**Pressmeddelande**
**Täby 2003-06-18**

# Pfizer sees strong prospects based on rapid integration of Pharmacia and expanded product and R&D opportunities

## Pfizer Estimates 16 Percent Compounded Annual Growth in Adjusted Diluted EPS* Between 2002-2004; Pharmacia Acquisition To Add $.06 to Diluted EPS In 2004

## Significant Progress Made Toward Goal Of Filing 20 Medicines By 2006; Late-Stage Pipeline Includes Major Products In CNS Disorders, Pain, HIV/AIDS, Cardiovascular Disease And Smoking Cessation; $7.1 Billion R&D Investment In 2003 Leads Industry

## Pfizer Leads Worldwide Pharmaceutical Industry With 33 Major Products In 10 Therapeutic Categories; Pfizer Has Scale And Presence To Reach Large Untreated Populations

## Pfizer Continues Strong Emphasis On Partnerships Providing Patients Global Access To Innovative Medicines

NEW YORK, June 17 - Pfizer Inc said today it is making rapid progress in integrating Pharmacia and that the acquisition expands the Company's deep and broad product line, increases operational flexibility and improves research and development opportunities.

"Pfizer expects to achieve continued strong performance driven by the expansion of current products, an enhanced R&D organization and a strengthened leadership position in all key regions of the world," said Hank McKinnell, Pfizer's chairman and chief executive officer. "At a challenging time for our industry, Pfizer is successfully managing scale and leveraging growth. In 2003, we are rapidly and effectively integrating Pharmacia. In 2004 and beyond, we see substantial opportunities for growth as we expand our product portfolio and reach millions of untreated patients who can benefit from our new medicines. We will continue to excel in financial performance, corporate citizenship, and the expansion of access to innovative medicines."

During its first meeting with financial analysts following the April 16 completion of the Pharmacia acquisition, Pfizer leaders highlighted the following:

- From 2002 to 2004, Pfizer expects compounded annual revenue growth of 10 percent** and compounded annual adjusted diluted EPS growth of 16 percent from adjusted diluted EPS for legacy Pfizer of $1.59 in 2002. In 2004, Pfizer expects the Pharmacia acquisition will be $.06 accretive to the adjusted diluted EPS of legacy Pfizer, in line with previous forecasts.
- The integration of Pharmacia is proceeding well, and the Company now expects to realize cost synergies of $1 billion in 2003, rising to $3 billion in 2004 and

*"Adjusted income" and "adjusted diluted earnings per share" are defined as GAAP net income and diluted earnings per share, respectively, excluding certain significant items, merger-related costs, the cumulative effect of a change in accounting principle and purchase accounting-related impacts. For reconciliation of adjusted earnings to GAAP earnings, see Appendix 1.
**Growth based on 2002 pro forma combined revenues for Pfizer and Pharmacia.

approaching $4 billion in 2005. Pfizer had previously estimated cost synergies of $2.5 billion in 2005.
- Pfizer's estimated 2003 adjusted diluted earnings per share of $1.73 incorporates a reduction of approximately $.07 resulting from the harmonization of Pfizer's and Pharmacia's accounting and operating practices, principally related to the reduction of legacy Pharmacia wholesale trade and internal inventories.

"As Pfizer extends its leadership in the global pharmaceutical industry, we are increasing our efforts to improve public health by expanding access to medicines, both for low-income patients in the U.S. and developed countries and those in need in the developing world," McKinnell said. "Pfizer supports a Medicare prescription drug benefit as an essential step in restoring order and clarity to the public debate about the value and price of pharmaceuticals."

**Pfizer Global Pharmaceuticals Group: Extending Leadership On Many Fronts**

"The Pharmacia acquisition allows us to extend our worldwide leadership across key products and markets and to further our ability to address significant unmet healthcare needs," said Karen Katen, executive vice president, Pfizer, and president of the Pfizer Global Pharmaceuticals (PGP) group. "We have the resources and the skills to successfully operate in today's dynamic environment, deliver enormous value to the healthcare system, and meet the needs of customers and patients around the world."

Ms. Katen outlined the reach of Pfizer's global leadership:

- With the Pharmacia acquisition, Pfizer has increased its incremental sales lead over the nearest competitor from approximately $4 billion to more than $14 billion.
- Pfizer has 33 major products in 10 different therapeutic categories.
- More than 165 million patients are treated with Pfizer's medicines every year.
- More than one billion prescriptions are written for Pfizer medicines annually.

"Pfizer's proven leadership and ability are even more important in an era when healthcare decisions are too often driven by myopic focus on achieving cost savings while ignoring the true value of pharmaceutical therapy to total healthcare delivery," she said.

"We are able to focus on the positive forces driving market growth, which include large numbers of undiagnosed and under-treated patients, new innovation in diagnosis and healthcare delivery.

"We recognize that consumers have gained a stronger voice in healthcare decisions and we are shifting resources to this increasingly engaged customer group. In return, consumers understand that our medicines can deliver the most value in terms of efficacy, safety and clinical data."

Ms. Katen described the success already achieved by Pfizer's leading products and predicted considerable further growth.

Lipitor, a statin that treats dyslipidemia (high cholesterol), is the world's number one selling medicine with sales of nearly $8 billion in 2002. The market has significant growth potential through: evolving treatment guidelines that encourage the use of statin therapy; underdiagnosis and undertreatment of dyslipidemia; and new clinical data that support the early use of statins.

Pfizer estimates that, while 64 million Americans have elevated cholesterol, only around one third are treated. Lipitor's established and growing safety and efficacy record make it a first choice for new patient treatment.

"New long-term, large-scale trials have further demonstrated Lipitor's value," Ms. Katen said. "These data also are the foundation for the launch of a new product known as Caduet, the first-in-class dual therapy combining Lipitor and Norvasc for patients with both dyspipidemia and hypertension. In the United States, 27 million people have these two conditions, but only 10 percent are treated for both. Our new combination has the potential to dramatically expand the cardiovascular market."

Pfizer's COX-2 portfolio, consisting of the arthritis medicines Celebrex and Bextra, continues to post impressive gains. As launches continue around the world, Celebrex and Bextra have consistently and substantially outpaced sales of competitors Vioxx and Arcoxia.

Pfizer anticipates further benefits from the unified team that now supports the portfolio and from a steady stream of data from important studies now under way. To conclusively demonstrate the COX-2s safety superiority over NSAIDs, Pfizer has undertaken a series of major global studies that include a far broader patient population than those believed to be at high risk for gastrointestinal side effects.

Viagra continues to enjoy double-digit growth around the world despite the entry of competitors in some markets. Continued growth of Viagra will be driven by new clinical data and consumer outreach focused on motivating men to seek treatment.

Detrol, the newest addition to the Pfizer urology portfolio, continues to be the leading product worldwide for overactive bladder, or urge incontinence. The company expects continued growth for Detrol due to increased outreach to primary care physicians worldwide and the upcoming launch in Japan.

Pfizer's emerging presence in oncology includes established products as well as a strong roster of pipeline candidates. Recent data showed Camptosar, added to standard treatment, increased median survival by 35 percent in patients with metastatic colorectal cancer, the most deadly form of cancer.

In ophthalmology, sales of Xalatan, the world's leading glaucoma treatment, continue to rise despite increasing competition. Pfizer recently licensed Macugen from Eyetech Pharmaceuticals, Inc. Macugen is in phase III trials for the treatment of age-related macular degeneration.

Zyrtec leads Pfizer's respiratory portfolio, with revenues up 13 percent to $1.1 billion in 2002. A new member of Pfizer's respiratory portfolio is Spiriva, a once-daily inhalable treatment for Chronic Obstructive Pulmonary Disease (COPD), which is co-promoted with Boehringer Ingelheim. Already launched in 29 countries, Spiriva is well tolerated and effective in treating COPD, the world's fifth leading cause of death.

**Pfizer Global Research and Development: Driving Productivity Through Focused Investments**

"We have entered a new era of R&D productivity and opportunity," said Peter B. Corr, senior vice president, Science and Technology, Pfizer Inc. "In a very short time, we have completed a top-to-bottom re-evaluation of all Discovery and Development projects and selected the very best scientific, medical and commercial opportunities."

Pfizer expects to file 20 new drug applications with regulatory authorities in the five-year period ending in 2006; the Company has 210 projects in development consisting of 106 new molecular entities (NMEs) and 104 product enhancement projects. In addition, the company has over 400 projects in Discovery Research.

In the last year, Pfizer has obtained approvals from the U.S. Food and Drug Administration (FDA) for Relpax (migraine), Inspra (hypertension) and Somavert (acromegaly), plus approval in the European Union for Bextra (rheumatoid arthritis, osteoarthritis and primary dysmennorhea).

In addition, four other medicines are under regulatory review:

- Spiriva has been granted approvable status by the FDA and is launched in 29 countries.
- The Norvasc-Lipitor combination has been filed in the US and is anticipated to be filed with European regulatory authorities before year-end.
- Inspra is a selective aldosterone antagonist approved by the FDA in 2002 for the treatment of hypertension. Inspra is currently under priority review at FDA for use in heart failure following myocardial infarction based on the results of a clinical trial involving 6,600 patients. This trial showed clear improvements in survival and hospitalizations in patients with heart failure. Overall survival was increased by 15 percent by adding Inspra to standard therapy.
- Pregabalin is an alpha-2 delta ligand that modulates nerve transmissions in the brain and spinal cord. It is effective against many nervous system disorders. Pfizer has conducted seven positive trials that demonstrate the compound's ability to reduce pain in post-herpetic neuralgia (shingles) and diabetic neuropathy. Additional studies highlight pregabalin's effectiveness in treating epilepsy and generalized anxiety disorder (GAD). Required toxicology studies are being finalized, and an FDA filing for neuropathic pain, epilepsy and GAD is expected later this year. Pregabalin was filed in the European Union earlier this year.

Joe Feczko, president, Worldwide Development, provided an overview of Pfizer's late-stage pipeline.

- Lipitor-torcetrapib is a novel agent that works by inhibiting the action of cholesteryl ester transfer protein or CETP. Results of Phase II studies indicate that this combination may represent a significant advance in preventive cardiovascular medicine by enhancing the LDL-lowering effect of Lipitor while also increasing HDL or "good" cholesterol.
- Capravirine is a novel antiviral compound in development for the treatment of HIV disease, including strains that are resistant to current therapy. Dr. Feczko showed results from a trial that demonstrated that low concentrations of capravirine are highly effective against eight resistant strains of the virus.

- Lasofoxifene is a selective estrogen receptor modulator (SERM) under development for prevention and treatment of osteoporosis. Phase II data shows improvements in bone density continue after 24 months' dosing with lasofoxifene. Enrollment is completing in another trial to show bone loss prevention and lipid lowering in 2000 post-menopausal women. An even larger trial (8500 patients) in treatment of fractures has also completed enrollment.
- Varenicline is a nicotine partial agonist for smoking cessation now in Phase III development in the United States, Canada and Europe. Data show that almost half of smokers given this oral medicine were able to quit smoking. "This is a significant improvement over results achieved with Zyban, an antidepressant approved as an aid to smoking cessation," Dr. Feczko said.
- Exubera is inhaled insulin for the treatment of diabetes. Clinical data show Exubera is effective as monotherapy in Type 1 (insulin dependent) diabetes and can be used as monotherapy or as an adjunct to oral medicine in Type 2 (age-onset) diabetes. Pfizer and its partner Aventis are now running long-term safety trials. "In developing Exubera, we are breaking new ground," Dr Feczko said. "We have clearly demonstrated efficacy and our long-term lung function data will give added assurance to regulators and prescribing physicians. We are now discussing the timing of filing with regulators in Europe and the United States and we remain confident that Exubera will become an important and widely used diabetes medication."
- Other products described included: Dynastat (pain and inflammation), CDP-870, developed with Celltech (rheumatoid arthritis), roflumilast, developed with Altana (COPD and asthma), Indiplon (insomnia), and sumanirole (Parkinson's disease).

Dr. Corr said that in the last year, Pfizer has also demonstrated considerable in-licensing success and completed five major deals:

- Rebif, from Serono, is an alpha interferon to treat multiple sclerosis that shows clinical superiority to the market leader.
- Indiplon, from Neurocrine Biosciences, is in advanced development for the treatment of insomnia. Studies show Indiplon's efficacy is long-lasting and does not result in rebound insomnia.
- Macugen, from Eyetech, is in late-stage development for the treatment of age-related macular degeneration and diabetic macular edema.
- 2MD, from Deltanoid Pharmaceuticals, is a vitamin D analogue for the potential treatment of osteoporosis in early clinical development.
- DK-507k, from Daiichi Pharmaceuticals, is a novel extended spectrum quinolone antibiotic in early clinical development.

Pfizer's mid-stage pipeline was described by Dr. John L. LaMattina, president, Worldwide Research and Technology Alliances. He provided data on four promising compounds in mid-stage development:

- PD-200,390 is a unique approach to insomnia that provides more restful sleep with fewer night awakenings.
- CP-690,550 inhibits the protein Janus Kinase 3 (JAK-3) and is being developed to prevent rejection of transplanted organs. In animal models, this new oral small-molecule medicine has tripled survival time following kidney transplant.
- SU-11,248 is a compound that inhibits the growth of new blood vessels (angiogenesis) and is being tested against various cancers. Dr. LaMattina said the compound is well

tolerated and, in one early trial, has cut tumor size by 50 percent in one in four patients.

- UK-427,857 is a CCR-5 inhibitor, now in Phase II clinical trials. CCR-5 is a gene that can control HIV entry into cells and thereby limit infection. People born without the gene appear to have natural resistance to infection by the virus. The medicine is well tolerated, and in-vivo studies have shown potency even against HIV strains resistant to current therapies.

Dr. LaMattina also explained how Pfizer's R&D scale allows access to technologies that may greatly increase R&D productivity by reducing attrition of medicines in development.

"Right now, only one in 25 early candidates survives to become a prescribed medicine. We think we can improve those odds to one in 10 and greatly enhance our ability to bring new medicines to patients around the world."

**Financial Performance: An Outstanding Platform For Growth**

David L. Shedlarz, executive vice president and chief financial officer, said Pfizer's increased scale reduces operational risk by lessening its dependence on any single product, diversifying into a broader range of therapeutic categories and strengthening its overall patent position.

The Company has made significant progress in integrating Pharmacia operations following the close of the acquisition in April. Integration actions have benefited from joint planning efforts and experience gained through the earlier Warner-Lambert acquisition.

Mr. Shedlarz said Pfizer's upward revision in cost synergies comes from a broad range of sources including a streamlined organization, reduced operating expenses, the consolidation of sites, and procurement savings.

Mr. Shedlarz highlighted a number of factors that are favorably and unfavorably impacting Pfizer's business in 2003 including prescription demand in the U.S. and other major markets, product competition, and foreign exchange.

"Our best judgment at this time is that these factors, in aggregate, will not change our previous 2003 adjusted diluted EPS projection of $1.80," said Shedlarz. "However, the harmonization of accounting and operating practices between Pfizer and Pharmacia will have a significant, but transient, effect on our financial results in 2003."

Pfizer also provided quarterly adjusted EPS guidance for the remainder of 2003. The Company projected a 12 percent decline in adjusted diluted EPS in the second quarter to $.29, a 13 percent increase in the third quarter to $.44, and a 15 percent increase in the fourth quarter to $.55. Shedlarz noted that the harmonization of trade inventories will have its largest impact on second quarter results.

"Following 2003's solid performance, we expect 2004 to provide a strong platform for future growth," said Shedlarz. "With continuing strong revenue growth and a full-year contribution from Pharmacia, our adjusted diluted EPS forecast remains $2.13. This represents 23 percent growth over 2003."

Pfizer noted that on a GAAP basis, diluted earnings per share for 2003 will be an estimated $.79; quarterly diluted earnings per share on a GAAP basis for 2003 is: $.76 in the first

quarter, $(.64) in the second quarter, $.28 in the third quarter, and $.39 in the fourth quarter. In 2004, diluted EPS will be an estimated $1.77. This reflects the inclusion of certain significant items, merger related costs, the cumulative effect of a change in accounting principle, and purchase accounting-related impacts.
Mr. Shedlarz noted that the difference between adjusted diluted EPS and reported EPS is largely attributable to non-cash items associated with purchase accounting.

Mr. Shedlarz continued, "Pfizer's financial health is outstanding. We lead our industry in net cash flow from operating activities and, as a result of the acquisition, our cash flow on this basis is projected to be $13 billion in 2003 and $18 billion in 2004. This gives us substantial operating and financial flexibility."

"In addition, we expect to complete a $16 billion share repurchase by the end of 2003, with about $9 billion already purchased to date. We also increased our quarterly dividend by 15 percent in 2003. Pfizer has increased its dividend for 36 consecutive years. For 17 consecutive years, Pfizer also has retained the highest possible credit ratings from both Moody's and Standard Poor's. All of these measures, taken together, show that we are well positioned to realize numerous top-line and bottom-line growth opportunities."

Dr. McKinnell summarized, "The superb colleagues of Pfizer are working hard to achieve our mission of becoming the world's most-valued company to patients, customers, investors, business partners, and the communities where we work and live."

NOTE: Investors may listen to a webcast of today's meeting and obtain information regarding the reconciliation to adjusted earnings. To access the webcast, visit the Pfizer website at www.pfizer.com and click on the "Analysts Meeting Webcast - June 17, 2003 8:30 AM to 1:00 PM EDT" link under the "Features" section on the home page. Visitors to www.pfizer.com will be able to listen to an archived copy of the webcast of the meeting through 9:00 a.m. (EDST), Tuesday, July 2, 2003.

*DISCLOSURE NOTICE: The information contained in this document is as of June 17, 2003. The Company assumes no obligation to update any forward-looking statements contained in this document as a result of new information or future events or developments.*

*This document contains forward-looking information about the Company's financial results and estimates, business prospects and products in research that involve substantial risks and uncertainties. You can identify these statements by the fact that they use words such as "anticipate," "estimate," "expect," "project," "intend," "plan" "believe," and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. Among the factors that could cause actual results to differ materially are the following: the success of research and development activities and the speed with which regulatory authorizations, pricing approvals and product launches may be achieved; competitive developments affecting our current growth products; the 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; trends toward managed care and health care cost containment; possible U.S. legislation or regulatory action affecting, among other things, pharmaceutical pricing and reimbursement, including Medicaid and Medicare, and involuntary approval of prescription medicines for over-the-counter use; legislation or regulations in markets outside the U.S. affecting product pricing, reimbursement or access; contingencies related to actual or alleged environmental contamination; legal defense costs, insurance expenses, settlement costs and the risk of an adverse decision related to product liability, patent protection and other lawsuits; 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 future 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 mix; and the impact of acquisitions, divestitures, restructurings, product withdrawals and other unusual items, including our ability to integrate and to obtain the anticipated results and synergies from our acquisition of Pharmacia. 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, 2002, and in its periodic reports on Forms 10-Q and 8-K (if any).*

**APPENDIX 1**
**Reconciliation of Adjusted Earnings to GAAP Earnings**
($ Billions, Except EPS)

| | 2003 | | 2004 | |
|---|---|---|---|---|
| **Income/(Expense)** | **Net Income** | **Diluted EPS** | **Net Income** | **Diluted EPS** |
| **Adjusted Earnings*** | **$12.6** | **$1.73** | **$16.5** | **$2.13** |
| **In-Process R&D**** | **(5.4)** | **(.75)** | **--** | **--** |
| **Recording of Inventory Write-up**** | **(1.1)** | **(.16)** | **--** | **--** |
| **Intangible Amortization/ Fixed Asset Depreciation**** | **(1.4)** | **(.19)** | **(2.1)** | **(.27)** |
| **Merger-Related Costs**** | **(0.7)** | **(.10)** | **(0.7)** | **(.09)** |
| **Significant Items/ Change In Accounting Principle**** | **1.9** | **.26** | **--** | **--** |
| **GAAP Earnings** | **$5.9** | **$.79** | **$13.7** | **$1.77** |

* Adjusted Earnings = GAAP Net Income Excluding Cumulative Effect of a Change in Accounting Principle, Certain Significant Items, Merger-Related Costs, and Purchase Accounting-Related Impacts

** Preliminary Estimates

Kontaktpersoner:
Marianne Bäärnhielm
Informationschef
Pfizer AB
070-319 50 60

Jörgen Österberg
Ansvarig aktieägarfrågor
Pfizer AB
08-519 06 259

Andy McCormick
Vice president, Corporate Media Relations
Pfizer Inc
+1 212 573 1226

Paul Fitzhenry
Media Relations
Pfizer Inc
+1 212 733 4637

---

Pfizer är ett av världens ledande och mest forskningsintensiva läkemedelsföretag. Genom våra moderna och effektiva läkemedel kan vi hjälpa människor till ett friskare liv. Pfizers globala verksamhet är koncentrerad till områdena hjärta/kärl, centrala nervsystemets sjukdomar, respiration, infektion, urologi, smärta, onkologi, oftalmologi och endokrinologi. Vi har även en stark portfölj av egenvårdsprodukter. Nyligen förvärvade Pfizer Pharmacia och tillsammans arbetar vi för att skapa lösningar för framtidens hälso- och sjukvård.