

## From Our CEO

# Financial Performance

(THREE-YEAR SUMMARY)

AS OF AND FOR THE YEAR ENDED DECEMBER 31,

(Millions, except per common share data)	2011 <sup>(a)</sup>	2010	2009 <sup>(a)</sup>	% CHANGE	
				11/10	10/09
Revenues	\$ 67,425	\$ 67,057	\$ 48,269	1	36
Research and development expenses	\$ 9,112	\$ 9,392	\$ 7,824	(3)	20
Acquisition-related in-process research and development charges	—	\$ 125	\$ 68	(100)	84
Restructuring charges and certain acquisition-related costs	\$ 2,934	\$ 3,201	\$ 4,330	(8)	(26)
Income from continuing operations	\$ 8,739	\$ 8,211	\$ 8,529	6	(4)
Net income attributable to Pfizer Inc.	\$ 10,009	\$ 8,257	\$ 8,635	21	(4)
Diluted earnings per common share attributable to Pfizer Inc. shareholders	\$ 1.27	\$ 1.02	\$ 1.23	25	(17)
Weighted-average shares—diluted	7,870	8,074	7,045	(3)	15
Number of common shares outstanding	7,575	8,012	8,051	(5)	—
Working capital	\$ 29,659	\$ 32,377	\$ 24,929	(8)	30
Goodwill & other identifiable intangible assets, net	\$ 98,900	\$ 101,483	\$ 110,372	(3)	(8)
Total assets	\$ 188,002	\$ 195,014	\$ 212,949	(4)	(8)
Total debt <sup>(b)</sup>	\$ 38,949	\$ 44,013	\$ 48,637	(12)	(10)
Total Pfizer Inc. shareholders' equity	\$ 82,190	\$ 87,813	\$ 90,014	(6)	(2)
Shareholders' equity per common share	\$ 10.85	\$ 10.96	\$ 11.19	(1)	(2)
Net cash provided by operating activities	\$ 20,240	\$ 11,454	\$ 16,587	77	(31)
Property, plant and equipment additions	\$ 1,660	\$ 1,513	\$ 1,205	10	26
Purchases of common stock	\$ 9,000	\$ 1,000	—	*	100
Cash dividends paid	\$ 6,234	\$ 6,088	\$ 5,548	2	10

(a) For 2011, includes King Pharmaceuticals Inc. commencing on the acquisition date of January 31, 2011. For 2009, includes Wyeth commencing on the acquisition date of October 15, 2009.

(b) Our short-term borrowings are rated P-1 by Moody's Investors Service (Moody's) and A1+ by Standard & Poor's (S&P). Our long-term debt is rated A1 by Moody's and AA by S&P. Moody's and S&P are major corporate debt-rating organizations.

\* Calculation not meaningful.

Detailed information on our financial and operational performance can be found in the 2011 Financial Report.



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## Non-Financial Performance

We continue to track our progress against key areas of non-financial business performance. In addition to the metrics below, we have provided progress updates and additional metrics throughout the annual review.

### Access to Medicine

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17

Number of top 20 global burdens of disease addressed by products and pipeline<sup>1</sup>

10

Number of global programs and commercial transactions to increase access to medicines in emerging markets<sup>2</sup>

15

Number of emerging markets in which Pfizer has implemented intra-country tiered pricing<sup>3</sup>



## Employees

# 0.59

INJURIES PER 100 EMPLOYEES

### TOTAL INJURY RATE<sup>4</sup>

Pfizer has averaged 8% injury rate reduction annually for the past four years

## Environment<sup>5</sup>

# 2.7

MILLION METRIC TONS CO<sub>2</sub> EQ<sup>6</sup>

### GREENHOUSE GAS EMISSIONS

Total GHG emissions in 2011 were 5% lower than 2010

# 54

MILLION CUBIC METERS<sup>7</sup>

### WATER WITHDRAWAL

Total water withdrawal in 2011 was 12% lower than 2010

# 264

THOUSAND METRIC TONS<sup>8</sup>

### WASTE GENERATED

Total quantity remained unchanged from 2010 with 51% recycled

<sup>1</sup>As defined by the World Health Organization. Burdens of illness not addressed include road traffic accidents, prematurity and low birth weight, and self-inflicted injuries.

<sup>2</sup>Program/commercial transaction defined as a Pfizer investment or dedicated contract of over \$250,000 with a national government or procurement agency, MLO, NGO, private institution or aid agency. Represents multi-country initiatives only and does not include numerous local initiatives to address access.

<sup>3</sup>Represents minimum number of emerging markets with pricing tailored to different patient segments (for at least one product), allowing access for more patients.

<sup>4</sup>Represents 90% of Pfizer employees and directly-supervised contractors.

<sup>5</sup>Data are baseline adjusted, reported absolute, using reporting boundaries per the WRI GHG Protocol; and account for the King Pharmaceuticals acquisition and Capsugel divestiture. Expanded environmental reporting will be posted on [www.pfizer.com](http://www.pfizer.com) later this year.

<sup>6</sup>Total direct and indirect emissions (including fleet and aviation). Does not include Scope 3 emissions.

<sup>7</sup>In 2011, Pfizer adopted the Global Reporting Initiative (GRI) indicators for water, discontinuing previously reported self-defined "Net Water Use" KPI.

<sup>8</sup>Quantity of non-hazardous waste decreased by 9% compared to 2010 while the quantity of hazardous waste increased by 3%.



## From Our CEO

2011 Performance and 2012 Guidance<sup>1</sup>

METRIC	2011 GUIDANCE <sup>2,3</sup>	2011 ACTUAL <sup>3</sup>	2012 GUIDANCE (as of Jan. 2012) <sup>4</sup>
Reported Revenues	\$66.2 to \$67.2 billion	\$67.4 billion	\$60.5 to \$62.5 billion
Adjusted Cost of Sales <sup>5</sup> as % of Revenues	19.8% to 20.3%	19.3%	20.5% to 21.5%
Adjusted SI&A Expenses <sup>5</sup>	\$19.4 to \$19.9 billion	\$19.4 billion	\$17.0 to \$18.0 billion
Adjusted R&D Expenses <sup>5</sup>	\$8.1 to \$8.4 billion	\$8.4 billion	\$6.5 to \$7.0 billion
Adjusted Other (Income)/Deductions <sup>5</sup>	Approximately \$800 million	\$542 million	Approximately \$1.0 billion
Effective Tax Rate on Adjusted Income <sup>5</sup>	Approximately 29%	29.5%	Approximately 29%
Reported Diluted EPS <sup>6</sup>	\$1.20 to \$1.30	\$1.27	\$1.37 to \$1.52
Adjusted Diluted EPS <sup>5</sup>	\$2.24 to \$2.29	\$2.31	\$2.20 to \$2.30
Operating Cash Flow	N/A	\$20.2 billion	\$19+ billion

<sup>1</sup> Please refer to Pfizer's 2011 Annual Report on Form 10-K for a description of the substantial risks and uncertainties related to the forward-looking statements included in this Annual Review.

<sup>2</sup> At exchange rates that reflected a blend of the actual exchange rates in effect during the first nine months of 2011 and mid-October 2011 exchange rates for the remainder of 2011. Our 2011 guidance did not assume the completion of any business-development transactions not completed as of October 2, 2011, including any one-time upfront payments associated with such transactions. It also excluded the potential effects of the resolution of litigation-related matters not substantially resolved as of October 2, 2011.

<sup>3</sup> Included revenues and expenses related to the Capsugel business as a discontinued operation through July 31, 2011. The gain on the sale of Capsugel was reflected in Reported Diluted EPS<sup>6</sup> guidance and actual results, but was not reflected in Adjusted Diluted EPS<sup>5</sup>.

<sup>4</sup> Our 2012 financial guidance did not assume the completion of any business-development transactions not completed as of December 31, 2011, including any one-time upfront payments associated with such transactions. Also, our 2012 financial guidance excluded the potential effects of the resolution of litigation-related matters not substantially resolved as of December 31, 2011. The current exchange rates assumed in connection with the 2012 financial guidance were the mid-January 2012 exchange rates.

<sup>5</sup> "Adjusted Income" and its components and "Adjusted Diluted Earnings Per Share (EPS)" are defined as Reported Net Income<sup>6</sup> and its components and Reported Diluted EPS<sup>6</sup> excluding purchase accounting adjustments, acquisition-related costs, discontinued operations and certain significant items. Adjusted Cost of Sales, Adjusted Selling, Informational and Administrative (SI&A) expenses, Adjusted Research and Development (R&D) expenses and Adjusted Other (Income)/Deductions are income statement line items prepared on the same basis, and, therefore, components of the overall adjusted income measure. As described in our Annual Report on Form 10-K for the year ended December 31, 2011, we use Adjusted Income, among other factors, to set performance goals and to measure the performance of the overall company. A reconciliation of 2011 Adjusted Income and its components and Adjusted Diluted EPS to 2011 Reported Net Income<sup>6</sup> and its components and Reported Diluted EPS<sup>6</sup>, as well as reconciliations of full-year 2012 guidance for Adjusted Income and Adjusted Diluted EPS to full-year 2012 guidance for Reported Net Income<sup>6</sup> and Reported Diluted EPS<sup>6</sup>, are provided in our Form 8-K filed on January 31, 2012. Additional information regarding our 2011 financial performance can be found in our Annual Report on Form 10-K for the year ended December 31, 2011. The Adjusted Income and its components and Adjusted Diluted EPS measures are not, and should not be viewed as, substitutes for U.S. generally accepted accounting principles (GAAP) net income and its components and diluted EPS.

<sup>6</sup> "Reported Net Income" is defined as net income attributable to Pfizer Inc. in accordance with U.S. GAAP. "Reported Diluted EPS" is defined as reported diluted EPS attributable to Pfizer Inc. common shareholders in accordance with U.S. GAAP.