Second Quarter 2015 Earnings Teleconference

July 28, 2015

Introduction

Chuck Triano

Senior Vice President,
Investor Relations

Second Quarter 2015 Earnings

Forward-Looking Statements and Non-GAAP Financial Information

- Our discussions during this conference call will include forward-looking statements about, among other things, our anticipated future operating and financial performance, business plans and prospects, in-line products and product candidates, strategic reviews, capital allocation, business-development plans and plans relating to share repurchases and dividends that are subject to substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Additional information regarding these factors can be found in Pfizer's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and in our subsequent reports on Form 10-Q, including in the sections thereof captioned "Risk Factors" and "Forward-Looking Information and Factors That May Affect Future Results", as well as in our subsequent reports on Form 8-K, all of which are filed with the SEC and available at www.sec.gov and www.pfizer.com. The forward-looking statements in this presentation speak only as of the original date of this presentation and we undertake no obligation to update or revise any of these statements.

- 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 Pfizer's Current Report on Form 8-K dated July 28, 2015. Any non-U.S. GAAP financial measures presented are not, and should not be viewed as, substitutes for financial measures required by U.S. GAAP, have no standardized meaning prescribed by U.S. GAAP and may not be comparable to the calculation of similar measures of other companies.

Opening Remarks

Ian Read
Chairman and Chief Executive Officer

Second Quarter 2015 Earnings

CEO Perspectives

- We achieved another quarter of strong operational performance
  - We continue to see solid revenue growth from newer products (Eliquis, Prevnar 13 Adult and Ibrance) as well as several key in-line products (Lyrica, Sutent, Xalkori and Inlyta)
- We are focusing our resources on areas where we see the largest potential benefit to patients
  - Immuno-oncology, with a broad portfolio of assets in clinical development this year
  - Cardiovascular, with bococizumab and ertugliflozin currently in Phase 3 trials
  - Vaccines, with our investigational *S. aureus* and *C. difficile* vaccines
  - Immunology, with our NDA for Xeljanz once-daily currently being reviewed by the FDA
  - Rare diseases, with rivipansel in a Phase 3 trial for the treatment of vaso-occlusive crisis
  - Biosimilars, with five mono-clonal assets currently in Phase 3 development
  - Sterile injectables, with the pending addition of Hospira's assets to our branded portfolio
- Business development remains an enabler of our strategy and not a strategy on its own
  - We are looking at business development as a way to invest in sustained future growth while we await our next wave of potential major product registrations and launches

We Remain Focused on Further Strengthening Both our Innovative and Established Businesses to Best Position Them for Long-Term Success

Financial Review

Frank D'Amelio

Executive Vice President &
Chief Financial Officer

Second Quarter 2015 Earnings

Income Statement Highlights

($ Millions, Except Per Share Amounts and Percentages)

	Second Quarter		
	2015	2014	Change
Reported Revenues[1]	$11,853	$12,773	(7%)
Adjusted Income[2]	3,525	3,769	(6%)
Adjusted Diluted EPS[2]	0.56	0.58	(3%)
Reported Net Income[1]	2,626	2,912	(10%)
Reported Diluted EPS[1]	0.42	0.45	(7%)

Reported Results Unfavorably Impacted Primarily by Foreign Exchange, Losses of Exclusivity of Certain Products and Higher SI&A Expenses on an Operational Basis; Favorably Impacted Primarily by Revenue Growth of Certain New and In-line Products, Lower Purchase Accounting Charges, a Lower Tax Rate and Fewer Shares Outstanding

(1) Reported revenues is defined as revenues in accordance with U.S. generally accepted accounting principles (GAAP). Reported net income is defined as net income attributable to Pfizer Inc. in accordance with U.S. GAAP. Reported diluted earnings per share (EPS) is defined as reported diluted EPS attributable to Pfizer Inc. common shareholders 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 Revenues[(1)] and Select Adjusted Income[(1)] Components

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

	Second Quarter			
	2015	2014	FX Impact	
Reported Revenues[(1)]	**$11,853**	**$12,773**	**($1,045)**	**(8%)**
Cost of Sales[(1)]	2,123	2,320	255	11%
SI&A Expenses[(1)]	3,372	3,486	229	7%
R&D Expenses[(1)]	1,732	1,714	34	2%
Total[(2)]	**$7,226**	**$7,520**	**$518**	**7%**

Foreign Exchange Had a ~$0.06 Negative Impact on Adjusted Diluted EPS[(1)] Compared to the Year-Ago Quarter

(1) See slide 7 for definition.
(2) Totals may not add due to rounding.

Global Innovative Pharmaceutical (GIP) Selected Financial Highlights

($ Millions, Except Percentages)

	Second Quarter			
	2015	2014	% Change	
			Total	Oper.
Revenues	$3,497	$3,547	(1%)	8%
Cost of sales	385	475	(19%)	(2%)
SI&A expenses	920	929	(1%)	6%
R&D expenses	442	372	19%	21%
IBT[(1)]	2,013	2,009	—	9%
	As a % of Revenues		Percentage Point Change	
Cost of sales	11.0%	13.4%	(2.4) ppts	(1.2) ppt
SI&A expenses	26.3%	26.2%	0.1 ppts	(0.4) ppt
R&D expenses	12.6%	10.5%	2.1 ppts	1.3 ppts
IBT[(1)]	57.6%	56.6%	0.9 ppts	0.6 ppts

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

- Q2 2015 revenues increased 8% operationally to $3,497M vs. Q2 2014
  - Driven primarily by operational growth of Eliquis globally, Xeljanz and Viagra in the U.S. and Lyrica in the U.S. and Japan, partially offset by declines of Rapamune and BeneFIX in the U.S.
- Cost of sales decreased 2% operationally; Cost of sales as a % of revenues decreased 1.2 percentage points (ppts) operationally
  - Operational decrease in cost of sales as a % of revenue was driven by lower royalty expenses as well as increased alliance revenues, which have no associated cost of sales
- SI&A expenses increased 6% operationally
  - Reflects additional investment in recently launched products and certain in-line products
- R&D expenses increased 21% operationally
  - Reflects investment in the late-stage pipeline, primarily bococizumab, partially offset by lower clinical trial expenses as a result of the completion of certain postmarketing commitments

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

($ Millions, Except Percentages)

	Second Quarter			
	2015	2014	% Change	
			Total	Oper.
Revenues	$3,133	$2,579	21%	29%
Cost of sales	552	519	6%	22%
SI&A expenses	699	656	6%	15%
R&D expenses	204	251	(19%)	(16%)
IBT[(1)]	1,678	1,157	45%	51%
	As a % of Revenues		Percentage Point Change	
Cost of sales	17.6%	20.1%	(2.5) ppts	(1.2) ppts
SI&A expenses	22.3%	25.5%	(3.1) ppts	(2.8) ppts
R&D expenses	6.5%	9.7%	(3.2) ppts	(3.4) ppts
IBT[(1)]	53.6%	44.8%	8.7 ppts	7.4 ppts

- Q2 2015 revenues increased 29% operationally to $3,133M vs. Q2 2014
  - Primarily driven by continued uptake of Prevnar 13 in adults as well as strong momentum following the U.S. launch of Ibrance
- Cost of sales increased 22% operationally; Cost of sales as a % of revenues decreased 1.2 percentage points (ppts) operationally
  - Operational decrease in cost of sales as a % of revenue was driven primarily by manufacturing efficiencies and a favorable change in product mix
- SI&A expenses increased 15% operationally
  - Driven primarily by promotional expenses for Prevnar 13 adult and launch expenses for Ibrance
- R&D expenses decreased 16% operationally
  - Primarily reflects lower clinical trial spend for Trumenba, Prevnar 13 adult and certain oncology products, partially offset by increased costs for our vaccine and oncology programs, primarily our anti-PD-L1 alliance with Merck KGaA

(1) See slide 9 for definition.

Global Established Pharmaceutical (GEP) Selected Financial Highlights

($ Millions, Except Percentages)

	Second Quarter			
	2015	2014	% Change	
			Total	Oper.
Revenues	$5,090	$6,513	(22%)	(14%)
Cost of sales	942	1,169	(19%)	(7%)
SI&A expenses	840	1,028	(18%)	(11%)
R&D expenses	151	151	—	3%
IBT[(1)]	3,177	4,176	(24%)	(17%)
	As a % of Revenues		Percentage Point Change	
Cost of sales	18.5%	18.0%	0.5 ppts	1.5 ppts
SI&A expenses	16.5%	15.8%	0.7 ppts	0.6 ppts
R&D expenses	3.0%	2.3%	0.6 ppts	0.5 ppts
IBT[(1)]	62.4%	64.1%	(1.7) ppts	(2.5) ppts

(1) See slide 9 for definition.

- Q2 2015 revenues declined 14% operationally to $5,090M vs. Q2 2014
  - Primarily driven by LOEs of Celebrex and Zyvox in the U.S. and Lyrica in certain EU markets, as well as continued generic competition for Lipitor in developed markets, partially offset by 2% operational growth in emerging markets
- Cost of sales decreased 7% operationally; Cost of sales as a % of revenues increased 1.5 percentage points (ppts) operationally
  - Operational increase in cost of sales as a % of revenues primarily due to the impact of LOEs resulting in an unfavorable change in product mix
- SI&A expenses decreased 11% operationally
  - Reflects lower field force, advertising and promotional expenses reflecting the benefits of cost-reduction and productivity initiatives
- R&D expenses increased 3% operationally
  - Reflects increased costs for biosimilar and sterile injectable development programs, largely offset by lower postmarketing clinical trial expenses

2015 Financial Guidance[(1)(2)]

Reported Revenues[(3)]	$45.0 to $46.0 billion *(previously $44.0 to $46.0 billion)*
Adjusted Cost of Sales[(3)] as a % of Reported Revenues[(3)]	18.0% to 18.5% *(previously 18.5% to 19.5%)*
Adjusted SI&A Expenses[(3)]	$12.8 to $13.8 billion
Adjusted R&D Expenses[(3)]	$7.3 to $7.6 billion *(previously $6.9 to $7.4 billion)*
Adjusted Other (Income) / Deductions[(3)]	Approximately ($500 million) of income
Effective Tax Rate on Adjusted Income[(3)]	Approximately 25.0%
Reported Diluted EPS[(3)]	$1.38 to $1.47 *(previously $1.32 to $1.47)*
Adjusted Diluted EPS[(3)]	$2.01 to $2.07 *(previously $1.95 to $2.05)*

Updated Components of 2015 Financial Guidance to Reflect Strong Operational Performance to Date and an Improved Outlook for the Remainder of the Year

(1) Exchange rates assumed are a blend of the actual exchange rates in effect through second-quarter 2015 and the mid-July 2015 exchange rates for the remainder of the year. Excludes the impact of a potential devaluation of the Venezuelan bolivar. (2) Does not assume the completion of any business development transactions not completed as of June 28, 2015, including any one-time upfront payments associated with such transactions. 2015 financial guidance does not reflect any impact from the pending acquisition of Hospira. Excludes the potential effects of the resolution of litigation-related matters not substantially resolved as of June 28, 2015. Guidance for Reported Revenues[(3)] reflects the anticipated negative impact of $3.4 billion due to recent and expected generic competition for certain products that have recently lost or are anticipated to soon lose patent protection, partially offset by anticipated revenue growth from certain other products. Reported and Adjusted Diluted EPS[(3)] guidance assumes diluted weighted-average shares outstanding of ~6.25 billion shares. Guidance for the effective tax rate on adjusted income[(3)] does not assume the renewal of the U.S. research and development tax credit. (3) See slide 7 for definition.

Key Takeaways

- Achieved solid Q2 2015 financial performance, with our third consecutive quarter of operational revenue growth, despite significant negative impacts from product LOEs
  - Primarily driven by the strong performance of Prevnar 13 in adults, Eliquis, Ibrance and Xeljanz, all of which are early in their life cycles
- Raised the midpoints of our 2015 revenue and EPS guidance ranges to reflect our strong operational performance to date and improved outlook for the remainder of the year
  - Changes in FX rates since mid-April 2015 did not materially impact our latest guidance
- Accomplished several key R&D milestones since our previous quarterly update
  - FDA accepted for review our NDA for Xeljanz once daily; anticipated PDUFA date in February 2016
  - Presented data from our immuno-oncology portfolio at ASCO including 10 abstracts on avelumab with our partner Merck KGaA, as well as results from a Phase 1 study of our anti-4-1BB antibody
- Continued to create shareholder value through prudent capital allocation
  - Returned $9.6 billion to shareholders through dividends and share repurchases to date in 2015
  - Continue to expect to return ~$13 billion to shareholders in 2015 through dividends and repurchases

Remain Committed to Delivering Attractive Shareholder Returns in 2015 and Beyond

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Q&A Session

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