

TEVA PHARMACEUTICAL INDUSTRIES LTD
Form F-4
November 26, 2003
Table of Contents

As filed with the Securities and Exchange Commission on November 26, 2003

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

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 of incorporation)	2834 (Primary Standard Industrial Classification Code Number) 5 Basel Street P.O. Box 3190 Petach Tikva 49131 Israel 972-3-926-7267	N/A (IRS Employer Identification No.)
---	--	---

(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: William A. Fletcher

(215) 591-3000

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

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

With copies to:

Peter H. Jakes

Thomas E. Sparks, Jr.

Jeffrey S. Hochman

Kenneth E. Adelsberg

Willkie Farr & Gallagher LLP

Pillsbury Winthrop LLP

787 Seventh Avenue

50 Fremont Street

New York, New York 10019-6099

San Francisco, California 94105-2228

(212) 728-8000

(415) 983-1000

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 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	Amount to be Registered	Proposed Maximum Offering Price Per Unit (1)	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Ordinary Shares, par value NIS 0.10 each, of Teva Pharmaceutical Industries Limited	N/A	N/A	\$ 1,387,177,719	\$ 112,223

- (1) 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, based on the market value of the SICOR common stock to be exchanged in the merger, as the product of (1) \$26.56, the average of the high and low sale prices of SICOR common stock on The NASDAQ National Market on November 24, 2003, and (2) the maximum possible number of shares of SICOR common stock to be canceled pursuant to the merger (calculated as 126,306,601, which is the sum of (a) 119,243,976 outstanding shares of SICOR common stock and (b) 7,062,625 shares of SICOR common stock issuable upon the exercise of employee and director options). Pursuant to Rule 457(f) of the Securities Act, the anticipated \$1,967,525,604 of cash consideration to be paid by Teva Pharmaceutical Industries Limited to the holders of SICOR common stock in the merger has been deducted from the value of the SICOR common stock to be exchanged in the merger.

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.

Table of Contents

Information contained in this 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 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 state in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under securities laws of such state.

Subject to completion, dated November 26, 2003

19 Hughes

Irvine, California 92618

(949) 455-4700

Dear Stockholder:

[,]

You are cordially invited to attend a special meeting of stockholders of SICOR Inc., to be held at : a.m., local time, on , , 2004, at SICOR's principal executive offices, located at 19 Hughes, Irvine, California 92618. Enclosed are a Notice of Special Meeting of Stockholders, a proxy statement/prospectus and a proxy relating to the SICOR special meeting.

At the special meeting, you will be asked to consider and vote upon a proposal described in the proxy statement/prospectus to approve and adopt the Agreement and Plan of Merger, dated as of October 31, 2003, as amended, by and among SICOR, Teva Pharmaceutical Industries Limited and Silicon Acquisition Sub, Inc., a wholly owned subsidiary of Teva, pursuant to which Silicon Acquisition Sub will merge with and into SICOR and SICOR will survive the merger as a wholly owned subsidiary of Teva. At the time the merger becomes effective, each share of SICOR common stock will be converted into the right to receive \$16.50 in cash and 0.1906 Teva ordinary shares, which will trade in the United States in the form of American Depositary Shares, evidenced by American Depositary Receipts, or ADRs. The Teva ADRs are quoted on the NASDAQ National Market under the symbol TEVA. The implied merger consideration of \$27.50 per share, based on the closing price of Teva ADRs on October 30, 2003, represented a premium of approximately 32.3% over the closing price of SICOR common stock on October 21, 2003, the day before the initial news media reports regarding a possible transaction between SICOR and Teva and 35.3% over the average closing price of SICOR common stock for the 30 previous trading days ending on October 21, 2003.

The board of directors of SICOR has unanimously determined the merger to be advisable and fair to and in the best interest of SICOR and its stockholders and approved the merger agreement. **THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE FOR THE APPROVAL AND ADOPTION OF THE MERGER AT THE SPECIAL MEETING.**

Under Delaware law, if the merger is completed, SICOR stockholders of record who do not vote in favor of the merger will be entitled to exercise appraisal rights and obtain payment for the judicially determined fair value of their shares of SICOR common stock by following the specified procedures.

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

Detailed information concerning the proposed merger is set forth in the accompanying 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 23.**

After reading the 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 OR ATTEND THE SPECIAL MEETING IN PERSON. If you have questions or requests for assistance in completing and submitting proxy cards, please contact D.F. King & Co., Inc. at toll-free 1-800-290-6429.**

Sincerely yours,

Marvin Samson
President and Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved the ADRs to be issued by Teva under this proxy statement/prospectus or passed on the adequacy or accuracy of this proxy statement/prospectus. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated [], and is being first mailed to stockholders on or about [].

Table of Contents

SICOR Inc.

Notice of Special Meeting of Stockholders

to be held _____, 2004

A special meeting of Stockholders of SICOR Inc. will be held at _____ : _____ a.m., local time, on _____, _____, 2004, at SICOR's principal executive offices, located at 19 Hughes, Irvine, California 92618, and any adjournments or postponements thereof.

At the meeting you will be asked to:

1. consider and vote upon the approval and adoption of the Agreement and Plan of Merger, dated October 31, 2003, as amended, by and among SICOR Inc., Teva Pharmaceutical Industries Limited and Silicon Acquisition Sub, Inc., a wholly owned subsidiary of Teva, pursuant to which Silicon Acquisition Sub will merge with and into SICOR and SICOR will survive the merger as a wholly owned subsidiary of Teva, and
2. act upon such other business as may properly come before the meeting or any adjournments or postponements of the meeting.

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

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

The board of directors has set the close of business on [_____, _____], as the record date for determining stockholders entitled to receive notice of the meeting and to vote at the meeting and any adjournments or postponements thereof.

Under Delaware law, stockholders of record who do not vote in favor of the merger are entitled to appraisal rights if the merger is completed. If you exercise appraisal rights and follow the specified procedures set forth in the accompanying proxy statement/prospectus, you can receive the judicially determined fair value of your shares of SICOR common stock rather than the merger consideration to be paid under the merger agreement.

We will admit to the special meeting:

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

all stockholders of record at the close of business on [,];

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,

Wesley N. Fach
Secretary

[,]

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.

Please do not send your common stock certificates at this time. If the merger is consummated, you will be sent instructions regarding the surrender of your certificates.

Table of Contents

TABLE OF CONTENTS

	<u>Page</u>
<u>QUESTIONS AND ANSWERS ABOUT THE MERGER</u>	1
<u>SUMMARY</u>	4
<u>SELECTED HISTORICAL FINANCIAL DATA OF TEVA</u>	12
<u>SELECTED HISTORICAL FINANCIAL DATA OF SICOR</u>	15
<u>SELECTED UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL DATA</u>	17
<u>COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA</u>	20
<u>STOCK PRICES AND DIVIDEND POLICY</u>	21
<u>Teva Ordinary Shares</u>	21
<u>Teva ADRs</u>	21
<u>SICOR Common Stock</u>	21
<u>Teva Dividend Policy</u>	22
<u>RISK FACTORS</u>	23
<u>SPECIAL NOTE CONCERNING FORWARD-LOOKING STATEMENTS</u>	27
<u>THE SPECIAL MEETING</u>	29
<u>Date; Time and Place</u>	29
<u>Purpose of the Special Meeting</u>	29
<u>Record Date and Voting Power</u>	29
<u>Required Vote and Quorum</u>	29
<u>Abstentions and Nonvotes</u>	29
<u>How to Vote</u>	30
<u>Revocation of Proxy</u>	30
<u>Expenses of Solicitation</u>	30
<u>Miscellaneous</u>	31
<u>THE MERGER</u>	32
<u>General</u>	32
<u>Background of the Merger</u>	32
<u>Recommendation of the SICOR Board; Reasons for the Merger</u>	38
<u>Opinion of Bear Stearns</u>	41
<u>Teva's Reasons for the Merger</u>	48
<u>Interests of Certain Persons in the Merger</u>	49
<u>Manner and Procedure for Exchanging Shares of SICOR Common Stock; No Fractional ADRs</u>	50
	<u>Page</u>
<u>Governmental and Regulatory Approvals</u>	51
<u>Merger Expenses, Fees and Costs</u>	51
<u>Accounting Treatment</u>	52
<u>Form of the Merger</u>	52
<u>Material U.S. Federal Income Tax Consequences of the Merger</u>	52
<u>Federal Securities Laws - Resale Restrictions</u>	53
<u>Trading Markets</u>	53
<u>Appraisal Rights</u>	53
<u>THE MERGER AGREEMENT</u>	57
<u>Form of the Merger</u>	57

<u>Merger Consideration</u>	57
<u>Closing</u>	57
<u>Effective Time</u>	57
<u>Treatment of SICOR Stock Options</u>	57
<u>Representations and Warranties</u>	58
<u>Covenants and Agreements</u>	60
<u>Conditions to the Merger</u>	64
<u>Termination</u>	66
<u>Effect of Termination</u>	67
<u>Termination and Other Fees</u>	67
<u>Amendment</u>	67
<u>Stockholders Agreement</u>	67
<u>DESCRIPTION OF TEVA ORDINARY SHARES</u>	69
<u>Description of Teva Ordinary Shares</u>	69
<u>Meetings of Stockholders</u>	69
<u>Right of Non-Israeli Stockholders to Vote</u>	70
<u>Change of Control</u>	70
<u>DESCRIPTION OF TEVA AMERICAN DEPOSITARY SHARES</u>	71
<u>American Depositary Receipts</u>	71
<u>Deposit and Withdrawal of Ordinary Shares</u>	71
<u>Dividends, Other Distributions and Rights</u>	72
<u>Record Dates</u>	73
<u>Reports and Other Communications</u>	73
<u>Voting of the Underlying Ordinary Shares</u>	74
<u>Amendment and Termination of the Deposit Agreement</u>	74
<u>Charges of Depositary</u>	75
<u>Liability of Holders for Taxes, Duties or Other Charges</u>	75

Table of Contents

	Page
<u>Transfer of American Depositary Receipts</u>	75
<u>General</u>	76
<u>COMPARATIVE RIGHTS OF TEVA AND SICOR STOCKHOLDERS</u>	77
<u>MATERIAL U.S. FEDERAL INCOME TAX AND ISRAELI TAX CONSIDERATIONS OF OWNING AND DISPOSING OF TEVA ADRs</u>	90
<u>U.S. Federal Income Tax Considerations</u>	90
<u>Israeli Tax Considerations</u>	91
<u>UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL STATEMENTS</u>	94
<u>STOCK EXCHANGE LISTING</u>	102
<u>EXPERTS</u>	102
<u>LEGAL MATTERS</u>	102
<u>STOCKHOLDER PROPOSALS</u>	102
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	103
<i>Annexes</i>	
Annex A Agreement and Plan of Merger	
Annex B Opinion of Bear, Stearns & Co. Inc.	
Annex C Section 262 of the General Corporation Law of the State of Delaware	

Table of Contents

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q1: What is the proposed transaction for which I am being asked to vote?

A1: You are being asked to vote to approve and adopt a merger agreement entered into among Teva Pharmaceutical Industries Limited, SICOR Inc. and Silicon Acquisition Sub. Inc., a newly formed, wholly owned subsidiary of Teva. In the merger, Silicon Acquisition Sub will be merged with and into SICOR. After the merger, SICOR will be the surviving corporation and will be a wholly owned subsidiary of Teva.

Q2: What do I receive in the merger ?

A2: In the merger, each share of your SICOR common stock will be exchanged for:

0.1906 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; and

\$16.50 in cash, without interest.

Based upon the closing price of Teva's ADRs on the NASDAQ National Market on October 30, 2003, the date prior to the announcement of the transaction, the combined consideration for each outstanding share of SICOR common stock amounts to \$27.50. On [], 2003, the most recent practicable date before the printing of this proxy statement/prospectus, the closing price on NASDAQ for Teva ADRs was \$. We urge you to obtain a current market quotation.

Q3: What vote is required for approval?

A3: The merger agreement must be approved by a majority of the outstanding shares of SICOR common stock. Therefore, if you 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 SICOR common stock at the close of business on the record date, which is []. On that date, [] shares of SICOR common stock were outstanding and entitled to vote.

Q4: How does the SICOR board of directors recommend that I vote my shares?

A4: After careful consideration, SICOR's board of directors has unanimously determined that the merger is advisable and fair and in the best interests of SICOR and its stockholders and approved the merger agreement and the merger. Accordingly, SICOR's board of directors recommends that you vote FOR the proposal to approve and adopt the merger agreement and approve the merger.

Q5: What are the United States federal income tax consequences of the merger for me?

A5: After the merger you will be treated as having sold or exchanged your SICOR common stock for cash and Teva ADRs. In general, you will recognize gain or loss equal to the difference between the value of the merger consideration you receive and your aggregate adjusted tax basis in your SICOR common stock.

Q6: What will happen to SICOR s outstanding options in the merger?

A6: SICOR s outstanding options will be assumed by Teva in the merger. Each option so assumed will thereafter represent an option to purchase a number of Teva ADRs equal to the number of shares of SICOR common stock subject to the option immediately prior to the merger (whether or not vested) multiplied by the option exchange ratio, rounded down to the nearest whole Teva ADR. The option exchange ratio is equal to:

the number of Teva ADRs that the holder of the SICOR option would have been entitled to receive pursuant to the merger if the holder had exercised its option in full immediately prior to the merger, *plus*

the number of Teva ADRs, determined by dividing

the amount of cash that the holder of the SICOR option would have been entitled to receive pursuant to the merger if the

Table of Contents

holder had exercised its SICOR option in full immediately prior to the effective time of the merger *by*

the closing price of the Teva ADRs on the business day immediately prior to the effective time of the merger as reported by the NASDAQ.

The exercise price per Teva ADR is equal to:

the aggregate exercise price for the shares of SICOR common stock which otherwise could have been purchased pursuant to the SICOR option immediately prior to the effective time of the merger *divided by*

the aggregate number of Teva ADRs deemed to be purchasable pursuant to the assumed SICOR option.

Other than with respect to the number of shares subject to the option and the exercise price, which will be adjusted as described above, the assumed options will continue to have the same terms and conditions (including option periods) under the plans from which they were granted as they had prior to their assumption. By virtue of the merger, each assumed SICOR option will become fully vested and exercisable.

Q7: When do you expect the merger to be completed?

A7: We expect to complete the merger promptly after we receive SICOR stockholder approval at the special meeting and after we receive all necessary regulatory approvals. We currently anticipate closing in the first quarter of 2004.

Q8: If my shares are held in street name by my broker, will my broker vote my shares for me?

A8: 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 proxy statement/prospectus require an affirmative vote of a majority of the outstanding shares of SICOR common stock for approval, these so-called broker non-votes will have the same effect as votes cast against the merger agreement.

Q9: What do I need to do now?

A9: After carefully reading and considering the information contained in or incorporated by reference into this proxy statement/prospectus, please fill out and sign the proxy card, and then mail your signed proxy card in the enclosed prepaid envelope or submit your proxy by telephone or by the Internet as soon as possible so that your shares may be voted at the special meeting. Your proxy card will instruct the persons named on the card to vote your shares at the stockholders 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 you do not vote or if you abstain, it will have the same effect as a vote against the merger agreement. YOUR VOTE IS VERY IMPORTANT.

Q10: May I change my vote after I have mailed my signed proxy card?

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

A10: 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:

Wesley N. Fach

Secretary

SICOR Inc.

19 Hughes

Irvine, California 92618

Third, you can submit a proxy by telephone or the Internet at a later time following instructions on the enclosed proxy card.

Table of Contents

Fourth, you can attend the SICOR 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.

Q11: Am I entitled to appraisal rights?

A11: Yes. Under Delaware law, because a portion of the merger consideration is being paid in cash, SICOR stockholders may exercise appraisal rights in connection with the merger. The provisions of Delaware law governing appraisal rights are complex, and you should study them carefully if you wish to exercise appraisal rights. A stockholder may take actions that prevent that stockholder from successfully asserting these rights, and multiple steps must be taken to properly exercise and perfect the rights. A copy of Section 262 of the Delaware General Corporation Law is attached to this proxy statement/prospectus as Annex C. You should carefully review the section entitled *Appraisal Rights* beginning on page 53 of this proxy statement/prospectus for information regarding the actions that you must take in order to exercise appraisal rights.

Q12: Should I send in my stock certificates now?

A12: No. After the merger is completed, you will receive written instructions for exchanging your stock certificates.

Q13: Are there any risks related to the proposed transaction or any risks related to owning Teva ADRs?

A13: Yes. You should carefully review the section entitled *Risk Factors* beginning on page 23 of this proxy statement/prospectus.

Q14: Who can help answer my questions?

A14: If you have any questions about the merger or if you need additional copies of this proxy statement/prospectus or the enclosed proxy, you should contact:

D.F. King & Co., Inc.

48 Wall Street

New York, NY 1005

1-800-290-6429

Table of Contents

SUMMARY

This summary is not intended to be complete and is qualified in all respects by the more detailed information appearing elsewhere in this proxy statement/prospectus. Stockholders are urged to review carefully the entire proxy statement/prospectus and the other information incorporated by reference.

You will receive 0.1906 Teva ADRs and \$16.50 in cash in the merger for each share of SICOR common stock (page 57).

In the merger, each share of your SICOR common stock will be exchanged for

0.1906 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; and

\$16.50 in cash, without interest.

Based upon the closing price of Teva ADRs on the NASDAQ National Market, which we refer to as NASDAQ, on October 30, 2003, the last trading day before the announcement of the transaction, the combined consideration for each outstanding share of SICOR common stock amounts to \$27.50, or a total purchase price of approximately \$3.4 billion. As a result of the transaction, SICOR's stockholders will own approximately 7% of Teva on a fully diluted basis. The cash portion of the consideration will be funded by Teva through available cash and cash equivalents and third party financing, which may include committed credit facilities.

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 21).

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. SICOR's common stock is listed and traded on the NASDAQ under the symbol SCRI.

On October 21, 2003, the last trading day prior to reports in the news media regarding a possible transaction, the last sales price of Teva ADRs was \$57.54 per ADR and the last sales price of SICOR common stock was \$20.79 per share. On October 30, 2003, the last trading day prior to the announcement of the execution of the merger agreement, the last sales price of Teva ADRs was \$57.71 per ADR and the last sales price of SICOR common stock was \$24.97 per share.

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

On [], 2003, the most recent practicable trading day prior to the printing of this proxy statement/prospectus, the last sales price of Teva ADRs was \$[] per ADR and the last sales price of SICOR common stock was \$[] per share. We urge you to obtain current market quotations.

The merger will be a taxable transaction to the holders of SICOR common stock for U.S. federal income tax purposes (page 52).

As a result of the merger, you will be treated as having sold or exchanged your shares of SICOR common stock for cash and Teva ADRs. In general, you will recognize gain or loss equal to the difference between (a) the sum of the cash and the fair market value of the Teva ADRs you receive pursuant to the merger and (b) your aggregate adjusted tax basis in your shares of SICOR common stock.

Table of Contents

The SICOR board recommends that you vote FOR the merger (page 38).

On October 31, 2003, the SICOR 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 SICOR and its stockholders;

approved the merger agreement; and

resolved to recommend that its stockholders vote in favor of the merger agreement and the merger.

The SICOR board of directors recommends a vote FOR approval and adoption of the merger agreement and approval of the merger.

Bear, Stearns & Co. Inc. rendered an opinion, dated October 31, 2003, that the merger consideration is fair from a financial point of view to SICOR stockholders (page 41).

In deciding to approve the merger, the SICOR board of directors received an opinion from Bear Stearns that, as of the date of the opinion and based upon and subject to the assumptions, qualifications and limitations set forth in the opinion, the merger consideration of 0.1906 Teva ADRs and \$16.50 in cash per share of SICOR common stock, with an aggregate implied value of \$27.50 per share of SICOR common stock as of such date, is fair from a financial point of view to the SICOR stockholders. A copy of the fairness opinion is attached as Annex B to this proxy statement/prospectus. SICOR stockholders should read the opinion carefully and in its entirety.

Certain stockholders of SICOR have entered into a stockholders agreement (page 67).

Mr. Carlo Salvi, the vice chairman of SICOR, and certain of his affiliates 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 special meeting. As of the record date, the parties to the stockholders agreement held [] shares of SICOR common stock representing approximately [.]% of the voting power of SICOR common stock.

There are differences between the rights of Teva stockholders and SICOR stockholders (page 77).

After the merger, SICOR stockholders will become Teva stockholders and their rights as stockholders will be governed by the memorandum and the articles of association of Teva, as well as the Israeli Companies Law. There are differences between Teva's and SICOR's governing documents as well as between the applicable governing laws. As a result, a SICOR stockholder will have different rights as a Teva stockholder than as a SICOR stockholder. The main differences have been summarized in this proxy statement/prospectus under Comparative Rights of Teva and SICOR Stockholders.

Dissenting SICOR stockholders will have appraisal rights (page 53).

Under Delaware law, SICOR stockholders of record who do not vote in favor of the merger will be entitled to exercise appraisal rights and obtain payment for the judicially determined fair value of their shares of SICOR common stock if the merger is completed. A discussion of these appraisal rights is included in this proxy statement/prospectus beginning on page 53 and the relevant provisions of the General Corporation Law of the State of Delaware are included as Annex C to this proxy statement/prospectus.

The interests of some SICOR officers and directors in the merger may differ from yours (page 49).

When considering the recommendation by the SICOR board of directors to vote FOR the merger agreement, you should be aware that selected executive officers and members of the board of directors of SICOR

Table of Contents

have certain interests in the merger agreement and the merger that are different from, and may conflict with, your interests as a stockholder. The board of directors of SICOR 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 officers of SICOR provide for benefits upon a change in control, including severance payments due if the officer's employment is terminated within a certain amount of time following the consummation of the merger. In addition, all outstanding options, including those held by officers and directors, will immediately vest in full upon consummation of the merger.

Following the merger, [redacted] is expected to serve as a member of Teva's board of directors. Teva has agreed to continue certain indemnity agreements of certain existing and former directors, officers and employees of SICOR. These agreements were amended and restated prior to the merger agreement to clarify that there is a presumption that the indemnified parties are entitled to indemnification and that the indemnified parties as a group are entitled to at least one counsel of their choosing. Finally, for six years following the merger, Teva will maintain the indemnification provisions for officers and directors contained in SICOR's charter documents.

On the record date, which is [redacted], the directors and executive officers of SICOR, and their affiliates, beneficially owned [redacted] shares of SICOR common stock which represented approximately [redacted]% of the outstanding shares of SICOR common stock as of the record date. As of the record date, the parties to the stockholders agreement held a combined [redacted] shares of SICOR common stock representing approximately [redacted]% of the voting power of SICOR common stock.

A variety of governmental approvals must be obtained prior to the consummation of the merger (page 51).

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 December 1, 2003, each of SICOR 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 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 on January 1, 2004. 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 SICOR or Teva.

Foreign Antitrust Filings. Pursuant to the German Act against Restraints of Competition, the merger may not be consummated unless it has been cleared by the German Federal Cartel Office or the applicable waiting periods have expired. The parties submitted their joint notification on November 1, 2003. The German Federal Cartel Office must notify the parties within one month from receipt of the notification if it intends to initiate an examination of the merger. Pursuant to the Mexican Antitrust Law, the Mexican Federal Competition Commission must be notified in advance of the merger. The parties submitted their joint notification on November 1, 2003. The Mexican Competition Commission has 45 days from the date of notification within which to object to the transaction. This period may be extended for an additional 60 days in complex cases. Pursuant to the Brazilian Antitrust Law, the Brazilian Administrative Council for Economic Defense must be notified within 15 business days of executing the merger agreement. The parties submitted their joint notification on November 21, 2003.

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.

Table of Contents

The obligations of Teva and SICOR to close the merger are subject to a number of conditions (page 64).

The obligations of Teva and SICOR 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 likely 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, assets or results of operations taken as a whole.

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

the approval of the merger and the merger agreement by SICOR's stockholders;

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;

receipt of all required statutory approvals of the Mexican, German and Brazilian merger control authorities, the Tel Aviv Stock Exchange, and the National Association of Securities Dealers; and

the registration statement, of which this 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.

The obligation of SICOR to effect the merger is further subject to the fulfillment or waiver by SICOR of the following additional condition:

the Teva ADSs to be issued in connection with the merger and reserved for issuance upon exercise of the assumed SICOR options having been approved for quotation on NASDAQ.

Under certain circumstances Teva and SICOR may terminate the merger agreement (page 66).

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 Teva and SICOR. The merger agreement also may be terminated by either Teva or SICOR:

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

if the merger is not completed by April 30, 2004 (subject to an extension for six months if the delay is due to the failure to obtain regulatory approvals);

if the stockholders of SICOR fail to approve the merger and the merger agreement at the 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, SICOR may terminate the merger agreement if:

prior to the special meeting, the board of directors of SICOR determines in good faith, after consultation with its financial advisors and outside legal counsel, that a bona fide unsolicited acquisition proposal is a superior proposal. However, SICOR will not take any such action relative to the superior proposal until at least three calendar days following Teva's receipt of written notice. The notice will state that SICOR

Table of Contents

has received a superior proposal and specify the material terms and conditions of the superior proposal. Additionally, SICOR's board of directors must conclude in good faith, after consultation with its financial advisors 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 SICOR's stockholders as the superior proposal; or

prior to the effective time of the merger, Teva breaches a material representation, warranty, covenant or agreement such that SICOR'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 SICOR to Teva.

If the merger agreement is terminated under certain circumstances, including if SICOR 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, SICOR must pay Teva a termination fee of \$120 million. See *The Merger Agreement Termination and Other Fees* for a complete discussion of the circumstances in which SICOR 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 SICOR special meeting, the board of directors of SICOR determines in good faith after consultation with its financial advisors and outside legal counsel that a bona fide unsolicited acquisition proposal is a superior proposal and either adopts an agreement relating to the proposal or recommends the proposal to the SICOR stockholders;

the board of directors of SICOR has withdrawn or materially and adversely modified its adoption of the merger agreement or its recommendation that the stockholders of SICOR approve this agreement;

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 SICOR common stock and the board of directors of SICOR recommends that the stockholders of SICOR tender their shares in the tender or exchange offer;

SICOR fails to call or hold the special meeting within six months of the date of the merger agreement, unless Teva has breached in any material respect its obligations under the merger agreement in any manner that shall have caused the occurrence of the failure of the special meeting to be called or held; or

SICOR 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 SICOR.

SICOR has agreed not to solicit third party acquisition proposals (page 62).

Subject to certain exceptions, the merger agreement precludes SICOR and its subsidiaries or any SICOR 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:

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

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

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

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

Table of Contents

Teva ADRs are traded on NASDAQ (page 53).

Teva ADRs received by SICOR stockholders in the merger will be traded on NASDAQ. After completion of the merger, the shares of SICOR 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

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 a leading position in the U.S. generic market. Generic drugs are therapeutically equivalent versions of brand-name drugs no longer protected by patents, and are generally sold at prices significantly lower than branded products. Teva believes that the large volume of branded products losing patent protection over the next five years and the increased cost containment pressures facing health care providers should lead to continued expansion of the generic pharmaceuticals market. Teva has successfully used its production and research capabilities to establish a global pharmaceutical business focused on the growing demand for generic drugs and on the opportunities for proprietary branded products for specific niche categories.

Teva Pharmaceuticals USA, Inc., Teva's principal subsidiary, is one of the leading generic drug companies in the United States. Teva USA markets approximately 150 generic products representing more than 500 dosage strengths and packaging sizes, which are distributed 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 300 generic products representing over 1,700 dosage strengths and packaging sizes, which are sold primarily in The Netherlands, the United Kingdom, Hungary and France. In June 2002, Teva completed the acquisition of the French generic operations of Bayer Pharma S.A. Bayer Classics S.A., which was renamed Teva Classics S.A. Teva believes this acquisition enhances its competitive position in the emerging generic pharmaceutical market in France and its position among the leaders in the European generic pharmaceutical market.

In order to take advantage of the growth in the generic drug market, Teva also seeks to enter into strategic alliances and joint ventures. Teva currently has a marketing and product development agreement with Biovail Corporation International which provides Teva with exclusive U.S. marketing rights to Biovail's controlled-release abbreviated new drug application product pipeline of eight generic versions of major branded pharmaceuticals. Teva also has a strategic alliance with IMPAX Laboratories, Inc. for the development and marketing of 12 controlled-release generic products, as well as a strategic alliance with Savient Pharmaceuticals Inc. (formerly Bio-Technology General Corp.) for the development and worldwide commercialization of generic equivalents of certain biotechnology products.

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 October 31, 2003, Teva had:

68 product applications, including products developed by Biovail and IMPAX, awaiting approval by the U.S. Food and Drug Administration, which we refer to as the FDA, including twelve tentative FDA approvals. Collectively, the brand name versions of these products had corresponding U.S. annual sales, as of June 30, 2003, exceeding \$55 billion; and

Table of Contents

378 applications pending in Europe for 100 compounds in 213 formulations.

In the area of proprietary drugs, Teva uses access to major research institutions in Israel and a combination of its own research and development personnel to develop innovative drug products for selected niche markets. Teva's efforts have focused on products for central nervous system disorders and autoimmune diseases, primarily the development of Copaxone® for the treatment of multiple sclerosis, which has been sold in the United States since 1997, and the development of rasagiline for the treatment of Parkinson's disease, which has been recently submitted for regulatory approval both to the FDA and the European Agency for Evaluation of Medicinal Products. In addition, Teva has innovative research projects in various clinical stages in the areas of Alzheimer's disease, epilepsy, stroke and SLE, or Systemic Lupus Erythematosus, as well as several projects in the pre-clinical stage, including in the area of cancer.

Copaxone® 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. In 1999, Copaxone® became Teva's single largest product. In the first nine months of 2003, in-market global sales of Copaxone® amounted to \$513 million, an increase of 34% from the comparable period in 2002. Copaxone® is reported to have the second largest market share among MS drugs in the United States. The pre-filled syringe, launched in the United States in April 2002, has substantially replaced the original vial presentation of Copaxone®. 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 42 countries, including the United States, the countries comprising the European Union, Israel, Australia, Canada, Argentina and Brazil.

In North America, Teva markets Copaxone® through Teva Neuroscience Inc., Teva's wholly owned subsidiary, and distributes the product through Aventis Pharmaceuticals Inc. In Europe, Teva co-promotes Copaxone® with Aventis.

In September 2003, following the successful completion of the two phase III clinical trials in March, Teva submitted to the FDA a New Drug Application for rasagiline for the treatment of Parkinson's disease. Teva and its strategic partner H. Lundbeck A/S recently submitted the rasagiline regulatory file to the European Agency for Evaluation of Medicinal Products. Teva expects to market rasagiline in Europe with H. Lundbeck A/S, and in the United States with its new strategic partner Eisai Inc.

Teva operates 18 finished dosage pharmaceutical plants in North America, Europe and Israel. The plants manufacture solid dosage forms, injectables, liquids and semi-solids. During 2002, Teva's plants produced approximately 18 billion tablets and capsules.

Teva also possesses significant manufacturing operations for the production of active pharmaceutical ingredients. As both a supplier and end user of pharmaceutical raw materials, Teva believes that its experience in complying with the stringent requirements of the FDA and proven manufacturing expertise are significant competitive advantages relative to many of its smaller competitors. 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 is the leading pharmaceutical manufacturer in Israel, where it is incorporated and maintains its headquarters. During the first nine months of 2003, Teva generated approximately 62% of its revenue in North America, 26% in Europe and 12% in the rest of the world, predominately in Israel.

Table of Contents

Silicon Acquisition Sub, Inc.

1090 Horsham Road

P.O. Box 1090

North Wales, PA 19454-1090

Silicon Acquisition Sub Inc., which we refer to as Merger Sub, is a Delaware corporation and a wholly owned subsidiary of Teva. Merger Sub was organized on October 29, 2003 solely for the purpose of effecting the merger with SICOR. It has not carried on any activities other than in connection with the merger agreement.

SICOR Inc.

19 Hughes

Irvine, California 92618

(949) 455-4700

SICOR is a vertically integrated, multinational specialty pharmaceutical company that focuses on generic finished dosage injectable pharmaceuticals, active pharmaceutical ingredients, or APIs, and generic biopharmaceuticals. SICOR operates its business through several subsidiaries, with business units located in the United States, Italy, Mexico, Lithuania, and Switzerland. Manufacturing operations are conducted in eight facilities located in California, Italy, Mexico and Lithuania, with the capability to produce either APIs or finished dosage pharmaceuticals, including facilities that are specifically dedicated to the production of biopharmaceuticals, oncolytics and corticosteroids.

SICOR's finished dosage injectable pharmaceutical products are primarily used in hospitals and clinics for critical care/anesthesiology and oncology, and are marketed through its own sales force and its marketing partners, as well as through relationships with hospital group purchasing organizations, managed care groups and other large healthcare purchasing organizations. The Irvine facility, SICOR's largest and most diverse finished dosage facility, provides SICOR with the capability to formulate, fill, label and package finished dosage forms of injectable pharmaceutical products. Finished dosage injectable pharmaceuticals produced in the Irvine facility are principally sold in the United States. SICOR also operates a contract manufacturing business focused on manufacturing finished dosage injectable products for biotechnology and pharmaceutical companies at its Irvine facility. SICOR's Mexican pharmaceutical operation produces drugs in finished dosage form, including injectable oncolytic agents and critical care products. These products are sold in Mexico and exported to countries in Central and South America, the Middle East and Eastern Europe.

SICOR manufactures APIs for use in its own finished dosage manufacturing facilities, and for sale to other pharmaceutical companies located primarily in North America, the European Union and Asia for use in finished dosage pharmaceutical products, including anti-inflammatories, oncolytics, immunosuppressants, muscle relaxants and custom manufactured APIs for a variety of proprietary drug manufacturers. The majority of SICOR's API production is carried out at two manufacturing sites in Italy. SICOR-Società Italiana Corticosteroidi S.p.A., a wholly owned subsidiary, is a major producer of oncolytic agents, steroids and certain other products in bulk drug form, which are manufactured through

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

fermentation or chemical synthesis processes. SICOR's Mexican API operation is located in Toluca, near Mexico City, and produces principally steroid products for export to various countries.

SICOR's biopharmaceutical operations provide a platform for manufacturing and marketing biopharmaceutical products. SICOR Biotech U.A.B., a wholly owned subsidiary located in Lithuania, develops and manufactures generic recombinant protein products that are sold through agents and distributors in Lithuania, Latvia, Belarus, Korea, Pakistan, Bulgaria, Russia, Kazakhstan, Ukraine and Moldova. SICOR's facilities in Lithuania offer bacterial fermentation and cell culture capabilities, including the production of proteins by biosynthesis in bacteria, yeast and mammalian cells, as well as research and development laboratories. SICOR's finished dosage biopharmaceutical manufacturing facility in Toluca, Mexico became operational in the first quarter of 2002, and was designed to meet the regulatory requirements of the United States and the European Union.

Table of Contents

SELECTED HISTORICAL FINANCIAL DATA OF TEVA

The selected financial data for each of the years in the three-year period ended December 31, 2002 and at December 31, 2002 and 2001 are derived from Teva's audited consolidated financial statements and related notes incorporated by reference into this 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, 1999 and at December 31, 2000, 1999 and 1998 are derived from other audited consolidated financial statements, which have been prepared in accordance with U.S. GAAP.

The selected unaudited financial data as of and for each of the nine months period ended September 30, 2003 and 2002 are derived from unaudited consolidated financial statements incorporated by reference into this 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 interim results as being indicative of results Teva may expect for the full year.

The information set forth below is not necessarily indicative of the results of future operations, 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 proxy statement/prospectus by reference.

Table of Contents**Teva Pharmaceutical Industries Limited****Operating Data**

	For the Nine Months Ended September 30,		For the Year Ended December 31,				
	2003	2002	2002	2001	2000	1999	1998
	(unaudited)		U.S. dollars in millions (except ADR amounts)				
Net sales	\$ 2,334.4	\$ 1,748.4	\$ 2,518.6	\$ 2,077.4	\$ 1,749.9	\$ 1,282.4	\$ 1,115.9
Cost of sales	1,248.5	992.2	1,423.2	1,230.1	1,058.0	767.6	694.8
Gross profit	1,085.9	756.2	1,095.4	847.3	691.9	514.8	421.1
Research and development expenses:							
Total expenses	166.2	131.3	192.6	168.6	132.3	91.6	75.6
Less participations and grants	16.5	18.8	27.6	61.4	27.7	9.8	7.5
Research and development-net	149.7	112.5	165.0	107.2	104.6	81.8	68.1
Selling, general and administrative expenses	377.9	297.6	406.4	358.1	301.0	223.2	199.1
Acquisition of research and development in process					35.7	17.7	13.5
Income from GlaxoSmithKline litigation settlement	100.0						
Restructuring expenses	7.4			15.7			15.0
Operating income	650.9	346.1	524.0	366.3	250.6	192.1	125.4
Financial expenses-net	14.1	18.1	24.6	26.0	42.2	30.1	23.3
Losses from realization of assets and discontinuation of activities							3.3
Income before income taxes	636.8	328.0	499.4	340.3	208.4	162.0	98.8
Income taxes	131.7	53.9	84.8	63.6	59.6	45.4	28.9
	505.1	274.1	414.6	276.7	148.8	116.6	69.9
Share in profits (losses) of associated companies net	0.6	0.8	(2.7)	0.8	0.4	(0.6)	0.9
Minority interests in (profits) losses of subsidiaries net	(1.0)	(1.1)	(1.6)	0.7	(0.8)	0.8	
Net income	\$ 504.7	\$ 273.8	\$ 410.3	\$ 278.2	\$ 148.4	\$ 116.8	\$ 70.8
Per ADR Data (1)							
Earnings per ADR:							
Basic	\$ 1.90	\$ 1.04	\$ 1.55	\$ 1.05	\$ 0.58	\$ 0.48	\$ 0.29
Diluted	\$ 1.77	\$ 1.02	\$ 1.52	\$ 1.02	\$ 0.57	\$ 0.48	\$ 0.29

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

Dividends declared per ADR (2)	\$ 0.22	\$ 0.14	\$ 0.20	\$ 0.14	\$ 0.12	\$ 0.08	\$ 0.08
Book value per ADR - Basic	\$ 8.99	\$ 6.24	\$ 6.92	\$ 5.22	\$ 4.47	\$ 3.05	\$ 2.71
Weighted average number of ADRs (3) (in millions):							
Basic	265.5	264.4	264.5	264.5	257.9	245.2	245.2
Diluted	291.2	280.6	280.8	280.9	263.7	246.6	246.2

- (1) Adjusted to reflect the two-for-one stock splits effected in December 2002 and February 2000.
(2) Dividends for the third quarter of 2003 have been declared but not yet paid.
(3) Each ADR represents one ordinary share.

Table of Contents**Teva Pharmaceutical Industries Limited****Balance Sheet Data**

	As of September 30,		As of December 31,				
	2003	2002	2002	2001	2000	1999	1998
	(unaudited)		U.S. dollars in millions				
Working capital	\$ 1,126.7	\$ 1,318.4	\$ 1,377.2	\$ 1,439.8	\$ 825.1	\$ 373.5	\$ 241.0
Total assets	5,426.4	3,893.8	4,626.8	3,460.2	2,855.6	1,755.3	1,475.3
Short-term credit, including current maturities:							
Convertible senior debentures	926.5		562.4				
Other	232.3	164.3	176.1	206.5	341.5	276.3	324.5
Total short-term debt	1,158.8	164.3	738.5	206.5	341.5	276.3	324.5
Long-term debt, net of current maturities:							
Convertible senior debentures	450.0	910.0	810.0	912.0	550.0		
Other	359.7	344.8	351.4	334.9	263.9	391.4	201.7
Total long-term debt	809.7	1,254.8	1,161.4	1,246.9	813.9	391.4	201.7
Minority interests	6.1	3.9	4.9	2.2	1.6		0.8
Shareholders' equity	\$ 2,387.8	\$ 1,649.1	\$ 1,829.4	\$ 1,380.7	\$ 1,151.3	\$ 747.2	\$ 664.8

Table of Contents**SELECTED HISTORICAL FINANCIAL DATA OF SICOR**

The selected financial data as of and for each of the years in the three-year period ended December 31, 2002 and at December 31, 2002 and 2001 are derived from SICOR's audited consolidated financial statements and related notes which are incorporated by reference into this proxy statement/prospectus. The selected financial data as of and for each of the years ended December 31, 1999 and 1998 and at December 31, 1999 and 1998 are derived from SICOR's audited financial statements which are not incorporated by reference into this proxy statement/prospectus.

The selected unaudited financial data as of and for each of the nine month periods ended September 30, 2003 and 2002 are derived from unaudited consolidated financial statements incorporated by reference into this proxy statement/prospectus. Such financial statements include, in SICOR'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 interim results as being indicative of results SICOR may expect for the full year.

The information set forth below is not necessarily indicative of the results of future operations, 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 SICOR's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q incorporated into this proxy statement/prospectus by reference.

SICOR Inc.**Operating Data**

	For the Nine Months Ended September 30,		For the Year Ended December 31,				
	2003	2002	2002	2001	2000	1999	1998
	(unaudited)						
	U.S. dollars in millions (except per share amounts)						
Net revenues:							
Net product sales	\$ 405.0	\$ 337.3	\$ 456.0	\$ 369.8	\$ 293.8	\$ 223.7	\$ 168.1
Contract research and license fees						5.3	10.4
Total revenues	405.0	337.3	456.0	369.8	293.8	229.0	178.5
Cost and expenses:							
Cost of sales	183.9	154.2	207.3	190.4	166.4	143.8	119.2
Research and development	24.5	16.3	23.3	21.0	18.3	15.8	23.2
Selling, general and administrative	58.5	46.0	64.6	60.3	51.7	41.0	36.0
In-process research and development				21.7			
Write-down of long-lived assets, investment and restructuring charge		1.2	1.2	3.5		1.7	1.8
Amortization of goodwill and intangibles	3.2	2.8	3.8	6.2	5.9	6.1	6.0

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

Interest and other, net	0.3	(0.8)	(2.0)	1.1	6.4	7.2	6.7
Total costs and expenses	270.4	219.7	298.2	304.2	248.7	215.6	192.9
Income (loss) before income taxes	134.6	117.6	157.8	65.6	45.1	13.4	(14.4)
(Provision) credit for income taxes	(51.3)	(43.8)	(29.6)	13.6	(6.6)	(1.7)	(5.1)
Income (loss) before minority interest	83.3	73.8	128.2	79.2	38.5	11.7	(19.5)
Minority interest							0.8
Income (loss) before cumulative effect of change in accounting principles	83.3	73.8	128.2	79.2	38.5	11.7	(18.7)
Cumulative effect of change in accounting principle, net of taxes					(2.9)		
Net income (loss)	83.3	73.8	128.2	79.2	35.6	11.7	(18.7)
Dividends on preferred stock		(0.6)	(0.6)	(6.0)	(6.0)	(6.0)	(6.0)
Net income (loss) applicable to common shares	\$ 83.3	\$ 73.2	\$ 127.6	\$ 73.2	\$ 29.6	\$ 5.7	\$ (24.7)

Table of Contents**SICOR Inc.**

	For the Nine Months Ended September 30,		For the Year Ended December 31,				
	2003	2002	2002	2001	2000	1999	1998

(unaudited)

U.S. dollars in millions (except per share amounts)

Per Share Data

Net income (loss) applicable to common shares	\$ 83.3	\$ 73.2	\$ 127.6	\$ 73.2	\$ 29.6	\$ 5.7	\$ (24.7)
Net income (loss) per common share:							
Basic	\$ 0.70	\$ 0.63	\$ 1.10	\$ 0.70	\$ 0.31	\$ 0.07	\$ (0.31)
Diluted	\$ 0.69	\$ 0.61	\$ 1.06	\$ 0.67	\$ 0.29	\$ 0.07	\$ (0.31)
Dividends declared per common share							
Book value per common share - basic	\$ 6.65	\$ 5.35	\$ 5.89	\$ 5.75	\$ 2.88	\$ 2.45	\$ 2.13
Shares used in calculating per share amounts:							
Basic	118.4	116.2	116.5	103.9	94.9	85.3	79.5
Diluted	121.2	120.2	120.2	108.6	102.2	85.9	79.5

Balance Sheet Data

	As of September 30,		As of December 31,				
	2003	2002	2002	2001	2000	1999	1998

(unaudited)

U.S. dollars in millions

Total cash and investments	\$ 373.2	\$ 313.8	\$ 330.2	\$ 290.3	\$ 62.7	\$ 47.5	\$ 24.5
Working capital	381.0	223.6	267.1	327.0	79.2	42.3	18.3
Total assets	928.9	814.3	863.4	784.2	425.6	386.2	372.7
Long-term debt and capital lease obligations	7.6	25.6	24.0	30.4	16.2	38.1	52.3
Accumulated deficit	(21.8)	(161.0)	(105.2)	(233.5)	(312.7)	(348.3)	(360.0)
Total stockholders' equity	\$ 787.3	\$ 621.2	\$ 685.5	\$ 597.9	\$ 273.5	\$ 208.9	\$ 169.4

Table of Contents

SELECTED UNAUDITED PRO FORMA COMBINED CONDENSED FINANCIAL DATA

The following selected unaudited pro forma combined condensed financial data present the effect of the merger between Teva and SICOR. The following selected unaudited pro forma combined condensed statements of income data is extracted from the historical consolidated statements of income of Teva and SICOR and combines them as if the merger had occurred on January 1, 2002. 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 SICOR and combines them giving effect to the merger as if it had occurred on September 30, 2003.

The unaudited pro forma combined condensed financial data were prepared using the purchase method of accounting. The allocation of the purchase price as reflected in these pro forma combined condensed financial data has been based upon preliminary estimates of the fair value of assets acquired and liabilities assumed as of the date of merger. Management, with the assistance of independent valuation specialists, is currently assessing the fair values of the tangible and intangible assets acquired and liabilities assumed. This preliminary allocation of the purchase price 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.

A final determination of the fair values of SICOR'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 SICOR that exist as of the date of completion of the merger and such valuations could change significantly upon the completion of further analyses and asset valuations from those used in the combined condensed pro forma financial data presented below.

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. Amounts preliminarily allocated to goodwill may significantly decrease and amounts allocated to intangible assets with definite lives may increase significantly, which could result in a material increase in amortization of acquired intangible assets. Therefore, the actual amounts recorded as of the completion of the transaction may differ materially from the information presented in the accompanying unaudited pro forma combined condensed financial data. In addition to the receipt of the final valuation, the impact of ongoing integration activities, the timing of completion of the transaction and other changes in SICOR'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 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 proxy statement/prospectus and with the historical consolidated financial statements and the related notes of Teva and SICOR and other financial information pertaining to Teva and SICOR 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 SICOR's Management's Discussion and Analysis of Financial Condition and Results of Operations included in SICOR's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, incorporated by reference into this proxy statement/prospectus.

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

	For the Nine Months Ended September 30, 2003	For the Year Ended December 31, 2002
	(unaudited) (U.S. dollars in millions, except ADR data)	
Net sales	\$ 2,739.4	\$ 2,969.5
Cost of sales	1,460.3	1,665.6
Gross profit	1,279.1	1,303.9
Research and development expenses, net of participations and grants	174.2	189.6
Selling, general and administrative expenses	435.3	469.7
Income from GlaxoSmithKline litigation settlement	100.0	
Restructuring expenses	7.4	1.2
Operating income	762.2	643.4
Financial expenses net	47.7	68.7
Income before income taxes	714.5	574.7
Income taxes	164.2	84.0
	550.3	490.7
Share in profits (losses) of associated companies net	0.6	(2.7)
Minority interests in profits of subsidiaries net	(1.0)	(2.2)
Net income	\$ 549.9	\$ 485.8
Earnings per ADR:		
Basic	\$ 1.91	\$ 1.69
Diluted	\$ 1.78	\$ 1.65
Weighted average number of ADRs (in millions):		
Basic	288.2	287.2
Diluted	315.7	304.2

Table of Contents**Unaudited Pro Forma Combined Condensed Balance Sheet Data**

	As of September 30, 2003
	(unaudited) (U.S. dollars in millions)
Current assets	\$ 2,674.7
Investments and other assets	355.2
Property, plant and equipment	993.4
Intangible assets and debt issuance costs, net	913.6
Goodwill	2,230.9
Total assets	7,167.8
Current liabilities	2,829.2
Long-term liabilities	1,218.2
Minority interests	6.1
Shareholders' equity	3,114.3

Table of Contents**COMPARATIVE HISTORICAL AND UNAUDITED PRO FORMA PER SHARE DATA**

The following table presents historical per share data of Teva and SICOR, as well as similar information reflecting the combination of Teva and SICOR, which we refer to as pro forma combined information. The hypothetical SICOR equivalent per share data presented below is calculated by multiplying the pro forma combined amounts by the exchange ratio of 0.1906. Each share of SICOR common stock will also be entitled to receive cash consideration of \$16.50 per share. The hypothetical SICOR equivalent per share data does not take into account the cash consideration.

The data presented below should be read in conjunction with the historical financial statements of Teva and SICOR incorporated by reference into this proxy statement/prospectus.

	As of and for the Nine Months Ended September 30, 2003	For the Year Ended December 31, 2002
	(unaudited)	
Basic Earnings Per Share		
Teva historical	\$ 1.90	\$ 1.55
SICOR historical	\$ 0.70	\$ 1.10
Pro forma combined	\$ 1.91	\$ 1.69
SICOR equivalent	\$ 0.36	\$ 0.32
Diluted Earnings Per Share		
Teva historical	\$ 1.77	\$ 1.52
SICOR historical	\$ 0.69	\$ 1.06
Pro forma combined	\$ 1.78	\$ 1.65
SICOR equivalent	\$ 0.34	\$ 0.31
Dividends Per Share		
Teva historical	\$ 0.22	\$ 0.20
SICOR historical	\$	\$
Pro forma combined	\$ 0.22	\$ 0.20
SICOR equivalent	\$ 0.04	\$ 0.04
Basic Book Value Per Share at Period End		
Teva historical	\$ 8.99	\$ 6.92
SICOR historical	\$ 6.65	\$ 5.89
Pro forma combined	\$ 10.81	N/A
SICOR equivalent	\$ 2.06	N/A

Table of Contents

STOCK PRICES AND DIVIDEND POLICY

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 February 2000 and in December 2002, 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 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 Depositary 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.

The table below sets forth in U.S. dollars the high and low reported sales prices of the Teva ADRs on NASDAQ during the periods specified as reported by the market.

SICOR Common Stock

SICOR's common stock is listed and traded on the NASDAQ under the symbol SCRI. The following table sets forth in U.S. dollars the high and low reported sales prices of the SICOR common stock on NASDAQ during the periods as specified as reported by the market.

<u>Period</u>	<u>Teva Ordinary Shares</u>		<u>Teva ADRs</u>		<u>SICOR Common Stock</u>	
	<u>(in U.S. dollars)</u>		<u>(in U.S. dollars)</u>		<u>(in U.S. dollars)</u>	
	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>	<u>High</u>	<u>Low</u>

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

Last six months:						
November 2003 (until November 25)	59.04	55.19	59.00	54.48	27.24	26.25
October 2003	58.92	55.55	59.57	52.00	27.00	19.08
October 30, 2003 (1)	58.51	57.66	58.25	55.40	25.76	24.64
September 2003	60.65	56.24	61.56	54.55	21.55	19.05
August 2003	58.84	54.49	59.95	52.50	20.85	17.54
July 2003	60.25	52.43	60.25	52.20	21.88	18.85
June 2003	58.28	49.52	58.41	49.25	22.79	18.96
Last eight quarters:						
Fourth Quarter 2003 (until November 25)	59.04	55.19	59.57	52.00	27.24	19.08
Third Quarter 2003	60.65	52.43	61.56	52.20	21.88	17.54
Second Quarter 2003	58.28	42.07	58.41	42.01	22.79	16.74
First Quarter 2003	43.31	34.65	43.95	34.50	17.50	13.69
Fourth Quarter 2002	39.79	32.51	39.56	32.45	16.85	14.00
Third Quarter 2002	34.54	29.31	34.97	28.58	18.70	12.55
Second Quarter 2002	33.73	26.33	34.25	25.85	19.00	15.20
First Quarter 2002	32.39	26.46	32.58	26.77	17.50	12.80
Last five years:						
2002	39.79	26.54	39.56	25.95	19.00	12.55
2001	36.36	25.83	37.17	24.25	27.25	9.94
2000	36.79	16.33	39.00	16.06	17.00	6.25
1999	17.21	9.91	17.92	9.97	8.63	2.63
1998	12.44	8.05	12.50	8.03	6.13	2.56

(1) Last trading day prior to the announcement of the execution of the merger agreement.

Table of Contents

On October 21, 2003, the last trading day prior to reports in the news media regarding a possible transaction, the last sales price of Teva ordinary shares was \$57.31 per share, the last sales price of Teva ADRs was \$57.54 per ADR and the last sales price of SICOR common stock was \$20.79 per share. On October 30, 2003, the last trading day prior to the announcement of the execution of the merger agreement, the last sales price of Teva ordinary shares was \$57.86 per share, the last sales price of Teva ADRs was \$57.71 per ADR and the last sales price of SICOR common stock was \$24.97 per share.

On [], the most recent practicable trading day prior to the printing of this proxy statement/prospectus, the last sales price of Teva ordinary shares was \$[] per share, the last sales price of Teva ADRs was \$[] per ADR and the last sales price of SICOR common stock was \$[] per share. The market prices of shares of Teva ordinary shares and ADRs and of SICOR shares of common stock are subject to fluctuation. As a result, we urge you to obtain current market quotations.

On [], the most recent practicable trading day prior to the printing of this proxy statement/prospectus, there were approximately [] Teva ordinary shares outstanding and approximately [] shares of SICOR common stock outstanding.

Teva Dividend Policy

For over 30 years Teva has paid dividends, and since 1987 it has paid dividends on a regular quarterly basis. Future dividend policy will be reviewed by its board of directors upon conditions then existing, including Teva's earnings, financial condition, capital requirements and other factors. Dividends are declared and paid in NIS. Dividends are converted into dollars and paid by the depository of the ADRs for the benefit of owners of ADRs. For additional information regarding dividends paid per ADR, see Selected Historical Financial Data of Teva Per ADR Data.

Table of Contents

RISK FACTORS

In addition to the other information included or incorporated by reference in this proxy statement/prospectus, you should carefully consider the matters described below in evaluating whether to approve and adopt the merger agreement. For additional factors affecting the combined company's results, we urge you to carefully review the discussion of risks and uncertainties incorporated by reference into this proxy statement/prospectus as described below under Special Note Concerning Forward-Looking Statements.

Because the market price of Teva ADRs may fluctuate, you cannot be certain of the precise value of the merger consideration that SICOR stockholders will receive in the merger.

Because the market price of Teva ADRs may fluctuate, you cannot be certain of the precise value of the merger consideration to be received at closing. Upon completion of the merger, each share of SICOR common stock will be converted into the right to receive

0.1906 ordinary shares of Teva, which will trade in the United States in the form of ADSs, evidenced by ADRs, and

\$16.50 in cash, without interest.

The value of the merger consideration to be received at closing will vary depending on the market price of Teva ADRs on the date of the closing of the merger.

In addition, the prices of SICOR common stock and Teva ADRs at the closing of the merger may vary from their respective prices on the date the merger agreement was executed, on the date of this proxy statement/prospectus and on the date of the special meeting. For example, during 2003, Teva ADRs ranged from a low closing price of \$ per share to a high closing price of \$ per share, and SICOR common stock ranged from a low closing price of \$ per share to a high closing price of \$ per share. These variations in stock prices may be the result of various factors, including:

changes in the business, operations or prospects of Teva, SICOR or the combined company;

governmental, regulatory and/or litigation developments;

market assessments as to whether and when the merger will be consummated;

the timing of the consummation of the merger;

governmental action affecting the pharmaceutical industry generally and the generic pharmaceutical industry in particular;

increased competition in the generic pharmaceutical market;

competition from other products; and

general market, economic and political conditions.

At the time of the special meeting you will not know the precise value of the merger consideration you will receive on the day the merger closes. You are urged to obtain a current market quotation for Teva ADRs and SICOR common stock.

The market price for Teva ADRs may be affected by factors different from those affecting the shares of SICOR.

Upon completion of the merger, holders of SICOR common stock will become holders of Teva ADRs. Teva's businesses differ from those of SICOR, and accordingly the results of operations of the combined company will be affected by factors different from those currently affecting the results of operations of SICOR.

Table of Contents

For a discussion of the businesses of Teva and SICOR and of other factors to consider in connection with those businesses, you should carefully review the documents incorporated by reference in this proxy statement/prospectus and referred to under [Where You Can Find More Information](#).

Teva may experience difficulties in integrating SICOR's business with the existing Teva businesses.

The merger involves the integration of two companies that have previously operated independently. The difficulties of combining the companies' operations include:

the necessity of coordinating and consolidating geographically separated organizations, systems and facilities; and

integrating the management and personnel of SICOR and Teva, maintaining employee morale and retaining key employees.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of one or more of the combined company's businesses and the loss of key personnel. The diversion of management's attention and any delays or difficulties encountered in connection with the merger and the integration of the two companies' operations could have an adverse effect on the business, results of operations, financial conditions or prospects of the combined company after the merger.

Achieving the anticipated benefits of the merger will depend in part upon whether Teva and SICOR can integrate their businesses in an efficient and effective manner. For example, Teva does not currently have significant relationships with the U.S. hospital customer segment which is the principal customer base of SICOR, and Teva does not currently have a biogenerics business. Teva and SICOR may not accomplish this integration process smoothly or successfully. If management is unable to successfully integrate the operations of the two companies, the anticipated benefits of the merger may not be realized.

Teva may not achieve the revenue and cost synergies it has anticipated for the combined company.

Teva's rationale for the merger is, in part, predicated on the projected ability of the combined company to realize certain revenue and cost synergies. Achieving these synergies is dependent upon a number of factors, some of which are beyond Teva's control. These synergies may not be realized in the amount or time frame that is currently anticipated by Teva.

Uncertainties associated with the merger may cause SICOR to lose employees.

The success of the combined company after the merger will depend in part upon Teva's and SICOR's ability to retain key SICOR employees. Competition for qualified personnel in the generic pharmaceutical industry can be very intense. Accordingly, we cannot assure you that the combined company will be able to retain key SICOR employees.

Failure to complete the merger will subject SICOR to financial risks and could negatively impact the market price of SICOR common stock.

If the merger is not completed for any reason, SICOR will be subject to a number of material risks, including:

the provision in the merger agreement which provides that under specified circumstances SICOR could be required to pay to Teva a termination fee of \$5 million as reimbursement of expenses relating to the merger, and \$120 million should SICOR enter into an agreement for or consummate another acquisition transaction within 12 months of the termination, which fees could deter another interested party from seeking to negotiate such a transaction with SICOR after termination;

Table of Contents

the market price of SICOR common stock may decline to the extent that the current market price of such common stock reflects a market assumption that the merger will be completed;

costs related to the merger, such as legal and accounting fees and a portion of the investment banking fees, must be paid even if the merger is not completed;

benefits that SICOR expects to realize from the merger, such as potentially enhanced strategic position of the combined company, would not be realized; and

the diversion of management attention from the day-to-day business of the companies, reduction in capital spending and the unavoidable disruption to their employees and their relationships with customers and suppliers during the period before completion of the merger, may make it difficult for SICOR to regain its financial and market position if the merger does not occur.

If the merger is terminated and SICOR's board of directors seeks a different merger or business combination, SICOR stockholders cannot be certain that SICOR will be able to find a partner willing to pay an equivalent or more attractive price than the price to be paid by Teva in the merger.

Obtaining required approvals and satisfying closing conditions may delay or prevent completion of the merger.

Completion of the merger is conditioned upon the receipt of all material governmental authorizations, consents, orders and approvals, including the expiration or termination of the applicable waiting periods, and any extension of the waiting periods, under the HSR Act and from the German Federal Cartel Office, the Mexican Federal Competition Commission and Brazilian Administrative Council for Economic Defense. Teva and SICOR intend to pursue all required approvals in accordance with the merger agreement. The requirement for these approvals could delay the completion of the merger for a significant period of time after SICOR's stockholders have approved the proposal relating to the merger at the special meeting. We cannot assure you, however, that these approvals will be obtained or that the required conditions to closing will be satisfied, and, if all such approvals are obtained and the conditions are satisfied, we cannot assure you as to the terms, conditions and timing of the approvals or that they will satisfy the terms of the merger agreement.

Some of the directors and executive officers of SICOR have interests and arrangements that could have affected their decision to support or approve the merger.

The interests of some of the directors and executive officers of SICOR in the merger and their participation in arrangements that are different from, or are in addition to, those of SICOR stockholders generally could have affected their decision to support or approve the merger. These interests include severance arrangements and the acceleration of vesting of certain stock options in connection with the merger. As a result, these directors and officers may be more likely to recommend the proposals relating to the merger than if they did not have these interests.

Charges to earnings resulting from the application of the purchase method of accounting could have a material adverse impact on the combined company's results of operations.

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

In accordance with United States generally accepted accounting principles, the combined company will account for the merger using the purchase method of accounting. Under the purchase method of accounting, the combined company will allocate the total purchase price to SICOR's net tangible assets, amortizable intangible assets, intangible assets with indefinite lives and in-process research and development, based on their fair values as of the date of completion of the merger. The combined company will record the excess of the purchase price over those fair values as goodwill. The portion of the estimated purchase price allocated to in-process research and development will be expensed by the combined company in the quarter in which the merger is completed. The preliminary estimate of the amount to be expensed in the quarter in which the merger is completed related to in-process research and development is \$700 million. The combined company will incur additional depreciation

Table of Contents

and amortization expense over the useful lives of certain of the net tangible and intangible assets acquired in connection with the merger. Annual amortization of intangibles assets of SICOR, currently estimated at \$3.8 million, will result in an estimated increase in amortization expense of \$34.5 million on an annual basis. In addition, to the extent the value of goodwill or intangible assets becomes impaired in the future, the combined company may be required to incur material charges relating to the impairment of those assets. These amortization and in-process research and development and potential impairment charges could have a material impact on the combined company's results of operations.

Table of Contents

SPECIAL NOTE CONCERNING FORWARD-LOOKING STATEMENTS

The disclosure and analysis in this proxy statement/prospectus, including those relating to Teva's and SICOR's strategies and other statements that are predictive in nature, that depend upon or refer to future events or conditions, contain or incorporate by reference some forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, referred to as the Exchange Act. Forward-looking statements give Teva's and SICOR's current expectations or forecasts of future events. You can identify these statements by the fact that they do not relate strictly to historical or current facts. Such statements may include words such as anticipate, estimate, expect, project, intend, plan, believe and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. In particular, these statements include, among other things, statements relating to:

management forecasts;

efficiencies/cost avoidance;

cost savings;

income and margins;

earnings per share;

growth;

economies of scale;

combined operations;

the economy;

future economic performance;

conditions to, and the timetable for, completing the merger;

future acquisitions and dispositions;

litigation;

potential and contingent liabilities;

management's plans;

taxes;

merger and integration-related expenses;

the development of the combined company's products; and

product approvals and launches.

This proxy statement/prospectus contains or incorporates by reference forward-looking statements which express the beliefs and expectations of management. Such statements are based on current expectations and involve a number of known and unknown risks and uncertainties that could cause the combined company's future results, performance or achievements to differ significantly from the results, performance or achievements expressed or implied by such forward-looking statements. Important factors that could cause or contribute to such differences include:

the impact of pharmaceutical industry regulation;

the difficulty of predicting FDA and other regulatory authority approvals;

the regulatory environment and changes in the health policies and structures of various countries;

acceptance and demand for new pharmaceutical products and new therapies;

Table of Contents

the impact of competitive products and pricing;

uncertainties regarding market acceptance of innovative products newly launched, currently being sold or in development;

the timing of the introduction of new products;

the impact of restructuring of clients;

reliance on strategic alliances;

reliance on a strategy of acquiring companies;

exposure to product liability claims and availability of product liability insurance;

dependence on patent and other protections for the combined company's innovative products;

exposure to potential patent liability damages for products sold at risk, i.e., prior to the final adjudication of patent issues;

ability to complete and integrate this and other acquisitions;

strategic alliances and joint ventures;

fluctuations in currency, exchange and interest rates, operating results and other factors that are discussed in this proxy statement/prospectus and in Teva's and SICOR's other filings made with the SEC; and

the effect of changes in laws and regulations, including changes in accounting standards, trade, tax, price controls and other regulatory matters.

Neither Teva nor SICOR undertake any obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise. For more information concerning factors that could affect Teva's future results and financial conditions, you should carefully review the section entitled "Operating and Financial Review and Prospects" in Teva's 2002 Annual Report on Form 20-F and Teva's most recent Report of Foreign Private Issuer on Form 6-K containing its quarterly results for the quarter ended September 30, 2003, which are incorporated by reference. For more information concerning factors that could affect SICOR's future results and financial conditions, you should carefully review the section entitled "Management's Discussion and Analysis" in SICOR's 2002 Annual Report on Form 10-K and SICOR's Quarterly Report on Form 10-Q for the quarter ended September 30, 2003, which are incorporated by reference. You should also carefully review the discussion of risks and uncertainties under "Risk Factors" included in Teva's most recent Annual Report on Form 20-F and SICOR's most recent Annual Report on Form 10-K, which are incorporated by reference. These are factors that Teva and SICOR believe could cause each of their actual results to differ materially from expected results.

Table of Contents

THE SPECIAL MEETING

Date; Time and Place

This proxy statement/prospectus is being provided by, and the enclosed proxy is solicited by and on behalf of, SICOR's board of directors for use at a special meeting of SICOR stockholders.

The special meeting is scheduled to be held at : a.m., local time, on , , 2004, at SICOR's principal executive offices, located at 19 Hughes, Irvine, California 92618.

Purpose of the Special Meeting

The purpose of the special meeting is to consider and vote upon the approval and adoption of the Agreement and Plan of Merger, dated as of October 31, 2003, as amended, among SICOR, Teva and Merger Sub, a wholly owned subsidiary of Teva, and the approval of the transactions contemplated thereby, including the merger of Merger Sub with and into SICOR, and to transact any other business that is properly brought before the special meeting.

The SICOR board of directors recommends approval of the merger. On October 31, 2003, the SICOR 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 SICOR and its stockholders;

approved the merger agreement; and

resolved to recommend that its stockholders vote in favor of the merger agreement and the merger.

Record Date and Voting Power

Only holders of shares of SICOR common stock as of the close of business on [], 200 , which is the record date for the special meeting, will be entitled to receive notice of and to vote at the special meeting and any adjournments or postponements thereof. Each share of SICOR common stock is entitled to one vote at the special meeting.

Required Vote and Quorum

The affirmative vote of a majority of the outstanding shares of SICOR common stock as of the record date is required to approve and adopt the merger agreement and the merger. As of the record date, there were [] shares of SICOR common stock outstanding.

As of the record date, the directors and executive officers of SICOR, and their affiliates, beneficially owned [] shares of SICOR common stock which represented approximately []% of the outstanding shares of SICOR common stock as of the record date.

Mr. Carlo Salvi, the vice chairman of SICOR, and certain of his affiliates 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 special meeting. As of the record date, the parties to the stockholders agreement held [] shares of SICOR common stock representing approximately [.]% of the voting power of SICOR common stock. For a more detailed description of the stockholders agreement, you should read the section entitled The Merger Stockholders Agreement.

Abstentions and Nonvotes

Because the required vote of the stockholders with respect to the merger agreement is based upon the total number of outstanding shares of SICOR common stock, the failure to submit a proxy card, or to vote in person at the special meeting, or the abstention from voting by a stockholder will have the same effect as a vote against

Table of Contents

approval and adoption of the merger agreement. Brokers holding shares of SICOR common stock as nominees will not have discretionary authority to vote such shares in the absence of instructions from the beneficial owners thereof, so the failure to provide voting instructions to your broker will also have the same effect as a vote against the merger agreement.

The holders of a majority of the shares of the SICOR common stock outstanding on the record date must be present, either in person or by proxy, at the special meeting to constitute a quorum. In general, abstentions and broker non-votes are counted as present or represented at the special meeting for the purpose of determining a quorum for the special meeting.

The obligation of SICOR and Teva to consummate the merger is subject to, among other things, the condition that the SICOR stockholders approve and adopt the merger agreement. If SICOR's stockholders fail to approve and adopt the merger agreement and the merger at the special meeting, each of SICOR and Teva will have the right to terminate the merger agreement.

How to Vote

A stockholder may vote in person at the special meeting or by proxy without attending the special meeting. To vote by proxy, a stockholder must either:

submit a proxy by telephone;

submit a proxy on the Internet; or

complete the enclosed proxy card, sign and date it and return it in the enclosed postage prepaid envelope.

A proxy card is enclosed for use by SICOR stockholders. The board of directors of SICOR requests that stockholders sign and return the proxy card in the accompanying envelope. No postage is required if mailed within the United States. The enclosed proxy card sets forth instructions for submitting a proxy by the telephone and the Internet. **If you have questions or requests for assistance in completing and submitting proxy cards, please contact D.F. King & Co., Inc., a firm retained by SICOR that provides professional proxy solicitation services, at 1-800-290-6429.**

Revocation of Proxy

All properly executed proxies that are not revoked will be voted at the special meeting as instructed on those proxies. Proxies containing no instructions will be voted in favor of the merger agreement and the merger. A stockholder who executes and returns a proxy may revoke it at any time before it is voted. A proxy may be revoked by either:

giving written notice of revocation;

executing and returning a new proxy bearing a later date;

submitting a proxy by telephone or the Internet at a later date; or

attending the special meeting and voting in person.

Revocation of a proxy by written notice or execution of a new proxy bearing a later date should be submitted to Wesley N. Fach, Secretary, SICOR Inc., 19 Hughes, Irvine, California 92618, or by attending the special meeting and voting in person.

Expenses of Solicitation

SICOR will bear the costs of soliciting proxies from its stockholders. However, SICOR and Teva have agreed to share equally the costs of filing, printing and mailing Teva's registration statement and this proxy

Table of Contents

statement/prospectus, including SEC filing fees. In addition to soliciting proxies by mail, directors, officers and employees of SICOR, without receiving additional compensation therefor, may solicit proxies by telephone, by facsimile or in person. Arrangements may also be made with brokerage firms and other custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of shares held of record by such persons, and SICOR will reimburse such brokerage firms, custodians, nominees and fiduciaries for reasonable out-of-pocket expenses incurred by them in connection therewith. In addition, D.F. King & Co., Inc. may contact holders of shares of SICOR common stock by mail, telephone, facsimile, telegraph and personal interviews and may request brokers, dealers and other nominee stockholders to forward materials to beneficial owners of shares of SICOR common stock. D.F. King & Co., Inc. will receive reasonable and customary compensation for its services, which are estimated at \$10,000, and will be reimbursed for certain reasonable out-of-pocket expenses.

Miscellaneous

It is not expected that any other matter will be presented for action at the special meeting. If any other matters are properly brought before the special meeting, the persons named in the proxies will have discretion to vote on such matters in accordance with their best judgment. The grant of a proxy will also confer discretionary authority on the persons named in the proxy as proxy appointees to vote in accordance with their best judgment on matters incident to the conduct of the special meeting, including (except as stated in the following sentence) postponement or adjournment for the purpose of soliciting votes. However, shares represented by proxies that have been voted **AGAINST** the merger agreement and the merger will not be used to vote **FOR** postponement or adjournment of the special meeting to allow additional time to solicit additional votes **FOR** the approval and adoption of the merger agreement and the merger.

We will admit to the special meeting:

all stockholders of record at the close of business on [,];

persons holding proof of beneficial ownership as of such 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.

Table of Contents

THE MERGER

General

On October 31, 2003, each of SICOR's and Teva's boards of directors unanimously approved the merger agreement, which provides for the acquisition by Teva of SICOR through a merger of Merger Sub, a newly formed and wholly owned subsidiary of Teva, with and into SICOR. After the merger, SICOR will be the surviving corporation and will be a wholly owned subsidiary of Teva. Upon completion of the merger, each share of SICOR common stock will be converted into the right to receive

0.1906 ordinary shares of Teva, which will trade in the United States in the form of ADSs, evidenced by ADRs; and

\$16.50 in cash, without interest.

Based upon the closing price of Teva ADRs on NASDAQ on October 30, 2003, the combined consideration for each outstanding share of SICOR common stock amounts to \$27.50, or a total purchase price of approximately \$3.4 billion. As a result of the transaction, SICOR's current stockholders will then own approximately 7% of Teva on a fully diluted basis. The cash portion of the consideration will be financed by Teva through available cash and cash equivalents and third party financing, which may include committed credit facilities.

Stockholders of SICOR will not receive any fractional Teva ADRs in the merger. Instead, a cash payment will be made to such stockholders as described more fully in the section of this proxy statement/prospectus entitled "The Merger Agreement - Merger Consideration."

Background of the Merger

During the last several years, SICOR's board of directors has considered the possibility of a strategic transaction. Exploratory discussions were held with a limited number of companies.

At the end of 2002 and during the first two months of 2003, several members of SICOR's senior management and board, including Carlo Salvi, vice chairman of the board, and Marvin Samson, president and chief executive officer, met with representatives of a limited number of companies and had preliminary discussions exploring the possibility of a business combination with SICOR.

At its regularly scheduled meeting on March 11, 2003, SICOR's board discussed the possibility of a business combination and considered whether such a transaction would be in its stockholders' best interest. The board also discussed various investment banking firms which might assist SICOR if it were to pursue a potential business combination.

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

At a special telephonic meeting on March 24, SICOR's board established a special committee, consisting of Michael D. Casey, J. Sanford Miller, Donald E. Panoz, chairman of the board, and John J. Roberts, to exercise all of the powers and authority of the board as it related to the negotiation of a possible business combination and to report the results of those negotiations to the board for further review and consideration. The board also approved the engagement of Bear Stearns as SICOR's financial advisor and authorized the special committee to further negotiate the terms of Bear Stearns' compensation arrangements.

Between March and June, Bear Stearns was in contact with seven companies, including Teva and two pharmaceutical companies we refer to as Company A and Company B, respectively, to explore whether any of them might be interested in a business combination. Of the seven companies contacted, initially three companies, including Teva, Company A and Company B, expressed an interest in pursuing a dialogue regarding a possible business combination. During this period, the special committee met with management and Bear Stearns on multiple occasions and discussed various matters, including potential strategic alternatives. SICOR entered into confidentiality and standstill agreements with Company A and Company B.

Table of Contents

On May 2, George Barrett, president of Teva Pharmaceuticals USA, Inc., Teva's principal subsidiary, met with Mr. Samson in Philadelphia. At that meeting, Mr. Samson and Mr. Barrett discussed the possibility of exploring strategic alternatives, including the possibility of a business combination between Teva and SICOR.

In June, representatives of Company A, accompanied by members of SICOR's management team, made brief visits to SICOR's facilities in Irvine, Italy and Mexico.

On June 18, Israel Makov, president and chief executive officer of Teva, met with Mr. Samson in New York, to further explore the possibility of a business combination between SICOR and Teva. Following this meeting, on June 19, Teva entered into a confidentiality and standstill agreement with SICOR, covering information to be provided by SICOR to Teva and by Teva to SICOR. The possibility of a transaction with SICOR was discussed by Teva's board at a meeting held on June 23.

On July 18, Mr. Samson and other executive officers of SICOR and its financial advisors met in New York with members of Teva's senior management and its financial advisors to provide Teva with an introduction to the business and operations of SICOR and to discuss the broad parameters of a potential business combination.

The special committee met on July 24 and discussed potential business combination alternatives. Mr. Samson discussed with the special committee the results of the July 18 meeting with Teva.

Members of SICOR's management team, along with Bear Stearns, met with members of Company A's management team and their financial advisors on July 25 to discuss a potential acquisition transaction.

Mr. Makov updated Teva's board as to the status of the discussions with SICOR at a meeting held on July 28.

On August 1, members of SICOR's management team, along with Bear Stearns, met with members of Company B's management team and their financial advisors to discuss a potential business combination.

On August 6, Teva submitted a preliminary non-binding indication of interest to SICOR outlining the proposed acquisition of SICOR by Teva. This proposal provided for consideration in the range of \$23.50 to \$26.50 per share, payable 50% in cash and 50% in Teva ADRs, subject to the satisfactory completion of due diligence and the negotiation and execution of appropriate agreements.

The special committee met on August 12 and discussed potential business combination alternatives, including Teva's non-binding indication of interest.

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

Commencing on August 18, representatives of Teva were granted access to documents relating to SICOR and its subsidiaries for their due diligence review. Later in August and early September, similar access to documents was granted to representatives of Teva in Mexico City, as related to SICOR's Mexican operations, and in Milan, as related to SICOR's Italian and Lithuanian operations. Site visits to key SICOR facilities were also arranged during this time period in California, Mexico, Lithuania and Italy. Teva's due diligence review continued through September.

On August 23, Pillsbury Winthrop LLP, counsel to SICOR, provided Willkie Farr & Gallagher LLP, counsel to Teva, an initial draft of the merger agreement for the proposed business combination.

Teva's board met again on August 25. At the meeting, the board received an updated status report as to the negotiations with SICOR and discussed certain strategic advantages of a combination with SICOR.

The special committee met on August 26, and Mr. Samson reported on a recent meeting with Company A with respect to a potential acquisition of SICOR. Mr. Samson also noted that Company B had expressed interest in obtaining additional due diligence information on SICOR.

On August 31, Mr. Makov met with Mr. Salvi in London to provide Mr. Salvi with a better understanding of Teva's business and the rationale behind a combination of the two companies.

Table of Contents

On September 3, members of SICOR's management team, along with Bear Stearns, met with members of Company A's management team and their financial advisors to discuss a potential transaction.

On September 5, the special committee met, and Mr. Samson and Bear Stearns reported on the meeting that had occurred on September 3 with Company A. The special committee authorized management and Bear Stearns to continue discussions with Company A and requested that Pillsbury Winthrop prepare a draft acquisition agreement.

At the September 5 meeting, the special committee also discussed the renewed interest by Company B in conducting additional due diligence on SICOR. The special committee noted that Company B had provided SICOR with a preliminary, non-binding indication of interest dated September 3 expressing Company B's interest in acquiring SICOR for a price in the range of \$23.00 to \$25.00 per SICOR share, with 50% of the consideration being in cash and the balance to be paid in Company B stock at a fixed exchange ratio. The indication of interest was conditioned on the conduct and completion of satisfactory due diligence, negotiation of an acceptable acquisition agreement, the approval of Company B's board and stockholders and receipt of all required regulatory and other consents. The special committee authorized management to provide additional information to Company B.

Company B commenced its due diligence review of SICOR on September 12 in New York, which continued through September 17. Company B also conducted a due diligence review of SICOR's facilities and records in Irvine during the week of September 15. Members of SICOR's management team made presentations to Company B's representatives at the onsite facility tour.

During September and October, members of SICOR's management team and SICOR's advisors conducted a due diligence review of Teva, including a tour of Teva's API facilities in Italy, Israel and Hungary and finished dosage facilities in Israel and Hungary. Additionally, during September and October, Pillsbury Winthrop and SICOR's accountants conducted a due diligence review of Teva documents located in New York and Israel.

During September, the special committee met on several occasions and discussed the status of merger negotiations. Mr. Samson reported on a recent meeting with Company A with respect to a possible acquisition. The special committee authorized management to deliver a draft acquisition agreement to Company A. Mr. Samson also reported on Teva's recently completed site visit of SICOR's Irvine facilities and that SICOR had initiated its due diligence of Teva's facilities in Italy, Hungary and Israel.

SICOR delivered a preliminary draft acquisition agreement to Company A on September 12.

On September 18, representatives of Company B and their financial advisors met with SICOR management and Bear Stearns to discuss a potential business combination.

On September 19, Mr. Makov and other members of Teva's senior management made presentations in New York to certain members of the board of directors of SICOR, senior executives of SICOR and other SICOR representatives regarding Teva's operations, business strategy and financial results.

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

On September 19, Company A provided SICOR with a preliminary non-binding indication of interest. The indication of interest expressed interest in acquiring SICOR for cash consideration in the range of \$23.60 to \$26.00 per SICOR share on a fully diluted basis. The indication of interest was conditioned on customary financial, operational, regulatory, accounting and legal due diligence, negotiation of an acceptable purchase agreement and approval of the purchase agreement by the appropriate boards of directors.

On September 23, Company A commenced a due diligence review in SICOR's electronic data room in New York. Company A's due diligence review continued through October.

Table of Contents

The special committee met on September 25, and Mr. Samson reported on his recent site visits of Teva's finished dosage facilities in Hungary and Israel.

On September 30, 2003, Teva's board of directors met and considered the proposed business combination with SICOR. At that meeting, the board received a presentation from management, including strategic and financial analyses, as well as a description of the current terms and conditions of the proposed business combination. The Teva board of directors posed questions to management regarding the proposed transaction and discussed, among other matters, the advisability of proceeding with the proposed transaction.

Between September 30 and October 6, Company A and its advisors conducted a due diligence review of SICOR's facilities and records in Lithuania, Irvine, Mexico, Italy and Switzerland. Members of SICOR's management team made presentations to Company A's representatives at each of the onsite facility tours.

During October, the special committee continued to meet with SICOR management, Pillsbury Winthrop and Bear Stearns regarding acquisition discussions with third parties, including Teva and Company A. As a result of discussions with Company B, it had become apparent that Company B was not interested in actively pursuing a business combination with SICOR at that time.

On October 15, Teva provided SICOR with a revised draft of the merger agreement prepared by Willkie Farr, together with a draft of a stockholders agreement to be executed by Mr. Salvi and others. In its letter forwarding these materials, Teva stated that it was continuing to refine its financial model for the transaction and would provide pricing details of Teva's proposal prior to SICOR's board meeting on October 22.

On October 21, Company A provided SICOR with its comments to the draft acquisition agreement.

On October 21, Teva provided SICOR with a revised non-binding indication of interest expressing its interest in acquiring SICOR for consideration of approximately \$25 per share, payable 50% in cash and 50% in Teva ADRs. The indication of interest was subject to the satisfactory completion of due diligence and the negotiation and execution of appropriate agreements.

After the close of business on October 21, 2003, the news media reported that SICOR and Teva were considering a potential transaction. SICOR issued a press release on October 22, 2003 disclosing that it was engaged in discussions concerning a potential business combination but not mentioning Teva or any other potential purchaser.

Senior management of Company A spoke with Mr. Panoz by telephone on October 22, and expressed Company A's interest in acquiring SICOR for cash consideration in the range of \$24.00 to \$25.00 per SICOR share on a fully diluted basis, narrowing its previously proposed range of \$23.60 to \$26.00 per SICOR share. Company A's indication of interest was subject to customary financial, operational, regulatory, accounting and legal due diligence, negotiation of an acceptable acquisition agreement and approval of the acquisition by its board.

At a special meeting on October 22, SICOR's board reviewed with management and its legal and financial advisors the status of its discussions regarding a potential acquisition by Teva or Company A. Representatives of Pillsbury Winthrop provided an update with respect to the status of

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

negotiations and outstanding issues with respect to the acquisition agreements with each of Teva and Company A. Representatives of Bear Stearns discussed with the board the proposed transactions with each of Teva and Company A. After extensive discussion and based on the presentations of its advisors, SICOR's board authorized management and its advisors to continue to undertake contemporaneous negotiations with both Teva and Company A.

Representatives of Willkie Farr met with representatives of Pillsbury Winthrop on October 24, 2003 to negotiate the merger agreement.

Table of Contents

On October 26, the special committee met, and Mr. Samson discussed the interest another company, which we refer to as Company C, had in acquiring SICOR which had resulted from the recent reports in the news media regarding a possible transaction. The special committee discussed the status of the negotiations with Teva and Company A. The special committee also authorized SICOR to enter into a confidentiality and standstill agreement with Company C and to pursue further discussions. SICOR entered into such an agreement with Company C effective as of October 26.

During the week of October 27, SICOR management and its outside legal advisors engaged in extensive negotiations of the terms of the acquisition agreements and ancillary documents with the management and legal advisors of Teva and Company A. Willkie Farr and Simpson Thacher & Bartlett LLP, counsel to Mr. Salvi, negotiated the stockholders agreement. On October 30, 2003, Teva and SICOR executed an amendment to their confidentiality and standstill agreement to allow for the disclosure of the tax treatment and tax structure of a transaction between the parties.

Company C commenced a due diligence review in SICOR's data room during the week of October 27. Company C also met with members of SICOR's management team and conducted a due diligence review of SICOR's facilities and records in Irvine and Mexico during the week. Members of SICOR's management team made presentations to Company C's representatives at the onsite facility tours.

At approximately 6:00 p.m. on October 30, Messrs. Samson, Salvi and Panoz and SICOR's financial and legal advisors met with a representative of Teva management and Teva's financial and legal advisors in New York. At the meeting, Teva increased its proposed purchase price for SICOR to \$26.50 per share, based on Teva's closing price that day, consisting of 60% cash, or \$15.90, and the balance to be paid in Teva stock with a fixed exchange ratio of 0.1837 Teva ADRs for each SICOR share.

At approximately 7:30 p.m. on October 30, Messrs. Samson, Salvi and Panoz and SICOR's financial and legal advisors met with members of Company A's management and advisors in New York. Company A confirmed its previous proposal expressing its interest in acquiring SICOR for cash consideration in the range of \$24.00 to \$25.00 per SICOR share on a fully diluted basis, subject to negotiation of an acceptable acquisition agreement. Mr. Panoz advised them that the proposal was unlikely to be considered adequate by SICOR's board and requested that they reconsider the terms of their proposal.

Mr. Panoz then met separately with a member of Company A's management. During that conversation, Mr. Panoz emphasized that the process had evolved to a point where Company A had to put its best offer forward. Company A increased its proposal and expressed its interest in acquiring SICOR for cash consideration of \$26.00 per SICOR share on a fully diluted basis, subject to negotiation of an acceptable acquisition agreement.

SICOR's board held a telephonic special meeting at 10:30 p.m. on October 30 to consider the acquisition proposals of Teva and Company A and the status of diligence and merger discussions with Company C. At the outset of the meeting, Bear Stearns informed the board that Bear Stearns had been contacted by Company C, which had indicated that it was not in a position to make a proposal at that time and did not expect to be in a position to sign a definitive agreement for several days.

During a brief recess of the meeting, Mr. Panoz spoke with a representative of Teva. Teva increased its proposal and expressed its interest in acquiring SICOR for a price of \$27.00 per share, based on Teva's closing price that day, consisting of 60% cash and the balance to be paid in Teva stock. Following the recess, Mr. Panoz informed the board of Teva's increased offer.

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

Following his update to the board, Mr. Panoz contacted the chief financial officer of Company A and again emphasized that the process had evolved to a point where Company A had to put its best offer forward. The chief financial officer of Company A did not indicate an interest in increasing Company A's offer.

SICOR management and financial and legal advisors reported to SICOR's board on the status of the proposals and the key outstanding issues with respect to the acquisition agreements with each of Teva and

Table of Contents

Company A and the risks associated with each of the indications of interest. Outstanding issues with respect to the acquisition agreement with Company A included, among other things:

operating restrictions on SICOR pending the merger;

the breadth of representations and warranties;

the parties required to enter into support agreements;

termination fees;

closing conditions (including closing conditions tied to general market conditions and international political developments);

the ability of SICOR's board to change its recommendation;

SICOR's non-solicitation covenant; and

the scope of the fiduciary out provisions.

Outstanding issues with respect to the acquisition agreement with Teva included termination fees and certain minor items.

Bear Stearns discussed with SICOR's board the financial terms of the proposed acquisition by each of Teva and Company A. The board concluded that it was more likely that an acquisition agreement could be finalized on favorable terms and in a timely manner with Teva rather than with Company A.

At the request of the board, Bear Stearns delivered its oral opinion that, as of that date and based upon and subject to the assumptions, qualifications and limitations set forth in its opinion, the proposed merger consideration of \$16.20 in cash and 0.1871 Teva ADRs per SICOR share with an aggregate implied value of \$27.00 per SICOR share to be received by the SICOR stockholders pursuant to the acquisition agreement with Teva was fair, from a financial point of view, to the stockholders of SICOR. The board determined that, in light of all of the circumstances, a merger with Teva as contemplated by the acquisition agreement was fair and in the best interest of SICOR and its stockholders and approved the merger, the acquisition agreement and related transactions with Teva. The SICOR board authorized SICOR's senior management to complete the negotiation of a definitive acquisition agreement with Teva.

Following the board meeting, at approximately 3:30 a.m. on October 31, Mr. Panoz left a courtesy message for the chief financial officer of Company A advising him that the SICOR board had decided to move forward with a different party.

At approximately 5:00 a.m. on October 31, Mr. Panoz was awakened in his hotel room by a phone call from the chief financial officer of Company A informing him that Company A had increased its offer for acquiring SICOR for cash consideration to \$27.50 per SICOR share on a

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

fully diluted basis. The offer was conditioned on negotiation of an acceptable acquisition agreement. The chief financial officer expressed a general desire to expedite the documentation process.

Mr. Panoz discussed the increased offer from Company A with Mr. Samson and SICOR's financial and legal advisors.

Mr. Panoz then contacted a representative of Teva and informed him of the increased offer from Company A and that SICOR's financial advisors had told him that it could be difficult to issue a fairness opinion with respect to Teva's offer under the changed circumstances.

During the night of October 30 and the early morning of October 31, SICOR's legal counsel continued to negotiate the terms of the acquisition agreement with Teva's legal counsel. All open issues in the acquisition agreement were discussed and resolved during this period.

Table of Contents

At approximately 6:40 a.m. on October 31, a representative of Teva contacted Mr. Panoz and informed him that Teva had increased its offer to acquire SICOR to a price of \$27.50 per share, based on Teva's closing price on October 30, with 60% of the consideration being in cash, or \$16.50, and the balance to be paid in Teva stock (a fixed exchange ratio of 0.1906 Teva ADRs for each SICOR share). The offer was conditioned on rapid completion and execution of an acceptable acquisition agreement by 8:00 a.m. that day. This final proposal was approved by Teva's board of directors on October 31. As part of its approval of the revised consideration, the Teva board also approved the merger, the merger agreement and related documents.

The SICOR board reconvened at 7:00 a.m. on October 31, immediately after Mr. Panoz received Teva's increased offer of \$27.50 per SICOR share and discussed the revised offers from each of Teva and Company A. Pillsbury Winthrop advised the board of the progress with respect to the negotiation of the acquisition agreement with Teva and the resolution of all outstanding issues. The board and its legal and financial advisors again discussed the outstanding issues with respect to the acquisition agreement with Company A in light of the general desire to expedite the documentation process which had been expressed by Company A's chief financial officer. None of the issues with respect to the acquisition agreement with Company A which the board had discussed earlier had been resolved and were all still outstanding. The board concluded that it was not possible to resolve the issues with respect to the acquisition agreement with Company A before 8:00 a.m. and that SICOR could potentially lose the Teva offer if SICOR did not accept it by 8:00 a.m. The board concluded that it was more likely that an acquisition agreement could be finalized on favorable terms and in a timely manner with Teva rather than with Company A.

At the request of the board, Bear Stearns delivered its oral opinion, which was subsequently confirmed in writing, that, as of that date and based upon and subject to the assumptions, qualifications and limitations set forth in its opinion, the merger consideration of \$16.50 in cash and 0.1906 Teva ADRs per SICOR share with an aggregate implied value of \$27.50 per SICOR share to be received by the SICOR stockholders pursuant to the merger agreement with Teva was fair, from a financial point of view, to the stockholders of SICOR. The board unanimously determined that, in light of all of the circumstances, a merger with Teva as contemplated by the merger agreement was fair and in the best interest of SICOR and its stockholders and approved the merger, the merger agreement and related transactions with Teva. The SICOR board authorized the members of SICOR's senior management to execute the definitive merger agreement with Teva.

Shortly after 8:00 a.m. on October 31, SICOR and Teva executed the merger agreement, and Teva and Mr. Salvi and certain of his affiliates contemporaneously executed the stockholders agreement. SICOR also amended its stockholders rights agreement effective as of October 31. That morning SICOR and Teva publicly announced the transaction before the opening of trading of the Teva and SICOR shares on NASDAQ.

On November 25, 2003, the parties executed an amended merger agreement, to make certain non-substantive corrections to the original merger agreement.

Recommendation of the SICOR Board; Reasons for the Merger

The SICOR board of directors has unanimously approved the merger agreement, has determined that the merger agreement and the merger are advisable and fair to and in the best interest of SICOR and the holders of SICOR common stock, and recommends that SICOR stockholders vote FOR approval and adoption of the merger agreement and the merger.

In reaching its determination to recommend approval and adoption of the merger agreement and the merger, the SICOR board consulted with management, as well as Bear Stearns, SICOR's financial advisor, and Pillsbury Winthrop, SICOR's outside legal counsel, and considered various material factors, which are discussed below. In view of the wide variety of factors considered in connection with the merger, the board did not consider it practicable to, nor did it attempt to, quantify or otherwise assign relative weights to the specific material factors it considered in

reaching its decision.

Table of Contents

The Most Attractive Alternative. As part of the process, Bear Stearns contacted a number of potential buyers, including Teva. Four signed confidentiality and standstill agreements and conducted due diligence on SICOR, and three made non-binding offers. Following discussions and consultations with Bear Stearns, Pillsbury Winthrop and other advisors, SICOR's board determined that the Teva offer was more attractive than the other offers received and the other alternatives available to SICOR in terms of the status of the acquisition agreements, timing of consideration being made available to SICOR stockholders, and structure and certainty of completion, as well as the strategic considerations discussed further below. The board considered the following in coming to this conclusion:

(a) The \$16.50 in cash consideration together with the stock consideration in the form of Teva ADRs was equal to the total consideration offered by the other bidder based on the closing price of Teva ADRs on the day immediately preceding the announcement that the parties had entered into the merger agreement;

(b) Bear Stearns' opinion described below, that as of the date of such opinion and based upon and subject to the assumptions, qualifications and limitations set forth therein, the merger consideration is fair from a financial point of view to the stockholders of SICOR. For a more detailed discussion regarding the Bear Stearns opinion, please see the section below entitled "Opinion of Bear Stearns."

(c) The combined consideration will allow SICOR's stockholders to receive cash in an amount per share equal to almost 80% of the closing price of the SICOR common stock on October 21, 2003, the day before the initial news media reports regarding a possible transaction between SICOR and Teva, as well as a meaningful opportunity to participate in the potential growth and success of the combined company through ownership of approximately 7% of the combined company;

(d) The board's review of historical market prices and trading information with respect to the SICOR common stock, which revealed that the implied merger consideration of \$27.50 per share (based on the closing price of Teva ADRs on October 30, 2003) represented a premium of approximately:

32.3% over the closing price of SICOR common stock on October 21, 2003, the day before the initial news media reports regarding a possible transaction between SICOR and Teva;

35.3% over the average closing price of SICOR common stock for the 30 previous trading days ending on October 21, 2003; and

36.4% over the average closing price of SICOR common stock for the 90 previous trading days ending on October 21, 2003.

(e) Although the SICOR board noted that the price of Teva ADRs has fluctuated in the past and that the value of the stock portion of the consideration to be received by SICOR's stockholders will decline if the price of Teva ADRs declines, the board considered that this was mitigated by (1) provisions of the merger agreement allowing the board to respond to, and potentially to terminate the current merger agreement in order to accept, any unsolicited written proposal for an alternative business combination that the board determines in good faith constitutes a superior proposal and (2) the fact that the merger is subject to the approval of SICOR's stockholders, allowing a majority of stockholders to reject the merger should the combined cash and stock consideration be, in their opinion, insufficient; and

(f) The SICOR board believed that, with the assistance of Bear Stearns, SICOR had conducted an extensive process in the course of which SICOR and Bear Stearns were in contact with numerous potentially interested parties on behalf of SICOR and that Teva was the most attractive alternative for SICOR stockholders resulting from the process.

Strategic Advantages of the Merger. Based on information about the potential future financial results of the combined company, the SICOR board believed that the merger would have a positive impact on the business, operations and financial results of the two companies. Specifically, SICOR's board believed, in light of historical

Table of Contents

information concerning the business, financial performance and condition, market opportunity and position, technology and management of SICOR and Teva, that the following factors would have a positive effect on the businesses:

(a) *Enhanced Strategic Position of Combined Company.* The SICOR board believed that the combined company would be stronger than either company operating independently. In particular, the board considered the strategic benefits of combining Teva's successful oral dose generic drugs franchise with SICOR's leading generic injectable business, including potential improvement in long-term operating and financial results to be gained from:

a broader spectrum of research and development activities based on the combination of the two companies' research and development teams, pipelines and financial resources;

enhanced manufacturing, sales and distribution capabilities and expanded customer base;

increased diversification from existing and prospective collaborative agreements of the combined entities;

expanded product offerings resulting from the companies' complementary API businesses; and

more extensive global presence and geographic reach.

(b) *SICOR's Business, Financial Condition and Prospects.* The SICOR board considered information with respect to the financial condition, results of operations and business of SICOR, on both a historical and prospective basis, and current industry, economic and market conditions. In particular, the board considered:

the benefits associated with a diversified product and pipeline portfolio of a combined company in light of the potential decline in sales of SICOR's primary product, propofol, which the board expected would constitute a significant portion of SICOR's total revenues for the foreseeable future;

the benefits of the increased market penetration of a combined company as compared to SICOR's more limited distribution channel;

the increased potential to successfully develop and commercialize new generic versions of branded and off-patent pharmaceutical products for which the combined company could be either the first to market, or among the first to market;

the increase in internal expertise and external collaboration in areas in which SICOR did not currently have substantial resources and personnel in order to expand SICOR's focus beyond generic products and broaden its portfolio of product offerings to include proprietary product candidates; and

SICOR's difficulty in realizing its strategic growth objectives in a timely manner as an independent company in light of its current management systems and infrastructure.

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

In addition, the board evaluated the impact of the proposed merger on SICOR's employees, particularly Teva's statement that it did not anticipate significant reductions in force as well as its contractual assumption of stock and other employee benefit plans, and determined that the proposed merger was in the interests of the largest number of SICOR employees.

(c) *Teva's Business, Financial Condition and Prospects.* The SICOR board considered information with respect to the financial condition, results of operations and business of Teva, including the due diligence review by SICOR's management and accounting and legal advisors regarding Teva's financial condition and prospects. In particular, SICOR considered Teva's relative position within the generic drug industry by revenue and depth of pipeline, its demonstrated ability to successfully integrate operations in business combinations, and its recent history of meeting or exceeding forecasts.

(d) *Access to Teva's API, Manufacturing Capabilities and Experience with Branded Products.* SICOR's board considered that access to Teva's APIs as a source of supply will provide SICOR with enhanced and new

Table of Contents

drug development opportunities, and that Teva's experience in the branded product market would allow SICOR earlier entry into that market than it would have realized operating independently. The board also considered that SICOR will benefit from the economies of scale resulting from the combined manufacturing capabilities of the two companies.

Risks of the Proposed Merger. Certain risks inherent in the proposed transaction were also considered by the board in conjunction with its advisors in the course of legal, accounting and business due diligence and during the negotiation of the merger agreement. The board considered each of the material risks, which were known to it:

(a) the risks associated with the fluctuating value of Teva ADRs as partial merger consideration, and the risk that, because the number of Teva ADRs to be issued in the merger is fixed and there is no contractual minimum value of the Teva ADRs below which additional consideration would be paid, SICOR stockholders may receive less total merger consideration than the board anticipated;

(b) the risks faced by SICOR stockholders associated with owning equity of a foreign corporation;

(c) the risk that the merger would not be completed, given the period of time between the signing of the merger agreement and the expected closing, during which a material change in SICOR's business might occur, in which case Teva might have the right to terminate the merger agreement; and

(d) other risks described in this proxy statement/prospectus in the section entitled Risk Factors.

An additional negative factor considered by the board was the taxable nature of the structure of the merger transaction for U.S. federal income tax purposes.

SICOR's board of directors concluded that, on balance, the known potential benefits of the transaction with Teva outweighed the known potential risks, and the proposed transaction with Teva was more compelling than other available alternatives and was in the best interest of the SICOR stockholders.

Opinion of Bear Stearns

SICOR engaged Bear Stearns as its financial advisor in connection with the merger in accordance with the terms of an engagement letter between SICOR and Bear Stearns dated March 25, 2003. SICOR retained Bear Stearns based on Bear Stearns' experience and expertise in similar transactions. Bear Stearns, as part of its investment banking business, is continuously engaged in the valuation of businesses and securities in connection with mergers and acquisitions, negotiated underwritings, competitive biddings, secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

In connection with Bear Stearns' engagement, SICOR's board of directors requested that Bear Stearns evaluate the fairness, from a financial point of view, of the consideration to be received pursuant to the merger, to SICOR's stockholders. On October 31, 2003, Bear Stearns delivered its oral opinion to the board of directors of SICOR, which was subsequently confirmed in writing, that, as of such date, and based upon and subject to the assumptions, qualifications and limitations set forth in the opinion, the consideration of 0.1906 Teva ADRs and \$16.50 in cash per share of SICOR common stock with an aggregate implied value of \$27.50 per share of SICOR common stock to be received in the merger was fair, from a financial point of view, to the stockholders of SICOR.

Attached as Annex B to this proxy statement/prospectus is the full text of Bear Stearns' written opinion. SICOR stockholders are urged to read the opinion in its entirety. The opinion sets forth the assumptions made, the matters considered and qualifications and limitations on the review undertaken by Bear Stearns, and is incorporated into this proxy statement/prospectus by reference. The summary of Bear Stearns' opinion set forth

Table of Contents

below is qualified in its entirety by reference to the full text of such opinion. In reading the discussion of the fairness opinion set forth below, SICOR stockholders should be aware that Bear Stearns' opinion:

was provided to SICOR's board of directors for its benefit and use in its evaluation of the merger;

did not constitute a recommendation to the board of directors of SICOR in connection with the merger;

does not constitute a recommendation to any SICOR stockholder as to how to vote in connection with the merger;

did not address SICOR's underlying business decision to pursue the merger, the relative merits of the merger as compared to any alternative business strategies that might exist for SICOR or the relative effects of any alternative transaction in which SICOR might engage;

did not express any opinion as to the price or range of prices at which the shares of SICOR common stock, Teva ordinary shares or Teva ADRs would trade subsequent to the announcement of the merger or as to the price or range of prices at which Teva ordinary shares or Teva ADRs may trade subsequent to the consummation of the merger; and

was necessarily based on economic, market and other conditions, and the information made available to Bear Stearns by SICOR and Teva management, as of the date the opinion was delivered.

Bear Stearns' Opinion

In arriving at its opinion Bear Stearns, among other things:

reviewed a draft of the merger agreement which did not materially differ from the executed copy of such agreement;

reviewed SICOR's Annual Reports to Stockholders and Annual Reports on Form 10-K for the years ended December 31, 1999 through 2002, its Quarterly Reports on Form 10-Q for the periods ended March 31 and June 30, 2003, its preliminary results for the quarter ended September 30, 2003 and its Current Reports on Form 8-K filed with the SEC during the three years ended October 31, 2003;

reviewed certain operating and financial information relating to SICOR's business and prospects, including projections for the five years ended December 31, 2007, all as prepared and provided to Bear Stearns by SICOR's management;

met with certain members of SICOR's senior management to discuss SICOR's business, operations, historical and projected financial results and future prospects;

reviewed Teva's Annual Reports on Form 20-F for the years ended December 31, 1999 through 2002, its Reports of Foreign Private Issuer containing its quarterly reports on Form 6-K for the periods ended March 31 and June 30, 2003, and its other Reports on Form 6-K filed with the SEC during the three years ended October 31, 2003;

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

reviewed certain operating and financial information relating to Teva's business and prospects, including projections for the three years ended December 31, 2005, all as prepared and provided to Bear Stearns by Teva's management;

met with certain members of Teva's senior management to discuss Teva's business, operations, historical and projected financial results and future prospects;

reviewed the historical prices, trading multiples and trading volumes of the SICOR common stock and Teva ADRs;

reviewed publicly available financial data, stock market performance data and trading multiples of companies which Bear Stearns deemed generally comparable to SICOR and Teva, as appropriate;

Table of Contents

reviewed the terms of recent mergers and acquisitions of companies which Bear Stearns deemed generally relevant to SICOR and the merger;

performed discounted cash flow analyses based on the projections for SICOR furnished to Bear Stearns by SICOR's management; and

conducted such other studies, analyses, inquiries and investigations as Bear Stearns deemed appropriate.

Bear Stearns relied upon and assumed, without independent verification, the accuracy and completeness of the financial and other information provided to it by SICOR and Teva, including, without limitation, the projections for each company. With respect to SICOR's and Teva's projected financial results, Bear Stearns relied on representations that such projected financial results were reasonably prepared on bases reflecting the best currently available estimates and judgments of the senior management of SICOR and Teva, respectively, as to the expected future performance of SICOR and Teva, respectively. Bear Stearns has not assumed any responsibility for the independent verification of any such information, and Bear Stearns has further relied upon the assurances of the senior management of SICOR and Teva, respectively, that they are unaware of any facts that would make the information and projections and assumptions provided to Bear Stearns materially incomplete or misleading. Bear Stearns assumes no responsibility for updating or revising its opinion based on circumstances or events occurring after the date of the Bear Stearns opinion.

In arriving at its opinion, Bear Stearns did not perform or obtain any independent appraisal of the assets or liabilities (contingent or otherwise) of SICOR or Teva, nor was Bear Stearns furnished with any such appraisals. During the course of its engagement, Bear Stearns was asked by the board of directors of SICOR to solicit indications of interest from various third parties regarding a transaction with SICOR, and Bear Stearns considered the results of such solicitation in rendering its opinion. Bear Stearns assumed that the merger would be consummated in a timely manner and in accordance with the terms of the draft copy of the merger agreement reviewed by Bear Stearns without any limitations, restrictions, conditions, amendments or modifications, regulatory or otherwise, that collectively would have a material effect on SICOR or Teva.

The following is a brief summary of the analyses used by Bear Stearns and presented to the board of directors of SICOR in connection with rendering its fairness opinion. Some of the summaries of financial analyses include information presented in tabular format. In order to fully understand the financial analyses used by Bear Stearns, the tables must be read together with the text of each summary. The tables alone do not represent a complete description of the financial analyses.

Summary of Analyses

Implied Per Share Consideration. Based on the closing price of Teva ADRs of \$57.71 on October 30, 2003, the implied value of the merger consideration was calculated to be \$27.50. Because the exchange ratio is fixed, the merger consideration SICOR stockholders will receive may be more or less than \$27.50 upon consummation of the merger.

Calculation of SICOR's Enterprise Value at the Merger. Bear Stearns calculated the enterprise value for SICOR for purposes of analyzing the fairness of the merger consideration, referred to in this summary as Enterprise Value, by calculating the sum of the equity value of SICOR's common stock (including the net value of in-the-money options after deducting the respective exercise proceeds), plus SICOR's total debt outstanding as of September 30, 2003, minus SICOR's cash and cash equivalents outstanding as of September 30, 2003.

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

Bear Stearns calculated multiples of SICOR's stock price to SICOR's earnings per share, referred to as EPS, for the last twelve months ended September 30, 2003 and estimated EPS for the fiscal years ending December 31, 2003 and December 31, 2004, which were 30.6x, 27.5x and 23.7x, respectively. Bear Stearns calculated multiples of SICOR's Enterprise Value to SICOR's earnings before interest, taxes, depreciation and

Table of Contents

amortization, referred to as EBITDA, for the last twelve months ended September 30, 2003 and estimated EBITDA for the fiscal years ending December 31, 2003 and December 31, 2004, which were 15.0x, 13.8x and 11.4x, respectively. Bear Stearns calculated multiples of SICOR's Enterprise Value to SICOR's revenue for the last twelve months ended September 30, 2003 and estimated revenue for the fiscal years ending December 31, 2003 and December 31, 2004, which were 5.83x, 5.48x and 4.54x, respectively. Bear Stearns calculated multiples of SICOR's Enterprise Value to SICOR's earnings before interest and taxes, referred to as EBIT, for the last twelve months ended September 30, 2003 and estimated EBIT for the fiscal years ending December 31, 2003 and December 31, 2004, which were 17.3x, 15.8x and 12.7x, respectively.

Comparison of Merger Consideration to Unaffected and Historical Stock Prices. Bear Stearns compared the per share merger consideration to SICOR's stock price as of October 21, 2003 (the day prior to reports in the news media regarding a possible transaction), and average stock prices one week, one month, three months, six months, one year and two years preceding October 21, 2003. The implied value of the merger consideration on October 30, 2003 of \$27.50 per share to be received by SICOR stockholders represents a 32.3% premium to the October 21, 2003 closing price of \$20.79.

Premium of merger consideration of \$27.50 per share relative to	Premium
October 21, 2003	32.3%
One Week average	35.0%
One Month average	37.0%
Three Month average	38.5%
Six Month average	38.1%
One Year average	53.5%
Two Year average	60.7%

All premiums in the table above are for periods prior to October 21, 2003.

Comparable Company Analysis. Bear Stearns analyzed selected historical and projected operating information provided by SICOR management, stock price performance data and valuation multiples for SICOR and compared projected data to that of twelve publicly traded companies deemed by Bear Stearns to be generally comparable to SICOR. Bear Stearns utilized the earnings forecasts for these companies from First Call and selected Wall Street equity research reports.

The companies included in the Bear Stearns analysis were:

Alpharma Inc.;

American Pharmaceutical Partners Inc.;

Andrx Corp.;

Barr Laboratories Inc.;

Eon Labs Inc.;

IVAX Corporation;

KV Pharmaceutical Co.;

Mylan Laboratories Inc.;

Pharmaceutical Resources Inc.;

Taro Pharmaceutical Industries Limited;

Teva Pharmaceutical Industries Limited; and

Watson Pharmaceuticals Inc.

Table of Contents

Bear Stearns reviewed each comparable company's (i) Enterprise Value to its estimated 2003 EBITDA, (ii) Enterprise Value to its estimated 2004 EBITDA, (iii) share price to its estimated 2003 EPS, (iv) share price to its estimated 2004 EPS, (v) share price to its estimated 2003 EPS as a multiple of the five year EPS growth rate or PEG, and (vi) share price to its 2004 estimated EPS as a multiple of the five year EPS growth rate or PEG. The multiples were based on closing stock prices for the comparable companies on October 29, 2003.

The table below summarizes the analysis.

Comparable Company Analysis

	Enterprise					
	Value/EBITDA		Price/EPS		PEG Ratio	
	2003E	2004E	2003E	2004E	2003E	2004E
High	22.8x	18.3x	32.3x	27.6x	1.62x	1.42x
Harmonic Mean	13.1x	11.1x	25.6x	20.5x	1.31x	1.05x
Median	14.4x	12.4x	26.8x	21.3x	1.34x	1.07x
Low	7.8x	6.5x	19.1x	14.5x	0.96x	0.73x

Harmonic Mean is calculated based on the average of the reciprocals of the multiples and gives equal weight to equal dollar investments in the securities whose ratios are being averaged.

Bear Stearns compared the multiples implied in the merger at \$27.50 per share of (i) 13.8x estimated 2003 EBITDA, (ii) 11.4x estimated 2004 EBITDA, (iii) 27.5x estimated 2003 EPS, (iv) 23.7x estimated 2004 EPS, (v) 1.68x estimated 2003 PEG and (vi) 1.45x estimated 2004 PEG with the range and harmonic mean of the comparable companies. Bear Stearns noted that all of the multiples implied in the merger at \$27.50 per share were higher than the harmonic means of the comparable companies.

Comparable Precedent Transactions Analysis. Bear Stearns analyzed 27 merger and acquisition transactions involving companies in the generic pharmaceutical industry which Bear Stearns deemed generally relevant to SICOR and the merger. Four of the transactions analyzed involved companies in the generic injectable pharmaceutical industry. Bear Stearns reviewed, among other things, the ratio of the comparable companies enterprise value implied in the respective transactions to their (i) last twelve months (pre-acquisition) EBITDA, referred to as LTM EBITDA, (ii) last twelve months (pre-acquisition) revenue, referred to as LTM Revenue, (iii) last twelve months (pre-acquisition) EBIT, referred to as LTM EBIT, and (iv) estimated EBITDA, based on selected Wall Street equity research, for the calendar year following announcement of the precedent transaction, referred to as CY+1 EBITDA.

The precedent transactions in the Bear Stearns analysis were (the acquirer is identified first):

Generic Injectable M&A transactions

Baxter Healthcare Corporation/ESI Lederle (Wyeth);

The Intercare Group PLC/Macarthy Group Limited;

Teva Pharmaceutical Industries Limited/Pharmachemie Group; and

Schein Pharmaceutical Inc./Marsam Pharmaceuticals Inc.

Generic M&A transactions

Bio-Technology General/Rosemont Pharmaceuticals Limited;

Novartis AG/Lek Pharmaceutical & Chemical Company d.d.;

PLIVA d.d./Sidmak Laboratories Inc. (Sobel Holdings Inc.);

Table of Contents

Teva Pharmaceutical Industries Limited/Bayer Classics S.A.;

Alpharma Inc./F H Faulding & Co Limited;

Barr Laboratories Inc./Duramed Pharmaceuticals Inc.;

IVAX Corporation/Laboratorio Chile S.A.;

Novartis AG/BASF AG (European Generics Business);

Watson Pharmaceuticals Inc./Schein Pharmaceutical Inc.;

Ratiopharm GmbH/Technilab Pharmaceutical Inc.;

Galen Holdings PLC/Warner Chilcott PLC;

Teva Pharmaceutical Industries Limited/Novopharm Limited;

Teva Pharmaceutical Industries Limited/Copley Pharmaceutical Inc.;

Alpharma Inc./ISIS PHARMA Group (SCHWARZ PHARMA);

Alpharma Inc./Cox Pharmaceuticals (Hoechst AG);

Watson Pharmaceuticals Inc./The Rugby Group Inc.;

Watson Pharmaceuticals Inc./Royce Laboratories Inc.;

Novartis AG/Azupharma GmbH & Co.;

Teva Pharmaceutical Industries Limited/Biocraft Laboratories Inc.;

Watson Pharmaceuticals Inc./Circa Pharmaceuticals Inc.;

IVAX Corporation/Zenith Laboratories Inc.;

Miles Inc. (Bayer AG)/Schein Pharmaceutical Inc. (28.3% stake); and

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

IVAX Corporation/McGaw Inc.

The tables below summarize the analysis.

Comparable Precedent Transactions Analysis: Generic Injectable

	Enterprise Value to			
	LTM Revenue	LTM EBITDA	LTM EBIT	CY+1 EBITDA
High	5.78x	10.7x	13.5x	8.9x
Harmonic Mean	2.21x	8.3x	9.8x	6.3x
Median	3.27x	8.7x	10.6x	6.9x
Low	1.28x	6.8x	7.6x	4.9x

Comparable Precedent Transactions Analysis: Generic

	Enterprise Value to			
	LTM Revenue	LTM EBITDA	LTM EBIT	CY+1 EBITDA
High	6.75x	30.6x	49.3x	14.2x
Harmonic Mean	2.04x	13.5x	18.8x	11.2x
Median	2.33x	13.0x	20.1x	12.3x
Low	0.89x	8.2x	10.4x	8.1x

Table of Contents

Bear Stearns compared the multiples implied in the merger at \$27.50 per share of 5.83x LTM revenue, 15.0x LTM EBITDA, 17.3x LTM EBIT and 11.4x 2004 estimated EBITDA with the range and harmonic mean of the precedent transactions. Bear Stearns noted that all of the multiples implied in the merger at \$27.50 per share exceeded the high end of the range of multiples for the precedent generic injectable transactions. In addition, the LTM revenue, LTM EBITDA and CY+1 EBITDA multiples implied in the merger at \$27.50 per share exceeded the harmonic mean for the precedent generic transactions while the LTM EBIT multiple of 17.3x implied in the merger compared to a harmonic mean of 18.8x for the precedent generic transactions.

Discounted Cash Flow Analysis. Bear Stearns performed a discounted cash flow analysis which calculated the intrinsic value of SICOR's business based on projections provided by SICOR management, an estimated cost of capital and an estimated perpetual growth rate of unlevered free cash flow. Bear Stearns calculated the estimated present value of the unlevered after-tax free cash flows for the four years ending December 31, 2007 based on projections provided to Bear Stearns by SICOR management. Bear Stearns then calculated an implied range of terminal values for SICOR by applying a range of perpetual growth rates of unlevered free cash flow of 3% to 4%. The present value of the free cash flows and terminal values were discounted using a range of discount rates of 11% to 13%. Bear Stearns also performed a sensitivity analysis based on SICOR achieving 80% to 100% of its stand-alone EBITDA forecast discounted at discount rates ranging from 11% to 13% with a 3.5% perpetual growth rate in free cash flow assumed in calculating terminal value. For purposes of calculating terminal value, Bear Stearns, based on SICOR management guidance, adjusted 2007 free cash flow to reflect a more reasonable steady-state contribution forecasted for a major generic product expected to be launched in 2006.

Bear Stearns compared the range of implied equity values per share for SICOR common stock to the implied merger consideration of \$27.50 per share as follows:

Discounted Cash Flow Analysis

	Implied Equity Value per Share
Based on perpetual growth rates in unlevered free cash flow ranging from 3% to 4% and discount rates ranging from 11% to 13%	\$ 21.81 - \$29.45
Based on perpetual growth rates in unlevered free cash flow of 3.5%, discount rates ranging from 11% to 13% and SICOR achieving 80% to 100% of its EBITDA projections	\$ 18.37 - \$27.97

Bear Stearns also performed a sensitivity analysis by adjusting the 2006 and 2007 projections to exclude a major generic product which SICOR projected would launch in 2006. Bear Stearns then calculated an implied range of terminal values for SICOR by applying a range of perpetual growth rates of unlevered free cash flow of 3% to 4%. The present value of the free cash flows and terminal values were discounted using a range of discount rates of 11% to 13%. Bear Stearns also performed a sensitivity analysis on this sensitized case based on SICOR achieving 80% to 100% of its adjusted EBITDA forecast discounted at discount rates of 11% to 13% with a 3.5% perpetual growth rate assumed in calculating terminal value.

Bear Stearns compared the range of implied equity values per share for SICOR common stock in the sensitized case to the implied merger consideration of \$27.50 per share as follows:

Sensitized Discounted Cash Flow Analysis

	Implied Equity Value per Share
	<hr/>
Excluding large generic product projected to launch in 2006 and based on perpetual growth rates in unlevered free cash flow ranging from 3% to 4% and discount rates ranging from 11% to 13%	\$ 20.02 - \$26.83
Excluding large generic product projected to launch in 2006 and based on a perpetual growth rate in unlevered free cash flow of 3.5%, discount rates of 11% to 13% and SICOR achieving 80% to 100% of its adjusted EBITDA projections	\$ 16.84 - \$25.51

Table of Contents

Other Analyses. Bear Stearns conducted other analyses as it deemed appropriate, including reviewing the historical stock performance and selected Wall Street equity research reports on SICOR and Teva and analyzing the historical and forecasted financial and operating performance of SICOR and Teva. In addition, Bear Stearns examined publicly available information relating to trends in the generic pharmaceuticals industry.

The preparation of a fairness opinion is a complex process and involves various judgments and determinations as to the most appropriate and relevant assumptions and financial analyses and the application of those methods to the particular circumstances involved. Bear Stearns' opinion is therefore not necessarily susceptible to partial analysis or summary description. In arriving at its opinion, Bear Stearns made qualitative judgments as to the significance and relevance of each analysis and factor considered by it and did not attribute particular weight to any one analysis or factor. Bear Stearns did not form an opinion as to whether any individual analysis or factor, positive or negative, considered in isolation, supported or failed to support its opinion. Accordingly, Bear Stearns believes that its analyses must be considered as a whole and that selecting portions of its analyses without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

The analyses performed by Bear Stearns, particularly those based on estimates, are not necessarily indicative of actual values or actual future results, which may be significantly more or less favorable than those results suggested by the analyses. With respect to the analysis of comparable companies summarized above, no public company utilized as a comparison is identical to SICOR, and accordingly, Bear Stearns made judgments and assumptions with regard to industry performance, business, economic, market and financial conditions, as well as other matters that would necessarily affect the value of SICOR versus the value of any precedent transactions summarized above or the companies they involved. In addition, none of the precedent transactions or the companies they involve are identical to the merger or SICOR. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, Bear Stearns' analyses are inherently subject to substantial uncertainty. The analyses were prepared solely as part of Bear Stearns' analysis of the fairness, from a financial point of view, of the merger consideration to the stockholders of SICOR.

Bear Stearns' opinion and financial analyses were only one of many factors considered by SICOR's board in its evaluation of the merger, and should not be viewed as determinative of the views of SICOR's board or management with respect to its decision to recommend the merger.

In the ordinary course of business, Bear Stearns may actively trade debt and equity securities of SICOR and/or Teva for Bear Stearns' own account and for the accounts of customers and, accordingly, may at any time hold a long or short position in those securities. In the ordinary course of business, Bear Stearns may enter into derivative transactions with SICOR or Teva as the counterparty.

Pursuant to an engagement letter between SICOR and Bear Stearns, SICOR has agreed to pay Bear Stearns an advisory fee, including \$2.0 million which was payable upon SICOR and Teva entering into the merger agreement, and additional fees to be paid upon completion of the merger amounting to an additional \$6.75 million and 0.50% of that portion of the aggregate merger consideration, as determined in accordance with the terms of the engagement letter, which exceeds \$2.5 billion. In addition, SICOR agreed to reimburse Bear Stearns for certain out-of-pocket expenses incurred by Bear Stearns in connection with the merger, including the reasonable fees and disbursements of its legal counsel. SICOR has also agreed to indemnify Bear Stearns against specific liabilities in connection with its engagement, including liabilities under the federal securities laws.

Teva's Reasons for the Merger

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

Teva's board of directors, in reaching its decision to approve the merger, the merger agreement and the transactions contemplated by the merger agreement, considered favorably the following factors:

(a) *Establish New Presence in the U.S. Hospital and Generic Injectables Market.* Teva has had an interest for some time in expanding its presence in the U.S. market to include generic injectable products. While Teva

Table of Contents

sells such products in both Europe and Israel, it has not previously offered such products for sale in the United States. Through a business combination with SICOR, Teva would gain a leading position in the U.S. hospital and generic injectables market. In addition, the combination of the two companies should allow Teva to expand its offerings of selected oral dosage products into the U.S. hospital market.

(b) *Create Global Platform for Generic Injectables Business.* Teva believes that it can introduce SICOR's injectable products and numerous other SICOR products into its product line in Europe and other jurisdictions in which Teva currently sells injectable products, thereby expanding the market for SICOR products. Conversely, Teva currently produces injectable products for the European market in FDA-approved facilities that it believes it will be able to add to SICOR's existing product line in the United States. Thus, by combining the two businesses, Teva expects to create a truly global platform on which to further grow a leading generic injectables product business.

(c) *Expand Central and South American Operations.* To date, Teva has had only modest sales into Latin America, and Teva has only recently established a subsidiary in Mexico. The acquisition of SICOR would allow Teva to combine SICOR's well-established Mexican operations with Teva's new Mexican business, thereby substantially accelerating Teva's expansion into Mexico and providing a new base of operations for sales of products elsewhere in Central and South America.

(d) *Enhance API Operations.* SICOR, like Teva, is a vertically integrated company with its own API operations, resulting in enhanced internal profitability and strategic depth. The acquisition of SICOR would provide Teva with an entry as a lead player in the steroids and oncology markets, thereby strengthening the combined company's position as a leader in the generic API market. The transaction would enable Teva to offer a broader range of API products, to better cater to its customers' needs and help grow its customer base. In addition, the combined company would have a strengthened API presence in the United States, Europe, where SICOR's API facilities located in Italy in close proximity to Teva's own API facilities, and elsewhere in the world.

(e) *Expand Biogenerics Efforts.* Several large biological products will be coming off patent within the next several years, and this trend is expected to accelerate over time. In order to enhance Teva's leadership position in generics over the long term, Teva has stated its desire for a biotechnology platform. SICOR's operations in Lithuania, which already produce several biological products for sale outside of North America and Western Europe, would provide Teva with new capabilities for the development of biological products and with a production facility for such products. Accordingly, a business combination with SICOR would enable Teva to gain an immediate foothold into this emerging field of biogenerics.

(f) *Accretive Transaction/Synergies.* Estimates of potential revenue and cost synergies of the combined business led Teva to believe the merger should become slightly accretive to Teva's earnings per share within one year from the closing of the merger.

(g) *Terms and Conditions of the Merger Agreement and Related Agreement.* Teva also considered favorably the terms and conditions of the merger agreement and the agreements contemplated by the merger agreement, including the form and amount of the consideration and the representations, warranties, covenants, conditions to closing and termination rights contained in those agreements.

In view of the number and wide variety of factors considered in connection with its evaluation of the merger, Teva's board of directors did not consider it practicable to, and did not attempt to, quantify or otherwise assign relative weights to the specific factors it considered in reaching its determination.

Interests of Certain Persons in the Merger

Selected executive officers and members of the board of directors of SICOR have certain interests in the merger agreement and the merger that are different from and in addition to your interests as a stockholder. These

Table of Contents

interests exist based on change in control provisions of existing employment agreements and the vesting of stock option awards held by these individuals, both of which will be activated by the consummation of the merger, as well as certain provisions of the merger agreement itself. The board of directors of SICOR was aware of and considered these interests when it considered and approved the merger agreement and the merger.

Employment and Severance Agreements. Existing employment and severance agreements with certain officers of SICOR provide for benefits upon a change in control, including severance payments due if the officer's employment is terminated within a certain amount of time following the consummation of the merger.

Option Vesting. All option grants made under to the SICOR 1997 Long-Term Incentive Plan and certain option agreements issued under the SICOR Amended and Restated 1990 Stock Plan include change in control provisions, pursuant to which all unvested options will immediately vest in full upon consummation of the merger. Certain directors and officers hold option grants under these two plans, and will thus receive the benefit of the acceleration of their vesting schedule as a result of the merger. As of the record date for the special meeting, [] shares of SICOR common stock were issuable to executive officers and directors of SICOR upon the exercise of outstanding SICOR options granted to those executive officers and directors of SICOR, including the approximately [] shares of SICOR common stock which will vest upon consummation of the merger. Each option will be converted to become exercisable for approximately [] Teva ADRs at the effective time of the merger.

Officer and Director Positions. Pursuant to the merger agreement, Teva has agreed to use all commercially reasonable efforts to cause the appointment of each of the existing executive officers of SICOR to the same position following consummation of the merger, until their successors have been duly elected or appointed and qualified or until their earlier death, resignation or removal in accordance with the charter documents. Officers and directors receiving benefits under SICOR compensation and benefit plans will continue to be provided with benefits under employee benefit plans that are the same or substantially comparable in the aggregate either to those provided by SICOR or those provided by Teva to similarly situated employees. In addition, Teva has agreed to cause the Teva board of directors to duly appoint [] to the Teva board of directors, to fill such position until his successor has been duly elected or appointed and qualified or until his earlier death, resignation or removal in accordance with the charter documents.

Continued Director and Officer Indemnification. As of the consummation of the merger and thereafter, Teva will indemnify certain existing and former directors, officers and employees of SICOR as required pursuant to existing indemnity agreements of SICOR, which agreements were amended and restated prior to the merger to clarify that there is a presumption that the indemnified parties are entitled to indemnification and that the indemnified parties as a group are entitled to at least one counsel of their choosing. In addition, Teva will, for a period of six years following the merger, maintain the same provisions regarding the indemnification of officers and directors currently contained in SICOR's charter documents for claims arising from facts or events that occurred on or prior to the consummation of the merger.

Registration Rights. In connection with the merger, Teva has agreed to file a registration statement covering the resales of Teva ADRs received by persons who may be deemed affiliates of SICOR under Rule 145 under the Securities Act of 1933, as amended, which we refer to as the Securities Act, prior to the effective time of the merger.

Manner and Procedure for Exchanging Shares of SICOR Common Stock; No Fractional ADRs

Surrender of Certificates. As soon as reasonably practicable after the effective time of the merger, but in no event later than one business day after the effective time of the merger, the exchange agent will mail to each record holder of SICOR common stock (a) a letter of transmittal and (b) instructions for surrendering certificates formerly representing SICOR common stock in exchange for cash and a certificate or certificates

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

representing Teva ADSs, into which the SICOR common stock will be converted pursuant to the merger. After receipt of these forms, holders of SICOR common stock will be able to surrender their certificates to the exchange agent, and receive the cash and certificates evidencing the number of whole Teva ADRs to which the holder is entitled,

Table of Contents

and any cash which may be payable in lieu of a fractional Teva ADRs. SICOR stockholders should not send their certificates until they receive the letter of transmittal.

Unless the holder of SICOR common stock has followed the procedures set forth below in *Appraisal Rights*, after the effective time of the merger, each certificate that previously represented shares of SICOR common stock will represent the right to receive the cash and Teva ADRs into which those shares of SICOR common stock have been converted.

Teva will not pay dividends to holders of SICOR stock certificates with respect to the Teva ADRs, into which the SICOR shares represented by those certificates have been converted, until the SICOR stock certificates are surrendered to the exchange agent.

After the effective time of the merger, SICOR will not register any further transfers of SICOR shares. Any certificates evidencing SICOR shares that are presented for registration after the effective time of the merger will be exchanged for the cash and certificates evidencing the number of whole Teva ADRs to which they are entitled, and any cash which may be payable in lieu of a fractional ADRs of Teva.

Governmental and Regulatory Approvals

U.S. Antitrust Filing. Under the HSR Act and the rules and regulations promulgated thereunder, the merger may not be consummated unless the applicable waiting period requirements have expired or been terminated. On December 1, 2003, each of SICOR and Teva filed a pre-merger notification and report form pursuant to the HSR Act with the Justice Department and the FTC. In the absence of the grant of early termination 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 on January 1, 2004. 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 the assets of SICOR or Teva.

Foreign Antitrust Filings. Pursuant to the German Act against Restraints of Competition, the parties must notify the German Federal Cartel Office, or the FCO, before the merger can become effective. The parties submitted their joint notification to the FCO on November 1, 2003. Within one month after receipt of the notification, the FCO must either (a) grant clearance, (b) take no action (which is equivalent to clearance), or (c) inform the parties that it will conduct a further investigation. In the latter case, the FCO may take up to a total of four months after receipt of the notification to complete its investigation and either clear or prohibit the merger.

Pursuant to the Mexican Antitrust Law, the parties must notify the Mexican Federal Competition Commission, or MFCC, before the merger can become effective in Mexico. The parties submitted their joint notification to the MFCC on November 1, 2003. The MFCC has 45 days from the date of notification within which to object to the transaction. This period may be extended for an additional 60 days in complex cases.

Pursuant to Brazilian Law No. 8884/1994, the Brazilian Administrative Council for Economic Defense, or CADE, must be notified within 15 business days after the merger agreement has been executed. The parties submitted their joint notification to the CADE on November 21, 2003. The parties are permitted to consummate the merger before the Brazilian authorities have completed their review.

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

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.

Merger Expenses, Fees and Costs

All expenses incurred in connection with the merger agreement and the related transactions will be paid by the party incurring the expense, except that Teva and SICOR have agreed to share equally the costs of filing,

Table of Contents

printing and mailing Teva's registration statement on Form F-4 of which this proxy statement/prospectus forms a part, including SEC filing fees and foreign antitrust filing fees. The parties have agreed that in certain circumstances, however, SICOR will pay Teva's expenses. For a more detailed discussion regarding the allocation of expenses, you should carefully review the section entitled "The Merger Agreement Termination and Other Fees" below.

Accounting Treatment

Teva will account for the merger under the "purchase" method of accounting in accordance with U.S. GAAP. Therefore, the total merger consideration paid by Teva, together with the direct costs of the merger, will be allocated to SICOR's tangible and intangible assets and liabilities based on their fair market values, with any excess being applicable to goodwill. The assets, liabilities and results of operations of SICOR will be consolidated into the assets, liabilities and results of operations of Teva as of the closing date of the merger or within a reasonable period thereafter.

Form of the Merger

Subject to the terms and conditions of the merger agreement and in accordance with Delaware law, at the effective time of the merger, Merger Sub, a wholly owned subsidiary of Teva established to facilitate the acquisition of SICOR, will be merged with and into SICOR. SICOR will survive the merger as a wholly owned subsidiary of Teva and will continue its corporate existence under Delaware law under the name "SICOR Inc."

Material U.S. Federal Income Tax Consequences of the Merger

The following is a summary of the material U.S. federal income tax consequences of the merger to a stockholder of SICOR who holds shares of SICOR common stock as capital assets, which we refer to as a holder. The discussion is based on laws, regulations, rulings and decisions in effect on the date hereof, all of which are subject to change, possibly with retroactive effect, and to differing interpretation. This discussion does not address all aspects of U.S. federal income taxation that may be applicable to a holder subject to special treatment under the Internal Revenue Code (including, but not limited to, banks, partnerships and other pass-through entities, tax-exempt organizations, insurance companies, dealers in securities or foreign currency, holders who dissent and exercise appraisal rights, and holders who are not U.S. persons (as defined in section 7701(a)(30) of the Internal Revenue Code), who hold shares as part of a straddle or hedging or conversion transaction, or who acquired shares of SICOR common stock pursuant to the exercise of an employee stock option or otherwise as compensation). In addition, the discussion does not address the non-income tax or state, local or foreign tax consequences of the merger. Each SICOR stockholder is urged to consult a tax advisor with respect to the particular tax consequences of the merger.

The merger will be treated for U.S. federal income tax purposes as a taxable sale or exchange of SICOR common stock for cash and Teva ADRs. In general, you will recognize gain or loss in an amount equal to the difference between (a) the sum of the cash and the fair market value of the Teva ADRs you receive pursuant to the merger and (b) your aggregate adjusted tax basis in your shares of SICOR common stock exchanged therefor. Such gain or loss will be capital gain or loss, and will be long-term capital gain or loss if your holding period for your SICOR common stock is more than one year as of the date of the merger. If you are a non-corporate holder, any such long-term capital gain generally will be taxed at a maximum U.S. federal income tax rate of 15%. The deductibility of capital losses is subject to limitations.

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

Unless you comply with certain reporting or certification procedures or you are an exempt recipient (*e.g.*, a corporation), you may be subject to a backup withholding tax of 28% with respect to the cash and the fair market value of the Teva ADRs you receive pursuant to the merger. You should consult your tax advisor with respect to the particular effects of the merger on your SICOR holdings.

Table of Contents

Federal Securities Laws Resale Restrictions

The Teva ADRs to be issued in connection with the merger will be registered under the Securities Act and will be freely transferable, except for Teva ADRs issued to any person who is deemed to be an affiliate of SICOR prior to the merger. Persons who may be deemed to be affiliates of SICOR prior to the merger include individuals or entities that control, are controlled by, or are under common control of SICOR, prior to the merger, and may include officers and directors, as well as principal stockholders of SICOR, prior to the merger.

Persons who may be deemed to be affiliates of SICOR prior to the merger may not sell any of the Teva ADRs received by them in connection with the merger except pursuant to:

an effective registration statement under the Securities Act covering the resale of those shares;

an exemption under paragraph (d) of Rule 145 under the Securities Act; or

any other applicable exemption under the Securities Act.

Teva's registration statement on Form F-4, of which this proxy statement/prospectus forms a part, does not cover the resale of shares of Teva ADRs to be received in connection with the merger by persons who may be deemed to be affiliates of SICOR prior to the merger. In connection with the merger, Teva has agreed to file a registration statement covering the resales of Teva ADRs received by persons who may be deemed affiliates of SICOR under Rule 145 of the Securities Act prior to the effective time of the merger.

Trading Markets

Teva ADRs received by SICOR stockholders in the merger will be tradable on NASDAQ. Teva ADRs are exchangeable in accordance with the terms of Teva's depositary agreement at any time for Teva ordinary shares. Teva ordinary shares are traded on the Tel Aviv Stock Exchange.

If the merger is completed, SICOR common stock will be delisted from NASDAQ and will no longer be registered under the Exchange Act.

Appraisal Rights

In connection with the merger, record holders of SICOR common stock who comply with the procedures summarized below will be entitled to appraisal rights if the merger is completed. Under the General Corporation Law of the State of Delaware, or the DGCL, SICOR stockholders may object to the merger and demand in writing that the surviving company pay the fair value of their shares. Determination of fair value is based on all relevant factors, but excludes any appreciation or depreciation resulting from the anticipation or accomplishment of the merger. Stockholders who elect to exercise appraisal rights must comply with all of the procedures to preserve those rights. A copy of Section 262 of the DGCL, which sets forth the appraisal rights, is attached as Annex C to this proxy statement/prospectus.

Section 262 sets forth the procedures a stockholder requesting appraisal must follow. These procedures are complicated and must be followed completely. Failure to comply with these procedures may cause you to lose your appraisal rights. The following information is only a summary of the required procedures and is qualified in its entirety by the provisions of Section 262. Please review Section 262 for the complete procedures. Neither Teva nor SICOR will give you any notice of your appraisal rights other than as described in this document and as required by the DGCL.

General Requirement. Section 262 generally requires the following:

You must deliver a written demand for appraisal to SICOR before the vote is taken at the SICOR special meeting. This written demand for appraisal must be separate from the proxy. In other words, failure to

Table of Contents

return the proxy or returning the proxy with a notation on it will not alone constitute demand for appraisal. Similarly, a vote against the merger will not satisfy your obligation to make written demand for appraisal. You should read the paragraphs below and Annex C for more details on making a demand for appraisal.

You must not vote in favor of approval and adoption of the merger agreement or approval of the merger. If you return a properly executed proxy or otherwise vote in favor of approval and adoption of the merger agreement or approval of the merger, you will lose your right to appraisal, even if you previously filed a written demand for appraisal. You do not have to vote against the merger in order to preserve your appraisal rights.

You must continuously hold your shares of SICOR stock from the date you make the demand for appraisal through the closing of the merger.

Requirements for Written Demand for Appraisal. A written demand for appraisal of SICOR stock is only effective if it is signed by, or for, the stockholder of record who owns the shares at the time the demand is made. The demand must be signed as the stockholder's name appears on its stock certificate(s). If you are a beneficial owner of SICOR stock but not a stockholder of record, you must have the stockholder of record for your shares sign a demand for appraisal on your behalf.

If you own SICOR stock in a fiduciary capacity, such as a trustee, guardian or custodian, you must disclose the fact that you are signing the demand for appraisal in that capacity.

If you own SICOR stock with one or more other persons, such as in a joint tenancy or tenancy in common, all of the owners must sign, or have signed for them, the demand for appraisal. An authorized agent, which could include one or more of the owners, may sign the demand for appraisal for a stockholder of record; however, the agent must expressly disclose who the stockholder of record is and that he or she is signing the demand as that stockholder's agent.

If you are a record owner, such as a broker, who holds SICOR stock as a nominee for others, you may exercise a right of appraisal with respect to the shares held for one or more beneficial owners, while not exercising that right for other beneficial owners. In such a case, you should specify in the written demand the number of shares as to which you wish to demand appraisal. If you do not specify the number of shares, it will be assumed that your written demand covers all the shares of SICOR stock that are in your name.

If you are an SICOR stockholder, you should address the written demand to SICOR Inc., 19 Hughes, Irvine, California 92618, Attention: Secretary. SICOR must receive your written demand before the vote concerning the merger is taken or you will lose your appraisal rights. As explained above, this written demand should be signed by, or on behalf of, the stockholder of record. The written demand for appraisal should specify the stockholder's name and mailing address, the number of shares of stock owned, and that the stockholder is thereby demanding appraisal of such stockholder's shares.

Written Notice. Within 10 days after the closing of the merger, the company surviving the merger must give written notice of the date that the merger became effective to each stockholder who has fully complied with the conditions of Section 262. Except as required by law, you will not be notified of any dates by which appraisal rights must be exercised.

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

Petition with the Chancery Court. Within 120 days after the closing of the merger, the company surviving the merger or any stockholder who has complied with the conditions of Section 262 may file a petition in the Delaware Court of Chancery. This petition should request that the Chancery Court determine the value of the shares of SICOR stock held by all of the stockholders who are entitled to appraisal rights. If you intend to exercise your rights of appraisal, you should file a petition in the Chancery Court. Neither SICOR nor Teva have any intention at this time to file a petition. Because neither SICOR nor Teva have an obligation to file a petition, if you do not file such a petition within 120 days after the closing, you will lose your rights of appraisal.

Table of Contents

Withdrawal of Demand. If you change your mind and decide you no longer want an appraisal, you may withdraw your demand for appraisal at any time within 60 days after the closing of the merger. You may also withdraw your demand for appraisal after 60 days after the closing of the merger, but only with the written consent of Teva. If you withdraw your demand for appraisal, you will receive the merger consideration provided in the merger agreement.

Request for Appraisal Rights Statement. If you have complied with the conditions of Section 262, you will be entitled to receive a statement setting forth the number of shares for which appraisal rights have been exercised and the number of stockholders who own those shares. In order to receive this statement, you must send a written request to Teva within 120 days after the closing of the merger. After the merger, Teva will have 10 days after receiving a request to mail the statement to the stockholder.

Chancery Court Procedures. If you properly file a petition for appraisal in the Chancery Court and deliver a copy to Teva, Teva will then have 20 days to provide the Chancery Court with a list of the names and addresses of all stockholders who have demanded appraisal and have not reached an agreement with Teva as to the value of their shares. If the Chancery Court decides it is appropriate, it will then send notice to all of the stockholders who have demanded appraisal. The Chancery Court has the power to conduct a hearing to determine whether the stockholders have fully complied with Section 262 of the DGCL and whether they are entitled to appraisal under that section. The Chancery Court may also require you to submit your stock certificates to the Registry in Chancery so that it can note on the certificates that an appraisal proceeding is pending. If you do not follow the Chancery Court's directions, you may be dismissed from the proceeding.

Chancery Court Appraisal of SICOR Shares. After the Chancery Court determines which stockholders are entitled to appraisal rights, the Chancery Court will appraise the shares of stock. To determine the fair value of the shares, the Chancery Court will consider all relevant factors except for any appreciation or depreciation resulting from the anticipation or accomplishment of the merger. After the Chancery Court determines the fair value of the shares, it will direct Teva to pay that value to the stockholders who are entitled to appraisal. The Chancery Court can also direct Teva to pay interest, simple or compound, on that value if the Chancery Court determines that interest is appropriate. In order to receive the fair value for your shares, you must surrender your stock certificates to Teva.

The Chancery Court could determine that the fair value of shares of SICOR stock is more than, the same as, or less than the merger consideration. In other words, if you demand appraisal rights, you could receive less consideration than you would under the merger agreement.

Costs and Expenses of Appraisal Proceeding. The costs and expenses of the appraisal proceeding may be assessed against the company surviving the merger and the stockholders participating in the appraisal proceeding, as the Chancery Court deems equitable under the circumstances. You can request that the Chancery Court determine the amount of interest, if any, that the company surviving the merger should pay on the value of stock owned by stockholders entitled to the payment of interest. You may also request that the Chancery Court allocate the expenses of the appraisal action incurred by any stockholder pro rata against the value of all of the shares entitled to appraisal.

Loss of Stockholder's Rights. If you demand appraisal, after the closing of the merger you will not be entitled to:

vote your shares of stock, for any purpose, for which you have demanded appraisal;

receive payment of dividends or any other distribution with respect to your shares, except for dividends or distributions, if any, that are payable to holders of record as of a record date before the effective time of the merger; or

receive the payment of the consideration provided for in the merger agreement.

Table of Contents

However, you can regain these rights if no petition for an appraisal is filed within 120 days after the closing of the merger, or if you deliver to Teva a written withdrawal of your demand for an appraisal and your acceptance of the merger, either within 60 days after the closing of the merger or with the written consent of Teva. As explained above, these actions will also terminate your appraisal rights. However, an appraisal proceeding in the Chancery Court cannot be dismissed without the Chancery Court's approval. The Chancery Court may condition its approval upon any terms that it deems just.

If you fail to comply strictly with these procedures you will lose your appraisal rights. Consequently, if you wish to exercise your appraisal rights, you are strongly urged to consult a legal advisor before attempting to exercise your appraisal rights.

Table of Contents

THE MERGER AGREEMENT

The following is a summary of material provisions of the merger agreement. This summary is qualified in its entirety by reference to the merger agreement, which is incorporated by reference in its entirety and attached to this proxy statement/prospectus as Annex A. We urge you to read carefully the merger agreement in its entirety for a more complete understanding of the merger.

Form of the Merger

If the holders of SICOR common stock approve and adopt the merger agreement, and all other conditions to the merger are satisfied or waived, Merger Sub, a newly formed and wholly owned subsidiary of Teva, will be merged with and into SICOR. After the merger, SICOR will be the surviving corporation and will continue its corporate existence under Delaware law as a wholly owned subsidiary of Teva.

Merger Consideration

Conversion Right. The merger agreement provides that each share of SICOR common stock issued and outstanding immediately prior to the effective time of the merger (other than treasury stock of SICOR, SICOR common stock held by Teva or any subsidiary of Teva and other than SICOR common stock as to which appraisal rights have been properly demanded) will be converted into the right to receive:

0.1906 ordinary shares (subject to adjustment as described below) of Teva, which will trade in the United States in the form of ADSs, evidenced by ADRs; and

\$16.50 in cash, without interest.

Shares Held by SICOR or Teva. Shares of SICOR common stock held by SICOR, Teva or any subsidiary of Teva will be canceled in the merger without consideration.

No Fractional Teva ADRs. Teva will not issue any fractional ADRs in the merger. Instead, holders of a SICOR common stock will receive a cash payment representing the value of the aggregate fractional Teva ADRs that such stockholder otherwise would be entitled to receive.

Adjustments to Prevent Dilution. If between the date of the merger agreement and the effective time of the merger, the number of outstanding shares of SICOR common stock (or securities convertible into or exercisable for shares of SICOR common stock) changes as a result of a reclassification, stock split, stock dividend or distribution, recapitalization, merger, subdivision, issuer tender offer or exchange offer, or other similar transaction, the merger agreement provides that the merger consideration will be equitably adjusted to reflect such change. If between the date of the merger agreement and the effective time of the merger, the number of outstanding Teva ordinary shares changes as a result of stock dividend, subdivisions, reclassification, split-up, combination or the like, the 0.1906 conversion number will be appropriately adjusted.

Closing

Unless the parties agree otherwise, the closing will occur on the first business day after the satisfaction or waiver of all closing conditions.

Effective Time

The merger will become effective on the date on which the merger agreement or the certificate of merger has been duly filed with the Secretary of State of the State of Delaware. The filing of the certificate of merger will take place as promptly as practicable after the closing of the merger.

Treatment of SICOR Stock Options

SICOR Stock Options. Each option to acquire shares of SICOR common stock issued under SICOR stock plans and outstanding as of the effective time of the merger, whether or not exercisable or vested, which we refer

Table of Contents

to as SICOR options, will be assumed by Teva and will be automatically converted into an option to acquire Teva ADRs. Each assumed SICOR option will be subject to the same terms and conditions as under such SICOR option as of the effective time of the merger, except that each assumed SICOR option shall constitute an option to acquire that number of Teva ADRs (rounded down to the nearest number of whole ADRs on a holder-by-holder basis) equal to:

the number of Teva ADRs that the holder of such SICOR option would have been entitled to receive pursuant to the merger if the holder had exercised its option in full immediately prior to the merger, *plus*

the number of Teva ADRs, determined by dividing

the amount of cash that the holder of the SICOR option would have been entitled to receive pursuant to the merger if the holder had exercised its SICOR option in full immediately prior to the effective time of the merger *by*

the closing price of the Teva ADRs on the business day immediately prior to the effective time of the merger as reported by the NASDAQ,

at an exercise price per Teva ADR equal to:

the aggregate exercise price for the shares of SICOR common stock which otherwise could have been purchased pursuant to the SICOR option immediately prior to the effective time of the merger *divided by*
the aggregate number of Teva ADRs deemed to be purchasable pursuant to the assumed SICOR option.

By virtue of the merger, each assumed SICOR option will become fully vested and exercisable.

Representations and Warranties

The merger agreement contains representations and warranties by SICOR relating to a number of matters, including the following:

organization, valid existence, good standing and qualification to do business of SICOR and its significant subsidiaries;

SICOR's capital structure;

SICOR's corporate authorization, validity of the merger agreement and approval by SICOR's board of directors of the merger agreement and the transactions contemplated by the merger agreement;

subject to certain exceptions set forth in the merger agreement, the absence of governmental filings and approvals necessary to complete the merger and the absence of any conflict with SICOR's or of any of its significant subsidiaries' certificates of incorporation or by-laws, with any agreement to which SICOR or any of its subsidiaries is a party, with applicable laws and with governmental or

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

non-governmental authorizations;

the documents filed with the SEC by SICOR, the accuracy of information contained in such documents and the conformity with generally accepted accounting principles of SICOR's financial statements;

the accuracy of information (other than as furnished by or on behalf of Teva) contained in this proxy statement/prospectus and information provided by SICOR for inclusion in the registration statement to be filed by Teva with the SEC;

the absence of undisclosed material liabilities;

the absence of certain adverse changes or events in SICOR's financial condition, properties, assets or results of operations;

the absence of material pending or threatened litigation;

employee benefit plans;

Table of Contents

SICOR s and its subsidiaries compliance with all applicable foreign, federal, state and local laws, and SICOR s and its subsidiaries possession of all material permits and regulatory approvals necessary to conduct its business;

the inapplicability of anti-takeover statutes and of SICOR s stockholder rights plan to the merger;

various environmental matters, including material compliance with applicable environmental laws;

tax matters and the payment of taxes;

labor matters;

ownership and validity of intellectual property rights;

title to properties;

material contracts;

product liability;

insurance coverage;

the vote of the stockholders of SICOR required to complete the merger;

relationships with suppliers;

the absence of affiliate transactions;

broker s and finder s fees related to the merger; and

the receipt of the opinion of SICOR s financial advisor as to the fairness, from a financial point of view, of the merger consideration to SICOR s stockholders.

The merger agreement also contains representations and warranties by Teva and Merger Sub relating to a number of matters, including the following:

organization, valid existence, good standing and qualification to do business of Teva and Merger Sub;

Teva s capital structure;

Teva's and Merger Sub's corporate authorization, validity of the merger agreement and approval by Teva's and Merger Sub's boards of directors of the merger agreement and the transactions contemplated by the merger agreement;

subject to certain exceptions set forth in the merger agreement, the absence of governmental filings and approvals necessary to complete the merger and the absence of any conflict with Teva's memorandum of association or articles of incorporation or Merger Sub's certificate of incorporation or by-laws or similar documents of any Teva subsidiaries, with any agreement to which Teva, Merger Sub or Teva's subsidiaries is a party, with applicable laws and with governmental or non-governmental authorizations;

the documents filed with the SEC by Teva, the accuracy of information contained in such documents and the conformity with generally accepted accounting principles of Teva's financial statements;

the accuracy of information (other than as provided by or on behalf of SICOR) contained in this proxy statement/prospectus and the compliance with the requirements of the securities laws of the registration statement to be filed by Teva with the SEC;

the absence of undisclosed material liabilities;

the absence of certain adverse changes or events in Teva's financial condition, properties, assets or results of operations;

the absence of material pending or threatened litigation;

employee benefit plans;

Table of Contents

Teva and its subsidiaries' compliance with all applicable foreign, federal, state and local laws, and Teva's and its subsidiaries' possession of all material permits and regulatory approvals necessary to conduct its business;

various environmental matters, including material compliance with applicable environmental laws;

tax matters and the payment of taxes;

labor matters;

ownership and validity of intellectual property rights;

title to properties;

material contracts;

product liability;

insurance coverage;

absence of any prior business activities by Merger Sub;

the absence of any vote required by the stockholders of Teva to consummate the merger;

absence of ownership by Teva, Merger Sub or any of their subsidiaries of SICOR common stock;

the absence of affiliate transactions;

broker's and finder's fees related to the merger;

the receipt of the opinion of Teva's financial advisors as to the fairness, from a financial point of view, of the merger consideration to Teva; and

financial capacity of Teva to perform the merger.

Certain of SICOR's and Teva's representations and warranties are qualified as to materiality or material adverse effect. When used with respect to SICOR or Teva, material adverse effect means a material adverse effect on the financial condition, business, assets or results of operations of SICOR or Teva and their respective subsidiaries, in each case, taken as a whole, other than any such effect resulting from or arising out of:

any change in law or U.S. GAAP or interpretations thereof;

any change in economic or business conditions in the United States generally;

any change in conditions generally affecting the pharmaceutical industry; or

the execution and delivery of the merger agreement or the consummation of the transactions contemplated thereby.

Covenants and Agreements

Conduct of SICOR's Business Pending Merger. SICOR has agreed that, from the date of the merger agreement until the effective time of the merger, except as expressly permitted by the merger agreement, as required by law or to the extent agreed to by Teva, SICOR and its subsidiaries:

shall conduct their respective businesses only in the ordinary and usual course and shall use their respective commercially reasonable efforts to (a) preserve its business organization intact and maintain its existing relations and goodwill with customers, suppliers, distributors, creditors, lessors, employees and business associates, (b) maintain and keep material properties and assets in good repair and condition and (c) maintain in effect all material governmental permits under which such party currently operates;

shall not amend or otherwise change its certificates of incorporation or by-laws; split, combine or reclassify SICOR's capital stock; declare, set aside or pay any dividend; or repurchase, redeem or otherwise acquire any SICOR stock;

Table of Contents

shall not issue, sell, pledge, dispose of or encumber any shares of, or securities convertible into or exchangeable or exercisable for, or options or other commitments or rights to acquire, any shares of its capital stock or any voting debt or any other property or assets (other than in certain limited exceptions);

shall not, other than in the ordinary and usual course of business and other than transactions not in excess of \$10,000,000 in the aggregate in any calendar year, transfer, lease, license, guarantee, sell, mortgage, pledge, dispose of or encumber any other property or assets;

shall not make any acquisition of, or investment in, assets or stock in any transaction or any series of transactions for an aggregate purchase price or prices, including the assumption of any debt, in excess of \$10,000,000 in the aggregate in any calendar year, except for acquisitions mandated by binding legal commitments existing on the date of the merger agreement;

shall not, other than in the ordinary and usual course of business, (a) amend or terminate any contract that is material to SICOR and its subsidiaries taken as a whole, (b) waive, release, relinquish or assign any such contract, right or claim or (c) cancel or forgive any material indebtedness owed to SICOR or any of its subsidiaries;

shall not (a) adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, recapitalization or other similar reorganization or (b) accelerate or delay collection of notes or accounts receivable in advance of or beyond their regular due dates, other than in the usual and ordinary course of business;

shall not terminate, adopt or amend any compensation and benefit plans (other than in limited exceptions), or increase the compensation of any employees except for (a) grants or awards or increases occurring in the ordinary and usual course of business, (b) annual reestablishment of compensation and benefit plans and the provision of individual compensation or benefit plans and agreements for newly hired or appointed officers and employees or (c) actions necessary to satisfy existing contractual obligations under compensation and benefit plans or agreements existing as of the date of the merger agreement;

shall maintain with financially responsible insurance companies (or through self-insurance) insurance in such amounts and against such risks and losses as are consistent with the insurance maintained by such party in the ordinary course of business consistent with past practice;

shall not change any accounting principle, practice or method in a manner that is inconsistent with past practice;

shall not take any action that could reasonably be expected to result in (a) any representation or warranty of SICOR or its subsidiaries set forth in the merger agreement that is qualified by materiality becoming untrue, (b) any such representations and warranties that are not so qualified becoming untrue in any material respect, (c) any of the conditions to the merger not being satisfied or (d) otherwise prevent or materially impair or delay the ability of such party to consummate the transactions contemplated by the merger agreement;

shall (a) file all material tax returns required to be filed with any taxing authority in accordance with all applicable laws, (b) timely pay all due and payable taxes and (c) promptly notify Teva of any action, suit, proceeding, investigation, audit or claim initiated or pending against or with respect to SICOR or any of its subsidiaries in respect of any tax;

shall not make any tax election or settle or compromise any income tax liability without the prior written consent of Teva;

shall not redeem the rights outstanding under the stockholders rights plan, or amend, modify or terminate the stockholders rights plan or render it inapplicable other than to the execution, delivery and performance of the merger agreement and the merger;

Table of Contents

shall not enter into any contract that purports to limit or prohibit in any respect SICOR or any of its subsidiaries (a) from competing with any other person, (b) from acquiring any product or other asset or any services from any other person, (c) from developing, selling, supplying, distributing, offering, supporting or servicing any product or any technology or other asset to or for any other person or (d) from transacting business or dealing in any other manner with any other person, except in certain limited circumstances; and

shall not authorize or enter into an agreement to do anything prohibited by the foregoing actions.

Conduct of Teva's Business Pending Merger. Teva has agreed that, from the date of the merger agreement until the effective time of the merger, except as expressly permitted by the merger agreement, as required by law or to the extent agreed to by SICOR, Teva and its subsidiaries:

shall conduct their respective businesses only in the ordinary and usual course and shall use their respective commercially reasonable efforts to (a) preserve its business organization intact and maintain its existing relations and goodwill with customers, suppliers, distributors, creditors, lessors, employees and business associates, (b) maintain and keep material properties and assets in good repair and condition and (c) maintain in effect all material governmental permits under which such party currently operates;

shall not amend or otherwise change its memorandum or articles of association; split, combine or reclassify Teva's capital stock; declare, set aside or pay any dividend other than its regular quarterly dividend; or repurchase, redeem or otherwise acquire any Teva stock;

shall not adopt a plan of complete or partial liquidation, dissolution, merger, consolidation, recapitalization or other similar reorganization;

shall not take any action that could reasonably be expected to result in (a) any representation or warranty of Teva or its subsidiaries qualified by materiality becoming untrue, (b) any such representations and warranties that are not so qualified becoming untrue in any material respect, (c) any of the conditions to the merger not being satisfied or (d) otherwise prevent or materially impair or delay the ability of Teva or its subsidiaries to consummate the transactions contemplated by the merger agreement; and

shall not authorize or enter into an agreement to do anything prohibited by the foregoing actions.

Access. Subject to applicable law, Teva and SICOR have agreed to, and to cause their subsidiaries to, provide the other party's representatives, during normal business hours during the period prior to the effective time of the merger, reasonable access to its officers, properties, books, contracts and records and, during such period, to each furnish promptly to the other all information concerning its business, properties and personnel as may reasonably be requested but only to the extent such access does not unreasonably interfere with the business or operations of such party.

No Solicitation. The merger agreement precludes SICOR and its subsidiaries or any officer, director, employee, agent or representative (including accountants, attorneys and investment bankers), directly or indirectly, from initiating, soliciting, encouraging or otherwise facilitating 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 SICOR or any of its significant subsidiaries;

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

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

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

We refer to any transaction in the above three bullet points as an acquisition proposal.

Table of Contents

Additionally, neither SICOR nor its subsidiaries, nor any of their representatives shall, directly or indirectly:

engage in any negotiations concerning, or provide any confidential information to, any person relating to a competing acquisition proposal, or otherwise facilitate any acquisition proposal;

withdraw or modify its approval or recommendation of the merger;

approve, recommend or endorse an acquisition proposal; or

enter into any letter of intent or similar document contemplating, or enter into any agreement with respect to an acquisition proposal.

The merger agreement provides that, prior to the approval of the merger by the SICOR stockholders, these restrictions do not prohibit SICOR from furnishing non-public information to, or negotiating with, a third party if those actions are a response to an unsolicited, bona fide written acquisition proposal from the third party to acquire directly or indirectly, for consideration consisting solely of cash and/or marketable securities, 30% or more of the outstanding SICOR common stock or 40% or more of the assets of SICOR and its subsidiaries that the SICOR board of directors determines in good faith, after consulting with outside counsel and its financial advisors, is (a) on terms more favorable to SICOR's stockholders than those in the merger agreement and (b) reasonably capable of being consummated without undue delay, and that the SICOR board of directors shall have concluded in good faith that the failure to take such action would be inconsistent with the discharge of the board's fiduciary duties under applicable law. We refer to such a proposal as a superior proposal. SICOR has agreed to provide Teva a written notice advising Teva of its receipt of such a superior proposal and specifying the material terms and conditions of the proposal.

If SICOR receives a superior proposal prior to the special meeting, SICOR's board is permitted to withdraw or adversely modify or change its recommendation of the merger agreement to SICOR's stockholders and recommend the superior proposal to its stockholders. However, SICOR may only withdraw or modify its recommendation if Teva has not made an offer within three calendar days after Teva's receipt of the notice from SICOR that SICOR's board of directors concludes in good faith, after consultation with its financial advisors and outside counsel, is as favorable (taking into account the termination fee payable under the merger agreement) to SICOR's stockholders as the superior proposal. If the merger agreement is terminated, SICOR may be required to pay Teva a termination fee.

SICOR is required to advise Teva within one business day of the receipt of any material proposal, material discussion, material negotiation or material inquiry with respect to any acquisition proposal. Additionally, SICOR is required to immediately communicate to Teva the material terms of any proposal, discussions, negotiations or inquiry which it may receive as well as the identity of the person making such proposal or inquiry or engaging in such discussion or negotiation. SICOR is required to provide to Teva any non-public material information concerning SICOR provided to any other person that was not previously provided to Teva on the same day as the providing of any such information to any other person. SICOR will keep Teva reasonably informed of the status and details of any such acquisition proposal including any modifications or proposed modifications.

SICOR is also required to immediately cease any existing activities, discussions or negotiations with any parties with respect to any acquisition proposal. In addition, SICOR shall promptly request that each person who has executed a confidentiality agreement in connection with such an acquisition proposal return or destroy all confidential information furnished to such person in accordance with such confidentiality agreement. SICOR is not permitted to release any third party from, or waive any provision of, any such confidentiality agreement or any other confidentiality or standstill agreement to which SICOR is a party.

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

Special Meeting. The merger agreement requires SICOR to call and hold a special meeting to approve and adopt the merger agreement and the merger as promptly as practicable after this proxy statement/prospectus is

Table of Contents

mailed to SICOR's stockholders. Additionally, subject to certain limitations related to its fiduciary duties in the event of a superior proposal, the board of directors of SICOR has agreed to recommend that SICOR's stockholders vote in favor of the merger agreement and the merger.

Stock Exchange Listing. Teva has agreed to use all commercially reasonable efforts to cause the Teva ADRs to be issued in the merger or reserved for issuance upon exercise of the assumed SICOR options to be approved for quotation on NASDAQ.

Affiliate Letters. SICOR has delivered to Teva a letter identifying all persons who, in the judgment of SICOR, may be deemed affiliates of SICOR for purposes of Rule 145 under the Securities Act. SICOR will use all commercially reasonable efforts to obtain a written agreement from each such person identified by SICOR as soon as practicable and, in any event, at least ten days prior to the effective time of the merger to, among other things, abide by certain transfer restrictions imposed by Rule 145.

Employee Matters. Teva has agreed that, for two years after the effective time of the merger, the current and former SICOR employees who are receiving benefits under the SICOR compensation and benefit plans will continue to be provided with benefits under employee benefit plans that are the same or substantially comparable in the aggregate to either:

those currently provided by SICOR to such employees as of the closing date; or

those provided by Teva to similarly situated employees.

After the effective time of the merger, Teva shall take into account the service by SICOR employees for purposes of eligibility to participate, eligibility to commence benefits, vesting and, solely for purposes of severance and vacation benefits, benefit accruals under the compensation and benefit plans of Teva in which such employees participate. In addition, Teva has agreed to cause SICOR to honor all employee benefit obligations to current and former employees and directors under the SICOR compensation and benefit plans.

Furthermore, it is the present intention of Teva and SICOR that following the effective time of the merger, there will be no significant involuntary reductions in workforce at SICOR or its subsidiaries; however, if any significant reductions in workforce in respect of employees of SICOR and its subsidiaries become necessary, they shall be made on a fair and equitable basis, in light of the circumstances and the objectives to be achieved, to be determined by Teva in its reasonable discretion. Any workforce reductions carried out following the effective time of the merger by Teva or SICOR and their respective subsidiaries shall be done in accordance with all applicable collective bargaining agreements, and all laws and regulations governing the employment relationship and its termination.

Continued Director and Officer Indemnification. After the consummation of the merger, Teva will indemnify certain existing and former directors, officers and employees of SICOR as required pursuant to existing indemnity agreements of SICOR, which agreements were amended and restated prior to the merger to clarify that there is a presumption that the indemnified parties are entitled to indemnification and that the indemnified parties as a group are entitled to at least one counsel of their choosing. In addition, Teva will, for a period of six years following the merger, maintain the same provisions regarding the indemnification of officers and directors currently contained in SICOR's charter documents for claims arising from facts or events that occurred on or prior to the consummation of the merger.

Conditions to the Merger

The respective obligations of Teva, SICOR and Merger Sub to complete the merger are subject to the satisfaction of certain conditions.

Conditions to Each Party's Obligation to Effect the Merger. The obligations of each party to complete the merger are subject to each of the following conditions being fulfilled (or waived by the parties):

the approval of the merger and the merger agreement by SICOR's stockholders;

Table of Contents

the waiting period applicable to the merger under the HSR Act having expired or having been terminated;

all required statutory approvals of the Mexican, German and Brazilian merger control authorities, the Tel Aviv Stock Exchange, and the National Association of Securities Dealers having been obtained and having become final orders and no such final order shall impose terms or conditions that would have, or would be reasonably likely to have a material adverse effect on Teva or SICOR (together with their respective subsidiaries, taken as a whole), respectively;

the absence of any law, regulation, judgment, decree, injunction or other order that is in effect and permanently enjoins or otherwise prohibits consummation of the merger or the other transactions contemplated by the merger agreement;

the registration statement, of which this proxy statement/prospectus forms a part, having been declared effective by the SEC and no stop order suspending the effectiveness of the registration statement shall be in effect and no proceedings for such purpose shall be pending before or threatened by the SEC, and all Israeli authorizations necessary to carry out the transactions contemplated by the merger agreement having been obtained.

Conditions to Obligations of Teva and Merger Sub to Effect the Merger. The obligations of Teva and Merger Sub to complete the merger are subject to each of the following additional conditions being fulfilled (or waived by Teva):

the representations and warranties of SICOR having been true and correct as of the closing date as though made on and as of the closing date, except for failures to be true and correct that individually or in the aggregate would not reasonably be likely to have a material adverse effect on SICOR, and Teva having received a certificate of the chief executive officer and the chief financial officer of SICOR to that effect;

SICOR having performed in all material respects all material obligations required to be performed by the merger agreement at or prior to the closing date, and Teva having received a certificate of the chief executive officer and the chief financial officer of SICOR to that effect; and

the absence of any change or other event having a material adverse effect on SICOR and its subsidiaries' financial condition, business, assets or results of operations taken as a whole.

Conditions to Obligation of SICOR to Effect the Merger. The obligation of SICOR to complete the merger is subject to each of the following additional conditions being fulfilled (or waived by SICOR):

the representations and warranties of Teva and Merger Sub having been true and correct on the closing date as though made on and as of the closing date, except for failures to be true and correct that individually or in the aggregate would not reasonably be likely to have a material adverse effect on Teva or Merger Sub, and SICOR having received a certificate of the chief executive officer and the chief financial officer of Teva to that effect;

Teva and Merger Sub having performed in all material respects all material obligations required to be performed by the merger agreement at or prior to the closing date, and SICOR having received a certificate of the chief executive officer and the chief financial officer of Teva to that effect;

the absence of any change or other event having a material adverse effect on Teva and its subsidiaries' financial condition, business, assets or results of operations taken as a whole; and

the Teva ADRs to be issued in connection with the merger and reserved for issuance upon exercise of the assumed SICOR options having been approved for quotation on NASDAQ.

Table of Contents

Termination

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 Teva and SICOR;

by either Teva or SICOR if:

(1) the merger is not completed by April 30, 2004, unless the proximate cause of the failure of the merger to occur is the failure of the party seeking to terminate the merger agreement to perform any of its obligations under this merger agreement; such termination date shall be automatically extended for six months if the antitrust clearances and other regulatory approvals are the only conditions to the merger that have not been satisfied or waived and such approvals are being pursued diligently and in good faith;

(2) the SICOR stockholders do not adopt and approve the merger and the merger agreement; or

(3) any court or governmental authority has issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting completion of the merger that has become final and non-appealable after the applicable party has used all commercially reasonable efforts to have such order removed, repealed or overturned;

by SICOR if:

(1) prior to the special meeting, the board of directors of SICOR determines in good faith, after consultation with its financial advisors and outside legal counsel, that a bona fide unsolicited acquisition proposal is a superior proposal. However, SICOR will not take any such action relative to the superior proposal until at least three calendar days following Teva's receipt of written notice. The notice will state that SICOR has received a superior proposal and specify the material terms and conditions of the superior proposal. Additionally, SICOR's board of directors must conclude in good faith, after consultation with its financial advisors 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 SICOR's stockholders as the superior proposal; or

(2) prior to the effective time of the merger, Teva breaches a material representation, warranty, covenant or agreement such that SICOR'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 SICOR to Teva.

by Teva if:

(1) prior to the special meeting of the stockholders of SICOR, the board of directors of SICOR determines in good faith after consultation with its financial advisors and outside legal counsel that a bona fide unsolicited acquisition proposal is a superior proposal and either adopts an agreement relating to the proposal or recommends the proposal to SICOR stockholders;

(2) the board of directors of SICOR has withdrawn or materially and adversely modified its adoption of the merger agreement or its recommendation that the stockholders of SICOR approve this agreement;

(3) 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 SICOR common stock and the board of directors of SICOR recommends that the stockholders of SICOR tender their shares in the tender or exchange offer;

(4) SICOR fails to call or hold the special stockholders meeting within six months of the date of the merger agreement (subject to extension), unless Teva has breached in any material respect its obligations under the merger agreement in any manner that shall have caused the occurrence of the failure of the SICOR stockholders meeting to be called or held; or

Table of Contents

(5) SICOR 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 SICOR.

Effect of Termination

If the merger agreement is terminated as described in "Termination" above, the agreement will be void, and there will be no liability or obligation of any party or its officers and directors except as to confidentiality and fees and expenses, including the termination and other fees described in the following section.

Termination and Other Fees

SICOR will pay Teva a fee in the amount of \$5 million to reimburse Teva for expenses incurred in connection with the transaction if the merger agreement is terminated:

(1) by either party because the SICOR stockholders do not adopt the merger agreement at the special meeting, and at the time of the special meeting a third-party acquisition proposal exists or any other announcement of any intention with respect to such a third-party acquisition proposal has been made;

(2) by SICOR prior to the special meeting, if the board of directors of SICOR determines in good faith after consultation with its financial advisors and outside legal counsel that a bona fide unsolicited acquisition proposal is a superior proposal; or

(3) by Teva in the case of an event which entitles Teva to terminate the merger agreement as described above under the fourth bullet point under "Termination," except if there has been a material breach by SICOR of any material representation, warranty, covenant or agreement contained in the merger agreement.

In addition, if, within 12 months after any such termination, SICOR enters into a definitive agreement with respect to, or consummates, a transaction contemplated by an acquisition proposal, then SICOR shall pay to Teva a termination fee (as liquidated damages) of \$120 million (which includes charges and expenses incurred by Teva in connection with the merger agreement and the transactions contemplated thereby).

Amendment

At any time prior to the effective time of the merger, the parties may modify or amend the merger agreement, by action of their respective boards of directors by written agreement executed and delivered by duly authorized officers of the respective parties.

On November 25, 2003, the parties executed an amended merger agreement to make certain non-substantive corrections to the merger agreement.

Stockholders Agreement

Concurrently with the execution of the merger agreement, Teva executed a stockholders agreement with Carlo Salvi, the vice chairman of SICOR, and certain of his affiliates. Pursuant to the stockholders agreement, and as further described below, those SICOR stockholders have agreed to vote their shares in favor of the merger agreement and merger at the special meeting of the stockholders of SICOR. As of the record date, the stockholders who are parties to the stockholders agreement held _____ shares, representing approximately _____ of the voting power of SICOR common stock as of the record date.

Voting of Shares. Until the termination of the stockholders agreement, each stockholder signatory to the stockholders agreement, subject to the terms and conditions of the stockholders agreement, has agreed to vote such stockholder's shares (or cause to be voted any shares such stockholder controls) of SICOR

in favor of adoption of the merger agreement and approval of the terms thereof and of the merger and each of the other transactions contemplated thereby;

Table of Contents

against any competing acquisition proposal or transaction or occurrence that if proposed to SICOR or its stockholders would constitute a competing acquisition proposal; and

against any amendments to the certificate of incorporation or by-laws or rights plan of SICOR or other proposal, action or transaction that would reasonably be expected to, prevent or materially impede or delay the consummation of the merger or the transactions contemplated by the merger agreement or change in any manner the voting rights of the common stock of SICOR.

Grant of Proxy. In furtherance of the stockholders agreement, each stockholder signatory to the stockholders agreement has granted an irrevocable proxy to designees of Teva to vote its shares of SICOR in the manner described in the bullet points above.

Transfer Restrictions. Each stockholder signatory to the stockholders agreement has agreed that, except as specifically permitted by the stockholders agreement, following its execution and until its termination, the stockholder will not sell, transfer, pledge, assign or otherwise dispose of, or enter into any contract, option or other arrangement with respect to the transfer of, or the creation or offer of any derivative security in respect of, shares subject to the stockholders agreement other than pursuant to the merger. Except as specifically permitted by the stockholders agreement, the stockholders have also agreed not to enter into any voting arrangement with respect to shares subject to the stockholders agreement or to deposit any shares subject to the stockholders agreement into a voting trust. A stockholder may, with Teva's consent, pledge or encumber shares subject to the stockholders agreement so long as such pledge or encumbrance would not impair such stockholder's ability to perform its obligations under the stockholders agreement.

Termination. The stockholders agreement automatically terminates upon the earliest to occur of:

the effective time of the merger;

the date of the termination of the merger agreement; and

the date of any material modification, waiver or amendment to the merger agreement that affects adversely the consideration payable to stockholders of SICOR in the merger.

Table of Contents

DESCRIPTION OF TEVA ORDINARY SHARES

Description of Teva Ordinary Shares

The par value of Teva ordinary shares is NIS 0.10 per share, and all issued and outstanding ordinary shares are fully paid and non-assessable. Holders of paid-up ordinary shares are entitled to participate equally in the payment of dividends and other distributions and, in the event of liquidation, in all distributions after the discharge of liabilities to creditors.

Teva's board of directors may declare interim dividends and propose the final dividend with respect to any fiscal year out of profits available for dividends after statutory appropriation to capital reserves. Declaration of a final dividend (not exceeding the amount proposed by the board) requires stockholder approval through the adoption of an ordinary resolution. Dividends are declared in NIS. All ordinary shares represented by the ADRs will be issued in registered form only. Ordinary shares do not entitle their holders to preemptive rights.

Voting is on the basis of one vote per share. An ordinary resolution (for example, resolutions for the approval of final dividends and the appointment of auditors) requires the affirmative vote of a majority of the shares voting in person or by proxy. Certain resolutions (for example, resolutions amending the articles of association and authorizing changes in the rights of stockholders) require the affirmative vote of at least 75% of the shares voting in person or by proxy, and certain amendments of the articles of association require the affirmative vote of at least 85% of the shares voting in person or by proxy, unless a lower percentage shall have been established by the board of directors, approved by three-quarters of those persons voting, at a meeting of the board of directors which shall have taken place prior to that general meeting.

Neither Teva's memorandum or articles of association, nor the laws of the State of Israel, restrict in any way the ownership or voting of Teva's ordinary shares by nonresidents or persons who are not citizens of Israel, except with respect to citizens or residents of countries that are in a state of war with Israel.

Meetings of Stockholders

Under the Israeli Companies Law, Teva is required to hold an annual meeting every year no later than fifteen months after the previous annual meeting. In addition, Teva is required to hold a special meeting:

at the direction of the board of directors;

if so requested by two directors or one-fourth of the serving directors; or

upon the request of one or more stockholders who have at least 5% of the voting rights.

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

If the board of directors receives a demand to convene a special meeting, it must publicly announce the scheduling of the meeting within 21 days after the demand was delivered. The meeting must then be held no later than 35 days after the notice was made public.

The agenda at an annual meeting is determined by the board of directors. The agenda must also include proposals for which the convening of a special meeting was demanded, as well as any proposal requested by one or more stockholders who hold no less than 1% of the voting rights, as long as the proposal is one suitable for discussion at an annual meeting.

A notice of an annual meeting must be made public and delivered to every stockholder registered in the stockholders register at least 30 days before the meeting is convened. The stockholders entitled to participate and vote at the meeting are the stockholders as of the record date set in the decision to convene the meeting, provided that the record date is not more than 40 days, and not less than four days, before the date of the meeting, provided that notice of the general meeting was published prior to the record date.

Table of Contents

Under the Israeli Companies Law, a stockholder who intends to vote at a meeting must demonstrate that he owns shares in accordance with certain regulations. Under these regulations, a stockholder whose shares are registered with a member of the Tel Aviv Stock Exchange must provide Teva with an authorization from such member regarding his ownership as of the record date.

Right of Non-Israeli Stockholders to Vote

Neither Teva's memorandum nor its articles of association, nor the laws of the State of Israel restrict in any way the ownership or voting of Teva's ordinary shares by nonresidents or persons who are not citizens of Israel, except with respect to citizens or residents of countries that are in a state of war with Israel.

Change of Control

Under the Israeli Companies Law, a merger requires approval by the board of directors and by the stockholders of each of the merging companies. In approving a merger, the board of directors must determine that there is no reasonable expectation that, as a result of the merger, the merged company will not be able to meet its obligations to its creditors. Creditors may also seek a court order to enjoin or delay the merger if there is an expectation that the merged company will not be able to meet its obligations to its creditors. A court may also issue other instructions for the protection of the creditors' rights in connection with a merger.

Under the Israeli Companies Law, an acquisition of shares in a public company must be made by means of a purchase offer to all stockholders if as a result of the acquisition the purchaser would become a 25% stockholder of the company. This rule does not apply if there is already another 25% stockholder of the company.

Table of Contents

DESCRIPTION OF TEVA AMERICAN DEPOSITARY SHARES

Set forth below is a summary of the deposit agreement, as amended, among Teva, The Bank of New York as depositary, which we refer to as the depositary, and the holders from time to time of ADRs. This summary is not complete and is qualified in its entirety by the deposit agreement, a copy of which has been filed as an exhibit to the Registration Statement on Form F-6 filed with the SEC on February 15, 2000. Additional copies of the deposit agreement are available for inspection at the corporate trust office of the depositary, 101 Barclay Street, New York, New York 10286, and at the principal Tel Aviv office of Bank Leumi Le-Israel Ltd., 2-4 Lilienblum Street, Tel Aviv, Israel, and the principal Tel Aviv office of Israel Discount Bank Limited, 27-31 Yehuda Halevi Street, Tel Aviv, Israel, which we refer to as, collectively, the custodian.

American Depositary Receipts

ADRs evidencing a specified number of ADSs are issuable by the depositary pursuant to the deposit agreement. Each ADS represents one ordinary share of Teva deposited with the custodian.

Deposit and Withdrawal of Ordinary Shares

The depositary has agreed that, upon deposit with the custodian of ordinary shares of Teva accompanied by an appropriate instrument or instruments of transfer or endorsement in form satisfactory to the custodian and any certificates as may be required by the depositary or the custodian, the depositary will execute and deliver at its corporate trust office, upon payment of the fees, charges and taxes provided in the deposit agreement, to or upon the written order of the person or persons entitled thereto, an ADR registered in the name of such person or persons for the number of ADSs issuable with respect to such deposit.

Every person depositing ordinary shares under the deposit agreement shall be deemed to represent and warrant that such ordinary shares are validly issued, fully paid, non-assessable ordinary shares and that such person is duly authorized to make such deposit, and the deposit of such ordinary shares or sale of ADRs by that person is not restricted under the Securities Act.

Upon surrender of ADRs at the corporate trust office of the depositary, and upon payment of the fees provided in the deposit agreement, ADR holders are entitled to delivery to them or upon their order at the principal office of the custodian or at the corporate trust office of the depositary of certificates representing the ordinary shares and any other securities, property or cash that the surrendered ADRs evidence the right to receive. Delivery to the corporate trust office of the depositary shall be made at the risk and expense of the ADR holder surrendering ADRs.

The depositary may execute and deliver ADRs prior to the receipt of ordinary shares or pre-release. The depositary may deliver ordinary shares upon the receipt and cancellation of ADRs that have been pre-released, whether or not such cancellation is prior to the termination of such pre-release or the depositary knows that such ADR has been pre-released. Each pre-release will be:

accompanied by a written representation from the person to whom ordinary shares or ADRs are to be delivered that such person, or its customer, owns the ordinary shares or ADRs to be remitted, as the case may be;

Edgar Filing: TEVA PHARMACEUTICAL INDUSTRIES LTD - Form F-4

at all times fully collateralized with cash or such other collateral as the depositary deems appropriate;

terminable by the depositary with no more than 5 business days' notice; and

subject to such further indemnities and credit regulations as the depositary deems appropriate.

The number of ADRs outstanding at any time as a result of pre-releases will not normally exceed 30% of the ordinary shares deposited with the depositary; provided, however, that the depositary reserves the right to change or disregard such limit from time to time as it deems appropriate.

Table of Contents

Dividends, Other Distributions and Rights

The depositary is required to convert or cause to be converted into U.S. dollars, to the extent that in its judgment it can reasonably do so and transfer the resulting U.S. dollars to the United States, all cash dividends and other cash distributions denominated in a currency other than U.S. dollars that it receives in respect of the deposited ordinary shares, and to distribute the amount received, net of any expenses incurred by the depositary in connection with conversion, to the holders of ADRs. The amount distributed will be reduced by any amounts to be withheld by Teva or the depositary for applicable taxes, net of expenses of conversion into U.S. dollars. For a more detailed discussion regarding tax considerations, you should carefully review the section below entitled "U.S. Federal Income Tax Considerations - Taxation of Dividends." If the depositary determines that any foreign currency received by it cannot be so converted on a reasonable basis and transferred, or if any required approval or license of any government or agency is denied or not obtained within a reasonable period of time, the depositary may distribute such foreign currency received by it or hold such foreign currency uninvested and without liability for interest thereon for the respective accounts of the ADR holders. If any conversion of foreign currency, in whole or in part, cannot be effected for distribution to some of the holders of ADRs entitled thereto, the depositary may make such conversion and distribution in U.S. dollars to the extent permissible to such holders of ADRs and may distribute the balance of the currency received by the depositary to, or hold such balance uninvested and without liability for interest thereon for the respective accounts of such holders of ADRs.

If any distribution upon any ordinary shares deposited or deemed deposited under the deposit agreement consists of a dividend in, or free distribution of, additional ordinary shares, the depositary shall, only if Teva so requests, distribute to the holders of outstanding ADRs, on a pro rata basis, additional ADRs that represent the number of additional ordinary shares received as such dividend or free distribution subject to the terms and conditions of the deposit agreement. In lieu of delivering fractional ADRs in the event of any such distribution, the depositary will sell the amount of additional ordinary shares represented by the aggregate of such fractions and will distribute the net proceeds to holders of ADRs. If additional ADRs are not so distributed, each ADR shall thereafter also represent the additional ordinary shares distributed together with the ordinary shares represented by such ADR prior to such distribution.

If Teva offers or causes to be offered to the holders of ordinary shares any rights to subscribe for additional ordinary shares or any rights of any other nature, the depositary, after consultation with Teva, shall have discretion as to the procedure to be followed in making such rights available to holders of ADRs or in disposing of such rights for the benefit of such holders and making the net proceeds available to such holders or, if the depositary may neither make such rights available to such holders nor dispose of such rights and make the net proceeds available to such holders, the depositary shall allow the rights to lapse; provided, however, that the depositary will, if requested by Teva, take action as follows:

if at the time of the offering of any rights the depositary determines in its discretion that it is lawful and feasible to make such rights available to all holders of ADRs or to certain holders of ADRs but not other holders of ADRs, the depositary may distribute to any holder of ADRs to whom it determines the distribution to be lawful and feasible, on a pro rata basis, warrants or other instruments therefor in such form as it deems appropriate; or

if the depositary determines in its discretion that it is not lawful and feasible to make such rights available to certain holders of ADRs, it may sell the rights, warrants or other instruments in proportion to the number of ADRs held by the holder of ADRs to whom it has determined it may not lawfully or feasibly make such rights available, and allocate the net proceeds of such sales (net of the fees of the depositary and all taxes and governmental charges) for the account of such holders of ADRs otherwise entitled to such rights, warrants or other instruments, upon an averaged or other practical basis without regard to any distinctions among such holders of ADRs because of exchange restrictions or the date of delivery of any ADR or otherwise.

The depositary shall not be responsible for any failure to determine that it may be lawful