



Third Quarter 2010 Earnings Teleconference

November 2, 2010



Introduction

Chuck Triano
Senior Vice President,
Investor Relations

Third Quarter 2010 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 2009 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 November 2, 2010.
- These reports are available on our website at www.pfizer.com in the "Investors—SEC Filings" section.



Opening Remarks

Jeff Kindler
Chairman & Chief Executive Officer

Third Quarter 2010 Earnings

Recent Business Development Actions Strengthen Pfizer's Position in Strategic Growth Areas



- Complements current portfolio in pain – ‘invest to win’ therapeutic area
- Leader in new formulations of pain treatment



- Strengthens presence in growing orphan diseases market
- Brings greater understanding of cause of many chronic degenerative diseases



- Advances bio-similar strategy
- Establishes competitive position in global Diabetes market over time



- Brings approximately 250 generic products
- Provides access to +36,000 pharmacies in Brazil, reaching new customers



- Reviewing strategic alternatives
- Unique business with strong potential for growth outside Pfizer

Disciplined Business Development Will Continue to Enable Growth Strategy



Power of Scale, Spirit of Small

Primary Care



Animal Health & Established Products

Emerging Markets



Established Products

Specialty Care



Recent Transactions Consistent with Stated View Toward Bolt-on Business Development



Opening Remarks

Jeff Kindler
Chairman & Chief Executive Officer

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Financial Review

Frank D'Amelio
Senior Vice President &
Chief Financial Officer

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Income Statement Highlights

(\$ Millions, Except Per-Share Amounts)

	Third Quarter		
	2010	2009	Change
Reported Revenues	\$16,171	\$11,621	39%
Reported Net Income ⁽¹⁾	866	2,878	(70%)
Reported Diluted EPS ⁽¹⁾	0.11	0.43	(74%)
Adjusted Income ⁽²⁾	4,372	3,461	26%
Adjusted Diluted EPS ⁽²⁾	0.54	0.51	6%

Reported Net Income⁽¹⁾ and Reported Diluted EPS⁽¹⁾ Favorably Impacted Primarily by Legacy Wyeth Operations (Net); Unfavorably Impacted Primarily by Asset Impairments and Other Charges Associated with the Wyeth Acquisition and Integration, an Asbestos Litigation Charge and an Increase in Shares Outstanding (EPS Only)

⁽¹⁾ 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.

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



Quarterly Adjusted Income⁽¹⁾ Components

(\$ Millions, Except Per-Share Amounts)

	Third Quarter		
	2010	2009	Change
Revenues ⁽¹⁾	\$16,166	\$11,603	39%
Cost of Sales ⁽¹⁾	2,959	1,787	66%
SI&A Expenses ⁽¹⁾	4,615	3,225	43%
R&D Expenses ⁽¹⁾	2,160	1,619	33%
Adjusted Total Costs ⁽²⁾	9,734	6,631	47%
Provision for Income Taxes ⁽¹⁾	1,892	1,616	17%
Adjusted Income⁽¹⁾	\$4,372	\$3,461	26%
Adjusted Diluted EPS⁽¹⁾	\$0.54	\$0.51	6%

Adjusted Income⁽¹⁾ and Adjusted Diluted EPS⁽¹⁾ Favorably Impacted Primarily by Legacy Wyeth Operations (Net); Partially Offset by Lower Overall Revenues from Legacy Pfizer Products, Higher Net Interest Expense and the Unfavorable Impact of an Increase in Shares Outstanding (EPS Only)






⁽¹⁾ See Slide 9 for definition.

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



Impact of Foreign Exchange on Adjusted Income⁽¹⁾ Components

Compared with the Year-Ago Quarter (\$ Millions, Except Percentages)

	Third Quarter			
	2010	FX Impact		
Revenues ⁽¹⁾	\$16,166	(\$160)		(1%)
Cost of Sales ⁽¹⁾	2,959	(251)		(14%)
SI&A Expenses ⁽¹⁾	4,615	(32)		(1%)
R&D Expenses ⁽¹⁾	2,160	(15)		(1%)
Adjusted Total Costs⁽²⁾	\$9,734	(\$298)		(4%)

Negative Impact of Foreign Exchange on Revenues More Than Offset by the Favorable Impact on Adjusted Total Costs⁽²⁾ Resulting in a Net Favorable Impact on Adjusted Diluted EPS⁽¹⁾ of \$0.01

⁽¹⁾ See Slide 9 for definition. ⁽²⁾ See Slide 10 for definition.
Note: Certain amounts and percentages may reflect rounding adjustments.

Biopharmaceutical Revenues

(\$ Millions)

	Third Quarter ⁽¹⁾					
	2010	2009 ⁽¹⁾	Change	FX Impact	Total Operational Growth	Legacy Pfizer Operational Growth
Primary Care	\$5,653	\$5,540	2%	(1%)	3%	(3%)
Specialty Care	3,717	1,577	136%	(6%)	142%	(1%)
Established Products	2,168	1,657	31%	(1%)	32%	(13%)
Emerging Markets	2,072	1,529	36%	2%	34%	–
Oncology	335	374	(10%)	(4%)	(6%)	(15%)
Total	\$13,945	\$10,677	31%	(2%)	33%	(4%)

Revenues Favorably Impacted by Legacy Wyeth Products; Legacy Pfizer Operational Performance Primarily Impacted by the Loss of Exclusivity of Certain Products

⁽¹⁾ Revenues from South Korea in 2009 have been reclassified from Emerging Markets to the appropriate developed market units to conform to the current-year presentation.

Note: Certain amounts and percentages may reflect rounding adjustments.



Diversified Revenues

(\$ Millions)

	Third Quarter					
	2010	2009	Change	FX Impact	Total Operational Growth	Legacy Pfizer Operational Growth
Animal Health	\$860	\$678	27%	(1%)	28%	5%
Consumer Healthcare	673	–	N/A	N/A	N/A	N/A
Nutrition	441	–	N/A	N/A	N/A	N/A
Capsugel	176	177	(1%)	(3%)	2%	2%
Total	\$2,150	\$855	151%	–	151%	4%

Revenue Growth Driven Primarily by Addition of Legacy Wyeth Products

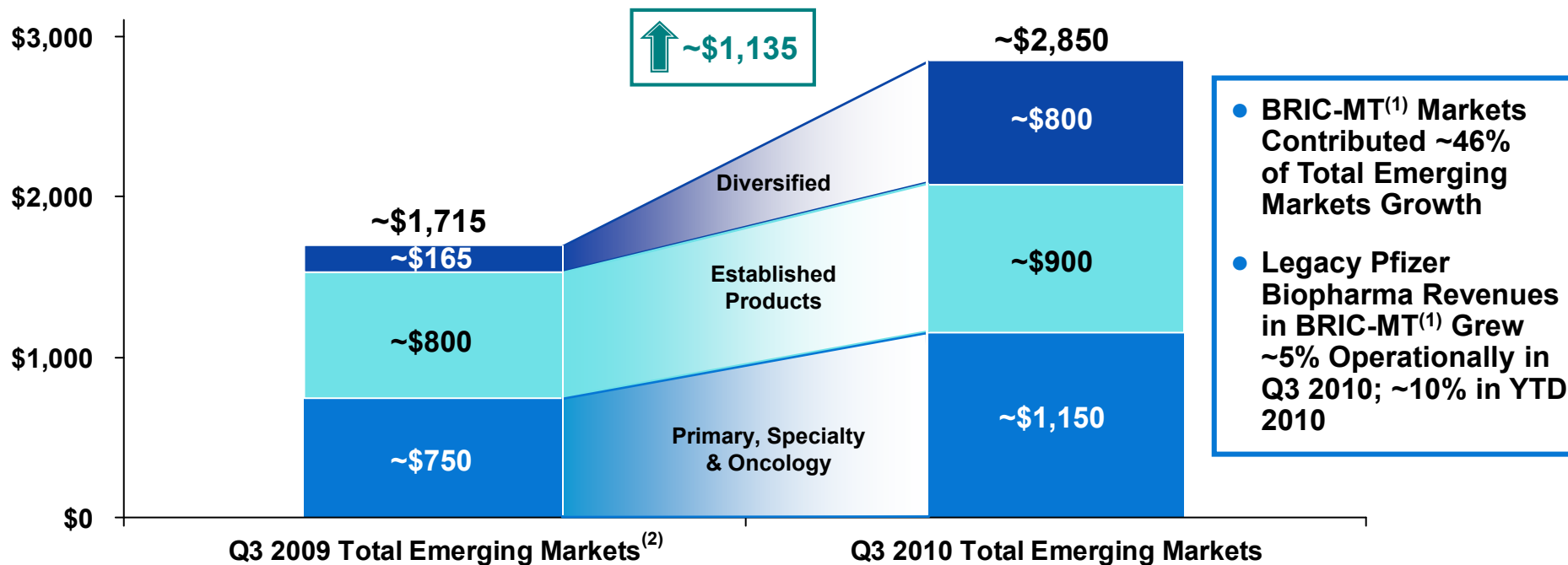
N/A – Not Applicable

Note: Certain amounts and percentages may reflect rounding adjustments.



Broader Portfolio Driving Revenue Expansion in Emerging Markets

(\$ Millions, Except Percentages)



Total Revenue in Emerging Markets Increased by ~66% Since Q3 2009⁽²⁾; Legacy Pfizer Biopharma Revenue in Emerging Markets Increased ~6% Operationally During the First Nine Months of 2010 Compared with the Same Period in 2009

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

(2) Revenues from South Korea biopharmaceutical product sales in Q3 2009 have been reclassified from Emerging Markets to the appropriate developed market units to conform to the current-year presentation.



2010 Financial Guidance⁽¹⁾⁽²⁾

Reported Revenues	\$67.0 to \$68.0 Billion <i>Previously \$67.0 to \$69.0 Billion</i>
Adjusted Cost of Sales⁽³⁾ as a Percentage of Revenues	18.5% to 19.0% <i>Previously 19% to 20%</i>
Adjusted SI&A Expenses⁽³⁾	\$19.2 to \$19.7 Billion <i>Previously \$19.0 to \$20.0 Billion</i>
Adjusted R&D Expenses⁽³⁾	\$9.1 to \$9.5 Billion <i>Previously \$9.1 to \$9.6 Billion</i>
Adjusted Other (Income)/Deductions⁽³⁾	Approximately \$1.0 Billion <i>Previously \$1.2 to \$1.4 Billion</i>
Effective Tax Rate on Adjusted Income⁽³⁾	Approximately 30%
Reported Diluted EPS⁽³⁾	\$0.84 to \$0.94 <i>Previously \$0.95 to \$1.10</i>
Adjusted Diluted EPS⁽³⁾	\$2.17 to \$2.22 <i>Previously \$2.10 to \$2.20</i>

**Narrow Range for Reported Revenues to \$67.0 to \$68.0 Billion;
Increase and Narrow Range for Adjusted Diluted EPS⁽³⁾ to \$2.17 to \$2.22**

- (1) At average actual exchange rates in effect from December 2009 through September 2010 and mid-October 2010 exchange rates for the remainder of the year.
(2) Excludes potential effects of business development transactions not completed as of October 3, 2010, with the exception of the Biocon transaction; resolution of litigation-related matters not substantially resolved as of October 3, 2010.
(3) See Slide 9 for definition.



2012 Financial Targets⁽¹⁾

Reported Revenues	\$65.2 to \$67.7 Billion
Adjusted R&D⁽²⁾ Expenses	\$8.0 to \$8.5 Billion
Adjusted Operating Margin⁽²⁾	High 30%s to Low 40%s
Adjusted Other (Income)/Deductions⁽²⁾	\$1.0 to \$1.2 Billion
Effective Tax Rate on Adjusted Income⁽²⁾	Approximately 30%
Reported Diluted EPS⁽²⁾	\$1.58 to \$1.73
Adjusted Diluted EPS⁽²⁾	\$2.25 to \$2.35
Operating Cash Flow	\$19+ Billion

**Reaffirm All Elements of 2012 Financial Targets Reflecting Confidence
in Future Business Performance**

⁽¹⁾ At mid-October 2010 exchange rates.

⁽²⁾ See Slide 9 for definition.

Note: Given the longer-term nature of these targets, they are subject to greater variability and less certainty as a result of potential material impacts related to foreign exchange fluctuations, macroeconomic activity including inflation, and industry-specific challenges including changes to government healthcare policy, among others.



Key Takeaways

- ✓ Quarterly results reflect solid overall operational performance; Positively impacted by legacy Wyeth operations
- ✓ Tightens ranges for 2010 financial guidance components
 - Increase and narrow range for Adjusted Diluted EPS⁽¹⁾ to \$2.17 to \$2.22
- ✓ Reaffirm 2012 financial targets
- ✓ On track to achieve operational cost-reduction targets
- ✓ Repurchased approximately \$500 million of shares during Q3 2010 and will remain opportunistic regarding additional repurchase opportunities
- ✓ Advancing strategic priorities with recent business development actions

Continue to Deliver Operationally While Advancing Strategic Priorities

⁽¹⁾ See Slide 9 for definition.



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Q&A Session

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