**TICKER: Teva STOCK NAME: Teva Pharm**

**DATE: 11/05/2010**

**STUDIED BY: Taira Williams**

**RECOMMENDATION: “Hold”**

**Teva’s**

A global pharmaceutical company that develops, manufactures, and markets generic and proprietary branded drugs and active

pharmaceutical ingredients. Teva’s two largest proprietary brands are Copaxone (treats multiple sclerosis) and Azilect (treats Parkinson’s disease)

**New Product:**

* Teva is developing its own oral MS therapy, *laquinimod*, and aims to introduce a low-dose form of *Copaxone*.

**Acquisitions:**

* **Ratiopharm -** The German generic drug maker will essentially strengthen Teva’s position in Europe
* Teva announced last week that it was acquiring **Merck KGaA's** woman's health division -Theramex. The branded products should fit well with the women's health products Teva acquired a few years ago in the purchase of **Barr Pharmaceuticals**.
* Since the acquisition of **IVAX Pharmaceu**ticals in 2006, Teva’s global respiratory product sales have nearly tripled; by the end of 2010, annual respiratory sales are projected to reach $1 billion.

**Strengthen/Ratings**

* MI ratings: Quality Blue (79.5); Par 14.0%
* MSN Caps Rating: 5 stars
* VL: Rated this stock an A
* Teva’s is 21% of capital.
* Morningstar: 3 Stars; Stewardship A; Fair Value Uncertainty = Medium; Economic Moat= Narrow; Fair Value Est $59.00; Consider buying $41.00; Consider Selling $ 82.00

**Pro’s**

* Intends to file ten products, six of which are new brands, for approval in the U.S. and Europe by 2015.
* Currently one of the top five players in the global respiratory market which, according to IMS, is valued at more than $30 billion
* Biogenerics (copies of biotech drugs) will be another opportunity the generic drug giant intends to pursue
* Teva is currently one of the top five players in the global respiratory market which, according to IMS, is valued at more than $30 billion
* Teva’s growth strategy includes acquisitions and expands generic products globally.

**Con’s**

* European governments are cutting costs, which is cutting into generic drug prices**.**
* New drug **Novartis’ Gilenia** is administered orally, not injected, as is *Copaxone*.
* *Copaxone loses U.S patent protection in 2014*
* *Low-cost producers in India and China may cause resistance in the global market for Teva’s growth strategy.*

**Comments:**

* My recommendation would be to “Hold” on back of the SSG Part 2 a,b, and c are down.