



Second Quarter 2009 Earnings Teleconference

July 22, 2009



Second Quarter 2009 Earnings Teleconference

Introduction

Chuck Triano

Senior Vice President,
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Forward-Looking Statements and Non-GAAP Financial Information



- Our discussions during this conference call will include forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements. The factors that could cause actual results to differ are discussed in Pfizer's 2008 Annual Report on Form 10-K and in our reports on Form 10-Q and Form 8-K.
- Also, the discussions during this conference call will include certain financial measures that were not prepared in accordance with U.S. generally accepted accounting principles. Reconciliations of those non-U.S. GAAP financial measures to the most directly comparable U.S. GAAP financial measures can be found in Pfizer's Current Report on Form 8-K dated July 22, 2009.
- These reports are available on our website at www.pfizer.com in the "Investors—SEC Filings" section.



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Opening Remarks

Jeff Kindler

Chairman & Chief Executive Officer



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Financial Review

Frank D'Amelio

Senior Vice President &
Chief Financial Officer



Income Statement Highlights

(\$ Millions, Except Per-Share Amounts)

| | Second Quarter | | |
|---|----------------|----------|--------|
| | 2009 | 2008 | Change |
| Reported Revenues | \$10,984 | \$12,129 | (9%) |
| Reported Net Income⁽¹⁾ | 2,261 | 2,776 | (19%) |
| Reported Diluted EPS⁽¹⁾ | 0.34 | 0.41 | (17%) |
| Adjusted Income⁽²⁾ | 3,249 | 3,698 | (12%) |
| Adjusted Diluted EPS⁽²⁾ | 0.48 | 0.55 | (13%) |

Reported Net Income⁽¹⁾ and Diluted EPS⁽¹⁾ Primarily Impacted by Foreign Exchange, Costs Incurred for the Pending Wyeth Acquisition and a Higher Effective Tax Rate; Partially Offset by Savings from Cost-Reduction Initiatives, Lower Costs Associated with those Initiatives and Lower In-Process R&D Costs

- (1) Reported Net Income is defined as Net Income attributable to Pfizer Inc. Reported Diluted EPS is defined as Reported Diluted EPS attributable to Pfizer Inc. common shareholders.
- (2) Adjusted Income and its components and Adjusted Diluted EPS are defined as Reported Net Income⁽¹⁾ and its components and Reported Diluted EPS⁽¹⁾, excluding Purchase Accounting Adjustments, Acquisition-Related Costs, Discontinued Operations and Certain Significant Items.

Second-Quarter 2009



Quarterly Adjusted Income⁽¹⁾ Components

(\$ Millions, Except Per-Share Amounts)

| | Second Quarter | | |
|---|----------------|----------------|--------------|
| | 2009 | 2008 | Change |
| Revenues⁽¹⁾ | \$10,966 | \$12,075 | (9%) |
| Cost of Sales⁽¹⁾ | 1,686 | 2,036 | (17%) |
| SI&A Expenses⁽¹⁾ | 3,264 | 3,696 | (12%) |
| R&D Expenses⁽¹⁾ | 1,656 | 1,869 | (11%) |
| Adjusted Total Costs⁽²⁾ | 6,606 | 7,601 | (13%) |
| Provision for Income Taxes⁽¹⁾ | 1,271 | 925 | 37% |
| Adjusted Income⁽¹⁾ | \$3,249 | \$3,698 | (12%) |
| Adjusted Diluted EPS⁽¹⁾ | \$0.48 | \$0.55 | (13%) |

**Adjusted Income⁽¹⁾ and Adjusted Diluted EPS⁽¹⁾ Were Impacted
by Foreign Exchange and a Higher Effective Tax Rate,
Partially Offset by Savings from Cost-Reduction Initiatives**

(1) See Slide 6 for definition.











(2) Adjusted Total Costs represents the total of Adjusted Cost of Sales⁽¹⁾, Adjusted SI&A⁽¹⁾ and Adjusted R&D⁽¹⁾.

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Factors Impacting Adjusted Income⁽¹⁾ Components

Compared with the Year-Ago Quarter
(\$ Millions, Except Per-Share Amounts)

| | Second Quarter | | | | | |
|--|-------------------------|--------------------|---|-------------|----------------|---|
| | Adjusted ⁽¹⁾ | Operational Impact | | Fx Impact | | |
| Revenues⁽¹⁾ | \$10,966 | (\$40) |  | -- | (\$1,070) |  (9%) |
| Cost of Sales⁽¹⁾ | 1,686 | (87) |  | (4%) | (264) |  (13%) |
| SI&A Expenses⁽¹⁾ | 3,264 | (180) |  | (5%) | (253) |  (7%) |
| R&D Expenses⁽¹⁾ | 1,656 | (145) |  | (8%) | (68) |  (4%) |
| Total | \$6,606 | (\$412) |  | (5%) | (\$585) |  (8%) |

Continued Cost Reductions Generated by Ongoing Initiatives; Foreign Exchange, While Favorable to Costs, Decreased Revenues by 9% and Adjusted Diluted EPS⁽¹⁾ by \$0.05

(1) See Slide 6 for definition.

Note: Certain amounts and percentages may reflect rounding adjustments.



Business Revenues

(\$ Millions)

| | Second Quarter | | | | |
|-----------------------------|-----------------|-----------------|-------------|--------------|--------------------|
| | 2009 | 2008 | Change | Fx Impact | Operational Impact |
| Primary Care | \$5,135 | \$5,487 | (6%) | (7%) | 1% |
| Specialty Care | 1,416 | 1,485 | (5%) | (7%) | 2% |
| Oncology | 352 | 384 | (8%) | (12%) | 4% |
| Established Products | 1,634 | 2,038 | (20%) | (7%) | (13%) |
| Emerging Markets | 1,526 | 1,659 | (8%) | (17%) | 9% |
| Total Pharmaceutical | 10,063 | 11,053 | (9%) | (9%) | -- |
| Animal Health | 648 | 715 | (9%) | (11%) | 2% |
| Other | 273 | 361 | (24%) | (5%) | (19%) |
| Total Revenue | \$10,984 | \$12,129 | (9%) | (9%) | -- |

All Pharmaceutical Units and Animal Health Grew on a Constant Currency Basis with the Exception of the Established Products Unit



Progress On Cost Reduction Initiatives

| Period | Cost Reduction |
|-------------|----------------------------------|
| FY2007 | \$600 million ⁽¹⁾ |
| FY2008 | 2,170 million ⁽¹⁾ |
| Q109 | 330 million ⁽²⁾ |
| Q209 | 410 million⁽²⁾ |

- Net cost reductions totaling approx. \$410 million realized in Q209
- Net cost reduction target of \$2 billion to be realized by 2011
 - 2007-2011 total net cost reduction from multiple programs projected to be approximately \$5 billion
- Investments in certain business opportunities are expected to offset a portion of the reductions in 2009
 - Emerging Markets
 - Established Products
 - Late stage development portfolio
- Additional \$4 billion of deal synergies planned by 2012

Continued Steady Progress on Our Cost Reduction Initiatives

(1) On a constant currency basis vs. 2006.

(2) On a constant currency basis vs. 2008.



2009 Financial Guidance

| | Guidance ^{(3), (5)} |
|---|--|
| Reported Revenues | \$45.0 to \$46.0 Billion <i>(previously \$44.0 to \$46.0 Billion)</i> |
| Adjusted Cost of Sales⁽²⁾ as a Percentage of Revenues | 14.5% to 15.5% |
| Adjusted SI&A Expenses⁽²⁾ | \$13.4 to \$13.8 Billion <i>(previously \$13.5 to \$14.0 Billion)</i> |
| Adjusted R&D Expenses⁽²⁾ | \$7.0 to \$7.4 Billion <i>(previously \$7.1 to \$7.5 Billion)</i> |
| Adjusted Other Income⁽²⁾ | \$600 to \$700 Million <i>(previously \$500 to \$700 Million)</i> |
| Reported Diluted EPS⁽²⁾ | \$1.30 to \$1.45 <i>(previously \$1.20 to \$1.35)</i> |
| Adjusted Diluted EPS⁽²⁾ | \$1.90 to \$2.00 <i>(previously \$1.85 to \$1.95)</i> |
| Effective Tax Rate⁽⁴⁾ | Approximately 30% |
| Adjusted Total Cost⁽¹⁾ Reduction | Absolute Net Savings of Approximately \$2 Billion by 2011 vs. 2008 ⁽⁶⁾ |

Increased Guidance for Adjusted Diluted EPS⁽²⁾ to \$1.90 to \$2.00
Narrowed Guidance For Reported Revenues to \$45.0 to \$46.0 Billion
Improved Guidance for Many Expense Items

(1) Adjusted Total Costs represents the total of Adjusted Cost of Sales⁽²⁾, Adjusted SI&A⁽²⁾ and Adjusted R&D⁽²⁾. (2) See Slide 6 for definition. (3) Except as noted, at July 2009 exchange rates. (4) On Adjusted Income⁽²⁾. (5) Does not assume the completion of any business development transactions not completed as of June 28, 2009 and excludes the potential effects of litigation-related matters not substantially resolved as of June 28, 2009. However, reported diluted EPS⁽²⁾ guidance does include certain costs incurred and expected to be incurred in connection with the pending Wyeth acquisition. (6) At 2008 average exchange rates.



Pending Wyeth Acquisition Planning Update

Progress to Date

- Filed HSR notification in U.S.
- **Completed regulatory submissions in EU, China, Australia, Canada**
- **Permanent financing in place**
 - **Completed two debt offerings in U.S. and Europe**
 - **Bridge term loan credit agreement terminated**
- Announced new organizational design and senior leadership team for post-close commercial and research operations
- **Form S-4 declared effective by SEC**
- **European Commission approval received**
- **Wyeth shareholder approval obtained**

Work to be Completed

- Continue to execute on 2009 goals
- Obtain regulatory approvals
 - FTC, Australia, Canada, China
- Finalize detailed synergy plans
- Continue to retain key talent from both Pfizer and Wyeth
- Close the transaction

On Track to Close Late in Q3 or During Q4



Key Takeaways

- Results consistent with our expectations in a challenging macroeconomic and operating environment
 - On a constant currency basis, revenues were flat vs. Q208
- Net cost reductions of approximately \$410 million recognized from operational improvements
 - Investments in certain business opportunities are expected to offset a portion of the reductions in 2009
- Increased guidance for Adjusted Diluted EPS⁽¹⁾ to \$1.90 to \$2.00 per share
- Wyeth integration planning remains on track

**Continue to Execute Operationally While
Advancing Wyeth Integration Planning**

(1) See Slide 6 for definition.



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Q&A Session

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