

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

The following discussion sets forth the material U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of Wyeth common stock that exchange their Wyeth common stock for Pfizer common stock and cash.

This discussion does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction, or under any U.S. federal laws other than those pertaining to income tax. This discussion is based upon the Internal Revenue Code, the Treasury regulations promulgated under the Internal Revenue Code and court and administrative rulings and decisions, all as in effect on the date of the Pfizer/Wyeth proxy statement/prospectus. These laws may change, possibly retroactively, and any change could affect the accuracy of the statements and conclusions set forth in this discussion.

This discussion addresses only those holders of Wyeth stock that hold their shares as a capital asset within the meaning of Section 1221 of the Internal Revenue Code. Further, this discussion does not address all aspects of U.S. federal income taxation that may be relevant to holders of Wyeth stock in light of their particular circumstances or that may be applicable to them if they are subject to special treatment under the U.S. federal income tax laws, including, without limitation:

- a bank or other financial institution;
- a tax-exempt organization;
- an S corporation or other pass-through entity;
- an insurance company;
- a mutual fund;
- a regulated investment company or real estate investment trust;
- a dealer or broker in stocks and securities, or currencies;
- a trader in securities that elects mark-to-market treatment;
- a holder of Wyeth stock subject to the alternative minimum tax provisions of the Internal Revenue Code;
- a holder of Wyeth stock that received such Wyeth shares through the exercise of an employee stock option, pursuant to a tax qualified retirement plan or otherwise as compensation;
- a person that is not a U.S. holder (as defined below);
- a person that has a functional currency other than the U.S. dollar;
- a holder of Wyeth stock that holds such Wyeth shares as part of a hedge, straddle, constructive sale, conversion or other integrated transaction; or
- a U.S. expatriate.

The determination of the actual tax consequences of the merger to a holder of Wyeth stock will depend on the holder's specific situation. Holders of Wyeth stock should consult their own tax advisors as to the tax consequences of the merger in their particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local, foreign or other tax laws and of changes in those laws.

For purposes of this discussion, the term "U.S. holder" means a beneficial owner of Wyeth stock that is for U.S. federal income tax purposes (1) an individual citizen or resident of the United States, (2) a corporation, including any entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (3) a trust if (x) a U.S. court is able to exercise primary supervision over the trust's administration and one or more

U.S. persons are authorized to control all substantial decisions of the trust or (y) it has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person, or (4) an estate that is subject to U.S. federal income tax on its income regardless of its source.

The U.S. federal income tax consequences of the merger to a partner in an entity or arrangement treated as a partnership for U.S. federal income tax purposes that holds Wyeth stock generally will depend on the status of the partner and the activities of the partnership. Partners in a partnership holding Wyeth stock should consult their own tax advisors.

Consequences of the Merger Generally

The receipt of Pfizer common stock and cash in exchange for Wyeth stock in the merger generally will be a taxable transaction for U.S. federal income tax purposes. A U.S. holder of Wyeth stock who receives Pfizer common stock and cash in the merger generally will recognize capital gain or loss equal to the difference, if any, between (1) the sum of the fair market value of Pfizer common stock and cash, including any cash received in lieu of fractional shares of Pfizer common stock and (2) such holder's adjusted tax basis in its Wyeth stock exchanged therefor. Gain or loss and holding period will be determined separately for each block of Wyeth stock, *i.e.*, shares acquired at the same cost in a single transaction, exchanged in the merger. Any capital gain or loss will be long-term capital gain or loss if the U.S. holder's holding period for its Wyeth stock is more than one year at the time of the merger. Currently, long-term capital gain for non-corporate taxpayers is taxed at a maximum federal income tax rate of 15%. If the U.S. holder has held its Wyeth stock for one year or less at the time of the merger, any capital gain or loss will be short-term capital gain or loss. The deductibility of capital losses is subject to certain limitations. A U.S. holder's aggregate tax basis in its Pfizer common stock received in the merger will equal the fair market value of such stock at the effective time of the merger, and the holder's holding period for such stock will begin on the day after the merger.

Dissenting Stockholders

A U.S. holder who exercises appraisal rights with respect to the merger will recognize capital gain or loss equal to the difference, if any, between the cash received via appraisal and such holder's adjusted tax basis in its Wyeth stock with respect to which the appraisal rights were exercised. This capital gain or loss will be long-term or short-term capital gain or loss depending upon the holder's holding period for its Wyeth stock with respect to which the appraisal rights were exercised, as described in the immediately preceding paragraph.

Information Reporting and Backup Withholding

Information reporting and backup withholding may apply to payments made in connection with the merger. Backup withholding will not apply, however, to a holder of Wyeth stock who (1) furnishes a correct taxpayer identification number ("TIN"), certifies that such holder is not subject to backup withholding on the substitute Form W-9 (or appropriate successor form) included in the letter of transmittal that such holder will receive, and otherwise complies with all applicable requirements of the backup withholding rules; or (2) provides proof that such holder is otherwise exempt from backup withholding. Backup withholding is not an additional tax, and any amounts withheld under the backup withholding rules may be refunded or credited against a holder's U.S. federal income tax liability, if any, provided that such holder furnishes the required information to the Internal Revenue Service in a timely manner. The Internal Revenue Service may impose a penalty upon any taxpayer that fails to provide the correct TIN.

This summary of the material U.S. federal income tax consequences of the merger to holders of Wyeth stock is for general information only and is not tax advice. The determination of the actual tax consequences of the merger to a holder of Wyeth stock will depend on the holder's specific situation. Holders of Wyeth stock should consult their own tax advisors as to the tax consequences of the merger in their particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local, foreign or other tax laws and or changes in those laws.