







### Investor Conference Call Q3 2012 Results

October 30, 2012 / Marijn Dekkers, CEO

#### Disclaimer



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#### 3<sup>rd</sup> Quarter 2012 – On Track for a Successful 2012



- Upward trend at HealthCare and CropScience continued
- Reported earnings impacted by high special charges
- Innovation pipeline with significant progress
- Further strategic progress with the acquisitions of Schiff, Teva's US Animal Health business and AgraQuest
- Financial Outlook 2012 reiterated: Core EPS expected to increase by about 10%

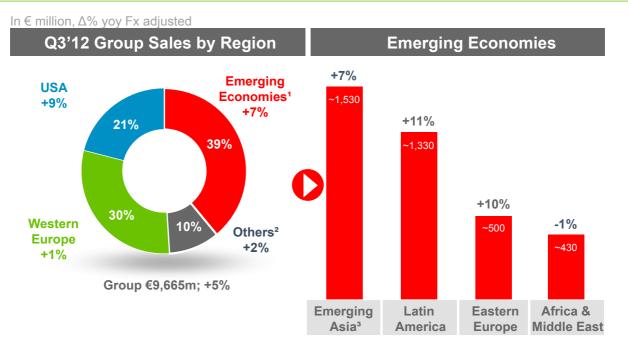
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#### 3<sup>rd</sup> Quarter 2012 – On Track for a Successful 2012





# Regional Performance – Growth Led By USA and Emerging Economies



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<sup>1</sup> Emerging economies include: Latin America, Asia w/o Japan, Australia, New Zealand, Africa and Middle East incl. Turkey, Eastern Europe <sup>2</sup> Others = Japan, Australia, New Zealand, Canada <sup>3</sup> Emerging Asia = Asia w/o Japan, Australia, New Zealand

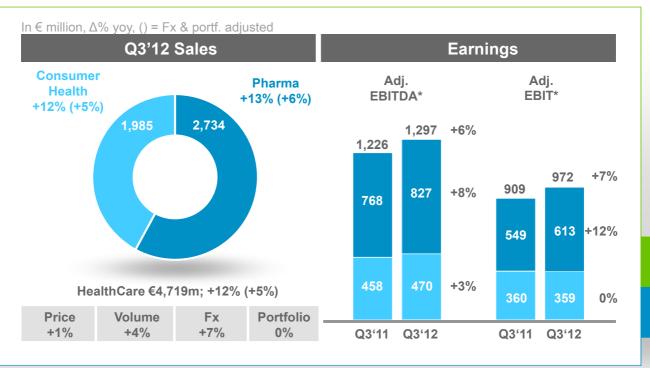
# 3<sup>rd</sup> Quarter 2012 – Cash Flow and Net Debt Development



Cash F	low in € million, N Q3'	Net Debt Development			
	GCF	NCF cont.	Invest- ments	oFCF	7.9 -€1,106m 6.8
	1,023	1,989	486	1,503	
Δ % y-o-y	-23	+26	+37	+23	Q2´12 Q3´12

#### HealthCare – Gained Further Growth Momentum





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\*before special items

## Strengthening Consumer Health – Acquisition of Schiff Nutrition International, Inc.



- Schiff, headquartered in Utah, USA, is an NYSE listed company and projects fiscal year 2013 sales above \$370m
- Product portfolio comprises nutrition supplements with well known brands
- The acquisition is a significant strengthening of strategic meaningful and strong growing sectors of the nutrition supplements market in the US

Cardiovascular Joint Care Immune Support Digestive Support

BHC-CC OTC Solutions

SHF Nutrition Supplements

MegaRed

Airbornc

Digestive Support

Phillips:

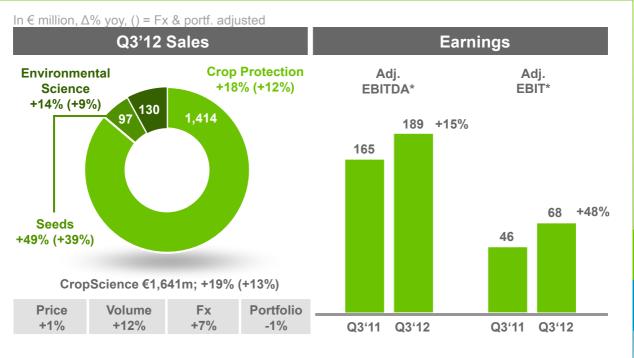
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Digestive Advantage

- Purchase price: \$1.2bn, closing targeted before year-end
- Transaction values Schiff's business at 17.8 times consensus fiscal year 2013 EBITDA
- Accretive by 3 Eurocents to 2013 core EPS, dilutive to reported EPS by 2 Eurocents in 2013, expected to be accretive thereafter

### CropScience – Growth Momentum Continued



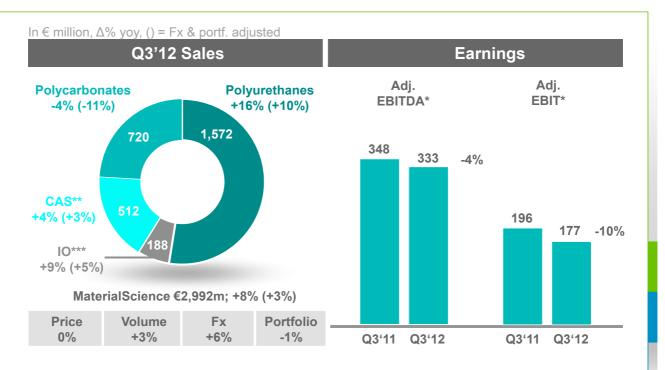


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\*before special items

### MaterialScience – Further Sales Growth





### Fiscal 2012 – Group Outlook Reiterated



Sales  $\Delta$  Fx & portf. adjusted, EBITDA before special items

	2011	Δ vs. 2010	2012E Original	2012E Actual
Sales	€36.5bn	+6%	~3% or ~€37bn	4-5% to €39-40bn*
Adj. EBITDA	€7.6bn	+7%	Slightly improve	High single-digit % increase
Core EPS	€4.83	+15%	Slightly improve	~10%

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\*Assuming Fx rates end of Q3'2012 Outlook depends on specific planning assumptions as detailed in the Annual/Quarterly Report

# Fiscal 2012 – Guidance By Subgroup



HealthCare		Sales to increase 3% to 4%. Adj. EBITDA to grow by mid- to high-single-digit percentage.
Pharma		Sales to increase slightly. Adj. EBITDA to grow mid-single-digit percentage.
Consumer Health		Sales to increase mid-single-digit percentage.  Adj. EBITDA to grow high-single-digit percentage.
CropScience	<b>4</b> , 3	Sales to increase by ~10%. Adj. EBITDA to grow by ~20%.
MaterialScience		Small increase in sales versus prior year. Adj. EBITDA to remain level with prior year.
		Q4'12: Sales and adj. EBITDA significantly above weak Q4'11









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