



First Quarter 2013 Earnings Teleconference

April 30, 2013



Introduction

Chuck Triano
Senior Vice President,
Investor Relations

First Quarter 2013 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 2012 Annual Report on Form 10-K/A 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 April 30, 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

First Quarter 2013 Earnings

CEO Perspectives

- Started 2013 by continuing to create significant value for our shareholders
 - Completed a successful IPO of a minority interest in Zoetis and related debt offering
 - Repurchased approximately \$6.3 billion of our shares to date
- Focus on rebuilding and strengthening our innovative core is yielding results
 - Launched Eliquis in key markets and Xeljanz in the U.S.
 - Improved performance for both Xalkori and Inlyta
- Demonstrated steady improvement in the quality of our pipeline and progress advancing compounds
 - Granted Breakthrough Therapy designation in the U.S. for palbociclib
 - Announced collaboration with Merck for the development and commercialization of ertugliflozin, our investigational compound for the treatment of type 2 diabetes
- Continued to execute in a challenging and volatile environment
 - Emerging Markets grew 6% operationally in Q1 2013 despite being negatively impacted by certain events
 - Continue to expect high-single-digit operational revenue growth in Emerging Markets in 2013
- Continued to demonstrate fiscal discipline in managing our cost structure and aligning our costs with our revenue base

We Will Continue to Stay Focused on Building a Sustainable Innovative Core





Financial Review

Frank D'Amelio
Executive Vice President &
Chief Financial Officer

First Quarter 2013 Earnings

Income Statement Highlights

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

	First Quarter		
	2013	2012	Change
Reported Revenues	\$13,500	\$14,885	(9%)
Adjusted Income ⁽¹⁾	3,911	4,344	(10%)
Adjusted Diluted EPS ⁽¹⁾	0.54	0.57	(5%)
Reported Net Income ⁽²⁾	2,750	1,794	53%
Reported Diluted EPS ⁽²⁾	0.38	0.24	58%

Q1 2013 Reported Results Favorably Impacted Primarily by Lower Overall Costs and Other Deductions; Unfavorably Impacted Primarily by the Loss of Exclusivity of Certain Products

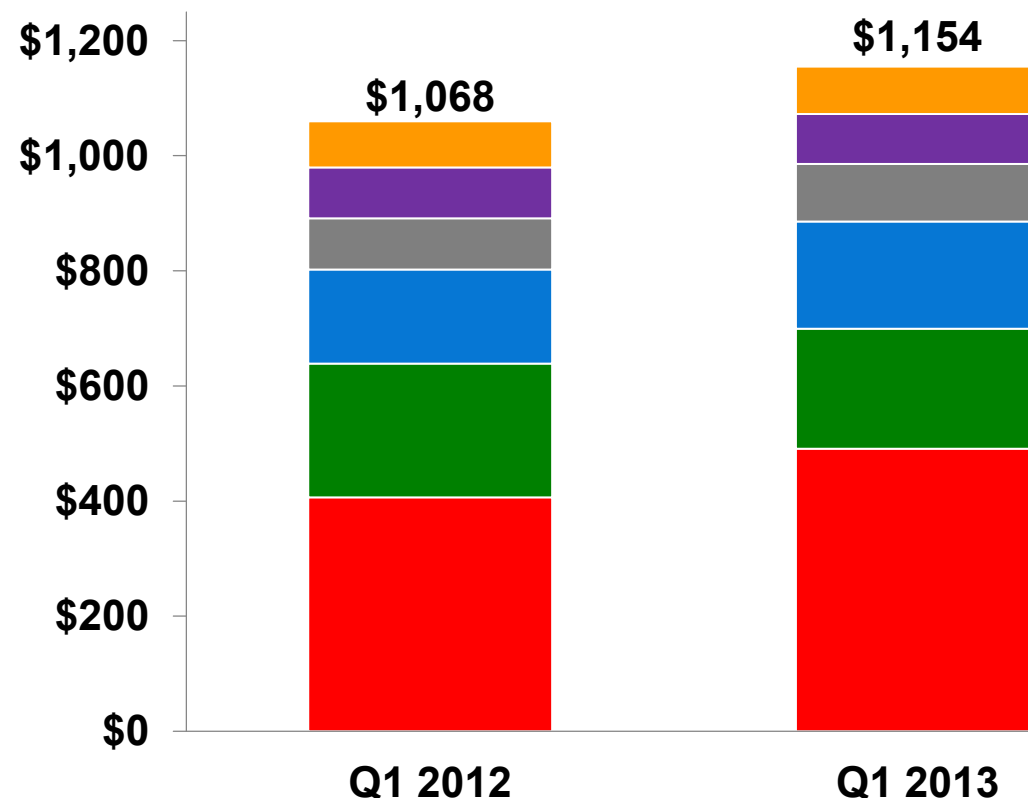
⁽¹⁾ Adjusted Income and its components and Adjusted Diluted EPS are defined as Reported Net Income⁽²⁾ and its components and Reported Diluted EPS⁽²⁾, excluding Purchase Accounting Adjustments, Acquisition-Related Costs, Discontinued Operations and Certain Significant Items. Adjusted Cost of Sales, Adjusted 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.



BRIC-MT⁽¹⁾ Biopharmaceutical Revenue Performance

(\$ Millions, Except Percentages)



Operational Growth / (Decline)	
	Q1 2013 vs. Q1 2012
India	8%
Turkey	(7%)
Russia	10%
Mexico	9%
Brazil	1%
China	18%
BRIC-MT⁽¹⁾	9%

Volume Growth of 10% Partially Offset by Price Reductions of 1% vs. Q1 2012; Foreign Exchange Negatively Impacted BRIC-MT⁽¹⁾ Revenue by 1% vs. Q1 2012






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



Impact of Foreign Exchange on Adjusted Income⁽¹⁾ Components

(\$ Millions, Except Percentages)

Favorable / (Unfavorable)

	First Quarter				
	2013	2012	FX Impact		
Revenues	\$13,500	\$14,855	(\$118)		(1%)
Cost of Sales ⁽¹⁾	2,615	2,658	(10)		--
SI&A Expenses ⁽¹⁾	3,494	3,948	31		1%
R&D Expenses ⁽¹⁾	1,708	1,756	3		--
Total	\$7,817	\$8,362	\$24		--

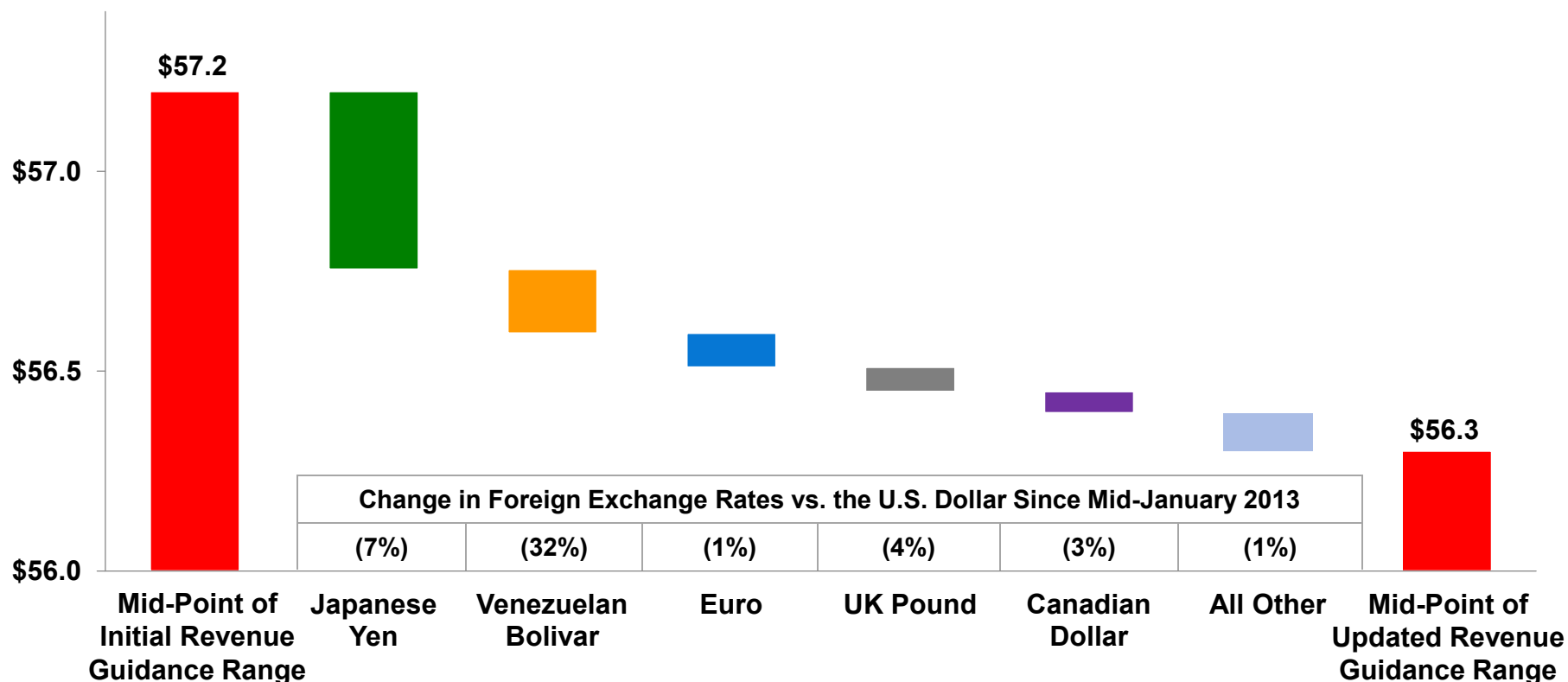
Foreign Exchange Negatively Impacted Adjusted Diluted EPS⁽¹⁾ by ~\$0.01 Compared to the Year-Ago Quarter

⁽¹⁾ See slide 7 for definition.



Reduced 2013 Revenue Guidance Range by \$900 Million Due to the Unfavorable Impact of Foreign Exchange

(\$ Billions, Except Percentages)



Negative Impact of the Japanese Yen Exchange Rate Change vs. the U.S. Dollar Since Mid-January 2013 Accounts for Approximately Half of the \$900 Million Reduction in 2013 Revenue Guidance Range



2013 Financial Guidance⁽¹⁾⁽²⁾

Reported Revenues	\$55.3 to \$57.3 Billion <i>Previously \$56.2 to \$58.2 Billion</i>
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⁾	\$1.44 to \$1.59 <i>Previously \$1.50 to \$1.65</i>
Adjusted Diluted EPS ⁽³⁾	\$2.14 to \$2.24 <i>Previously \$2.20 to \$2.30</i>

Updated Guidance Reflects the Negative Impact of Foreign Exchange Since Mid-January 2013 and the Zoetis IPO

⁽¹⁾ At exchange rates that reflect a blend of the actual exchange rates in effect during the first three months of 2013 and the mid-April 2013 exchange rates for the remainder of the year. ⁽²⁾ Does not assume the completion of any business development transactions not completed as of March 31, 2013, 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 March 31, 2013. Includes benefit of a full-year contribution from Zoetis except that earnings attributable to the 19.8% divested interest have been excluded from Adjusted⁽³⁾ and Reported⁽³⁾ Diluted EPS guidance effective February 7, 2013. Reported Diluted EPS⁽³⁾ guidance includes the gain associated with the transfer of certain product rights to the Pfizer-Hisun joint venture and an asset impairment charge, both recorded in first-quarter 2013. ⁽³⁾ See Slide 7 for definition.



Key Takeaways

- ✓ Results reflect product losses of exclusivity in various geographies and anticipated volatility in Emerging Markets
 - Continue to expect high-single-digit operational revenue growth in Emerging Markets during 2013
 - Continue to mitigate the earnings impact of product LOEs with expense discipline and share repurchases
- ✓ Completed an IPO of a 19.8% interest in Zoetis and a related debt offering
 - Resulted in ~\$6.0 billion of proceeds
- ✓ Updated financial guidance to reflect the negative impact of foreign exchange rate changes since mid-January 2013 as well as the impact of the Zoetis IPO
- ✓ Launched Xeljanz and Eliquis in the U.S. during Q1; also launched Eliquis in several major developed EU markets and Japan
- ✓ Excited about the potential of our mid-to-late stage pipeline
- ✓ Continued to create shareholder value through prudent capital allocation
 - Repurchased ~\$6.3 billion, or ~227 million shares, to date in 2013
 - ~\$5.5 billion of authorization remaining under our current repurchase program

Remain Committed to Delivering Attractive Shareholder Returns in 2013 and Beyond





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Q&A Session

April 30, 2013
