

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

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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 Zolofit 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 Zolofit 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 Zolofit 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 Zolofit 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 2006 on a constant currency basis ⁽⁸⁾ -- Approx. \$15.2 billion	Decrease of about \$600 million versus 2006 on a constant currency basis ⁽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 \$2.0 billion lower than 2006	At least \$1.5 to \$2.0 billion lower than 2006 on a constant currency basis ⁽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: Zolof 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.	Nine Months		% Incr.
	2007	2006	/	2007	2006	/
			(Decr.)			(Decr.)
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.

- 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. 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	Purchase Accounting Adjustments	Acquisition-Related Costs	Discontinued Operations(2)	Certain Significant Items(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	Purchase Accounting Adjustments	Acquisition-Related Costs	Discontinued Operations(2)	Certain Significant Items(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	Purchase Accounting Adjust- ments	Acqui- sition- Related Costs	Discon- tinued Oper- ations(2)	Certain Signi- ficant Items(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	Purchase Accounting Adjustments	Acquisition-Related Costs	Discontinued Operations(2)	Certain Significant Items(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		Nine Months	
	2007	2006	2007	2006
Restructuring charges - <i>Cost-reduction initiatives</i> (a)	\$ 437	\$ 245	\$ 2,267	\$ 801
Implementation costs - <i>Cost-reduction initiatives</i> (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*.

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.

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).

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			U.S.			INTERNATIONAL		
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, Olmotec, 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

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, Olmotec, 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.	Nine Months		% Incr.
	2007	2006	/	2007	2006	/
			(Decr.)			(Decr.)
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.	Nine Months		% Incr.
	2007	2006	/	2007	2006	/
			(Decr.)			(Decr.)
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.	Nine Months		% Incr.
	2007	2006	/	2007	2006	/
			(Decr.)			(Decr.)
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 Zolofit 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

(\$ billions, except per-share amounts)	Previous Full-Year 2007 Guidance		Revised Full-Year 2007 Guidance	
	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
(\$ billions, except per-share amounts)	Previous Full-Year 2008 Guidance		Revised Full-Year 2008 Guidance	
	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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