	2006	2005
	(unaudited)						
	U.S. dollars in millions (except per share amounts)						
Share in profit (losses) of associated companies net	(8)	1	(33)	(1)	(3)	(3)	2
Net income	714	451	2,004	615	1,915	516	1,074
Net income attributable to non-controlling interests	1	***	4	6**	1**	2**	2**
Net income attributable to Teva	713	451	2,000	609	1,914	514	1,072
Earnings per share attributable to Teva:							