



Pfizer Announcement Related to AstraZeneca

April 28, 2014



Introduction

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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 the press release regarding the possible combination issued by Pfizer today, Pfizer's 2013 Annual Report on Form 10-K and in our reports on Form 10-Q and Form 8-K. Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of Pfizer, AstraZeneca or the combined business following completion of any possible transaction unless otherwise stated.
- 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 (GAAP). Reconciliations of those non-U.S. GAAP financial measures to the most directly comparable U.S. GAAP financial measures can be found in the SEC filings referenced above.
- This presentation should be read in conjunction with the Rule 2.4 Possible Offer Announcement made by Pfizer on April 28, 2014.
- This presentation is provided for informational purposes only and is neither an offer to purchase nor a solicitation of an offer to sell shares of Pfizer or AstraZeneca. Subject to future developments, Pfizer may file a registration statement and/or tender offer documents with the U.S. Securities and Exchange Commission (the "SEC") in connection with the possible combination. Pfizer and AstraZeneca shareholders should read those filings, and any other filings made by Pfizer with the SEC in connection with the possible combination, as they will contain important information. Those documents, if and when filed, as well as Pfizer's other public filings with the SEC, including the SEC filings referenced above, may be obtained without charge at the SEC's website at www.sec.gov and at Pfizer's website at www.pfizer.com in the "Investors—SEC Filings" section. Certain other materials related to the possible combination will be available at Pfizer's website, pursuant to the requirements of the UK Takeover Code.



Agenda

- **Potential Offer Background & Summary**
- **Pfizer Overview**
- **Potential Pfizer + AstraZeneca Combination**
- **Next Steps**



Prepared Remarks

Ian Read

Chairman and Chief Executive Officer



Potential Offer Background & Summary

Background

- **Pfizer previously submitted a preliminary, non-binding indication of interest to AstraZeneca's Board**
 - In January, Pfizer's proposal included a combination of cash and shares which represented an indicative value of £46.61 (\$76.62) per share (based on Pfizer's closing share price of \$30.52 on January 3, 2014 and the exchange rate of \$1.00:£0.6083). This proposal represented a premium of approximately 30% to AstraZeneca's closing share price of £35.86 on January 3, 2014.
 - Intent to combine both companies under a new UK-incorporated holding company
 - Limited high-level discussions followed
 - AstraZeneca declined to pursue negotiations and discussions were discontinued on January 14, 2014
 - Pfizer attempted to renew discussions on April 26, 2014, but AstraZeneca again declined to engage
- **Pfizer is reconsidering its options with respect to AstraZeneca and seeking to engage in discussions with AstraZeneca regarding a possible merger transaction**
 - In light of recent market developments, Pfizer contacted AstraZeneca seeking to renew discussions in order to develop a proposal that could be recommended by both companies to their shareholders
- **Possible combination could further enhance ability for value creation for shareholders of both companies**
 - Transaction, if proposed and consummated, would allow AstraZeneca shareholders to become significant shareholders in the combined company enabling participation in future potential value creation
- **Possible Transaction would be aligned with Pfizer's strategy**
- **Pfizer will remain disciplined in terms of its approach to capital allocation**

Why This Is The Right Time

- **Pfizer has strong standalone operating and financial momentum**
 - New commercial structure driving strong operating performance, financial focus and a clear vision towards value creation
- **Potential combination with AstraZeneca aligns with Pfizer's operating structure in both the commercial and research organizations**
- **Notable potential opportunities to strengthen research, collaboration and innovation to discover and develop new therapies to better serve patients in need**
- **Envision potential to strengthen further key therapeutic areas such as Cardiovascular, Immunology and Inflammation and Oncology**
- **New commercial structure drives focused business development activity targeted to create value for shareholders**
- **Pfizer in a strong position to make a proposal that delivers:**
 - An attractive premium for AstraZeneca shareholders
 - Improved opportunity for potential sustained future value creation with risk that is more diversified than AstraZeneca's standalone prospects
 - Substantial value to both Pfizer and AstraZeneca shareholders

Why Potential Offer Should Be Highly Compelling for AstraZeneca Shareholders

- **Potential to realize a significant premium**
 - Significant premium to the undisturbed AstraZeneca share price as of April 17, 2014
 - Substantial cash payment
- **Opportunity to share in Pfizer value upside over medium / long-term**
 - Via execution on integration
 - Via a high quality product pipeline
 - Via go-forward capital structure flexibility
- **Strong pro forma financial profile**
 - Significant operating expense leverage across both organizations
 - Enhanced capital flexibility for investment and shareholder returns

Why the Potential Combination Would Bring Benefits to Pfizer

- **Would enable acceleration of our business strategy and strengthen competitive position**
 - Would enhance global offerings for Innovative businesses while also creating a stronger research platform in key areas and increasing new product launch opportunities
 - Would increase global reach and portfolio breadth of Established Pharma business and would have potential to increase strength and consistency of future cashflow generation
 - Stronger Emerging Markets footprint and better ability to bring products to market globally for the benefit of patients and stakeholders
- **Attractive financial profile to drive potential significant value creation for all shareholders**
 - Expected to be accretive to Pfizer's adjusted diluted EPS¹ in the first full year following the combination and to accelerate EPS growth going forward²
 - Anticipated realization of significant synergies
 - Structured to achieve an efficient tax structure for combined operations and capital allocation
- **Expected to generate strong and consistent cash flow supporting both appropriate levels of reinvestment into the business and significant shareholder return**
- **Combination would strengthen both Innovative and Established businesses and improve flexibility to unlock further value in the future**

1) "Adjusted Income" and its components and "Adjusted Diluted Earnings Per Share (EPS)" are defined as reported U.S. generally accepted accounting principles (GAAP) net income and its components and reported diluted EPS excluding purchase accounting adjustments, acquisition-related costs, discontinued operations and certain significant items.

2) *This should not be taken as a statement regarding Pfizer's expectations for its earnings per share for 2014 or subsequent periods. Nothing contained herein shall be deemed to be a forecast, projection or estimate of the future financial performance of Pfizer, AstraZeneca or the combined business following completion of any transaction unless otherwise stated.*



Pfizer Overview

Pfizer Profile

NEARLY

\$52

BILLION

Revenue in 2013

56

manufacturing
sites worldwide (as of
4Q'13)

150

countries
in which Pfizer
sells products

10

products with sales >\$1
billion in 2013

250+

R&D partner institutions

NEARLY

\$18

BILLION

of Cash Flow from
Operations in 2013

Returned

\$53

BILLION

to shareholders through
dividends and share
repurchases in 2011-2013

Approximately

78,600

colleagues around the
globe (as of 3/31/2014)

From Advil to Zithromax...

Our Medicines, Vaccines and Consumer Health Products Help Billions of Patients Every Year



New Commercial Structure

- Announced internal separation of our commercial and management structure into three businesses effective at the start of fiscal 2014

Global Innovative Pharma

Geno Germano, Group President

- Inflammation/Immunology
- CV/Metabolic
- Neuroscience
- Pain
- Rare Diseases
- Men's/Women's Health

Generally includes products that are expected to have exclusivity beyond 2015

Vaccines, Oncology and Consumer Healthcare

Albert Bourla, Group President

- Vaccines
- Oncology
- Consumer Healthcare

Includes businesses with different operating models and distinct specializations

Global Established Pharma

John Young, Group President

- LOE Products
- Biosimilars
- EP/EM Collaborations
 - Mylan in Japan
 - Hisun in China
 - Teuto in Brazil

Includes LOE products and generally the mature patent-protected products that are expected to lose exclusivity through 2015

New Commercial Structure Better Positions Pfizer for Long-Term Success



Proven Track Record of Strong Integration

- **Long history of strong integration of transformational business combinations**
 - Prior examples of Pharmacia and Wyeth
- **Wyeth example of strong cost rationalization experience**
 - Wyeth-related synergy targets of \$4B from the combined companies
 - Exceeded Wyeth synergy targets
- **Best-of-the-best of both organizations**
 - Key senior leadership of Pfizer from legacy Pfizer / Wyeth / other businesses
- **Focus on early integration planning**
 - Quick decision making and broad communication to ensure swift execution – e.g., senior leaders decided within 3 months of Wyeth integration planning

Extensive integration experience to help drive shareholder value creation



Potential Pfizer + AstraZeneca Combination

Strategic Rationale for Combination of Pfizer and AstraZeneca

Innovative Businesses

- ✓ Expect positive growth driven by leading Innovative businesses operating at a global scale
- ✓ Complementary strategic fit across multiple key therapeutic areas with enhanced global offerings
- ✓ Steady stream of potential new product launches anticipated over coming years
- ✓ Strong combined R&D organization and pipeline to support growth

Established Pharma Business

- ✓ Increased scale and portfolio breadth of combined Established business to maximize potential of portfolios
- ✓ Would improve strength and consistency of cashflow generation
- ✓ More attractive profile and flexibility for any future business options
- ✓ Strong global footprint and enhanced opportunities in developing markets

Strong pro-forma company profile — anticipate positive growth and sustainable cashflows to optimize portfolios and return capital to shareholders

Strategic Rationale

Complementary Innovative Portfolios

Global Innovative Pharma (GIP)		
	Pfizer	AstraZeneca
Inflammation & Immunology	Xeljanz Enbrel	<i>Lesinurad</i> <i>Brodalumab</i>
Cardiovascular / Metabolics	Eliquis Chantix <i>PCSK9</i>	<i>Brilinta</i> <i>Onglyza</i> <i>Bydureon</i> <i>Forxiga</i> <i>Myalept</i> <i>Epanova</i> <i>Roxadustat</i>
Neuro / Pain	Lyrica (ex-EU) Embeda Flector Remoxy ALO-02	<i>Naloxegol</i>
Rare Diseases & Other Specialty Care	Genotropin Benefix Refacto Rebif Rapamune Elelyso	<i>Synagis</i>
Women's & Men's Health	Viagra (US) Duavee Toviaz Viviant	

Vaccines, Oncology, Consumer Health (VOC)		
	Pfizer	AstraZeneca
Vaccines	Prevnar <i>MnB vaccine</i>	<i>FluMist</i> <i>FluMist-Quadrivalent</i>
Oncology	Sutent Xalkori Inlyta Bosulif Torisel <i>Palbociclib</i>	<i>Faslodex</i> <i>Iressa</i> <i>Caprelsa</i> <i>Moxetumomab</i> <i>Olaparib</i> <i>Selumetinib</i> <i>AZD-9291</i>
Consumer Health	Advil Caltrate Centrum ChapStick Emergen-C Imedeen Nexium OTC Robitussin	

- Complementary attractive portfolios across multiple key therapeutic areas
- Innovative leadership at a global scale
- Strong combined Oncology, Vaccines and Specialty segments with greater critical mass
- Exciting combined Cardiovascular and Immunology/Inflammation franchises
- Complementary fit for Diabetes franchise with Pfizer primary care strength

Note: Phase 3 and registration programs in *italics*; Only includes select commercial and development programs; Excludes respiratory and infectious disease assets (included as part of GEP)

Innovative biopharma leadership – driving strong potential value creation

Strategic Rationale

Complementary Innovative Pipelines, Strengthens Key TAs

Global Innovative Pharma (GIP)		
	<i>Pfizer</i>	<i>AstraZeneca</i>
Inflammation & Immunology	PD-0360324	<i>Brodalumab</i>
	PF-00547659	<i>Lesinurad</i>
	PF-04171327	<i>Mavrilimumab</i>
	PF-04236921	<i>MEDI-2070</i>
	PF-05285401	<i>MEDI-546</i>
	PF-06473871	<i>MEDI-7183</i>
	PH-797804	<i>Sifalimumab</i> <i>RDEA3170</i>
Cardiovascular / Metabolics	<i>Bococizumab</i>	<i>Epanova</i>
	PF-00489791	<i>Roxadustat</i>
	PF-04634817	<i>AZD-1722</i>
	PF-04937319	<i>AZD-4901</i>
	PF-05175157	
Neuro / Pain	<i>Remoxy</i>	<i>Naloxegol</i>
	<i>ALO-02</i>	<i>AZD-3241</i>
	<i>Tanezumab</i>	<i>AZD-5213</i>
	PF-02545920	
	PF-04360365	
	PF-05212377	
Rare Diseases & Other Specialty Care	<i>Tafamidis</i>	<i>AZD-5847</i>
	<i>Rivipansel</i>	

Vaccines, Oncology, Consumer Health (VOC)		
	<i>Pfizer</i>	<i>AstraZeneca</i>
Vaccines	<i>MnB vaccine</i> <i>Staph A vaccine</i>	
Oncology	<i>Palbociclib</i>	<i>Moxetumomab</i>
	PF-03446962	<i>Olaparib</i>
	PF-05212384	<i>Selumetinib</i>
	PF-04449913	<i>AZD-9291</i>
	PD-0325901	<i>Tremelimumab</i>
	PF-03084014	<i>AZD-4547</i>
	PF-05082566	<i>MEDI-551</i>
	PF-06263507	<i>AZD-1775</i>
	PF-0643922	<i>MEDI-4736</i>
		<i>AMP-514</i>
		<i>MEDI-6469</i>
		<i>AZD-5363</i>
		<i>AZD-2014</i> <i>MEDI-573</i>

- Strong combined pipeline driving potential innovative growth
- Diversifies risk away from individual binary events
- Limits future need to go outside organization to augment pipeline
- Steady stream of anticipated innovative new product launches
- Potentially synergistic in key areas such as Oncology, CV/Metabolics

Note: Phase 3 and registration programs in *italics*; Only includes select development programs; Excludes respiratory and infectious disease assets (included as part of GEP)

Exciting combined pipeline with potential clinical synergies

Strategic Rationale

Complementary Established Portfolios

Global Established Products (GEP)		
	<i>Pfizer</i>	<i>AstraZeneca</i>
Primary & Specialty Care Assets	Lipitor, Celebrex, Viagra (ex-US), Revatio, Lyrica (EU), Pristiq, Aricept, Spiriva, Caduet, Detrol, Inspira, Vfend, Zyvox, Tygacil, Xalabrand, Geodon, EpiPen, Premarin	Symbicort, Pulmicort, Crestor, Seroquel XR, Zoladex, Arimidex, Casodex, Merrem, Zinforo
Biosimilars	Monoclonal antibodies	
Growth initiatives / Pipeline	Solid Oral Dose, Sterile Injectibles, Branded Value Offering (Hisun, Teuto, Mylan) Quillivant	<i>Benralizumab</i> , <i>Talokinumab</i> , <i>PT003 / PT001</i> , <i>CAZ-AVI</i> , <i>CXL</i> , Other Respiratory Pipeline
Legacy Brands	Norvasc, Cardura, Zolof, Neurontin, Camptosar, Aromasin, Medrol, Sulperazon, Sermion, Ativan, Protonix, Effexor, Xanax, etc	Prilosec, Atacand, Toprol, Seloken, Seroquel, Nexium

Scale and Breadth to Maximize Potential of Established Portfolios

- Increased critical mass for market access and cost efficiencies
- Enhanced presence and infrastructure across emerging markets
- Development and regulatory capabilities to unlock opportunities for product lifecycle
- Rapid response distribution and reliable supply of high quality, competitive cost products
- Strong cashflow anticipated for reinvestment as well as return of capital to shareholders
- Sustainable franchises and potential growth opportunities to maintain strong cashflow profile
- Flexibility to invest in pipeline across primary care, specialty, biosimilars

Note: Phase 3 and registration programs in *italics*; Only includes select commercial and development programs

Maximizing the potential of mature product portfolios — strong and sustainable cashflows, well-positioned for future business options



Next Steps

Next Steps

- **Pfizer would like to negotiate a possible combination on a friendly basis**
 - Hope to continue discussions with AstraZeneca
 - Begin engagement with other key stakeholders of both companies
- **UK Takeover Code provides 28 day window after today's announcement**
 - Pfizer may either announce a firm offer or confirm that it will not be making an offer
 - Deadline can be extended with the agreement of AstraZeneca and with Takeover Panel consent
 - If Pfizer announces a firm offer, Pfizer would move ahead with its offer and need to obtain appropriate regulatory consents and shareholder approvals
- **Continue to be focused on Pfizer shareholder value creation and will be highly disciplined on price**



Q&A Session
April 28, 2014
