# Pfizer Reports Second-Quarter 2012 Results

Monday, July 30, 2012 - 09:30pm

Second-Quarter 2012 Revenues of $15.1 Billion, excluding Discontinued Operations Revenues of $581 Million from the Nutrition(1) business Second-Quarter 2012 Adjusted Diluted EPS(2) of $0.62; Second-Quarter 2012 Reported Diluted EPS(3) of $0.43 Reaffirms 2012 Financial Guidance Repurchased $1.3 Billion of Common Stock in Second-Quarter 2012; Continue to Expect to Repurchase Approximately $5 Billion of Common Stock in 2012 Company Anticipates Filing a Registration Statement with the U.S. Securities and Exchange Commission by Mid-August for a Potential Initial Public Offering of up to a 20% Ownership Stake in the Animal Health Business, Zoetis

(BUSINESS WIRE)--Pfizer Inc. (NYSE: PFE):

($ in millions, except per share amounts) Second-Quarter Year-to-Date 2012 2011(4) Change 2012 2011(4) Change Reported Revenues

$ 15,057

$ 16,485

(9%)

$ 29,942

$ 32,509

(8%) Adjusted Income(2) 4,671 4,650 -- 9,015 9,359 (4%) Adjusted Diluted EPS(2) 0.62 0.59 5% 1.19 1.17 2% Reported Net Income(3) 3,253 2,610 25% 5,047 4,832 4% Reported Diluted EPS(3) 0.43 0.33 30% 0.67 0.61 10%

See end of text prior to tables for notes.

Pfizer Inc. (NYSE: PFE) today reported financial results for second-quarter 2012. Second-quarter 2012 revenues were $15.1 billion, a decrease of 9% compared with $16.5 billion in the year-ago quarter, which reflects an operational decline of $977 million, or 6%, and the unfavorable impact of foreign exchange of $451 million, or 3%.

For second-quarter 2012, U.S. revenues were $5.7 billion, a decrease of 15% compared with the year-ago quarter. This decrease was primarily the result of the U.S. loss of exclusivity of Lipitor on November 30, 2011. International revenues were $9.3 billion, a decrease of 5% compared with the prior-year quarter, primarily due to the unfavorable impact of foreign exchange. U.S. revenues represented 38% of total revenues in second-quarter 2012 compared with 41% in the year-ago quarter, while international revenues represented 62% of total revenues in second-quarter 2012 compared with 59% in the year-ago quarter.

## Financial Performance(5)

Second-Quarter Revenues ($ in millions)

| Favorable/(Unfavorable) | 2012 | 2011 | Change | Foreign Exchange | Operational |
|---|---|---|---|---|---|
| Primary Care | $ 4,018 | $ 5,870 | (32%) | (1%) | (31%) |
| Specialty Care | 3,497 | 3,699 | (5%) | (3%) | (2%) |
| Established Products | 2,681 | 2,317 | 16% | (2%) | 18% |
| Emerging Markets | 2,620 | 2,415 | 8% | (6%) | 14% |
| Oncology | 323 | 339 | (5%) | (3%) | (2%) |
| Biopharmaceutical | 13,139 | 14,640 | (10%) | (3%) | (7%) |
| Animal Health | 1,085 | 1,055 | 3% | (4%) | 7% |
| Consumer Healthcare | 768 | 714 | 8% | (3%) | 11% |
| Other(6) | 65 | 76 | (14%) | (1%) | (13%) |
| Total | $ 15,057 | $ 16,485 | (9%) | (3%) | (6%) |

See end of text prior to tables for notes.

## Business Highlights

Primary Care unit revenues decreased 31% operationally in comparison with the same period last year, primarily due to the loss of exclusivity of Lipitor in the U.S. in November 2011 and the resulting shift in the reporting of U.S. Lipitor revenues to the Established Products unit beginning January 1, 2012. U.S. branded Lipitor revenues, as reported by the Established Products unit, decreased to $296 million, from $1.4 billion reported by the Primary Care unit in second-quarter 2011, due to the aforementioned loss of exclusivity and the entry of multi-source generic competition in May 2012. Collectively, the decline in worldwide revenues for Lipitor and for certain other Primary Care unit products that lost exclusivity in various markets in 2012 and 2011, as well as the resulting shift in the reporting of certain product revenues to the Established Products unit, reduced Primary Care unit revenues by approximately $2.0 billion, or 34%, in comparison with second-quarter 2011. The impact of these declines was partially offset by the strong growth of Lyrica and Celebrex.

Specialty Care unit revenues declined 2% operationally in comparison with second-quarter 2011. Revenues were positively impacted by the growth of Enbrel, as well as the Prevenar franchise in Japan and Australia, while U.S. Prevnar 13 revenues were essentially flat and developed Europe Prevenar 13 revenues were slightly lower than in the prior-year quarter since most patients eligible to receive the pediatric catch-up dose have already been vaccinated and utilization in adults is minimal at this time. Additionally, Specialty Care unit revenues were negatively impacted by the losses of exclusivity of Vfend and Xalatan in the U.S. in February and March 2011, respectively, and the resulting shift in the reporting of Vfend and Xalatan U.S. revenues to the Established Products unit beginning January 1, 2012, as well as the loss of exclusivity of Xalatan in developed Europe in January 2012 and Geodon in the U.S. in March 2012. Collectively, these developments relating to Vfend, Xalatan and Geodon reduced Specialty Care unit revenues by approximately $265 million, or 7%, in comparison with second-quarter 2011.

Established Products unit revenues increased 18% operationally in comparison with the prior-year period, primarily reflecting $433 million of U.S. and Japan branded Lipitor revenues, contribution from the sales of the authorized generic version of Lipitor in the U.S. by Watson Pharmaceuticals, Inc. and launches of generic versions of other Pfizer branded primary care and specialty care products. Second-quarter 2012 revenues were negatively impacted in comparison with second-quarter 2011 by the entry of multi-source generic competition in the U.S. for donepezil (Aricept) in May 2011, as well as the continuing decline of U.S. revenues of certain products that previously lost exclusivity. Total revenues from established products in both the Established Products and Emerging Markets units were $3.8 billion, with $1.1 billion generated in emerging markets.

Emerging Markets unit revenues grew 14% operationally in comparison with second-quarter 2011, primarily due to volume growth mainly in China and Russia as a result of more targeted promotional efforts for key products, including Lipitor, Norvasc and Lyrica.

Additionally, growth was driven by the timing of government purchases of Prevenar 13 in Turkey and Enbrel in Brazil compared with the year-ago quarter. Growth was partially offset by the timing of government purchases of Prevenar 13 and certain other products in Mexico in comparison with the year-ago period.

Animal Health unit revenues increased 7% operationally in comparison with the same quarter last year, largely due to increased demand across the companion animal and global livestock portfolios in key geographies. Consumer Healthcare unit revenues increased 11% operationally in comparison with second-quarter 2011, primarily due to the addition of products from the acquisitions of Ferrosan Consumer Health in December 2011 and Alacer Corp. in February 2012.

Adjusted Expenses(2), Adjusted Income(2) and Adjusted Diluted EPS(2) Highlights

Second-Quarter Selected Costs and Expenses ($ in millions)

| (Favorable)/Unfavorable | 2012 | 2011 | Change | Foreign Exchange | Operational |
|---|---|---|---|---|---|
| Adjusted Cost of Sales (2) | $ 2,665 | $ 3,025 | (12%) | (9%) | (3%) |
| As a Percent of Revenues | 17.7% | 18.3% | N/A | N/A | N/A |
| Adjusted SI&A Expenses(2) | 3,937 | 4,777 | (18%) | (2%) | (16%) |
| Adjusted R&D Expenses(2) | 1,664 | 2,050 | (19%) | (1%) | (18%) |
| Total | $ 8,266 | $ 9,852 | (16%) | (4%) | (12%) |

See end of text prior to tables for notes.

Adjusted cost of sales(2), adjusted SI&A expenses(2) and adjusted R&D expenses(2) in the aggregate were $8.3 billion in second-quarter 2012, a decrease of 16% compared with $9.9 billion in second-quarter 2011. Excluding the favorable impact of foreign exchange of $396 million, or 4%, these costs decreased 12%, primarily reflecting the benefits of cost-reduction and productivity initiatives. Savings in adjusted R&D expenses(2) were generated in second-quarter 2012 by the discontinuation of certain therapeutic areas and R&D programs in connection with our previously announced initiatives. Lower adjusted SI&A expenses(2) compared with the year-ago period reflect a reduction in the field force and a decrease in promotional spending, both partially in response to product losses of exclusivity, as well as more streamlined corporate support functions. Adjusted cost of sales(2) and Adjusted cost of sales(2) as a percent of revenues were favorably impacted by foreign exchange and the benefits generated from the on-going productivity initiatives to streamline the manufacturing network and unfavorably impacted by the decline in revenues contributing to a shift in geographic and business mix. Additionally, lower adjusted cost of sales(2) compared with the same period last year reflects reduced manufacturing volumes given the aforementioned products that lost exclusivity in various markets.

In second-quarter 2012, the effective tax rate on adjusted income(2) was 29%, comparable with second-quarter 2011. The second-quarter 2012 rate reflects the favorable impact of the change in the jurisdictional mix of earnings and the unfavorable impact of the expiration of the U.S. research and development tax credit.

The diluted weighted-average shares outstanding for second-quarter 2012 were 7.5 billion shares, a reduction of approximately 398 million shares compared with second-quarter 2011. This decline was primarily due to the Company's ongoing share-repurchase program.

As a result of the aforementioned factors, second-quarter 2012 adjusted income(2) was $4.7 billion, comparable with the year-ago quarter, and adjusted diluted EPS(2) was $0.62, an increase of 5% compared with $0.59 in second-quarter 2011.

Reported Net Income(3) and Reported Diluted EPS(3) Highlights

In addition to the aforementioned factors, second-quarter 2012 reported earnings in comparison with the same period in 2011 were favorably impacted by lower purchase accounting adjustments, lower costs related to our cost-reduction and productivity initiatives, lower acquisition-related costs and lower impairment charges. Second-quarter 2012 reported earnings were unfavorably impacted by higher charges related to certain legal matters.

The effective tax rate on reported results was 29% in second-quarter 2012 compared with 30% in second-quarter 2011. The decrease was primarily due to the change in the jurisdictional mix of earnings, partially offset by the impact of the expiration of the U.S. research and development tax credit.

As a result of all these factors, second-quarter 2012 reported net income(3) was $3.3 billion, an increase of 25% compared with $2.6 billion in the prior-year quarter, and reported diluted EPS(3) was $0.43, an increase of 30% compared with $0.33 in second-quarter 2011.

Executive Commentary

Ian Read, Chairman and Chief Executive Officer, stated, “We delivered solid results this quarter. This performance was achieved despite the $1.8 billion, or 11%, negative impact on revenues of product losses of exclusivity compared with the year-ago period, primarily Lipitor in most major markets. Worldwide revenues from many of our key medicines, including Celebrex, Enbrel, Lyrica and the Prevnar/Prevenar franchise, increased and our Emerging Markets unit generated 14% operational revenue growth, driven primarily by our targeted investments in China and Russia. Overall, I am confident that Pfizer is well-positioned for long-term success given the potential of our innovative late-stage and emerging pipeline, strong operating cash flow, streamlined organization and disciplined approach to capital allocation.”

“We are committed to keeping our capital allocation priorities aligned with the best interests of our shareholders. The pending sale of our Nutrition business and potential separation of our Animal Health business as a stand-alone public company to be named Zoetis remain on track. We anticipate filing a registration statement with the Securities and Exchange Commission by mid-August for a potential initial public offering (IPO) of up to a 20% ownership stake in Zoetis. If the IPO is successfully completed, which we are targeting for the first half of 2013, we will have a variety of options to achieve a potential full separation of Zoetis. As we continue to work toward a separation of this business, we remain open to all alternatives to maximize the after-tax return for our shareholders,” concluded Mr. Read.

Frank D’Amelio, Chief Financial Officer, stated, “We are reaffirming our 2012 financial guidance, reflecting our solid performance year-to-date, our continued confidence in the business, our financial flexibility and the significant cost savings generated by our cost-reduction and productivity initiatives. We also continue to expect to repurchase approximately $5 billion of our common stock this year, with $3 billion repurchased through July 30.”

2012 Financial Guidance(7)

Pfizer’s financial guidance, at current exchange rates(8), is summarized below. Since the Nutrition(1) business is presented as a discontinued operation, the full-year results of that business only impact the Reported Diluted EPS(3) and operating cash flow components of our 2012 financial guidance.

Reported Revenues $58.0 to $60.0 billion Adjusted Cost of Sales(2) as a Percentage of Revenues 19.5% to 20.5% Adjusted SI&A Expenses(2) $16.3 to

$17.3 billion Adjusted R&D Expenses(2) $6.5 to $7.0 billion Adjusted Other (Income)/Deductions(2) Approximately $1.0 billion Effective Tax Rate on Adjusted Income(2) Approximately 29% Reported Diluted EPS(3) $1.23 to $1.38 Adjusted Diluted EPS(2) $2.14 to $2.24 Operating Cash Flow Approximately $19.0 billion

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

(1)
On April 23, 2012, Pfizer announced that it entered into an agreement to sell the Nutrition business to Nestlé. The transaction is expected to close by the first half of 2013, assuming the receipt of the required regulatory clearances and the satisfaction of other closing conditions. As a result of Pfizer’s decision to divest this business, the operating results of the Nutrition business are reported as Discontinued Operations – net of tax in the consolidated statements of income for all periods.

(2)
"Adjusted Income" and its components and "Adjusted Diluted Earnings Per Share (EPS)" are defined as reported U.S. generally accepted accounting principles (GAAP) net income(3) and its components and reported diluted EPS(3) excluding purchase accounting adjustments, acquisition-related costs, discontinued operations and certain significant items. Adjusted Cost of Sales, Adjusted Selling, Informational and Administrative (SI&A) expenses, Adjusted Research and Development (R&D) expenses and Adjusted Other (Income)/Deductions are income statement line items prepared on the same basis, and, therefore, components of the overall adjusted income measure. As described 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 fiscal quarter ended April 1, 2012, 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 certain GAAP reported to non-GAAP adjusted information for the second quarter and first six months of 2012 and 2011, as well as reconciliations of full-year 2012 guidance for adjusted income and adjusted diluted EPS to full-year 2012 guidance for reported net income(3) and reported diluted EPS(3), 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 its components and diluted EPS.

(3) "Reported Net Income" is defined as net income attributable to Pfizer Inc. in accordance with U.S. GAAP. "Reported Diluted EPS" is defined as reported diluted EPS attributable to Pfizer Inc. common shareholders in accordance with U.S. GAAP. (4) On August 1, 2011, Pfizer completed the sale of Capsugel to an affiliate of Kohlberg Kravis Roberts & Co. L.P. The operating results associated with Capsugel are reported as Discontinued operations – net of tax in the consolidated statements of income for the three and six months ended July 3, 2011. Additionally, due to the acquisition of King Pharmaceuticals, Inc. (King), legacy King operations are reflected in the results beginning January 31, 2011. Therefore, in accordance with Pfizer's domestic and international reporting periods, the operating results for the first six months of 2011 reflect approximately five months of King's U.S. operations and approximately four months of King's international operations.

(5) For a description of each business unit, see Note 13A to Pfizer's condensed consolidated financial statements included in Pfizer's Form 10-Q for the fiscal quarter ended April 1, 2012. (6) Other includes revenues generated primarily from Pfizer CentreSource, Pfizer's contract manufacturing and bulk pharmaceutical chemical sales organization. (7) The 2012 financial guidance includes the revenues and expenses related to the Nutrition business, which is reflected as a discontinued operation, but does not include the gain on the pending sale of the Nutrition business. Does not assume the completion of any business-development transactions not completed as of July 1, 2012, including any one-time upfront payments associated with such transactions. Also excludes the potential effects of the resolution of litigation-related matters not substantially resolved as of July 1, 2012. (8) The current exchange rates assumed in connection with the 2012 financial guidance are a blend of the actual exchange rates in effect during the first six months of 2012 and the mid-July 2012 exchange rates for the remainder of the year.

PFIZER INC. AND SUBSIDIARY COMPANIES CONSOLIDATED STATEMENTS OF INCOME(a) (UNAUDITED) (millions, except per common share data)

| | Second Quarter | | % Incr. / | Six Months | | % Incr. / |
|---|---|---|---|---|---|---|
| | 2012 | 2011 | (Decr.) | 2012 | 2011 | (Decr.) |
| Revenues | $ 15,057 | $ 16,485 | (9) | $ 29,942 | $ 32,509 | (8) |
| Costs and expenses: | | | | | | |
| Cost of sales(b) | 2,752 | 3,571 | (23) | 5,497 | 7,040 | (22) |

Selling, informational and administrative expenses(b)

3,977 4,800 (17) 7,954 9,178 (13) Research and development expenses(b) 1,699 2,231 (24) 3,753 4,311 (13) Amortization of intangible assets(c) 1,291 1,384 (7) 2,711 2,749 (1) Restructuring charges and certain acquisition-related costs 190 478 (60) 787 1,368 (42) Other deductions--net 664 423 57 2,321 1,255 85
Income from continuing operations before provision for taxes on income

4,484 3,598 25 6,919 6,608 5 Provision for taxes on income 1,290 1,077 20 2,001 1,951 3 Income from continuing operations 3,194 2,521 27 4,918 4,657 6 Discontinued operations--net of tax 66 97 (32) 145 195 (26) Net income before allocation to noncontrolling interests 3,260 2,618 25 5,063 4,852 4 Less: Net income attributable to noncontrolling interests 7 8 (13) 16 20 (20) Net income attributable to Pfizer Inc. $ 3,253 $ 2,610 25 $ 5,047 $ 4,832 4 Earnings per common share -- basic:(d)
Income from continuing operations attributable to Pfizer Inc. common shareholders

$ 0.43 $ 0.32 34 $ 0.65 $ 0.58 12 Discontinued operations--net of tax 0.01 0.01 - 0.02 0.02 - Net income attributable to Pfizer Inc. common shareholders $ 0.44 $ 0.33 33 $ 0.67 $ 0.61 10 Earnings per common share -- diluted:(d)
Income from continuing operations attributable to Pfizer Inc. common shareholders

$ 0.42 $ 0.32 31 $ 0.65 $ 0.58 12 Discontinued operations--net of tax 0.01 0.01 - 0.02 0.02 - Net income attributable to Pfizer Inc. common shareholders $ 0.43 $ 0.33 30 $ 0.67 $ 0.61 10 Weighted-average shares used to calculate earnings per common share: Basic 7,476 7,875 7,506 7,929 Diluted 7,537 7,935 7,570 7,980 (a)
The above financial statements present the three and six months ended July 1, 2012 and July 3, 2011. Subsidiaries operating outside the United States are included for the three and six months ended May 27, 2012 and May 29, 2011.

Beginning in the second quarter of 2012, as a result of our decision to sell the Nutrition business, we report the operating results of the Nutrition business as Discontinued operations - net of tax for all periods presented.

On August 1, 2011, we completed the sale of our Capsugel business. The operating results associated with the Capsugel business are reported as Discontinued Operations - net of tax for the three and six months ended July 3, 2011.

On January 31, 2011, we completed a tender offer for the outstanding shares of common stock of King Pharmaceuticals, Inc. (King) and, commencing from that date, our financial statements include the assets, liabilities, operating results and cash flows of King. As a result, and in accordance with our domestic and international reporting periods, our operating results for the six months ended July 3, 2011 reflect approximately five months of King's U.S. operations and approximately four months of King's international operations.

Certain amounts and percentages may reflect rounding adjustments. See Supplemental Information that accompanies these materials for additional details. The financial results for the three and six months ended July 1, 2012 are not necessarily indicative of the results which could ultimately be achieved for the full year.

(b) Exclusive of amortization of intangible assets, except as discussed in footnote (c) below. (c) Amortization expense related to acquired intangible assets that contribute to our ability to sell, manufacture, research, market and distribute products, compounds and intellectual property is included in Amortization of intangible assets as these intangible assets benefit multiple business functions. Amortization expense related to acquired intangible assets that are associated with a single function is included in Cost of sales, Selling, informational and administrative expenses or Research and development expenses, as appropriate.

(d) EPS amounts may not add due to rounding. PFIZER INC. AND SUBSIDIARY COMPANIES RECONCILIATION OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION CERTAIN LINE ITEMS (UNAUDITED) (millions of dollars, except per common share data) Quarter Ended July 1, 2012

| | GAAP Reported(1) | Purchase Accounting Adjustments | Acquisition-Related Costs(2) | Discontinued Operations | Certain Significant Items(3) | Non-GAAP Adjusted(a) |
|---|---|---|---|---|---|---|
| Revenues | $ 15,057 | $ - | $ - | $ - | $ - | $ 15,057 |
| Cost of sales(b) | 2,752 | (3 ) | (57 ) | - | (27 ) | 2,665 |

Selling, informational and administrative expenses(b)

3,977 3 (4 ) - (39 ) 3,937 Research and development expenses(b) 1,699 2 - - (37 ) 1,664 Amortization of intangible assets(c) 1,291 (1,225 ) - - - 66

Restructuring charges and certain acquisition-related costs

190 - (176 ) - (14 ) - Other (income)/deductions--net 664 59 - - (579 ) 144

Income from continuing operations before provision for taxes on income

4,484 1,164 237 - 696 6,581 Provision for taxes on income 1,290 314 54 - 245 1,903 Income from continuing operations 3,194 850 183 - 451 4,678 Discontinued operations--net of tax 66 - - (66 ) - - Net income attributable to noncontrolling interests 7 - - - - 7 Net income attributable to Pfizer Inc. 3,253 850 183 (66 ) 451 4,671

Earnings per common share attributable to Pfizer Inc.-- diluted(d)

0.43 0.11 0.02 (0.01 ) 0.06 0.62

Six Months Ended July 1, 2012 Purchase Acquisition- Certain GAAP Accounting Related Discontinued Significant Non-GAAP Reported(1) Adjustments Costs(2) Operations Items(3) Adjusted(a) Revenues $ 29,942 $ -

$ -

$ -

$ -

$ 29,942 Cost of sales(b) 5,497 (11 ) (136 ) - (27 ) 5,323

Selling, informational and administrative expenses(b)

7,954 6 (5 ) - (61 ) 7,894 Research and development expenses(b) 3,753 2 (5 ) - (339 ) 3,411 Amortization of intangible assets(c) 2,711 (2,577 ) - - - 134

Restructuring charges and certain acquisition-related costs

787 - (274 ) - (513 ) - Other (income)/deductions--net 2,321 (30 ) - - (1,823 ) 468
Income from continuing operations before provision for taxes on income

6,919 2,610 420 - 2,763 12,712 Provision for taxes on income 2,001 698 121 - 861 3,681 Income from continuing operations 4,918 1,912 299 - 1,902 9,031 Discontinued operations--net of tax 145 - - (145 ) - - Net income attributable to noncontrolling interests 16 - - - - 16 Net income attributable to Pfizer Inc. 5,047 1,912 299 (145 ) 1,902 9,015
Earnings per common share attributable to Pfizer Inc.-- diluted(d)

0.67 0.25 0.04 (0.02 ) 0.25 1.19 (a)
Non-GAAP Adjusted income and its components and Non-GAAP Adjusted diluted EPS are not, and should not be viewed as, substitutes for U.S. GAAP net income and its components and diluted EPS. Despite the importance of these measures to management in goal setting and performance measurement, we stress that Non-GAAP Adjusted income and its components are Non-GAAP financial measures that have no standardized meaning prescribed by U.S. GAAP and, therefore, have limits in their usefulness to investors. Because of the non-standardized definitions, Non-GAAP Adjusted income and its components (unlike U.S. GAAP net income and its components) may not be comparable to the calculation of similar measures of other companies. Non-GAAP Adjusted income and its components are presented solely to permit investors to more fully understand how management assesses performance.

(b) Exclusive of amortization of intangible assets, except as discussed in footnote (c) below. (c)
Amortization expense related to acquired intangible assets that contribute to our ability to sell, manufacture, research, market and distribute products, compounds and intellectual property is included in Amortization of intangible assets as these intangible assets benefit multiple business functions. Amortization expense related to acquired intangible assets that are associated with a single function is included in Cost of sales, Selling, informational and administrative expenses or Research and development expenses, as appropriate.

(d) EPS amounts may not add due to rounding. See end of tables for notes (1), (2) and (3). Certain amounts may reflect rounding adjustments. PFIZER INC. AND SUBSIDIARY COMPANIES RECONCILIATION OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION CERTAIN LINE ITEMS (UNAUDITED) (millions of dollars, except per common share data) Quarter Ended July 3, 2011 Purchase Acquisition- Certain GAAP Accounting Related Discontinued Significant Non-GAAP Reported(1) Adjustments Costs(2) Operations Items(3) Adjusted(a) Revenues $ 16,485 $ - $ - $ - $ 1 $ 16,486 Cost of sales(b) 3,571 (365 ) (170 ) - (11 ) 3,025 Selling, informational and administrative expenses (b) 4,800 (1 ) (16 ) - (6 ) 4,777 Research and development expenses(b) 2,231 (3 ) - - (178 ) 2,050 Amortization of intangible assets(c) 1,384 (1,348 ) - - - 36

Restructuring charges and certain acquisition-related costs

478 - (406 ) - (72 ) - Other (income)/deductions--net 423 (10 ) - - (389 ) 24

Income from continuing operations before provision for taxes on income

3,598 1,727 592 - 657 6,574 Provision for taxes on income 1,077 463 147 - 229 1,916 Income from continuing operations 2,521 1,264 445 - 428 4,658 Discontinued operations--net of tax 97 - - (97 ) - - Net income attributable to noncontrolling interests 8 - - - - 8 Net income attributable to Pfizer Inc. 2,610 1,264 445 (97 ) 428 4,650

Earnings per common share attributable to Pfizer Inc.-- diluted(d)

0.33 0.16 0.06 (0.01 ) 0.05 0.59 Six Months Ended July 3, 2011 Purchase Acquisition- Certain GAAP Accounting Related Discontinued Significant Non-GAAP Reported(1) Adjustments Costs(2) Operations Items(3) Adjusted(a) Revenues $ 32,509 $ - $ - $ - $ - $ 32,509 Cost of sales(b) 7,040 (795 ) (342 ) - (9 ) 5,894

Selling, informational and administrative expenses(b)

9,178 3 (23 ) - (6 ) 9,152 Research and development expenses(b) 4,311 (3 ) (3 ) - (248 ) 4,057 Amortization of intangible assets(c) 2,749 (2,687 ) - - - 62

Restructuring charges and certain acquisition-related costs

1,368 - (794 ) - (574 ) - Other (income)/deductions--net 1,255 (18 ) - - (1,029 ) 208

Income from continuing operations before provision for taxes on income

6,608 3,500 1,162 - 1,866 13,136 Provision for taxes on income 1,951 900 266 - 640 3,757 Income from continuing operations 4,657 2,600 896 - 1,226 9,379 Discontinued operations--net of tax 195 - - (195 ) - - Net income attributable to noncontrolling interests 20 - - - - 20 Net income attributable to Pfizer Inc. 4,832 2,600 896 (195 ) 1,226 9,359
Earnings per common share attributable to Pfizer Inc.-- diluted(d)

0.61 0.33 0.11 $ (0.02 ) $ 0.15 1.17 (a)
Non-GAAP Adjusted income and its components and Non-GAAP Adjusted diluted EPS are not, and should not be viewed as, substitutes for U.S. GAAP net income and its components and diluted EPS. Despite the importance of these measures to management in goal setting and performance measurement, we stress that Non-GAAP Adjusted income and its components are Non-GAAP financial measures that have no standardized meaning prescribed by U.S. GAAP and, therefore, have limits in their usefulness to investors. Because of the non-standardized definitions, Non-GAAP Adjusted income and its components (unlike U.S. GAAP net income and its components) may not be comparable to the calculation of similar measures of other companies. Non-GAAP Adjusted income and its components are presented solely to permit investors to more fully understand how management assesses performance.

(b) Exclusive of amortization of intangible assets, except as discussed in footnote (c) below. (c)
Amortization expense related to acquired intangible assets that contribute to our ability to sell, manufacture, research, market and distribute products, compounds and intellectual property is included in Amortization of intangible assets as these intangible assets benefit multiple business functions. Amortization expense related to acquired intangible assets that are associated with a single function is included in Cost of sales, Selling, informational and administrative expenses or Research and development expenses, as appropriate.

(d) EPS amounts may not add due to rounding. See end of tables for notes (1), (2) and (3). Certain amounts may reflect rounding adjustments. PFIZER INC. AND SUBSIDIARY COMPANIES NOTES TO RECONCILIATION OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION CERTAIN LINE ITEMS* (UNAUDITED) 1)

The financial statements present the three and six months ended July 1, 2012 and July 3, 2011. Subsidiaries operating outside the United States are included for the three and six months ended May 27, 2012 and May 29, 2011.

Beginning in the second quarter of 2012, as a result of our decision to sell the Nutrition business, we report the operating results of the Nutrition business as Discontinued operations - net of tax for all periods presented.

On August 1, 2011, we completed the sale of our Capsugel business. The operating results associated with the Capsugel business are reported as Discontinued Operations - net of tax for the three and six months ended July 3, 2011.

On January 31, 2011, we completed a tender offer for the outstanding shares of common stock of King Pharmaceuticals, Inc. (King) and, commencing from that date, our financial statements include the assets, liabilities, operating results and cash flows of King. As a result, and in accordance with our domestic and international reporting periods, our operating results for the six months ended July 3, 2011 reflect approximately five months of King’s U.S. operations and approximately four months of King’s international operations.

2)

Acquisition-related costs include the following:

| (millions of dollars) | Second Quarter | | Six Months | |
|---|---|---|---|---|
| | 2012 | 2011 | 2012 | 2011 |
| Transaction costs(a) | $ 1 | $ 13 | $ 1 | $ 23 |
| Integration costs(a) | 108 | 199 | 208 | 378 |
| Restructuring charges(a) | 67 | 194 | 65 | 393 |
| Additional depreciation - asset restructuring(b) | 61 | 186 | 146 | 368 |
| Total acquisition-related costs -- pre-tax | 237 | 592 | 420 | 1,162 |
| Income taxes(c) | (54 ) | (147 ) | (121 ) | (266 ) |
| Total acquisition-related costs -- net of tax | $ 183 | $ 445 | $ | |

299 $ 896 (a)
Transaction costs represent external costs directly related to acquired businesses and primarily include expenditures for banking, legal, accounting and other similar services. Integration costs represent external, incremental costs directly related to integrating acquired businesses, and primarily include expenditures for consulting and the integration of systems and processes. Restructuring charges include employee termination costs, asset impairments and other exit costs associated with business combinations. The sum of these costs and charges is included in Restructuring charges and certain acquisition-related costs.

(b)
Represents the impact of changes in the estimated useful lives of assets involved in restructuring actions related to acquisitions. Included in Cost of sales ($57 million) and Selling, informational and administrative expenses ($4 million) for the three months ended July 1, 2012. Included in Cost of sales ($136 million), Selling, informational and administrative expenses ($5 million) and Research and development expenses ($5 million) for the six months ended July 1, 2012. Included in Cost of sales ($170 million) and Selling, informational and administrative expenses ($16 million) for the three months ended July 3, 2011. Included in Cost of sales ($342 million), Selling, informational and administrative expenses ($23 million) and Research and development expenses ($3 million) for the six months ended July 3, 2011.

(c) Included in Provision for taxes on income. 3)
Certain significant items include the following:

Second Quarter Six Months (millions of dollars)

2012 2011 2012 2011 Restructuring charges(a) $ 14 $ 72 $ 513 $ 574
Implementation costs and additional depreciation - asset restructuring(b)

57 184 375 254 Certain legal matters(c) 483 53
1,258 525 Certain asset impairment charges(d) 77 332

489 489 Other(e) 65 16 128 24 Total certain significant items -- pre-tax 696 657 2,763 1,866 Income taxes(f) (245 ) (229 ) (861 ) (640 ) Total certain significant items -- net of tax $ 451 $ 428 $ 1,902 $ 1,226

(a)

Included in Restructuring charges and certain acquisition-related costs, primarily related to our cost-reduction and productivity initiatives.

(b)

Primarily related to our cost-reduction and productivity initiatives. Included in Cost of Sales ($4 million), Selling, informational and administrative expenses ($16 million) and Research and development expenses ($37 million) for the three months ended July 1, 2012. Included in Cost of Sales ($4 million), Selling, informational and administrative expenses ($32 million) and Research and development expenses ($339 million) for the six months ended July 1, 2012. Included in Selling, informational and administrative expenses ($6 million) and Research and development expenses ($178 million) for the three months ended July 3, 2011. Included in Selling, informational and administrative expenses ($6 million) and Research and development expenses ($248 million) for the six months ended July 3, 2011.

(c)

Included in Other deductions - net. In the second quarter and first six months of 2012, primarily includes charges for hormone-replacement therapy litigation. The first six months of 2012 also includes $450 million in settlement of a lawsuit by Brigham Young University related to Celebrex. In 2011, primarily includes charges for hormone-replacement therapy litigation.

(d)

Primarily included in Other deductions - net. In 2012, primarily includes certain intangible assets acquired in connection with our acquisitions of Wyeth and King, including in-process research and development (IPR&D) intangible assets. In 2011, primarily includes certain intangible assets acquired in connection with our acquisition of Wyeth, including IPR&D intangible assets.

(e) Included in Selling, Information and administrative expenses ($23 million) and Other deductions - net ($42 million) for the three months ended July 1, 2012. Included in Selling, Information and administrative expenses ($29 million) and Other deductions - net ($99 million) for the six months ended July 1, 2012. Included in Revenues ($1 million expense), Cost of sales ($1 million income) and Other deductions - net ($16 million) for the three months ended July 3, 2011. Included in Cost of sales ($4 million income) and Other deductions - net ($28 million) for the six months ended July 3, 2011.

(f) Included in Provision for taxes on income.

* Non-GAAP Adjusted income and its components and Non-GAAP Adjusted diluted EPS are not, and should not be viewed as, substitutes for U.S. GAAP net income and its components and diluted EPS. Despite the importance of these measures to management in goal setting and performance measurement, we stress that Non-GAAP Adjusted income and its components are non-GAAP financial measures that have no standardized meaning prescribed by U.S. GAAP and, therefore, have limits in their usefulness to investors. Because of the non-standardized definitions, Non-GAAP Adjusted income and its components (unlike U.S. GAAP net income and its components) may not be comparable to the calculation of similar measures of other companies. Non-GAAP Adjusted income and its components are presented solely to permit investors to more fully understand how management assesses performance.

PFIZER INC.

BUSINESS REVENUES(1)

FIRST SIX MONTHS OF 2012 AND 2011 (UNAUDITED) (millions of dollars)

| | 2012 | 2011 | Change | Foreign Exchange | Operational |
|---|---|---|---|---|---|
| Primary Care | $ 8,115 | $ 11,311 | (28%) | (1%) | (27%) |
| Specialty Care | 7,077 | 7,626 | (7%) | (1%) | (6%) |
| Established Products | 5,482 | 4,684 | 17% | (1%) | 18% |
| Emerging Markets | 4,919 | 4,593 | 7% | (5%) | 12% |
| Oncology | 611 | 650 | (6%) | (2%) | (4%) |
| Biopharmaceutical | 26,204 | | | | |

28,864 (9%) (2%) (7%) Animal Health 2,111 2,037 4% (3%) 7% Consumer Healthcare 1,496 1,452 3% (2%) 5% Other 131 156 (16%) (1%) (15%)
Total $ 29,942 $ 32,509 (8%) (2%) (6%)

(1)

For a description of each business unit, see Note 13A to Pfizer's condensed consolidated financial statements included in Pfizer's Form 10-Q for the fiscal quarter ended April 1, 2012.

PFIZER INC. ADJUSTED SELECTED COSTS AND EXPENSES FIRST SIX MONTHS OF 2012 AND 2011 (UNAUDITED)
($ in millions)

Foreign
(Favorable)/Unfavorable

2012 2011 % Change Exchange Operational
Adjusted Cost of Sales(1) $ 5,323 $ 5,894 (10%) (7%) (3%) As a Percent of Revenues 17.8% 18.1% N/A N/A N/A Adjusted SI&A Expenses(1) 7,894 9,152 (14%) (1%) (13%) Adjusted R&D Expenses(1) 3,411 4,057 (16%) - (16%) Total $ 16,628 $ 19,103 (13%) (3%) (10%)
(1)

Adjusted cost of sales, Adjusted selling, informational and administrative (SI&A) expenses and Adjusted research and development (R&D) expenses are defined as the corresponding reported U.S. generally accepted accounting principles (GAAP) income statement line items excluding purchase accounting adjustments, acquisition-related costs, discontinued operations and certain significant items. Reconciliations of certain GAAP reported to non-GAAP adjusted information for the second quarter and first six months of 2012 and 2011 are provided in the materials accompanying this report. These adjusted income statement line item measures are not, and should not be viewed as, substitutes for the corresponding U.S. GAAP line items.

PFIZER INC.

REVENUES

SECOND QUARTER 2012 AND 2011

(UNAUDITED)

(MILLIONS OF DOLLARS)

WORLDWIDE UNITED STATES TOTAL
INTERNATIONAL(a) 2012 2011 % Change
2012 2011 % Change 2012 2011 % Change Total Oper.
Total Total Oper. TOTAL REVENUES $15,057 $16,485 (9%) (6%)
$5,722 $6,700 (15%) $9,335 $9,785 (5%) -
REVENUES FROM BIOPHARMACEUTICAL

PRODUCTS:

$13,139 $14,640 (10%) (7%) $4,945 $5,964 (17%) $8,194 $8,676
(6%) (1%) Lipitor(b) 1,220 2,591 (53%) (52%) 296 1,412 (79%) 924
1,179 (22%) (19%) Lyrica 1,035 908 14% 18% 404 373 8% 631
535 18% 24% Enbrel (Outside the U.S. and Canada) 988 914 8% 15% -
- - 988 914 8% 15% Prevnar 13/Prevenar 13 916 821 12% 14%
429 428
-

487 393 24% 32% Celebrex 659 622 6% 7% 421 391 8% 238
231 3% 6% Viagra 485 495 (2%) - 267 250 7% 218 245
(11%) (7%) Norvasc 348 375 (7%) (6%) 11 9 22% 337 366 (8%)
(7%) Zyvox 343 325 6% 9% 161 160 1% 182 165 10% 17%
Sutent 319 296 8% 13% 87 71 23% 232 225 3% 9% Premarin
family 274 255 7% 8% 250 229 9% 24 26 (8%) -
Xalatan/Xalacom 209 291 (28%) (25%) 10 14 (29%) 199 277 (28%)
(25%) Genotropin 212 230 (8%) (5%) 50 52 (4%) 162 178 (9%)
(5%) Detrol/Detrol LA 205 230 (11%) (10%) 127 145 (12%) 78 85
(8%) (6%) BeneFIX 193 176 10% 12% 91 76 20% 102 100 2%
5% Vfend 178 192 (7%) (3%) 18 18 - 160 174 (8%) (3%)

Chantix/Champix 172 190 (9%) (7%) 80 86 (7%) 92 104 (12%) (6%) Pristiq 158 147 7% 8% 124 121 2% 34 26 31% 32% Revatio 143 130 10% 13% 87 74 18% 56 56 - 6% Medrol 141 135 4% 6% 43 49 (12%) 98 86 14% 16% Refacto AF/Xyntha 138 123 12% 17% 26 17 53% 112 106 6% 12% Zosyn/Tazocin 141 162 (13%) (11%) 72 85 (15%) 69 77 (10%) (6%) Zoloft 139 146 (5%) (4%) 15 16 (6%) 124 130 (5%) (4%) Geodon/Zeldox 84 258 (67%) (66%) 49 216 (77%) 35 42 (17%) (10%) Effexor 106 168 (37%) (35%) 24 55 (56%) 82 113 (27%) (24%) Zithromax/Zmax 106 114 (7%) (5%) 1 6 (83%) 105 108 (3%) (2%) Prevnar/Prevenar (7-valent) 84 155 (46%) (46%) - - - 84 155 (46%) (46%) Fragmin 101 97 4% 10% 13 9 44% 88 88 - 7% Aricept(c) 84 112 (25%) (21%) - - - 84 112 (25%) (21%) Cardura 91 101 (10%) (7%) 1 1 - 90 100 (10%) (7%) Relpax 89 84 6% 8% 53 48 10% 36 36 - 6% Rapamune 85 100 (15%) (12%) 46 46 - 39 54 (28%) (24%) Tygacil 86 75 15% 19% 38 38 - 48 37 30% 38% EpiPen 92 66 39% 39% 79 54 46% 13 12 8% 10% Xanax XR 69 79 (13%) (7%) 11 14 (21%) 58 65 (11%) (5%) BMP2 67 101 (34%) (34%) 67 95 (29%) - 6 (100%) (96%) Sulperazon 71 49 45% 44% - - - 71 49 45% 44% Diflucan 67 64 5% 8% 3 3 - 64 61 5% 10% Caduet 58 143 (59%) (58%) 4 74 (95%) 54 69 (22%) (20%) Neurontin 62 84 (26%) (23%) 12 18 (33%) 50 66 (24%) (21%) Unasyn 57 61 (7%) (5%) 2 1 100% 55 60 (8%) (5%) Aromasin 55 95 (42%) (39%) 3 7 (57%) 52 88 (41%) (38%) Arthrotec 53 62 (15%) (12%) 29 33 (12%) 24 29 (17%) (13%) Inspra 58 49 18% 18% 2 1 100% 56 48 17% 18% Dalacin/Cleocin 53 52 2% 6% 17 17 - 36 35 3% 9% Toviaz 53 46 15% 17% 28 24 17% 25 22 14% 17% Metaxalone/Skelaxin 61 79 (23%) (23%) 61 79 (23%) - - - - Alliance Revenue(d) 862 875 (1%) (1%) 641 504 27% 221 371 (40%) (38%) All other biopharmaceutical products 1,869 1,717 9% 12% 692 545 27% 1,177 1,172

-

8% All other established products(e) 1,539 1,400 10% 14% 546 409 33% 993 991 - 5% REVENUES FROM OTHER PRODUCTS: ANIMAL HEALTH $1,085 $1,055 3% 7% $416 $390 7% $669 $665 1% 7% CONSUMER HEALTHCARE $768 $714 8% 11% $340

$318 7% $428 $396 8% 13% OTHER(f) $65 $76 (14%) (13%) $21 $28 (25%) $44 $48 (8%) (7%)

(a)

Total International represents Developed Europe region + Developed Rest of World region + Emerging Markets region. Details for these regions are located on the following page.

(b)

Lipitor lost exclusivity in the U.S. in November 2011 and various other markets in 2011 and 2012. This loss of exclusivity reduced branded worldwide revenues by $1,371 million in the second quarter of 2012, in comparison with the second quarter of 2011.

(c)

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

(d)

Includes Enbrel (in the U.S. and Canada), Aricept, Exforge, Rebif and Spiriva.

(e)

Includes sales of generic atorvastatin. All other established products is a subset of All other biopharmaceutical products.

(f)

Includes revenues generated primarily from Pfizer CentreSource, our contract manufacturing and bulk pharmaceutical chemical sales organization.

Certain amounts and percentages may reflect rounding adjustments.

PFIZER INC.

REVENUES

DETAIL OF INTERNATIONAL REVENUES BY GEOGRAPHIC REGION

SECOND QUARTER 2012 AND 2011

(UNAUDITED)

(MILLIONS OF DOLLARS)

| | DEVELOPED EUROPE(a) | | | | DEVELOPED REST OF WORLD(b) | | | | EMERGING MARKETS(c) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2012 | 2011 | % Change | | 2012 | 2011 | % Change | | 2012 | 2011 | % Change | |
| | | | Total | Oper. | | | Total | Oper. | | | Total | Oper. |
| TOTAL INTERNATIONAL REVENUES | $3,497 | $4,211 | (17%) | (11%) | $2,693 | $2,644 | 2% | 2% | $3,145 | $2,930 | 7% | 14% |
| REVENUES FROM BIOPHARMACEUTICAL PRODUCTS - INTERNATIONAL: | $3,147 | $3,857 | (18%) | (12%) | $2,427 | $2,404 | 1% | 1% | $2,620 | $2,415 | 8% | 14% |
| Lipitor | 393 | 635 | (38%) | (34%) | 288 | 333 | (14%) | (14%) | 243 | 211 | 15% | 18% |
| Lyrica | 331 | 321 | 3% | 11% | 172 | 122 | 41% | 41% | 128 | 92 | 39% | 44% |
| Enbrel (Outside Canada) | 586 | 595 | (2%) | 6% | 148 | 112 | 32% | 30% | 254 | 207 | 23% | 33% |
| Prevnar 13/ Prevenar 13 | 178 | 189 | (6%) | (1%) | 62 | 35 | 77% | 78% | 247 | 169 | 46% | 58% |
| Celebrex | 43 | 47 | (9%) | - | 115 | 99 | 16% | 16% | 80 | 85 | (6%) | (1%) |
| Viagra | 88 | 95 | (7%) | (1%) | 53 | 48 | 10% | 10% | 77 | 102 | (25%) | (21%) |
| Norvasc | 32 | 44 | (27%) | (20%) | 174 | 199 | (13%) | (13%) | 131 | 123 | 7% | 8% |
| Zyvox | 79 | 80 | (1%) | 8% | 41 | 36 | 14% | 14% | 62 | 49 | 27% | 35% |
| Sutent | 117 | 126 | (7%) | - | 45 | 42 | 7% | 5% | 70 | 57 | 23% | 32% |
| Premarin family | 3 | 3 | - | - | 8 | 8 | - | - | 13 | 15 | (13%) | - |
| Xalatan/Xalacom | 70 | 135 | (48%) | (44%) | 80 | 91 | (12%) | (12%) | 49 | 51 | (4%) | 4% |
| Genotropin | 77 | 91 | (15%) | (11%) | 58 | 57 | 2% | 4% | 27 | 30 | (10%) | (3%) |
| Detrol/Detrol LA | 34 | 42 | (19%) | (14%) | 26 | 26 | - | - | 18 | 17 | 6% | 6% |
| BeneFIX | 62 | 66 | (6%) | 2% | 33 | 29 | 14% | 7% | 7 | 5 | 40% | 40% |
| Vfend | 68 | 78 | (13%) | (6%) | 40 | 38 | 5% | 3% | 52 | 58 | (10%) | (4%) |
| Chantix/Champix | 33 | 48 | (31%) | (28%) | 46 | 41 | 12% | 15% | 13 | 15 | (13%) | 7% |
| Pristiq | - | - | - | - | 22 | 17 | 29% | 22% | 12 | 9 | 33% | 44% |

Revatio 34 36 (6%) (3%) 15 12 25% 27% 7 8 (13%) 13%
Medrol 25 30 (17%) (7%) 14 11 27% 8% 59 45 31% 33%
Refacto AF/Xyntha 94 97 (3%) 3% 15 8 88% 67% 3 1 200% -
Zosyn/Tazocin 14 17 (18%) (18%) 4 3 33% - 51 57 (11%)
(4%) Zoloft 16 24 (33%) (26%) 73 73 - (3%) 35 33 6% 13%
Geodon/Zeldox 16 21 (24%) (15%) 6 5 20% - 13 16 (19%)
(6%) Effexor 28 47 (40%) (36%) 28 41 (32%) (30%) 26 25 4%
12% Zithromax/Zmax 17 23 (26%) (25%) 47 44 7% 5% 41 41
- 2% Prevnar/Prevenar (7-valent) - 7 (100%) (100%) 84 74 14% 11%
- 74 (100%) (100%) Fragmin 47 46 2% 9% 22 20 10% 16%
19 22 (14%) (5%) Aricept(d) 30 57 (47%) (45%) 42 42 - 7%
12 13 (8%) - Cardura 25 32 (22%) (16%) 37 41 (10%) (8%)
28 27 4% 7% Relpax 16 19 (16%) (5%) 15 13 15% 15% 5
4 25% 25% Rapamune 14 15 (7%) (7%) 4 5 (20%) - 21 34
(38%) (35%) Tygacil 18 16 13% 19% 1 2 (50%) - 29 19 53%
58% EpiPen - - - - 13 12 8% 8% - - - - Xanax XR 21 27
(22%) (15%) 12 11 9% - 25 27 (7%) 8% BMP2 - 6 (100%)
(100%) - - - - - - - - Sulperazon - - - - 9 10 (10%)
(18%) 62 39 59% 61% Diflucan 16 20 (20%) (10%) 11 11 - -
37 30 23% 27% Caduet 4 5 (20%) (20%) 34 48 (29%) (29%)
16 16 - 6% Neurontin 15 24 (38%) (33%) 11 15 (27%) (29%)
24 27 (11%) (4%) Unasyn 9 9 - 11% 20 21 (5%) (10%) 26
30 (13%) (7%) Aromasin 20 53 (62%) (58%) 14 18 (22%) (18%)
18 17 6% 12% Arthrotec 9 14 (36%) (29%) 12 11 9% - 3
4 (25%) - Inspra 34 32 6% 13% 17 13 31% 23% 5 3 67%
67% Dalacin/Cleocin 8 9 (11%) - 8 6 33% 33% 20 20 - 10%
Toviaz 20 18 11% 15% 2 2 - 7% 3 2 50% 44%
Metaxalone/Skelaxin - - - - - - - - - - - - Alliance Revenue(e)
65 163 (60%) (56%) 134 188 (29%) (29%) 22 20 10% 25% All
other biopharmaceutical products 338 395 (14%) (4%) 312 311 - 6%
527 466 13% 19% All other established products(f) 252 305 (17%) (11%)
270 276 (2%) (3%) 471 410 15% 23%

REVENUES FROM OTHER PRODUCTS -

INTERNATIONAL:

$350 $354 (1%) 6% $266 $240 11% 14% $525 $515 2% 8%

(a)

Developed Europe region includes the following markets: Western Europe, Finland and the Scandinavian countries.

(b)

Developed Rest of World region includes the following markets: Australia, Canada, Japan, New Zealand and South Korea.

(c)

Emerging Markets region includes, but is not limited to, the following markets: Asia (excluding Japan and South Korea), Latin America, Middle East, Africa, Central and Eastern Europe and Turkey.

(d)

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

(e)

Includes Enbrel (in Canada), Aricept, Exforge, Rebif and Spiriva.

(f)

All other established products is a subset of All other biopharmaceutical products.

Certain amounts and percentages may reflect rounding adjustments.

PFIZER INC.

REVENUES

SIX MONTHS 2012 AND 2011

(UNAUDITED)

(MILLIONS OF DOLLARS)

| | WORLDWIDE | | | | UNITED STATES | | | TOTAL INTERNATIONAL(a) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2012 | 2011 | % Change | | 2012 | 2011 | % Change | 2012 | 2011 | % Change | |
| | | | Total | Oper. | | | | | | Total | Oper. |
| TOTAL REVENUES | $29,942 | $32,509 | (8%) | (6%) | $11,676 | $13,724 | (15%) | $18,266 | $18,785 | (3%) | - |
| REVENUES FROM BIOPHARMACEUTICAL PRODUCTS: | $26,204 | $28,864 | (9%) | (7%) | $10,130 | $12,227 | (17%) | $16,074 | $16,637 | (3%) | (1%) |
| Lipitor(b) | 2,615 | 4,976 | (47%) | (47%) | 679 | 2,717 | (75%) | 1,936 | 2,259 | (14%) | (13%) |
| Lyrica | 1,990 | 1,734 | 15% | 17% | 799 | 737 | 8% | 1,191 | 997 | 19% | 23% |
| Enbrel (Outside the U.S. and Canada) | 1,887 | 1,784 | 6% | 10% | - | - | - | 1,887 | 1,784 | 6% | 10% |
| Prevnar 13/Prevenar 13 | 1,857 | 1,817 | 2% | 5% | 983 | 1,079 | (9%) | 874 | 738 | 18% | 24% |
| Celebrex | 1,293 | 1,213 | 7% | 7% | 828 | 774 | 7% | 465 | 439 | 6% | 8% |
| Viagra | 981 | 965 | 2% | 3% | 535 | 488 | 10% | 446 | 477 | (6%) | (4%) |
| Norvasc | 682 | 731 | (7%) | (7%) | 25 | 18 | 39% | 657 | 713 | (8%) | (9%) |
| Zyvox | 668 | 644 | 4% | 5% | 332 | 332 | - | 336 | 312 | 8% | 11% |
| Sutent | 619 | 572 | 8% | 12% | 173 | 140 | 24% | 446 | 432 | 3% | 8% |
| Premarin family | 535 | 490 | 9% | 10% | 487 | 442 | 10% | 48 | 48 | - | 8% |
| Xalatan/Xalacom | 436 | 683 | (36%) | (35%) | 21 | 150 | (86%) | 415 | 533 | (22%) | (20%) |
| Genotropin | 407 | 439 | (7%) | (6%) | 91 | 98 | (7%) | 316 | 341 | (7%) | (5%) |
| Detrol/Detrol LA | 400 | 455 | (12%) | (11%) | 250 | 286 | (13%) | 150 | 169 | (11%) | (9%) |
| BeneFIX | 376 | 340 | 11% | 12% | 176 | 147 | 20% | 200 | 193 | 4% | 6% |
| Vfend | 356 | 387 | (8%) | (6%) | 43 | 64 | (33%) | 313 | 323 | (3%) | - |
| Chantix/Champix | 350 | 389 | (10%) | (9%) | 172 | 180 | (4%) | 178 | 209 | (15%) | (13%) |
| Pristiq | 309 | 276 | 12% | 13% | 245 | 229 | 7% | 64 | 47 | 36% | 39% |
| Revatio | 279 | 253 | 10% | 12% | 172 | 149 | 15% | 107 | 104 | 3% | 7% |
| Medrol | 275 | 256 | 7% | 9% | 81 | 83 | (2%) | 194 | 173 | 12% | 14% |
| Refacto AF/Xyntha | 270 | 240 | | | | | | | | | |

13%     16%     51     43     19%     219     197     11%     15% Zosyn/Tazocin   269     341     (21%)     (20%)     136     192     (29%)     133     149     (11%)     (8%) Zoloft   269     281     (4%)     (5%)     32     31     3%     237     250     (5%)     (6%) Geodon/Zeldox   265     490     (46%)     (45%)     192     410     (53%)     73     80     (9%)     (4%) Effexor   235     372     (37%)     (36%)     65     155     (58%)     170     217     (22%)     (20%) Zithromax/Zmax   229     242     (5%)     (6%)     6     13     (54%)     223     229     (3%)     (3%) Prevnar/Prevenar (7-valent)   222     308     (28%)     (30%)     -     -     -     222     308     (28%)     (30%) Fragmin   192     188     2%     6%     25     23     9%     167     165     1%     6% Aricept(c)   178     218     (18%)     (15%)     -     -     -     178     218     (18%)     (15%) Cardura   175     197     (11%)     (10%)     2     3     (33%)     173     194     (11%)     (9%) Relpax   174     164     6%     7%     104     95     9%     70     69     1%     4% Rapamune   167     189     (12%)     (10%)     91     92     (1%)     76     97     (22%)     (18%) Tygacil   167     148     13%     16%     78     74     5%     89     74     20%     26% EpiPen(d)   150     101     49%     49%     130     86     51%     20     15     33%     41% Xanax XR   137     155     (12%)     (7%)     25     28     (11%)     112     127     (12%)     (7%) BMP2   134     194     (31%)     (31%)     134     183     (27%)     -     11     (100%)     (97%) Sulperazon   129     104     24%     23%     -     -     -     129     104     24%     23% Diflucan   124     129     (4%)     (2%)     3     3     -     121     126     (4%)     (2%) Caduet   123     285     (57%)     (57%)     13     155     (92%)     110     130     (15%)     (16%) Neurontin   120     155     (23%)     (20%)     25     37     (32%)     95     118     (19%)     (16%) Unasyn   111     114     (3%)     (2%)     2     1     100%     109     113     (4%)     (2%) Aromasin   111     209     (47%)     (46%)     7     45     (84%)     104     164     (37%)     (35%) Arthrotec   109     121     (10%)     (8%)     62     64     (3%)     47     57     (18%)     (14%) Inspra   105     91     15%     18%     3     2     50%     102     89     15%     18% Dalacin/Cleocin   102     88     16%     19%     32     20     60%     70     68     3%     7% Toviaz   98     88     11%     14%     53     46     15%     45     42     7%     13% Metaxalone/Skelaxin(d)   94     88     7%     8%     94     88     7%     -     -     -     - Alliance Revenue(e)   1,698     1,759     (3%)     (3%)     1,221     1,057     16%     477     702     (32%)     (31%) All other biopharmaceutical products   3,732     3,401     10%     13%     1,452     1,168     24%     2,280     2,233     2%     6% All other established products(f)   3,102     2,800     11%     13%     1,180     899     31%     1,922     1,901     1%     5% REVENUES FROM OTHER PRODUCTS:     ANIMAL HEALTH   $2,111     $2,037     4%     7%     $838     $772     9%     $1,273     $1,265     1%     5% CONSUMER HEALTHCARE   $1,496     $1,452     3%     5%     $666     $679     (2%)     $830     $773     7%     10% OTHER(g)   $131     $156     (16%)     (15%)     $42     $46     (9%)     $89     $110     (19%)     (19%)

(a)

Total International represents Developed Europe region + Developed Rest of World region + Emerging Markets region. Details for these regions are located on the following page.

(b)

Lipitor lost exclusivity in the U.S. in November 2011 and various other markets in 2011 and 2012. This loss of exclusivity reduced branded worldwide revenues by $2,361 million in the first six months of 2012, in comparison with the first six months of 2011.

(c)

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

(d)

Legacy King product. King's operations are included in our financial statements commencing from the acquisition date of January 31, 2011.

(e)

Includes Enbrel (in the U.S. and Canada), Aricept, Exforge, Rebif and Spiriva.

(f)

Includes sales of generic atorvastatin. All other established products is a subset of All other biopharmaceutical products.

(g)

Includes revenues generated primarily from Pfizer CentreSource, our contract manufacturing and bulk pharmaceutical chemical sales organization.

Certain amounts and percentages may reflect rounding adjustments.

PFIZER INC.

REVENUES

DETAIL OF INTERNATIONAL REVENUES BY GEOGRAPHIC REGION

SIX MONTHS 2012 AND 2011

(UNAUDITED)

(MILLIONS OF DOLLARS)

DEVELOPED EUROPE(a) DEVELOPED REST OF WORLD(b) EMERGING MARKETS(c)
2012 2011 % Change 2012 2011 % Change 2012 2011 % Change

Total Oper.

Total Oper.

Total Oper. TOTAL INTERNATIONAL REVENUES $7,049 $8,051 (12%) (8%) $5,301

$5,167 3% 1% $5,916 $5,567 6% 11%
REVENUES FROM BIOPHARMACEUTICAL

PRODUCTS - INTERNATIONAL:

$6,354 $7,341 (13%) (9%) $4,801 $4,703 2% - $4,919 $4,593 7% 12% Lipitor 912 1,209 (25%) (22%) 570 618 (8%) (10%) 454 432 5% 6% Lyrica 631 605 4% 10% 341 219 56% 53% 219 173 27% 32%
Enbrel (Outside Canada)

1,136 1,132 - 5% 303 252 20% 16% 448 400 12% 20%
Prevnar 13/ Prevenar 13 335 353 (5%) (1%) 138 87 59% 60% 401 298 35% 44% Celebrex 84 88 (5%) - 222 195 14% 12% 159

156 2% 6% Viagra 175 194 (10%) (6%) 104 101 3% 3% 167
182 (8%) (5%) Norvasc 64 89 (28%) (25%) 338 388 (13%) (15%)
255 236 8% 9% Zyvox 151 151 - 6% 78 70 11% 6% 107
91 18% 23% Sutent 222 234 (5%) - 84 80 5% 4% 140 118
19% 25% Premarin family 5 5 - - 16 17 (6%) - 27 26 4%
15% Xalatan/Xalacom 163 259 (37%) (34%) 159 176 (10%) (11%)
93 98 (5%) 2% Genotropin 153 177 (14%) (10%) 110 107 3%
(1%) 53 57 (7%) (2%) Detrol/Detrol LA 68 81 (16%) (14%) 50 57
(12%) (12%) 32 31 3% 10% BeneFIX 119 124 (4%) 1% 65 57
14% 12% 16 12 33% 33% Vfend 135 148 (9%) (5%) 76 74
3% - 102 101 1% 5% Chantix/Champix 67 97 (31%) (29%) 88
85 4% 1% 23 27 (15%) - Pristiq - - - - 40 31 29% 29%
24 16 50% 56% Revatio 66 68 (3%) 1% 27 22 23% 24% 14
14 - 14% Medrol 49 54 (9%) (4%) 24 24 - - 121 95 27%
29% Refacto AF/Xyntha 181 180 1% 5% 26 16 63% 53% 12 1
* * Zosyn/Tazocin 27 34 (21%) (18%) 8 7 14% 14% 98 108
(9%) (6%) Zoloft 31 44 (30%) (25%) 140 143 (2%) (6%) 66 63
5% 8% Geodon/Zeldox 31 40 (23%) (20%) 11 10 10% - 31 30
3% 13% Effexor 58 93 (38%) (35%) 62 75 (17%) (18%) 50
49 2% 8% Zithromax/Zmax 34 46 (26%) (24%) 99 94 5% 2%
90 89 1% 2% Prevnar/Prevenar (7-valent) - 18 (100%) (100%) 188
183 3% 60% 34 107 (68%) (68%) Fragmin 90 87 3% 7% 40
36 11% 17% 37 42 (12%) (5%) Aricept(d) 75 110 (32%) (29%)
82 80 3% 5% 21 28 (25%) (18%) Cardura 50 64 (22%) (19%)
71 79 (10%) (12%) 52 51 2% 6% Relpax 33 36 (8%) (3%) 28
25 12% 12% 9 8 13% 25% Rapamune 26 30 (13%) (10%) 8
9 (11%) (11%) 42 58 (28%) (24%) Tygacil 33 33 - 6% 3 3
- - 53 38 39% 45% EpiPen(e) - - - - 20 15 33% 40% - -
- - Xanax XR 43 54 (20%) (17%) 23 24 (4%) (8%) 46 49
(6%) 4% BMP2 - 11 (100%) (100%) - - - - - - - - Sulperazon
- - - - 18 21 (14%) (19%) 111 83 34% 33% Diflucan 33 38
(13%) (8%) 20 22 (9%) (9%) 68 66 3% 6% Caduet 7 9
(22%) (11%) 71 92 (23%) (24%) 32 29 10% 14% Neurontin 31
41 (24%) (22%) 21 28 (25%) (25%) 43 49 (12%) (6%) Unasyn
18 18 - 6% 38 40 (5%) (10%) 53 55 (4%) - Aromasin 40
100 (60%) (58%) 28 34 (18%) (21%) 36 30 20% 23% Arthrotec
18 25 (28%) (24%) 23 24 (4%) (4%) 6 8 (25%) (13%) Inspra
65 59 10% 15% 29 24 21% 18% 8 6 33% 33% Dalacin/Cleocin

16 17 (6%) (1%) 14 12 17% 12% 40 39 3% 8% Toviaz 37 34 9% 14% 4 4 - - 4 4 - 25% Metaxalone/Skelaxin(e) - - - - - - - - - - - - Alliance Revenue(f) 151 302 (50%) (48%) 286 361 (21%) (22%) 40 39 3% 15% All other biopharmaceutical products 691 750 (8%) (1%) 607 582 4% 3% 982 901 9% 15% All other established products(g) 523 589 (11%) (7%) 515 522 (1%) (3%) 884 790 12% 19%

REVENUES FROM OTHER PRODUCTS -

INTERNATIONAL:

$695 $710 (2%) 3% $500 $464 8% 8% $997 $974 2% 7%

* Calculation not meaningful.

(a)

Developed Europe region includes the following markets: Western Europe, Finland and the Scandinavian countries.

(b)

Developed Rest of World region includes the following markets: Australia, Canada, Japan, New Zealand and South Korea.

(c)

Emerging Markets region includes, but is not limited to, the following markets: Asia (excluding Japan and South Korea), Latin America, Middle East, Africa, Central and Eastern Europe and Turkey.

(d)

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

(e)

Legacy King product. King's operations are included in our financial statements commencing from the acquisition date of January 31, 2011.

(f)

Includes Enbrel (in Canada), Aricept, Exforge, Rebif and Spiriva.

(g)

All other established products is a subset of All other biopharmaceutical products.

Certain amounts and percentages may reflect rounding adjustments.

PFIZER INC.

SUPPLEMENTAL INFORMATION

1. Change in Reported Cost of Sales

Reported cost of sales decreased 23% in second-quarter 2012, compared to the same period in 2011, and decreased 22% in the first six months of 2012, compared to the same period in 2011. The decreases were due to a decline in revenues reflecting reduced manufacturing volumes related to products that lost exclusivity in various markets contributing to a shift in geographic and business mix, lower purchase accounting adjustments in 2012, lower costs related to our cost-reduction and productivity initiatives, as well as the benefits generated from the ongoing productivity initiatives to streamline the manufacturing network, and favorable foreign exchange of 8% for the second quarter of 2012 and 6% for the first six months of 2012.

Reported cost of sales as a percentage of revenues decreased 3.4 percentage points to 18.3% in second-quarter 2012, compared to the same period in 2011, reflecting the aforementioned factors.

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

Reported SI&A expenses decreased 17% in second-quarter 2012 and 13% in the first six months of 2012, compared to the same periods in 2011. The decreases were primarily due to savings generated from a reduction in the field force and a decrease in promotional spending, both partially in response to product losses of exclusivity, and more streamlined corporate support functions, as well as the favorable impact of foreign exchange of 2% for the second quarter of 2012 and 1% for the first six months of 2012.

Reported R&D expenses decreased 24% in second-quarter and 13% in the first six months of 2012, compared to the same periods in 2011, primarily due to savings generated by the discontinuation of certain therapeutic areas and R&D programs in connection with our previously announced cost-reduction and productivity initiatives. Charges related to those initiatives were lower in the second quarter of 2012 and higher in the first six months of 2012 than in the same periods in 2011.

3. Other (Income)/Deductions – Net

| ($ in millions) | Second Quarter | | Six Months | |
|---|---|---|---|---|
| | 2012 | 2011 | 2012 | 2011 |
| Interest income(a) | $ (86 ) | $ (117 ) | $ (167 ) | $ (222 ) |
| Interest expense(a) | 379 | 404 | 769 | 862 |
| Net interest expense | 293 | 287 | 602 | 640 |
| Royalty-related income | (124 ) | (140 ) | (221 ) | (311 ) |
| Net gain on asset disposals | (17 ) | (14 ) | (24 ) | (26 ) |
| Certain legal matters, net(b) | 474 | (14 ) | 1,287 | 487 |
| Certain asset impairment charges(c) | 77 | 320 | 510 | 480 |
| Other, net | (39 ) | (16 ) | 167 | (15 ) |
| Other deductions––net | $ 664 | $ 423 | $ 2,321 | $ 1,255 |

(a) Interest income decreased in both periods in 2012 due to lower interest rates earned on investments. Interest expense decreased in both periods in 2012 due to lower debt balances and the effective conversion of some fixed-rate liabilities to floating-rate liabilities.

(b) In the second-quarter and first six months of 2012, primarily includes charges for hormone-replacement therapy litigation. The first six months of 2012 also includes $450 million in settlement of a lawsuit by Brigham Young University related to Celebrex. In

2011, primarily includes charges for hormone-replacement therapy litigation.

(c) In 2012, primarily includes certain intangible assets acquired in connection with our acquisitions of Wyeth and King, including in-process research and development (IPR&D) intangible assets. In 2011, primarily includes certain intangible assets acquired in connection with our acquisition of Wyeth, including IPR&D intangible assets.

4. Effective Tax Rate

Reported The effective tax rate on reported results was 28.8% in second-quarter 2012 compared with 29.9% in second-quarter 2011, and 28.9% in the first six months of 2012 compared with 29.5% in the first six months of 2011. The decreases were primarily due to a change in the jurisdictional mix of earnings, partially offset by the impact of the expiration of the U.S. research and development tax credit.

Adjusted In second-quarter 2012, the effective tax rate on adjusted income(1) was 28.9% compared with 29.1% in second-quarter 2011, and 29.0% in the first six months of 2012 compared with 28.6% in the first six months of 2011. The tax rates in both periods in 2012 compared to the same periods in 2011 were favorably impacted by the change in the jurisdictional mix of earnings and unfavorably impacted by the expiration of the U.S. research and development tax credit.

5. Reconciliation of 2012 Adjusted Income(1) and Adjusted Diluted EPS(1) Guidance to 2012 Reported Net Income Attributable to Pfizer Inc. and Reported Diluted EPS Attributable to Pfizer Inc. Common Shareholders Guidance(a)

Full-Year 2012 Guidance

(Billions of dollars, except per share amounts)

Net Income(b) Diluted EPS(b)

Income/(Expense)

Adjusted Income/Diluted EPS(1) Guidance ~$16.1 - $16.9 ~$2.14 - $2.24

Purchase Accounting Impacts of Transactions Completed as of 7/1/12

(3.6) (0.48) Acquisition-Related Costs (0.5 - 0.7) (0.07 - 0.09) Non-Acquisition-Related Restructuring Costs(c) (1.6 - 1.8) (0.20 - 0.23) Other Certain Significant Items incurred as of 7/1/12 (1.3) (0.17)

Income from Discontinued Operations(d)

0.4 0.06

Reported Net Income Attributable to Pfizer Inc./Diluted EPS Guidance

~$9.1 - $10.3 ~$1.23 - $1.38 (a) The current exchange rates assumed in connection with the 2012 financial guidance are a blend of the actual exchange rates in effect during the first six months of 2012 and the mid-July 2012 exchange rates for the remainder of the year. (b) Includes revenues and expenses related to the Nutrition business, which is reflected as a discontinued operation, but does not include the gain on the pending sale of the Nutrition business. Does not assume the completion of any business-development transactions not completed as of July 1, 2012, including any one-time upfront payments associated with such transactions. Also excludes the potential effects of the resolution of litigation-related matters not substantially resolved as of July 1, 2012. (c) Includes amounts related to our initiatives to reduce R&D spending, including our realigned R&D footprint, and amounts related to other cost-reduction and productivity initiatives. These amounts are included in Certain Significant Items. (d) Income attributable to Pfizer's Nutrition business.

---

(1)

"Adjusted income" and "adjusted diluted earnings per share (EPS)" are defined as reported U.S. generally accepted accounting principles (GAAP) net income attributable to Pfizer Inc. and reported diluted EPS attributable to Pfizer Inc. common shareholders excluding purchase accounting adjustments, acquisition-related costs, discontinued operations and certain significant items. 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 fiscal quarter ended April 1, 2012, 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. The adjusted income 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 July 31, 2012. We assume no obligation to update forward-looking statements contained in this earnings release and the attachments as a result of new information or future events or developments.

This earnings release and the attachments contain forward-looking statements about our future operating and financial performance, business plans and prospects, in-line products and product candidates, strategic review, capital allocation, and share-repurchase and dividend-rate plans that involve substantial risks and uncertainties. You can identify these statements by the fact that they use future dates or use words such as “will,” “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe,” “target,” “forecast,” “goal,” “objective,” “aim” and other words and terms of similar meaning. Among the factors that could cause actual results to differ materially from past results and future plans and projected future results are the following:

the outcome of research and development activities, including, without limitation, the ability to meet anticipated clinical trial commencement and completion dates, regulatory submission and approval dates, and launch dates for product candidates; decisions by regulatory authorities regarding whether and when to approve our drug applications, as well as their decisions regarding labeling, ingredients and other matters that could affect the availability or commercial potential of our products; the speed with which regulatory authorizations, pricing approvals and product launches may be achieved; the outcome of post-approval clinical trials, which could result in the loss of marketing approval for a product or changes in the labeling for, and/or increased or new concerns about the safety or efficacy of, a product that could affect its availability or commercial potential; the success of external business-development activities; competitive developments, including the impact on our competitive position of new product entrants, in-line branded products, generic products, private label products and product candidates that treat diseases and conditions similar to those treated by our in-line drugs and drug candidates; the implementation by the FDA of an abbreviated legal pathway to approve biosimilar products, which could subject our biologic products to competition from biosimilar products in the U.S., with attendant competitive pressures, after the expiration of any applicable exclusivity period and patent rights; the ability to meet generic and branded competition after the loss of patent protection for our products or competitor products; the ability to successfully market both new and existing products domestically and internationally; difficulties or delays in manufacturing; trade buying patterns; the impact of existing and future legislation and regulatory provisions on product exclusivity; trends toward managed care and healthcare cost containment; the impact of the U.S. Budget Control Act of 2011 (the Budget Control Act) and the deficit-reduction actions to be taken pursuant to the Budget Control Act in order to achieve the deficit-reduction targets provided for therein, and the impact of any broader deficit-reduction efforts; the impact of U.S. healthcare legislation enacted in 2010 – the Patient Protection and Affordable Care

Act, as amended by the Health Care and Education Reconciliation Act - and of any modification or repeal of any of the provisions thereof; U.S. legislation or regulatory action affecting, among other things: pharmaceutical product pricing, reimbursement or access, including under Medicaid, Medicare and other publicly funded or subsidized health programs; the importation of prescription drugs from outside the U.S. at prices that are regulated by governments of various foreign countries; direct-to-consumer advertising and interactions with healthcare professionals; and the use of comparative effectiveness methodologies that could be implemented in a manner that focuses primarily on the cost differences and minimizes the therapeutic differences among pharmaceutical products and restricts access to innovative medicines; legislation or regulatory action in markets outside the U.S. affecting pharmaceutical product pricing, reimbursement or access, including, in particular, continued government-mandated price reductions for certain biopharmaceutical products in certain European and emerging market countries; the exposure of our operations outside the U.S. to possible capital and exchange controls, expropriation and other restrictive government actions, changes in intellectual property legal protections and remedies, as well as political unrest and unstable governments and legal systems; 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; any significant breakdown, infiltration, or interruption of our information technology systems and infrastructure; legal defense costs, insurance expenses, settlement costs, the risk of an adverse decision or settlement and the adequacy of reserves related to product liability, patent protection, government investigations, consumer, commercial, securities, antitrust, environmental and tax issues, ongoing efforts to explore various means for resolving asbestos litigation, and other legal proceedings; our ability to protect our 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, without limitation, tax obligations and changes affecting the tax treatment by the U.S. of income earned outside of the U.S. that may result from pending and possible future proposals; any significant issues involving our largest wholesaler customers, which account for a substantial portion of our revenues; the possible impact of the increased presence of counterfeit medicines in the pharmaceutical supply chain on our revenues and on patient confidence in the integrity of our medicines; any significant issues that may arise related to the outsourcing of certain operational and staff functions to third parties, including with regard to quality, timeliness and compliance with applicable legal requirements and industry standards; changes in U.S. generally accepted accounting principles; uncertainties related to general economic, political, business, industry, regulatory and market conditions including, without limitation, uncertainties related to the impact on us, our customers, suppliers and lenders and counterparties to our foreign-exchange and interest-rate agreements of challenging global economic conditions and recent and possible future changes in global financial markets; and the related risk that our allowance for doubtful accounts may not be adequate; any changes in business, political and economic conditions due to actual or threatened 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; our ability and the ability of Nestlé to satisfy the conditions to closing the sale of our Nutrition business to Nestlé; the possibility that we will not file a registration statement with the Securities and Exchange Commission at all or within the anticipated time period for a potential initial public offering (IPO) of a minority ownership stake in our Animal Health business; the possibility that the IPO will not be consummated at all or within the anticipated time period, including as the result of regulatory, market or other factors; and, if the IPO is consummated, the impact of the strategic alternative that we decide to pursue with regard to our remaining ownership stake in the Animal Health business; and the impact of acquisitions, divestitures, restructurings, product recalls and withdrawals and other unusual items, including (i)our ability to realize the projected benefits of our acquisition of King Pharmaceuticals, Inc., and (ii) our ability to realize the projected benefits of our cost-reduction and productivity initiatives, including those related to our research and development organization.

A further list and description of risks, uncertainties and other matters can be found in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and in our reports on Form 10-Q, in each case including in the sections thereof captioned “Forward-Looking Information and Factors That May Affect Future Results” and “Item 1A. Risk Factors”, and in our reports on Form 8-K.

This earnings release may include discussion of certain clinical studies relating to various in-line products and/or product candidates. These studies typically are part of a larger body of clinical data relating to such products or product candidates, and the discussion herein should be considered in the context of the larger body of data.

This earnings release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, which will be made only by prospectus.

Pfizer Inc. Media Joan Campion, 212-733-2798 or Investors Suzanne Harnett, 212-733-8009 Jennifer Davis, 212-733-0717