



Fourth Quarter 2007 Earnings Teleconference

January 23, 2008



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Introduction

Amal Naj

Senior Vice President, WW Investor
Development & Strategy

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 2006 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 generally accepted accounting principles. Reconciliations of those non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in Pfizer's Current Report on Form 8-K dated January 23, 2008.
- 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)

	Fourth Quarter			Full Year		
	2007	2006	Change	2007	2006	Change
Reported Revenues	\$13,065	\$12,603	4%	\$48,613	\$48,371	1%
Reported Net Income	2,878	9,449	(70%)	8,298	19,337	(57%)
Reported Diluted EPS	0.42	1.32	(68%)	1.20	2.66	(55%)
Adjusted Income⁽¹⁾	3,556	3,047	17%	15,267	14,982	2%
Adjusted Diluted EPS⁽¹⁾	0.52	0.43	21%	2.20	2.06	7%

Revenues, Adjusted Income⁽¹⁾ and Adjusted Diluted EPS⁽¹⁾ Increased Year Over Year

(1) Adjusted Income and its components and Adjusted Diluted EPS are defined as Reported Net Income and its components and Reported Diluted EPS, excluding Purchase Accounting Adjustments, Acquisition-Related Costs, Discontinued Operations, and Certain Significant Items.



Certain Significant Items

(\$ Millions, on a Pre-Tax Basis)

	Fourth Quarter		Full Year	
	2007	2006	2007	2006
Restructuring Charges	\$213	\$495	\$2,523	\$1,296
Implementation Costs	525	241	1,389	788
Cost-Reduction Initiatives	\$738	\$736	\$3,912	\$2,084
Charges Related to Exubera	(6)	–	2,798	–
Other	(237)	307	(200)	29
Total Certain Significant Items	\$495	\$1,043	\$6,510	\$2,113

Charges Related to Cost-Reduction Initiatives and Exubera Reduced Reported Results for the Full Year



Quarterly Adjusted Income⁽¹⁾ Components

(\$ Millions, Except per-Share Amounts)

	Fourth Quarter		
	2007	2006	Change
Revenues ⁽¹⁾	\$12,990	\$12,603	3%
Cost of Sales ⁽¹⁾	2,266	2,090	8%
SI & A Expenses ⁽¹⁾	4,532	4,481	1%
R&D Expenses ⁽¹⁾	2,160	2,361	(9%)
Provision for Income Taxes ⁽¹⁾	798	848	(6%)
Adjusted Income⁽¹⁾	\$3,556	\$3,047	17%
Adjusted Diluted EPS⁽¹⁾	\$0.52	\$0.43	21%

Adjusted Diluted EPS⁽¹⁾ Increased 21% – Factors Include Cost Savings, Foreign Exchange and Other Items

(1) See Slide 6 for definition.



Quarterly Select Product Highlights

(\$ Millions)

	Worldwide		U.S.		International	
	2007	Change	2007	Change	2007	Change
In-Line Products⁽¹⁾						
Lipitor	\$3,428	3%	\$1,864	(4%)	\$1,564	13%
Viagra	498	10%	220	(1%)	278	21%
Celebrex	637	18%	469	14%	168	30%
Zyrtec/Zyrtec D	267	(28%)	267	(28%)	–	–
Xalatan/Xalacom	453	16%	141	15%	312	17%
Camptosar	256	9%	142	12%	114	6%
Detrol/Detrol LA	324	12%	219	8%	105	20%
New Products⁽²⁾						
Chantix/Champix	280	311%	202	196%	78	*
Lyrica	564	60%	320	49%	244	76%
Sutent	182	75%	63	(9%)	119	243%
LOE Products⁽³⁾						
Norvasc	650	(51%)	26	(96%)	624	(1%)
Zolofit	134	(20%)	25	(68%)	109	20%

New and In-Line Products Continue to Perform Well

* Calculation not meaningful

(1) Represents revenues for pharmaceutical products not included in (2) and (3).

(2) Represents revenues for pharmaceutical products launched in the US since 1/1/05.

(3) Represents revenues for pharmaceutical products that lost US exclusivity in 2006 and 2007.



2007 Financial Guidance vs. Actual

	Guidance	Actual	
Adjusted Revenues⁽¹⁾	\$47.5 to \$48.0 Billion	\$48.4 Billion	✓
Adjusted Cost of Sales⁽¹⁾ as a Percentage of Revenues	Approx. 15.5%	Approx. 15.9%	
Adjusted SI&A Expenses⁽¹⁾	Decrease of approx. \$600 Million versus 2006 on a constant currency basis ⁽²⁾ – Approx. \$15.1 Billion	Decrease of \$560 Million versus 2006 on a constant currency basis ⁽²⁾ – \$15.2 Billion	✓
Adjusted R&D Expenses⁽¹⁾	Approx. \$7.5 Billion	\$7.5 Billion	✓
Reported Diluted EPS	\$1.01 to \$1.10	\$1.20	✓
Adjusted Diluted EPS⁽¹⁾	\$2.10 to \$2.15	\$2.20	✓
Effective Tax Rate⁽³⁾	22.0%	21.0%	✓
Cash Flows from Operations	\$12.0 to \$13.0 Billion	At or Above Estimated Range	✓
Lipitor Revenues	3% - 5% Decline	2% Decline	✓

**Exceeded Full-Year Revenue and EPS Guidance
Communicated Last Quarter**

(1) See Slide 6 for definition. (2) At 2006 Exchange Rates. (3) On Adjusted Income⁽¹⁾



2008 Financial Guidance

	Previous Guidance	Revised Guidance ⁽³⁾
Revenues	\$46.5 to \$48.5 Billion	\$47.0 to \$49.0 Billion
Adjusted Total Costs⁽¹⁾	Decrease of at least \$1.5–\$2 Billion versus 2006 on a constant currency basis ⁽²⁾	Decrease of at least \$1.5–\$2 Billion versus 2006 on a constant currency basis ⁽²⁾
Adjusted Cost of Sales⁽¹⁾ as a Percentage of Revenue	–	14.5% to 15.5%
Adjusted R&D Expenses⁽¹⁾	–	\$7.3 to \$7.6 Billion
Adjusted SI & A Expenses⁽¹⁾	–	\$14.4 to \$14.9 Billion
Reported Diluted EPS	\$1.75 to \$1.93	\$1.78 to \$1.93
Adjusted Diluted EPS⁽¹⁾	\$2.31 to \$2.45	\$2.35 to \$2.45
Effective Tax Rate⁽⁴⁾	22% to 22.5%	22% to 22.5%
Cash Flows from Operations	\$18.0 to \$19.0 Billion	\$17.0 to \$18.0 Billion

Increased 2008 Revenue Range and Increased Bottom End of 2008 Reported and Adjusted Diluted EPS⁽¹⁾ Guidance

⁽¹⁾ See Slide 6 for definition. ⁽²⁾ At 2006 Exchange Rates. ⁽³⁾ Except as noted, at January 2008 Exchange Rates.

⁽⁴⁾ On Adjusted Income⁽¹⁾



Key Takeaways

- Exceeded 2007 Revenue and EPS Guidance provided last quarter
- New products⁽²⁾ continue to perform well – particularly Chantix, Lyrica and Sutent – and partially offset decreasing revenues from products that have lost U.S. exclusivity
 - Revenues from these three new products increased to \$3.3 billion in 2007 compared with \$1.5 billion in 2006
- 2008 Guidance
 - Increased revenue range
 - Increased lower end of reported and adjusted diluted EPS⁽¹⁾
- Continuing to execute on our plan to reduce costs; savings will continue in 2008

⁽¹⁾ See Slide 6 for definition. ⁽²⁾ See Slide 10 for definition.



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Q&A Session