



August 19, 2008

Dear Shareholder,

You are cordially invited to attend a Special Meeting of Shareholders of Teva Pharmaceutical Industries Limited, to be held at the Company's executive offices at 5 Basel Street, Petach Tikva, Israel, on September 25, 2008 at 16:00 p.m. local time.

At the Special Meeting, shareholders will be asked to consider and vote on the matter listed in the enclosed Notice of Special Meeting of Shareholders. The matter relates to the appointment of Mr. Joseph (Yosi) Nitzani as a statutory independent director (as defined below) for a term of three years. Teva's Board of Directors recommends a vote **FOR** the proposal listed in the Notice.

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 Mellon, the depositary of the ADRs, which will enable them to instruct The Bank of New York Mellon on how to vote the Teva ordinary shares represented by their ADRs with regard to the proposal listed in the Notice. Accordingly, please sign and date the enclosed voting instruction card at your earliest convenience and mail it in the envelope provided.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Hurvitz" followed by a large, stylized flourish.

Eli Hurvitz
Chairman of the Board

TEVA PHARMACEUTICAL INDUSTRIES LIMITED

Notice of Special Meeting of Shareholders

Notice is hereby given that a Special Meeting of Shareholders of Teva Pharmaceutical Industries Limited will be held at the Company's executive offices at 5 Basel Street, Petach Tikva, Israel on September 25, 2008, at 16:00 p.m. local time.

The agenda for the Special Meeting is to adopt the following resolution:

1. To appoint Mr. Joseph (Yosi) Nitzani as a statutory independent director (as defined below) for a term of three years.

Only shareholders of record at the close of business on August 18, 2008 will be entitled to this notice of, and to vote at, this Special Meeting. Should no legal quorum be present one half hour after the time set for this Special Meeting, the meeting shall be adjourned to one week from that day, at the same time and place.

By Order of the Board of Directors,

TEVA PHARMACEUTICAL INDUSTRIES
LIMITED

A handwritten signature in black ink, appearing to read 'U. Karniel', with a stylized flourish at the end.

Uzi Karniel, Adv.
Corporate Secretary

The Special Meeting

A Special Meeting of Shareholders of the Company will be held at the Company's executive offices at 5 Basel Street, Petach Tikva, Israel on September 25, 2008, at 16:00 p.m. local time.

Record Date; Shareholders Entitled to Vote

Only shareholders of record at the close of business on August 18, 2008 will be entitled to notice of, and to vote at this Special Meeting, and any adjournments or postponements thereof. At such time, each issued and outstanding ordinary share, par value NIS 0.1 per share, shall be entitled to one vote on the matter submitted at this Special Meeting.

Quorum, Required Vote and Voting Procedures

At least two shareholders who are present at this Special Meeting, in person or by proxy or represented by their authorized persons, and who hold in the aggregate twenty-five percent or more of the paid-up share capital of the Company, are necessary to constitute a legal quorum.

The election of Mr. Joseph (Yosi) Nitzani as a statutory independent director, is subject to approval by the majority of the votes cast at the meeting and the satisfaction of one of the following additional conditions: (i) the majority of the votes cast at the meeting and voting in favor must include at least one-third of the votes of shareholders who are not controlling persons (as defined in the Israeli Companies Law) participating at the meeting, which votes shall not include abstaining votes; or (ii) the total number of objecting votes of shareholders who are not controlling persons must not exceed 1% of the total voting rights in the Company.

Under the terms of the Depositary Agreement among Teva and The Bank of New York Mellon, which acts as the Depositary, and the holders of the Company's American Depositary Receipts ("ADRs"), the Depositary shall endeavor (insofar as is practicable and in accordance with the Articles of Association of the Company) to vote or cause to be voted the number of ordinary shares represented by ADRs in accordance with the instructions provided by the holders of ADRs to the Depositary. If instructions are not received by the Depositary, the Depositary will give a discretionary proxy for the ordinary shares represented by such ADRs to a person designated by the Company.

Householding of Proxy Materials

Some banks, brokers and other nominee record holders may participate in the practice of "householding" proxy statements and annual reports. This means that only one copy of this proxy statement may have been sent to multiple shareholders in your household. The Company will promptly deliver a separate copy of this document to you if you write to or call the Company at the following address or phone numbers: Teva Pharmaceutical Industries Limited, 5 Basel Street, Petach Tikva, Israel, phone: 972-3-926-7281, Attn: Investor Relations, or in the United States, at (215) 591-8912. If you want to receive separate copies of the Company's annual report and proxy statement in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker or other nominee record holder, or you may contact the Company at the above address and phone numbers.

Expenses of Solicitation of Proxies

The Company will bear the entire cost of solicitation of proxies, including preparation, assembly, printing, and mailing of this proxy statement, the proxy card and any additional information furnished to shareholders. The Company may reimburse brokerage firms and other persons representing beneficial owners of ordinary shares for reasonable expenses incurred by them in forwarding proxy soliciting materials to such beneficial owners. The Company has retained MacKenzie Partners, Inc. to assist with the solicitation of proxies for a fee not to exceed \$5,500, plus reimbursable expenses. In addition to solicitation by mail, certain of the Company's directors, officers and regular employees, without additional remuneration, may solicit proxies by telephone, facsimile and personal interviews.

Statutory Independent Directors/Financial Experts

Under the Israeli Companies Law, publicly held Israeli companies such as Teva are required to nominate and elect at least two directors who are required to meet the independence criteria of the Israeli Companies Law ("*statutory independent directors*"), who must serve on the audit committee. All other Board committees (other than committees constituted solely as advisory committees) must include at least one such statutory independent director. The statutory independent directors are appointed at shareholders' meetings and must meet certain non-affiliation criteria—all as provided under Israeli law. A statutory independent director is appointed for an initial term of three consecutive years, and may be reappointed in companies like Teva for additional three-year terms, subject to certain conditions (including approval by Teva shareholders at a general meeting) as provided under Israeli regulations. Regulations promulgated under Israeli law set the compensation that may be paid to statutory independent directors. Dr. Leora (Rubin) Meridor and Prof. Gabriela Shalev currently serve as Teva's two statutory independent directors.

Israeli law further requires that statutory independent directors have either financial and accounting expertise or professional competence, and that at least one of the statutory independent directors have financial and accounting expertise, all, as determined by the company's board of directors. Under relevant regulations, a director having financial and accounting expertise is a person who, due to his or her education, experience and talents, is highly skilled in respect of, and understands, business and accounting matters and financial reports, in a manner that enables him or her to have an in-depth understanding of the company's financial information and to stimulate discussion in respect of the manner in which the financial data is presented. Under the regulations, a director having professional competence is a person who has an academic degree in economics, business administration, accounting, law or public administration or an academic degree in an area relevant to the company's business, or has at least five years experience in a senior position in the business management of a corporation with a substantial scope of business, in a senior position in public service or in the field of the company's business. Dr. Leora (Rubin) Meridor is considered to have financial and accounting expertise and Prof. Gabriela Shalev is considered to have professional competence. The board of directors of the Company has determined the Mr. Joseph (Yosi) Nitzani meets the qualifications to be a financial and accounting expert.

PROPOSAL: APPOINTMENT OF STATUTORY INDEPENDENT DIRECTOR

Prof. Gabriella Shalev has served as one of our two statutory independent directors under the Israeli Companies Law since 2003. Following her appointment as the next Israeli Ambassador to the United Nations on July 20, 2008, Prof. Shalev will be resigning from the Board of Directors, effective September 1, 2008.

When Prof. Shalev steps down from the Board, Teva will need to have in place a second statutory independent director under Israeli law in addition to Leora Meridor (who will remain a statutory independent director). Mr. Joseph Nitzani had been recommended by the Corporate Governance and Nominating Committee and proposed by the Board of Directors for election as a director at Teva's last annual meeting of shareholders held on June 29, 2008. However, in light of Prof. Shalev's impending resignation, the Corporate Governance and Nominating Committee and the Board of Directors decided to withdraw Mr. Nitzani's appointment as a regular director and to propose that he be appointed as statutory independent director for a term of three years.

Joseph (Yosi) Nitzani (61) has served as Chairman of the Board of Hadassah Medical Center since June 2008, and as such is its employee. He has served as a director of Hadassah Medical Center since 1996 and of Adanim Mortgage Bank Ltd. since 2006. Between 2001 and 2007, Mr. Nitzani held various positions at Mizrahi-Tefachot Bank Ltd., including Vice President, Head of Capital Markets, Client Assets and Private Banking Divisions. Mr. Nitzani also served as a director of Tefachot Israeli Mortgage Bank Ltd. from 2003 to 2005. Previously, he served as Managing Director of The Government Companies Authority from 1991 to 1995 and of The Tel-Aviv Stock Exchange from 1983 to 1991. Mr. Nitzani received his B.A in Economics from Bar-Ilan University in 1971 and his M.B.A (with distinction) from Tel Aviv University in 1974.

Hadassah Medical Center, as a prominent Israeli medical institution, purchases pharmaceutical products from Teva in the ordinary course of business, as well as conducts joint medical research activities with Teva. In considering Mr. Nitzani's nomination for election as a statutory independent director, the Audit Committee considered these transactions, both in terms of amount and significance to the parties, and determined, in accordance with applicable Israeli regulations, that they are negligible with respect to Hadassah Medical Center, Teva and Mr. Nitzani. The Audit Committee similarly concluded that these transactions do not impair Mr. Nitzani's independence under applicable U.S. and Nasdaq regulations.