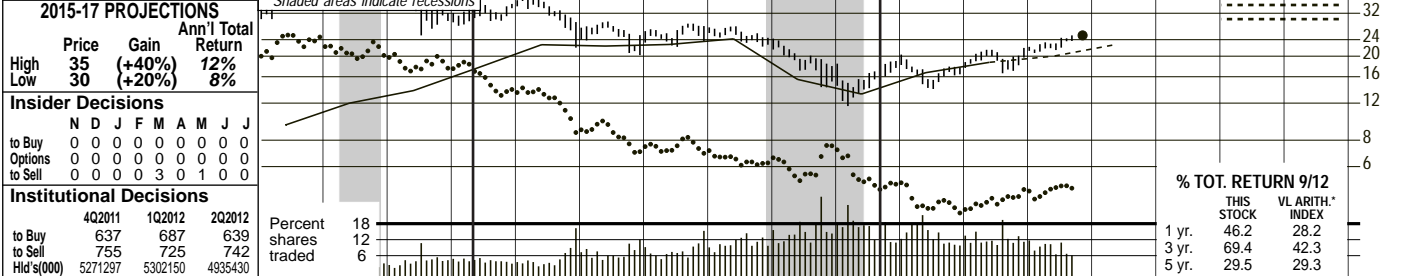


|                                      |  |      |      |      |      |      |      |      |      |      |      |      |                    |
|--------------------------------------|--|------|------|------|------|------|------|------|------|------|------|------|--------------------|
| TIMELINESS <b>3</b> Lowered 12/16/11 | High: 46.8   | 42.5 | 36.9 | 38.9 | 29.2 | 28.6 | 27.7 | 24.2 | 19.0 | 20.4 | 21.9 | 25.4 | Target Price Range |
| SAFETY <b>1</b> Raised 4/17/09       | Low: 34.0  | 25.1 | 27.9 | 22.0 | 20.3 | 22.2 | 22.2 | 14.3 | 11.6 | 14.0 | 16.6 | 20.8 | 2015 2016 2017     |
| TECHNICAL <b>3</b> Raised 8/24/12    | LEGENDS<br>8.0 x "Cash Flow" p sh<br>Relative Price Strength<br>3-for-1 split 7/99<br>Options: Yes<br>Shaded areas indicate recessions |      |      |      |      |      |      |      |      |      |      |      |                    |
| BETA .75 (1.00 = Market)             |  |      |      |      |      |      |      |      |      |      |      |      |                    |



| 1996   | 1997   | 1998   | 1999   | 2000   | 2001   | 2002   | 2003   | 2004   | 2005   | 2006   | 2007   | 2008   | 2009   | 2010   | 2011   | 2012  | 2013   | © VALUE LINE PUB. LLC             | 15-17                 |      |
|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---|--------|-----------------------------------|-----------------------|------|
| 2.92   | 3.22   | 3.49   | 4.21   | 4.68   | 5.14   | 5.25   | 5.92   | 7.03   | 6.97   | 6.79   | 7.16   | 7.16   | 6.20   | 8.46   | 8.90   | 8.20  | 8.50   | Sales per sh                      | 8.85                  |      |
| .61    | .70    | .80    | 1.02   | 1.18   | 1.50   | 1.72   | 2.21   | 2.84   | 2.80   | 2.85   | 3.03   | 1.94   | 1.66   | 2.09   | 2.34   | 2.50  | 2.85   | "Cash Flow" per sh                | 3.15                  |      |
| .50    | .57    | .67    | .87    | 1.02   | 1.31   | 1.53   | 1.75   | 2.12   | 2.02   | 2.06   | 2.20   | 1.18   | 1.23   | 1.03   | 1.11   | 1.35  | 1.70   | Earnings per sh <sup>A</sup>      | 2.20                  |      |
| .20    | .23    | .25    | .31    | .36    | .44    | .52    | .60    | .68    | .76    | .96    | 1.16   | 1.28   | .80    | .72    | .80    | .88   | .96    | Div'ds Decl'd per sh <sup>B</sup> | 1.28                  |      |
| .20    | .24    | .31    | .41    | .35    | .35    | .29    | .35    | .35    | .29    | .29    | .28    | .25    | .15    | .19    | .22    | .20   | .20    | Cap'l Spending per sh             | .25                   |      |
| 1.80   | 2.04   | 2.27   | 2.31   | 2.55   | 2.91   | 3.24   | 8.53   | 9.10   | 8.88   | 9.98   | 9.60   | 8.52   | 11.15  | 10.95  | 10.84  | 11.65   | 12.70  | Book Value per sh <sup>C</sup>    | 13.85                 |      |
| 3870.0 | 3882.0 | 3882.0 | 3847.0 | 6314.0 | 6277.0 | 6162.0 | 7629.0 | 7473.0 | 7361.0 | 7124.0 | 6761.0 | 6746.0 | 8070.0 | 8012.0 | 7575.0 | 7300.0  | 7000.0 | Common Shs Outst'g <sup>D</sup>   | 7000.0                |      |
| 24.5   | 33.3   | 51.2   | 44.3   | 40.7   | 31.8   | 22.8   | 18.2   | 15.6   | 12.7   | 12.5   | 11.5   | 16.4   | 12.8   | 16.3   | 17.6   | <i><b>Bold figures are<br/>Value Line<br/>estimates</b></i> |        |                                   | Avg Ann'l P/E Ratio   | 15.0 |
| 1.53   | 1.92   | 2.66   | 2.53   | 2.65   | 1.63   | 1.25   | 1.04   | .82    | .68    | .67    | .61    | .99    | .85    | 1.04   | 1.11   |   |        |                                   | Relative P/E Ratio    | 1.00 |
| 1.6%   | 1.2%   | .7%    | .8%    | .9%    | 1.1%   | 1.5%   | 1.9%   | 2.1%   | 3.0%   | 3.7%   | 4.6%   | 6.6%   | 5.1%   | 4.3%   | 4.1%   |   |        |                                   | Avg Ann'l Div'd Yield | 3.9% |

|   |        |        |        |        |        |        |        |        |        |        |       |       |                         |       |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-------|-------|-------------------------|-------|
| <b>CAPITAL STRUCTURE as of 7/1/12</b>                         | 32373  | 45188  | 52516  | 51298  | 48371  | 48404  | 48296  | 50009  | 67809  | 67425  | 60000 | 59500 | Sales (\$mill)          | 62000 |
| Total Debt \$38571 mill. Due in 5 Yrs \$19000 mill.           | 41.2%  | 37.8%  | 48.9%  | 47.4%  | 49.1%  | 47.8%  | 45.9%  | 46.2%  | 45.5%  | 48.6%  | 48.0% | 48.5% | Operating Margin        | 49.0% |
| LT Debt \$30868 mill. LT Interest \$2000 mill. (28% of Cap'l) | 1036.0 | 4078.0 | 5093.0 | 5576.0 | 5293.0 | 5200.0 | 5090.0 | 4757.0 | 8487.0 | 9026.0 | 8400  | 7900  | Depreciation (\$mill)   | 7000  |
|   | 9548.7 | 12748  | 16136  | 15001  | 14984  | 15267  | 8026.0 | 8621.0 | 8266.0 | 8697.0 | 9850  | 11900 | Net Profit (\$mill)     | 15000 |
|   | 23.1%  | 22.5%  | 21.8%  | 22.5%  | 22.6%  | 21.0%  | 17.0%  | 20.3%  | 11.9%  | 31.5%  | 30.0% | 30.0% | Income Tax Rate         | 30.0% |
| Leases, Uncapitalized Annual rentals \$187.0 mill.            | 29.5%  | 28.2%  | 30.7%  | 29.2%  | 31.0%  | 31.5%  | 16.6%  | 17.2%  | 12.2%  | 12.9%  | 16.4% | 20.0% | Net Profit Margin       | 24.2% |
| Pension Assets-12/11 \$19.1 bill. Oblig. \$23.9 bill.         | 6226.0 | 6084.0 | 13236  | 13448  | 25560  | 25014  | 16067  | 24445  | 31859  | 29659  | 31000 | 32000 | Working Cap'l (\$mill)  | 31000 |
|   | 3140.0 | 5755.0 | 7279.0 | 6347.0 | 5546.0 | 7314.0 | 7963.0 | 43193  | 38410  | 34931  | 31000 | 30000 | Long-Term Debt (\$mill) | 22000 |
|   | 19950  | 65377  | 68278  | 65627  | 71358  | 65010  | 57556  | 90014  | 87813  | 82190  | 85000 | 89000 | Shr. Equity (\$mill)    | 97000 |
| Common Stock 7,469,483,622 shs. as of 8/6/12                  | 41.6%  | 18.0%  | 21.5%  | 21.1%  | 19.8%  | 21.4%  | 12.6%  | 6.8%   | 7.1%   | 8.0%   | 9.5%  | 11.0% | Return on Total Cap'l   | 13.0% |
| MARKET CAP: \$188 billion (Large Cap)                         | 47.9%  | 19.5%  | 23.6%  | 22.9%  | 21.0%  | 23.5%  | 13.9%  | 9.6%   | 9.4%   | 10.6%  | 11.5% | 13.5% | Return on Shr. Equity   | 15.5% |
|   | 32.0%  | 12.9%  | 16.3%  | 14.4%  | 11.3%  | 11.2%  | NMF    | 3.4%   | 2.5%   | 3.0%   | 4.0%  | 6.0%  | Retained to Com Eq      | 6.0%  |
| CURRENT POSITION  | 33%    | 34%    | 31%    | 37%    | 46%    | 52%    | 106%   | 64%    | 74%    | 72%    | 65%   | 56%   | All Div'ds to Net Prof  | 60%   |

|                         |       |       |        |
|-------------------------|-------|-------|--------|
| <b>CURRENT POSITION</b> | 2010  | 2011  | 7/1/12 |
| (\$MILL.)               |       |       |        |
| Cash Assets             | 28012 | 26758 | 24306  |
| Receivables             | 14612 | 13608 | 12882  |
| Inventory (LIFO)        | 8405  | 7069  | 7001   |
| Other                   | 9439  | 9593  | 14576  |
| Current Assets          | 60468 | 57728 | 58765  |
| Accts Payable           | 4026  | 3836  | 3165   |
| Debt Due                | 5623  | 4018  | 7703   |
| Other                   | 18960 | 20215 | 19930  |
| Current Liab.           | 28609 | 28069 | 30798  |

|                     |             |            |                          |
|---------------------|-------------|------------|--------------------------|
| <b>ANNUAL RATES</b> | Past 10 Yrs | Past 5 Yrs | Est'd '09-'11 to '15-'17 |
| of change (per sh)  |             |            |                          |
| Sales               | 5.5%        | 2.5%       | 2.0%                     |
| "Cash Flow"         | 5.0%        | -6.5%      | 7.5%                     |
| Earnings            | -5%         | -11.5%     | 12.0%                    |
| Dividends           | 7.5%        | -5%        | 9.0%                     |
| Book Value          | 15.5%       | 3.5%       | 4.0%                     |

|                                   |           |        |        |        |        |           |
|-----------------------------------|-----------|--------|--------|--------|--------|-----------|
| <b>QUARTERLY SALES (\$ mill.)</b> | Cal-endar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
| 2009                              |           | 10867  | 10984  | 11621  | 16537  | 50009     |
| 2010                              |           | 16750  | 17327  | 16171  | 17561  | 67809     |
| 2011                              |           | 16502  | 16984  | 17193  | 16746  | 67425     |
| 2012                              |           | 15405  | 15057  | 14700  | 14838  | 60000     |
| 2013                              |           | 14800  | 14800  | 14900  | 15000  | 59500     |

|                             |           |        |        |        |        |           |
|-----------------------------|-----------|--------|--------|--------|--------|-----------|
| <b>EARNINGS PER SHARE A</b> | Cal-endar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
| 2009                        |           | .41    | .34    | .43    | .10    | 1.23      |
| 2010                        |           | .25    | .31    | .11    | .36    | 1.03      |
| 2011                        |           | .28    | .33    | .31    | .19    | 1.11      |
| 2012                        |           | .24    | .44    | .33    | .34    | 1.35      |
| 2013                        |           | .35    | .45    | .45    | .45    | 1.70      |

|                                   |           |        |        |        |        |           |
|-----------------------------------|-----------|--------|--------|--------|--------|-----------|
| <b>QUARTERLY DIVIDENDS PAID B</b> | Cal-endar | Mar.31 | Jun.30 | Sep.30 | Dec.31 | Full Year |
| 2008                              |           | .32    | .32    | .32    | .32    | 1.28      |
| 2009                              |           | .32    | .16    | .16    | .16    | .80       |
| 2010                              |           | .18    | .18    | .18    | .18    | .72       |
| 2011                              |           | .20    | .20    | .20    | .20    | .80       |
| 2012                              |           | .22    | .22    | .22    | .22    | .88       |

(A) Based on avg. shares out. Excl. non-rec. gains/(losses): '98, 18¢; '99, (5¢); '00, (43¢); '01, (11¢); '02, (7¢); '03, (\$1.21); '04, (63¢); '05, 93¢; '06, 8¢; '07, (\$1.03). Discont. ops.: '11, 17¢. May not sum due to change in shrs. Next egs. rpt. due early Nov. (B) Div'ds paid Mar., Jun, Sep., Dec. Div'd reinvest. plan. (C) Incl. intang. In '11: \$98.9 bill., \$13.05/sh. (D) In mill., adj'd for stock split. (E) Pharmacia acqd. 4/03, included from 2nd qtr. (F) Wyeth acqd. 10/09, included from 4th qtr. (G) Switched to GAAP earnings from adjusted in 2008.

**Although business is improving, the Lipitor expiration continues to loom large for Pfizer.** All in all, the June period was a pretty solid quarter for the world's largest drugmaker, as both top- and bottom-line results exceeded our expectations. Strong sales growth in Established Products (+16%) and Emerging Markets (+8%), coupled with greater expense discipline, largely helped pave the way for the better-than-expected quarterly performance. While improvement in these segments has been encouraging, plummeting sales of *Lipitor*, whose patent expired last November, continue to weigh heavily on top-line generation. Total revenue declined 11% year over year in the second quarter, mainly reflective of *Lipitor's* loss of exclusivity in most major markets. **Emerging pipeline prospects should help to alleviate some pressure down the road.** The company maintains a nice mix of medicines in various stages of testing across several therapeutic areas. In terms of the late-stage pipeline, two potential blockbusters stand out in *Eliquis*, for stroke prevention, and *tofacitinib*, for the treatment of rheumatoid arthritis. Despite

both products experiencing delays in recent months, management continues to exhibit considerable enthusiasm over their long-term commercial prospects. In our view, both have the potential to be significant top-line components by 2015. **High-quality Pfizer shares maintain a neutral ranking for Timeliness (3).** While revenues will likely be materially lower in 2012 due to ongoing generic pressures, effective cost discipline and increased contributions from emerging markets should help to fuel steady profit growth for the company in the coming quarters. Furthermore, based on recent pipeline progress, we are becoming increasingly confident that the emergence of new products will be sufficient in mitigating the *Lipitor* impact over the long term. For investors seeking a strong income play with relative stability, a position in this equity should be considered. Pfizer stock has our Highest rank for Safety (1), to go along with the company's strong grade for Financial Strength (A++). Shares of Pfizer are yielding an attractive 3.5%, comfortably above our *Survey's* median. **Michael Ratty** *October 12, 2012*

|                              |     |
|------------------------------|-----|
| Company's Financial Strength | A++ |
| Stock's Price Stability      | 95  |
| Price Growth Persistence     | 20  |
| Earnings Predictability      | 70  |

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