

TEVA PHARMACEUTICAL INDUSTRIES LTD

Form 6-K

July 29, 2009

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FORM 6-K

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16

under the Securities Exchange Act of 1934

For the month of July 2009

Commission File Number 0-16174

TEVA PHARMACEUTICAL INDUSTRIES LIMITED

(Translation of registrant's name into English)

5 Basel Street, P.O. Box 3190

Petach Tikva 49131 Israel

(Address of principal executive offices)

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Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F:

Form 20-F X Form 40-F _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): _____

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): _____

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As listed below, attached as Exhibit 101 to this Report on Form 6-K is certain information contained in this Report on Form 6-K of Teva Pharmaceutical Industries Limited relating to the three months and six months ended June 30, 2009, formatted in XBRL (Extensible Business Reporting Language). Users of this data are advised, in accordance with Rule 406T of Regulation S-T promulgated by the Securities and Exchange Commission, that this Interactive Data File is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of section 18 of the Securities and Exchange Act of 1934, and otherwise is not subject to liability under these sections.

Exhibit No.	Description
EX-101.LAB	XBRL Taxonomy Label Linkbase Document
EX-101.PRE	XBRL Taxonomy Presentation Linkbase Document
EX-101.INS	XBRL Taxonomy Instance Document
EX-101.SCH	XBRL Taxonomy Extension Schema Document
EX-101.CAL	XBRL Taxonomy Calculation Linkbase Document

Table of Contents**TEVA PHARMACEUTICAL INDUSTRIES LIMITED**

CONSOLIDATED STATEMENTS OF INCOME

(U.S. dollars in millions, except per share data)

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
Net sales	\$ 3,400	\$ 2,823	\$ 6,547	\$ 5,395
Cost of sales	1,631	1,318	3,207	2,518
Gross profit	1,769	1,505	3,340	2,877
Research and development expenses	169	198	388	377
Selling and marketing expenses	649	500	1,253	852
General and administrative expenses	197	169	393	331
Acquisition of research and development in process				382
Litigation settlements, impairment and restructuring expenses	52		66	
Operating income	702	638	1,240	935
Financial expenses net	61	34*	124	100*
Income before income taxes	641	604	1,116	835
Provision for income taxes	98	68*	123	160*
	543	536	993	675
Share in losses of associated companies net	20	1	19	**
Net income	523	535	974	675
Attributable to non-controlling interests	2	2	2	3
Net income attributable to Teva	\$ 521	\$ 533	\$ 972	\$ 672
Earnings per share:				
Basic	\$ 0.61	\$ 0.68	\$ 1.13	\$ 0.86
Diluted	\$ 0.58	\$ 0.65	\$ 1.09	\$ 0.82
Weighted average number of shares (in millions):				
Basic	860	778	858	777
Diluted	895	836	895	820

* After giving retroactive effect to the adoption of Staff Position No. APB 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement), as further described in note 10(a).

** Represents an amount of less than \$0.5 million.

The accompanying notes are an integral part of the condensed financial statements.

Table of Contents**TEVA PHARMACEUTICAL INDUSTRIES LIMITED****CONSOLIDATED BALANCE SHEETS**

(U.S. dollars in millions)

	June 30, 2009 Unaudited	December 31, 2008 Audited
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,761	\$ 1,854
Short-term investments	42	53
Accounts receivable	4,376	4,653
Inventories	3,496	3,396
Prepaid expenses and other current assets	1,360	1,470
Total current assets	11,035	11,426
Long-term investments and receivables	459	425
Property, plant and equipment, net	3,726	3,699
Identifiable intangible assets, net	4,349	4,581
Goodwill	12,218	12,297
Other assets, deferred taxes and deferred charges	464	492*
Total assets	\$ 32,251	\$ 32,920
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Short-term debt	\$ 2,028	\$ 2,906
Sales reserves and allowances	2,460	2,708
Accounts payable	2,129	2,244
Other current liabilities	623	623
Total current liabilities	7,240	8,481
Long-term liabilities:		
Deferred income taxes	1,602	1,723
Other taxes and long term payables	655	621
Employee related obligations	186	182
Senior notes and loans	3,857	3,654
Convertible senior debentures	861	1,821*
Total long-term liabilities	7,161	8,001
Total liabilities	14,401	16,482
Shareholders equity:		
Ordinary shares as of June 30, 2009 and December 31, 2008: authorized 1,500 million shares; issued and outstanding 912 million shares and 889 million shares, respectively	49	48
Additional paid-in capital	12,498	11,673*
Retained earnings	5,902	5,191*
Accumulated other comprehensive income	290	390

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Treasury shares	June 30, 2009 and December 31, 2008	38 million ordinary shares	(924)	(924)
Teva shareholders equity			17,815	16,378
Non-controlling interests			35	60
Total shareholders equity			17,850	16,438
Total liabilities and shareholders equity			\$ 32,251	\$ 32,920

* After giving retroactive effect to the adoption of Staff Position No. APB 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement) , as further described in note 10(a).

The accompanying notes are an integral part of the condensed financial statements.

Table of Contents**TEVA PHARMACEUTICAL INDUSTRIES LIMITED****CONSOLIDATED STATEMENTS OF CASH FLOW**

(U.S. dollars in millions)

(Unaudited)

	Six Months Ended June 30,	
	2009	2008
Operating activities:		
Net income attributable to Teva	\$ 972	\$ 672*
Adjustments to reconcile net income to net cash provided from operations:		
Depreciation and amortization	414	246
Deferred income taxes net	(137)	(154)*
Acquisition of research and development in process		382
Impairment of assets	2	82
Stock-based compensation	25	29
Decrease in working capital	54	232
Other items net	61	63*
Net cash provided by operating activities	1,391	1,552
Investing activities:		
Purchase of property, plant and equipment	(311)	(322)
Acquisition of subsidiaries, net of cash acquired		(414)
Purchase of investments and other assets	(40)	(1,353)
Proceeds from realization of investments	42	1,890
Other items net	(8)	72
Net cash used in investing activities	(317)	(127)
Financing activities:		
Proceeds from exercise of options by employees	74	45
Excess tax benefit on options exercised	6	12
Proceeds from long-term loans and other long-term liabilities received	277	3
Discharge of long-term loans and other long-term liabilities	(118)	(111)
Repayment of bridge loan in connection with the acquisition of Barr	(1,120)	
Net decrease in short-term credit	(13)	(128)
Dividends paid	(261)	(201)
Redemption of convertible senior debentures		(141)
Net cash used in financing activities	(1,155)	(521)
Translation differences on cash balances of certain subsidiaries	(12)	92
Net increase (decrease) in cash and cash equivalents	(93)	996
Balance of cash and cash equivalents at beginning of period	1,854	1,488

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Balance of cash and cash equivalents at end of period	\$ 1,761	\$ 2,484
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Supplemental disclosure of non-cash financing activities:

During the six months ended June 30, 2009, \$719 million principal amount of convertible senior debentures were converted into approximately 20 million Teva shares.

* After giving retroactive effect to the adoption of Staff Position No. APB 14-1, Accounting for Convertible Debt Instruments That May Be Settled in Cash upon Conversion (Including Partial Cash Settlement) , as further described in note 10(a).

The accompanying notes are an integral part of the condensed financial statements.

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TEVA PHARMACEUTICAL INDUSTRIES LIMITED

Notes To Condensed Consolidated Financial Statements

(Unaudited)

NOTE 1 Basis of presentation:

The accompanying unaudited condensed consolidated financial statements have been prepared on the same basis, with the exception of the adoption of FASB Staff Position No. APB 14-1 as explained in note 10(a), as the annual consolidated financial statements and, in the opinion of management, reflects all adjustments, which include only normal recurring adjustments, necessary to present fairly the financial position and results of operations of Teva Pharmaceutical Industries Limited (Teva or the Company). These consolidated financial statements and notes thereto are unaudited and should be read in conjunction with the Company's audited financial statements included in its Annual Report on Form 20-F for the year ended December 31, 2008, as filed with the Securities and Exchange Commission. The results of operations for the three months and six months ended June 30, 2009 are not necessarily indicative of results that could be expected for the entire fiscal year.

NOTE 2 Certain transactions:

a. Acquisition of Barr Pharmaceuticals, Inc.

On December 23, 2008, the Company completed the acquisition of Barr Pharmaceuticals, Inc. (Barr), a U.S.-based multinational generic pharmaceutical company with operations mainly in the United States and Europe, for approximately \$4.6 billion in cash and 69 million shares. For accounting purposes, the transaction was valued at approximately \$7.5 billion, based on the average value of our shares during the five trading day period commencing two trading days before the date of the merger agreement. In addition, Barr's net debt as of the acquisition date was approximately \$1.5 billion.

The consideration for the acquisition was attributed to net assets on the basis of fair value of assets acquired and liabilities assumed. This allocation has not been finalized.

Restructuring provisions recorded were \$320 million, mainly related to employee severance, termination of certain agreements and other exit costs, of which approximately \$103 million has been paid through June 30, 2009.

Barr's results of operations are included in the consolidated financial statements of Teva commencing January 1, 2009.

b. Lonza cooperation agreement

On January 20, 2009, Teva signed a definitive agreement with Lonza Group Ltd. to establish a joint venture to develop, manufacture and market generic equivalents of a selected portfolio of biologic pharmaceuticals. The joint venture, TL Biopharmaceuticals AG, commenced activities in May 2009. In connection with the formation of the joint venture, Teva was reimbursed for related R&D efforts it previously incurred. This reimbursement has been recorded as a reduction in research and development expenses.

Teva records its share of the joint venture under share in losses of associated companies.

NOTE 3 Inventories:

Inventories consisted of the following:

June 30, 2009	December 31, 2008
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