



Fourth Quarter 2012 Earnings Teleconference

January 29, 2013



Introduction

Chuck Triano
Senior Vice President,
Investor Relations

Fourth 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 up to a 19.8% stake in 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 January 29, 2013.
- 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

Fourth Quarter 2012 Earnings

CEO Perspectives

- 2012 was a year of very strong operational and financial performance
 - Drove revenue growth in many of our key products in the patent-protected portfolio
 - Strong Emerging Markets performance
- Allocated capital in ways that enhanced shareholder value
 - Reduced operating costs, completed sale of Nutrition business and remain on track to complete a potential IPO for up to a 19.8% stake in Zoetis in the near future
 - Returned nearly \$15.0 billion to shareholders through dividends and share repurchases during 2012
- Focus on creating a productive and sustainable innovative core is yielding results
 - Received regulatory approvals for Xeljanz in the U.S., for Eliquis in the U.S., Canada, EU and Japan as well as for 3 additional medicines in certain geographies during 2012
- Entering 2013 with one of the most robust pipelines in our recent history
- Believe our distinctive innovative and value-driven operating models in developed markets and our Emerging Markets operating model will help maximize our performance over the next several years
- Must maintain our momentum by continuing to execute, by delivering on the potential in our pipeline and by continuing to demonstrate fiscal responsibility

Remain Committed to Helping Patients by Delivering Innovative Medicines and Creating Value for our Shareholders





Financial Review

Frank D'Amelio
Executive Vice President &
Chief Financial Officer

Fourth Quarter 2012 Earnings

Income Statement Highlights

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

	Fourth Quarter			Full Year		
	2012	2011	Change	2012	2011	Change
Reported Revenues	\$15,068	\$16,141	(7%)	\$58,986	\$65,259	(10%)
Adjusted Income ⁽¹⁾	3,512	3,784	(7%)	16,476	17,839	(8%)
Adjusted Diluted EPS ⁽¹⁾	0.47	0.49	(4%)	2.19	2.27	(4%)
Reported Net Income ⁽²⁾	6,315	1,439	*	14,570	10,009	46%
Reported Diluted EPS ⁽²⁾	0.85	0.19	*	1.94	1.27	53%

Q4 2012 Reported Results Favorably Impacted Primarily by the Gain on the Sale of the Nutrition Business and by Lower Overall Costs; Unfavorably Impacted Primarily by the Loss of Exclusivity of Certain Products and Higher Restructuring Charges

⁽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, Adjusted R&D expenses and Adjusted Other (Income)/Deductions 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.






* Calculation not meaningful.



Impact of Foreign Exchange on Adjusted Income⁽¹⁾ Components

(\$ Millions, Except Percentages)

Favorable / (Unfavorable)

	Fourth Quarter				
	2012	2011	FX Impact		
Revenues	\$15,068	\$16,141	(\$271)		(2%)
Cost of Sales ⁽¹⁾	3,106	3,083	(240)		(8%)
SI&A Expenses ⁽¹⁾	4,658	5,173	67		1%
R&D Expenses ⁽¹⁾	2,000	2,318	12		1%
Total	\$9,764	\$10,574	(\$161)		(1%)

**Foreign Exchange Negatively Impacted Adjusted Diluted EPS⁽¹⁾
by ~\$0.05**

⁽¹⁾ See slide 7 for definition.

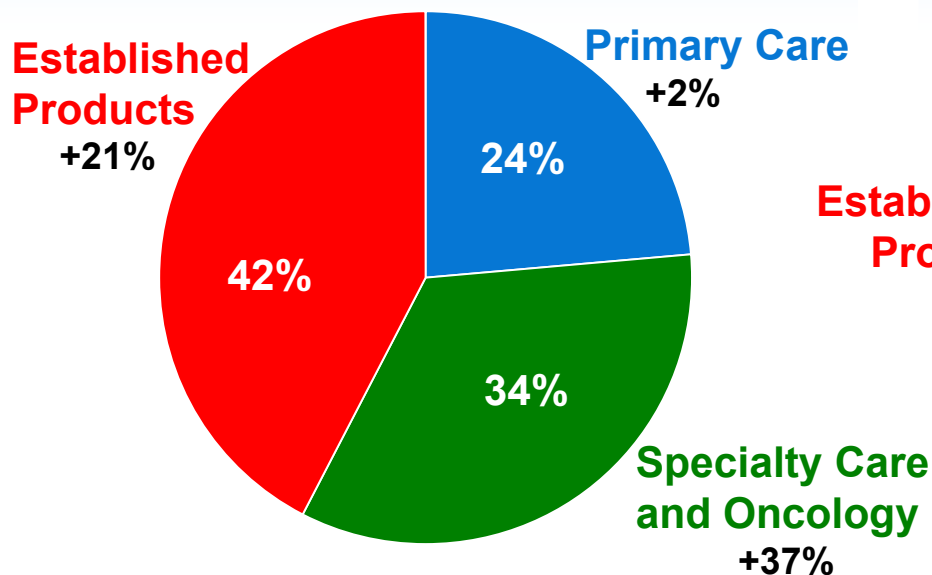
Note: Certain amounts and percentages may reflect rounding adjustments.

Emerging Markets Biopharmaceutical Revenue Mix

(\$ Millions, Except Percentages)

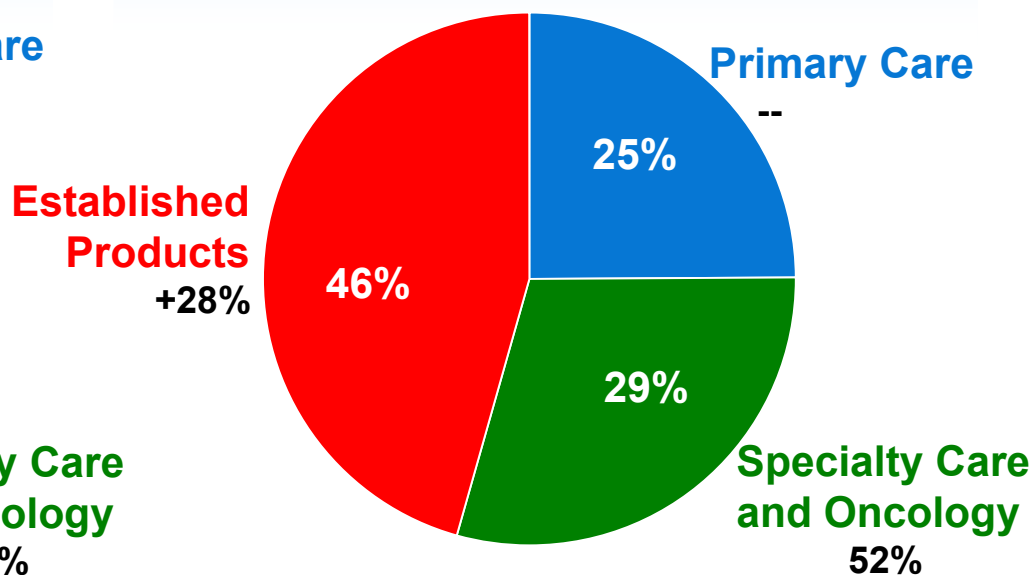
Emerging Markets Business Unit

\$2,652, up 20% operationally vs. Q4 2011



BRIC-MT⁽¹⁾ Biopharmaceutical

\$1,160, up 26% operationally vs. Q4 2011



Emerging Markets Biopharmaceutical Volume Growth of 22% Partially Offset by Price Reductions of 2% vs. Q4 2011

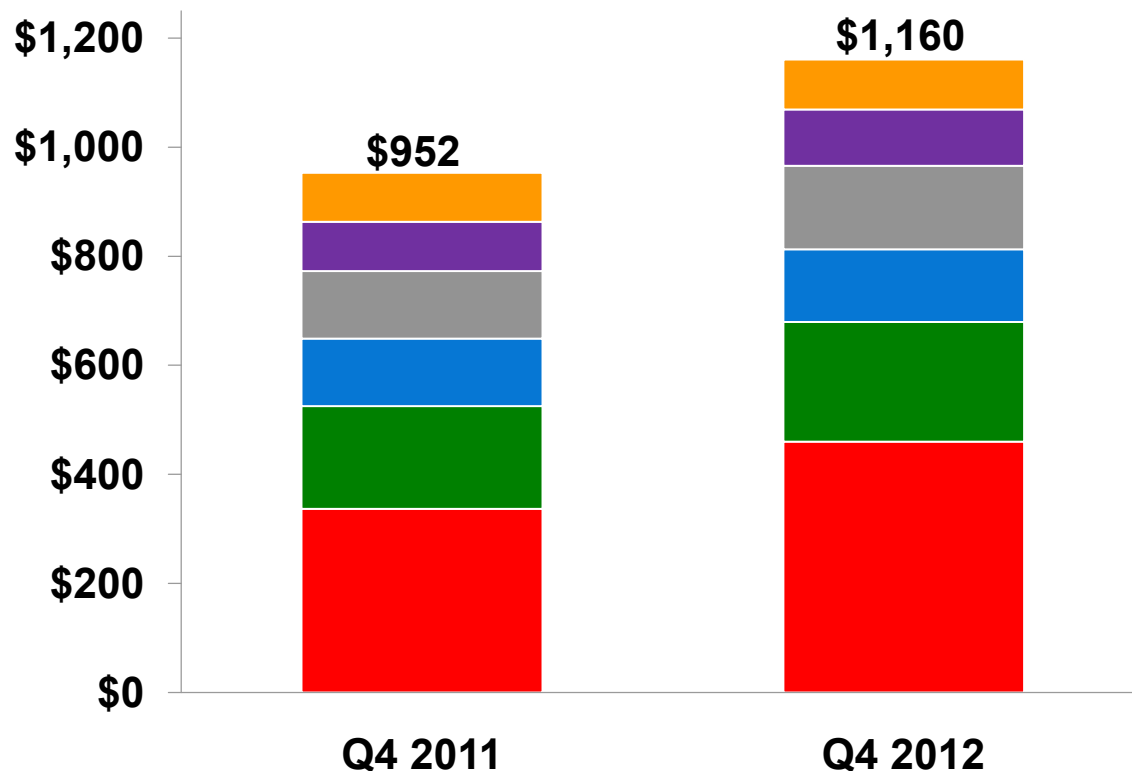
NOTE: Percentages inside the pie charts represent percentage of total. All other percentages represent operational growth vs. Q4 2011.

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



BRIC-MT⁽¹⁾ Biopharmaceutical Revenue Performance

(\$ Millions, Except Percentages)



Operational Growth / (Decline)		
	Q4 2012 vs. Q4 2011	FY 2012 vs. FY 2011
India	12%	11%
Russia	16%	34%
Turkey	22%	(7%)
Mexico	4%	4%
Brazil	36%	14%
China	34%	32%
BRIC-MT⁽¹⁾	26%	16%

Volume Growth of 30% Partially Offset by Price Reductions of 4% vs. Q4 2011; Foreign Exchange Negatively Impacted BRIC-MT⁽¹⁾ Revenue by 4% vs. Q4 2011

⁽¹⁾ See slide 9 for definition.

2012 Financial Guidance⁽¹⁾⁽²⁾⁽³⁾ vs. Actual Results⁽²⁾

	Guidance	Actual
Reported Revenues	\$58.0 to \$59.0 Billion	\$59.0 Billion
Adjusted Cost of Sales ⁽⁴⁾ as a % of Revenues	18.7% to 19.2%	18.6%
Adjusted SI&A Expenses ⁽⁴⁾	\$16.3 to \$16.8 Billion	\$16.3 Billion
Adjusted R&D Expenses ⁽⁴⁾	\$7.0 to \$7.25 Billion	\$7.3 Billion
Adjusted Other (Income) / Deductions ⁽⁴⁾	Approximately \$900 Million	\$835 Million
Effective Tax Rate on Adjusted Income ⁽⁴⁾	Approximately 29%	29.3%
Reported Diluted EPS ⁽⁴⁾	\$1.30 to \$1.38	\$1.94
Adjusted Diluted EPS ⁽⁴⁾	\$2.14 to \$2.17	\$2.19

**Achieved Top-End of Reported Revenue Guidance;
Exceeded Adjusted Diluted EPS⁽⁴⁾ Guidance**

- (1) At exchange rates that reflected 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) Revenues and expenses related to the Nutrition business as a discontinued operation were included for the full year in the guidance and through November 30, 2012 in actual results. The gain on the sale of the Nutrition business was not reflected in the Reported Diluted EPS⁽⁴⁾ guidance but is included in actual results for Reported Diluted EPS⁽⁴⁾.
- (3) Did 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 excluded 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 were recorded during the first nine months of 2012.
- (4) See Slide 7 for definition.



2013 Financial Guidance⁽¹⁾⁽²⁾

Reported Revenues	\$56.2 to \$58.2 Billion
Adjusted Cost of Sales ⁽³⁾ as a % of Revenues	19.0% to 20.0%
Adjusted SI&A Expenses ⁽³⁾	\$15.6 to \$16.6 Billion
Adjusted R&D Expenses ⁽³⁾	\$6.5 to \$7.0 Billion
Adjusted Other (Income) / Deductions ⁽³⁾	~\$900 Million
Effective Tax Rate on Adjusted Income ⁽³⁾	~28.0%
Reported Diluted EPS ⁽³⁾	\$1.50 to \$1.65
Adjusted Diluted EPS ⁽³⁾	\$2.20 to \$2.30

Guidance Reflects the Benefit of a Full-Year Contribution from Zoetis, Partially Offset by a \$0.02 Unfavorable Impact on Adjusted and Reported Diluted EPS⁽³⁾ from Ongoing Costs Given its Potential Separation

⁽¹⁾ At mid-January 2013 exchange rates. ⁽²⁾ Does not assume the completion of any business development transactions not completed as of December 31, 2012, including any one-time upfront payments associated with such transactions, and excludes the potential effects of the resolution of litigation-related matters not substantially resolved as of December 31, 2012. Reflects a full-year contribution from Zoetis. EPS guidance includes a \$0.02 unfavorable impact for Zoetis-related interest expense and certain duplicative and other costs given its potential separation. Reported Diluted EPS⁽³⁾ guidance includes an additional \$0.02 unfavorable impact for costs related to the establishment of Zoetis' corporate and manufacturing support functions, and certain costs that Zoetis expects to incur related to the potential separation. ⁽³⁾ See Slide 7 for definition.



Key Takeaways

- ✓ Achieved top-end of 2012 reported revenue guidance and exceeded 2012 adjusted diluted EPS⁽¹⁾ guidance
- ✓ Provided initial 2013 financial guidance; reflects full-year contribution from Zoetis
 - Includes \$0.02 unfavorable impact to reported and adjusted diluted EPS⁽¹⁾ for ongoing costs associated with the potential Zoetis separation
 - Zoetis recently completed a \$3.65 billion debt offering; Remain on track to complete a potential IPO of up to a 19.8% stake in the near future
- ✓ Completed sale of Nutrition business to Nestle for \$11.85 billion in November
- ✓ Received U.S. regulatory approvals for Xeljanz and Eliquis during Q4
- ✓ Continued to create shareholder value through prudent capital allocation
 - Repurchased \$8.2 billion, or 348.8 million shares, during 2012
 - ◆ \$11.8 billion of authorization remaining under current repurchase programs, as of YE 2012
 - Returned nearly \$15.0 billion to shareholders through dividends and share repurchases during 2012

Remain Committed to Delivering Attractive Shareholder Returns in 2013 and Beyond

⁽¹⁾ See slide 7 for definition.



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Q&A Session
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