Second Quarter 2014 Earnings Teleconference

July 29, 2014

Introduction

Chuck Triano

Senior Vice President,
Investor Relations

Second Quarter 2014 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 2013 Annual Report on Form 10-K and in our subsequent reports on Form 10-Q and Form 8-K.
- 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 July 29, 2014.
- 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

Second Quarter 2014 Earnings

CEO Perspectives

- We achieved strong operational growth this quarter in a number of areas
  - Lyrica in developed markets, Prevnar in the U.S. and in emerging markets and Celebrex worldwide
  - Recently launched products, including Eliquis, Xeljanz, Xalkori and Inlyta
  - Our consumer business, driven by the launch of Nexium 24HR in the U.S.
  - Emerging markets, driven by China, Venezuela, Argentina and Brazil
- Each of our businesses is performing well despite ongoing losses of exclusivity, pricing pressures and changing market dynamics
  - 1H 2014 revenues negatively impacted by $1.7B due to LOEs and certain co-promotion expirations
  - All other revenues from 1H 2014 grew 3% operationally
- We remain encouraged by key pipeline developments
  - Expect to complete our New Drug Application submission with the FDA for palbociclib in August 2014
  - Submitted a Biologics License Application to the FDA for our meningitis B vaccine candidate
  - Look forward to the ACIP's vote on August 13 regarding a potential expanded recommendation for Prevnar 13 use in adults
- We will continue to evaluate business development opportunities, regardless of size, through the lens of value creation and enhancing the competitiveness of our business
  - Recently announced acquisitions and collaborations are great examples of enablers of our strategy

We Remain Committed to Advancing Innovative New Therapies, Prudently Managing Capital and Creating a Culture of Ownership

Financial Review

Frank D'Amelio

Executive Vice President &
Chief Financial Officer

Second Quarter 2014 Earnings

Income Statement Highlights

($ Millions, Except Per Share Amounts and Percentages)

	Second Quarter		
	2014	2013	Change
Reported Revenues[(1)]	$12,773	$12,973	(2%)
Adjusted Income[(2)]	3,769	4,003	(6%)
Adjusted Diluted EPS[(2)]	0.58	0.56	4%
Reported Net Income[(1)]	2,912	14,095	(79%)
Reported Diluted EPS[(1)]	0.45	1.98	(77%)

Reported Results Unfavorably Impacted by Lower Income from Discontinued Operations, the Non-Recurrence of Patent Litigation Settlement Income, Certain Product LOEs and Co-Promotion Term Expirations; Favorably Impacted by Lower Acquisition-Related Costs, Purchase Accounting Adjustments, Asset Impairment Charges and Effective Tax Rate as well as Fewer Shares Outstanding

(1) Reported Revenues is defined as revenues, Reported Net Income is defined as Net Income attributable to Pfizer Inc., and Reported Diluted EPS is defined as Reported Diluted EPS attributable to Pfizer Inc. common shareholders, all in accordance with U.S. GAAP.

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

Impact of Foreign Exchange on Adjusted Income[(1)] Components

($ Millions, Except Percentages)
Favorable / (Unfavorable)

	Second Quarter			
	2014	2013	FX Impact	
Revenues[(1)]	**$12,702**	**$12,973**	**($87)** ↓	**(1%)**
Cost of Sales[(1)]	2,320	2,194	(1) ↑	—
SI&A Expenses[(1)]	3,486	3,550	25 ↓	1%
R&D Expenses[(1)]	1,714	1,521	(6) ↑	—
Total	**$7,520**	**$7,265**	**$18** ↓	**—**

Foreign Exchange Negatively Impacted Adjusted Diluted EPS[(1)] by ~$0.01 Compared to the Year-Ago Quarter

(1) See slide 7 for definition.

Global Innovative Pharmaceutical (GIP) Selected Financial Highlights

($ Millions, Except Percentages)

	Second Quarter			
	2014	2013	% Change	
			Total	Oper.
Revenues	$3,547	$3,726	(5%)	(5%)
Cost of sales	475	438	8%	5%
SI&A expenses	929	824	13%	13%
R&D expenses	372	263	41%	41%
IBT[(1)]	2,009	2,320	(13%)	(12%)
	As a % of Revenues		Percentage Point Change	
Cost of sales	13.4%	11.8%	1.6 ppts	1.2 ppts
SI&A expenses	26.2%	22.1%	4.1 ppts	4.1 ppts
R&D expenses	10.5%	7.1%	3.4 ppts	3.4 ppts
IBT[(1)]	56.6%	62.3%	(5.7) ppts	(5.2) ppts

(1) IBT represents income from continuing operations before provision for taxes on income.

- Q2 2014 revenues decreased 5% operationally to $3,547M vs. Q2 2013
  - LOEs and the loss of Enbrel alliance revenues negatively impacted revenues by $459M; All other revenues grew 9% operationally
- Cost of sales increased operationally by 5% and 1.2 percentage points (ppts) as a % of revenues
  - Loss of Enbrel alliance revenues in Q2 2014 negatively impacted cost of sales as a % of revenues by 1.5 ppts operationally
- SI&A expenses increased 13% operationally
  - Reflects additional investment in new products and in-line brands such as Lyrica and Viagra
- R&D expenses increased 41% operationally
  - Reflects incremental investment in late-stage pipeline products; primarily bococizumab, ertugloflozin and additional Xeljanz indications

Global Vaccines, Oncology and Consumer Healthcare (VOC) Selected Financial Highlights

($ Millions, Except Percentages)

	Second Quarter			
	2014	2013	% Change	
			Total	Oper.
Revenues	$2,579	$2,263	14%	15%
Cost of sales	519	422	23%	23%
SI&A expenses	656	563	17%	18%
R&D expenses	251	216	16%	16%
IBT[(1)]	1,157	1,063	9%	10%
	As a % of Revenues		Percentage Point Change	
Cost of sales	20.1%	18.6%	1.5 ppts	1.3 ppts
SI&A expenses	25.4%	24.9%	0.5 ppts	0.6 ppts
R&D expenses	9.7%	9.5%	0.2 ppts	0.2 ppts
IBT[(1)]	44.9%	47.0%	(2.1 ppts)	(2.0 ppts)

(1) See slide 9 for definition.

- Q2 2014 revenues increased 15% operationally to $2,579M vs. Q2 2013
  - Driven by strong operational growth of Prevnar, Nexium 24HR, Xalkori and Inlyta
- Cost of sales increased operationally by 23% and 1.3 percentage points (ppts) as a % of revenues
  - Driven primarily by increased sales volumes and an unfavorable change in product mix
- SI&A expenses increased 18% operationally
  - Driven primarily by launch costs associated with Nexium 24HR as well as pre-launch expenses incurred for palbociclib and our meningitis B vaccine candidate
- R&D expenses increased 16% operationally
  - Reflects costs incurred to support the acceleration of the meningitis B vaccine and the palbociclib development programs

Global Established Pharmaceutical (GEP) Selected Financial Highlights

($ Millions, Except Percentages)

	Second Quarter			
	2014	2013	% Change	
			Total	Oper.
Revenues	$6,513	$6,921	(6%)	(5%)
Cost of sales	1,169	1,160	1%	—
SI&A expenses	1,028	1,157	(11%)	(10%)
R&D expenses	151	183	(17%)	(16%)
IBT[(1)]	4,176	4,409	(5%)	(4%)
	As a % of Revenues		Percentage Point Change	
Cost of sales	17.9%	16.8%	1.1 ppts	0.8 ppts
SI&A expenses	15.8%	16.7%	(0.9) ppts	(0.8) ppts
R&D expenses	2.3%	2.6%	(0.3) ppts	(0.3) ppts
IBT[(1)]	64.1%	63.7%	0.4 ppts	0.8 ppts

(1) See slide 9 for definition.

- Q2 2014 revenues declined 5% operationally to $6,513M vs. Q2 2013
  - LOEs, the loss of alliance revenues and Lipitor in developed markets negatively impacted revenues by $395M operationally; All other revenues grew 1% operationally
- Cost of sales remained flat operationally
  - Cost of sales as a % of revenues increased 0.8 percentage points (ppts) operationally, primarily reflecting the impact of LOEs and an unfavorable change in product mix
- SI&A expenses decreased 10% operationally
  - Driven by lower expenses for field force and administration
- R&D expenses declined 16% operationally
  - Driven by lower operating expenses, partially offset by increased spending on biosimilar development programs

2014 Adjusted Financial Guidance[1][2][3]

Adjusted Revenues[4]	$48.7 to $50.7 billion *(previously $49.2 to $51.2 billion)*
Adjusted Cost of Sales[4] as a % of Adjusted Revenues[4]	19.0% to 20.0%
Adjusted SI&A Expenses[4]	$13.3 to $14.3 billion *(previously $13.5 to $14.5 billion)*
Adjusted R&D Expenses[4]	$6.7 to $7.2 billion *(previously $6.4 to $6.9 billion)*
Adjusted Other (Income) / Deductions[4]	Approximately ($200 million) of income *(previously approx. $100 million of deductions)*
Effective Tax Rate on Adjusted Income[4]	Approximately 27.0%
Reported Diluted EPS[4]	$1.47 to $1.62 *(previously $1.57 to $1.72)*
Adjusted Diluted EPS[4]	$2.20 to $2.30

Reaffirmed Adjusted Diluted EPS[4] Guidance, Absorbing ~$0.05 Anticipated Negative Impact from Expected Multi-Source Generic Competition for Celebrex in December 2014 and ~$0.01 Negative Impact from the Planned Upfront R&D Payment for the Cellectis Collaboration

[1] Assumed exchange rates are a blend of the actual exchange rates in effect through June 29, 2014 and the mid-July 2014 exchange rates for the remainder of the year. [2] Does not assume the completion of any business development transactions not completed as of June 29, 2014, including any one-time upfront payments associated with such transactions, except for the planned $80 million upfront payment to Cellectis, and excludes the potential effects of the resolution of litigation-related matters not substantially resolved as of June 29, 2014. Revenues and cost of sales from the transitional manufacturing and supply agreements with Zoetis have been excluded from the applicable Adjusted components of the financial guidance. Reported and Adjusted Diluted EPS[4] guidance assumes diluted weighted-average shares outstanding of ~6.4 billion shares. [3] Information about our 2014 Reported Diluted EPS[4] guidance is available in the earnings press release issued on July 29, 2014. [4] See slide 7 for definition.

Key Takeaways

- Achieved solid Q2 2014 financial performance
- Reaffirmed 2014 adjusted diluted EPS[(1)] guidance, absorbing a ~$0.05 anticipated negative impact from multi-source generic competition for Celebrex in the U.S. in December 2014 and a ~$0.01 negative impact from the planned upfront payment to Cellectis
  - Updated certain components of our 2014 financial guidance
- Accomplished several key R&D milestones in Q2 2014
  - Initiated in June 2014 a rolling submission of a New Drug Application (NDA) to the FDA seeking approval for palbociclib; expect to complete NDA submission in August 2014
  - Submitted a Biologics License Application to the FDA for our meningitis B vaccine in June 2014
  - Discussed a potential expanded recommendation for Prevnar 13 for use in adults with the ACIP at its June meeting; ACIP's decision on a recommendation is expected on August 13
- Announced attractive business development opportunities expected to strengthen our position in several key strategic areas
- Continued to create shareholder value through prudent capital allocation
  - Repurchased ~$2.9 billion, or ~95.1 million shares, to date in 2014
  - Continue to expect to repurchase ~$5.0 billion of our common stock this year

Remain Committed to Delivering Attractive Shareholder Returns in 2014 and Beyond

(1) See slide 7 for definition.

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Q&A Session

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