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Pfizer Forms Global Strategic Alliance with Merck KGaA, Germany, to Jointly Develop and Commercialize Anti-PD-L1 to Accelerate Presence in Immuno-Oncology

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PD-L1 Antibody Clinical Results Consistent with Class; Interim Data Demonstrated A Complete and Partial Responses in Ovarian Cancer and NSCLC Up to 20 High Priority Immuno-Oncology Clinical Development Programs, Including Up to 6 Registration Trials, Expected to Commence in 2015 Updates 2014 Reported Diluted EPS Range Solely to Reflect the Transaction Analyst Call Scheduled for 10 a.m. EST on Monday, November 17, 2014

Pfizer Inc. (NYSE:PFE) announced today that it has entered into an agreement with Merck KGaA, Darmstadt, Germany, to jointly develop and commercialize MSB0010718C, an investigational anti-PD-L1 antibody currently in development by Merck KGaA as a potential treatment for multiple types of cancer. Pfizer and Merck KGaA will explore the therapeutic potential of this novel anti-PD-L1 antibody as a single agent as well as in various combinations with Pfizer's and Merck KGaA's broad portfolio of approved and investigational oncology therapies.

Building on the ongoing Phase 1 program that has treated more than 550 patients, both companies will collaborate on up to 20 high priority immuno-oncology clinical development programs expected to commence in 2015. These clinical development programs include up to six trials (Phase 2 or 3) that could be pivotal for potential product registrations.

"This global alliance enables Pfizer and Merck KGaA to join forces and combine complementary strengths with the goal of meeting the needs of patients with multiple types of cancer," said Albert Bourla, group president Vaccines, Oncology and Consumer Healthcare Businesses, Pfizer. "Immuno-oncology is a top priority for Pfizer. Combining this promising anti-PD-L1 antibody with Pfizer's extensive portfolio of small molecules and antibodies, provides an opportunity to potentially broaden the use of immunotherapy for patients with cancer and rapidly expand our oncology business. In addition, this alliance enables us to significantly accelerate the timeframe of our development programs and move into the first wave of potential immuno-oncology based treatment regimens."

"Collaborating globally with Pfizer will allow us to benefit from the strengths and capabilities of both companies in immuno-oncology, further accelerating this promising asset in the race to address the needs of cancer patients across multiple tumor types. Up to 20 high priority immuno-oncology clinical development programs are expected to commence in 2015, including pivotal registration studies," continued Belén Garijo, president and chief executive officer of Merck's biopharmaceutical division Merck Serono and Executive Board Member Elect. "On top of that, the global alliance will enable Merck to gain an early entry into the US oncology market as well as to strengthen our existing oncology business in several other important global markets."

There are currently two clinical development programs underway evaluating Merck KGaA's anti-PD-L1 antibody. In a Phase 1 trial, more than 550 patients have been treated with MSB0010718C across multiple types of cancers. As part of the Analyst and Investor Day hosted by Merck KGaA on September 18, 2014, interim data were presented from an ongoing Phase 1 study demonstrating a complete response and partial responses in patients with non-small cell lung cancer and ovarian cancer. Additional data are expected to be presented at medical congresses in 2015. There is also an ongoing Phase 2 trial evaluating this antibody in patients with metastatic Merkel cell carcinoma, a rare form of skin cancer. For more information, please visit www.clinicaltrials.gov.

"Early results for Merck KGaA's PD-L1 in patient trials are impressive and consistent with the results seen with the class of PD-1 and PD-L1 antibodies," said Mikael Dolsten, M.D., Ph.D., president of Pfizer Worldwide Research and Development (WRD) and executive vice president, Pfizer. "This promising foundation of research will form the basis of multiple registration trials."

Separate from the PD-L1 programs, Pfizer and Merck KGaA will also combine resources and expertise to advance Pfizer's anti-PD-1 antibody into Phase 1 trials. The parties have also agreed to co-promote Pfizer's XALKORI in the United States and several other key markets.

Under the terms of the agreement, Merck KGaA will receive an upfront payment of $850 million and is eligible to receive regulatory and commercial milestone payments up to approximately $2 billion. Both companies will jointly fund all development and commercialization costs and all revenues obtained from selling any anti-PD-L1 or anti-PD-1 products generated from this collaboration will be shared equally.

As a result of this transaction, Pfizer will recognize this upfront payment as a certain significant item which will impact Reported Diluted earnings per share or EPS.(*) Pfizer is updating its previous 2014 Reported Diluted EPS guidance range from $1.50 - $1.59 to $1.40 - $1.49, while maintaining the other elements of its 2014 financial guidance.(**)

Our updated 2014 financial guidance does not reflect the additional impact of the exchange of future profits of Xalkori which will be measured at fair value and will reduce our 2014 reported financial results as the fair value is currently being determined. Our current expectation is that it may be between $250-$400 million on a pre-tax basis as we have not concluded our analysis of this component as of this date.

Pfizer Inc. invites investors and the general public to view and listen to a webcast of a live conference call with investment analysts at 10 a.m. EST on Monday, November 17, 2014.

To view and listen to the webcast visit our web site at www.pfizer.com and click on the "Pfizer Immuno-Oncology Strategic Alliance Announcement" link in the For Investors section located on the lower right-hand corner of that page. Information on accessing and pre-registering for the webcast will be available at www.pfizer.com beginning today. Participants are advised to pre-register in advance of the conference call.

You can also listen to the conference call by dialing either 866-246-2545 in the United States and Canada or 706-634-2365 outside of the United States and Canada. The password is "Investors". Please join the call five minutes prior to the start time to avoid operator hold times.

Immuno-Oncology and Pfizer

Pfizer is working to advance the science in immuno-oncology and actively exploring a variety of novel agents, including checkpoint modulating antibodies, CAR-T therapies, bi-functional monoclonal antibodies and vaccine-based immunotherapy regimens. Pfizer's 4-1BB agonist antibody is currently in Phase 1, with several other

immunotherapeutic agents expected to commence clinical testing in 2015, including a monoclonal antibody against receptor OX40 (CD134), a PD-1 monoclonal antibody, and a vaccine-based regimen for prostate cancer. Pfizer is exploring the full potential of combining immunotherapies with its broad oncology portfolio through the company's own development efforts as well as in collaboration with other partners, working together to improve outcomes for patients with cancer.

About XALKORI® (crizotinib)

XALKORI is a kinase inhibitor indicated in the U.S. for the treatment of patients with metastatic non-small cell lung cancer (NSCLC) whose tumors are anaplastic lymphoma kinase (ALK)-positive as detected by an FDA-approved test. The U.S. indication is not limited to any specific line of therapy. In the EU, XALKORI is indicated for the treatment of adults with previously treated ALK-positive advanced NSCLC. XALKORI has received approval in more than 75 countries[1] including Australia, Canada, China, Japan, South Korea and the European Union.

XALKORI® Important Safety Information

Hepatotoxicity: Across three main clinical trials fatal hepatotoxicity occurred in 0.2% of patients. Monitor with periodic liver testing. Temporarily suspend, dose reduce, or permanently discontinue XALKORI.

Pneumonitis: Across three main clinical trials interstitial lung disease (ILD)/pneumonitis occurred in 2% of patients. Permanently discontinue in patients with ILD/pneumonitis.

QT Interval Prolongation: Across three main clinical trials QT interval prolongation occurred in 2.7% of patients. Monitor with electrocardiograms and electrolytes in patients who have a history of or predisposition for QTc prolongation, or who are taking medications that prolong QT. Temporarily suspend, dose reduce, or permanently discontinue XALKORI.

Bradycardia: XALKORI can cause bradycardia. Across three main clinical trials 11% of patients experienced a heart rate of less than 50 beats per minute. Monitor heart rate and blood pressure regularly. Temporarily suspend, dose reduce, or permanently discontinue XALKORI.

Embryofetal Toxicity: XALKORI can cause fetal harm when administered to a pregnant woman. Women of childbearing potential should be advised to avoid becoming pregnant while receiving XALKORI.

Adverse Reactions: Across three main clinical trials the most common adverse reactions (?25%) were vision disorders, nausea, diarrhea, vomiting, constipation, edema, elevated transaminases, and fatigue.

In a phase 3 study in patients with ALK-positive metastatic NSCLC randomized to XALKORI (n=172) or chemotherapy (n=171), serious adverse reactions were reported in 37.2% of patients treated with XALKORI. The most frequent serious adverse reactions reported in patients treated with XALKORI were pneumonia (4.1%), pulmonary embolism (3.5%), dyspnea (2.3%), and ILD (2.9%). Fatal adverse reactions in XALKORI-treated patients occurred in 9 (5%) patients, consisting of: acute respiratory distress syndrome, arrhythmia, dyspnea, ILD, pneumonia, pneumonitis, pulmonary embolism, respiratory failure, and sepsis. Grade 3 or 4 events occurring at a higher incidence with XALKORI than with chemotherapy and at greater than 2%, were syncope (3%), QT prolongation (3%), and pulmonary embolism (5%). Elevation of ALT of any grade occurred in 76% of patients and grade 3 or 4 in 17% of patients. Neutropenia of any grade occurred in 49% of patients and grade 3 or 4 in 12% of patients. Lymphopenia of any grade occurred in 51% of patients and grade 3 or 4 in 9% of patients. Renal cysts occurred in 4% and neuropathy occurred in 19% of patients treated with XALKORI.

Drug Interactions: Exercise caution with concomitant use of moderate CYP3A inhibitors. Avoid grapefruit or grapefruit juice which may increase plasma concentrations of crizotinib. Avoid concomitant use of strong CYP3A inducers and inhibitors. Dose reduction may be needed for co-administered drugs that are predominantly metabolized by CYP3A.

Nursing Mothers: Given the potential for serious adverse reactions in nursing infants, consider whether to discontinue nursing or discontinue XALKORI.

Hepatic Impairment: XALKORI has not been studied in patients with hepatic impairment. As crizotinib is extensively metabolized in the liver, hepatic impairment is likely to increase plasma crizotinib concentrations. Use caution in patients with hepatic impairment.

Renal Impairment: Administer XALKORI at a starting dose of 250 mg taken orally once daily in patients with severe renal impairment (CLcr<30 mL/min) not requiring dialysis. No starting dose adjustment is needed for patients with mild and moderate renal impairment.

For more information and full prescribing information, please visit www.XALKORI.com.

Pfizer Inc.: Working together for a healthier world®

At Pfizer, we apply science and our global resources to bring therapies to people that extend and significantly improve their lives. We strive to set the standard for quality, safety and value in the discovery, development and manufacture of healthcare products. Our global portfolio includes medicines and vaccines as well as many of the world's best-known consumer health care products. Every day, Pfizer colleagues work across developed and emerging markets to advance wellness, prevention, treatments and cures that challenge the most feared diseases of our time. Consistent with our responsibility as one of the world's premier innovative biopharmaceutical companies, we collaborate with health care providers, governments and local communities to support and expand access to reliable, affordable health care around the world. For more than 150 years, Pfizer has worked to make a difference for all who rely on us. To learn more, please visit us at www.pfizer.com

DISCLOSURE NOTICE*: The information contained in this release is as of November 17, 2014. Pfizer assumes no obligation to update forward-looking statements contained in this release as the result of new information or future events or developments.*

This release contains forward-looking information about an agreement between Pfizer and Merck KGaA regarding an immuno-oncology alliance involving anti-PD-L1 and anti-PD-1 therapies and Pfizer's updated financial guidance for 2014 that involves substantial risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Forward-looking statements include, among other things, those regarding MSB0010718C and the agreement to jointly develop and commercialize MSB0010718C, including plans to explore MSB0010718C as a single agent as well as in various combinations with Pfizer's and Merck KGaA's oncology portfolios, plans to advance Pfizer's anti-PD-1 antibody into Phase 1 clinical trials, development plans for additional clinical trials and plans to jointly commercialize Xalkori in certain markets, and those regarding Pfizer's immuno-oncology portfolio, including their potential benefits, as well as statements regarding the timing of potential commencement of clinical development programs and testing and regarding Pfizer's updated financial guidance for 2014 and the expected impact of the exchange of future profits of Xalkori. Risks and uncertainties include, among other things, the uncertainties inherent in research and development, including the ability to meet anticipated clinical study commencement and completion dates as well as the possibility of unfavorable study results; risks associated with interim data, including the risk that the final results of the Phase 1 study for MSB0010718C and/or additional clinical trials may be different from (including less favorable than) the interim data results and may not support further

clinical development; the risk that clinical trial data are subject to differing interpretations, and, even when we view data as sufficient to support the safety and/or effectiveness of a product candidate, regulatory authorities may not share our views and may require additional data or may deny approval altogether; whether and when drug applications may be filed in any jurisdictions for any potential product candidates or combination therapies; whether and when any such applications may be approved by regulatory authorities, which will depend on the assessment by such regulatory authorities of the benefit-risk profile suggested by the totality of the efficacy and safety information submitted; decisions by regulatory authorities regarding labeling and other matters that could affect the availability or commercial potential of any of such product candidates or combination therapies; competitive developments; and regarding Pfizer's updated financial guidance for 2014, the uncertainties and variables inherent in business, financial and operating performance, including among other things, general economic, political, business, industry, regulatory and market conditions.

A further description of risks and uncertainties can be found in Pfizer's Annual Report on Form 10-K for the fiscal year ended December 31, 2013 and in its subsequent reports on Form 10-Q, including in the sections thereof captioned "Risk Factors" and "Forward-Looking Information That May Affect Future Results", as well as in its subsequent reports on Form 8-K, all of which are filed with the SEC and available at www.sec.gov and www.pfizer.com.

(*) "Reported Diluted EPS" is defined as reported diluted EPS attributable to Pfizer Inc. common shareholders in accordance with U.S. GAAP.

(**)

- Except for the Merck KGaA transaction referenced in this press release, does not assume the completion of any business development transactions not completed as of September 28, 2014 including any one-time upfront payments associated with such transactions.
- Excludes the potential effects of the resolution of litigation-related matters not substantially resolved as of September 28, 2014.
- Exchange rates assumed are a blend of the actual exchange rates in effect through September 28, 2014 and the mid-October 2014 exchange rates for the remainder of the year. Does not include the impact of a potential devaluation of the Venezuelan bolivar or any other currency.
- Guidance for the effective tax rate on adjusted income does not assume renewal of the U.S. research and development (R&D) tax credit. The renewal of the R&D tax credit is not anticipated to have a material impact on the effective tax rate on adjusted income.
- Assumes diluted weighted-average shares outstanding of approximately 6.4 billion shares.
- Revenues and cost of sales from the transitional manufacturing and supply agreements with Zoetis have been excluded from the applicable Adjusted components of the financial guidance.

Pfizer Europe Media: Lisa O'Neill, +44.7929.339560 lisa.o'neill@pfizer.com or Pfizer U.S. Media: Sally Beatty, 347-330-7867 Sally.Beatty@pfizer.com or Pfizer Investor: Charles Triano, 212-733-3901 Charles.Triano@pfizer.com