TEVA PHARMACEUTICAL INDUSTRIES LTD
Form 6-K
May 12, 2004

**FORM 6-K**

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**Report of Foreign Private Issuer**

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

**under the Securities Exchange Act of 1934**

For the month of May 2004

Commission File Number 0-16174

**Teva Pharmaceutical Industries Limited**

(Translation of registrant's name into English)

**5 Basel Street, P.O. Box 3190**

**Petach Tikva 49131 Israel**

(Address of principal executive offices)

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

Form 20-F ___X___ Form 40-F ________

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

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

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also hereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ______ No ___X___

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g(3)-2(b): 82-____________

TEVA PHARMACEUTICAL INDUSTRIES LIMITED

(An Israeli Corporation)

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TEVA PHARMACEUTICAL INDUSTRIES LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)

(U.S. dollars in millions, except earnings (loss) per ADR)

(Unaudited)

| | Three months ended March 31, 2004 | 2003 |
|---|---|---|
| Net sales | $ 1,052.4 | $ 757.4 |
| Cost of sales | 572.0 | 409.0 |
| Gross profit | 480.4 | 348.4 |
| Research and development expenses: | | |
| Total expenses | 72.0 | 49.7 |
| Less - participations and grants | 3.9 | 3.3 |
| | 68.1 | 46.4 |
| Selling, general and administrative expenses | 158.1 | 122.7 |
| | 254.2 | 179.3 |
| Acquisition of research and development in process | 596.6 | - |
| Impairment of product rights | 30.0 | - |
| Operating income (loss) | (372.4) | 179.3 |
| Financial expenses - net | 1.3 | 4.0 |
| Income (loss) before income taxes | (373.7) | 175.3 |
| Income taxes | 54.0 | 37.7 |
| | (427.7) | 137.6 |
| Share in profits of associated companies - net | 0.5 | 0.1 |
| Minority interests in profits of subsidiaries - net | 0.8 | - |
| Net income (loss) | $ (428.0) | $ 137.7 |
| Earnings (loss) per ADR: | | |
| Basic | $ (1.44) | $ 0.52 |
| Diluted | $ (1.44) | $ 0.50 |
| Weighted average number of ADRs (in millions): | | |
| Basic | 297.9 | 265.1 |
| Diluted | 297.9 | 282.8 |

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

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TEVA PHARMACEUTICAL INDUSTRIES LIMITED

CONDENSED CONSOLIDATED BALANCE SHEETS

(U.S. dollars in millions)

| | **March 31,** 2004 Unaudited | **December 31,** 2003 Audited |
|---|---|---|
| **ASSETS** | | |
| **Current assets:** | | |
| Cash and cash equivalents | $ 710.0 | $ 1,057.3 |
| Short-term investments | 211.9 | 322.1 |
| Accounts receivable: | | |
| Trade | 1,220.0 | 1,031.8 |
| Other | 329.2 | 300.6 |
| Inventories | 1,264.7 | 1,004.6 |
| Total current assets | 3,735.8 | 3,716.4 |
| **Investments and other assets** | 561.6 | 445.1 |
| **Property, plant and equipment,** net | 1,077.9 | 827.4 |
| **Intangible assets and debt issuance costs,** net | 756.8 | 279.5 |
| **Goodwill** | 2,429.3 | 647.5 |
| Total assets | $ 8,561.4 | $ 5,915.9 |
| **LIABILITIES AND SHAREHOLDERS` EQUITY** | | |
| **Current liabilities:** | | |
| Short-term credit | $ 356.3 | $ 291.7 |
| Accounts payable and accruals | 1,344.3 | 1,050.7 |
| Convertible Senior Debentures | 352.0 | 352.5 |
| Total current liabilities | 2,052.6 | 1,694.9 |
| **Long-term liabilities:** | | |
| Deferred income taxes | 228.6 | 34.6 |
| Employee related obligations | 78.3 | 74.9 |
| Loans and other liabilities | 360.9 | 365.5 |
| Convertible Senior Debentures | 1,538.6 | 449.9 |

| | | |
|---|---|---|
| Total long-term liabilities | 2,206.4 | 924.9 |
| Total liabilities | 4,259.0 | 2,619.8 |
| **Minority interests** | 7.6 | 6.7 |
| **Shareholders` equity:** | | |
| Ordinary shares of NIS 0.10 par value; March 31, 2004 and December 31, 2003: authorized - 999.6 million; issued and outstanding - 301.9 million and 277.7 million, respectively | 35.0 | 34.3 |
| Additional paid-in capital | 2,599.2 | 1,159.3 |
| Deferred compensation | * | * |
| Retained earnings | 1,502.5 | 1,960.3 |
| Accumulated other comprehensive income | 205.7 | 184.0 |
| Cost of company shares held by subsidiaries - March 31, 2004 | 1,253,148 | |

| | | | | | |
|---|---|---|---|---|---|
| | | | 25,000(b) | | |
| Obligations under capital leases | 294,000 | 250,000(h) | 120,000(h) | | 664,000 |
| Intangible lease liabilities, less accumulated amortization | 110,983 | | | | 110,983 |
| Accounts payable, accrued expenses and accrued capital expenditures | 66,320 | | | | 66,320 |
| Due to affiliates | 2,979 | | | | 2,979 |
| Dividends payable | 10,025 | | | | 10,025 |
| Deferred income | 19,594 | | | | 19,594 |
| Total liabilities | 1,478,117 | 529,832 | 212,157 | (93,057) | 2,127,049 |
| **Minority Interest** | 2,333 | | 5,347(i) | | 7,680 |
| **Redeemable Common Stock** | 647,113 | | | | 647,113 |
| **Stockholders Equity:** | | | | | |
| Common stock, $0.01 par value; 900,000,000 shares authorized; and 408,867,013 shares issued and outstanding as of June 30, 2008 | 4,089 | | | 63 (d) | 4,152 |
| Additional paid in capital | 3,646,561 | | | 56,067 (d) | 3,702,628 |
| Cumulative distributions in excess of earnings | (533,101) | | | | (533,101) |
| Redeemable common stock | (647,113) | | | | (647,113) |
| Other comprehensive loss | (3,522) | | | | (3,522) |
| Total stockholders equity | 2,466,914 | | | 56,130 | 2,523,044 |
| Total liabilities, minority interest, redeemable common stock and stockholders equity | $ 4,594,477 | $ 529,832 | $ 217,504 | $ (36,927) | $ 5,304,886 |

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(a) Historical financial information is derived from Wells REIT II s quarterly report filed on Form 10-Q for the quarter ended June 30, 2008.

(b) Reflects the purchase price of the assets and liabilities obtained by Wells REIT II in connection with the respective acquisition, net of any purchase price adjustments.

(c) Reflects deferred project costs applied to land and building at approximately 2.312% of the cash paid for purchase upon acquisition and subsequent pay-down of acquisition-related borrowings.

(d) Reflects capital raised through issuance of additional common stock subsequent to June 30, 2008 through July 31, 2008, the acquisition date of the Three Glenlake Building, net of organizational and offering costs, commissions and dealer-manager fees.

(e) Reflects deferred project costs capitalized as a result of additional capital raised as described in note (d) above.

(f) Reflects partial pay down of acquisition-related borrowings using cash on-hand at June 30, 2008 and additional capital raised as described in note (d) above.

(g) Reflects investment in development authority bond for which 100% of the principal balance related to the Lindbergh Center Buildings becomes receivable in 2012 and 100% of the principal balance related to the Three Glenlake Building becomes receivable in 2017.

(h) Reflects bond note secured by the deed of trust to the respective property for which 100% of the principal balance related to the Lindbergh Center Buildings becomes payable in 2012 and 100% of the principal balance related to the Three Glenlake Building becomes payable in 2017.

(i) Reflects the joint venture partner s initial interest in the Three Glenlake Buildings.

The accompanying notes are an integral part of this statement

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**WELLS REAL ESTATE INVESTMENT TRUST II, INC.**

**PRO FORMA STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED DECEMBER 31, 2007**

**(in thousands, except for per share amounts)**

**(unaudited)**

| | Wells Real Estate Investment Trust II, Inc. Historical (a) | Pro Forma Adjustments 2007 Acquisitions | Q1 and Q2 2008 Acquisitions | Lindbergh Center | Pro Forma Total |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Rental income | $ 322,506 | $ 39,567(b) | $ 26,710(b) | 21,087(b) | $ 409,870 |
| Tenant reimbursements | 83,861 | 4,121(c) | 4,992(c) | 2,993(c) | 95,967 |
| Hotel income | 24,000 | | | | 24,000 |
| Other rental income | 2,783 | | | | 2,783 |
| | 433,150 | 43,688 | 31,702 | 24,080 | 532,620 |
| **Expenses:** | | | | | |
| Property operating costs | 137,425 | 13,566(d) | 7,345(d) | 2,993(d) | 161,329 |
| Hotel operating costs | 18,004 | | | | 18,004 |
| Asset and property management fees: | | | | | |
| Related party | 28,078 | 4,935(e) | 1,990(e) | 1,726(e) | 36,729 |
| Other | 4,838 | | | | 4,838 |
| Depreciation | 61,289 | 6,350(f) | 5,380(f) | 5,438(f) | 78,457 |
| Amortization | 115,540 | 10,728(g) | 6,897(g) | 5,310(g) | 138,475 |
| General and administrative | 18,580 | | | | 18,580 |
| | 383,754 | 35,579 | 21,612 | 15,467 | 456,412 |
| **Real estate operating income** | 49,396 | 8,109 | 10,090 | 8,613 | 76,208 |
| **Other income (expense):** | | | | | |
| Interest expense | (49,950) | (5,440)(h) | (14,429)(l) | (15,059)(i) | (99,678) |
| | | | | (14,800)(l) | |
| Loss on interest rate swaps | (12,173) | | | | (12,173) |
| Loss on foreign currency exchange contract | (470) | | | | (470) |
| Interest and other income | 9,019 | | 14,429(k) | 14,800(k) | 38,248 |
| | (53,574) | (5,440) | | (15,059) | (74,073) |
| **Income (loss) before minority interest and income tax benefit** | (4,178) | 2,669 | 10,090 | (6,446) | 2,135 |
| **Minority interest in earnings of consolidated entities** | (30) | | | | (30) |
| **Income (loss) before income tax benefit** | (4,208) | 2,669 | 10,090 | (6,446) | 2,105 |
| **Income tax benefit** | (460) | | | | (460) |
| **Net income (loss)** | $ (4,668) | $ 2,669 | 10,090 | (6,446) | $ 1,645 |

| | | |
|---|---|---|
| **Net income (loss) per share basis and diluted** | $ (0.01) | $ 0.00 |
| **Weighted-average shares outstanding basic and diluted** | 328,615 | 431,404(j) |

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(a) Historical financial information derived from Wells REIT II s annual report filed on Form 10-K for the year ended December 31, 2007.

(b) Rental income consists primarily of base rent, parking income and amortization of above-market lease assets and below-market lease liabilities. Base rent is recognized on a straight-line basis beginning on the pro forma acquisition date of January 1, 2007.

(c) Consists of operating cost reimbursements.

(d) Consists of property operating expenses.

(e) Asset management fees calculated as 0.75% of the cost of the acquisitions on an annual basis limited to 1% of the net asset value of such acquisitions after deducting debt used to finance acquisitions.

(f) Depreciation expense on portion of purchase price allocated to Building is recognized using the straight-line method and a 40-year life.

(g) Amortization of deferred leasing costs and lease intangibles is recognized using the straight-line method over the lives of the respective leases.

(h) Represents interest expense on the $130.3 million mortgage loan originated in connection with the acquisition of 222 East 41st Street that bears interest at 6.675% and matures on August 16, 2017.

(i) Represents additional interest expense that would have been incurred if the balance of the Wachovia $450.0 million line of credit for the period was equal to the pro forma line of credit balance per the Pro Forma Balance Sheet as of June 30, 2008. The line of credit bore interest at approximately 6.25% for the year ended December 31, 2007.

(j) Reflects issuance of additional shares of common stock subsequent to December 31, 2007 through July 31, 2008.

(k) Represents interest income related to development authority revenue bonds issued by the respective development authorities and assumed upon acquisition of the Lenox Park Buildings and the Lindbergh Center Buildings. The development authority bonds related to the Lenox Park Buildings and the Lindbergh Center Buildings earn interest at approximately 6.68% and 5.92%, respectively.

(l) Represents interest expense related to the bond notes assumed at the acquisition of the Lenox Park Buildings and the Lindbergh Center Buildings.

The accompanying notes are an integral part of this statement

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**WELLS REAL ESTATE INVESTMENT TRUST II, INC.**

**PRO FORMA STATEMENT OF OPERATIONS**

**FOR THE SIX MONTHS ENDED JUNE 30, 2008**

**(in thousands, except for per share amounts)**

**(unaudited)**

| | Wells Real Estate Investment Trust II, Inc. Historical (a) | Pro Forma Adjustments | Q3 2008 Acquisition | | |
|---|---|---|---|---|---|
| | | Q1 and Q2 2008 Acquisitions | Lindbergh Center | Three Glenlake | Pro Forma Total |
| **Revenues:** | | | | | |
| Rental income | $ 188,320 | $ 7,924 (b) | $ 10,544 (b) | $ 1,614 (b) | $ 208,402 |
| Tenant reimbursements | 49,788 | 1,454 (c) | 1,414 (c) | 612 (c) | 53,268 |
| Hotel income | 11,196 | | | | 11,196 |
| Other rental income | 768 | | | | 768 |
| | 250,072 | 9,378 | 11,958 | 2,226 | 273,634 |
| **Expenses:** | | | | | |
| Property operating costs | 79,357 | 1,453 (d) | 1,414 (d) | 612 (d) | 82,836 |
| Hotel operating costs | 8,447 | | | | 8,447 |
| Asset and property management fees: | | | | | |
| Related party | 16,991 | 947 (e) | 822 (e) | | 18,760 |
| Other | 2,057 | | | | 2,057 |
| Depreciation | 36,343 | 1,644 (f) | 2,720 (f) | 654 (f) | 41,361 |
| Amortization | 59,226 | 3,449 (g) | 2,655 (g) | 383 (g) | 65,713 |
| General and administrative | 12,245 | | | | 12,245 |
| | 214,666 | 7,493 | 7,611 | 1,649 | 231,419 |
| **Real estate operating income** | 35,406 | 1,885 | 4,347 | 577 | 42,215 |
| **Other income (expense):** | | | | | |
| Interest expense | (31,485) | (5,074)(k) | (4,734)(h)<br>(7,400)(k) | (571)(h)<br>(373)(l)<br>(1,800)(k) | (51,437) |
| Gain on early extinguishment of debt | 2,971 | | | | 2,971 |
| Loss on interest rate swaps | (639) | | | | (639) |
| Loss on foreign currency exchange contract | (1,305) | | | | (1,305) |
| Interest and other income | 6,001 | 5,074 (k) | 7,400 (j) | 1,800 (j) | 20,275 |
| | (24,457) | | (4,734) | (944) | (30,135) |
| **Income (loss) before minority interest and income tax benefit** | 10,949 | 1,885 | (387) | (367) | 12,080 |
| **Minority interest in earnings of consolidated entities** | 24 | | | | 24 |
| **Income (loss) before income tax benefit** | 10,973 | 1,885 | (387) | (367) | 12,104 |
| **Income tax benefit** | (489) | | | | (489) |
| **Net income (loss)** | $ 10,484 | $ 1,885 | $ (387) | $ (367) | $ 11,615 |

| | | |
|---|---|---|
| **Net income (loss) per share basis and diluted** | $ 0.03 | $ 0.03 |
| **Weighted-average shares outstanding basic and diluted** | 388,108 | 431,404(i) |

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(a) Historical financial information derived from Wells REIT II s quarterly report filed on Form 10-Q for the six months ended June 30, 2008.

(b) Rental income consists primarily of base rent, parking income and amortization of above-market lease assets and below-market lease liabilities. Base rent is recognized on a straight-line basis beginning on the pro forma acquisition date of January 1, 2007.

(c) Consists of operating cost reimbursements.

(d) Consists of property operating expenses.

(e) Asset management fees calculated as 0.75% of the cost of the acquisitions on an annual basis limited to 1% of the net asset value of such acquisitions after deducting debt used to finance acquisitions.

(f) Depreciation expense on portion of purchase price allocated to Building is recognized using the straight-line method and a 40-year life.

(g) Amortization of deferred leasing costs and lease intangibles is recognized using the straight-line method over the lives of the respective leases.

(h) Represents additional interest expense that would have been incurred if the balance of the Wachovia $450.0 million line of credit for the period was equal to the pro forma line of credit balance per the Pro Forma Balance Sheet as of June 30, 2008. The line of credit bore interest at approximately 3.94% for the six months ended June 30, 2008.

(i) Reflects issuance of additional shares of common stock subsequent to June 30, 2008 through July 31, 2008.

(j) Represents interest income earned on development authority revenue bonds issued by the respective development authorities and assumed upon acquisition of the Lenox Park Buildings, the Lindbergh Center Buildings and the Three Glenlake Building. The development authority bonds related to the Lenox Park Buildings, the Lindbergh Center Buildings and the Three Glenlake Building earn interest at approximately 6.68%, 5.92% and 6.00%, respectively.

(k) Represents interest expense related to the bond notes assumed upon acquisition of the Lenox Park Buildings, the Lindbergh Center Buildings and the Three Glenlake Building.

(l) Represents interest expense related to the $25.0 million mortgage note obtained in conjunction with the acquisition of the Three Glenlake Building. The mortgage note bears interest at 5.95% and matures on July 31, 2013.

The accompanying notes are an integral part of this statement