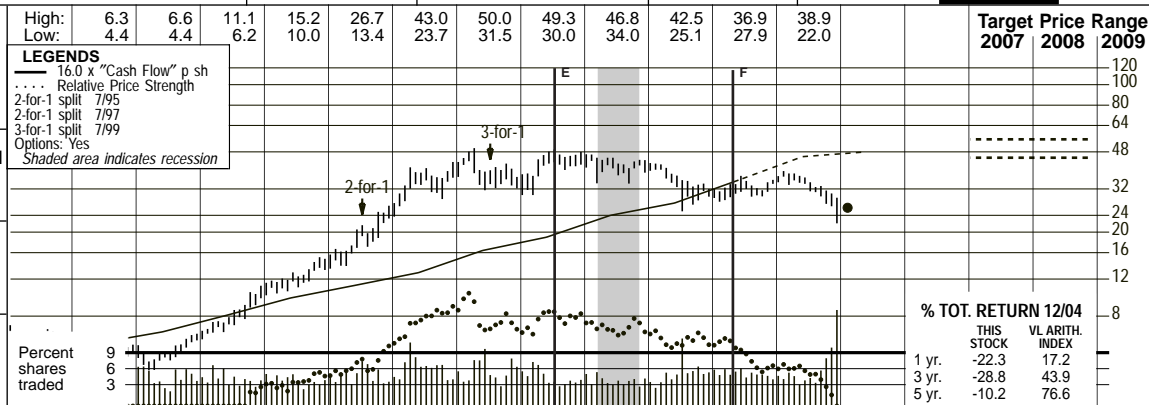


# PFIZER INC. NYSE-PFE

RECENT PRICE **26.03** P/E RATIO **11.8** (Trailing: 12.6; Median: 28.0) RELATIVE P/E RATIO **0.63** DIV'D YLD **2.9%** **VALUE LINE**

**TIMELINESS** 3 Lowered 12/24/04  
**SAFETY** 1 Raised 7/27/01  
**TECHNICAL** 3 Raised 1/14/05  
**BETA** .85 (1.00 = Market)



**2007-09 PROJECTIONS**  
 Ann'l Total  
 Price Gain Return  
 High 55 (+110%) 22%  
 Low 45 (+75%) 17%

**Insider Decisions**  
 F M A M J J A S O  
 to Buy 0 0 0 0 0 0 0 0 0 0  
 Options 1 0 0 0 1 1 0 0 0 0  
 to Sell 1 0 0 0 0 0 0 0 0 0

**Institutional Decisions**  
 102004 202004 302004  
 to Buy 809 723 731  
 to Sell 583 653 642  
 Hld's(000)482212548195534740962

1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	© VALUE LINE PUB, INC.	07-09
1.36	1.43	1.62	1.76	1.85	1.94	2.20	2.62	2.92	3.22	3.49	4.21	4.68	5.14	5.25	5.92	6.90	7.40	Sales per sh	8.50
.25	.24	.26	.29	.35	.37	.42	.50	.61	.70	.80	1.02	1.18	1.50	1.72	2.21	2.85	3.00	"Cash Flow" per sh	3.60
.20	.18	.20	.23	.27	.31	.35	.41	.50	.57	.67	.87	1.02	1.31	1.53	1.75	2.13	2.25	Earnings per sh A	2.75
.08	.09	.10	.11	.12	.14	.16	.17	.20	.23	.25	.31	.36	.44	.52	.60	.68	.76	Div'ds Decl'd per sh B=C	1.00
.09	.12	.14	.15	.17	.16	.18	.18	.20	.24	.31	.41	.35	.35	.29	.35	.30	.30	Cap'l Spending per sh	.35
1.08	1.14	1.28	1.27	1.21	1.00	1.15	1.44	1.80	2.04	2.27	2.31	2.55	2.91	3.24	8.53	9.45	10.50	Book Value per sh C	12.70
3969.5	3967.5	3963.1	3955.8	3901.7	3851.1	3770.7	3823.6	3870.0	3882.0	3882.0	3847.0	6314.0	6277.0	6162.0	7629.0	7500.0	7350.0	Common Shs Outst'g D	6700.0
11.5	14.6	14.4	21.9	23.1	17.5	15.5	19.6	24.5	33.3	51.2	44.3	40.7	31.8	22.8	18.2	15.5		Avg Ann'l P/E Ratio	19.0
.95	1.11	1.07	1.40	1.40	1.03	1.02	1.31	1.53	1.92	2.66	2.53	2.65	1.63	1.25	1.05	.81		Relative P/E Ratio	1.25
3.7%	3.5%	3.5%	2.2%	2.0%	2.6%	2.9%	2.1%	1.6%	1.2%	.7%	.8%	.9%	1.1%	1.5%	1.9%	2.1%		Avg Ann'l Div'd Yield	1.9%

CAPITAL STRUCTURE as of 9/26/04				© VALUE LINE PUB, INC.															
Total Debt \$18814 mill. Due in 5 Yrs \$15750 mill.				8281.3	10021	11306	12504	13544	16204	29574	32259	32373	45188	51740	54300	Sales (\$mill)	56975		
LT Debt \$7956 mill. LT Interest \$386.1 mill. (10% of Cap'l)				27.3%	29.3%	31.0%	30.8%	30.2%	33.3%	33.0%	37.7%	41.2%	37.8%	41.5%	42.0%	Operating Margin	43.5%		
Leases, Uncapitalized Annual rentals \$290.0 mill.				292.0	374.0	430.0	502.0	489.0	542.0	968.0	1068.0	1036.0	4078.0	5035	5150	Depreciation (\$mill)	5500		
Pension Assets-12/03 \$10.0 bill. Oblig. \$12.2 bill.				1298.4	1554.2	1929.0	2213.0	2633.6	3393.2	6495.0	8349.5	9548.7	12748	16185	16820	Net Profit (\$mill)	18630		
Common Stock 7,530,995,423 shs. As of 11/1/04				30.0%	32.1%	31.0%	28.0%	24.8%	28.6%	28.1%	25.2%	23.1%	22.5%	22.5%	22.5%	Income Tax Rate	22.5%		
MARKET CAP: \$196 billion (Large Cap)				15.7%	15.5%	17.1%	17.7%	19.4%	20.9%	22.0%	25.9%	29.5%	28.2%	31.3%	31.0%	Net Profit Margin	32.7%		
CURRENT POSITION				962.5	965.2	828.0	1515.0	2739.0	2006.0	5206.0	4810.0	6226.0	6084.0	12350	13000	Working Cap'l (\$mill)	14000		
CASH ASSETS				604.2	833.0	687.0	729.0	527.0	525.0	1123.0	2609.0	3140.0	5755.0	6500	5000	Long-Term Debt (\$mill)	1000		
RECEIVABLES				4323.9	5506.6	6954.0	7933.0	8810.0	8887.0	16076	18293	19950	65377	70715	77355	Shr. Equity (\$mill)	85225		
INVENTORY (LIFO)				26.9%	24.8%	25.5%	25.8%	28.4%	36.3%	38.4%	40.5%	41.6%	18.0%	21.5%	20.0%	Return on Total Cap'l	20.5%		
OTHER				30.0%	28.2%	27.7%	27.9%	29.9%	38.2%	40.4%	45.6%	47.9%	19.5%	23.0%	21.5%	Return on Shr. Equity	22.0%		
CURRENT ASSETS				16.3%	16.3%	16.7%	16.8%	18.8%	25.3%	26.7%	30.8%	32.0%	12.9%	15.5%	14.0%	Retained to Com Eq	14.0%		
ACCTS PAYABLE				46%	42%	40%	40%	37%	34%	34%	33%	33%	34%	32%	34%	All Div'ds to Net Prof	36%		
DEBT DUE				<b>BUSINESS:</b> Pfizer Inc. is a major producer of pharmaceuticals, hospital products, consumer products, and animal health lines. Important product names include, <i>Norvasc</i> (cardiovascular); <i>Zoloft</i> (antidepressant); <i>Zithromax</i> (antibiotic); <i>Lipitor</i> (cholesterol); <i>Aricept</i> (Alzheimer's); <i>Cardura</i> (cardiovascular); <i>Diflucan</i> (antifungal); <i>Zyrtec</i> (antihistamine); <i>Viagra</i> (impotence); <i>Celebrex/Bextra</i> (rheumatoid arthritis and osteoarthritis). Int'l business, 41% of sales; R&D, 15.8%. '03 depreciation rate: 6.1%. Estimated plant age: 17 yrs. Has about 122,000 employees, 147,000 stockholders. Directors/Officers own less than 1% of stock (3/04 proxy). Chairman & Chief Executive Officer: Henry McKinnell, Inc.: Delaware. Address: 235 East 42nd Street, New York, NY 10017. Tel.: 212-573-2323.															
OTHER				<b>Some perspective is required in assessing Pfizer's important Cox II pain relievers.</b> The company's stock peaked in 1999, lifted by euphoria over its impotence drug <i>Viagra</i> , with some on Wall Street predicting annual sales of \$12 billion. It has been sliding ever since, however, hurt by a myriad of industry- and company-specific concerns. Among the latter are forthcoming patent expirations, ongoing patent-related court battles, and the drug-maker's gigantic, growth-inhibiting, size. All of these are legitimate worries, but we think Pfizer, considering its deep new-drug pipeline and top-notch finances, will be able to keep the bottom line ascending to decade's end, albeit not at the pace typical in recent history. That said, if the company were to follow Merck's lead and took <i>Celebrex</i> and <i>Bextra</i> off the market, as the stock's recent price action might suggest, earnings growth could prove elusive. <b>Only one study has linked Celebrex to higher cardiovascular risk.</b> This is the 2,000-patient APC cancer study, which showed increased risk of strokes and cardiac arrests in both the 400 mg and 800 mg doses, compared with placebo; it fueled massive media coverage in late December and drove the FDA to issue a cautionary note. To provide some context, the raw numbers were 6, 15, 20 for placebo, 400, and 800, respectively, representing a risk factor of .9%, 2.2%, and 3.3%. <b>The preponderance of the evidence shows no such association.</b> The 1,500 patient PreSAP cancer study, which was reviewed by the same independent board that looked at APC, actually showed a slightly lower risk of CV events with the 400 mg dose, compared with placebo. Another NIH clinical trial recently came to the same conclusion, while also finding that <i>Naproxen</i> , a non-prescription pain reliever, increased CV events. These two studies support a decade's worth of clinical data demonstrating <i>Celebrex</i> 's safety. We would point out, too, that most prescriptions are for 100 and 200 mg doses. On a final note, the Cox II drugs have shown some efficacy in preventing colon cancer. <b>We think the upside potential of this blue chip far outweighs the risks.</b> An FDA meeting to discuss all the pain relievers is slated for mid-February. <i>George Rho</i> January 21, 2005															
CURRENT LIAB.																			

ANNUAL RATES	Past 10 Yrs.	Past 5 Yrs.	Est'd '01-'03 of change (per sh)	Est'd '07-'09
Sales	11.5%	11.0%	10.0%	10.0%
"Cash Flow"	18.0%	20.5%	15.0%	15.0%
Earnings	19.0%	21.5%	13.5%	13.5%
Dividends	15.5%	18.0%	13.0%	13.0%
Book Value	15.5%	19.0%	15.0%	15.0%

Cal-endar	QUARTERLY SALES (\$mill.) <sup>F</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2001	7645	7686	7898	9030	32259
2002	7747	7296	7996	9334	32373
2003	8525	9993	12504	14166	45188
2004	12487	12274	12831	14148	51740
2005	12950	12800	13600	14950	54300

Cal-endar	EARNINGS PER SHARE <sup>AF</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2001	.33	.30	.34	.34	1.31
2002	.38	.31	.38	.46	1.53
2003	.45	.30	.47	.53	1.75
2004	.52	.47	.55	.59	2.13
2005	.55	.51	.55	.64	2.25

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B=C</sup>				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2001	.11	.11	.11	.11	.44
2002	.13	.13	.13	.13	.52
2003	.15	.15	.15	.15	.60
2004	.17	.17	.17	.17	.68
2005					

(A) Based on avg. shares out. Excl. non-rec. gains (losses): '91, (10¢); '92, (14¢); '93, (27¢); '98, 18¢; '99, (5¢); '00, (43¢); '01, (11¢); '02, (7¢); '03, (\$1.21) Next egs. rpt. due late Apr. (B) Dividends historically paid in mid-Mar., Jun, Sept., and Dec. Div'd reinvest. plan available. (C) Incl. intang. In '03: \$58.7 bill., \$7.69/sh. (D) In mill., adj'd for stock splits. (E) Warner-Lambert, acqd. 6/00, is included in historical data starting in 2000's first quarter. (F) Pharmacia acquired 4/03, and included from second quarter.

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**Company's Financial Strength** A++  
**Stock's Price Stability** 90  
**Price Growth Persistence** 70  
**Earnings Predictability** 100

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