Pfizer Reports Third-Quarter 2007 Results; Reconfirms 2007 and 2008 Revenue and Adjusted Diluted EPS(1) Guidance

Wednesday, October 17, 2007 - 09:00pm

Third-Quarter 2007 Reported Diluted EPS of $0.11 Represents a Decline of 76% Compared to the Same Period Last Year and Includes Charges of $0.31 ($2.8 Billion Pre-Tax) Related to a Decision to Exit Exubera Adjusted Diluted EPS(1) of $0.58 for the Third-Quarter 2007 Represents an Increase of 7% Compared to the Same Period a Year Ago New Products(3) Posted Significant Growth in Revenues; Overall Third-Quarter 2007 Revenues were Adversely Impacted by Loss of U.S. Exclusivity for Norvasc and Zoloft Worldwide Lipitor Revenues were $3.2 Billion in the Third Quarter of 2007 Compared to $3.3 Billion in the Third Quarter of 2006

(BUSINESS WIRE)--Pfizer:

($ in millions, except per-share amounts)	Third Quarter			Year to Date		
	2007	2006	Change	2007	2006	Change
Reported Revenues	$ 11,990	$ 12,280	(2 %)	$ 35,548	$ 35,768	(1 %)
Reported Net Income	761	3,362	(77 %)	5,420	9,888	(45 %)
Reported Diluted EPS	0.11	0.46	(76 %)	0.78	1.35	(42 %)
Adjusted Income(1)	3,963	3,922	1 %	11,711	11,935	(2 %)
Adjusted Diluted EPS(1)	0.58	0.54	7 %	1.68	1.63	3 %

Pfizer Inc posted third-quarter 2007 revenues of $12.0 billion, a 2% decline from the same period last year. The Company’s reported net income was $761 million in the third quarter of 2007, a decrease of 77% from the same period last year, primarily reflecting pre-tax charges of $2.8 billion related to the decision to exit Exubera, our inhaled insulin product to treat diabetes. Adjusted income(1) for the third quarter of 2007 increased 1% to $4.0 billion compared to the third quarter of 2006.

“We are encouraged by our operating results in the third quarter, and we remain on track to achieve our full-year 2007 revenues and adjusted diluted EPS(1) goals. Meanwhile, we made an important decision regarding Exubera, a product for which we initially had high expectations,” said Jeff Kindler, Chairman and Chief Executive Officer. “Despite our best efforts, Exubera has failed to gain the acceptance of patients and physicians. We have therefore concluded that further investment in this product is unwarranted.”

“We will work with physicians to transition Exubera patients to other treatment options in the next three months. We remain committed to investing significant resources in the development of new and innovative medicines to manage diabetes, including monitoring inhalation technologies and other innovative delivery systems for insulin and other medicines.”

Frank D’Amelio, Chief Financial Officer, added, “The Exubera pre-tax charges of $2.8 billion related primarily to the write-off of assets associated with this product, as well as the accrual of other exit costs. More specifically, these charges are comprised of approximately $1.1 billion of intangible assets, $661 million of inventory, $454 million of fixed assets and $584 million of other exit costs.”

Commenting on the financial performance in the just-ended quarter, Mr. Kindler said, “We are achieving our operational goals in the face of major revenue losses due to patent expirations in the U.S. Most of our new products(3) along with the favorable impact of foreign exchange are contributing significantly toward offsetting these losses as evidenced by our year-to-date results.”

Mr. Kindler continued, “While optimizing revenues from our in-line products(2) and generating strong growth from our new products(3), we remain focused on driving a series of fundamental changes in the Company to improve our performance and achieve a lower, more flexible cost base. We are making substantial progress on these priorities. For example, our reduction in adjusted selling, informational and administrative expenses(1) this year is expected to exceed our previous forecast on a constant currency basis(8).”

“However, we need to deliver better results, continue to make tough decisions about allocating our capital wisely, and bring more new products to the market as quickly as possible. Doing all of this will put Pfizer on the right course and build value for our shareholders.”

Financial Results

In the third quarter of 2007, Pfizer posted revenues of $12.0 billion, a decline of 2% from $12.3 billion in the same period last year. This decline reflects the loss of U.S. exclusivity for Zoloft in June 2006 (with generic competition entering the market in August 2006) and for Norvasc in March 2007, six months earlier than expected. Both products were major contributors to revenue last year. Further, the decline in revenues was also the result of a one-time reversal of a sales deduction accrual recorded in the third quarter of 2006 related to a favorable development in a pricing dispute in the U.S. These adverse factors were substantially offset by revenues from new products(3) and the favorable impact of foreign exchange of approximately $300 million.

Revenues in the first nine months of 2007 were $35.5 billion, a decline of 1% from $35.8 billion in the same period in the previous year, primarily a result of the loss of U.S. exclusivity for Zoloft and Norvasc, once again largely offset by the revenues from new products(3) and the favorable impact of foreign exchange of approximately $860 million.

Reported net income in the third quarter of 2007 was $761 million compared with $3.4 billion in the third quarter of 2006, a decline of 77%. Reported diluted EPS of $0.11 in the third quarter of 2007 declined 76% from $0.46 in the prior year period. In addition to the $2.8 billion of pre-tax charges related to Exubera, loss of U.S. exclusivity for Zoloft and Norvasc, and the one-time reversal of a sales deduction accrual of about $170 million recorded in the third quarter of 2006, the decrease in both reported net income and reported diluted EPS reflects increased restructuring and implementation expenses associated with our cost-reduction initiatives, and the non-recurrence of prior year income from discontinued operations as a result of the divestiture of our former Consumer Healthcare business in December 2006. The impact of these factors was partially offset by the growth in revenues from new products(3), lower operating expenses, increased interest income, and the favorable impact of foreign exchange. Reported diluted EPS was also favorably impacted by our share purchase program.

Adjusted income(1) of $4.0 billion in the third quarter of 2007 increased 1% over the same period last year, while adjusted diluted EPS(1) of $0.58 increased 7% from $0.54 in 2006, primarily as a result of the revenue items previously discussed as well as lower operating expenses, increased interest income, and the favorable impact of foreign exchange. Adjusted diluted EPS(1) was also favorably impacted by our share purchase program. Through the first nine months of 2007, we purchased $7.5 billion of our stock as part of our previously announced plan to repurchase up to $10.0 billion of our stock in 2007.

Product Performance ($ in millions, except percentages) Third Quarter Year to Date 2007 2006 Change 2007 2006 Change In-Line Products(2) $ 9,341

$ 9,318   -- $ 27,516 $ 26,859   2 % New Products(3)   931   500   86 %   2,458
1,065   131 %   Total In-Line and New Products(4)   10,272   9,818   5 %
29,974   27,924   7 %   Loss of Exclusivity Products(5)   764
1,667 (54 %)   2,748   5,493 (50 %)   Total Pharmaceutical   11,036
11,485   (4 %)   32,722   33,417   (2 %)   Animal Health   636   562   13
%   1,854   1,656   12 % Other(6)   318   233   36 %   972   695   40 %
Total Revenues $ 11,990 $ 12,280   (2 %) $ 35,548 $ 35,768   (1 %)

(2) (3) (4) (5) (6) See end of text prior to tables for notes.

Pharmaceuticals

Worldwide pharmaceutical revenues for the third quarter of 2007 were down 4% from the same quarter a year ago. In-line and new products(4) revenues increased 5% in the third quarter of 2007 compared to the same period in 2006. Revenues for products that lost U.S. marketing exclusivity in 2006 and 2007, Zoloft and Norvasc, declined 54% in the third quarter of 2007 compared to last year.

Lipitor revenues in the third quarter of 2007 were $3.2 billion, a 5% decline from the same period in 2006. In the U.S., Lipitor revenues declined 13%, while revenues in international markets rose 9%, due primarily to the favorable impact of foreign exchange and, to a lesser extent, operating growth. We estimate full-year 2007 worldwide Lipitor revenues to be 3% to 5% lower than 2006. The U.S. statin market in particular continues to be highly competitive, with both branded and generic competition in an increasingly cost-sensitive environment. We continue to respond to this competition with an integrated multi-channel effort.

Celebrex revenues rose 8% to $577 million in the third quarter of 2007 compared to the same period last year. In the U.S., we are continuing to focus on our direct-to-consumer advertising campaign aimed at further stimulating patient interest and initiating a valuable dialogue between patients and physicians.

Lyrica revenues grew 37% to $465 million in the third quarter of 2007 compared to the same period last year. Lyrica's growth continues to be fueled by strong efficacy as well as high patient and physician satisfaction in the marketplace. Lyrica was approved in the U.S. in June 2007 for the management of fibromyalgia, one of the most common chronic, widespread pain conditions, and was launched for this indication in July 2007.

Chantix, our treatment to aid smoking cessation, continued its strong performance with revenues of $241 million in the third quarter of 2007 compared to $33 million in the third quarter of 2006. Within the last month, we launched a direct-to-consumer campaign in the U.S. aimed at further increasing awareness of Chantix and how it can help smokers who want to quit.

Animal Health

Third-quarter 2007 revenues increased 13% to $636 million, compared to $562 million in the same period last year. For the first nine months of 2007, revenues increased 12% to $1.9 billion compared to $1.7 billion in the same period last year. The increase in both periods is largely attributed to strong product performance in the companion animal and international livestock businesses; the acquisition of Embrex, a company with a unique vaccine delivery system that vaccinates chicks while inside their eggs; and the favorable impact of foreign exchange.

Expenses

In the third quarter of 2007, adjusted cost of sales(1) as a percentage of revenues was 15.1%, compared to 15.4% in the third quarter of 2006 despite adverse geographic and product mix as compared to the same period a year ago. This reflects our ongoing cost-base reduction efforts. “Given ongoing pressures associated with geographic and product mix, we now forecast adjusted cost of sales(1) to be about 15.5% of revenues for the full-year of 2007 versus our previous estimate of 15.0%,” said Mr. D’Amelio.

Adjusted Selling, Informational and Administrative (SI&A) expenses(1) of $3.6 billion in the third quarter of 2007 decreased 1% compared to the third quarter of 2006, due primarily to savings from our cost-reduction initiatives, partially offset by the unfavorable impact of foreign exchange. We previously projected adjusted SI&A expenses(1) for the full-year 2007 to decrease by more than $500 million absent the impact of foreign exchange relative to the full-year 2006. We now project a year-over-year decrease in adjusted SI&A expenses(1) of about $600 million on a constant currency basis(8) as the benefits of our cost-reduction initiatives are materializing.

Adjusted research and development (R&D) expenses(1) were $1.7 billion in the third quarter of 2007, a decrease of 5% compared to the third quarter of 2006, due primarily to the realization of savings associated with our cost-reduction initiatives and the non-recurrence of a licensing payment in the prior year partially offset by the unfavorable impact of foreign exchange. We continue to project the full-year 2007 adjusted R&D expenses(1) to be approximately $7.5 billion.

Financial Guidance

Our financial guidance for full-year 2007, at current exchange rates(7) except as otherwise noted, is summarized below and compared to prior communications.

We have raised the lower end of the ranges for revenues and adjusted diluted EPS(1). In addition, as a result of progress in our cost-reduction initiatives, we now expect adjusted SI&A expenses(1) to decrease about $100 million more than our previous guidance. We have also changed our guidance on adjusted cost of sales(1) as a percent of revenues from 15.0% to 15.5%, largely due to geographic and product mix. Further, given the charges we recorded related to Exubera, we have decreased our guidance on reported diluted EPS. Guidance regarding adjusted R&D expenses(1), the effective tax rate on adjusted income(1), and cash flows from operations remains consistent with prior communications.

Previous Guidance **Current Guidance** Revenues $47.0 to $48.0 billion $47.5 to $48.0 billion Adjusted Cost of Sales(1) as a Percentage of Revenues Approx. 15.0% Approx. 15.5% Adjusted SI&A Expenses(1)

Decrease of greater than$500 million versus 2006on a constant currencybasis(8) -- Approx.$15.2 billion

Decrease of about $600million versus 2006 ona constant currencybasis(8) -- Approx.$15.1 billion

Adjusted R&D Expenses(1) Approx. $7.5 billion Approx. $7.5 billion Effective Tax Rate on Adjusted Income(1) 22.0% 22.0% Reported Diluted EPS $1.30 to $1.41 $1.01 to $1.10 Adjusted Diluted EPS(1) $2.08 to $2.15 $2.10 to $2.15 Cash Flows from Operations $12.0 to $13.0 billion $12.0 to $13.0 billion
Our financial guidance for full-year 2008, at current exchange rates(7) except as otherwise noted, is summarized below.

Previous Guidance **Current Guidance** Revenues $46.5 to $48.5 billion $46.5 to $48.5 billion

Adjusted Total Costs(9)

At least $1.5 to $2.0billion lower than 2006

At least $1.5 to $2.0billion lower than 2006on a constant currencybasis(8)

Effective Tax Rate on Adjusted Income(1) 22.0% to 22.5% 22.0% to 22.5% Reported

Diluted EPS $1.75 to $1.93 $1.75 to $1.93 Adjusted Diluted EPS(1) $2.31 to $2.45 $2.31 to $2.45 Cash Flows from Operations $18.0 to $19.0 billion $18.0 to $19.0 billion

For additional details, please see the attached financial schedules, product revenue tables, supplemental financial information, and Disclosure Notice.

(1) "Adjusted income" and its components and "adjusted diluted earnings per share (EPS)" are defined as reported net income and its components and reported diluted EPS excluding purchase-accounting adjustments, acquisition-related costs, discontinued operations and certain significant items. Adjusted Cost of Sales, Adjusted SI&A expenses and Adjusted R&D expenses are income statement line items prepared on the same basis and therefore, components of the overall Adjusted Income measure. As described under *Adjusted Income* in the Management's Discussion and Analysis of Financial Condition and Results of Operations section of Pfizer's Form 10-Q for the quarterly period ended July 1, 2007, management uses adjusted income, among other factors, to set performance goals and to measure the performance of the overall company. We believe that investors' understanding of our performance is enhanced by disclosing this measure. Reconciliations of third-quarter and nine-month 2007 and 2006 adjusted income and its components and adjusted diluted EPS to reported net income and its components and reported diluted EPS, as well as reconciliations of full-year 2007 and 2008 adjusted income and adjusted diluted EPS guidance to full-year 2007 and 2008 reported net income and reported diluted EPS guidance, are provided in the materials accompanying this report. The adjusted income and its components and adjusted diluted EPS measures are not, and should not be viewed as, substitutes for U.S. GAAP net income and diluted EPS.

(2) Represents worldwide revenues for all pharmaceutical products, excluding revenues included in notes (3) and (5).

(3) Represents worldwide revenues for pharmaceutical products launched in the U.S. since 2005: Chantix, Eraxis, Exubera, Lyrica, Macugen, Revatio, Selzentry, Sutent, and Zmax.

(4) Total worldwide pharmaceutical revenues excluding the revenues of major products that have lost exclusivity in the U.S. in 2006 and 2007 as described in note (5). See the table accompanying this report.

(5) Represents worldwide revenues for pharmaceutical products that have lost exclusivity in the U.S. in 2006 and 2007: Zoloft and Norvasc.

(6) Includes Consumer Healthcare business transition activity, Capsugel and Pfizer Centersource.

(7) Current exchange rates approximate rates at the time of our third quarter earnings press release (October 2007).

(8) Constant currency basis means that the applicable projected financial measure is based upon the actual foreign exchange rates in effect during 2006.

(9) Represents primarily the total of Adjusted Cost of Sales(1), Adjusted SI&A expenses(1) and Adjusted R&D expenses(1).

PFIZER INC AND SUBSIDIARY COMPANIES CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED) (millions of dollars, except per common share data) Third Quarter
% Incr.

/

(Decr.)

Nine Months
% Incr.

/

(Decr.)

2007 2006 2007 2006 Revenues $ 11,990 $ 12,280 (2) $ 35,548 $ 35,768 (1) Costs and expenses: Cost of sales (a) 4,618 1,962 135 8,614 5,423 59 Selling, informational and administrative expenses (a) 3,768 3,751 - 10,973 11,027 - Research and development expenses (a) 1,999 1,902 5 5,829 5,187 12 Amortization of intangible assets 774 798 (3) 2,372 2,446 (3) Acquisition-related in-process research and development charges - - * 283 513 (45) Restructuring charges and acquisition-related costs 455 249 83 2,318 816 184
Other (income)/ deductions--net

(260) (343) (24) (1,149) (958) 20
Income from continuing operations before (benefit)/ provision for taxes on income and minority interests

636 3,961 (84) 6,308 11,314 (44) (Benefit)/provision for taxes on income (161) 717

*

800 1,769 (55) Minority interests 1 5 (72) 6 10 (41) Income from continuing operations 796 3,239 (75) 5,502 9,535 (42) Discontinued operations: Income from discontinued operations--net of tax - 120 * - 330 * Gains/(losses) on sales of discontinued operations--net of tax (35) 3 * (82) 23 * Discontinued operations--net of tax (35) 123 * (82) 353 * Net income $ 761 $ 3,362 (77) $ 5,420 $ 9,888 (45) Earnings per common share - basic: Income from continuing operations $ 0.12 $ 0.45 (73) $ 0.79 $ 1.31 (40) Discontinued operations--net of tax (0.01) 0.02 * (0.01) 0.05 * Net income $ 0.11 $ 0.47 (77) $ 0.78 $ 1.36 (43) Earnings per common share - diluted: Income from continuing operations $ 0.12 $ 0.44 (73) $ 0.79 $ 1.30 (39) Discontinued operations--net of tax (0.01) 0.02 * (0.01) 0.05 * Net income $ 0.11 $ 0.46 (76) $ 0.78 $ 1.35 (42) Weighted-average shares used to calculate earnings per common share: Basic 6,875 7,228 6,964 7,275 Diluted 6,894 7,251 6,986 7,306 (a) Exclusive of amortization of intangible assets, except as discussed in footnote 5 below. * Calculation not meaningful.

Certain amounts and percentages may reflect rounding adjustments.

1. The above financial statements present the three-month and nine-month periods ended September 30, 2007, and October 1, 2006. Subsidiaries operating outside the United States are included for the three-month and nine-month periods ended August 26, 2007, and August 27, 2006. 2. The financial results for the three-month and nine-month periods ended September 30, 2007, are not necessarily indicative of the results which ultimately might be achieved for the current year. 3. The financial results for the three-month and nine-month periods ended September 30, 2007, include charges associated with the impairment of Exubera assets and the decision to exit and stop additional investment in the product. These charges include approximately $1.1 billion of intangible assets, $661 million of inventory, $454 million of fixed assets, and $584 million of other exit costs. The charges are included in *Cost of sales* ($2.6 billion), *Selling, informational and administrative expenses* ($83 million), *Research and development expenses* ($131 million) and *Revenues* ($10 million for an estimate of customer returns). 4. As required,

the estimated value of *Acquisition-related in-process research and development charges* (IPR&D) is expensed at acquisition date. In 2007, we expensed $283 million of IPR&D, primarily related to our acquisitions of BioRexis Pharmaceutical Corp. and Embrex, Inc. in the first quarter. In 2006, we expensed $513 million of IPR&D, primarily related to our acquisition of Rinat Neuroscience Corp. in the second quarter. 5. Amortization expense related to acquired intangible assets that contribute to our ability to sell, manufacture, research, market and distribute our products are included in *Amortization of intangible assets* as they benefit multiple business functions. Amortization expense related to acquired intangible assets that are associated with a single function are included in *Cost of sales*, *Selling, informational and administrative expenses* or *Research and development expenses*, as appropriate. 6. *Discontinued operations--net of tax* is primarily related to our former Consumer Healthcare business, sold in December 2006 for approximately $16.6 billion. 7. *Provision for taxes on income* in the third quarter of 2007 includes a tax benefit ($681 million) relating to charges associated with Exubera. *Provision for taxes on income* in the third quarter of 2006 includes a downward adjustment ($124 million) of charges recorded in 2005 attributable to the repatriation of foreign earnings in accordance with the American Jobs Creation Act of 2004 and the first quarter of 2006 includes $217 million of one-time tax benefits associated with favorable tax legislation and $441 million related to the resolution of certain tax positions. PFIZER INC AND SUBSIDIARY COMPANIES RECONCILIATION OF REPORTED NET INCOME AND ITS COMPONENTS AND REPORTED DILUTED EPS TO ADJUSTED INCOME AND ITS COMPONENTS AND ADJUSTED DILUTED EPS (UNAUDITED) (millions of dollars, except per common share data) Quarter Ended September 30, 2007 Reported

PurchaseAccountingAdjust-ments

Acqui-sition-RelatedCosts

Discon-tinuedOper-ations(2)

CertainSigni-ficantItems(3)

Adjusted Revenues $ 11,990 $ - $ - $ - $ (40) $ 11,950 Costs and expenses:

Cost of sales (a)

4,618 (14) - - (2,794) 1,810 Selling, informational and administrative expenses (a) 3,768 3 - - (133) 3,638 Research and development expenses (a) 1,999 (8) - - (261) 1,730 Amortization of intangible assets 774 (745) - - (1) 28 Acquisition-related in-process R&D charges - - - - - - Restructuring charges and acquisition-related costs 455 - (18) - (437) -

Other (income)/ deductions--net

(260) (3) - - (56) (319)
Income from continuing operations before (benefit)/ provision for taxes on income and minority interests

636 767 18 - 3,642 5,063
(Benefit)/ provision for taxes on income

(161) 208 5 - 1,047 1,099 Minority interests 1 - - - - 1
Income from continuing operations 796 559 13 - 2,595 3,963 Discontinued operations: Income from discontinued operations--net of tax - - - - - - Gains/(losses) on sales of discontinued operations--net of tax (35) - - 35 - - Discontinued operations--net of tax (35) - - 35 - - Net income $ 761 $ 559 $ 13 $ 35 $ 2,595 $ 3,963 Earnings per common share - diluted:
Income from continuing operations $ 0.12 $ 0.08
$

- $ - $ 0.38 $ 0.58 Discontinued operations--net of tax (0.01) - - 0.01 - -
Net income $ 0.11 $ 0.08
$

- $ 0.01 $ 0.38 $ 0.58 Nine Months Ended September 30, 2007 Reported
PurchaseAccountingAdjust-ments

Acqui-sition-RelatedCosts

Discon-tinuedOper-ations(2)

CertainSigni-ficantItems(3)

Adjusted Revenues $ 35,548 $ - $ - $ - $ (134) $ 35,414

Costs and expenses:

Cost of sales (a) 8,614 (49) - - (3,138) 5,427 Selling, informational and administrative expenses (a) 10,973 9 - - (294) 10,688 Research and development expenses (a) 5,829 (22) - - (423) 5,384 Amortization of intangible assets 2,372 (2,292) - - - 80 Acquisition-related in-process R&D charges 283 (283) - - - - Restructuring charges and acquisition-related costs 2,318 - (51) - (2,267) -
Other (income)/ deductions--net

(1,149) (20) - - 16 (1,153)
Income from continuing operations before provision for taxes on income and minority interests

6,308 2,657 51 - 5,972 14,988 Provision for taxes on income 800 654 15 - 1,802 3,271 Minority interests 6 - - - - 6 Income from continuing operations 5,502 2,003 36 - 4,170 11,711 Discontinued operations: Income from discontinued operations--net of tax - - - - - - Gains/(losses) on sales of discontinued operations--net of tax (82) - - 82 - - Discontinued operations--net of tax (82) - - 82 - - Net income $ 5,420 $ 2,003 $ 36 $ 82 $ 4,170 $ 11,711 Earnings per common share - diluted:
Income from continuing operations $ 0.79 $ 0.28
$

0.01 $ - $ 0.60 $ 1.68 Discontinued operations--net of tax (0.01) - - 0.01 - - Net income $ 0.78 $ 0.28
$

0.01 $ 0.01 $ 0.60 $ 1.68 (a) Exclusive of amortization of intangible assets, except as discussed in note 1.
See end of tables for notes.

Certain amounts may reflect rounding adjustments.

PFIZER INC AND SUBSIDIARY COMPANIES RECONCILIATION OF REPORTED NET INCOME AND ITS COMPONENTS AND REPORTED DILUTED EPS TO ADJUSTED INCOME AND ITS COMPONENTS AND ADJUSTED DILUTED EPS (UNAUDITED) (millions of dollars, except per common share data) Quarter Ended October 1, 2006
Reported
PurchaseAccountingAdjust-ments

Acqui-sition-RelatedCosts

Discon-tinuedOper-ations(2)

CertainSigni-ficantItems(3)

Adjusted Revenues $ 12,280 $ - $ - $ - $ - $ 12,280 Costs and expenses:
Cost of sales (a) 1,962 (26) - - (49) 1,887 Selling, informational and administrative expenses (a) 3,751 3 - - (63) 3,691
Research and development expenses (a)

1,902 (7) - - (70) 1,825 Amortization of intangible assets 798 (769) - - 1 30 Acquisition-related in-process R&D charges - - - - - -
Restructuring charges and acquisition-related costs 249 - (4) - (245) -
Other (income)/ deductions--net

(343) (4) - - 85 (262)
Income from continuing operations before provision for taxes on income and minority interests

3,961 803 4 - 341 5,109 Provision for taxes on income 717 237 - - 228 1,182 Minority interests 5 - - - - 5 Income from continuing operations 3,239 566 4 - 113 3,922 Discontinued operations:
Income from discontinued operations--net of tax 120 - - (120) - -
Gains/(losses) on sales of discontinued operations--net of tax 3 - - (3) - -
Discontinued operations--net of tax 123 - - (123) - - Net income $ 3,362 $ 566 $ 4 $ (123) $ 113 $ 3,922 Earnings per common share - diluted:
Income from continuing operations $ 0.44 $ 0.08
$

- $ - $ 0.02 $ 0.54 Discontinued operations--net of tax 0.02 - - (0.02) - -
Net income $ 0.46 $ 0.08
$

- $ (0.02) $ 0.02 $ 0.54 Nine Months Ended
October 1, 2006 Reported
PurchaseAccountingAdjust-ments

Acqui-sition-RelatedCosts

Discon-tinuedOper-ations(2)

CertainSigni-ficantItems(3)

Adjusted Revenues $ 35,768 $ - $ - $ - $ - $ 35,768 Costs and expenses: Cost of sales (a) 5,423 (26) - - (278) 5,119 Selling, informational and administrative expenses (a) 11,027 9 - - (160) 10,876 Research and development expenses (a) 5,187 (21) - - (14) 5,152 Amortization of intangible assets 2,446 (2,363) - - 1 84 Acquisition-related in-process R&D charges 513 (513) - - - - Restructuring charges and acquisition-related costs 816 - (15) - (801) -

Other (income)/ deductions--net

(958) (13) - - 182 (789)

Income from continuing operations before provision for taxes on income and minority interests

11,314 2,927 15 - 1,070 15,326 Provision for taxes on income 1,769 695 6 - 911 3,381 Minority interests 10 - - - - 10 Income from continuing operations 9,535 2,232 9 - 159 11,935 Discontinued operations: Income from discontinued operations--net of tax 330 - - (330) - - Gains/(losses) on sales of discontinued operations--net of tax 23 - - (23) - - Discontinued operations--net of tax 353 - - (353) - - Net income $ 9,888 $ 2,232 $ 9 $ (353) $ 159 $ 11,935 Earnings per common share - diluted: Income from continuing operations $ 1.30 $ 0.31

$

- $ - $ 0.02 $ 1.63 Discontinued operations--net of tax 0.05 - - (0.05) - - Net income $ 1.35 $ 0.31

$

- $ (0.05) $ 0.02 $ 1.63 (a) Exclusive of amortization of intangible assets, except as discussed in note 1.

See end of tables for notes.

Certain amounts may reflect rounding adjustments.

PFIZER INC AND SUBSIDIARY COMPANIES NOTES TO RECONCILIATION OF REPORTED NET INCOME AND ITS COMPONENTS AND REPORTED DILUTED EPS TO ADJUSTED INCOME AND ITS COMPONENTS AND ADJUSTED DILUTED EPS (UNAUDITED)

1) Amortization expense related to acquired intangible assets that contribute to our ability to sell, manufacture, research, market and distribute our products are included in *Amortization of intangible assets* as they benefit multiple business functions. Amortization expense related to acquired intangible assets that are associated with a single function are included in *Cost of sales*, *Selling, informational and administrative expenses* or *Research and development expenses*, as appropriate.

2) *Discontinued Operations* is primarily related to our former Consumer Healthcare business.

3) On a pre-tax basis *Certain significant items* includes the following:

(millions of dollars)	Third Quarter 2007	Third Quarter 2006	Nine Months 2007	Nine Months 2006
Restructuring charges - *Cost-reduction initiatives(a)*	$ 437	$ 245	$ 2,267	$ 801
Implementation costs - *Cost-reduction initiatives(b)*	373	182	864	547
Charges associated with Exubera(c)	2,804	-	2,804	-
Consumer Healthcare business transition activity(d)	(8)	-	(24)	-
Sanofi-aventis research and development milestone(e)	-	-	-	(118)
Other(f)	36	(86)	61	(160)
Total certain significant items, pre-tax	3,642	341	5,972	1,070
Income taxes(g)	(1,047)	(104)	(1,802)	(346)
Resolution of certain tax positions(g)	-	-	-	(441)
Tax impact for the repatriation of foreign earnings(g)	-	(124)	-	(124)
Total certain significant items--net of tax	$ 2,595	$ 113	$ 4,170	$ 159

(a) Included in *Restructuring charges and acquisition-related costs*.

(b) Included in *Cost of sales* ($173 million), *Selling, informational and administrative expenses* ($70 million), and *Research and development expenses* ($130 million) for the three months ended September 30, 2007. Included in *Cost of sales* ($437 million), *Selling, informational and administrative expenses* ($198 million), *Research and development expenses* ($292 million) and *Other (income)/ deductions - net* ($63 million income) for the nine months ended September 30, 2007. Included in *Cost of sales* ($50 million), *Selling, informational and administrative expenses* ($63 million), *Research and development expenses* ($70 million) and *Other (income)/deductions - net* ($1 million income) for the three months ended October 1, 2006. Included in *Cost of sales* ($278 million), *Selling, informational and administrative expenses* ($160 million), *Research and development expenses* ($132 million) and *Other (income)/deductions - net* ($23 million income) for the nine months ended October 1, 2006.

(c) The financial results for the three-month and nine-month periods ended September 30, 2007, include charges associated with the impairment of Exubera assets and the decision to exit and stop additional investment in the product. These charges include approximately $1.1 billion of intangible assets, $661 million of inventory, $454 million of fixed assets, and $584 million of other exit costs. The charges are included in *Cost of sales* ($2.6 billion), *Selling, informational and administrative expenses* ($83 million), *Research and development expenses* ($131 million) and *Revenues* ($10 million for an estimate of customer returns). (d) Included in *Revenues* ($50 million), *Cost of sales* ($41 million), *Selling, informational and administrative expenses* ($5 million) and *Other (income)/deductions - net* ($4 million income) for the three months ended September 30, 2007, and included in *Revenues* ($144 million), *Cost of sales* ($121 million), *Selling, informational and administrative expenses* ($12 million) and *Other (income)/deductions - net* ($13 million income) for the nine months ended September 30, 2007. (e) Included in *Research and development expenses*. (f) *Other* can include items such as Gains/(losses) on sale of investments, Gains/(losses) on disposal of assets and litigation-related matters. (g) Included in *Provision for taxes on income.* **PFIZER INC SEGMENT/PRODUCT REVENUES THIRD QUARTER 2007 (UNAUDITED) (millions of dollars)**

QUARTER-TO-DATE WORLDWIDE U.S. INTERNATIONAL % % % 2007 2006 Change 2007 2006 Change 2007 2006 Change TOTAL REVENUES 11,990 12,280 (2) 5,747 6,708 (14) 6,243 5,572 12

PHARMA-CEUTICAL

11,036 11,485 (4) 5,352 6,380 (16) 5,684 5,105 11 - CARDIO-

VASCULAR

AND

METABOLIC

DISEASES 4,620 5,111 (10) 2,252 2,951 (24) 2,368 2,160 10 LIPITOR 3,170 3,321 (5) 1,810 2,074 (13) 1,360 1,247 9 NORVASC 640 1,208 (47) 48 628 (92) 592 580 2 CHANTIX / CHAMPIX 241 33 630 186 33 465 55 -

*

CADUET 149 98 52 128 94 35 21 4 425 CARDURA 119 133 (11) 1 1

(22) 118 132 (11) **- CENTRAL NERVOUS SYSTEM DISORDERS 1,297 1,500 (14) 609 900 (32) 688 600 14** LYRICA 465 340 37 269 217 24 196 123 59 GEODON / ZELDOX 228 201 13 186 169 9 42 32 36 ZOLOFT 124 459 (73) 31 373 (92) 93 86 8 NEURONTIN 106 126 (16) 21 31 (33) 85 95 (10) ARICEPT** 100 90 12 1 1 42 99 89 12 XANAX / XR 85 74 13 17 16 6 68 58 15 RELPAX 81 72 13 53 47 14 28 25 10 **- ARTHRITIS AND PAIN 735 706** 4 **475 474 - 260 232 12** CELEBREX 577 537 8 433 419 3 144 118 23 **- INFECTIOUS AND RESPIRATORY DISEASES 859 836** 3 **277 285 (3) 582 551 6** ZYVOX 232 206 13 144 136 6 88 70 26 VFEND 162 132 22 52 46 13 110 86 27 ZITHROMAX / ZMAX 89 104 (14) 6 19 (72) 83 85 (1) DIFLUCAN 96 109 (12) 3 (3)

*

93 112 (17) **- UROLOGY 758 732** 4 **416 412 1 342 320 7** VIAGRA 450 423 6 208 199 4 242 224 9

DETROL / DETROL LA

294 295 - 203 207 (2) 91 88 3 **- ONCOLOGY 664 540 23 240 224 7 424 316 33** CAMPTOSAR 243 218 12 137 122 12 106 96 12 SUTENT 151 63 140 60 49 22 91 14 550 AROMASIN 102 84 22 33 30 10 69 54 29 **- OPHTHAL- MOLOGY 413 376 10 131 128 2 282 248 14** XALATAN / XALACOM 402 374 7 131 128 2 271 246 10 **- ENDOCRINE DISORDERS 271 246 10 66 61 8 205 185 10** GENOTROPIN 216 198 8 60 56 9 156 142 8 **- ALL OTHER 962 1,102 (13) 609 748 (19) 353 354 -** ZYRTEC / ZYRTEC D 428 397 8 428 397 8 - - - **- ALLIANCE REVENUE (Aricept, Exforge, Macugen, Mirapex, Olmetec, Rebif and Spiriva) 457 336 36 277 197 40 180 139 29 ANIMAL HEALTH 636 562 13 292 260 12 344 302 14 OTHER *** 318 233 36 103 68 51 215 165 30**

*** - Calculation not meaningful.**

**** - Represents direct sales under license agreement with Eisai Co., Ltd.**

***** - Includes Consumer Healthcare business transition activity, Capsugel and Pfizer Centersource.**

M+ - Change greater than one thousand percent.

Certain amounts and percentages may reflect rounding adjustments. PFIZER INC SEGMENT/PRODUCT REVENUES NINE MONTHS 2007 (UNAUDITED) (millions of dollars) YEAR-TO-DATE

WORLDWIDE U.S. INTERNATIONAL % % % 2007 2006 Change

2007

2006 Change

2007

2006 Change TOTAL REVENUES 35,548 35,768 (1) 17,438 19,418 (10) 18,110 16,350 11

PHARMA-CEUTICAL

32,722 33,417 (2) 16,287 18,448 (12) 16,435 14,969 10 - CARDIO-VASCULAR AND METABOLIC DISEASES 13,858 14,628 (5) 7,016 8,259 (15) 6,842 6,369 7 LIPITOR 9,247 9,551 (3) 5,331 5,904 (10) 3,916 3,647 7 NORVASC 2,351 3,549 (34) 577 1,814 (68) 1,774 1,735 2 CHANTIX / CHAMPIX 603 33 M+ 499 33 M+ 104 -

*

CADUET 414 255 62 372 240 55 42 15 193 CARDURA 378 398 (5) 3 5 (35) 375 393 (5) **- CENTRAL NERVOUS SYSTEM DISORDERS 3,716 4,787 (22) 1,742 3,038 (43) 1,974 1,749 13** LYRICA 1,265 803 58 728 503 45 537 300 79 GEODON / ZELDOX 622 548 14 510 455 12 112 93 21 ZOLOFT 397 1,944 (80) 132 1,676 (92) 265 268 (1) NEURONTIN 321 376 (15) 57 73 (22) 264 303 (13) ARICEPT** 285 260 10 1 1 10 284 259 10 XANAX / XR 239 235 1 45 55 (18) 194 180 7 RELPAX 230 205 12 149 133 12 81 72 11

- ARTHRITIS AND PAIN

2,110 1,974 7 1,371 1,304 5 739 670 10 CELEBREX 1,653 1,499 10 1,250 1,165 7 403 334 21 **- INFECTIOUS AND RESPIRATORY DISEASES 2,609 2,608 - 843 966 (13) 1,766 1,642 8** ZYVOX 692 559 24 445 383 16 247 176

39

VFEND 455 367 24 153 129 19 302 238 27 ZITHROMAX / ZMAX 328 529 (38) 24 213 (89) 304 316 (4) DIFLUCAN 311 326 (5) 9 (4)
*

302 330 (8) **- UROLOGY 2,172 2,055 6 1,192 1,157 3 980 898 9** VIAGRA 1,266 1,207 5 574 574 - 692 633 10

DETROL / DETROL LA

866 810 7 604 568 6 262 242 8 **- ONCOLOGY 1,911 1,550 23 723 614 18 1,188 936 27** CAMPTOSAR 713 668 7 397 364 9 316 304 4 SUTENT 399 115 248 174 98 77 225 17 M+ AROMASIN 287 229 25 96 83 16 191 146 31 **- OPHTHAL- MOLOGY 1,179 1,065 11 380 360 6 799 705 13** XALATAN / XALACOM 1,151 1,062 8 380 360 6 771 702 10 **- ENDOCRINE DISORDERS 769 724 6 187 191 (2) 582 533 9** GENOTROPIN 619 586 6 173 169 3 446 417 7 **- ALL OTHER 3,151 3,042 4 2,093 1,965 7 1,058 1,077 (2)** ZYRTEC / ZYRTEC D 1,274 1,195 7 1,274 1,195 7 - - - **- ALLIANCE REVENUE (Aricept, Exforge, Macugen, Mirapex, Olmetec, Rebif and Spiriva) 1,247 984 27 740 594 25 507 390 30 ANIMAL HEALTH 1,854 1,656 12 810 751 8 1,044 905 15 OTHER *** 972 695 40 341 219 56 631 476 33**

*** - Calculation not meaningful.**

**** - Represents direct sales under license agreement with Eisai Co., Ltd.**

***** - Includes Consumer Healthcare business transition activity, Capsugel and Pfizer Centersource.**

M+ - Change greater than one thousand percent.

Certain amounts and percentages may reflect rounding adjustments. PFIZER INC AND SUBSIDIARY COMPANIES RECONCILIATION FROM REPORTED PHARMACEUTICAL REVENUES TO TOTAL

IN-LINE AND NEW PRODUCTS(1) PHARMACEUTICAL REVENUES

(UNAUDITED) (millions of dollars) Worldwide

Third Quarter

% Incr.

/

(Decr.)

Nine Months
% Incr.

/

(Decr.)

2007 2006 2007 2006 Total reported Pharmaceutical revenues $ 11,036 $ 11,485 (4) $ 32,722 $ 33,417 (2) Norvasc 640 1,208 (47) 2,351 3,549 (34) Zoloft 124 459 (73) 397 1,944 (80)
Total in-line products and new products(1) Pharmaceutical revenues

$ 10,272 $ 9,818 5 $ 29,974 $ 27,924 7 U.S. Third Quarter
% Incr.

/

(Decr.)

Nine Months
% Incr.

/

(Decr.)

2007 2006 2007 2006 Total reported Pharmaceutical revenues $ 5,352 $ 6,380 (16) $ 16,287 $ 18,448 (12) Norvasc 48 628 (92) 577 1,814 (68) Zoloft 31 373 (92) 132 1,676 (92)
Total in-line products and new products(1) Pharmaceutical revenues

$ 5,273 $ 5,379 (2) $ 15,578 $ 14,958 4 International Third Quarter
% Incr.

/

(Decr.)

Nine Months
% Incr.

/

(Decr.)

2007 2006 2007 2006 Total reported Pharmaceutical revenues $ 5,684 $ 5,105 11 $ 16,435 $ 14,969 10 Norvasc 592 580 2 1,774 1,735 2 Zoloft 93 86 8 265 268 (1)
Total in-line products and new products(1) Pharmaceutical revenues

$ 4,999 $ 4,439 13 $ 14,396 $ 12,966 11 Certain amounts and percentages may reflect rounding adjustments. (1) Total in-line and new products Pharmaceutical revenues, which exclude the revenues of major products that have lost exclusivity in the U.S. since the beginning of 2006, is an alternative view of our Pharmaceutical revenues and we believe that investors’ understanding of Pharmaceutical revenues is enhanced by disclosing this performance measure. Zoloft lost its U.S. exclusivity at the end of June 2006 and Norvasc lost its U.S. exclusivity in March 2007, and as is typical in the pharmaceutical industry, this has resulted in a dramatic decline in revenues due to generic competition. We believe that excluding the impact of these products assists the reader in understanding the underlying strength of the balance of our diverse Pharmaceutical product portfolio in 2007. Because of its non-standardized definition, this total in-line and new products Pharmaceutical revenues measure has limitations as it may not be comparable with the calculation of similar measures of other companies. This additional revenue measure is not, and should not be viewed as, a substitute for the U.S. GAAP comparison of Pharmaceutical revenues. (2) Total in-line and new products Pharmaceutical International revenues reflect a favorable impact in the third quarter and the first nine months of 2007 due to changes in foreign exchange rates.

PFIZER INC SUPPLEMENTAL INFORMATION

1) Impact of Foreign Exchange on Revenues

The weakening of the U.S. dollar relative to other currencies, primarily the euro and British pound, favorably impacted our revenues by approximately $300 million, or 2.5%, in the third quarter of 2007, compared to the same period in 2006, and approximately $860 million, or 2.4%, in the first nine months of 2007, compared to the same period in 2006.

2) Charges Related to Exubera

After carefully assessing the financial performance of Exubera, an inhaled-insulin product, we decided to exit Exubera. Despite our best efforts, Exubera has failed to gain the acceptance of patients and physicians. In the third quarter of 2007, we recorded total pre-tax charges of $2.8 billion, which includes charges for asset impairments, exit and disposal costs.

Our Exubera-related exit plans will include working with physicians over the next three months to transition patients to other treatment options, evaluating redeployment options for colleagues, working with our partners and vendors with respect to transition and exit activities and exploring asset disposal opportunities, among other activities.

In the third quarter of 2007, we recorded the following charges related to our decision to exit Exubera:

($ millions) Intangible asset impairment charge $1,105 Inventory write-off 661 Fixed assets impairment 454 Other exit costs 584 Total charges, pre-tax $2,804

These charges are included in *Cost of sales* ($2.6 billion), *Selling, informational and administrative expenses* ($83 million), *Research and development expenses* ($131 million) and *Revenues* ($10 million for an estimate of customer returns) in the third quarter of 2007.

The asset write-offs (intangibles, inventory and fixed assets) represent non-cash charges. The other exit costs, which includes contract termination charges, among other things, will result in future cash expenditures. During the implementation of the exit strategy, certain additional cash costs will be incurred and reported in future periods, such as, maintenance-level operating costs and demolition; however, at this time, those future costs are not expected to be material.

3) Change in Cost of Sales

Cost of sales increased 135% in the three months ended September 30, 2007, compared to the same period in 2006, and 59% in the nine months ended September 30, 2007, compared to the same period in 2006. These increases reflect charges of $2.6 billion associated with Exubera, unfavorable product mix, reflecting the loss of U.S. exclusivity on low manufacturing cost products, like Zoloft and Norvasc, the unfavorable impact of foreign exchange, as well as the impact of higher 2007 implementation costs associated with our cost-reduction initiatives, partially offset by the savings impact of our cost-base reduction efforts. Charges in cost of sales related to our cost-reduction initiatives were $173 million for the three months ended September 30, 2007, and $50 million for the three months ended October 1, 2006, and $437 million for the nine months ended September 30, 2007, and $278 million for the nine months ended October 1, 2006.

Cost of sales also includes $41 million for the three months ended September 30, 2007, and $121 million for the nine months ended September 30, 2007, related to business transition activities associated with the sale of our Consumer Healthcare business, completed in December 2006. These expenses are transitional in nature and generally result from agreements that seek to facilitate the orderly transfer of operations of our former Consumer Healthcare business to the new owner.

Cost of sales as a percentage of revenues increased 22.5 percentage points to 38.5% in the third quarter of 2007, reflecting charges of $2.6 billion associated with Exubera, unfavorable geographic and product mix in our portfolio, and the impact of higher 2007 implementation costs associated with our cost-reduction initiatives, compared to the same period in 2006, partially offset by the savings impact of our cost-base reduction efforts.

4) Change in Selling, Informational & Administrative (SI&A) Expenses and Research & Development (R&D) Expenses

Reported SI&A expenses in the three months and nine months ended September 30, 2007 were comparable to the same periods in 2006, reflecting the savings impact of our cost-reduction initiatives, offset by charges of $83 million associated with Exubera and the unfavorable impact of foreign exchange on expenses. Reported SI&A expense includes charges of $70 million for the three months ended September 30, 2007 and $63 million for the three months ended October 1, 2006, related to our cost-reduction initiatives, and $198 million for the nine months ended September 30, 2007 and $160 million for the nine months ended October 1, 2006.

Reported R&D expenses, excluding acquisition-related in-process research and development charges (IPR&D), increased 5% in the third quarter of 2007 compared to the same period in 2006, and increased 12% in the first nine months of 2007 compared to the same period in 2006. The third-quarter increase is primarily due to charges of $131 million associated with Exubera and higher costs associated with our cost-reduction initiatives, partially offset by lower milestone payments. The increase in the first nine-months is primarily due to collaboration payments made to Bristol-Myers-Squibb Company in the second quarter of 2007 for the development and commercialization of apixaban, as well as charges of $131 million associated with Exubera recorded in the third quarter of 2007. Reported R&D expenses includes charges of $130 million for the three months ended September 30, 2007, and $70 million for the three months ended October 1, 2006, related to our cost-reduction initiatives, and $292 million for the nine months ended September 30, 2007, and $132 million for the nine months ended October 1, 2006.

IPR&D charges of $283 million, primarily related to the acquisitions of BioRexis Pharmaceutical Corp. and Embrex, Inc., were recorded in the first quarter of 2007 and $513 million, primarily related to the acquisition of Rinat Neuroscience Corp., was recorded in the second quarter of 2006.

5) Other Income and Other Deductions

($ millions)   Third Quarter   Nine Months   2007   2006*   2007   2006*

Net Interest (Income)/Expense(a)

$

(280)

$

(119)

$ (814)

$

(277)

Royalty Income

(36) (94) (169) (278) Net Gains on Asset Disposals (10) (90) (89)
(262)
Other, Net

66 (40) (77) (141)

Other (Income)/Deductions-Net

$ (260) $ (343) $ (1,149) $ (958)

*Certain 2006 amounts were reclassified to conform to the 2007 presentation.

(a) Increases in net interest income in the third quarter and first nine months of 2007 compared to the same periods in 2006 were due primarily to higher interest rates and an increase in our net financial assets, reflecting proceeds of $16.6 billion from the sale of our Consumer Healthcare business in late December 2006.

6) Effective Tax Rate

The effective tax rates on reported *Income from continuing operations before provision for taxes on income and minority interest* for the third quarter of 2007 was a 25.4% benefit compared to an 18.1% cost in the third quarter of 2006, primarily reflecting the impact of charges associated with Exubera, among other factors. The effective tax rates on reported *Income from continuing operations before provision for taxes on income and minority interest* for the first nine months of 2007 was 12.7% compared to 15.6% in the first nine months of 2006, primarily reflecting the impact of charges associated with Exubera, the impact of a $283 million charge in the first nine months of 2007 compared to a $513 million charge for the same period in 2006 for acquired IPR&D, which is not deductible for tax purposes, as well as the volume and geographic mix of restructuring charges in the first nine months of 2007 compared to the same period in 2006, partially offset by certain one-time tax benefits in 2006 associated with favorable tax legislation and the resolution of certain tax positions in the first quarter of 2006. The effective tax rates on adjusted income1 for the third quarter and first nine months of 2007 were 21.7% and 21.8% compared to 23.2% and 22.1% for the same periods in 2006.

7) Reconciliation of 2007 and 2008 Adjusted Income(1) and Adjusted Diluted EPS(1) Guidance to 2007 and 2008 Reported Net Income and Reported Diluted EPS Guidance

Previous Full-Year 2007 Guidance Revised Full-Year 2007 Guidance ($ billions, except per-share amounts) Net Income(a) Diluted EPS(a) Net Income(a) Diluted EPS(a)

Income/(Expense)

Adjusted Income/Diluted EPS(1) Guidance ~$14.5 - $15.0 ~$2.08 - $2.15 ~$14.6 - $15.0 ~$2.10 - $2.15 Purchase Accounting Impacts, Net of Tax (2.7) (0.39) (2.7) (0.39) Charges Related to Exubera, Net of Tax -- -- (2.1) (0.31) Costs Related to Cost-Reduction Initiatives, Net of Tax (2.5 - 2.7) (0.35 - 0.39) (2.5 – 2.7) (0.35 - 0.39) Reported Net Income/Diluted EPS Guidance ~$9.1 - $9.8 ~$1.30 - $1.41 ~$7.1 - $7.7 ~$1.01 - $1.10 Previous Full-Year 2008 Guidance Revised Full-Year 2008 Guidance ($ billions, except per-share amounts) Net Income(a) Diluted EPS(a) Net Income(a) Diluted EPS(a)

Income/(Expense)

Adjusted Income/Diluted EPS(1) Guidance ~$15.6 - $16.6 ~$2.31 - $2.45 ~$15.6 - $16.6 ~$2.31 - $2.45 Purchase Accounting Impacts, Net of Tax (2.0) (0.30) (2.0) (0.30) Costs Related to Cost-Reduction Initiatives, Net of Tax (1.5 - 1.8) (0.22 - 0.26) (1.5 – 1.8) (0.22 – 0.26) Reported Net Income/Diluted EPS Guidance ~$11.8 - $13.1 ~$1.75 - $1.93 ~$11.8 - $13.1 ~$1.75 - $1.93

(a) Guidance in the table above exclude the effects of business-development transactions not completed as of September 30, 2007.

(1) “Adjusted income” and its components and “adjusted diluted earnings per share (EPS)” are defined as reported net income and its components and reported diluted EPS excluding purchase-accounting adjustments, acquisition-related costs, discontinued operations and certain significant items. Adjusted Cost of sales, Adjusted SI&A expenses and Adjusted R&D expenses are income statement line items prepared on the same basis and, therefore components of the overall Adjusted Income measure. As described under *Adjusted Income* in the Management’s Discussion and Analysis of Financial Condition and Results of Operations section of Pfizer’s Form 10-Q for the quarterly period ended July 1, 2007, management uses adjusted income, among other factors, to set performance goals and to measure the performance of the overall company. We believe that investors’

understanding of our performance is enhanced by disclosing this measure. Reconciliations of third-quarter and nine-month 2007 and 2006 adjusted income and its components and adjusted diluted EPS to reported net income and its components and reported diluted EPS, as well as reconciliations of full-year 2007 and 2008 adjusted income and adjusted diluted EPS guidance to full-year 2007 and 2008 reported net income and reported diluted EPS guidance, are provided in the materials accompanying this report. The adjusted income and its components and adjusted diluted EPS measures are not, and should not be viewed as, substitutes for U.S. GAAP net income and diluted EPS.

DISCLOSURE NOTICE: The information contained in this earnings release and the attachments is as of October 18, 2007. The Company assumes no obligation to update any forward-looking statements contained in this earnings release or the attachments as a result of new information or future events or developments. This earnings release and the attachments contain forward-looking information about the Company's financial results and estimates, business plans and prospects, in-line products and product candidates that involve substantial risks and uncertainties. You can identify these statements by the fact that they use words such as "will," "anticipate," "estimate," "expect," "project," "intend," "plan," "believe," "target," "forecast" and other words and terms of similar meaning in connection with any discussion of future operating or financial performance or business plans and prospects. Among the factors that could cause actual results to differ materially are the following:

Success of research and development activities Decisions by regulatory authorities regarding whether and when to approve our drug applications as well as their decisions regarding labeling and other matters that could affect the availability or commercial potential of our products Speed with which regulatory authorizations, pricing approvals and product launches may be achieved Success of external business development activities Competitive developments, including with respect to competitor drugs and drug candidates that treat diseases and conditions similar to those treated by our in-line drugs and drug candidates Ability to successfully market both new and existing products domestically and internationally Difficulties or delays in manufacturing Trade buying patterns Ability to meet generic and branded competition after the loss of patent protection for our products and competitor products Impact of existing and future regulatory provisions on product exclusivity Trends toward managed care and healthcare cost containment U.S. legislation or regulatory action affecting, among other things, pharmaceutical product pricing, reimbursement or access, including under Medicaid and Medicare, the importation of prescription drugs that are marketed from outside the U.S. at prices that are regulated by governments of various foreign countries, and the *involuntary approval of prescription medicines for over-the-counter use Impact of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 Legislation or regulatory action in markets outside the U.S. affecting pharmaceutical product pricing, reimbursement or access Contingencies related to actual or alleged environmental contamination Claims and concerns that may arise regarding the safety or efficacy of in-line products and product candidates Legal defense costs, insurance expenses, settlement costs and the risk of an adverse decision or settlement related to product liability, patent protection, governmental investigations, ongoing efforts to explore various means for resolving asbestos litigation, and other legal proceedings The Company's ability to protect its patents and other intellectual property both domestically and internationally Interest rate and foreign currency exchange rate fluctuations Governmental laws and regulations affecting domestic and foreign operations, including tax obligations Changes in generally accepted accounting principles Any changes in business, political and economic conditions due to the threat of terrorist activity in the U.S. and other parts of the world, and related U.S. military action overseas Growth in costs and expenses Changes in our product, segment and geographic mix Impact of acquisitions, divestitures, restructurings, product withdrawals and other unusual items, including our ability to realize the projected benefits of our cost-reduction initiatives.*

A further list and description of these risks, uncertainties, and other matters can be found in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, and in its reports on Forms 10-Q and 8-K.

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