



Third Quarter 2012 Earnings Teleconference

November 1, 2012



Introduction

Chuck Triano
Senior Vice President,
Investor Relations

Third Quarter 2012 Earnings

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 2011 Annual Report on Form 10-K and in our reports on Form 10-Q and Form 8-K.
- Our discussions during this conference call regarding our preparation and target timeline for a potential initial public offering of a minority stake in our Animal Health business, Zoetis, will be limited due to the quiet period imposed by securities law.
- 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 November 1, 2012.
- These reports are available on our website at www.pfizer.com in the "Investors—SEC Filings" section.





Opening Remarks

Ian Read
Chairman and Chief Executive Officer

Third Quarter 2012 Earnings

CEO Perspectives

- Quarterly financial performance impacted by significant product losses of exclusivity, notably Lipitor in all major markets, partially mitigated by:
 - Growth from key in-line products, including Lyrica and Celebrex globally and Viagra in the U.S.
 - Emerging Markets operational revenue growth, driven primarily by China, Mexico and Russia
 - Effective management of our cost structure
- Repurchased \$1.8 billion of shares during Q3 2012; \$5.9 billion YTD through October 31st
- Board authorized a new share repurchase program for up to \$10 billion of shares upon completion of the sale of Nutrition business to Nestlé, expected in the next few months
- Potential IPO for Animal Health business remains on track; expect IPO to happen during 1H 2013
- Remain confident in quality of assets and progress in our pipeline
 - Robust set of potential high-value assets across our key therapeutic areas
 - Look forward to hearing from the FDA regarding our new drug application for tofacitinib this month
 - Eliquis regulatory reviews continue in U.S. and international markets; alliance remains confident in therapeutic profile of Eliquis and that we can receive FDA approval by the March 2013 PDUFA date
 - Xalkori received conditional marketing authorization in the EU for ALK+ non-small cell lung cancer

We are Making the Decisions that We Believe Have the Potential to Drive Future Adjusted Diluted Earnings per Share⁽¹⁾ Growth Over Time

⁽¹⁾ Adjusted Income and its components and Adjusted Diluted EPS are defined as Reported Net Income⁽²⁾ and its components and Reported Diluted EPS⁽²⁾, excluding Purchase Accounting Adjustments, Acquisition-Related Costs, Discontinued Operations and Certain Significant Items. Adjusted Cost of Sales, Adjusted SI&A expenses and Adjusted R&D expenses are components of the overall Adjusted Income measure.

⁽²⁾ 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.





Financial Review

Frank D'Amelio
Executive Vice President &
Chief Financial Officer

Third Quarter 2012 Earnings

Income Statement Highlights

(\$ Millions, Except Per-Share Amounts and Percentages)

	Third Quarter		
	2012	2011	Change
Reported Revenues	\$13,976	\$16,609	(16%)
Adjusted Income ⁽¹⁾	3,949	4,696	(16%)
Adjusted Diluted EPS ⁽¹⁾	0.53	0.60	(12%)
Reported Net Income ⁽¹⁾	3,208	3,738	(14%)
Reported Diluted EPS ⁽¹⁾	0.43	0.48	(10%)

Reported Results Favorably Impacted Primarily by Lower Expenses, Fewer Shares Outstanding and a Settlement with the IRS Related to Tax Audits; Unfavorably Impacted Primarily by the Loss of Exclusivity of Certain Products, Notably Lipitor in All Major Markets, and the Non-Recurrence of the Gain on the Sale of Capsugel

⁽¹⁾ See slide 5 for definition.



Third Quarter 2012 Earnings

Impact of Foreign Exchange on Adjusted Income⁽¹⁾ Components

(\$ Millions, Except Percentages)

Favorable / (Unfavorable)

	Third Quarter		
	2012	2011	FX Impact
Revenues	\$13,976	\$16,609	(\$699) ↓ (4%)
Cost of Sales ⁽¹⁾	2,565	3,057	264 ↓ 9%
SI&A Expenses ⁽¹⁾	3,729	4,397	156 ↓ 4%
R&D Expenses ⁽¹⁾	1,935	2,023	20 ↓ 1%
Total	\$8,229	\$9,477	\$440 ↓ 5%

**Foreign Exchange Negatively Impacted Adjusted Diluted EPS⁽¹⁾
by ~\$0.02**

⁽¹⁾ See slide 5 for definition.

Note: Certain amounts and percentages may reflect rounding adjustments.



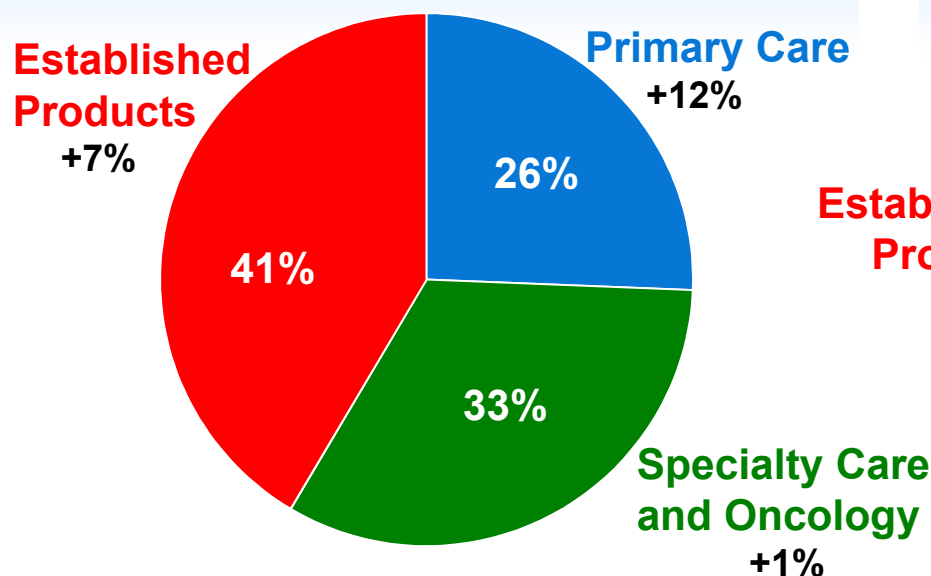
Third Quarter 2012 Earnings

Emerging Markets Biopharmaceutical Revenue Mix

(\$ Millions, Except Percentages)

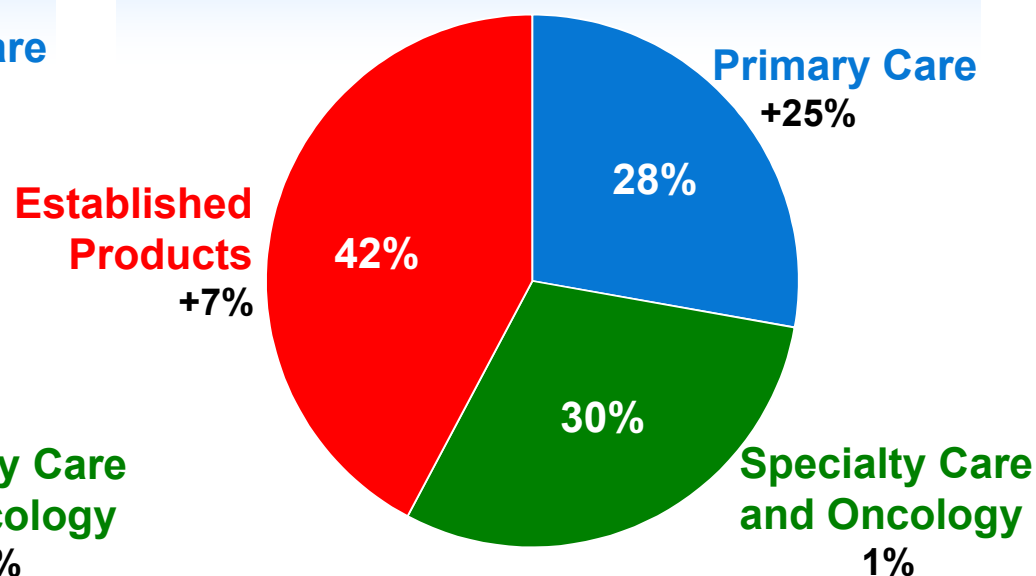
Emerging Markets Business Unit

\$2,389, up 6% operationally vs. Q3 2011



BRIC-MT⁽¹⁾ Biopharmaceutical

\$1,101, up 9% operationally vs. Q3 2011



Emerging Markets Biopharmaceutical Volume Growth of 8% Partially Offset by Price Reductions of 2% vs. Q3 2011

NOTE: Percentages inside the pie charts represent percentage of total. All other percentages represent operational growth vs. Q3 2011.

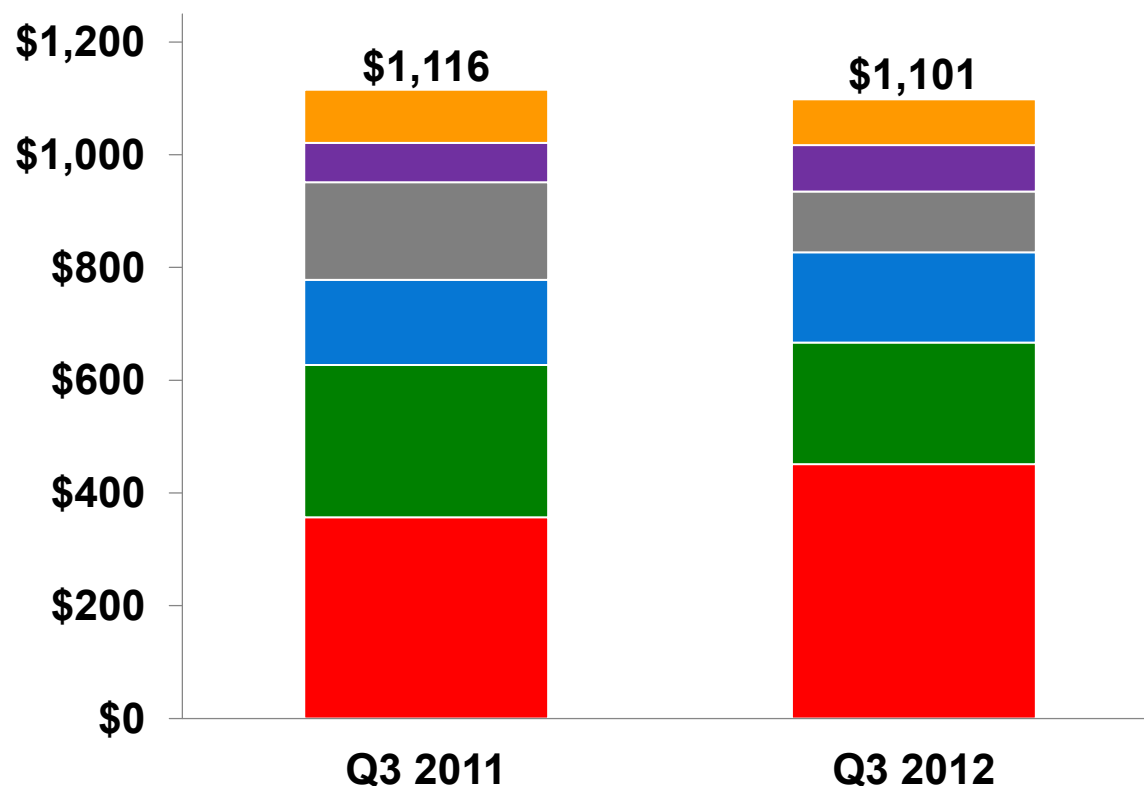
⁽¹⁾ BRIC-MT markets include Brazil, Russia, India, China, Mexico and Turkey.



Third Quarter 2012 Earnings

BRIC-MT⁽¹⁾ Biopharmaceutical Revenue Performance

(\$ Millions, Except Percentages)



Operational Growth / (Decline)		
	Q3 2012 vs. Q3 2011	YTD 2012 vs. YTD 2011
India	5%	10%
Russia	34%	42%
Turkey	(31%)	(14%)
Mexico	20%	4%
Brazil	3%	9%
China	25%	31%
BRIC-MT⁽¹⁾	9%	13%

Volume Growth of 10% Partially Offset by Price Reductions of 1% vs. Q3 2011; Foreign Exchange Negatively Impacted BRIC-MT⁽¹⁾ Revenue by 10% vs. Q3 2011

⁽¹⁾ See slide 9 for definition.



Third Quarter 2012 Earnings

2012 Financial Guidance⁽¹⁾⁽²⁾

Reported Revenues	\$58.0 to \$59.0 Billion <i>Previously \$58.0 to \$60.0 Billion</i>
Adjusted Cost of Sales ⁽³⁾ as a Percentage of Revenues	18.7% to 19.2% <i>Previously 19.5% to 20.5%</i>
Adjusted SI&A Expenses ⁽³⁾	\$16.3 to \$16.8 Billion <i>Previously \$16.3 to \$17.3 Billion</i>
Adjusted R&D Expenses ⁽³⁾	\$7.0 to \$7.25 Billion <i>Previously \$6.75 to \$7.25 Billion</i>
Adjusted Other (Income) / Deductions ⁽³⁾	Approximately \$900 Million <i>Previously Approximately \$1.0 Billion</i>
Effective Tax Rate on Adjusted Income ⁽³⁾	Approximately 29%
Reported Diluted EPS ⁽³⁾	\$1.30 to \$1.38 <i>Previously \$1.21 to \$1.36</i>
Adjusted Diluted EPS ⁽³⁾	\$2.14 to \$2.17 <i>Previously \$2.12 to \$2.22</i>
Operating Cash Flow	Approximately \$18.5 Billion <i>Previously Approximately \$19.0 Billion</i>

Narrowed Ranges for Components of 2012 Financial Guidance

- ⁽¹⁾ At exchange rates that reflect a blend of the actual exchange rates in effect during the first nine months of 2012 and the mid-October 2012 exchange rates for the remainder of the year.
- ⁽²⁾ The 2012 financial guidance includes the revenues and expenses related to the Nutrition business, which is reflected as a discontinued operation, but does not include the gain on the pending sale of the Nutrition business. Does not assume the completion of any business-development transactions not completed as of September 30, 2012, including any one-time upfront payments associated with such transactions. Also excludes the potential effects of the resolution of litigation-related matters not substantially resolved as of September 30, 2012, except for charges for such matters that have been recorded during the first nine months of 2012.
- ⁽³⁾ See Slide 5 for definition.



Key Takeaways

- ✓ Quarterly results reflect the loss of exclusivity of several products in various geographies, notably Lipitor in all major markets
 - Continue to mitigate the impact of major product LOEs with expense discipline and share repurchases
- ✓ Received regulatory approval for Bosulif in the U.S. as well as approval for Inlyta and conditional marketing authorization for Xalkori in the EU
- ✓ Remain on track to complete a potential initial public offering of up to a 20% ownership stake in the Animal Health business, Zoetis, during 1H 2013
- ✓ Continue to create shareholder value through prudent capital allocation
 - Repurchased \$5.9 billion, or 255.1 million shares, through October 31st; \$4.1 billion of authorization remains under the current repurchase program
 - Board authorized a new share repurchase program for up to \$10 billion of shares upon completion of the sale of the Nutrition business, expected in the next few months
 - Will return over \$12 billion to shareholders through dividends and share repurchases during 2012

Remain Committed to Delivering Attractive Shareholder Returns in 2012 and Beyond





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Q&A Session

November 1, 2012
