Second Quarter 2016

Earnings Teleconference

August 2, 2016

Introduction

Chuck Triano
Senior Vice President,
Investor Relations

Second Quarter 2016 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, the benefits expected from our recent acquisitions of Hospira and Anacor, 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, 2015, 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 U.S. Securities and Exchange Commission 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 August 2, 2016. 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

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CEO Perspectives

- Strong Pfizer standalone financial performance in the first half of 2016 has been driven by new products in addition to patent protected products that are later in their life cycles, as well as operational growth in emerging markets
- We have evolved our operating model into two distinct businesses, both of which are operating well
  - Pfizer Innovative Health
    - Core brands are showing strength: Ibrance, Eliquis, Xeljanz, Lyrica and Chantix
    - Closed the acquisition of Anacor Pharmaceuticals this quarter
    - Significant late-stage pipeline opportunities remain in immuno-oncology, CV/met, vaccines, inflammation and immunology, rare disease, neuroscience and pain
  - Pfizer Essential Health
    - Moving toward revenue stabilization; nearly flat operationally (excl. Hospira) in 1H 2016
    - We are the worldwide leader in biosimilars and we continue to invest in that business
    - Objective remains to generate modest, but sustainable, revenue growth
- We are assessing the merits of a potential separation and expect to arrive at a decision no later than the end of this year

We Have Positive Momentum Positioning Us to Deliver Solid Performance for the Remainder of the Year

Financial Review

Frank D'Amelio
Executive Vice President &
Chief Financial Officer

Second Quarter 2016 Earnings

Income Statement Highlights

($ Millions, Except Per Share Amounts and Percentages)

	Second Quarter		
	2016	2015	Change
Revenues	$13,147	$11,853	11%
Reported Net Income[1]	2,019	2,626	(23%)
Reported Diluted EPS[1]	0.33	0.42	(21%)
Adjusted Income[2]	3,901	3,525	11%
Adjusted Diluted EPS[2]	0.64	0.56	14%

Q2 2016 Reported Results Unfavorably Impacted Primarily by Higher Asset Impairment Charges, Foreign Exchange Impacts Including the Venezuelan Bolivar, Product LOEs, Higher Legal Charges and the Allergan Termination Fee; Favorably Impacted Primarily by Revenue Growth from Certain New, In-line and Acquired Products and a Lower Effective Tax Rate

(1) 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 U.S. GAAP net income[1] and its components and reported diluted EPS[1] excluding purchase accounting adjustments, acquisition-related costs, discontinued operations and certain significant items (some of which may recur, such as restructuring or legal charges, but which management does not believe are reflective of our ongoing core operations). Adjusted cost of sales, Adjusted selling, informational and administrative (SI&A) expenses, Adjusted research and development (R&D) expenses and Adjusted other (income)/deductions are income statement line items prepared on the same basis as, and therefore components of, the overall Adjusted income measure.

Impact of Foreign Exchange on Revenues and Select Adjusted Income[1] Components

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

	Second Quarter			
	2016	2015	FX Impact	
Revenues	**$13,147**	**$11,853**	**($302)**	**(3%)**
Adjusted Cost of Sales[1]	3,062	2,123	(191)	(9%)
Adjusted SI&A Expenses[1]	3,443	3,372	83	2%
Adjusted R&D Expenses[1]	1,740	1,732	2	—
Total Adjusted Costs & Expenses[2]	**$8,246**	**$7,226**	**($106)**	**(1%)**

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.

2016 Financial Guidance[1][2]

Revenues	$51.0 to $53.0 billion
Adjusted Cost of Sales[3] as a % of Revenues	21.0% to 22.0%
Adjusted SI&A Expenses[3]	$13.7 to $14.7 billion
Adjusted R&D Expenses[3]	$7.4 to $7.8 billion
Adjusted Other (Income) / Deductions[3]	Approximately ($500 million) of income
Effective Tax Rate on Adjusted Income[3]	Approximately 24.0%
Adjusted Diluted EPS[3]	$2.38 to $2.48

Reaffirmed All Above Components of 2016 Financial Guidance

[1] Exchange rates assumed are a blend of the actual exchange rates in effect through second-quarter 2016 and mid-July 2016 exchange rates for the remainder of the year. [2] Pfizer does not provide guidance for GAAP Reported financial measures (other than Revenues) or a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable GAAP Reported financial measures on a forward-looking basis because it is unable to predict with reasonable certainty the ultimate outcome of pending litigation, unusual gains and losses, acquisition-related expenses and potential future asset impairments without unreasonable effort. These items are uncertain, depend on various factors, and could have a material impact on GAAP Reported results for the guidance period. Does not assume the completion of any business development transactions not completed as of July 3, 2016, including any one-time upfront payments associated with such transactions. Guidance for Revenues reflects the anticipated negative impact of $2.3 billion due to recent and expected generic competition for certain products that have recently lost or are anticipated to soon lose patent protection. Guidance for 2016 revenues also reflects the anticipated negative impact of $1.4 billion as a result of unfavorable changes in foreign exchange rates relative to the U.S. dollar compared to foreign exchange rates from 2015, including $0.8 billion due to the estimated significant negative currency impact related to Venezuela. The anticipated negative impact on adjusted diluted EPS[3] resulting from unfavorable changes in foreign exchange rates compared to foreign exchange rates from 2015 is approximately $0.10, including $0.07 due to the estimated significant negative currency impact related to Venezuela. Adjusted Diluted EPS[3] guidance assumes diluted weighted-average shares outstanding of ~6.2 billion shares. [3] See slide 7 for definition.

Key Takeaways

- Achieved another strong quarter of Pfizer operational revenue growth, primarily driven by:
  - A $1.1 billion contribution from the legacy Hospira business, as well as the solid performance of Ibrance, Eliquis, Xeljanz, & Lyrica
- Reaffirmed 2016 revenue and adjusted diluted EPS financial guidance reflecting our strong performance to date and continued confidence in the business going forward
- Completed the acquisition of Anacor Pharmaceuticals
- Accomplished several product and pipeline milestones since our previous quarterly update
  - Presented positive final results from PALOMA-2, the confirmatory Phase 3 trial of Ibrance in first-line treatment of post-menopausal women with ER+, HER2- advanced or metastatic breast cancer
  - Announced positive top-line results from a Phase 3 study of Xeljanz as a maintenance treatment for ulcerative colitis in adults, as well as positive top-line results from a second Phase 3 study of Xeljanz for psoriatic arthritis in adults
  - Announced with our partner, Merck, that two Phase 3 studies of ertugliflozin, an investigational SGLT-2 inhibitor to treat type 2 diabetes, both met their primary endpoints; FDA filing planned by year-end
- Returned approximately $8.7 billion to shareholders in the first half of 2016 through dividends and share repurchases

Remain Committed to Delivering Attractive Shareholder Returns in 2016 and Beyond

(1) See slide 7 for definition.

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Q&A Session

August 2, 2016

Appendix

Segment Financial Highlights

August 2, 2016

Pfizer Innovative Health Selected Financial Highlights

($ Millions, Except Percentages)

	Second Quarter			
	2016	2015	% Change	
			Total	Oper.
Revenues	$7,105	$6,630	7%	9%
Cost of sales	997	937	6%	(3%)
SI&A expenses	1,615	1,619	—	2%
R&D expenses	583	573	2%	2%
IBT(1)	4,179	3,764	11%	16%
	As a % of Revenues		Percentage Point Change	
Cost of sales	14.0%	14.1%	(0.1) ppts	(1.6) ppts
SI&A expenses	22.7%	24.4%	(1.7) ppts	(1.6) ppts
R&D expenses	8.2%	8.6%	(0.4) ppts	(0.6) ppts
IBT(1)	58.8%	56.8%	2.0 ppts	3.7 ppts

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

- Q2 2016 revenues increased 9% operationally to $7,105M vs. Q2 2015
  - Driven by Ibrance in the U.S., Eliquis globally, and Lyrica and Xeljanz, both primarily in the U.S., partially offset by declines in Prevnar 13 Adult in the U.S., Prevenar 13 Pediatric in emerging markets (including sales to Gavi, the Vaccine Alliance) and Rebif alliance revenue in the U.S.
- Cost of sales decreased 3% operationally; Cost of sales as a % of revenues decreased 1.6 percentage points (ppts) operationally
  - Operational decrease in cost of sales as a % of revenues was driven primarily by a favorable change in product mix including an increase in alliance revenues, which have no associated cost of sales
- SI&A expenses increased 2% operationally
  - Driven by increased promotional investment for Prevnar 13 and Eliquis
- R&D expenses increased 2% operationally
  - Driven by additional costs associated with our avelumab alliance with Merck KGaA

Pfizer Essential Health Selected Financial Highlights

($ Millions, Except Percentages)

	Second Quarter			
	2016	2015	% Change	
			Total	Oper.
Revenues	$6,042	$5,223	16%	19%
Cost of sales	1,678	1,042	61%	49%
SI&A expenses	885	840	5%	10%
R&D expenses	308	219	41%	41%
IBT[(1)]	3,198	3,144	2%	11%
	As a % of Revenues		Percentage Point Change	
Cost of sales	27.8%	19.9%	7.8 ppts	4.9 ppts
SI&A expenses	14.7%	16.1%	(1.4) ppts	(1.3) ppts
R&D expenses	5.1%	4.2%	0.9 ppts	0.8 ppts
IBT[(1)]	52.9%	60.2%	(7.3) ppts	(4.1) ppts

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

- Q2 2016 revenues increased 19% operationally to $6,042M vs. Q2 2015
  - Driven by the inclusion of legacy Hospira operations (HSP), which contributed $1.1B
  - Excluding HSP, revenues declined 3% operationally
- Cost of sales increased 49% operationally; Cost of sales as a % of revenues increased 4.9 percentage points (ppts) operationally
  - Operational increase in cost of sales as a % of revenues primarily due to the inclusion of HSP and the impact of product losses of exclusivity (LOEs), resulting in an unfavorable change in product mix
  - Excluding HSP, cost of sales grew 4% operationally
- SI&A expenses increased 10% operationally
  - Higher expenses primarily due to the inclusion of HSP, partially offset by lower field force, advertising and promotional expenses
  - Excluding HSP, SI&A declined 2% operationally
- R&D expenses increased 41% operationally
  - Due to inclusion of HSP and increased investment in EH standalone biosimilar development programs
  - Excluding HSP, R&D increased 10% operationally