

FINAL TRANSCRIPT

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PFE - Pfizer at Goldman Sachs Healthcare Conference

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PRESENTATION

Jim - *Goldman Sachs - Analyst*

Everyone, welcome to our next session. We are honored to have Martin Mackay, the President of Pfizer's Global R&D group, to give a presentation today. Innovation, clearly, is a very important focus for Pfizer as they are looking at growing out of the patent challenges that the Company faces at the beginning of the next decade. I look very much forward to hearing your talk, Martin, about what's happening inside the pipeline.

Martin Mackay - *Pfizer Inc. - President, Global R&D*

Okay. Thank you very much, Jim, and good morning. It's a real pleasure to be here. I like nothing better than to talk about our pipelines and more importantly, the progress we're making on that pipeline. I will say a little bit about a couple of overarching Pfizer strategies, just to kick the talk off, that otherwise I'll get straight into some data. I'll talk about some of our compounds and some of the progress that we're making.

Before that, I will be making some forward-looking statements and I would direct you towards our SEC filings. I'll leave that up for a second.

Okay, so as I said, Jim, it's a real pleasure to be here. You will know that our path forward at Pfizer, which we laid out a few months ago, is up and running now. There's no great rocket science in this. We're going to maximize revenues from existing products, from new products and we're going to diversify into some other health areas. And at the same time, we're going to both manage our costs from a lower cost base, but, really, importantly and particularly importantly for the R&D community, a more flexible cost base. And I'll say something about that as we move along.

In terms of strategies for growth, I'm going to really focus on the patent-protected portfolio today. But suffice it say we've established a number of business units, which are now up and running and really hold out great hope for us. The established products market is growing at a phenomenal rate and David Simmons, a colleague, is running that business unit now and we really have some quite aggressive goals for that unit.

Similarly, our growth in emerging markets; we currently have about 4.0% market share in those areas and we believe those just terrific opportunities. Both in terms of the overall growth in those markets, but our percentage increase, so we think our products can make a real benefit to the healthcare in those countries. And then you'll also know that we established an oncology business unit recently under the leadership of Gary Nicholson that we recruited from Lilly and I'll be saying a little bit more about this.

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We are aggressively handling costs within the organization and that manifests itself in many different ways. But, as I said, for us a really important piece is to be more flexible with our cost base to allow us to more work outside of our laboratories and allow us to do more work in other countries, such as China and the rest and again, I'll touch on that briefly.

So, with these overarching strategies, let me get right down to our pipeline. This was published in February 28th. We'll probably publish an update around the August timeframe, somewhere around there, August-September. Already we've made significant advances within this pipeline and I'll speak about those, particularly our Phase III entries, but also some of the exciting compounds that we have in Phase II.

I've said this before, but even a company of our size can't prosecute everything in the pipeline, so we are looking to make some -- we have made some hard decisions about the disease areas that we're working in. I'll speak about those and the compounds that we're investing in to accelerate through the pipeline and again, I'll show you some examples of those.

We have a very replete set of Phase II compounds and I'm pleased to report today that many of those now are just poised to enter Phase III and I'll give you some specifics on those and again, the early part of our pipeline is extremely healthy at the moment. Again, I'll show some data.

So in March I made the following commitment from March 5th that by the end of 2009 we will have accomplished 15 to 20 Phase III starts. And that would give us, in Phase III, a total of somewhere between 24 to 28 programs. And again, while it's very good having moved these Phase II compounds into Phase III, the piece that really matters for us is translating these compounds into submissions and obviously getting into the marketplace both to treat the diseases that they're for and also increase the revenue stream for the Company. And we are destined to have 15 to 20 submissions in the period 2010 to 2012.

We have been the first to admit that over the last few years our productivity has not been what it should be and up until I would say the backend of last year, our Phase III pipeline wasn't as full as we wanted it to be. You will see some examples now of where that Phase III pipeline is really building rather nicely.

This is our current Phase III portfolio. We've had some of what I think are very exciting additions to this portfolio since I last spoke. 751871 is our IGF-1R antibody for the treatment of potentially several cancers, but the leading indication is lung cancer, and I'll show you some data on that. And then Thelin, the compound that we acquired as part of the Encysive acquisition is in Phase III now and again, we're hopeful about taking that through to registration and on to the marketplace.

We've had, as recently as yesterday, a press release on Apixaban. This is our landmark collaboration with the Bristol-Myers organization, which continues to go exceedingly well for us, and yesterday we announced that we have moved into Phase III for venous thromboembolism treatment. And we have Geodon, our line extension having moved into Phase III, one that we're particularly interested in as adjunctive bipolar depression, which moved in earlier this year.

Like any portfolio, it's dynamic. We lost tremelimumab from Phase III quite recently for the treatment of malignant melanoma. That antibody continues in Phase II, both as a single agent against some cancers, but I think, more importantly, for this mechanism in combination with other treatments. We're also completely intrigued to find out why some patients in the malignant melanoma trials really respond exceedingly well. We're trying to understand. If we could pinpoint that population, that would be a terrific progress in a very hard to treat cancer. So it's very dynamic and as you can see, compounds are moving into Phase III.

And our substrate over the next time period is a particularly rich one. I've spoken about 751871, the IGF-1R antibody, but poised to move into Phase III is our NGF antibody for pain. I'll say a little about that and show some data.

Our JAX-3 compound continues to move along nicely and I'll give you some specifics on when you may expect to see some more data on that compound. And then very recently, UK-36903 for lower urinary tract symptoms, which is looking to be a very good compound and moving very rapidly through Phase II and we'll go into that Phase III cohort, we believe, by the end of '09.

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Sulopenem continues to progress and again, we'll put that into Phase III by the end of this year, we believe, and our DPP-4 inhibitor. We recognize that we're behind in this field, but we do think we have got an excellent compound, the one that we have, and we'll continue to progress that compound.

And again, in terms of new indications, I'd referred to this group of compounds as our golden assets. Those compounds, many of them, are either on the market, doing very well in some indications, or are very late-stage in what's shown to be effective and safe in other indications. We're really trying to maximize the potential of each and every one of those compounds, whether it'll be Lyrica, Geodon and the rest. Excuse me.

So, in addition to focusing on individual assets, we made some decisions earlier on in the year to focus on certain disease areas and to terminate a number of compounds that were currently in our development portfolio. And those compounds we believe are valuable, but they're just less valuable than the ones that we're pushing through and accelerating quickly. We are looking to partner with this cohort of compounds that we've decided to terminate.

In terms of the so-called invest-to-win categories, clearly oncology is a big one for us. But also pain, immunology, and inflammation are doing exceedingly well just now. Diabetes and obesity, where we really don't have a market at present but we believe we've got excellent research programs and early development programs. And then neuroscience and particularly in the areas of Alzheimer's Disease and schizophrenia.

And as you may imagine, when we published this internally, what happens in an organization is that these areas attract people, money, resources and those compounds that we're really accelerating through the pipeline quickly are based in those invest-to-win disease areas.

So I'll speak a little about oncology. We're fresh from the ASCO conference, which was really terrific for us. I was reminded that two years ago at ASCO we looked at a number of papers on our products and there were 26 papers being shown in terms of the products that we have. A couple of weeks ago there was 299 papers, almost 300 [a log order stat] in the number of people that were interested in our compounds and we have terrific late-stage compounds.

Sutent continues to be excellent. We have approval for renal cell carcinoma, gastrointestinal stromal tumor. We're in Phase III in breast cancer, colorectal cancer and lung cancer and poised to enter a Phase III; hepatocellular carcinoma and metastatic hormone-refractory prostate cancer just ready to go into Phase III.

Then Axitinib, which is a multi-tyrosine kinase inhibitor, which is also looking extremely positive in pancreatic cancer, for a whole number of other tumor types, particularly in combination with other compounds in Phase III or coming through, including, again, renal cell carcinoma and lung cancer. And as mentioned, 751871, which has just been an absolute pleasure to watch the progress of this antibody and really showing some pretty exciting Phase III results now.

And of course, when you can build indications like this and you see the revenue, the potential revenue stream for something like Sutent, it's really quite remarkable. As I mentioned, we hired Gary Nicholson from Lilly very recently to run the oncology business unit. This is a seasoned professional that knows this area inside and out and has looked at our portfolio and has looked at our plans and said, "This is -- if it's not the best in the industry it's right up there" and he's very happy to be with us to progress this pipeline.

But three compounds do not make a leadership position. We recognize that. But we built this area from the early part of the decade and I think have been very shrewd in terms of some of the licensing and acquisition activities around the oncology area. And I'll say a tiny bit about those coming up. But we have very healthy looking Phase II portfolio, with some really terrific looking mechanisms in there. We're very pleased.

Again, this notion of once you build a portfolio of this size, being able to use combination approaches to treat those diseases is very exciting. And then we only have to go back to Phase I where we're already doing patient studies in whole number of

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different tumor types and a whole number of different mechanisms. Again, we believe we've got a superb portfolio here and with Gary at the helm of the business unit he'll be able to take this through rather rapidly.

I won't go into detail in terms of the data that we showed at ASCO. I've just picked a couple of examples that I think are very exciting. This is Axitinib in non-small cell lung carcinoma. This is single agent study, which shows 14.6 median survival, really very promising results as a single agent. We're also looking to combine with gemcitabine and cisplatin and these studies are ongoing now and will read out, we believe, very shortly, but this is a terrific looking compound by all measures.

And then, as I mentioned, 751871, the IGF-1R antibody where we believe we have a lead position here, this was again in combination with carboplatin and paclitaxel, but again, you can see the results. The overall population survivals really are very good looking and we've been able to look at some particular stratification amongst patients and again, this is reading out exactly as predicted. We have a whole number of studies with this antibody in combination with chemotherapy. It combines very well and again, I think you're going to see some more excellent results come out over the next few months and into next year.

As I say, we recognize that we can't do all of this, even with the internal resources that we have, and we've been quite active in oncology, working with other companies. So our recent acquisition -- or our recent licensing deal with Avant Therapeutics, this is a CDX antibody for glioblastoma multiforme, the EGFRvIII vaccine, which shows really very good Phase II data and really is, again, poised to enter Phase III.

The Serenex acquisition, although earlier, from a stage perspective, these Heat Shock Proteins really look to be a quite exciting mechanism. And we believe Serenex has a lead position, being able to marry the work that they did in Heat Shock with the internal work that we were doing, again, is going to come together nicely.

We acquired CovX last year. This is the antibody platform where we use an antibody, a linker and a peptide and the really great thing about this technology is you can use it across all therapeutic areas, essentially. Any peptide drugs that you have that have pharmacokinetic issues attached to this antibody and linker really gives you an excellent platform.

The lead programs that CovX had were in the cancer fields and that's why it was driven to us from cancer. All the therapeutic areas that we have at Pfizer are working with this group now in San Diego and really doing some very nice work.

And then the acquisition of Coley gave us really two lift-offs, one in the adjuvant vaccine area and the other to with toll-like receptors, which again are a very interesting mechanism and we acquired really excellent sites in Ottawa, Canada and Dusseldorf, in Germany. Superb company and again, the strategic fit between all of those companies and our internal programs and our platforms are simply excellent.

Moving off oncology and briefly our JAX-3 inhibitor. We're going to have two Phase IIb studies read out this summer. We hope to publish this data at the ACR in fall. We have every intention doing so. This compound continues to move very nicely in rheumatoid arthritis. There's a number of other indications that potentially this compound could be used for, including psoriasis and a number of others, Crohn's Disease for example. But this is an excellent compound in our portfolio and we're really very pleased with progress to date.

Similarly, our NGF antibody, this came to us as part of the Rinat acquisitions. It was in Phase II when we acquired Rinat and our development organization has taken this on and is really pushing it through quickly. It's moving at terrific speed in Phase II and we hope to put it into Phase III this year.

We've all but completed the Phase II studies. We'll publish these at two leading meetings coming up, one of them being EULAR and again, that's not a meeting to miss. I think you'll see some really outstanding pain data with this antibody. It really looks very good.

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This is our early data that really attracted us to this particular antibody. This is a Phase I/Phase II study, dose-ranging study and even in that very early study we saw highly significant pain relief results. And that gave us a field to move into Phase IIa quickly and now through Phase IIb and those are the results that we'll publish at EULAR. It looks to be a very, very good compound in the pain field. We've concentrated on OA, but this can be used for generalized pain and we have Phase II programs coming very quickly up with the back looking at other pain indications.

Just briefly on our biotherapeutics portfolio, I've discussed this before that it's rather a stealth strategy here where we've built up quite a progress across a number of modalities, including antibodies, fragments of antibodies, different types of vaccines within this portfolio.

And I think, as everyone knows, we established a biotherapeutics and bio-innovation center in San Francisco late last year, under the leadership of Corey Goodman. With groups like CovX and Rinat and our technology center and Dusseldorf, he has formed basically a federation of very exciting units all working on key technologies, all working in key invest to win areas. And we have really built up a terrific collaboration between this BBC unit and Pfizer Global Research and Development.

Again, our challenge here is to get those development compounds into the marketplace and really start to build the revenues that we need to be a top tier company in biotherapeutics. I'm very confident, as we stand today, that we can do that, both for the individual antibodies and biotherapeutics but also the technology platforms we've built. Things like Rinat or CovX or our interferon RNA compounds really look quite promising.

So, as we move through really translating this rich substrate into Phase III starts and beyond, we only have to look at last year. We had 11 entities in Phase III. We've built this up to 16 we published in February. It now stands at 18 and I'm happy to report we're on track by early next year and towards the end of next year of hitting those commitments that we said we would in terms of the Phase III programs.

Again, I recognize as much as anyone it's great to have a very rich Phase III substrate. We must take those through equally quickly into the submission stage and onto the marketplace to generate revenues. And again, I'm confident that many of those compounds will come through and be very promising compounds for Pfizer.

It's interesting to watch the dynamics in an organization that has moved through what we'd call some turmoil over the last few years. A period when the organization can be highly competitive again and work in areas that we really want to work in, both in terms of the diseases and the mechanisms and to move this portfolio through.

When I came into this position at the backend of last year, I said we'd be fully focused on delivery, a fairly obvious thing to say, but that hasn't been the case in the last few years. And I can say now we have an organization that's truly committed to pushing those things through and nothing breeds a more competitive spirit. We've had submissions. We've had approvals. We've had Phase III starts. We've had a number of excellent proof of concepts in Phase II and the early part of our portfolio is also promising, with a steady stream of very good compounds moving from the laboratories into the clinic.

So, as I stand today, I'm very confident about this Pfizer pipeline and our ability to translate those compounds into the marketplace and generate some much-needed revenues.

With that, I'll stop. Thank you.

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QUESTIONS AND ANSWERS

Jim - *Goldman Sachs - Analyst*

Martin, thank you very much for the prepared comments and so we are now open for questions. For any questions from the floor, just please raise your hand. We'll have a microphone come over to you. There's a question over there. Just wait one second, Dan.

Unidentified Audience Member

Just curious on -- of the Phase II trials that you listed earlier, how many of those are brand new compounds, not line extensions, how many are 100% owned by Pfizer and how many of those came directly from one of your labs, not acquired?

Martin Mackay - *Pfizer Inc. - President, Global R&D*

Sure. Let's work through those. Probably easier if we have the slide up for everybody. There you go.

So there's a very healthy mix. So Axitinib was born and bred at Pfizer, a multi-tyrosine kinase inhibitor. We own that exclusively. CP-945 was at the Groton laboratories.

We own that. CP-751, we essentially own that. We've got a license to some technology, but it's essentially ours.

PD-332 is our alpha-2-delta franchise. This is the same class as Neurontin and Lyrica, wholly owned by Pfizer. In fact, not only wholly owned but say it's the only mechanism in my time in the industry that -- I can't think of another that is so free and clear in terms of the competition, with two very good compounds on the market and compounds like PD-332 and a whole stable of other alpha-2-deltas. But we own that completely.

S.S. Reboxetine is a Pfizer compound, owned completely. Obviously Zith/Chloro in the developing worlds is Pfizer's.

Thelin, clearly part of the acquisition of Encysive and Apixaban is our deal with Bristol-Myers.

In terms of the compounds below the line, there's a whole mix in that as well. Eraxis was part of the Vicuron acquisition. VFEND was discovered in our Sandwich Laboratories. Lyrica was Ann Arbor Laboratories. Selzentry was in our Sandwich Laboratories. Geodon was in our Groton Laboratories. We're all home grown talent, as they were. Then of course Sutent was part of the Pharmacia acquisition and their previous acquisition of Sugen. The Sutent molecule came to us.

You know historically, at least a third of Pfizer's revenues has come from license in compounds and I actually see that as a very healthy place to be, somewhere in that one-third to two-thirds region and certainly our portfolio kind of mimics that.

But, quite honestly, I'll take compounds from anywhere just now that have a real fighting chance to getting on the marketplace and creating our revenues. We have no room for arrogance. We have no room for not invented here and we'll continue to work with external partners. Key to our success will be the internal portfolio of those homegrown compounds that you see here.

And again, I won't go through all the others that are projected to get into Phase III. But there's a very healthy group of internally derived compounds and some licensed in or some with partnerships. Does that answer your question?

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Jim - *Goldman Sachs - Analyst*

I'm going to bring the mic down here in the front and then there's another question two rows back. Just one second with the mic.

Martin Mackay - *Pfizer Inc. - President, Global R&D*

I could talk about all 400 in the portfolio with the same passion.

Unidentified Audience Member

Could you just expand a bit on the acquisition of Encysive and the Thelin compound?

Martin Mackay - *Pfizer Inc. - President, Global R&D*

Sure.

Unidentified Audience Member

After all, it's one which has had a pretty colorful history.

Martin Mackay - *Pfizer Inc. - President, Global R&D*

Sure. Yes. That's a good way to describe it. Of course, as you know, Thelin is registered and marketed in Europe in a number of other companies, endothelin antagonists. We really looked at this from a highly strategic point of view. We have REVATIO out there in pulmonary arterial hypertension. It's a terrific compound.

I think, as most people know in the audience, PAH is a terribly debilitating, progressive disease and what's happening just now are people have going to on to PD-5 inhibitors like REVATIO has the lead position and then moving onto Thelin antagonists. So we see a natural progression here. We needed an endothelin antagonist. That's the first thing.

But secondly, the potential to combine an endothelin antagonist with a phosphodiesterase-5 inhibitor right up-front, I think, is a particularly intriguing one and we're looking to do that, either with REVATIO, which would be, obviously, not sildenafil is active here. So we have a number of genuine once-a-day phosphodiesterase-5 inhibitors. So it may be more likely that one of those would be the combined partner to Thelin.

Clearly, what we have to do is get over the goal line in the United States and that's the colorful history that you refer to. But we believe that the teams that have been able to work with the colleagues at Encysive, the Pfizer colleagues that saw REVATIO through, for example. There's probably only five people in the world that have taken one of those compounds through for this indication and some of them reside at Pfizer.

So putting those two companies together made a lot of strategic sense. Does that answer your question?

Jim - *Goldman Sachs - Analyst*

A quick follow-up and then we'll go to the next question, so here comes the mic.

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Unidentified Audience Member

I guess as a related follow-up, but in terms of acquisitions maybe you could just very briefly talk through what input R&D has in terms of interacting with business development on this side in what gets bought? Because I guess I, like some other investors, kind of question some of the acquisitions I've seen Pfizer and other large pharma companies make over the last year or so?

Martin Mackay - Pfizer Inc. - President, Global R&D

Sure. Sure, in fact, it's an excellent question. I think I'd answer it in two ways, and again I'll keep comments brief. I could talk about this area for quite some time, because we have had some really notable successes and we've had some really notable failures. In terms of your specific question, how involved is R&D, I would say completely. Most of the acquisitions that come out and most of the potential deals start from R&D, most of them. But we work very closely with our business development colleagues.

And you probably know recently we hired Bill Ringle, who, again, has a terrific reputation in the industry and a terrific track record at companies like Lilly and Abgenix and Bill heads up our business development group. And we're really working in close partnership to bring in many of the more positives and completely do away with the negative acquisitions that we have where we have had, probably, like most companies, a bit of a history in recent years.

We're looking at companies all the time of different sizes and I think, with Bill at the helm of that group, you'll see some quite significant differences. I hope that helps.

Unidentified Audience Member

With respect to Thelin, could you tell us a bit about your marketing activities in Europe?

Martin Mackay - Pfizer Inc. - President, Global R&D

Yes. I would say they're in small at the moment. As you know, the actual market of Thelin in Europe is tiny at the moment. So we'll build that up progressively to where we see the real benefits will be to gain approval in the United States, start to combine with phosphodiesterase inhibitors.

And I would say this is a kind of hidden gem. Nobody has any expectations or not a lot of expectations of this acquisition and this compound based on current sales and based on the difficulties that that company had gaining approval. So it's all upside for me and again, strategically, I think it's a very important part of the pulmonary arterial hypertension stable that we have, including compounds like REVATIO.

Unidentified Audience Member

Sorry, I have one other question on Sutent, but just frankly, to understand. So in Europe you're not trying to aggressively market it, even though it is approved?

Martin Mackay - Pfizer Inc. - President, Global R&D

We'll certainly market in Europe. I don't know about what really aggressive means, but we will certainly market in Europe and keep that moving in Europe, absolutely.

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Unidentified Audience Member

And then, if I could ask one question on Sutent, the liver cancer trial Phase III you referred to? Would it be head-to-head versus mix of all or how would that they were designed?

Martin Mackay - Pfizer Inc. - President, Global R&D

Yes. We aim to do a number of studies with Sutent in hepatocellular carcinoma. That would be one obvious place to go, would be a head-to-head. The Phase III that we're pushing through now isn't head-to-head, so we've got a number of other studies in Phase II coming up in the back of that.

Jim - Goldman Sachs - Analyst

Allen with the next question, please, then Jason.

Allen - Goldman Sachs - Analyst

Okay. One of the things when you talk to former Pfizer people that you get a consistent theme is it is a fairly stifling bureaucracy as a company, historically, given the size and given the size of the R&D organization. Can you talk a little bit about how you're dealing with that and how you're able to focus the organization down in terms of some sort of level of productivity and get around that bureaucracy or do away with the bureaucracy?

Martin Mackay - Pfizer Inc. - President, Global R&D

Sure. Yes. You'll have to tell me who those former colleagues are. Stifling bureaucracy. There's no question over the last few years we've been through a lot of change. You know to major acquisitions, cost cutting exercises, business transformation and it takes a toll on the R&D organization, particularly in the early days, because we just weren't very good at this, right. None of us had any training to go through these major acquisitions. For goodness sake, we're scientists.

However, we've got a lot better at it, but there's no question. When I came into the job last year and this is no criticism of anything that went in the past, because actually the folks were managing a large organization going through a lot of change. But we've done some really simple things that have resonated in the organization.

I launched a so-called "five-point plan", which is very easy in its simplicity. These are the things that we need to concentrate on to become a successful R&D organization. We really focused on giving individual single points of accountability. We had to build up a committee structure, as many companies do that grow very quickly, since taking the position and Becky, my business manager that's here, has counted up. We've done away with 56 committees.

We've reduced the number of layers in the organization from 14 in some places, that's from Jeff Kindler, to the bench, to 7 in the vast, vast majority of places and some with even less than that. We average below 7 now. We've increased the span of control or our leading scientists to give those people that really have a track record of drug discovery delivery, put them into the positions and saying go on ahead.

If I look at the research environment, there's now one person that decides on the targets that will be pursued in a particular disease area and the compounds that will be progressed. We, again, like many companies, had got to several governance committees looking at this, thinking that by forming committees you take the risk out of the system. Well, that's nonsense. I've worked in many structures in different companies and the only surefire way of success is getting great people leading programs and give them the accountability to push things through.

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So there are a number of things that have happened. I think Jeff Kindler coming into the organization has been excellent. He's very open to new ideas, things that we want to do in the R&D environment. Building up groups like the biotherapeutics and bio-innovations centers would never have happened at Pfizer. I would say two years ago and now we have this driving biotech hub in San Francisco and San Diego already producing compounds that are moving into the clinic.

I think, at the heart of all of it, is allowing scientists to do what they came to do and that's discover and develop important new medicines and keep scientists focused on that. Give them the resources that they need, although measured, because (inaudible) in a company of our size doesn't have an endless pool of money, to really get them to focus on these compounds that you see here. If you talk to those teams now in Pfizer, all they will talk about are the compounds, the clinical plans, the issues that they have over budget, things like that that is all to do with progressing the portfolio.

Jim - *Goldman Sachs - Analyst*

Question for Jason here.

Jason - *Goldman Sachs - Analyst*

Any news on the attempt to extend the U.S. -- the Lipitor patent?

Martin Mackay - *Pfizer Inc. - President, Global R&D*

I would say it continues. If David Reed was up here or Justin McCarthy, it continues as expected. We think we have a very favorable position with Lipitor and our patent. There's been some developments recently, some that will be -- come out in the near future, that we continue to be positive about it.

Jim - *Goldman Sachs - Analyst*

Last question in the back there. Oh, there's a question here? Since the mic is nearby and we'll get to that question in the back.

Unidentified Audience Member

Can you talk about what disease areas you're thinking of exiting, either based off patent expiration or clinical trial missteps along the way? And then also, what disease areas you're not currently focused on that you might look to increase going forward?

Martin Mackay - *Pfizer Inc. - President, Global R&D*

And so, yes, good questions. In terms of those areas that we exited, we exited a number backend of last year, beginning of this year, including areas such as dermatology, allergy, migraines, a number of CNS diseases. Not because we didn't think there was good medical need there or, in fact, that we had good scientists working on them. Kind of just the targets we didn't feel were strong enough to progress those areas, particularly depression, for example. So we pulled out a number of those areas.

We will continue to look at the number of areas that we work in. I would say, if there's -- there's not many areas that we weren't involved in. That's the truth of it. We had 11 therapeutic areas and within each of these therapeutic areas a whole slew of diseases areas. So there's not too many areas that I've looked at to say, gosh, we should really be in that area and we're not.

However, with one caveat and that relates to the Asian's emerging markets. So we are building up our presence in Asia, both from an R&D perspective, a clinical perspective and obviously a marketing perspective. And not surprisingly, many of those

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diseases, while we call them by the same names, have different etiologies in that part of the world. So a classic would be diabetes. We believe that diabetes has quite a different etiology from what we see in the West.

Now we believe the Western compounds will work in that conditions, but how cool it would be to actually develop programs in Asia specifically against diseases of that part of the world and that would be one example. Hepatocellular carcinoma that was mentioned earlier would be another of those definitely different tumor types in Asia and again, we're doing a great deal of work in China and Korea on those indication areas.

So rather than brand new areas, if I could put it in looking at diseases in a different way or existing diseases that have different etiologies, we'll do more work in that. Hope that helps.

Jim - Goldman Sachs - Analyst

I think, in the interest of time, we're going to have to stop there.

Martin Mackay - Pfizer Inc. - President, Global R&D

Sure.

Jim - Goldman Sachs - Analyst

Thank you very much, Martin, really appreciate it.

Martin Mackay - Pfizer Inc. - President, Global R&D

Thank you. Thank you.

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