

TEVA PHARMACEUTICAL INDUSTRIES LTD

Form F-4/A

September 23, 2005

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As filed with the Securities and Exchange Commission on September 23, 2005

Registration No. 333-128095

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1

to

FORM F-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

TEVA PHARMACEUTICAL INDUSTRIES LIMITED

(Exact name of registrant as specified in its charter and translation of registrant's name into English)

Israel
(State or other jurisdiction

2834
(Primary Standard Industrial

N/A
(IRS Employer

of incorporation)

Classification Code Number)

Identification No.)

5 Basel Street

P.O. Box 3190

Petach Tikva 49131

Israel

972-3-926-7267

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Teva Pharmaceuticals USA, Inc.

1090 Horsham Road

North Wales, Pennsylvania 19454-1090

Attention: George S. Barrett

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(215) 591-3000

(Address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

Peter H. Jakes
Jeffrey S. Hochman
Willkie Farr & Gallagher LLP
787 Seventh Avenue
New York, New York 10019-6099
(212) 728-8000

Gary M. Epstein
Robert L. Grossman
Greenberg Traurig LLP
1221 Brickell Avenue
Miami, FL 33131
(305) 579-0500

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective and all other conditions to the merger described in this joint proxy statement/prospectus are satisfied or waived.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum		Proposed Maximum Aggregate Offering Price ⁽²⁾	Amount of Registration Fee ⁽³⁾
	Amount to be Registered ⁽¹⁾	Offering Price Per Unit		
Ordinary Shares, par value NIS 0.10 each, of Teva Pharmaceutical Industries Limited	123,225,280	N/A	\$ 3,686,139,292	\$ 433,859

(1) Based upon the estimated maximum number of ordinary shares (which will trade in the United States in the form of American Depositary Shares, evidenced by American Depositary Receipts) of Teva Pharmaceutical Industries Limited that may be issuable in connection with the merger in exchange for shares of IVAX common stock, based on the maximum number of shares of IVAX common stock exchangeable in the merger, calculated as 290,934,435, which represents (i) the sum of (a) 272,543,272 shares of IVAX common stock outstanding on August 29, 2005, and (b) 18,391,163 shares of IVAX common stock, issuable upon exercise or conversion of outstanding options, warrants and convertible notes whose exercise price, strike price or conversion price is below the value of the merger consideration and that may be exercised prior to the closing of the merger, (ii) multiplied by 50% (being the limitation on the maximum number of IVAX shares as to which a stock election for Teva ADRs may be made pursuant to the terms of the cash/stock election features in the merger) and (iii) multiplied by the stock election exchange ratio of 0.8471. Teva ordinary shares which may be issued upon the exercise of IVAX stock options exercised after the effective date of the merger will be registered under a separate Registration Statement on Form S-8.

(2) Estimated solely for the purpose of calculating the registration fee and computed pursuant to Rules 457(f)(1) and 457(c) under the Securities Act of 1933, as amended, the proposed maximum aggregate offering price is (A) the product of multiplying 290,934,435 shares of IVAX common stock exchangeable in the merger, as determined in note (1) above, by \$25.67, the average of the high and low sale prices of IVAX common stock on the American Stock Exchange on August 29, 2005, less (B) the anticipated \$3,782,147,655 of cash consideration to be paid by Teva Pharmaceutical Industries Limited to the holders of IVAX common stock in the merger. The cash consideration was calculated as (i) 290,934,435 shares of IVAX common stock exchangeable in the merger as determined in note (1), (ii) multiplied by 50% (being the limitation on the maximum number of IVAX shares as to which a cash election may be made pursuant to the terms of the cash/stock election features in the merger), and (iii) multiplied by the cash consideration of \$26.00.

(3) Previously paid.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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Information contained in this joint proxy statement/prospectus is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This joint proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under securities laws of such jurisdiction.

Subject to completion, dated September 23, 2005

4400 Biscayne Boulevard

Miami, FL 33137

(305) 575-6000

September 23, 2005

Dear Shareholder:

You are cordially invited to attend a special meeting of shareholders of IVAX Corporation, to be held at 10:00 a.m., local time, on Thursday, October 27, 2005, at the offices of UBS Securities LLC, located at 1285 Avenue of the Americas, 14th Floor Conference Center, New York, NY 10019. Enclosed are a Notice of Special Meeting of Shareholders, a joint proxy statement/prospectus and a proxy relating to the IVAX special meeting.

At the special meeting, you will be asked to consider and vote upon a proposal described in the joint proxy statement/prospectus to approve a merger agreement that sets forth the terms of a merger of IVAX and two wholly owned subsidiaries of Teva Pharmaceutical Industries Limited. Under the merger agreement, you will have the right to elect to receive for each IVAX share you own either \$26.00 in cash or 0.8471 Teva ADRs, subject to proration such that in the aggregate 50% of the IVAX shares are converted into cash and 50% are converted into Teva ADRs. The form of election to be used in connection with the merger will be sent to you under separate cover shortly.

The Teva ADRs are quoted on the NASDAQ National Market under the symbol TEVA. The merger consideration of \$26.00 or 0.8471 Teva ADRs per share, based on the five day average closing price of Teva ADRs from July 18, 2005 to July 22, 2005, represented a premium of approximately 13.6% over the closing price of IVAX common stock on July 22, 2005, the trading day in the United States prior to the execution of the merger agreement, and represented a premium of approximately 19.5% over the average closing price of IVAX common stock for the 30 previous trading days ending on July 22, 2005. On September 22, 2005, the closing price for a Teva ADR was \$33.19.

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The board of directors of IVAX has unanimously determined the merger to be advisable and fair to and in the best interests of IVAX and its shareholders and approved the merger agreement. **THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF THE MERGER AGREEMENT AT THE SPECIAL MEETING.**

DETAILED INFORMATION CONCERNING THE PROPOSED MERGER IS SET FORTH IN THE ACCOMPANYING JOINT PROXY STATEMENT/PROSPECTUS, WHICH YOU ARE URGED TO READ CAREFULLY AND IN ITS ENTIRETY. IN PARTICULAR, YOU SHOULD CONSIDER THE RISK FACTORS BEGINNING ON PAGE 31.

We look forward to greeting personally those shareholders who are able to be present at the meeting; however, whether or not you plan to attend in person it is important that your shares be represented. Accordingly, after reading the joint proxy statement/prospectus, please return your proxy, by completing, dating, signing and returning the enclosed proxy in the prepaid envelope or by submitting your proxy by telephone or by the Internet, to ensure that your shares will be represented. **YOUR SHARES CANNOT BE VOTED UNLESS YOU SIGN, DATE AND RETURN THE ENCLOSED PROXY, SUBMIT YOUR PROXY BY TELEPHONE OR BY THE INTERNET OR ATTEND THE SPECIAL MEETING IN PERSON. THE FAILURE TO VOTE IN PERSON OR BY PROXY WILL HAVE THE SAME EFFECT AS A VOTE AGAINST THE MERGER.** If you have any questions about the merger or need assistance voting your shares, please call D. F. King & Co., Inc., who is assisting IVAX, toll-free at 1-800-549-6697 in the U.S. or internationally at 1-212-269-5550.

Sincerely yours,

Phillip Frost

Chairman and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the ADRs or ordinary shares described in this joint proxy statement/prospectus or passed on the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated September 23, 2005, and is being first mailed to shareholders on or about September 26, 2005.

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IVAX Corporation

Notice of Special Meeting of Shareholders

to be held October 27, 2005

A special meeting of shareholders of IVAX Corporation will be held at 10:00 a.m., local time, on Thursday, October 27, 2005, at the offices of UBS Securities LLC, located at 1285 Avenue of the Americas, 14th Floor Conference Center, New York, NY 10019, and any adjournments or postponements thereof.

At the meeting you will be asked to:

1. consider and vote upon the approval of the Agreement and Plan of Merger, dated July 25, 2005, by and among IVAX Corporation, Teva and two wholly owned subsidiaries of Teva, Ivory Acquisition Sub, Inc. and Ivory Acquisition Sub II, Inc., under which Ivory Acquisition Sub, Inc. will merge with and into IVAX and IVAX will survive the merger as a wholly owned subsidiary of Teva and will immediately thereafter merge with and into Ivory Acquisition Sub II, Inc. with Ivory Acquisition Sub II, Inc. continuing as the surviving corporation and a wholly owned subsidiary of Teva.
2. act upon such other business as may properly come before the meeting or any adjournments or postponements of the meeting.

The accompanying joint proxy statement/prospectus describes the merger agreement and the proposed merger in detail.

IVAX's board of directors unanimously recommends that the shareholders vote FOR the approval and adoption of the merger agreement.

The board of directors has set the close of business on September 23, 2005, as the record date for determining shareholders entitled to receive notice of the meeting and to vote at the meeting and any adjournments or postponements thereof.

No dissenters' or appraisal rights are available in connection with the merger. Florida law does not provide for such rights because IVAX's common shares are listed on a national securities exchange.

We will admit to the special meeting:

all shareholders of record at the close of business on September 23, 2005;

persons holding proof of beneficial ownership as of the record date, such as a letter or account statement from the person's broker;

persons who have been granted proxies; and

such other persons that we, in our sole discretion, may elect to admit.

All persons wishing to be admitted must present photo identification. If you plan to attend the special meeting, please check the appropriate box on your proxy card or register your intention when voting by using the telephone or voting on the Internet, according to the instructions provided.

By order of the board of directors,

Steven D. Rubin

Secretary

September 23, 2005

Your vote is important. Please return your proxy as soon as possible, whether or not you expect to attend the special meeting in person.

You may submit your proxy by telephone or by the Internet by following the instructions on the enclosed proxy or voting form or by completing, dating and signing the enclosed proxy card and returning it in the enclosed postage prepaid envelope. You may revoke your proxy at any time before the special meeting. If you attend the special meeting and vote in person, your proxy vote will not be used.

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5 Basel Street
P.O. Box 3190
Petach Tikva 49131
Israel
972-3-926-7267

Dear Shareholder:

September 23, 2005

You are cordially invited to attend a special meeting of shareholders of Teva Pharmaceutical Industries Limited, to be held at 5:00 p.m., local time, on Thursday, October 27, 2005, at Teva's principal executive offices, located at 5 Basel Street, Petach Tikva 49131, Israel. Enclosed are a Notice of Special Meeting of Shareholders and a joint proxy statement/prospectus relating to the Teva special meeting.

At the special meeting, you will be asked to consider and vote upon a proposal described in the joint proxy statement/prospectus to approve the issuance of ordinary shares of Teva (which will trade in the United States in the form of American Depositary Shares, evidenced by American Depositary Receipts, or ADRs) pursuant to a merger agreement that sets forth the terms of a merger of two wholly owned subsidiaries of Teva and IVAX Corporation. Under the merger agreement, each IVAX shareholder will have the right to elect to receive for each IVAX share owned either \$26.00 in cash or 0.8471 Teva ADRs, subject to proration such that in the aggregate 50% of IVAX shares are converted into cash and 50% are converted into Teva ADRs.

The board of directors of Teva has unanimously determined the issuance of the Teva ordinary shares pursuant to the merger agreement to be advisable and fair to and in the best interests of Teva and its shareholders and approved the issuance and the merger agreement. **THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE APPROVAL OF THE ISSUANCE OF THE TEVA ORDINARY SHARES PURSUANT TO THE MERGER AGREEMENT AT THE SPECIAL MEETING.**

DETAILED INFORMATION CONCERNING THE PROPOSED MERGER IS SET FORTH IN THE ACCOMPANYING JOINT PROXY STATEMENT/PROSPECTUS, WHICH YOU ARE URGED TO READ CAREFULLY AND IN ITS ENTIRETY. IN PARTICULAR, YOU SHOULD CONSIDER THE RISK FACTORS BEGINNING ON PAGE 31.

We look forward to greeting personally those shareholders who are able to be present at the meeting; however, whether or not you plan to attend in person, it is important that your shares be represented.

Holders of Teva ADRs will receive voting instruction cards from The Bank of New York, the depository of the ADRs, which will enable them to instruct The Bank of New York on how to vote the Teva ordinary shares represented by their ADRs with regard to the proposal to approve the issuance of Teva ordinary shares pursuant to the merger agreement.

Sincerely yours,

Eli Hurvitz

Chairman of the Board

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the ADRs or ordinary shares described in this joint proxy statement/prospectus or passed on the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This joint proxy statement/prospectus is dated September 23, 2005, and is being first mailed to shareholders on or about September 26, 2005.

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Teva Pharmaceutical Industries Limited

Notice of Special Meeting of Shareholders

to be held October 27, 2005

A special meeting of shareholders of Teva Pharmaceutical Industries Limited will be held at 5:00 p.m., local time, on Thursday, October 27, 2005, at Teva's principal executive offices, located at 5 Basel Street, Petach Tikva 49131, Israel, and any adjournments or postponements thereof.

At the meeting you will be asked to consider and vote upon the approval of the issuance of ordinary shares of Teva (which will trade in the United States in the form of American Depositary Shares, evidenced by American Depositary Receipts, or ADRs), pursuant to the Agreement and Plan of Merger, dated July 25, 2005, by and among IVAX Corporation, Teva and two wholly owned subsidiaries of Teva, Ivory Acquisition Sub, Inc. and Ivory Acquisition Sub II, Inc.

The accompanying joint proxy statement/prospectus describes the merger agreement and the proposed merger in detail.

Teva's board of directors unanimously recommends that the shareholders vote FOR the approval of the issuance of the Teva ordinary shares pursuant to the merger agreement.

The board of directors has set the close of business on September 22, 2005, as the record date for determining shareholders entitled to receive notice of the meeting and to vote at the meeting and any adjournments or postponements thereof.

We will admit to the special meeting:

all shareholders of record at the close of business on September 22, 2005;

persons holding proof of beneficial ownership as of the record date, as required by Israeli law; and

persons who have been granted proxies.

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By order of the board of directors,

TEVA PHARMACEUTICAL INDUSTRIES LIMITED

Uzi Karniel, Adv.

Corporate Secretary

September 23, 2005

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REFERENCE TO ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about IVAX and Teva from other documents filed with the Securities and Exchange Commission that are not included in or delivered with this document. You can obtain documents related to IVAX and Teva that are incorporated by reference to this document, without charge, by requesting them in writing or by telephone from the appropriate company.

IVAX Corporation	Teva Pharmaceutical Industries Limited
Investor Relations	Investor Relations
4400 Biscayne Boulevard	5 Basel Street
Miami, FL 33137	P.O. Box 3190
Phone: (305) 575-6000	Petach Tikva 49131 Israel
Fax: (305) 575-6055	Telephone: 972-3-926-7554
E-mail: ir@IVAX.com	Fax: 972-3-926-7519
	E-mail: ir@teva.co.il

Please note that copies of the documents provided to you will not include exhibits, unless the exhibits are specifically incorporated by reference into the documents or this joint proxy statement/prospectus.

In order to receive timely delivery of requested documents in advance of the special meeting, you should make your request no later than October 20, 2005.

You may also obtain copies of these documents, without charge, from the website maintained by the U.S. Securities and Exchange Commission at www.sec.gov.

See Where You Can Find More Information beginning on page 133.

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QUESTIONS AND ANSWERS ABOUT THE MERGER

The following are some questions that you, as a shareholder of IVAX or Teva, may have regarding the merger and the other matters being considered at the shareholders' meetings and the answers to those questions. IVAX and Teva urge you to read carefully the remainder of this joint proxy statement/prospectus because the information in this section does not provide all the information that might be important to you with respect to the merger and the other matters being considered at the shareholders' meetings. Additional important information is also contained in the annexes to and the documents incorporated by reference in this joint proxy statement/prospectus.

If you are a Polish holder of IVAX shares, please see [Information for Polish Shareholders of IVAX](#) below.

About the Merger

What is the proposed transaction for which I am being asked to vote?

If you are a shareholder of IVAX Corporation, you are being asked to vote to approve the merger agreement entered into among Teva, IVAX and two newly formed subsidiaries of Teva, Ivory Acquisition Sub, Inc. and Ivory Acquisition Sub II, Inc. Under the merger agreement, Ivory Acquisition Sub, Inc. will merge with and into IVAX, with IVAX surviving the merger. Immediately thereafter, IVAX will merge with and into Ivory Acquisition Sub II, Inc., with Ivory Acquisition Sub II, Inc. continuing as the surviving corporation and a wholly owned subsidiary of Teva.

If you are a shareholder of Teva Pharmaceutical Industries Limited, you are being asked to vote to approve the issuance of ordinary shares of Teva (which will trade in the United States in the form of American Depositary Shares, or ADSs, evidenced by American Depositary Receipts, or ADRs), pursuant to the merger agreement described above.

What will I receive for my IVAX shares in the merger?

You, as an IVAX shareholder, may elect, with respect to each share of IVAX common stock you own, the type of merger consideration you wish to receive in exchange for your shares of IVAX common stock. Depending on what you elect, or if you fail to make an election, each share of your IVAX common stock will be converted into the right to receive:

for each share of IVAX common stock with respect to which an election to receive cash consideration, which we refer to as a cash election, has been effectively made, \$26.00 in cash, without interest, subject to proration as described below;

for each share of IVAX common stock with respect to which an election to receive stock consideration, which we refer to as a stock election, has been properly made, 0.8471 Teva ordinary shares, which we refer to as the exchange ratio (subject to proration as described below), which will trade in the United States in the form of ADSs, evidenced by ADRs; or

for shares of IVAX common stock with respect to which no cash election or stock election has been properly made, which we refer to as non-electing shares, the cash consideration described above, the stock consideration described above, or a combination of both, depending on the number of IVAX shares for which cash or stock elections have been made.

If you make a cash election or a stock election, the form of merger consideration that you actually receive as an IVAX shareholder will likely be adjusted as a result of the proration procedures pursuant to the merger agreement as described in this joint proxy statement/prospectus under "The Merger - Making Cash and Stock Elections" on page 70. These proration procedures are designed to ensure that 50% of the IVAX shares outstanding at the completion of the merger are converted into Teva shares and 50% of the IVAX shares outstanding at the completion of the merger are converted into cash.

You will not receive any fractional Teva ADRs in the merger. Instead, Teva will pay you cash for any fractional Teva ADRs you would have otherwise received.

Based upon the five day average closing price of a Teva ADR on the NASDAQ National Market from July 18, 2005 to July 22, 2005, the consideration for each outstanding share of IVAX common stock for IVAX shareholders electing to receive Teva ADRs,

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represented a premium of approximately 13.6% over the closing price of IVAX common stock on July 22, 2005, the last trading day in the United States before the execution of the merger agreement, and represented a premium of approximately 19.5% over the average closing price of IVAX common stock for the 30 previous trading days ending on July 22, 2005. On September 22, 2005, the most recent practicable date before the printing of this joint proxy statement/prospectus, the closing price on NASDAQ for a Teva ADR was \$33.19. We urge you to obtain a current market quotation.

Why am I receiving this joint proxy statement/prospectus?

We are delivering this proxy statement/prospectus to you because it is serving as both a joint proxy statement of IVAX and Teva and a prospectus of Teva. It is a joint proxy statement because it is being used by both of our boards of directors to solicit the proxies of our respective shareholders for our respective special meetings called in connection with the merger. It is a prospectus because Teva is offering ordinary shares, which will trade in the United States in the form of ADSs, evidenced by ADRs, in connection with the merger.

What vote of IVAX shareholders is required for approval?

The merger agreement must be approved by a majority of the outstanding shares of IVAX common stock. Therefore, if you are an IVAX shareholder and abstain or fail to vote, it will have the same effect as voting against the merger agreement. You are entitled to vote on the merger agreement if you held IVAX common stock at the close of business on the record date, which is September 23, 2005. On the date immediately prior to the IVAX record date, 273,278,175 shares of IVAX common stock were outstanding and entitled to vote. Concurrently with the execution of the merger agreement, Teva entered into a stockholders agreement with certain directors and officers of IVAX holding an aggregate of approximately 19% of IVAX's outstanding shares, who agreed to vote in favor of the merger.

What vote of Teva shareholders is required?

The issuance of the Teva ordinary shares pursuant to the merger agreement must be approved by a majority of the shares participating at the Teva special meeting at which a quorum is present. You are entitled to vote on the issuance of the Teva ordinary shares pursuant to the merger agreement if you were a Teva shareholder at the close of business on the record date, which is September 22, 2005. On that date, 634,233,150 ordinary shares of Teva were outstanding and entitled to vote.

How does the IVAX board of directors recommend that I vote my shares?

After careful consideration, IVAX's board of directors has unanimously determined that the merger is advisable and fair and in the best interests of IVAX and its shareholders and approved the merger agreement and the merger. IVAX's board of directors recommends that you vote **FOR** the proposal to approve the merger agreement and the transactions contemplated by the merger agreement.

How does the Teva board of directors recommend that I vote my shares?

After careful consideration, Teva's board of directors has unanimously determined that the issuance of the ordinary shares pursuant to the merger agreement is advisable and fair and in the best interests of Teva and its shareholders and approved the merger agreement and the merger. Teva's board of directors recommends that you vote **FOR** the proposal to approve the issuance of the Teva ordinary shares pursuant to the merger agreement.

Can the number of Teva ADRs to be received in the merger for each share of IVAX common stock be changed before the merger is completed?

No. The exchange ratio is a fixed ratio, which means that it will not change if the trading price of a Teva ADR changes between now and the time the merger is completed.

After the merger how much of the combined company will IVAX shareholders own?

Based on the number of shares outstanding on July 22, 2005, the last trading day prior to public announcement of the merger agreement, IVAX shareholders are expected to own approximately 15% of Teva after completion of the merger.

What are the United States federal income tax consequences of the merger for me?

The merger (together with the subsequent merger described above, which is sometimes referred

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to as the subsequent merger) should qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. Assuming the merger (together with the subsequent merger) qualifies as a reorganization under U.S. federal income tax laws, a U.S. holder of IVAX common stock generally will not recognize any gain or loss under U.S. federal income tax laws on the exchange of IVAX common shares solely for Teva ADRs. A U.S. holder generally will recognize gain, but not loss, if any cash is received in exchange for the holder's IVAX common stock.

For a more detailed description of the tax consequences of the exchange of IVAX common stock in the merger, please see U.S. Federal Income Tax Considerations beginning on page 117.

What will happen to IVAX's outstanding options in the merger?

Prior to the effective time of the merger, IVAX will take all action necessary or appropriate to provide that each unvested option to acquire shares of IVAX common stock issued under IVAX stock plans and outstanding as of the effective time, which we refer to as IVAX options, will become fully vested and exercisable (whether or not currently exercisable) as of the effective time, other than certain options, which vest in full upon approval of the merger by the IVAX shareholders, and a limited number of options that IVAX may issue prior to the merger, which will not have any vesting acceleration based on the merger. In addition, IVAX will take all actions necessary or appropriate to provide that each IVAX option outstanding as of the effective time, but conditioned upon consummation of the merger, will, to the extent such IVAX options have not been exercised as of the effective time, be converted into an option to purchase a number of Teva ADRs determined by multiplying:

the number of shares of IVAX common stock covered by such IVAX option by

0.8471, rounded down to the nearest whole Teva ADR;

at an exercise price per Teva ADR determined by dividing:

the per share exercise price applicable to the IVAX option immediately prior to the effective time by

0.8471, rounded up to the nearest whole cent.

All other terms of the options to purchase Teva ADRs will be substantially identical or more favorable to the option holder than the terms of the IVAX options immediately prior to the effective time.

When do you expect the merger to be completed?

We expect to complete the merger promptly after we receive IVAX and Teva shareholder approval at the special meetings and after we receive all necessary regulatory approvals. We currently anticipate closing in the fourth quarter of 2005 or the first quarter of 2006. Because the merger is subject to shareholder and governmental approvals, we cannot predict the exact timing of its completion.

If my shares are held in street name by my broker, will my broker vote my shares for me?

You should instruct your broker to vote your shares, following the directions your broker provides. If you do not instruct your broker, your broker will generally not have the discretion to vote your shares without your instructions.

Because the proposals in this joint proxy statement/prospectus submitted to IVAX shareholders require an affirmative vote of a majority of the outstanding shares of IVAX common stock for approval, these so-called broker non-votes by IVAX shareholders will have the same effect as votes cast against the merger agreement.

What do I need to do now?

If you are an IVAX shareholder, after carefully reading and considering the information contained in or incorporated by reference into this joint proxy statement/prospectus, please fill out and sign the proxy card, and then mail your signed proxy card in the enclosed prepaid envelope as soon as possible so that your shares may be voted at the special meeting. You may also submit your proxy by telephone or by the Internet. Your proxy card will instruct the persons named on the card to vote your shares at the shareholders meeting as you direct on the card. If you sign and send in your proxy card and do not indicate how you want to vote, your proxy will be voted **FOR** the adoption and approval of the merger agreement. If IVAX shareholders do not vote or

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abstain, it will have the same effect as a vote against the merger agreement.

If you are a holder of Teva ordinary shares, after carefully reading and considering the information contained in or incorporated by reference into this joint proxy statement/prospectus, you may attend the special meeting and vote in person, or you may send a proxy to Teva so that your shares may be voted at the special meeting. In order that your shares may be voted at the meeting, your proxy must be received by Teva at least four days in advance of the special meeting. Your proxy will instruct the persons named on the proxy to vote your shares at the shareholders meeting.

If you are a Teva ADR holder, you are not entitled to vote directly at the Teva shareholders meeting. However, after carefully reading and considering the information contained in or incorporated by reference into this joint proxy statement/prospectus, you can request in writing that the ADR depositary, The Bank of New York, vote the Teva shares it holds on your behalf in accordance with your instructions.

YOUR VOTE IS VERY IMPORTANT.

If I am an IVAX shareholder and want to attend the special meeting, what do I do?

You must come to the offices of UBS Securities LLC, located at 1285 Avenue of the Americas, 14th Floor Conference Center, New York, NY 10019 at 10:00 a.m. on Thursday, October 27, 2005.

If I am a holder of Teva ordinary shares and want to attend the special meeting, what do I do?

You must come to Teva's principal executive offices, located at 5 Basel Street, Petach Tikva 49131, Israel at 5:00 p.m., local time, on Thursday, October 27, 2005.

If you are a holder of Teva ADRs you cannot vote at the special meeting unless you have previously surrendered your ADRs to The Bank of New York, the depositary of the ADRs, and received in exchange Teva shares.

If I am an IVAX shareholder, may I change my vote after I have mailed my signed proxy card?

You may change your vote at any time before your proxy is voted at the special meeting. You can do this in one of four ways. First, you can send a written notice stating that you want to revoke your proxy. Second, you can complete and submit a new proxy card. If you choose either of these two methods, you must submit your notice of revocation or your new proxy card to the Secretary of IVAX at the following address:

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Steven D. Rubin

Secretary

IVAX Corporation

4400 Biscayne Boulevard

Miami, FL 33137

Third, you can submit a proxy by telephone or the Internet at a later time following instructions on the enclosed proxy card. Fourth, you can attend the IVAX special meeting and vote in person. Simply attending the meeting, however, will not revoke your proxy; you must vote at the meeting.

If you have instructed a broker to vote your shares, you must follow directions received from your broker to change your vote.

If I am a holder of Teva ordinary shares, may I change my vote after I have mailed my signed proxy?

If you are a holder of Teva ordinary shares, any change to your vote must be received at least four days in advance of the Teva special meeting. You can do this in one of three ways. First, you can send a written notice stating that you want to revoke your proxy. Second, you can complete and submit a new proxy. If you choose either of these two methods, you must submit your notice of revocation or your new proxy to the Secretary of Teva at the following address:

Uzi Karniel, Adv.

Corporate Secretary

Teva Pharmaceutical Industries Limited

5 Basel Street

P.O. Box 3190

Petach Tikva 49131 Israel

Third, you can attend the Teva special meeting and vote in person. Simply attending the meeting, however, will not revoke your proxy; you must vote at the meeting.

If you have instructed a broker to vote your shares, you must follow directions received from your broker to change your vote.

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If I am a Teva ADR holder, may I change my vote after I have mailed my signed voting card?

If you are a Teva ADR holder, any change to your voting instructions must be received by The Bank of New York no later than 5:00 p.m., New York City time, on October 20, 2005. You can do this in one of two ways. First, you can send a written notice to The Bank of New York stating that you want to revoke your prior voting instructions. Second, you can complete and submit a new voting instruction card. If you choose either of these two methods, you must submit your notice of revocation or your new voting instruction card to The Bank of New York as the depository for the ADRs at the following address:

The Bank of New York

Attention: ADR Department

101 Barclay Street

New York, New York 10286

Telephone: 212-815-8223

If you have instructed a broker to vote your ADRs, you must follow directions received from your broker to change your vote.

Am I entitled to appraisal rights?

No dissenters or appraisal rights are available in connection with the merger. Florida law does not provide for such rights because IVAX's common shares are listed on a national securities exchange.

Should I send in my IVAX stock certificates now?

No, not until you submit an election form. As described below, if you plan to submit an election form, for an election to be effective you must also send the stock certificates representing all IVAX shares as to which an election is being made. If you do not make an election, do *not* send in your stock certificates.

About Electing the Merger Consideration

How do IVAX shareholders make a cash election or stock election?

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A form of election will be sent to you shortly under separate cover. IVAX shareholders should carefully review and follow the instructions in the form of election. To make a cash election or a share election, IVAX shareholders must properly complete, sign and send the form of election and any stock certificates representing their IVAX shares to The Bank of New York, the exchange agent, at the following address:

The Bank of New York

(Teva-IVAX)

P.O. Box 859208

Braintree, MA 02185-9208

PLEASE NOTE THAT THE FORM OF ELECTION MUST BE SENT TO AN ADDRESS THAT IS DIFFERENT THAN THAT FOR THE PROXY CARD.

The exchange agent must receive the form of election and any stock certificates representing IVAX shares, a book entry transfer of shares or a guarantee of delivery as described in the form of election by the election deadline. The election deadline will be 5:00 p.m., New York City time, on October 27, 2005, the date of the special meeting of IVAX shareholders, unless the completion of the merger will occur more than four business days following the date of the special meeting, in which case the election deadline will be extended until two business days before the completion of the merger. IVAX and Teva will publicly announce the election deadline at least five business days prior to the anticipated completion date of the merger.

If you own IVAX shares in street name through a bank, broker or other financial institution and you wish to make an election, you should seek instructions from the financial institution holding your shares concerning how to make your election.

Can IVAX shareholders elect to receive cash consideration for a portion of their IVAX shares and stock consideration for their remaining IVAX shares?

Yes. The form of election provides for an election to be made for cash or stock consideration for all or any portion of your IVAX shares.

Can IVAX shareholders change their election after the form of election has been submitted?

Yes. You may revoke your election prior to the election deadline by submitting a written notice of revocation to the exchange agent. After you have revoked your election, you may make a new election by submitting new election materials. Revocations must specify the name in which your shares are registered on the stock transfer books of IVAX and such other information as the exchange agent may request. New elections must be submitted in

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accordance with the election procedures described in this joint proxy statement/prospectus and the form of election. If you instructed a broker to submit an election for your shares, you must follow your broker's directions for changing those instructions. If you revoke your election, the notice or materials must be received by the exchange agent prior to the election deadline in order for the revocation to be valid.

May I transfer IVAX shares after an election is made?

No. IVAX shareholders who have made elections will be unable to sell or otherwise transfer their shares after making the election, unless the election is properly revoked before the election deadline or unless the merger agreement is terminated.

What if an IVAX shareholder does not send a form of election or it is not received?

If the exchange agent does not receive a properly completed form of election from you before the election deadline, together with the stock certificates representing the shares you wish to exchange for cash or shares, a book entry transfer of shares or a guarantee of delivery as described in the form of election, then, as a non-electing shareholder, you will have no control over the type of merger consideration you receive. As a result, your IVAX shares will be exchanged for cash, Teva ADRs or a combination of cash and Teva ADRs in accordance with the proration procedures contained in the merger agreement and described under "The Merger - Making Cash and Stock Elections" beginning on page 70. Because the value of the stock consideration and cash consideration may differ and other shareholders would likely elect the consideration having the higher value, in such a circumstance, you would likely receive the consideration having the lower value at the time. You bear the risk of delivery and should send any form of election by courier or by hand to the appropriate addresses shown in the form of election.

If an IVAX shareholder does not properly submit an election form along with such shareholder's stock certificates, then within four business days after the effective time of the merger, the exchange agent will mail to such shareholder a letter of transmittal and instructions for use in effecting the surrender of the stock certificates in exchange for the merger consideration.

May I submit a form of election if I vote against the merger?

Yes. You may submit a form of election even if you vote against approval of the merger agreement.

What if I am an IVAX shareholder and I cannot find my stock certificate?

There will be a procedure for you to receive the merger consideration, even if you lost one or more of your IVAX share certificates. This procedure, however, may take time to complete. In order to ensure that you will be able to receive your merger consideration promptly after the merger is completed, if you cannot locate your IVAX share certificates after looking for them carefully, we urge you to contact Mellon Investor Services LLC, IVAX's transfer agent, as soon as possible and follow the procedure for replacing your IVAX share certificates. Mellon Investor Services can be reached at (800) 839-2616, or you can write to them at: Mellon Investor Services, P.O. Box 3312, South Hackensack, New Jersey 07606-1912, Attention: Lost Securities.

Risks and How to Get More Information

Are there any risks related to owning Teva ADRs?

Yes. You should carefully review the section entitled "Risk Factors" beginning on page 31 of this joint proxy statement/prospectus.

Who can help answer my questions?

If you have any questions about the merger or if you need additional copies of this joint proxy statement/prospectus, the enclosed proxy or the form of election, you should contact our respective proxy solicitors or investor relations department:

For IVAX shareholders:

D. F. King & Co., Inc.

48 Wall Street

New York, NY 10005

(800) 549-6697

(212) 269-5550

or

Investor Relations

4400 Biscayne Blvd.

Miami, FL 33137

Telephone: (305) 575-6000

Fax: (305) 575-6055

E-mail: ir@ivax.com

For Teva shareholders:

Investor Relations

5 Basel Street

P.O. Box 3190

Petach Tikva 49131 Israel

Telephone: 972-3-926-7554

Fax: 972-3-926-7519

E-mail: ir@teva.co.il

For Teva ADR holders:

MacKenzie Partners, Inc.

105 Madison Avenue

New York, NY 10016

(800) 322-2885

(212) 929-5500

or

The Bank of New York

101 Barclay Street

New York, NY 10286

(212) 815-8223

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INFORMATION FOR POLISH SHAREHOLDERS OF IVAX

This joint proxy statement/prospectus does not constitute an offering document sufficient for making a decision to acquire Teva shares or Teva ADRs (the "Teva Shares") in Poland. In accordance with the requirements of Polish law, your election of the consideration that you wish to receive, and Teva's offer to you of Teva Shares as part of that consideration, can only be done in Poland in compliance with the requirements for a public offering of Teva Shares. As a result, an information memorandum will be made available in Poland, on the basis of which a public offering of the Teva Shares, addressed to the Polish shareholders of IVAX, shall be conducted in Poland (the "Polish Information Memorandum"). The Polish Information Memorandum will be prepared and made available to IVAX shareholders in Poland in compliance with the requirements of Polish law. We recommend that you read this joint proxy statement/prospectus and the Polish Information Memorandum in order to become acquainted in detail with the information related to the proposed merger and the resulting offer to acquire the Teva Shares.

The proposed merger is subject to disclosure requirements under the laws of the United States that may be different from those in Poland, and this joint proxy statement/prospectus has been prepared in accordance with U.S. requirements as to its content, format and style. The Polish Securities and Exchange Commission has not approved or disapproved the Teva Shares or the offering of the Teva Shares in Poland, or determined whether this joint proxy statement/prospectus is accurate or adequate.

IVAX shareholders in Poland will be entitled to choose between receiving the Teva Shares and cash on terms equivalent to those stipulated for other IVAX shareholders, including possible proration of your choices as described under "The Merger - Making Cash and Stock Elections" below. Details of the relevant procedure will be described in the Polish Information Memorandum. The Polish Information Memorandum will also set forth the procedure for the payment of the merger consideration to IVAX shareholders in Poland.

In connection with the merger, IVAX shares of common stock will be delisted from the Warsaw Stock Exchange. Teva does not currently intend to apply for the introduction of Teva Shares to trading on the regulated market in Poland.

IVAX will inform Polish IVAX shareholders of the terms on which they may participate in IVAX's special shareholders' meeting in a current report that will be submitted to the Polish Securities and Exchange Commission, the Warsaw Stock Exchange and the Polish Press Agency.

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SUMMARY

*This summary is not intended to be complete and is qualified in all respects by the more detailed information appearing elsewhere in this joint proxy statement/prospectus. Shareholders are urged to review carefully the entire joint proxy statement/prospectus and the other information incorporated by reference. See also the section entitled *Where You Can Find More Information*.*

IVAX shareholders may choose between receiving Teva shares and cash, subject to proration (page 71).

You, as an IVAX shareholder, may make one of the following elections regarding the type of merger consideration you wish to receive in exchange for your shares of IVAX common stock. Depending on the type of merger consideration you elect, each share of your IVAX common stock will be converted into the right to receive:

for each share of IVAX common stock with respect to which an election to receive cash consideration, which we refer to as a cash election, has been effectively made, \$26.00 in cash, without interest, subject to proration as described below;

for each share of IVAX common stock with respect to which an election to receive stock consideration, which we refer to as a stock election, has been properly made, 0.8471 ordinary shares (subject to proration as described below), which will trade in the United States in the form of ADSs, evidenced by ADRs; or

for shares of IVAX common stock with respect to which no cash election or stock election has been properly made, which we refer to as non-electing shares, the cash consideration described above, the stock consideration described above, or a combination of both, depending on the number of IVAX shareholders who elect to receive cash consideration and the number of IVAX shareholders who elect to receive stock consideration.

An election may be made with respect to each share of IVAX common stock that you own.

For example: If you hold 10,000 IVAX shares, you may elect to receive (a) 8,471 ordinary shares of Teva in the form of ADSs, evidenced by ADRs, (b) \$260,000 in cash, or (c) you may elect to receive 0.8471 Teva ADRs per share for some of your IVAX shares and \$26.00 in cash per share for the rest of your IVAX shares. However, as described below, the amount of Teva ADRs and cash that you actually receive in the merger will depend in part on the election of other IVAX shareholders.

If you make a cash or stock election, the form of merger consideration that you actually receive will likely be adjusted as a result of the proration procedures pursuant to the merger agreement as described in this joint proxy statement/prospectus. These proration procedures are designed to ensure that 50% of the IVAX shares outstanding at the completion of the merger are converted into Teva ADRs, and 50% of the IVAX shares outstanding at the completion of the merger are converted into cash. If the aggregate number of IVAX shares for which stock elections are made exceeds the 50% threshold, then a portion of the IVAX shares for which stock elections are made will be exchanged for Teva ADRs on a pro rata basis so that the total number of IVAX shares exchanged for Teva ADRs equals the 50% threshold. Similarly, if the aggregate number of IVAX shares for which cash elections are made exceeds the 50% threshold, then a portion of the IVAX shares for which cash elections are made will be exchanged for cash on a pro rata basis so that the total number of IVAX shares exchanged for cash equals the 50% threshold.

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For example: If you hold 10,000 IVAX shares and you elect to receive only Teva ADRs in exchange for your IVAX shares, and all other IVAX shareholders make the same election:

only 50% of your IVAX shares would be converted into Teva ADRs and the remaining 50% of your IVAX shares would be converted into cash; and

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as a result, you would receive an aggregate amount of 4,235 Teva ADRs (0.8471 of an ordinary share of Teva per IVAX share) for 5,000 of your IVAX shares and \$130,013 (\$26.00 per IVAX share, plus cash for fractional ADRs as described below) in cash for the remaining 5,000 of your IVAX shares.

The above examples are included for illustration purposes only. The actual number of Teva ADRs and the amount of cash you receive pursuant to the merger agreement will depend upon the election you make and the elections or non-elections made by each other holder of IVAX common stock.

In order to make a cash election or a share election, you must submit a properly completed form of election by 5:00 p.m., New York City time, on October 27, 2005, the date of the special meeting of IVAX shareholders, unless completion of the merger will occur more than four business days following the date of the special meeting, in which case the election deadline will be extended until two business days before the completion of the merger. IVAX and Teva will publicly announce the election deadline at least five business days prior to the anticipated completion date of the merger. If you do not properly make a cash election or stock election by the election deadline, your IVAX shares will be exchanged for cash, Teva ADRs or a combination of cash and Teva ADRs in accordance with the proration procedures contained in the merger agreement and described under "The Merger Making Cash and Stock Elections" beginning on page 70.

You will not receive any fractional Teva ADRs in the merger. Instead of any fractional ADRs, a cash payment will be made to you, representing the value of the aggregate fractional Teva ADRs that you otherwise would be entitled to receive.

Comparative market prices and share information (page 27).

IVAX's common stock is listed and traded on the American Stock Exchange and the Warsaw Stock Exchange under the symbol "IVX" and on the London Stock Exchange under the symbol "IVX.L." Teva ordinary shares have been listed on the Tel Aviv Stock Exchange since 1951. Teva ADRs are admitted to trading on NASDAQ under the symbol "TEVA." Teva is part of the NASDAQ 100 Index. Each ADR represents one Teva ordinary share.

On July 22, 2005, the trading day in the United States prior to the announcement of the execution of the merger agreement, the closing price of IVAX common stock on the American Stock Exchange was \$22.88 per share and the closing price of Teva ADRs was \$31.10 per ADR. The merger consideration of \$26.00 or 0.8471 Teva ADRs per share, based on the five day average closing price of Teva ADRs from July 18, 2005 to July 22, 2005, represented a premium of approximately 13.6% over the closing price of IVAX common stock on July 22, 2005, and represented a premium of approximately 19.5% over the average closing price of IVAX common stock for the 30 previous trading days ending on July 22, 2005.

On September 22, 2005, the most recent practicable trading day prior to the printing of this joint proxy statement/prospectus, the closing price of IVAX common stock was \$26.28 per share and the closing price of Teva ADRs was \$33.19 per ADR. We urge you to obtain current market quotations for both IVAX common stock and Teva ADRs.

The IVAX and Teva boards of directors unanimously recommend that you vote FOR the merger (page 47).

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IVAX. The *IVAX* board of directors recommends that *IVAX* shareholders vote **FOR** approval and adoption of the merger agreement and approval of the merger. On July 24, 2005, the *IVAX* board of directors unanimously:

determined that the merger agreement and the transactions contemplated by the merger agreement are advisable and are fair to and in the best interests of *IVAX* and its shareholders;

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approved the merger agreement; and

resolved to recommend that its shareholders vote in favor of the proposal to approve the merger agreement and the transactions contemplated by the merger agreement.

Teva. The Teva board of directors recommends that Teva shareholders vote **FOR** approval of the issuance of the Teva ordinary shares pursuant to the merger agreement. On July 25, 2005, the Teva board of directors unanimously:

determined that the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Teva and its holders of ordinary shares;

approved the merger agreement;

approved the reservation of the ordinary shares to be issued with respect to the merger and approved the issuance of that number of ordinary shares that may be required in connection with the merger subject to shareholder approval;

resolved to recommend that its shareholders authorize and approve the issuance of the Teva ordinary shares pursuant to the merger agreement; and

determined that it is advisable and in the best interests of Teva to elect Dr. Phillip Frost, effective immediately following the effective time of the merger, to the board of directors of Teva, as its vice chairman.

The IVAX and Teva boards of directors have received fairness opinions from their financial advisors (page 50).

Opinion of IVAX's Financial Advisor. UBS Securities LLC, which we refer to as UBS, acted as financial advisor to IVAX in connection with the merger. The IVAX board of directors received an opinion from UBS as to the fairness, from a financial point of view, to the holders of IVAX common stock (other than Teva and its affiliates) of the aggregate merger consideration to be received by such holders in the merger. The full text of the written opinion, dated July 24, 2005, is attached as Annex B to this joint proxy statement/prospectus. We encourage you to read the opinion carefully and in its entirety, including for a description of the procedures followed, assumptions made, matters considered and limitations described therein. **The opinion of UBS was provided to IVAX's board of directors in connection with its evaluation of the aggregate merger consideration, does not address any other aspect of the merger and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act with respect to any matters relating to the merger.**

Opinion of Teva's Financial Advisors. Lehman Brothers and Credit Suisse First Boston acted as financial advisors to Teva in connection with the merger. The Teva board of directors received an opinion from each of Lehman Brothers and Credit Suisse First Boston as to the fairness, from a financial point of view, to Teva of the consideration to be paid by Teva in the merger. The full text of the written opinions, dated July 25, 2005, are attached as Annexes C and D to this joint proxy statement/prospectus. We encourage you to read the opinions carefully in their entirety for a description of the procedures followed, assumptions made, matters considered and limitations on the review undertaken. **The opinion of each of Lehman Brothers and Credit Suisse First Boston was provided to Teva's board of directors in connection with its evaluation of the aggregate merger consideration, does not address any other aspect of the merger and does not constitute a recommendation to any shareholder as to how such shareholder should vote or act with respect to any matters relating to the merger.**

The transaction should qualify as a reorganization under the U.S. Internal Revenue Code (page 117).

The consummation of the merger is conditioned upon the receipt by IVAX and Teva of opinions from their respective counsel that the merger (together with the subsequent merger) should be treated as a reorganization within the meaning of Section 368(a) of the U.S. Internal Revenue Code. These opinions will be subject to certain assumptions, limitations and qualifications, and will be based upon the accuracy of certain factual representations of IVAX and Teva. As discussed under U.S. Federal Income Tax Considerations below, these

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opinions will be qualified and the conclusion that the merger qualifies as a reorganization is not free from doubt. Furthermore, these opinions will be based upon currently existing provisions of the U.S. Internal Revenue Code, existing Treasury regulations thereunder and current administrative rulings and court decisions, all of which are subject to change. In the event tax counsel were unable to deliver the tax opinions, the merger would not be consummated unless the conditions requiring the delivery of the tax opinions were waived.

Assuming that the merger (together with the subsequent merger) qualifies as a reorganization under U.S. federal income tax laws, a U.S. holder of IVAX common stock generally will not recognize any gain or loss under U.S. federal income tax laws on the exchange of IVAX common stock solely for Teva ADRs. A U.S. holder generally will recognize gain, but not loss, if any cash is received in exchange for the holder's IVAX common stock.

Certain shareholders of IVAX have entered into a stockholders agreement (page 90).

Dr. Phillip Frost, Jack Fishman, Ph.D., Neil Flanzraich, Rafick G. Henein, Ph.D. and Jane Hsiao, Ph.D., all of whom are directors and/or executive officers of IVAX, and certain affiliated entities, are parties to a stockholders agreement, in which they have agreed to vote their shares in favor of the merger agreement and the merger at the IVAX special meeting. As of the IVAX record date, the shareholders who are parties to the stockholders agreement held 51,599,982 shares, representing approximately 19% of the voting power of IVAX common stock as of the record date. For a more detailed description of the stockholders agreement, you should read the section entitled "The Merger Agreement" Stockholders Agreement.

There are differences between the rights of IVAX shareholders and Teva shareholders (page 99).

After the merger, IVAX shareholders who receive Teva ADRs as a result of the merger will have their rights as holders of Teva ADRs governed by the deposit agreement, as amended, among Teva, The Bank of New York, as depositary, and the holders from time to time of ADRs. The rights of the shares of Teva underlying the ADRs are governed by the memorandum and the articles of association of Teva, as amended, as well as the Israeli Companies Law. There are differences between IVAX's governing documents, on the one hand, and Teva's governing documents and the deposit agreement, on the other hand, as well as between the applicable governing laws. As a result, an IVAX shareholder will have different rights as a Teva shareholder than as an IVAX shareholder. The main differences have been summarized in this joint proxy statement/prospectus under "Comparative Rights of IVAX and Teva Shareholders."

Dissenting IVAX shareholders will not have appraisal rights (page 75).

No dissenters' or appraisal rights are available in connection with the merger. Florida law does not provide for such rights because IVAX's common shares are listed on a national securities exchange.

The interests of some IVAX executive officers and directors in the merger may differ from yours (page 69).

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When considering the recommendation by the IVAX board of directors to vote FOR the merger agreement, you should be aware that certain executive officers and members of the board of directors of IVAX have certain interests in connection with the merger that are different from, and may conflict with, your interests as a shareholder. The board of directors of IVAX was aware of and considered these interests when it considered and approved the merger agreement and the merger.

Existing employment and severance agreements with certain executive officers of IVAX provide for benefits upon a change in control, including severance payments due if the executive officer's employment is terminated within a certain amount of time following the consummation of a change in control and retention bonus payments if the executive officer remains in the employment of IVAX for six months after a change in control. A change in control will occur upon consummation of the merger. In addition, all outstanding options, including those held by executive officers and directors, will immediately vest in full upon a vote of the holders of a majority of IVAX's outstanding common stock in favor of the merger or upon consummation of the merger.

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Immediately following the effective time of the merger, Dr. Phillip Frost is expected to join Teva's board of directors and serve as its vice chairman.

Teva has agreed to continue certain indemnity agreements of certain existing and former directors, officers and employees of IVAX. In addition, for six years following the merger, Teva will maintain the indemnification provisions for officers and directors contained in IVAX's charter documents.

On the IVAX record date, which is September 23, 2005, the directors and executive officers of IVAX, and their affiliates, beneficially owned approximately 64,433,698 shares of IVAX common stock, which represented approximately 24% of the outstanding shares of IVAX common stock as of the record date. As of the record date, the parties to the stockholders agreement held a combined 51,599,982 shares, representing approximately 19% of the voting power of IVAX common stock as of the record date.

A variety of governmental approvals must be obtained prior to the consummation of the merger (page 86).

U.S. Antitrust Filing. Under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended, and the rules and regulations promulgated thereunder, which we refer to as the HSR Act, the merger may not be consummated unless the requisite waiting period has expired or been terminated. On September 9, 2005, each of IVAX and Teva filed a pre-merger notification and report form pursuant to the HSR Act with the U.S. Department of Justice, Antitrust Division, which we refer to as the Justice Department, and the Federal Trade Commission, which we refer to as the FTC. In the absence of the grant of early termination, a voluntary withdrawal and resubmission of the filing or the issuance by the Justice Department or FTC of a request for additional information or documentary material, the waiting period under the HSR Act will expire at 11:59 p.m. on October 11, 2005. Teva and IVAX have engaged the FTC in a dialogue regarding the transaction and have submitted information to the FTC as a result of that dialogue. Even if the waiting period expires, the Justice Department, the FTC or other regulatory authorities could take action under the antitrust laws with respect to the merger, including seeking to enjoin the consummation of the merger, to rescind the merger or to require the divestiture of certain assets of IVAX or Teva.

E.C. Antitrust Filing. IVAX and Teva each conduct business in member states of the European Union. Council Regulation (EC) 139/2004, of the Merger Control Regulation, requires notification to and approval by the European Commission of mergers or acquisitions involving parties with aggregate worldwide sales and individual European Union sales exceeding specified thresholds. On September 16, 2005, IVAX and Teva filed a partial draft merger notification, or Form CO, with the DG Competition of the European Commission. Teva and IVAX have engaged the staff of the European Commission in a dialogue regarding the transaction and have submitted information to the EC as a result of that dialogue. The parties expect to file a complete notification to the EC shortly.

Other Approvals. In addition to complying with the HSR Act and regulations of the European Commission, we are required to make filings under the laws of Ukraine, Mexico and Russia. IVAX and Teva will make the required filings in all these jurisdictions shortly.

General. Governmental entities with which filings are made may seek regulatory concessions as conditions for granting approval of the merger. Under the merger agreement, IVAX and Teva have both agreed to use reasonable best efforts to complete the merger, including to gain clearance from antitrust and competition authorities and to obtain other required regulatory approvals. For this purpose, if any objections are asserted with respect to the transactions contemplated by the merger agreement under any antitrust laws which would prevent, materially impede or materially delay the completion of the merger, each of IVAX and Teva is required to use reasonable best efforts to resolve any such objections so as to permit the completion of the merger, including, without limitation, selling, holding separate or otherwise disposing of any of its assets or any assets of its subsidiaries or conducting its business in a manner which would resolve such objections, unless those actions

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would have (a) a material adverse effect on IVAX or Teva or (b) a material adverse effect on the combined businesses of IVAX and Teva, taking into account their prospects. IVAX has agreed that Teva would have the sole right to negotiate and effect any sale, holding separate or other disposition required to resolve any such objections.

These U.S. and foreign regulatory authorities may challenge the merger on antitrust grounds and, if such a challenge is made, they may succeed in enjoining the merger as presently contemplated.

The obligations of IVAX and Teva to close the merger are subject to a number of conditions (page 86).

The obligations of IVAX and Teva to complete the merger are conditioned upon:

the other party's representations and warranties being true and correct, except for failures that individually or in the aggregate would not reasonably be expected to have a material adverse effect on that party;

the other party having complied in all material respects with its material obligations under the merger agreement; and

the absence of any material adverse effect on the other party's financial condition, business or results of operations taken as a whole.

In addition, IVAX's and Teva's obligations are further conditioned on the following:

the approval of the merger and the merger agreement by IVAX's shareholders and the approval of the issuance of the Teva shares pursuant to the merger agreement by Teva's shareholders;

the absence of any law, regulation, judgment, injunction or other order permanently prohibiting consummation of the merger or the other transactions contemplated by the merger agreement;

the waiting period applicable to the merger under the HSR Act having expired or terminated and all required approvals by the European Commission applicable to the merger having been obtained or any applicable waiting period under applicable European competition law or regulation having expired or been terminated;

all applicable foreign antitrust filings or approvals in jurisdictions where IVAX or its subsidiaries have material operations and where Teva or its subsidiaries have operations, as well as other filings or approvals from governmental entities, having been obtained at or prior to the effective time of the merger, except, in the case of these other filings or approvals, if the failure to obtain them would not be reasonably expected to have a material adverse effect on IVAX, Teva or both;

the registration statement, of which this joint proxy statement/prospectus forms a part, having been declared effective and no stop order having been issued by the U.S. Securities and Exchange Commission, which we refer to as SEC, and all Israeli authorizations necessary to carry out the transactions contemplated by the merger agreement having been obtained; and

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receipt by each party from its respective legal counsel of a legal opinion to the effect that the merger (together with the subsequent merger) should be treated for United States federal income tax purposes as a reorganization within the meaning of Section 368(a) of the U.S. Internal Revenue Code.

Under certain circumstances IVAX and Teva may terminate the merger agreement (page 88).

The merger agreement may be terminated and the merger may be abandoned at any time prior to the completion of the merger by mutual written consent of IVAX and Teva. The merger agreement also may be terminated by either IVAX or Teva:

if the merger is not completed by March 31, 2006, subject to extension for (a) six months if the condition to closing with respect to the HSR Act or applicable European competition law has not yet

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been satisfied but is being pursued diligently and in good faith or (b) three months if the condition to closing with respect to other foreign antitrust filings or approvals and other governmental filings or approvals has not yet been satisfied but is being pursued diligently and in good faith;

if the shareholders of IVAX fail to approve the merger agreement and the transactions contemplated by the merger agreement at the IVAX special meeting or at any adjournment or postponement thereof;

if the shareholders of Teva fail to approve the issuance of the Teva shares pursuant to the merger agreement at the Teva special meeting or at any adjournment or postponement thereof; or

if any governmental authority permanently restrains, enjoins or otherwise prohibits the consummation of the merger.

Additionally, IVAX may terminate the merger agreement if:

prior to the IVAX shareholder meeting, the board of directors of IVAX determines in good faith, after consulting with outside counsel and its financial advisor, that a bona fide unsolicited acquisition proposal is a superior proposal. However, IVAX will not take any such action relative to the superior proposal until at least three business days following Teva's receipt of written notice that states that IVAX has received a superior proposal and specifies the material terms and conditions of the superior proposal. Additionally, IVAX's board of directors must conclude in good faith, after consultation with its financial advisor and outside counsel, that any counterproposal made by Teva is not as favorable (taking into account the termination fee payable under the merger agreement) to IVAX's shareholders as the superior proposal; or

prior to the effective time of the merger, Teva materially breaches a material representation, warranty, covenant or agreement such that IVAX's closing conditions are not satisfied and that breach is either not capable of being cured or has not been cured within twenty days after written notice of such breach is given by IVAX to Teva.

If the merger agreement is terminated under certain circumstances, including if IVAX terminates the agreement to enter into an agreement with respect to a third party acquisition proposal and enters into a definitive agreement with respect to, or consummates a transaction contemplated by, an acquisition proposal within 12 months of such termination, IVAX must pay Teva a termination fee of \$200 million. See *The Merger Agreement Termination and Other Fees* for a complete discussion of the circumstances in which IVAX would be required to pay Teva's expenses or the termination fee.

Teva may terminate the merger agreement if, at any time prior to the effective time of the merger:

prior to the IVAX shareholder meeting, the board of directors of IVAX determines in good faith after consulting with outside counsel and its financial advisor, that a bona fide unsolicited acquisition proposal is a superior proposal and either recommends the proposal to IVAX shareholders or adopts an agreement relating to the proposal;

the board of directors of IVAX has withdrawn or materially and adversely modified or, upon reasonable request from Teva, has failed to reaffirm its adoption of the merger agreement or its recommendation that the shareholders of IVAX approve the merger agreement and the transactions contemplated by the merger agreement;

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a tender offer or exchange offer is commenced that, if successful, would result in any third party becoming beneficial owner of 30% or more of the outstanding shares of IVAX common stock and the board of directors of IVAX recommends that the shareholders of IVAX tender their shares in the tender or exchange offer;

IVAX fails to call or hold the IVAX shareholder meeting within six months of the date of the merger agreement (subject to extension), unless (a) Teva has breached in any material respect its obligations

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under the merger agreement in any manner that shall have caused the occurrence of the failure of the IVAX shareholder meeting to be called or held or (b) IVAX has at that time a right to terminate under another provision of the merger agreement; or

IVAX materially breaches a material representation, warranty, covenant or agreement contained in the merger agreement such that Teva's closing conditions are not satisfied and that breach is either not capable of being cured or has not been cured within twenty days after written notice of the breach is given by Teva to IVAX.

IVAX has agreed not to solicit third party acquisition proposals (page 83).

Subject to certain exceptions, the merger agreement precludes IVAX and its subsidiaries or any IVAX officer, director, employee, agent or representative from initiating, soliciting, encouraging or otherwise facilitating, directly or indirectly, any inquiries or the making of any proposal or offer, with respect to:

any merger, reorganization, share exchange, business combination, recapitalization, consolidation, liquidation, dissolution or similar transaction involving IVAX or any of its subsidiaries;

any sale, lease, exchange, mortgage, pledge, transfer or purchase of the assets or equity securities of IVAX or any of its subsidiaries, in each case comprising 15% or more in value of IVAX and its subsidiaries; or

any purchase or sale of, or tender offer or exchange offer for, 15% or more of the outstanding shares of IVAX common stock.

Teva ADRs are traded on NASDAQ (page 28).

Teva ADRs received by IVAX shareholders in the merger will be traded on NASDAQ. After completion of the merger, the shares of IVAX common stock will no longer be listed or traded.

Information about the companies.

Teva Pharmaceutical Industries Limited

Investor Relations

5 Basel Street

P.O. Box 3190

Petach Tikva 49131 Israel

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Telephone: 972-3-926-7554

Fax: 972-3-926-7519

E-mail: ir@teva.co.il

Teva is a global pharmaceutical company producing drugs in all major treatment categories, including both generic and proprietary pharmaceutical products. Teva is one of the world's largest global generic drug companies and has the leading position in the U.S. generic market. Teva has successfully utilized its production and research capabilities to establish a global pharmaceutical operation focused on supplying the growing demand for generic drugs and on opportunities for proprietary branded products for specific niche categories, with its leading branded drug being Copaxone® for multiple sclerosis. Teva's active pharmaceutical ingredients (API) business provides both significant revenues and profits from sales to third party manufacturers and strategic benefits to Teva's own pharmaceutical production through its timely delivery of significant raw materials.

Teva's operations are conducted directly and through subsidiaries in Israel, Europe, North America and several other jurisdictions. During the first six months of 2005, Teva generated approximately 59% of its sales in North America, 30% in Europe and 11% in the rest of the world, predominantly in Israel.

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Generic Pharmaceutical Products. Teva Pharmaceuticals USA, Inc., Teva's principal subsidiary, is the leading generic drug company in the United States. Teva USA markets approximately 220 generic products representing approximately 600 dosage strengths and packaging sizes, which are distributed and sold in the United States.

Teva is also participating in the growth and development of the European market for generic products. Through its European subsidiaries, Teva manufactures approximately 450 generic products representing over 4,000 dosage strengths and packaging sizes, which are sold primarily in The Netherlands, the United Kingdom, Hungary, France and Italy.

The potential for future sales growth of Teva's generic products lies in its pipeline of pending generic product registrations, as well as tentative approvals already granted. As of September 15, 2005, Teva had:

142 product applications, some significant, awaiting approval by the U.S. Food and Drug Administration, which we refer to as the FDA, including 31 applications for which tentative FDA approval has already been granted. Collectively, the products covered by these 142 applications have corresponding annual U.S. branded sales of approximately \$98.1 billion. Of these 142 applications, 74 were submitted pursuant to a Paragraph IV procedure. Teva believes it is first-to-file on 35 of these applications, with annual U.S. branded sales of approximately \$24.7 billion; and

609 applications pending in Europe for 103 compounds in 234 formulations.

Proprietary Pharmaceutical Products. In the area of proprietary drugs, Teva leverages its access to Israeli-based academic research in order to develop innovative compounds for use in selected therapeutic markets. Teva's proprietary research and development pipeline is currently focused mainly in the areas of neurological disorders and autoimmune diseases, primarily in the development of Copaxone® for the treatment of multiple sclerosis, which has been sold in the United States since 1997, and the development of Agilect®/Azilect® (rasagiline's brand name in the United States and Europe, respectively) for the treatment of Parkinson's disease.

Copaxone®, Teva's leading product and its first major innovative drug, is the first non-interferon agent used in the treatment of relapsing-remitting multiple sclerosis. Multiple sclerosis, or MS, is a debilitating autoimmune disease of the central nervous system. Teva launched Copaxone® in Israel in December 1996 and in the United States in March 1997. According to IMS data, in the second quarter of 2005, Copaxone® further augmented its position as the U.S. market leader in both new and total prescriptions, reaching a total prescription share of 32.7% in June 2005. The ongoing growth in sales of Copaxone® in the United States has been enhanced by the continued penetration of Copaxone® in most European countries, with the most significant being Germany. Copaxone® has been approved for marketing in 44 countries, including the United States, Mexico, Israel, Canada, the fifteen countries comprising the European Union, Switzerland, Australia, Russia, Brazil and Argentina.

In September 2003, following the successful completion of two phase III clinical trials, Teva submitted to the FDA a New Drug Application for Agilect® for the treatment of Parkinson's disease. Final marketing authorization for Azilect® covering European Union countries was granted by the European Commission in February 2005. Azilect® was launched in the United Kingdom in June 2005, following its introduction into the Israeli market in March 2005, and is on track to be launched progressively in other European countries later this year. In the United States, on August 5, 2005, Teva received a letter from the FDA regarding its NDA for Agilect®, reiterating the FDA's position that the application is approvable, although there remain a number of issues that Teva believed it had resolved with its submissions, but as to which the FDA continues to have concerns. The FDA has indicated its interest in a follow-up meeting to discuss issues raised in the letter. Teva intends to meet promptly with the FDA and to work closely with the agency to resolve these issues.

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Pharmaceutical Production. Teva operates 19 finished dosage pharmaceutical plants in North America, Europe and Israel. The plants manufacture solid dosage forms, injectables, liquids and semi-solids. During 2004,

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Teva's plants produced approximately 20 billion tablets and capsules and approximately 180 million injectable units. Teva is completing the construction of a production facility in Jerusalem for solid dosage forms. This state-of-the-art plant is expected to be operational in the second half of 2005.

Active Pharmaceutical Ingredients. Teva also possesses significant manufacturing operations for the production of active pharmaceutical ingredients, and its active pharmaceutical ingredients division currently offers approximately 200 products to the market. With a leading global market share in certain major chemicals for generic pharmaceuticals, Teva's active pharmaceutical ingredients business also facilitates its entry into new drug markets and offers a cost effective source of raw materials for its own pharmaceutical production.

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. Its executive offices are located at 5 Basel Street, P.O. Box 3190, Petach Tikva 49131 Israel, telephone number 972-3-926-7267.

Ivory Acquisition Sub, Inc. and Ivory Acquisition Sub II, Inc.

1090 Horsham Road

P.O. Box 1090

North Wales, PA 19454-1090

Ivory Acquisition Sub, Inc., which we refer to as Merger Sub, is a Florida corporation and a wholly owned subsidiary of Teva. Merger Sub was organized on July 21, 2005 solely for the purpose of effecting the merger with IVAX. It has not carried on any activities other than in connection with the merger agreement. Ivory Acquisition Sub II, Inc., which we refer to as Sister Subsidiary, is a Florida corporation and a wholly owned subsidiary of Teva. Sister Subsidiary was organized on July 21, 2005 solely for the purpose of effecting the merger with IVAX. It has not carried on any activities other than in connection with the merger agreement.

IVAX Corporation

4400 Biscayne Boulevard

Miami, FL 33137

(305) 575-6000

IVAX is a multinational company engaged in the research, development, manufacture and marketing of pharmaceutical products. IVAX manufactures and/or markets several brand name pharmaceutical products and a wide variety of brand equivalent and over-the-counter pharmaceutical products, primarily in the United States, Europe and Latin America.

IVAX markets a number of proprietary and brand name products treating a variety of conditions. These products are marketed by its direct sales force to physicians, pharmacies, hospitals, managed care organizations, or MCOs, and government agencies.

IVAX has substantial expertise in the development, manufacture and marketing of respiratory drugs, primarily for bronchial asthma, in metered-dose and dry powder inhaler formulations. Its United Kingdom subsidiary is the third largest respiratory company in that market based on IMS sales data for 2004. At the core of IVAX's respiratory franchise are advanced delivery systems, which include a patented breath-actuated dose inhaler called Easi-Breathe and a patented dry-powder inhaler called Airmax, as well as conventional metered-dose inhalers. IVAX has pioneered the development of aerosol products that do not contain CFCs (chlorofluorocarbons), chemicals that are believed to be harmful to the environment, which are being phased out on a global basis.

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Proprietary Pharmaceutical Products. IVAX is committed to the cost-effective development of proprietary pharmaceuticals directed primarily towards indications having relatively large patient populations or for which it believes limited or inadequate treatments are available, with an emphasis on the development of products in the neurological, oncology and respiratory fields. As part of this strategy, from time to time, IVAX enters into licensing and collaborative alliances, which allow it to exploit its drug development capabilities or provide it with valuable intellectual property and technologies.

Generic Pharmaceutical Products. IVAX also markets a broad line of brand equivalent pharmaceutical products, both prescription and over-the-counter. In the United States, IVAX manufactures and markets approximately 73 brand equivalent prescription drugs in an aggregate of approximately 169 dosage strengths. In the United States, IVAX distributes approximately 168 additional brand equivalent prescription and over-the-counter drugs as well as vitamin supplements. In the United Kingdom, IVAX is a leading provider of brand equivalent pharmaceutical products, marketing approximately 402 brand equivalent drugs, about half of which it manufactures. As of August 31, 2005, IVAX had:

57 abbreviated new drug applications awaiting approval by the FDA. IVAX believes it is first-to-file on twelve of these applications, with annual U.S. branded sales of over \$11 billion during the twelve months ended June 30, 2005; and

over 300 generic applications pending with agencies outside of the United States.

IVAX seeks to add to its portfolio of brand equivalent products by emphasizing the development, licensing and/or marketing of products that, because of one or more special characteristics, such as being difficult to formulate or manufacture, facing regulatory or patent obstacles or having limited sources of raw materials, are less likely to encounter competition.

IVAX was incorporated in Florida in 1993, as successor to a Delaware corporation formed in 1985. Its executive offices are located at 4400 Biscayne Boulevard, Miami, FL 33137, telephone number (305) 575-6500.

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SELECTED HISTORICAL FINANCIAL DATA OF TEVA

The selected financial data set forth below for each of the years in the three-year period ended December 31, 2004 and at December 31, 2004 and 2003 are derived from Teva's audited consolidated financial statements and related notes incorporated by reference into this joint proxy statement/prospectus, 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, 2001 and at December 31, 2002, 2001 and 2000 are derived from other audited consolidated financial statements of Teva, which have been prepared in accordance with U.S. GAAP.

The selected unaudited financial data as of and for each of the six month periods ended June 30, 2005 and 2004 are derived from unaudited consolidated financial statements incorporated by reference into this joint proxy statement/prospectus. 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 or the combined company, and you should read the selected historical financial data together with Teva's audited 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 joint proxy statement/prospectus 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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	For the six months ended June 30		For the year ended December 31				
	2005	2004	2004	2003	2002	2001	2000
	(unaudited)						
	U.S. dollars in millions (except per ADR amounts)						
Net sales	2,532.1	2,228.8	4,798.9	3,276.4	2,518.6	2,077.4	1,749.9
Cost of sales	1,346.6	1,195.1	2,559.6	1,757.5	1,423.2	1,230.1	1,058.0
Gross profit	1,185.5	1,033.7	2,239.3	1,518.9	1,095.4	847.3	691.9
Research and development expenses:							
Total expenses	184.1	163.4	356.1	243.4	192.6	168.6	132.3
Less participations and grants	5.4	8.1	17.7	29.9	27.6	61.4	27.7
Research and development net	178.7	155.3	338.4	213.5	165.0	107.2	104.6
Selling, general and administrative expenses	367.3	327.1	696.5	520.6	406.4	358.1	301.0
Acquisition of in-process research and development		596.6	596.6				35.7
Income from GSK litigation settlement				100.0			
Impairment of product rights		30.0	30.0				
Restructuring expenses				7.4		15.7	
Operating income (loss)	639.5	(75.3)	577.8	877.4	524.0	366.3	250.6
Financial income (expenses) net	(1.3)	0.5	25.9	(5.0)	(24.6)	(26.0)	(42.2)
Income (loss) before income taxes	638.2	(74.8)	603.7	872.4	499.4	340.3	208.4
Income taxes	137.2	122.8	267.2	181.5	84.8	63.6	59.6
	501.0	(197.6)	336.5	690.9	414.6	276.7	148.8
Share in profits (losses) of associated companies net	0.3	0.6	(1.2)	1.5	(2.7)	0.8	0.4
Minority interests in (profits) losses of subsidiaries net	(1.0)	(1.5)	(3.5)	(1.4)	(1.6)	0.7	(0.8)
Net income (loss)	500.3	(198.5)	331.8	691.0	410.3	278.2	148.4
Earnings (loss) per ADR: ⁽¹⁾⁽²⁾							
Basic (\$)	0.81	(0.33)	0.54	1.29	0.78	0.53	0.29
Diluted (\$)	0.74	(0.33)	0.50	1.16	0.74	0.51	0.29
Weighted average number of ADRs (in millions):							
Basic	618.0	602.6	612.7	536.8	529.0	528.9	515.8
Diluted	680.6	602.6	688.0	608.8	580.9	567.8	527.4
Before one-time items⁽³⁾							
Operating income	639.5	565.2	1,218.3	784.8	524.0	382.0	286.3
Net income	500.3	434.3	964.6	617.8	410.3	287.9	184.1
Earnings per ADR ⁽¹⁾ Basic (\$)	0.81	0.72	1.57	1.15	0.78	0.55	0.36

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<u>Earnings per ADR⁽¹⁾⁽²⁾ Diluted (\$)</u>	0.74	0.64	1.42	1.04	0.74	0.53	0.36
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- (1) Historical figures have been adjusted to reflect the two for one stock splits effected in June 2004, December 2002 and February 2000. Each ADR represents one ordinary share.

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- (2) Diluted EPS for the years 2003, 2002 and 2001 has been restated to reflect the potential dilution of convertible senior debentures, pursuant to the adoption of EITF No. 04-8, which requires that the shares issuable upon conversion of such debentures be included in the computation of diluted EPS, regardless of the contingent features included in the instrument. Diluted EPS for the six months ended June 30, 2004, before one-time items, has also been restated, to reflect the potential dilution of convertible senior debentures due 2024, pursuant to the adoption of EITF No. 04-8. In computing diluted loss per ADR for the six months ended June 30, 2004, no account was taken of the potential dilution that could occur upon the conversion of convertible senior debentures and the exercise of employee stock options, since these debentures and options had an antidilutive effect on the loss per ADR.
- (3) See the reconciliation set forth below.

Teva believes that excluding the following one-time items, which primarily relate to purchase accounting adjustments in connection with the acquisition of Sicor in January 2004 (mainly in-process R&D) and to certain product rights acquired as part of a litigation settlement, from its results of operations represents a better indicator of the underlying trends in its business. The results, after these exclusions and inclusions, are the primary results used by management and Teva's board of directors to evaluate Teva's operational performance, to compare against Teva's annual work plans and budgets, and ultimately to evaluate the performance of management.

	For the six months						
	ended June 30		For the year ended December 31				
	2005	2004	2004	2003	2002	2001	2000
	(unaudited)						
	U.S. dollars in millions						
Total income (loss) before taxes as reported*	637.5	(75.7)	599.0	872.5	495.1	341.8	208.0
Deduct gain:							
Income from GSK litigation settlement				100.0			
Add back charges:							
Sicor purchase accounting adjustments:							
In-process R&D		583.6	583.6				
Acquired inventory step up		13.9	13.9				
Acquisition of in-process R&D		13.0	13.0				35.7
Impairment of product rights		30.0	30.0				
Restructuring expenses				7.4		15.7	
Total normalized income before taxes	637.5	564.8	1,239.5	779.9	495.1	357.5	243.7
Taxes on normalized income	137.2	130.5	274.9	162.1	84.8	69.6	59.6
Net normalized income	500.3	434.3	964.6	617.8	410.3	287.9	184.1
Net income (loss) as reported	500.3	(198.5)	331.8	691.0	410.3	278.2	148.4

* Includes share of profits (losses) of associated companies-net and minority interest in losses (profits) of subsidiaries-net.

Balance Sheet Data

As of June 30 As of December 31

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	2005	2004	2004	2003	2002
	(unaudited)				
	U.S. dollars in millions				
Working capital	2,174.6	1,762.2	1,997.6	2,021.5	1,377.2
Total assets	9,436.0	8,774.9	9,632.0	5,915.9	4,626.8
Short-term credit, including current maturities:					
Convertible senior debentures (short-term)		349.3		352.5	562.4
Other	419.5	345.0	560.4	291.7	176.1
Total short-term debt	419.5	694.3	560.4	644.2	738.5
Long-term debt, net of current maturities:					
Convertible senior debentures	1,513.4	1,538.5	1,513.4	449.9	810.0
Other	208.0	325.0	215.0	365.5	351.4
Total long-term debt	1,721.4	1,863.5	1,728.4	815.4	1,161.4
Minority interests	10.4	8.3	10.9	6.7	4.9
Shareholders' equity	5,310.1	4,506.4	5,388.9	3,289.4	1,829.4

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SELECTED HISTORICAL FINANCIAL DATA OF IVAX

The selected financial data set forth below is as of and for each of the years in the three-year period ended December 31, 2004 and at December 31, 2004 and 2003, and are derived from IVAX's audited consolidated financial statements and related notes incorporated by reference into this joint proxy statement/prospectus, which have been prepared in accordance with U.S. GAAP. The selected financial data for each of the years in the two-year period ended December 31, 2001 and at December 31, 2002, 2001 and 2000 are derived from other audited consolidated financial statements of IVAX, which have been prepared in accordance with U.S. GAAP.

The selected unaudited financial data as of and for each of the six month periods ended June 30, 2005 and 2004 are derived from unaudited consolidated financial statements incorporated by reference into this joint proxy statement/prospectus. Such financial statements include, in IVAX's opinion, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of the financial position and operating results for the unaudited periods. You should not rely on these interim results as being indicative of results IVAX may expect for the full year or any other interim period.

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The information set forth below is only a summary and is not necessarily indicative of the results of future operations of IVAX or the combined company, and you should read the selected historical financial data together with the audited consolidated financial statements and related notes and Management's Discussion and Analysis of Financial Condition and Results of Operations included in IVAX's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q incorporated into this joint proxy statement/prospectus 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 six months ended June 30		For the year ended December 31				
	2005 ⁽¹⁾	2004	2004 ⁽²⁾	2003 ⁽³⁾	2002	2001 ⁽⁶⁾	2000
	(unaudited)						
	U.S. dollars in millions (except per share data)						
Net revenues	1,068.9	889.2	1,837.4	1,420.3	1,197.2	1,215.4	793.4
Cost of sales (excluding amortization, which is presented below)	629.4	465.2	985.1	781.4	663.7	583.6	409.9
Gross profit	439.5	424.0	852.3	638.9	533.5	631.8	383.5
Selling	158.4	127.9	272.6	212.2	169.0	143.6	92.0
General and administrative	83.4	80.2	162.3	122.4	118.4	110.5	84.9
Research and development	69.6	71.0	141.6	108.3	76.0	88.0	65.3
Amortization	13.8	10.9	22.5	19.7	16.2	19.4	9.0
Restructuring costs (reversal of accrual)	3.1	0.6	1.4	3.7	4.2	2.4	(4.5)
Operating income	111.2	133.4	251.9	172.6	149.7	267.9	136.8
Interest income	6.3	2.3	5.5	3.7	8.1	21.2	14.0
Interest expense	(18.2)	(31.1)	(41.4)	(43.6)	(48.6)	(41.8)	(14.6)
Other income, net	10.8	6.4	5.8	11.7	60.3	49.6	15.2
Income taxes	30.7	20.5	23.8	45.6	51.7	54.0	13.2
Minority interest	(0.3)	(0.1)		0.2	0.8	0.4	(0.6)
Income from continuing operations	79.1	90.4	198.0	99.0	118.6	243.3	137.6
Income from discontinued operations ⁽⁴⁾				22.3			
Cumulative effect of accounting change ⁽⁵⁾					4.2		(6.5)
Net income	79.1	90.4	198.0	121.3	122.8	243.3	131.0
Basic earnings per common share:							
Continuing operations	0.30	0.37	0.79	0.41	0.49	0.98	0.56
Discontinued operations ⁽⁴⁾				0.09			
Cumulative effect of accounting change ⁽⁵⁾					0.02		(0.03)
Net earnings	0.30	0.37	0.79	0.50	0.51	0.98	0.53
Diluted earnings per common share:							
Continuing operations	0.29	0.35	0.75	0.40	0.48	0.95	0.54
Discontinued operations ⁽⁴⁾				0.09			
Cumulative effect of accounting change ⁽⁵⁾					0.02		(0.03)

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Net earnings	0.29	0.35	0.75	0.49	0.50	0.95	0.51
Weighted average number of common shares outstanding:							
Basic	263.6	247.1	249.3	244.5	243.8	248.9	245.3
Diluted	273.0	263.0	268.8	248.6	246.7	255.8	255.1
Cash dividends per common share							

Table of Contents**Balance Sheet Data**

	As of June 30		As of December 31		
	2005	2004	2004	2003	2002
	(unaudited)				
	U.S. dollars in millions				
Working capital	1,070.1	714.3	943.2	509.2	447.2
Total assets	3,678.9	2,643.7	3,212.0	2,372.9	2,047.8
Total long-term debt, net of current portion	1,394.3	982.1	1,057.8	855.3	872.3
Shareholders' equity	1,593.2	1,096.1	1,490.3	962.3	684.9

- (1) On May 11, 2005, IVAX acquired PSI Holdings, Inc., the parent company of Phoenix Scientific, Inc. (Phoenix), a generic veterinary pharmaceutical manufacturing company. The operating results of Phoenix are included in the consolidated financial statements subsequent to the May 11, 2005 acquisition date.
- (2) Includes the post-acquisition results of companies acquired, either directly or indirectly, primarily Corporacion Medco S.A.C. and Botica Torres de Limatambo S.A.C. on June 2, 2004 and Kutnowskie Zaklady Farmaceutyczne POLFA SA on December 15, 2004. Also includes the effects of positive resolution of previously accrued potential service level claims, which increased net revenues and gross profit by \$8.1 million and the tax provision by \$3.0 million, and reversal of \$8.6 million of tax reserves, relating to prior years' tax issues at three foreign subsidiaries, that on review were determined to no longer be necessary, partially offset by \$2.8 million of additional valuation allowance recorded against a deferred tax asset at another European subsidiary. The total impact of these changes increased net income by \$10.9 million, or \$0.04 per diluted share.
- (3) Includes the post-acquisition results of companies acquired, primarily API Industries, Inc. on January 24, 2003, and a branded respiratory business in Europe on October 1, 2003. Also includes the effects of improvements in sales return and customer inventory experience, doubtful accounts and analysis of tax reserves that increased net revenues by \$13.7 million, reduced cost of sales by \$0.8 million, reduced bad debt expense by \$3.7 million, reduced the income tax provision by \$2.7 million, increased net income by \$14.0 million and increased diluted earnings per share by \$0.06.
- (4) The discontinued operations in 2003 relates to a number of agreements, for certain patent and product rights and settlement of litigation related to a contingent sale price dispute from our 1997 sale of McGaw, Inc. to B. Braun Melsungen AG.
- (5) The cumulative effect of a change in accounting principle relates to adoption of Statement of Financial Accounting Standards No. 142 in 2002 and Securities and Exchange Commission Staff Accounting Bulletin No. 101 in 2000.
- (6) Includes the post-acquisition results of companies acquired, primarily Laboratorio Chile S.A. on July 5, 2001, IVAX Scandinavia AB on March 13, 2001, and IVAX Pharmaceuticals Mexico, S.A. de C.V. on February 9, 2001, all of which were accounted for under the purchase method of accounting.

Notice regarding Arthur Andersen LLP

IVAX's consolidated financial statements as of and for each of the years ended December 31, 2001 and 2000, which are incorporated by reference into this joint proxy statement/prospectus, were audited by Arthur Andersen LLP, which issued a publicly available audit report expressing its unqualified opinion with respect thereto. IVAX dismissed Arthur Andersen LLP in May 2002. Additionally, IVAX has not required its current auditors to re-audit these financial statements. Since IVAX has not obtained the consent of Arthur Andersen LLP, which has ceased operations, you may not be able to recover against Arthur Andersen LLP under United States securities laws for any misstatement of a material fact contained in the financial statements audited by Arthur Andersen LLP, or any omissions to state a material fact required to be stated therein. To the extent that any shareholder could make a successful claim against Arthur Andersen LLP for any matter related to these financial statements, due to Arthur Andersen LLP's current financial and legal circumstances, the ability of Arthur Andersen LLP to satisfy those claims may be limited as a practical matter.

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SELECTED UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL DATA

The following selected unaudited pro forma combined condensed financial data present the effect of the acquisition of IVAX by Teva pursuant to the merger agreement. The following selected unaudited pro forma combined condensed statements of income data is extracted from the historical consolidated statements of income of Teva and IVAX and combines them as if the merger had occurred on January 1, 2004. The following selected unaudited pro forma combined condensed balance sheet data is extracted from the historical consolidated balance sheet of Teva and the historical consolidated balance sheet of IVAX and combines them, giving effect to the merger as if it had occurred on June 30, 2005.

The allocation of the purchase price in the merger as reflected in these unaudited pro forma combined condensed financial data has, with the assistance of independent valuation specialists, been based upon preliminary estimates of the fair value of assets acquired and liabilities assumed as of the date of the merger. This preliminary allocation of the purchase price is based on available public information and is dependent upon certain estimates and assumptions, which are preliminary and have been made solely for the purpose of developing such pro forma combined condensed financial data.

For the reasons mentioned in the prior paragraph, a final determination of the fair values of IVAX's assets and liabilities, which cannot be made prior to the completion of the transaction, will be based on the actual net tangible and intangible assets of IVAX that exist as of the date of completion of the merger. Consequently, amounts preliminarily allocated to goodwill and identifiable intangibles could change significantly from those used in the combined condensed pro forma financial data presented below and could result in a material change in amortization of acquired intangible assets.

The unaudited pro forma combined condensed financial data do not include liabilities resulting from integration planning and adjustments in respect of possible settlements of outstanding litigation, as these are not presently estimable. In addition to the completion of the valuation, the impact of ongoing integration activities, the timing of completion of the transaction and other changes in IVAX's net tangible and intangible assets that occur prior to completion of the transaction could cause material differences in the information presented.

The unaudited pro forma combined condensed financial data are not necessarily and should not be assumed to be an indication of the results that would have been achieved had the transaction been completed as of the dates indicated or that may be achieved in the future.

This selected unaudited pro forma combined condensed financial data should be read in conjunction with the Unaudited Pro Forma Combined Condensed Financial Statements and related notes included elsewhere in this joint proxy statement/prospectus and with the historical consolidated financial statements and the related notes of Teva and IVAX and other financial information pertaining to Teva and IVAX, including Teva's 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, and IVAX's Management's Discussion and Analysis of Financial Condition and Results of Operations included in IVAX's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, incorporated by reference into this joint proxy statement/prospectus. See the section entitled "Where You Can Find More Information" for more information on where you can obtain copies of these documents.

Table of Contents**Unaudited Pro Forma Combined Condensed Statements of Income Data**

	For the six months ended June 30, 2005	For the year ended December 31, 2004
	(unaudited)	
	(U.S. dollars in millions, except ADR data)	
Net sales	3,592.4	6,585.5
Cost of sales	2,017.4	3,593.9
Gross profit	1,575.0	2,991.6
Research and development expenses, net of participations and grants	248.3	480.0
Selling, general and administrative expenses	609.1	1,131.4
Acquisition of R&D in process		596.6
Impairment of product rights		30.0
Restructuring expenses	3.1	1.4
Operating income	714.5	752.2
Financial expenses net	83.1	183.1
Income before income taxes	631.4	569.1
Income taxes	140.9	232.4
	490.5	336.7
Share in profits (losses) of associated companies net	0.3	(1.2)
Minority interests in profits of subsidiaries net	(1.3)	(3.5)
Net income	489.5	332.0
Earnings per ADR:		
Basic	0.67	0.46
Diluted	0.61	0.42
Weighted average number of ADRs (in millions):		
Basic	731.9	726.6
Diluted	803.8	810.8

Unaudited Pro Forma Combined Condensed Balance Sheet Data

As of June 30, 2005

(unaudited)

(U.S. dollars in millions)

Current assets	4,716.7
Investments and other assets	800.2
Property, plant and equipment, net	1,893.1
Intangible assets and debt issuance costs, net	2,383.3
Goodwill	7,192.9
Total assets	16,986.2
Current liabilities	6,229.9
Long-term liabilities	2,835.6
Minority interests	23.2
Shareholders' equity	7,897.5

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The following table presents, for the periods indicated, selected historical per share data of IVAX and Teva as well as similar information, reflecting the combination of IVAX and Teva, as if the merger had been effective for the periods presented, and have been prepared in accordance with U.S. GAAP, which we refer to as pro forma combined information. The hypothetical IVAX equivalent per share data presented below is calculated by multiplying the pro forma combined amounts by the exchange ratio of 0.8471. For purposes of this table, we assume that IVAX shareholders receive the merger consideration in Teva shares without any proration.

The pro forma combined information is provided for informational purposes only and is not necessarily an indication of the results that would have been achieved had the transaction been completed as of the dates indicated or that may be achieved in the future. The data presented below should be read in conjunction with the historical financial statements of IVAX and Teva incorporated by reference into this joint proxy statement/prospectus. See the section entitled *Where You Can Find More Information* for more information on where you can obtain copies of these documents.

	For the six months ended June 30, 2005	For the year ended December 31, 2004
	(unaudited)	
Basic Earnings Per Share		
Teva historical	\$ 0.81	\$ 0.54
IVAX historical	\$ 0.30	\$ 0.79
Pro forma combined	\$ 0.67	\$ 0.46
IVAX equivalent	\$ 0.57	\$ 0.39
Diluted Earnings Per Share		
Teva historical	\$ 0.74	\$ 0.50
IVAX historical	\$ 0.29	\$ 0.75
Pro forma combined	\$ 0.61	\$ 0.42
IVAX equivalent	\$ 0.52	\$ 0.36
Adjusted Diluted Earnings Per Share⁽¹⁾		
Teva historical	\$ 0.74	\$ 1.42
IVAX historical	\$ 0.29	\$ 0.75
Pro forma combined	\$ 0.61	\$ 1.20
IVAX equivalent	\$ 0.52	\$ 1.02
Dividends Per Share		
Teva historical	\$ 0.14	\$ 0.22
IVAX historical	\$	\$
Pro forma combined	\$ 0.14	\$ 0.22
IVAX equivalent	\$ 0.12	\$ 0.19
Basic Book Value Per Share at Period End		
Teva historical	\$ 8.59	\$ 8.80
IVAX historical	\$ 6.05	\$ 5.98
Pro forma combined	\$ 10.79	N/A
IVAX equivalent	\$ 9.14	N/A

(1) Teva believes that the exclusion of certain one-time items, which primarily relate to purchase accounting adjustments in connection with the acquisition of Sicor in January 2004 (mainly in-process R&D) and to certain product rights acquired as part of a litigation settlement,

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from its results of operations represents a better indicator of the underlying trends in its business. The results, after these exclusions and inclusions, are the primary results used by management and Teva's board of directors to evaluate Teva's operational performance, to compare against Teva's annual work plans and budgets, and ultimately to evaluate the performance of management. For a table setting forth these one-time items, see above under "Selected Historical Financial Data of Teva."

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STOCK PRICES AND DIVIDEND DATA

Teva Ordinary Shares

Teva ordinary shares have been listed on the Tel Aviv Stock Exchange since 1951. The table below sets forth in U.S. dollars the high and low reported sales prices of the Teva ordinary shares on the Tel Aviv Stock Exchange during the periods specified as reported by the exchange. The translation into U.S. dollars is based on the daily representative rate of exchange published by the Bank of Israel then in effect.

In each of February 2000, December 2002 and June 2004, Teva effected a 2 for 1 stock split. Each holder of an ordinary share or ADR, as the case may be, was issued another share. All figures in this joint proxy statement/prospectus have been adjusted to reflect the stock splits.

Teva ADRs

Teva ADRs have been traded in the United States since early 1982 and were listed and admitted to trading on the NASDAQ in 1987. The ADRs are quoted under the symbol TEVA. The Bank of New York serves as depository for the ADRs. In November 2002, Teva was added to the NASDAQ 100 Index. Each ADR represents one ordinary share. For a more detailed description of Teva ADSs and ADRs, see below under Description of Teva American Depositary Shares.

The American Stock Exchange, the Chicago Options Exchange and the Pacific Stock Exchange quote options on Teva ADRs under the symbol TEVA. Teva ADRs are also traded on SEAQ International in London and on exchanges in Frankfurt and Berlin.

IVAX Common Stock

IVAX's common stock is listed and traded on the American Stock Exchange and The Warsaw Stock Exchange under the symbol IVX and on the London Stock Exchange under the symbol IVX.L.

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The table below sets forth in U.S. dollars the high and low reported sales prices of the Teva ordinary shares on the Tel Aviv Stock Exchange, the Teva ADRs on NASDAQ and the IVAX common stock on the American Stock Exchange, in each case during the periods as specified as reported by the relevant market, giving retroactive effect to stock splits and stock dividends:

<u>Period</u>	<u>Teva Ordinary Shares</u>		<u>Teva ADRs</u>		<u>IVAX Common Stock</u>	
	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>
	(in U.S. dollars)					
Last six months:						
September 2005 (until September 22)	33.66	32.41	34.26	32.49	26.67	25.64
August 2005	33.21	30.97	33.66	31.29	26.57	25.18
July 2005	33.07	29.39	33.19	29.50	26.98	19.39
July 22, 2005 ⁽¹⁾	N/A	N/A	31.37	30.94	23.56	22.56
June 2005	34.08	30.64	34.05	30.80	22.00	19.52
May 2005	33.90	29.90	34.25	30.00	19.74	18.14
April 2005	32.62	30.40	33.40			