Pfizer Logo

Pfizer Inc. Commences Exchange Offers for Hospira Notes

Thursday, September 03, 2015 - 01:17pm

Pfizer Inc. ("Pfizer") (NYSE:PFE) announced today that it has commenced offers to exchange any and all validly tendered and accepted notes of the following series issued by Hospira, Inc. ("Hospira"), our recently acquired subsidiary, for new notes to be issued by Pfizer as described in the table below. A Registration Statement on Form S-4 (the "Registration Statement") relating to the issuance of the Pfizer Notes (as defined below) was filed with the U.S. Securities and Exchange Commission (the "SEC") on September 3, 2015 but has not yet been declared effective.

CUSIP No.	**Series of Notes Issued by Hospira to be Exchanged (Collectively, the "Hospira Notes")**	**Aggregate Principal Amount ($million)**	**Series of Notes to be Issued by Pfizer (Collectively, the "Pfizer Notes")**	**Exchange Consideration (1)(2)**		**Early Participation Premium (1)(2)**	**Total Consideration (1)(2)(3)**	
				Pfizer Notes (principal amount)	**Cash**	**Pfizer Notes (principal amount)**	**Pfizer Notes (principal amount)**	**Cash**
441060AJ9	6.05% Notes due 2017	$550	6.05% Notes due 2017	$970	$1.00	$30	$1,000	$1.00
441060AM2	5.20% Notes due 2020	$350	5.20% Notes due 2020	$970	$1.00	$30	$1,000	$1.00
441060AN0	5.80% Notes due 2023	$350	5.80% Notes due 2023	$970	$1.00	$30	$1,000	$1.00
441060AL4	5.60% Notes due 2040	$500	5.60% Notes due 2040	$970	$1.00	$30	$1,000	$1.00

(1) Consideration per $1,000 principal amount of Hospira Notes validly tendered and accepted for exchange, subject to any rounding as described in the Prospectus (as defined below).

(2) The term "Pfizer Notes" in this press release refers, in each case, to the series of Pfizer Notes corresponding to the series of Hospira Notes of like tenor and coupon.

(3) Includes the Early Participation Premium payable for Hospira Notes validly tendered prior to the Early Consent Date described below and not validly withdrawn.

In connection with the exchange offers, Pfizer is also soliciting consents from holders of the Hospira Notes to amend (the "Proposed Amendments") the indenture governing the Hospira Notes (the "Hospira Indenture") and the Hospira Notes to (i) eliminate substantially all of the restrictive covenants in the Hospira Indenture, (ii) extend the cure period for certain events of default, (iii) change the delivery date of the annual compliance certificate and (iv) modify the change of control provisions so they will no longer apply. If the Proposed Amendments are adopted, the Hospira Notes will be governed by the Hospira Indenture, as amended by the Proposed Amendments, which will have less restrictive terms and afford reduced protections to the holders of those securities compared to those terms and protections currently in the Hospira Indenture and note certificates or applicable to the Pfizer Notes. In order for the Proposed Amendments to the Hospira Indenture to be adopted with respect to a series of Hospira Notes, holders of not less than a majority in aggregate principal amount of the outstanding Hospira Notes of such series must consent to them, and those consents must be received prior to the Expiration Date for the exchange offer relating to such series.

The exchange offers and consent solicitations for each series of the Hospira Notes (together, the "Exchange Offers") will expire at 11:59 p.m., New York City time, on October 1, 2015, unless extended (the "Expiration Date").

Upon the terms and subject to the conditions of the Exchange Offers set forth in the Prospectus and Letter of Transmittal (as defined below), in exchange for each $1,000 principal amount of Hospira Notes that is validly tendered prior to 5:00 p.m., New York City time, on September 17, 2015, unless extended (the "Early Consent Date") and not validly withdrawn, holders will be eligible to receive the total exchange consideration set out in the table above (the "Total Consideration"), which consists of $1,000 principal amount of Pfizer Notes of the applicable series and a cash amount of $1.00. The Total Consideration includes the early participation premium set out in the table above (the "Early Participation Premium"), which consists of $30 principal amount of Pfizer Notes of the applicable series. Upon the terms and subject to the conditions of the Exchange Offers set forth in the Prospectus and Letter of Transmittal, in exchange for each $1,000 principal amount of Hospira Notes that is validly tendered after the Early Consent Date but prior to the Expiration Date, and not validly withdrawn, holders will be eligible to receive only the exchange consideration set out in the table above (the "Exchange Consideration"), which is equal to the Total Consideration less the Early Participation Premium and so consists of $970 principal amount of Pfizer Notes of the applicable series and a cash amount of $1.00.

Each Pfizer Note will accrue interest at the same annual interest rate, have the same interest payment dates, same redemption terms and same maturity date as the Hospira Note for which it is exchanged. The Pfizer Notes will be unsecured general obligations of Pfizer and will rank equally with all other unsecured and unsubordinated indebtedness of Pfizer from time to time outstanding. The Pfizer Notes offered will also be structurally subordinated to all existing and future liabilities of any of our subsidiaries and any subsidiaries that we may in the future acquire or establish.

The dealer managers for the Exchange Offers and Consent Solicitations are:

Citigroup Global Markets Inc.

390 Greenwich Street, 1st Floor
New York New York 10013

Goldman, Sachs & Co.

200 West Street
New York, New York 10282

Attention: Liability Management Group
(800) 558-3745 (toll free)
(212) 723-6106 (collect)

Attention: Liability Management Group
(800) 828-3182 (toll free)
(212) 902-5183 (collect)

The exchange agent and information agent for the Exchange Offers and Consent Solicitations is:

Global Bondholder Services Corporation

65 Broadway – Suite 404
New York, New York 10006
Attn: Corporate Actions
Bank and Brokers Call Collect: (212) 430-3774
All Others, Call Toll Free: (866) 470-3900

The Exchange Offers are being made upon the terms and subject to the conditions set forth in Pfizer's preliminary prospectus, dated as of September 3, 2015 (the "Prospectus"), which forms a part of the Registration Statement, and the related Letter of Transmittal and Consent (the "Letter of Transmittal"). Tendered Hospira Notes may be validly withdrawn, and related consents may be revoked, at any time prior to the Expiration Date and Pfizer may terminate or withdraw the Exchange Offers at any time for any reason, subject to applicable law.

The consummation of the Exchange Offers is subject to, and conditional upon, the satisfaction or, where permitted, waiver of the conditions discussed in the Prospectus, including, among other things, the receipt of valid consents to the Proposed Amendments from the holders of at least a majority of the outstanding aggregate principal amount of each series of Hospira Notes and the Registration Statement having been declared effective by the SEC.

This press release shall not constitute an offer to sell, or a solicitation of an offer to buy, any of the securities described herein and is also not a solicitation of the related consents. The Exchange Offers may be made only pursuant to the terms of the Prospectus, the Letter of Transmittal and the other related materials. A Registration Statement relating to the Pfizer Notes has been filed with the SEC but has not yet become effective. The Pfizer Notes may not be sold, nor may offers to buy be accepted, prior to the time the Registration Statement is declared effective by the SEC.

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