



First Quarter 2012 Earnings Teleconference

May 1, 2012



Introduction

Chuck Triano
Senior Vice President,
Investor Relations

First 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.
- 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 May 1, 2012.
- 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

First Quarter 2012 Earnings

CEO Perspectives

- Solid quarterly revenue performance despite product losses of exclusivity, driven by:
 - Higher revenues in Emerging Markets, most notably in China, Mexico and Russia
 - Growth from key branded biopharmaceutical products in developed markets
 - Strong operational performance from the Animal Health and Nutrition businesses
- Announced our agreement to sell our Nutrition business to Nestlé for \$11.85 billion
 - Continue to view return on share repurchases as the case to beat for after-tax proceeds
- Expense discipline and process improvements continue to yield savings
 - Q1 2012 Adjusted Total Costs⁽¹⁾ declined 7% operationally vs. Q1 2011
- Continued commitment to strategic imperatives will evolve Pfizer into a company with two distinct operating models
 - Continue to allocate capital in ways that maximize value for shareholders

Anticipate Generating Consistent and Steady Adjusted Diluted EPS⁽²⁾ Growth Over Time

⁽¹⁾ Adjusted Total Costs represents the total of Adjusted Cost of Sales⁽²⁾, Adjusted SI&A⁽²⁾ and Adjusted R&D⁽²⁾.

⁽²⁾ Adjusted Income and its components and Adjusted Diluted EPS are defined as Reported Net Income⁽³⁾ and its components and Reported Diluted EPS⁽³⁾, excluding Purchase Accounting Adjustments, Acquisition-Related Costs, Discontinued Operations and Certain Significant Items. Adjusted Cost of Sales, Adjusted SI&A and Adjusted R&D expenses are components of the overall Adjusted Income measure.

⁽³⁾ 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.





Financial Review

Frank D'Amelio
Executive Vice President &
Chief Financial Officer

First Quarter 2012 Earnings

Income Statement Highlights

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

	First Quarter		
	2012	2011	Change
Reported Revenues	\$15,405	\$16,502	(7%)
Adjusted Income ⁽¹⁾	4,432	4,808	(8%)
Adjusted Diluted EPS ⁽¹⁾	0.58	0.60	(3%)
Reported Net Income ⁽¹⁾	1,794	2,222	(19%)
Reported Diluted EPS ⁽¹⁾	0.24	0.28	(14%)

Adjusted Results Favorably Impacted Primarily by Lower Adjusted Total Costs⁽¹⁾ Reflecting the Benefits of Cost-Reduction and Productivity Initiatives; Unfavorably Impacted Primarily by the Loss of Exclusivity of Certain Products, Including Lipitor in the U.S.

⁽¹⁾ See slide 5 for definition.



Impact of Foreign Exchange on Adjusted Income⁽¹⁾ Components

(\$ Millions, Except Percentages)

Favorable / (Unfavorable)

	First Quarter		
	2012	2011	FX Impact
Revenues	\$15,405	\$16,502	(\$57) ↓ --
Cost of Sales ⁽¹⁾	2,885	3,092	152 ↓ 5%
SI&A Expenses ⁽¹⁾	4,111	4,501	11 ↓ --
R&D Expenses ⁽¹⁾	1,755	2,017	-- -- --
Adjusted Total Costs⁽¹⁾	\$8,751	\$9,610	\$163 ↓ 2%

Foreign Exchange Favorably Impacted Adjusted Diluted EPS⁽¹⁾ by ~\$0.01

⁽¹⁾ See slide 5 for definition.

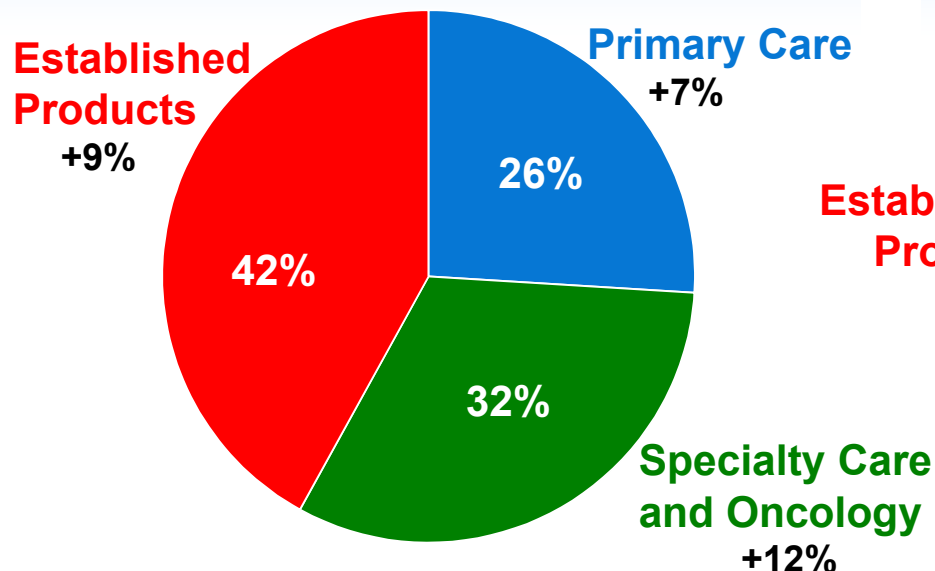
Note: Certain amounts and percentages may reflect rounding adjustments.



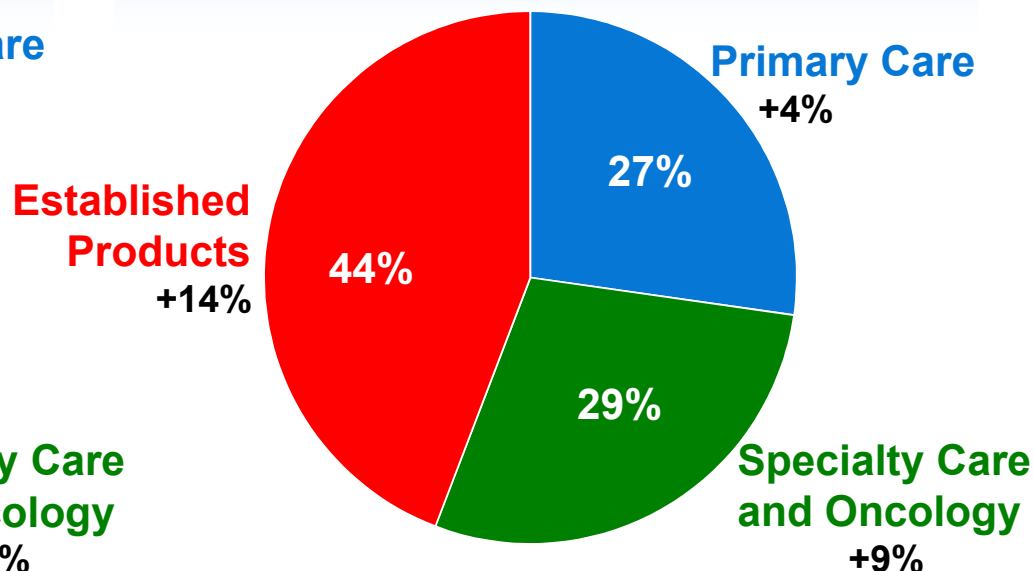
Emerging Markets Biopharmaceutical Revenue Mix

(\$ Millions, Except Percentages)

Emerging Markets Business Unit
 \$2,299, up 9% operationally vs. Q1 2011



BRIC-MT⁽¹⁾ Biopharmaceutical
 \$1,068, up 10% operationally vs. Q1 2011



**Emerging Markets Biopharmaceutical Volume Growth of 13%
 Partially Offset by Price Reductions of 4% vs. Q1 2011**

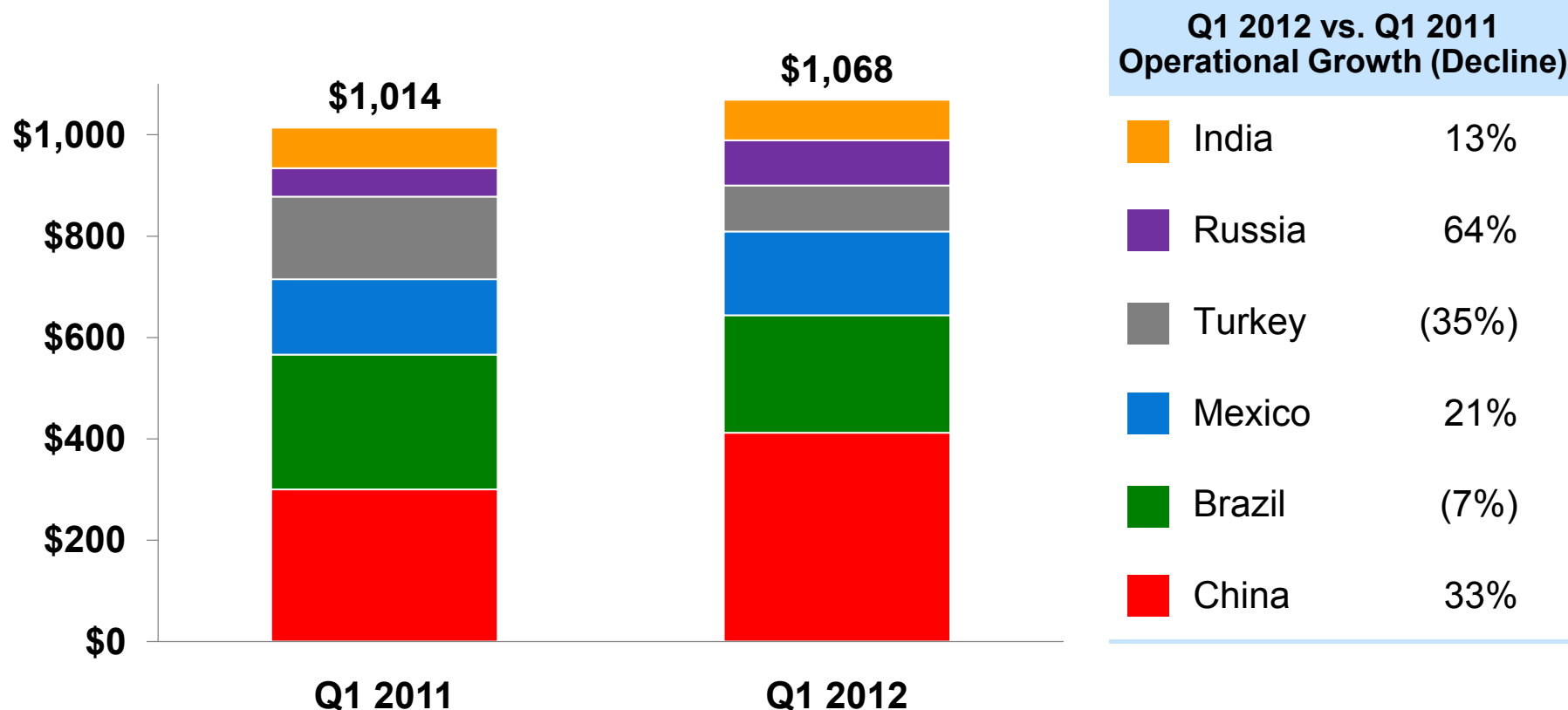
NOTE: Percentages inside the pie charts represent percentage of total. All other percentages represent operational growth vs. Q1 2011.

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



BRIC-MT⁽¹⁾ Biopharmaceutical Revenue Performance

(\$ Millions, Except Percentages)



**Volume Growth of 15% Partially Offset by Price Reductions of 5% vs. Q1 2011;
BRIC-MT⁽¹⁾ Contributed ~50% of Emerging Markets Operational Growth vs. Q1 2011**

⁽¹⁾ See slide 9 for definition.



2012 Financial Guidance⁽¹⁾⁽²⁾

Reported Revenues	\$58.0 to \$60.0 Billion <i>Previously \$60.5 to \$62.5 Billion</i>
Adjusted Cost of Sales ⁽³⁾ as a Percentage of Revenues	19.5% to 20.5% <i>Previously 20.5% to 21.5%</i>
Adjusted SI&A Expenses ⁽³⁾	\$16.3 to \$17.3 Billion <i>Previously \$17.0 to \$18.0 Billion</i>
Adjusted R&D Expenses ⁽³⁾	\$6.5 to \$7.0 Billion
Adjusted Other (Income) / Deductions ⁽³⁾	Approximately \$1.0 Billion
Effective Tax Rate on Adjusted Income ⁽³⁾	Approximately 29%
Reported Diluted EPS ⁽³⁾	\$1.23 to \$1.38 <i>Previously \$1.37 to \$1.52</i>
Adjusted Diluted EPS ⁽³⁾	\$2.14 to \$2.24 <i>Previously \$2.20 to \$2.30</i>
Operating Cash Flow	Approximately \$19 Billion

Updated Revenues Guidance and Certain Components of 2012 Adjusted⁽³⁾ Financial Guidance to Reflect the Decision to Divest the Nutrition Business

- (1) At exchange rates that reflect a blend of the actual exchange rates in effect during the first three months of 2012 and the mid-April 2012 exchange rates for the remainder of the year.
- (2) The 2012 financial guidance reflects the revenues and expenses related to the Nutrition business as a discontinue operation but does not include the gain on the pending sale of the Nutrition business. Does not assume the completion of any business-development transactions not completed as of April 1, 2012, including any one-time upfront payments associated with such transactions. Also excludes the potential effects of the resolution of litigation-related matters not substantially resolved as of April 30, 2012.
- (3) See Slide 5 for definition.



Key Takeaways

- ✓ Quarterly results reflect solid operational performance despite the loss of exclusivity of several products in various geographies, most notably Lipitor in the U.S.
- ✓ Recent agreement to divest the Nutrition business demonstrates our commitment to unlock trapped value for our shareholders
 - Expect to make additional repurchases of our common stock with after-tax proceeds following the completion of the transaction, expected by first-half 2013
 - Updated 2012 revenues guidance and certain components of adjusted⁽¹⁾ financial guidance to reflect the decision to divest the Nutrition business
- ✓ On track to finalize our strategic decision for the Animal Health business during 2012
 - Decision will be based on the option that generates the greatest after-tax return for our shareholders
 - Continue to expect that any separation of the business will occur between July 2012 and July 2013
- ✓ Remain committed to allocating our capital to deliver attractive shareholder returns in 2012 and beyond
 - Repurchased ~\$2.3 billion, or 104.6 million shares, through April 30th
 - Continue to expect to repurchase ~\$5.0 billion of shares in 2012

⁽¹⁾ See Slide 5 for definition.



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Q&A Session

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