Our Global Organization
Six Major Research Sites Worldwide

13,000 Researchers Worldwide
> $7B Billion Annual R&D Investment
Our Global Organization
Four Major Research Sites Worldwide

13,000 Researchers Worldwide
> $7B Billion Annual R&D Investment
Patient Focus
Therapeutic Area Organizations

Therapeutic Areas – Idea to Market

- Oncology
- Cardiovascular / Metabolic Disease
- Allergy & Respiratory
- CNS
- Pain
- Sexual Health / Urology
- Ophthalmology
- Inflammation
- Infectious Disease
- Sexual Health / Urology
- GI / Hepatitis

- Dermatology

Cardiovascular / Metabolic Disease

Infectious Disease

GI / Hepatitis

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Sexual Health / Urology

Ophthalmology

CNS

Inflammation

Gastroenterology
Pfizer in St Louis
Our Chesterfield Campus

New Research Building:
- Four-story
- 330,000 square foot
- House ~ 250 researchers
- Complete late 2008
- Investment: ~ $200M

1200 colleagues
> 1000 People in Research
Pfizer in St Louis
Our Areas of Disease Research

Inflammation

Cardiovascular Disease

Allergy and Respiratory

Global Biologics

Rheumatoid Arthritis
Osteoarthritis
Immunomodulation & Pain

Hypertension
Thrombosis
Obesity & Diabetes

COPD
Asthma

Biologics for all therapeutic areas
(cancer, arthritis, cardiovascular)
The Long Road to a New Medicine

1) Identify Lead
2) Optimize Lead

Understand Biology and Disease

1) Ensure Safety
2) Does it work?
3) Select dose

Phase 3
Patients (1000s)

File New Drug Application With FDA

1) Seek FDA OK
2) Go to Humans

Phase 2
Patients (100s)

1) Ensure Safety
2) Dosing Frequency

Phase 1
Healthy Volunteers (10s)

1) Ensure Safety
2) Go to Humans

Make sure it’s safe

1) Identify Lead
2) Optimize Lead

1) Ensure Safety
2) Does it work?
The Little White Pill
What’s Behind it?

Knowledge of:

- Molecular basis of the disease
- How to modify the disease process
- Extensive safety evaluation & pharmacokinetic studies

What we strive for:

- A medicine that will be safe and effective
- A practical solution to address a medical need
Our Commitment to our Community Regionally
1. > 1500 Pfizer colleagues in Missouri and > $300 M in capital investment

2. Philanthropic Activities – Our Focus
   - Science and Math Education
   - Patient Advocacy and Healthcare
   - United Way

3. Develop mutually beneficial partnerships in the region with selected universities, community groups and businesses
Science Education
Partnerships in the Community

STARS
(Student & Teachers as Research Scientists)
Univ. Missouri St Louis
Washington University
St Louis University

St. Louis Science Fair
Outstanding Teacher Award

St. Louis Academy of Sciences

Washington University
Mentors in Medicine
Young Scientists

St. Louis Science Center
Exhibits – Brain, Human Genome
Science Education
Internally

Summer Interns
35 College Students
6 Teachers
Job Shadowing

Science Outreach to Schools
> 100 Pfizer volunteers
6 demonstrations
> 200 schools
> 16,000 students
Our Involvement in Life Sciences
St Louis Region and State of Missouri

Washington University
Biomedical Agreement

St Louis Region
Regional Chamber & Growth Assoc
Coalition for Plant & Life Sciences
Connections with Incubators

State of Missouri
MO BIO
Hawthorn Foundation
Partnering for a Healthier World

BJ Bormann, Ph.D.
Vice President, Head of Strategic Alliances
Pfizer Global Research and Development
The Research Based Pharmaceutical Industry

Our Work Validates or Disproves Medical Hypotheses
An R&D Strategy for Improved Productivity

Pfizer R&D Strategy

Products

Leveraging Scale

Value-Adding Collaborations
External Investment Vision

Our Alliance Investments

- Integrate and align with global strategies, initiatives & internal investments
- Address opportunities and gaps, creating new medical breakthroughs
- Enable cost-effective evaluation of novel approaches
- Access innovative technologies with potential to change the R&D paradigm
- Managed with respect to the science, business, legal and IP issues
- Assessed and monitored with appropriate metrics

Cradle to Grave Alliance Management
Alliances are a key component of the Pfizer R&D budget

- Approximately $7.5 Bn spent on R&D annually
- Internal R&D covers only a fraction of the potential opportunities
- Alliance strategy builds on complementary strengths of Pfizer partners
- A diverse, healthy biopharmaceutical community is in Pfizer’s best business interests
Current Alliances Investment by Type

Research Disciplines

Therapeutic Areas

Multiple TAs/Not TA Aligned

A&R CNS/Pain

CVMD

GI

Inflam

Onco

Ophth

GU

Safety

PK/PD

Target Rationale

Bio-Mar

DDF

KM

PGX

BIO

AUTO

Research Disciplines

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Strategic Drivers: How We Assess Opportunities

Portfolio Enhancement
- Understanding Disease & Maximizing Value
  - Therapeutic Area Alignment
  - Translational Research
  - Confidence in Target Rationale (CIR)

Effectiveness, Productivity
- Drug Discovery and Development
  - Compound and Program Survival
  - Accurate Attrition Decision Making
  - Candidate Producing Collaborations

Efficiency and Cost
- Leveraging scale
  - Synergy, Cycle-Times
  - Collaboration, Alignment
  - Strategic Sourcing

Intrinsic Value
- Market Performance
  - Line Extension – New Formulations
  - New Indications Discovery
  - Patient Acceptance/Compliance
What, specifically, are we interested in?

- Therapeutic drug candidates
- Development enablers
- Platform technologies
- New ideas
- Problem-solving
Problems to be solved

- “We can’t keep up with all of the scientific breakthroughs in medical research”
  - Understanding disease pathogenesis and exploitable points of therapeutic intervention
  - Systems biology—integrated response to pharmaceutical intervention
  - Novel drug design (e.g., aptamers/nucleic acids, conjugates, micro RNA, nanoparticles, engineered proteins)

- “Our traditional assessment processes are slow, expensive and imprecise”
  - Biomarkers of disease progression and reversal
  - Diagnostics (e.g., disease characterization, genomic classification, imaging)
  - Modeling (clinical trial design, bioinformatics)

- “Shortcomings exist in product development fundamentals”
  - Formulations and delivery
  - Predicting safety
  - Process efficiency

- “Insufficient substrate is available for compelling medical needs”
Therapeutic Biologics
Relative Maturity of Biologics Market Segments

Change in growth rate

Relative level of platform validation (time)

- Recombinant proteins
- Prophylactic vaccines
- Insulin & erythropoietin market leaders
- Size indicates relative potential market size*

Over 100 products currently in development

- $7.3B
- $32.6B

- mAbs
- Therapeutic vaccines
- Gene therapy
- Antisense
- Cell therapy

Insulin & erythropoietin are market leaders

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From a single program in 1996 to over 25 programs today, Pfizer continues to increase its Biologics Portfolio.
Expanding the Scope of R&D
Future Biologics Powerhouse

PEG-hGH    CTLA4 mAb    MCSF mAb
ETC-588    TLR CPG 7909   ETC-216
T2-TrpRS   IGF1R mAb    ETC-642
CD40 mAb    MAAdCAM mAb

$1.5 Billion Pfizer
2006 Biologics Sales
Expanding Oncology Portfolio: CP-675,206

anti-CTLA4 mAb

First Immunotherapeutic
Novel MOA that enhances immune system ("removes the brake")
Broad applicability for all tumor types
Option to lead in Tumor Immunology

First Fully-Human mAb
Focus on cutting edge science
Sales of biologics estimated at 31% of cancer market in 2009
vs 18% in 2003*
Investing In The Future

- Gene Therapy
- Biomarkers
- Personalized Medicine
- Therapeutic Vaccines
- Diagnostics
- Pfizer’s Incubator
## Major R&D Research Partnerships

### Altering the R&D Productivity Paradigm

<table>
<thead>
<tr>
<th>Gene</th>
<th>Function</th>
<th>Screen</th>
<th>Lead</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compugen</td>
<td>Xenogen</td>
<td>U. Dundee</td>
<td>Biotica</td>
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<tr>
<td>IBIS</td>
<td>Inpharmatica</td>
<td>Biotrove</td>
<td>Amgen</td>
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<td>Metabolex</td>
<td>Lexicon Genetics</td>
<td>Deltagen</td>
<td>ComGenex</td>
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<td>PPDD</td>
<td>Deltagen</td>
<td>Medarex</td>
<td>Morphosys</td>
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<td>Xenon</td>
<td>Affymetrix</td>
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<td>Archimex</td>
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<td>Athersys</td>
<td>Affinimum</td>
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<td>Melior</td>
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<tr>
<td>Stem Cell</td>
<td>Scripps</td>
<td>Melior</td>
<td>PCT</td>
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<tr>
<td>Sciences</td>
<td>Washington Univ.</td>
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### Speeding/Enhancing Development Candidates

<table>
<thead>
<tr>
<th>Candidate</th>
<th>Development</th>
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</thead>
<tbody>
<tr>
<td>GenVec</td>
<td>Amersham/Nycomed</td>
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<tr>
<td>Quark</td>
<td>Entelos</td>
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<tr>
<td>Renovis</td>
<td>Chromos</td>
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<tr>
<td>Rigel</td>
<td>ChondroGene</td>
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<td>Incyte</td>
<td>GeneLogic</td>
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<tr>
<td>Noxxon</td>
<td>Virtual Scopics</td>
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<tr>
<td>Quark</td>
<td>Lonza</td>
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<td>Oxford Biosensors</td>
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<td>Yale</td>
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<td></td>
<td>iCardiac</td>
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<td></td>
<td>Genizon</td>
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</tbody>
</table>

### Enhancing Pipeline Value

<table>
<thead>
<tr>
<th>Speed</th>
<th>Product Enhancement</th>
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<tbody>
<tr>
<td>U. Georgia</td>
<td>Atrix</td>
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<tr>
<td>Argonaut</td>
<td>Ventaira</td>
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<tr>
<td>Foster Miller</td>
<td>Bradford</td>
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<tr>
<td>U. Michigan</td>
<td>Part Design</td>
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<tr>
<td></td>
<td>Watson Pharm Bend</td>
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NY 7/31/2006
Expanding the Scope of R&D
Licensing and Acquisition

<table>
<thead>
<tr>
<th>Selected Recent Alliances and Acquisitions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>QuoreX</strong></td>
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<tr>
<td><strong>NIH/Perlegen</strong></td>
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<td><strong>Rigel</strong></td>
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<td><strong>Coley</strong></td>
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<td><strong>BioRen</strong></td>
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<td><strong>Idun</strong></td>
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<td><strong>Rinat</strong></td>
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<td><strong>TransTech</strong></td>
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<td><strong>Scripps</strong></td>
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NY 7/31/2006
Biomarkers in Diagnostics

- Already incorporate pharmacogenomic end points into clinical trials on marketed compounds.

- Diagnostics that determine therapeutic outcomes will affect how drug is used in medical practice.

- Example: Molecular imaging tools in neuropsychiatric diseases or as measures of drug absorption/distribution:

  - May provide powerful insights into the biological effects of drugs
Biomarkers in Oncology

- Biomarkers used to develop oncology products:
  - Herceptin
  - Gleevec, Iressa, Velcade
- Major departure from traditional cancer treatment
- Produces smaller, targeted market
Biomarkers: The Value of Collaborations

• Biomarker R&D becomes more strategic -- increased emphasis on safety, priority therapeutic areas

• Cost sharing improves support for biomarker research

• Biomarkers and diagnostics are developed with less emphasis on commercial viability

• Scientific community more likely to accept validity of new biomarkers or surrogate endpoints
Golden Age Of Medicine

- In the next 5–10 years, there will be an explosion in the number of new therapies for the treatment and prevention of life-threatening diseases such as cancer, cardiovascular disease and diabetes.

- These new therapies will result from the innovations made over the last 15 years across the entire spectrum of R&D.

- We look for partners in our pursuit of new therapies.
Questions ?