



TEVA PHARMACEUTICAL INDUSTRIES LTD.



Website: www.tevapharm.com

www.activebiotech.com

Contact: Elana Holzman Teva Pharmaceutical Industries Ltd. 972 (3) 926-7554
Kevin Mannix Teva North America (215) 591-8912

For Immediate Release

LAQUINIMOD DEMONSTRATED SIGNIFICANT AND SUSTAINED IMPACT ON MULTIPLE SCLEROSIS DISEASE ACTIVITY

- *New Crossover Data Presented at the World Congress on Treatment and Research in Multiple Sclerosis Shows Significant Reduction of Gadolinium-Enhancing Lesions* -

Jerusalem, Israel and Lund, Sweden, September 18, 2008 – New data from the extension phase of oral laquinimod in relapsing-remitting multiple sclerosis (RRMS) demonstrated a significant reduction in the mean number of gadolinium-enhancing (GdE) lesions in both patients who switched from placebo to laquinimod and patients who continued with their initial laquinimod dose. In RRMS patients who switched from placebo to laquinimod, 52 percent reduction in the mean number of GdE lesions was observed ($p < 0.0007$). The reduction was significant for both patients switching to high-dose ($p < 0.009$) and low-dose laquinimod ($p < 0.03$). In addition, the proportion of patients who switched to active treatment from placebo, and remained enhancing lesion-free, increased from 31 percent to 47 percent ($p < 0.012$), further reinforcing the efficacy of laquinimod on magnetic resonance imaging (MRI) measured disease activity.

Patients initially treated with 0.6mg/day and 0.3mg/day during the double-blind trial remained on the same dose during the 36-week extension phase. An additional significant reduction in the mean number of GdE lesions was also observed in these patients ($n=94$, $p=0.0062$ and $n=80$, $p=0.0013$, respectively), a high proportion of which remained completely free of GdE lesions, demonstrating the sustained effect of laquinimod on MRI disease activity.

“These latest data show the rapid onset and sustainability of laquinimod efficacy in MS patients,” said Giancarlo Comi, M.D., University Vita-Salute San Raffaele, Scientific Institute San Raffaele, Milan, Italy, principal investigator of the study. “Just as exciting is the fact that, with increased number of patients exposed to laquinimod, we found no new risks or safety issues. This reinforces earlier results demonstrating the laquinimod safety profile. The MS community looks forward to future data as we continue enrolling patients in the laquinimod Phase III clinical program.”

These new data from the extension study build upon the initial 36-week, Phase IIb study results published in *The Lancet*^{*}, which demonstrated that once-daily, oral 0.6mg laquinimod significantly reduced MRI disease activity by a median of 60 percent, compared to placebo, and was well tolerated.

Teva is currently enrolling patients for Allegro and Bravo, two pivotal Phase III clinical trials of laquinimod. For more information please visit www.TevaClinicalTrials.com.

^{*}*Lancet* 2008; 371:2085-92

About the Study

In the study, "Oral laquinimod in patients with relapsing–remitting multiple sclerosis: 36 weeks double-blind active extension of the multi-center, randomized, double-blind, parallel-group placebo-controlled study," subjects originally assigned to placebo were equally randomized to receive either 0.3 or 0.6mg/day laquinimod, while others continued their original treatment for a 36-week, double-blind extension. Magnetic resonance imaging (MRI) was performed at the beginning and at the end of the active extension phase. The mean number of GdE lesions in patients who switched from placebo to laquinimod was reduced by 52 percent (from 4.46±6.55 to 2.12±3.73; p<0.0007) from the time patients began receiving active treatment.

Two hundred and fifty seven patients (91 percent) entered the extension phase to receive laquinimod 0.3mg/day or 0.6mg/day. Neither new safety signals nor an increase in the incidence rate of adverse events and laboratory abnormalities have emerged following new or prolonged exposure to laquinimod.

Patients on continuous 18 month laquinimod 0.6mg treatment continued to show low MRI disease activity, with a high proportion remaining free of GdE-lesions. A good tolerability profile was also observed. Treatment effects on MRI activity witnessed during the placebo-controlled phase were reproduced when placebo patients switched to laquinimod.

About Multiple Sclerosis

Multiple Sclerosis (MS) is the leading cause of neurological disability in young adults. It is estimated that more than 400,000 people in the United States are affected by the disease and that two million people may be affected worldwide. MS is a progressive, demyelinating disease of the central nervous system affecting the brain, spinal cord and optic nerves. Demyelination is the destructive breakdown of the fatty tissue that protects nerve endings.

About Laquinimod

Laquinimod is a novel once-daily, orally administered immunomodulatory compound that is being developed as a disease-modifying treatment for RRMS. Active Biotech developed laquinimod and licensed it to Teva Pharmaceutical Industries, Ltd. in June 2004. A Phase IIb study in 306 patients was recently published in *The Lancet* and demonstrated that an oral 0.6 mg dose of laquinimod, administered daily, significantly reduced MRI disease activity by a median of 60 percent versus placebo in RRMS patients. In addition, the study showed a favorable trend toward reducing annual relapse rates and the number of relapse-free patients compared with placebo. Treatment was well tolerated, with only some transient and dose-dependent increases in liver enzymes reported. Over 480 MS patients have received laquinimod in various clinical trials.

In addition to the efficacy that laquinimod has shown in Phase II RRMS clinical trials, laquinimod has demonstrated potent therapeutic efficacy in preclinical models of other autoimmune diseases such as rheumatoid arthritis, insulin-dependent diabetes mellitus, Guillain Barré Syndrome, lupus and Inflammatory Bowel Disease. The broad profile of efficacy in animal models of inflammatory diseases suggests that laquinimod affects a pivotal pathway of inflammation and autoimmunity. Teva expects to initiate the clinical development of laquinimod for Crohn's disease and Lupus Nephritis in the near future.

About the Phase III Program

Allegro (assessment of oral laquinimod in preventing progression of MS) is a pivotal, global, 24/30-month, double-blind, Phase III study designed to evaluate the efficacy, safety and tolerability of laquinimod versus placebo in the treatment of RRMS. The enrollment goal is approximately 1,000 patients with RRMS.

Bravo (benefit-risk assessment of Avonex[®] and laquinimod) is a pivotal, multinational, multi-center, randomized, double-blind, parallel-group, placebo-controlled study designed to compare the safety and efficacy of laquinimod with placebo and to provide risk-benefit data for laquinimod versus a currently available injectable treatment. The enrollment goal is approximately 1,200 patients with RRMS.

The globally conducted clinical program will include centers throughout the United States as well as centers in Canada, Europe, and Israel. To learn more about the research please visit www.TevaClinicalTrials.com or call 1-866-550-0614 (Allegro) or 1-800-840-5601 (Bravo).

About Active Biotech

Active Biotech AB (OMX NORDIC: ACTI), headquartered in Sweden, is a biotechnology company with R&D focus on autoimmune/inflammatory diseases and cancer. Projects in pivotal phase are laquinimod, an orally administered small molecule with unique immunomodulatory properties for the treatment of multiple sclerosis, as well as ANYARA for use in cancer targeted therapy, primarily renal cancer. Further key projects in clinical development comprise the three orally administered compounds TASQ for prostate cancer, 57-57 for SLE and RhuDex[®] for RA. Please visit www.activebiotech.com for more information.

About Teva

Teva Pharmaceutical Industries Ltd., headquartered in Israel, is among the top 20 pharmaceutical companies in the world and is the world's leading generic pharmaceutical company. The Company develops, manufactures and markets generic and innovative human pharmaceuticals and active pharmaceutical ingredients, as well as animal health pharmaceutical products. Over 80 percent of Teva's sales are in North America and Europe.

Active Biotech is required under the Financial Instruments Trading Act to make the information in this press release public. The information was submitted for publication at 9:30 p.m. CET on September 18, 2008.

Teva's Safe Harbor Statement under the U. S. Private Securities Litigation Reform Act of 1995:

This release contains forward-looking statements, which express the current beliefs and expectations of management. Such statements are based on management's current beliefs and expectations and involve a number of known and unknown risks and uncertainties that could cause our 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 risks relating to: our ability to successfully develop and commercialize additional pharmaceutical products, the introduction of competing generic equivalents, the extent to which we may obtain U.S. market exclusivity for certain of our new generic products and regulatory changes that may prevent us from utilizing exclusivity periods, competition from brand-name companies that are under increased pressure to counter generic products, or competitors that seek to delay the introduction of generic products, the impact of consolidation of our distributors and customers, potential liability for sales of generic products prior to a final resolution of outstanding patent litigation, including that relating to the generic versions of Allegra[®] , Neurontin[®], Lotrel[®] and Protonix[®], the effects of competition on our innovative products, especially Copaxone[®] sales, the impact of pharmaceutical industry regulation and pending legislation that could affect the pharmaceutical industry, the difficulty of predicting U.S. Food and Drug Administration, European Medicines Agency and other regulatory authority approvals, the regulatory environment and changes in the health policies and structures of various countries, our ability to achieve expected results through our innovative R&D efforts, our ability to successfully identify, consummate and integrate acquisitions, including the pending acquisition of Barr Pharmaceuticals Inc., potential exposure to product liability claims to the extent not covered by insurance, dependence on the effectiveness of our patents and other protections for innovative products, significant operations worldwide that may be adversely affected by terrorism, political or economical instability or major hostilities, supply interruptions or delays that could result from the complex manufacturing of our products and our global supply chain, environmental risks, fluctuations in currency, exchange and interest rates, and other factors that are discussed in this report and in our other filings with the U.S. Securities and Exchange Commission ("SEC").

###