



***New Approach and Enhanced  
Capability in External Sourcing***

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**Ed Harrigan, SVP Worldwide Business  
Development and Licensing**



## ***Agenda For Today's Discussion***

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- ◆ **New Strategy**
- ◆ **New Commitment**
- ◆ **New Organizational Structure**
- ◆ **New Approach**
- ◆ **A Magnet for Innovation**



## Strategy to Drive Revenue Growth



### ◆ Complement Current Portfolio

- Address Gaps in Drug Portfolio
- Seize Opportunistic Investments
- Coordinated Search for Value Across Therapeutic Areas



### ◆ Synergistic Products and Services

- Amplify Value of Current and Future Products
- Enhance Our Ability to Demonstrate Value



### ◆ Adjacent Healthcare Products and Businesses

- Invest in Businesses Such as Vaccines



## **Renewed Commitment**

- ◆ **Target Beginning in 2010 – Two Products**
- ◆ **Apply Our Resources Prudently and Effectively to Turn Them into Valuable and Innovative Solutions**
- ◆ **Attract Great Ideas and Great Insights from Laboratories and Clinics around the World**

*We Understand the Challenge  
and We Feel We are Well  
Positioned to Meet It*



## **What We Have Done in 2006**

### **Deal**

- ◆ AGY
- ◆ AtheroChem
- ◆ Bayer
- ◆ Monogram
- ◆ NicOx
- ◆ Noxxon
- ◆ PowderMed\*
- ◆ Quark
- ◆ Rinat
- ◆ Schwarz
- ◆ TransTech

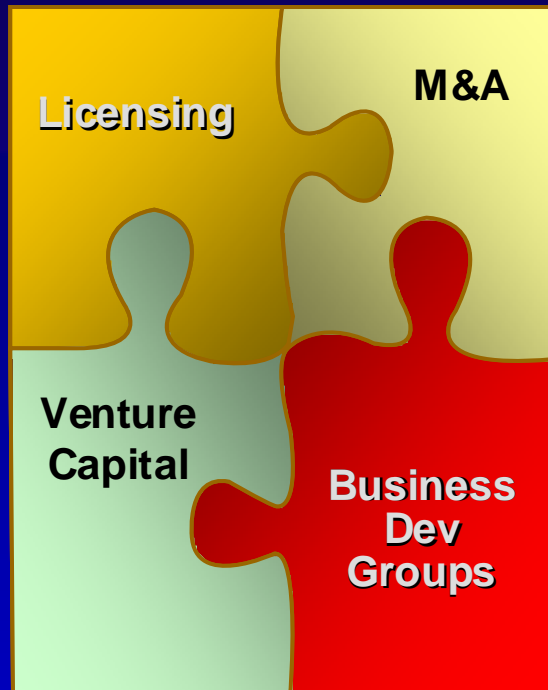
### **Indication**

Schizophrenia, Alzheimer's Disease  
Atherosclerosis  
Diabetes/Obesity  
HIV  
Ophthalmology  
Obesity  
Vaccines  
Age-Related Macular Degeneration  
Alzheimer's Disease  
Overactive Bladder  
Alzheimer's Disease

\* Under Contract to Be Acquired



## ***New Structure Brings All the Pieces Together to Drive Growth***



- ◆ Better Resource Allocation
- ◆ More Diverse Geographical Footprint
- ◆ Broad-Based Scientific and Medical Expertise
- ◆ Aggressive Leveraging of Technology
- ◆ Focused and Coordinated Competitive Intelligence
- ◆ Strengthen Pfizer's Relationships



## **New Approach**

*More Flexible, Agile and Disciplined*

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- ◆ **Leverage Expertise in The Science and Business of Medicine, to Deliver Better Healthcare Solutions**
- ◆ **Increased Creativity in Deal Structure Approach**
  - **Partnerships, Venture Capital, Licensing, Acquisitions, Co-Promotions**
- ◆ **Financial Discipline – Grounded in a Better Understanding of Value**
- ◆ **Increased Flexibility in How We Integrate New Opportunities**
- ◆ **Hub-and-Spoke Approach**
  - **Healthy Challenge to Our Own Assumptions and Beliefs**
- ◆ **More Input From Key Customers, Payers, Doctors and Academics**



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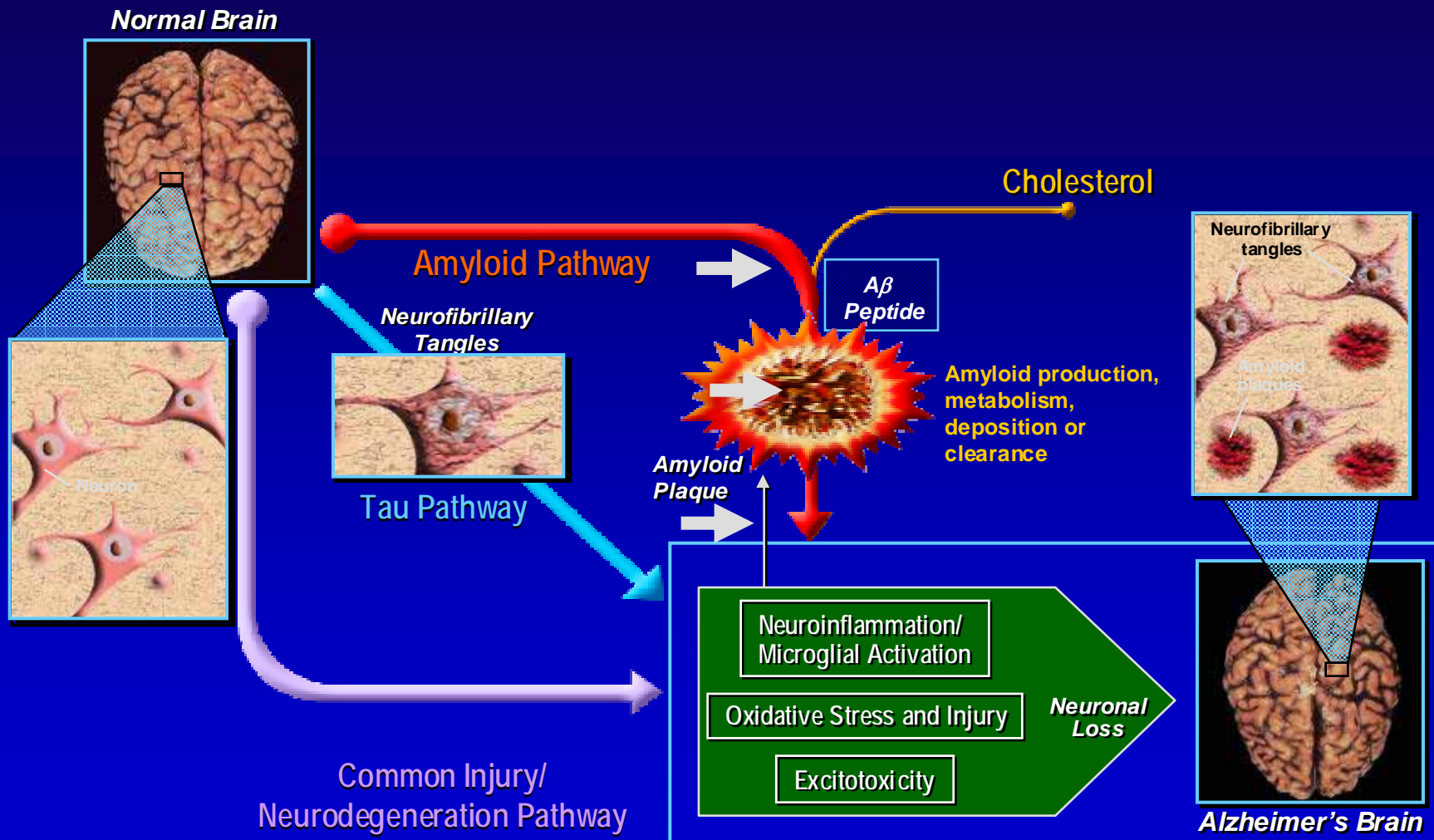
## **Complementing Organic Growth**

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- ◆ **Therapeutic Area Strengths and Gaps**
- ◆ **Opportunistic “Best Available Athlete”**
- ◆ **Near-Term Priorities**
  - **Diabetes**
  - **Neurology**
  - **Infectious Disease**
  - **Oncology**



# Potential Intervention Points in Pathogenesis of Alzheimer's Disease





## ***Synergistic Products and Services***

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- ◆ **Invest in Products, Services, Technologies and New Areas of Therapeutics to Amplify the Value of Our Medicines**
  - **Adjacent Technologies**
  - **Devices**
  - **Health Technology Assessment**
  - **Diagnostics**



## **Molecular Diagnostics**

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### ◆ **Monogram Biosciences**

- **Individualized HIV Treatment (Maraviroc)**
- **Co-Receptor Tropism Assay**
- **2.5% Equity (2002)**
- **\$25 Million Convertible Note (2006)**
- **Global Non-Exclusive Collaboration**



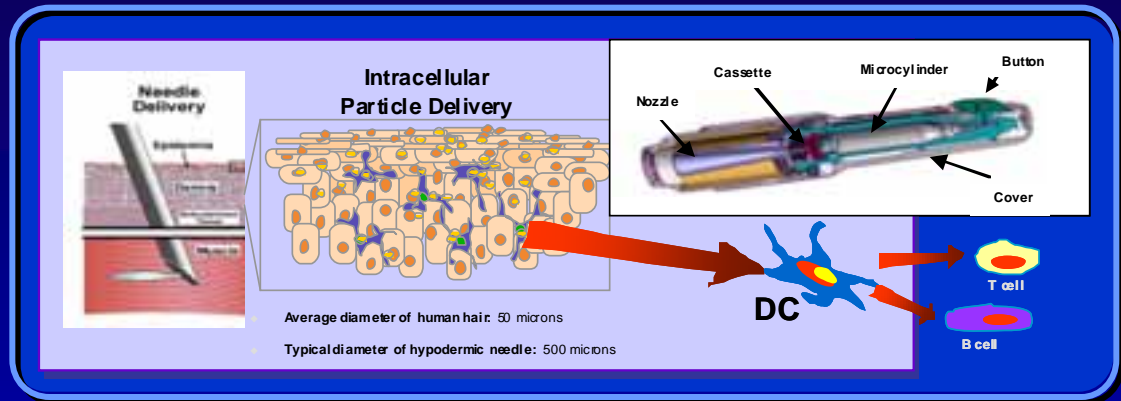
## ***Novel Healthcare Products and Businesses***

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- ◆ **We Are Uniquely Positioned to Identify and Seize New Opportunities, Capitalizing on Our Resources, Our Expertise and Our Vision for a Healthcare System that Recognizes and Pays for Value**
- ◆ **Such Growth Investments Deserve and Will Receive Consideration, Alongside Those That are More Clearly Identifiable with Our Current Portfolio**

# **Influenza Vaccine**

- ◆ **Needle-Free Delivery System**
- ◆ **Delivers DNA-Coated Microscopic Gold Particles into the Skin Using Pressurized Helium Gas**
- ◆ **Elicits Both Antibody And Cell-Mediated Immune Responses**
- ◆ **Potential for Improved Efficacy Compared to Traditional Vaccines**

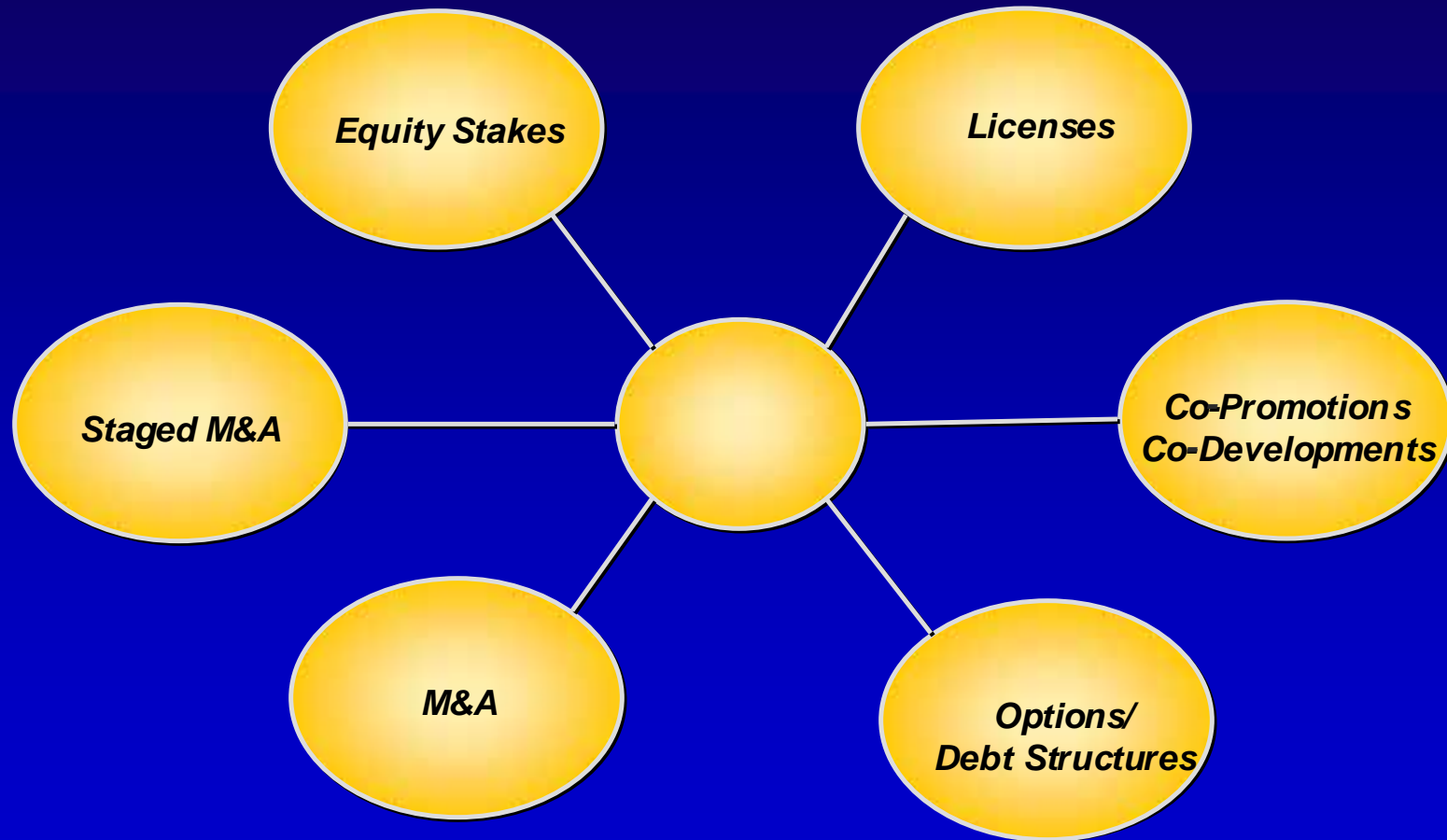


## **Next Steps**

- **Work Through Integration of Powdermed Expertise**
- **Focus on Timing of Phase 3 Start for Seasonal Influenza**



# Creative Deal Structures





## ***Input From Key Stakeholders***

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- ◆ **Increased Focus on Key External Stakeholders**
  - Patients
  - Doctors
  - Academics
  - Payers
  
- ◆ **Input on The Issues That Matter Most to Them and the Innovations They Believe Are Most Important**
  
- ◆ **Incorporate This Knowledge and Input into Our Business Development and Licensing Approach**



## ***A Magnet for Innovation***

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- ◆ **Employing All Our Assets to Help Underwrite New Relationships**
- ◆ **Venture Investing in Biotech and Innovative Technology**
- ◆ **Creative Deal Structures to Foster Innovation**



## ***Review of Key Takeaways***

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- ◆ **Clear Strategy for Revenue Growth from Business Development**
- ◆ **Prioritization by Therapeutic Area to Increase Agility**
- ◆ **Financial Discipline and Rigor to Ensure We Pay the Right Price**
- ◆ **Combine Unique Assets with Flexibility—to Attract Innovation**