

FINAL TRANSCRIPT

Thomson StreetEventsSM

PFE - Pfizer at Cowen and Company Health Care Conference

Event Date/Time: Mar. 17. 2008 / 11:30AM ET

Mar. 17. 2008 / 11:30AM, PFE - Pfizer at Cowen and Company Health Care Conference

CORPORATE PARTICIPANTS

Joe Feczko

Pfizer - SVP & Chief Medical Officer

PRESENTATION

Unidentified Speaker

Well, good morning, and welcome to the Pfizer session this morning. We're very pleased to have with us Dr. Joe Feczko, who is Senior Vice President and Chief Medical Officer of Pfizer.

Pfizer has one of the broadest and deepest pipelines in the pharmaceutical industry. Many of these products are novel and headed into very large potential markets. Of course, their success is critical to the future of Pfizer, so careful analysis of each of these products is, of course, very important. And here to help us with that analysis is Dr. Joe Feczko.

So, Dr. Feczko.

Joe Feczko - Pfizer - SVP & Chief Medical Officer

Thank you, and good morning, everybody.

What I'm going to do today is review some of our strategies that we rolled out a couple of weeks ago at our analyst meeting, hopefully review a few of them in a little detail, and if we have time take some questions, especially on the pipeline and our products that we've got in the marketplace.

But first, the usual, I do want to just draw your attention to the cautionary language on this slide about our discussion this morning. I'll let you read it for a second. Thank you.

Okay, so we're pretty cognizant in Pfizer about the impact of many changes going on in the healthcare industry. There's an information explosion. There's tough questions being asked on affordability, demands for evidence-based medicine and better quality care. Most importantly we think is the changes on information and who owns the information -- managed care companies and large insurers doing their own analysis of data and relying more on their own analysis than they are on -- even on clinical trials and regulatory documentation. We're realistic about this, but we feel we're in a -- at a good position to really deal with these changes as they go forward.

A couple weeks ago at the analyst meeting we laid out a five-point strategy for our path forward. We know that we face some tough times ahead. We're not being blasé about the issue of Lipitor. But even before Lipitor and after Lipitor we will be having loss of exclusivity. But that loss of exclusivity is comparable to really what we've had in recent years. But nothing really compares to the scale of Lipitor loss of exclusivity, and we do want to talk about how we're going to continue to generate revenues and how we're going to deal with that as we go forward.

So what I'm going to do first is focus on three of the key strategies. The first one I'd like to talk about is to focus on optimizing our patent-protected portfolio. I'd like to focus on the late-stage pipeline as well as the portfolio that we have that's currently on the market. It's imperative that we -- like any pharmaceutical industry -- that we deliver our late-phase pipeline. This is really critical in Pfizer.

What we've done over the last year is gone through an exercise in Pfizer of really trying to winnow down the large, large portfolio that we had and take a long hard look at the areas we're operating in -- the disease areas we're operating in. And I think it's true

Mar. 17. 2008 / 11:30AM, PFE - Pfizer at Cowen and Company Health Care Conference

to say that we, like a lot of companies, may have been spread a little bit too thin. It's obvious that certain therapeutic areas and certain disease areas are projected to have significant growth in the future.

The ones we've got up here -- the six I've got up here -- oncology, pain, immunology, diabetes/obesity and Alzheimer's and schizophrenia -- really are the ones that are viewed in the marketplace as being key growth drivers over the next decade -- major areas of medical need, major areas of market growth, and major areas, I think, because of the science that is driving newer and better medicines in these areas, and where we expect to have some breakthroughs.

So we've gone through a significant look at our portfolio and tried to weed out, and we've actually dropped a number of programs over the last year to maintain our focus in key areas, and these are the areas that we're classifying as invest to win. We are in other areas, of course, too. Anti-infectives is a big area for us. But these areas we want to get broader and we want to get deeper in our portfolio and use them also for licensing opportunities.

Just a snapshot of our current Phase 3 portfolio. We -- besides our new chemical entities, we also want to explore new indications for marketed products such as Sutent, Geodon, Lyrica, etc. We're putting a lot of energy behind these late Phase 3 programs right now. Axitinib for -- the first indication would be pancreatic cancer, but it is a broad-based VEGF inhibitor that we'll be looking at a number of different tumor types. Tremelimumab, initial filing would be for melanoma. This is a CTLA4 antibody.

Apixaban is our joint venture with Bristol-Myers Squibb. That's going along extremely well in the Factor Xx -- Factor Xa anticoagulant, and we're very happy with this collaboration and this joint venture and the way the program's progressing across a number of indications. And new to this portfolio, this Phase 3 portfolio -- and also I just want to mention we've had in there for a while now the CP-945598, which is the CB-1 antagonist for obesity is in Phase 3. We've now brought into play a new Alpha-2 Delta compound for generalized anxiety disorder and S,S-reboxetine that we're looking at for fibromyalgia, still a very unmet medical need.

Projected over the next year or two, we're projecting to add 15 to 20 Phase 3 starts in the 2008-2009 time period. We know that rebuilding our pipeline is critical to our success, and by moving these compounds into Phase 3 in this timeline we anticipate having some 24 to 28 products in Phase 3, with a good balance between new targets and new chemical entities as well as new indications for existing compounds.

Many of these are in our -- the previously mentioned sort of invest to win category -- cancer, you'll see a number in cancer here; diabetes; and inflammation. And I think this is a way of us showing that we're trying to focus again on these areas for good balance. But you also see here a number of anti-infectives, a novel IV and oral sulopenem, a drug for broad-based bacterial infections, for hospital infections, drugs for Hepatitis C and HIV. So we're maintaining our expertise in the anti-infective area, as well. New indications -- as I mentioned, apixaban has a number of indications we're looking at, and other indications broadening out the cancer indications for axitinib and tremelimumab.

Let me give you an example how we're trying to broaden out indications. Sutent -- you're all familiar with Sutent. We have this drug approved now for metastatic renal cell carcinoma as well as gastrointestinal stromal cell carcinoma. But we know that those are smaller markets for us, but they did get us early approval. We are anticipating significant growth in the programs that are currently running. We have large programs going on now in breast cancer, non-small cell lung carcinoma and colorectal, and we're also in the process of starting studies in hepatocellular carcinoma, which is actually key in some developing markets in Asia. While hepatocellular carcinoma is not a big tumor type, say, in Western Europe or the U.S., it is a very significant -- has a very high prevalence in Asia, especially in China. We're also looking at hormone-refractory prostate cancer.

What will this portfolio project into? Well, hopefully, we anticipate that this will project to 15 or 20 submissions in the 2010 to 2012 time frame. It's important that when you look at this, this does not include necessarily new formulations or pediatric extensions associated with some of our compounds. So this is either new chemical entities or major new indications on our inline portfolio at that time.

Mar. 17. 2008 / 11:30AM, PFE - Pfizer at Cowen and Company Health Care Conference

We know that we've had a gap in the past. We know that this gap has been problematical for us, especially in light of our loss of exclusivity over the last couple of years. We're hopeful, though, that we're not only going to be filling this gap with substantial number of new compounds coming through our Phase 3 and on to launch but also that we have in place now a very large and robust Phase 2 pipeline so we can avoid having this gap problem in the future.

How are we going to do that? Well, one of the areas we've been looking at -- and I think there's been a lot of folks (inaudible) this in the pharmaceutical industry -- is how to identify the winners early and identify the losers early and to maintain our focus on the winners and get rid of the losers as quickly as possible. We do know that many and most, actually, molecular entities right now declare themselves very early. We lose very few compounds now in the early phases of clinical research on toxicity or toxicology.

Where the problem really comes in is lack of efficacy. This has been a major problem right now in Phase 2 programs. And it's critical that we, through novel clinical trial designs and intensive work in translation medicine, that we understand these winners and losers very early on. And, looking back on our portfolio and looking back on what we've done, we are seeing more and more that these do declare themselves very early. So it's important when we do have a failure that we understand its mechanism of action, understand why it failed and move on, and feed that back to the research departments and move on with the successes.

So we are -- have a very strong focus on this that we started putting in place a few years ago looking at our Phase 2 pipeline. We also have a strong focus now looking at our cycle times to try to improve those cycle times through the development process. And we believe it's starting to pay off with what appears to be at least the last couple of years a much better survival rate in our Phase 2 portfolio.

Moving on to our patent-protected portfolio, we do have a large number of compounds, as you're fully aware, in both primary care and in specialty. I'll go through a few of the key ones.

Despite its intense competition, Lipitor continues to be a great medicine and our largest product. Any of you who have heard Ian Read talk about this, you know we're struggling and fighting hard, though, against generic simvastatin. We'll continue to focus on the lack of outcome data with key branded competition. We are trying to take advantage of the results of our studies as they roll out and also the competitors', especially when they don't show any improved efficacy in their endpoint trials, such as what happened with ENHANCE.

While the U.S. is important, though, I do want to point out that Lipitor is doing extremely well in the rest of the world. It's holding its own in Europe and actually growing in high-single digits in Canada and in the emerging markets. I think this is critical to our emerging market strategy, because even in the emerging markets currently we are already facing significant generic competition where we either did not have patents or the patents are fairly weak. So we are getting good growth in those markets even in the presence of numerous brands of atorvastatin.

During 2008 we'll reinforce differentiation with our compelling evidence -- clinical evidence and outcomes evidence. We'll drive activities targeted at both new and continuing patients trying to get new patients on, and we'll maintain our leverage and maintain our access through appropriate negotiations with managed care.

Lyrica -- Lyrica is one of our anchors to our portfolio. It has a very promising long-term outlook. In 2007 Lyrica was approved by the FDA as the first compound for fibromyalgia. We had 53% of patients on Lyrica experience rapid and sustained pain relief that continued through the six months trial that we used for registration purposes. This clinical evidence, we feel, will set Lyrica apart from its competition. It's demonstrated a rapid and sustained uptake. In 2007 U.S. sales were up 46%, with international sales growing by 78%. In international we had \$781 million.

More importantly, we know that fibromyalgia patients are very dissatisfied with their current treatments. About 90% said that they are dissatisfied with the current mix of analgesics and various neurotropic drugs that are used to treat fibromyalgia in the past, so we think there's great opportunity here as we go forward.

Mar. 17. 2008 / 11:30AM, PFE - Pfizer at Cowen and Company Health Care Conference

We do still have a robust life cycle plan in place for Lyrica. As you know, it was a stalwart in the area of neuropathic pain. We want to continue to solidify the indications in pain, so we're doing work in patients with spinal cord disorder and posttraumatic neuro pain. We're also expanding our programs into post cancer pain, post stroke pain and postoperative pain.

Celebrex -- Celebrex is a key inline component of our pain portfolio. In 2007 we delivered 12% growth, to \$2.3 billion in revenue. This is up (technical difficulty) in the U.S. and 24% internationally. Our strategy for Celebrex is to defend and preserve the brand near term by doing three things. One, we're going to strengthen the understanding of the efficacy and safety. We still have to have a lot of effort put in this. We still have situations in the U.S. where many people in the public still think that Celebrex was taken off the market along with Vioxx and Bextra. So we're still pushing very hard to make sure people understand the benefits of Celebrex. We are working hard to repair the patient-physician dialog around this compound, giving physicians the information they need to have appropriate dialog with their patients, and then of course optimizing execution with our field force.

We are having a number of studies reading out, both GI studies and cardiovascular studies, in the next 24 to 36 months. CONDOR and PRECISION are two of the key ones. CONDOR is a GI study and PRECISION is the large cardiovascular study that we agreed with the FDA after their advisory hearing in 2005. We also have another -- a couple other GI studies as well as another cardiovascular safety study going on concurrently in Europe. And we're hopeful that this new data will renew the momentum for Celebrex.

Chantix, our key smoking cessation compound, is being rolled out globally. I would like to comment on the recent changes in the FDA label. Many of you are aware from the publicity around that that in mid-January we did add a warning section to the label about patients who -- that they should be observed for development of any serious neuropsychiatric symptoms. This change was not due to any new data at that time. We initially started this change in November with the FDA when it was put into the clinical trials -- into the postmarketing observation section. Subsequently, the FDA wanted this to be moved into the warning section. So we worked with them over the holidays to put the same information in the warning section right now.

But what we're trying to emphasize and what we will continue to emphasize is that this drug is one of the key mainstays to help with smoking cessation. The real problem out there right now is smoking. Smokers have, as we all know, have a significant impact on their health, be it cancer, cardiovascular disease or contributing to advancing and accelerating atherosclerosis. So the real issue here is that it's important that smokers quit, but it's also important that patients understand in -- smoking in patients who want to use Chantix understand what they need to look for, what the physician needs to look for. The syndromes still are very rare and do not occur on a regular basis. However, we do want to alert people and that way they can take the drug appropriately and gain the benefits from their smoking cessation.

From a global perspective the U.S. is really just the tip of the iceberg. There are about 1.3 billion smokers in the world. We are gaining rapid approval throughout Europe. We've had recently approval in Korea, and we're anticipating approval actually in China in the not too distant future. So we're still -- we're extremely excited about Chantix and about our partnering with various medical agencies and governments around the world in their smoking cessation programs.

Sutent, as I mentioned earlier, is the bedrock of our oncology portfolio. Global sales last year were just a shade under \$600 million. It's the market leader in its core indications of metastatic renal cell carcinoma and in second line GIST, and we're going to continue to, in 2008, to drive its indication in first line renal cell carcinoma and address any barriers to access that may exist around the world. We do have a comprehensive life cycle plan, as I mentioned, and we anticipate over the next couple of years to have programs in breast cancer, colon cancer and non-small cell lung carcinoma.

I'd like to now move to one of our other strategies, briefly -- opportunities for our established products.

You're all familiar with the life cycle of medicines. It begins with its approval with regulators. It grows under patent protection and declines, often very rapidly, when patent expires. This rapid decline, though, is much more prominent in the U.S. than it is in many other countries around the world. It's much more complicated than what I just listed, and we want to take advantage of this in the many markets where patent expiry is not as significant a problem as it is in areas such as the U.S.

Mar. 17. 2008 / 11:30AM, PFE - Pfizer at Cowen and Company Health Care Conference

This is a picture of the established product segment in the pharmaceutical market. This is a segment where medicines have either lost their patent protection or are on the verge of doing so. This segment is large and is growing fast. It was about \$271 billion in 2006, and by 2012 it is expected to grow to about \$525 billion. There's two main drivers for this. About two-thirds of the growth in this marketplace comes from products that are losing their exclusivity in this time period. However, a third is really from pure organic growth in this market, increasing use of these compounds in the various markets around the world.

This will represent about \$80 billion worth of growth. And we're putting in a strategy by developing an established product business unit with focus with a key senior manager from Pfizer in this area and bringing together the resources for the established products around the world under one leadership. The profitability of this segment is still good, because the R&D investment has already been done. So there is little advanced R&D to do in this area, though it is a great opportunity -- does have great opportunities for dosage form development for differentiation.

I wanted to spend a few minutes on the market. There really are three markets. The green represents the branded emerging market segment. The yellow represents the branded -- what we call branded traditional markets. And the red represents the intellectual property-driven markets. These markets behave very differently. We have seen the traditional generic companies try to penetrate the markets for the branded emerging markets, the ones in green, and have failed to do so. They struggle. They struggle because these are physician, pharmacy and patient-driven countries where payer influences are not as pronounced as they are in, say, the U.S. or Australia or Canada.

Our model to attack these areas requires a significant commercial footprint to succeed, and we have that in all these countries. In many markets, we do compete very strongly and we have good growth, even for those compounds that have multiple generic entrants already, such as Lipitor, as I mentioned early. We're still growing at high-single digits in many of these countries.

The second area we call is branded traditional markets, such as Western Europe, Japan, South Korea. Here the pharmacy channel is important and drives dispensing decisions. Physicians and payers still retain some influence, but brand still matters here. So both in the green and the yellow brand identification and brand loyalty are still really critical drivers for use of products in these markets.

The third segment is the IP-driven market, and that's the one I think you're all familiar with -- the United States, Canada, U.K., Australia. These are tough, and they're very commodity style. Payers, really, and the pharmacy channel are really the drivers for use of drugs when they go off -- lose their exclusivity. There's little or no brand preference among generics when they lose their exclusivity. And this is where branded sales really drop very significantly as patent expires.

We believe we can compete very well in these markets for a variety of reasons, starting with the strength of the Pfizer brand. The Pfizer brand really does have a lot of weight in these countries. We've partnered very well with the governments in these countries and with the distribution channels in these countries, and we've been there for a long time, in all of these developing countries that are now showing significant GDP and pharmaceutical growth.

We are already a leading player in the established products market. We have a large base from our various portfolios, from -- as we brought together the various companies, Warner-Lambert pharmacy and Pfizer -- we have a large portfolio to use to leverage in these countries of established products. We've been in regions such as Latin America, China and Eastern Europe for decades, and we believe we can use that experience to our benefit.

We also have a very strong pharmaceutical science group, and, as I've said, differentiation in dosage form development, novel dosage forms that are uniquely used in those areas, as well as injectables, are key for advancing this marketplace. And also our manufacturing is state of the art, and our ability to leverage across the world in various low-cost environments for manufacture of these compounds will be also critical to this strategy.

We're going to apply our strength across four broad value creation work streams. We're going to leverage our product portfolio to drive cost reductions and promote selected products. Second, we're going to become a world leader in product enhancements

Mar. 17. 2008 / 11:30AM, PFE - Pfizer at Cowen and Company Health Care Conference

and reformulation, using innovative packaging, delivery devices, combination therapies, etc. to drive this area. We're going to fill niches. I think we have a large enough portfolio to fill product niches in certain markets. And, lastly, we can add value by identifying our efforts to navigate our products through the transition from LOE -- during LOE to this established product stage.

We expect this established product segment to grow substantially, about 11% over coming years. Our goal is to outpace the overall market and increase our share in this segment. As I said, we've now created a unique business unit with a leader who has a lot of experience throughout Eastern Europe and Russia in working in these developing markets, where this product portfolio is extremely important.

Next I'm going to talk a little bit about how this dovetails with our emerging market, growth in emerging markets. We are very optimistic about growth in the emerging markets. I'm going to use Asia as an example, but what I'm talking about here also applies to the unique strategies we're using in Latin America, Eastern Europe and other parts of the world.

We currently have a strong foothold in the global marketplace in particular in Asia, and when I talk about Asia, in this case it's minus Australia, Japan and New Zealand I'll be talking about. So I'll be talking about Asia minus those developed countries. As you can see, we're number one in most parts of the world. We can do more to leverage our size and scale, and we're going to do that. Our aim is to increase market share and try to increase the market share in these developing markets, so it's much more similar to the market share we see in the U.S. and Europe, so, in other words, moving from the 5% or so, 6% market share, up to the 7 to 9% market share areas.

We have a large portfolio of products that are well suited for these markets, both branded and established. So it will be a mixed strategy of emphasizing our patented products, where they fit uniquely into the product mix needed for those countries, as well as using our established products to drive market growth.

Again, taking Asia as an example, we have a market share in Asia now of about 4%, and the total market is valued at about \$47 billion. That market is projected to grow in 2012 to about \$80 billion, and we're anticipating growing our market share to about 6% in that period of time. And, as I've said, our aim is to have market share similar to what we have in Europe and the U.S. in the 7 to 9% range with this strategy.

We feel we're well positioned to grow, and we are investing in these emerging markets. We are the number one pharmaceutical company right now in Asia. We've created over the years a good footprint, and this is important in Asia. We have key local leaders, nationals in most of our countries throughout the developed world that we've been working with and [trained] over the years. We also have a strong footprint in Hong Kong right now to support the region -- regional support for medical, sales, public affairs, marketing and finance.

Another -- as I mentioned earlier, and this cannot underestimated, is Pfizer's reputation in the developing area. Relationships with governments and physicians in these areas is critical. We have developed our reputation over the years. We are key partners with regulators in these areas, helping to train, helping to advise, helping to work on drug development in a very substantial way.

We're going to leverage our (inaudible) there in our relationships through three main areas, three main focus areas. One is in research and development. And, just to give you a few examples, we've committed to investing \$300 million Korea over the next -- South Korea over the next (inaudible) years. We have just opened up some clinical core -- clinical research centers in Korea, a joint venture between us and several of the academic institutions in Seoul, to do early Phase 2 translational medicine research as well as some work that we've now -- a memorandum of understanding we've signed with the Korean Research Institute for Biotechnology and Biosciences looking at cancer targets. We continue to invest in our research and development facilities in China and leveraging our capabilities there and putting in place key researchers to look at strategic alliances with academics and startups in the Asian environment.

Mar. 17. 2008 / 11:30AM, PFE - Pfizer at Cowen and Company Health Care Conference

We want to expand our incubator initiatives. We talked in the past a little bit at different meetings about our incubator initiative in La Jolla, California, where we're bringing in small biotech companies and startups to actually work side by side on our campus in La Jolla with our researchers there. We're looking at expanding the same model in Europe and in Asia.

In manufacturing, we have experience throughout Asia, with plants in China, Singapore, Indonesia and Pakistan. We will leverage our partnership opportunities in Asia to lower our costs of sales and to help our medicines become more affordable in these markets. We will also improve our skills in speed of execution at reformulations to customize these for the local environment.

Business development, we see great opportunities for business development activities in Asia. Again, to supplement our portfolio we're moving from looking exclusively at worldwide deals to also looking at reasonably specific deals so that we can advance the needs of the region. This is critical to capture the various opportunities. This is also critical really in our R&D environment. So there are unique diseases and unique issues that we're having to deal with.

As I said, the number one killer of -- in Western Europe and the U.S. is cardiovascular disease. The number one killer in most of Asia is cancer. The cancer portfolio has to be not only what we usually see for the West, such as for lung cancer, breast cancer, but they also have some unique situations that where we need to develop our drugs for gastric cancer, for hepatic cancer -- primary hepatocellular cancer and nasopharyngeal cancer. So these are cancers that we don't see that much of in the West but they have a huge incidence in Asia and need specific programs. And we have in place now centers, programs and strategies to deal with that.

So our goals are considerable. We want to grow our market share from 4% today to 6% in 2012 and between 7 and 9 by 2017, grow our share in China, take Korea to a \$1 billion business by 2012, become a top three oncology company -- and we think our portfolio is well positioned to do that -- and we want to capture a global advantage by leveraging low-cost infrastructure in manufacturing and R&D. We believe we have a good plan right now for this. We're going to use the example in Asia again to leverage it in Latin America and Eastern Europe.

So just in summary I just want to say that I feel that our portfolio right now is developing the right products in the right therapeutic areas. We are well poised in key areas that are going to show high market growth and high medical need in the near term. This is both for inline and -- for our R&D portfolio and continuing to develop our inline with new indications. We're putting in place, we feel, the right business models, by moving towards specific business units where certain segments of the business need specific focus and increased focus. And we want to assure that we will take advantage of geographic expansion, to be in the right geographies and expand those geographies as needed.

So I touched on three of the five, and I think we have a few minutes for questions, if you want to take them, Steve.

Thank you.

QUESTIONS AND ANSWERS

Unidentified Audience Member

Can you update us on the status of the Lipitor study (inaudible) and also can you help us with any maybe basic research that would support the use of (inaudible) in Alzheimer's Disease, and then why (inaudible)? Is there any basic reason (inaudible)?

Joe Feczko - Pfizer - SVP & Chief Medical Officer

Well, a lot -- well, (inaudible) was a study that was put in place because of mainly (inaudible) because of epidemiological observations, that patients with Alzheimer's Disease were felt to be doing better if they had also been having concomitant

Mar. 17. 2008 / 11:30AM, PFE - Pfizer at Cowen and Company Health Care Conference

statin therapy. This had been seen in some large databases over the years. There was some evidence that some of the neurofibrils associated with Alzheimer's had a heavy cholesterol content in some of the early basic work. But it was still unclear how you would really examine a statin.

So what we did was we actually ran a study that started several years ago with Aricept, which is our drug that we co-promote with Eisai, so it was Lipitor added onto Aricept versus Aricept alone, looking at cognitive function in the usual manner that we do for -- in mild to moderate Alzheimer's Disease, looking at cognitive function as you would in any Alzheimer's study as well as a substudy with doing specific magnetic resonance imaging to look at brain volume and other changes in the brain associated with Alzheimer's Disease.

So anyway, (technical difficulty) last year. It did take a little bit longer time than usual to finish and analyze the data, mainly because of the MRI scanning needing to be read. But I can't really discuss the results right now, but it is being presented at the American Academy of Neurology this April. So we have locked down the database and now we'll be presenting it.

Unidentified Audience Member

(Inaudible question - microphone inaccessible)

Joe Feczko - Pfizer - SVP & Chief Medical Officer

Parkinson's -- we don't have specific work in Parkinson's. We are doing a lot of work, though, in the whole area of neurosciences associated with Alzheimer's and schizophrenia. And many times those drugs associated with that, especially when you're looking at drugs that may have a side effect of movement disorder and with the movement disorder as well as dementia associated with Parkinsonism, these drugs may be used in that area. But right now we don't have a specific program in Parkinson's. Our programs really are focusing more on Alzheimer's and schizophrenia. If there's opportunities there that we see based on the mechanisms and our -- we'd be willing to explore. We don't have a specific program in that right now, though.

Unidentified Audience Member

(Inaudible question - microphone inaccessible)

Joe Feczko - Pfizer - SVP & Chief Medical Officer

The Greenstone -- the Greenstone is a tougher business, of course, because it is the U.S., so you're reliant really on the generic models, as I understand it, and I'm going to start getting way out of my comfort zone here in about two seconds. But the -- but of course the generic model in the U.S. is all based on that first 180-day exclusivity. And we have opportunities there, especially with our own products, as they lose exclusivity, to be able to compete in that area. But all generic companies really make their growth through that area.

So there are opportunities. I mean, we do have a good portfolio. We hope we can leverage the Greenstone portfolio with managed care, looking at low-cost options. I think our biggest opportunity, though, for growth in established products is really outside the U.S., in areas where it's less of an IP-driven market, as I said, in those areas that I had up there in green, where brand reputation and physician and patient loyalty to brands are much more significant than they are here in the U.S.

Unidentified Audience Member

(Inaudible question - microphone inaccessible)

Mar. 17. 2008 / 11:30AM, PFE - Pfizer at Cowen and Company Health Care Conference

Joe Feczko - Pfizer - SVP & Chief Medical Officer

Well, I think the -- well, like I said, the biggest problem that the companies have had over the years in early phase research had been in losing drugs because of side effects and toxicity, and it's been gradually changing. So over the years, I'd say beginning about six, seven years ago, I think with the different targeting based on genomics and the Human Genome Project, when we identified so many more targets associated with disease processes and so many more opportunities to find druggable targets, what we started losing then was -- because we were able to screen a lot for toxicity -- now we're starting to lose for efficacy, because while there are a tremendous number of targets identified associated with diseases, they're not necessarily pathological for those diseases, and we don't have enough science to know for sure that by impacting those targets we actually impact the disease process.

And so what you find in many companies over the last sort of five to seven years is that their Phase 2 attrition was lack of efficacy. And so you have to really focus in on that, in developing specific biomarkers, understanding mechanism of action. And we do post our Phase 2 pipeline now along with our Phase 3, so I think it is a good --- I think looking at that transition between Phase 2 to Phase 3 is a good marker for us right now in looking at how well we're succeeding. The success rate on that was pretty low in the past, and like I said, knock on wood, two years don't make a trend, necessarily, but it's better than a one-year trend. But we've been doing pretty well over the last couple of years in moving our drugs through Phase 2.

Unidentified Audience Member

(Inaudible question - microphone inaccessible)

Joe Feczko - Pfizer - SVP & Chief Medical Officer

That may be part of it, but we do have more biologics, and I think we're also seeing that in our small molecules. I think the biologics by their very nature are more targeted for a biological target that has an impact on a disease process. But we're also seeing that in our small molecules.

DISCLAIMER

Thomson Financial reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES THOMSON FINANCIAL OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2008, Thomson Financial. All Rights Reserved.