



Third Quarter 2007 Earnings Teleconference

October 18, 2007

Valid as of October 18, 2007



Third Quarter 2007 Earnings Teleconference

Introduction

Amal Naj

Senior Vice President, WW Investor Development
& Strategy

Valid as of October 18, 2007

Forward-Looking Statement and Non-GAAP Financial Information



- Our discussions during this conference call will include forward-looking statements. Actual results could differ materially from those projected in the forward-looking statements. The factors that could cause actual results to differ are discussed in Pfizer's 2006 Annual Report on Form 10-K and in our reports on Form 10-Q and Form 8-K.
- Also, the discussions during this conference call will include certain financial measures that were not prepared in accordance with generally accepted accounting principles. Reconciliations of those non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in Pfizer's Current Report on Form 8-K dated October 18, 2007.
- These reports are available on our website at www.pfizer.com in the "Investors—SEC Filings" section.

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Opening Remarks

Jeffrey Kindler

Chairman & Chief Executive Officer

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Financial Review

Frank D'Amelio

Senior Vice President & Chief Financial Officer

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Income Statement Highlights

(\$ 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%

(1) Adjusted Income and its components and Adjusted Diluted 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.

Quarter Impacted by Loss of US Exclusivity for 2 Key Products and Charges related to Exubera

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Certain Significant Items

(\$ in millions on a pre-tax basis)

	Third Quarter		Year to Date	
	2007	2006	2007	2006
Cost-Reduction Initiatives	\$ 810	\$ 427	\$ 3,131	\$ 1,348
- Restructuring Charges	437	245	2,267	801
- Implementation Costs	373	182	864	547
Sanofi-aventis R&D Milestone	-	-	-	(118)
Charges related to Exubera	2,804	-	2,804	-
Other	28	(86)	37	(160)
Total Certain Significant Items	<u>\$ 3,642</u>	<u>\$ 341</u>	<u>\$ 5,972</u>	<u>\$ 1,070</u>

**Charges Related to Exubera and our Cost-Reduction Initiatives
Reduced Reported Results**

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Charges related to Exubera

(\$ in millions)

Intangible Assets	\$1,105
Inventory	661
Fixed Assets	454
Other Exit Costs	584
	<hr/>
	\$ 2,804
	<hr/> <hr/>

Represents the Charges Related to our Decision to Exit Exubera - - Approximately \$2.2 Billion Represents Non-Cash Charges while \$600 Million Represents Future Cash Expenditures

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Adjusted Income⁽¹⁾ Components

(\$ millions, except per-share amounts)	Third Quarter		
	2007	2006	Change
Revenues⁽¹⁾	\$ 11,950	\$ 12,280	(3%)
Cost of Sales⁽¹⁾	1,810	1,887	(4%)
SI&A Expenses⁽¹⁾	3,638	3,691	(1%)
R&D Expenses⁽¹⁾	1,730	1,825	(5%)
Provision for Income Taxes⁽¹⁾	1,099	1,182	(7%)
Adjusted Income⁽¹⁾	\$ 3,963	\$ 3,922	1%
Adjusted Diluted EPS⁽¹⁾	\$ 0.58	\$ 0.54	7%

(1) See Slide 6 for definition.

Adjusted Diluted EPS⁽¹⁾ Increased 7% as Cost-Reduction Efforts Further Materialize



Adjusted Income⁽¹⁾ Components

(\$ millions, except per-share amounts)	Year to Date		
	2007	2006	Change
Revenues⁽¹⁾	\$ 35,414	\$ 35,768	(1%)
Cost of Sales⁽¹⁾	5,427	5,119	6%
SI&A Expenses⁽¹⁾	10,688	10,876	(2%)
R&D Expenses⁽¹⁾	5,384	5,152	5%
Provision for Income Taxes⁽¹⁾	3,271	3,381	(3%)
Adjusted Income⁽¹⁾	\$ 11,711	\$ 11,935	(2%)
Adjusted Diluted EPS⁽¹⁾	\$ 1.68	\$ 1.63	3%

(1) See Slide 6 for definition.

Adjusted Diluted EPS⁽¹⁾ Increased 3% as Cost-Reduction Efforts Further Materialize



Quarterly Select Product Highlights

(\$ in millions)	WORLDWIDE		U.S.		INTERNATIONAL	
	2007	Change	2007	Change	2007	Change
<u>In-Line Products</u> ⁽¹⁾						
Lipitor	\$ 3,170	(5%)	\$ 1,810	(13%)	\$ 1,360	9%
Viagra	450	6%	208	4%	242	9%
Celebrex	577	8%	433	3%	144	23%
Zyrtec/Zyrtec D	428	8%	428	8%	-	-
Xalatan/Xalacom	402	7%	131	2%	271	10%
<u>New Products</u> ⁽²⁾						
Chantix/Champix	241	630%	186	465%	55	*
Lyrica	465	37%	269	24%	196	59%
Sutent	151	140%	60	22%	91	550%
<u>LOE Products</u> ⁽³⁾						
Norvasc	640	(47%)	48	(92%)	592	2%
Zoloft	124	(73%)	31	(92%)	93	8%

* Calculation not meaningful.

(1) Represents worldwide revenues for all pharmaceutical products not included in (2) and (3).

(2) Represents worldwide revenues for all pharmaceutical products launched in the US since 2005.

(3) Represents worldwide revenues for all pharmaceutical products that lost US exclusivity in 2006 and 2007.

New and In-Line Products Continue to Perform Well; Lipitor Continues to Face Intense Competition

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2007 Financial Guidance

	Previous Guidance	Revised Guidance
Revenues	\$47.0 to \$48.0 Billion	\$47.5 to \$48.0 Billion
Adjusted Cost of Sales ^{(1) (2)}	Approx. 15.0%	Approx. 15.5%
Adjusted SI&A Expenses ⁽¹⁾	Decrease of greater than \$500 Million versus 2006 on a constant currency basis ⁽³⁾ to approx. \$15.2 Billion	Decrease of approx. \$600 Million versus 2006 on a constant currency basis ⁽³⁾ to approx. \$15.1 Billion
Adjusted R&D Expenses ⁽¹⁾	Approx. \$7.5 Billion	Approx. \$7.5 Billion
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
Effective Tax Rate ⁽⁴⁾	22.0%	22.0%
Cash Flows from Operations	\$12.0 to \$13.0 Billion	\$12.0 to \$13.0 Billion
Lipitor Revenues	Flat to 5% Decline	3% to 5% Decline

(1) See Slide 6 for definition.

(2) As a Percentage of Revenues

(3) At 2006 Exchange Rates

(4) On Adjusted Income⁽¹⁾

Improved the Range on Select Guidance; Improved SI&A; Reported Diluted EPS Impacted by Exubera Charges

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2008 Financial Guidance

	Previous Guidance	Revised Guidance
Revenues	\$46.5 to \$48.5 Billion	\$46.5 to \$48.5 Billion
Adjusted Total Costs⁽⁴⁾	Reduction of at least \$1.5 to \$2.0 Billion from 2006	Reduction of at least \$1.5 to \$2.0 Billion from 2006 on a constant currency basis ⁽²⁾
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
Effective Tax Rate⁽³⁾	22.0% to 22.5%	22.0% to 22.5%
Cash Flows from Operations	\$18.0 to \$19.0 Billion	\$18.0 to \$19.0 Billion

(1) See Slide 6 for definition.

(2) At 2006 Exchange Rates

(3) On Adjusted Income⁽¹⁾

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

**Total Costs Savings at Constant Exchange Rates⁽²⁾;
Remainder of 2008 Guidance Unchanged**

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Key Takeaways

- On-Track to Achieve 2007 Revenue & Adjusted Diluted EPS⁽¹⁾ Guidance
 - Raised Lower End of Range on Revenues and Adjusted Diluted EPS⁽¹⁾
- Reaffirm 2008 Guidance
 - Total Cost Reduction Compared to 2006 At Constant Exchange Rates⁽²⁾
- \$2.8 Billion Pre-tax Charges Recorded Related to Exubera (\$2.2 Billion Non-Cash, \$600 Million Cash)
- New Products⁽³⁾ are Performing Well - - Particularly Chantix, Lyrica and Sutent
- Executing on our Plan to Reduce Cost Base; More Work to Do

(1) See Slide 6 for definition. (2) See Slide 13 for definition. (3) See Slide 11 for definition.



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Q&A Session

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