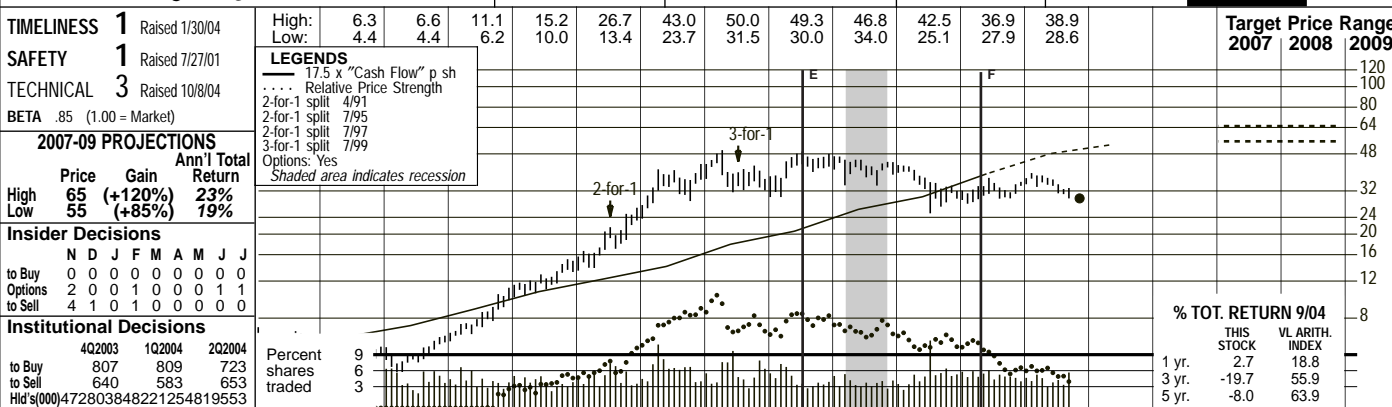


# PFIZER INC. NYSE:PFE

RECENT PRICE **29.55** P/E RATIO **13.6** (Trailing: 14.8 Median: 28.0) RELATIVE P/E RATIO **0.78** DIV'D YLD **2.5%** VALUE LINE



2007-09 PROJECTIONS	Price	Gain	Ann'l Total Return
High	65	(+120%)	23%
Low	55	(+85%)	19%

Insider Decisions	N	D	J	F	M	A	M	J	J
to Buy	0	0	0	0	0	0	0	0	0
Options	2	0	1	0	0	0	1	1	1
to Sell	4	1	0	1	0	0	0	0	0

Institutional Decisions	402003	102004	202004
to Buy	807	809	723
to Sell	640	583	653
Hlds	000742803848221254819553		

1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	% TOT. RETURN 9/04	THIS STOCK	VL ARITH. INDEX
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	7.00	7.55	1 yr.	2.7	18.8
.25	.24	.26	.29	.35	.37	.42	.50	.61	.70	.80	1.02	1.18	1.50	1.72	2.21	2.80	3.10	3 yr.	-19.7	55.9
.20	.18	.20	.23	.27	.31	.35	.41	.50	.57	.67	.87	1.02	1.31	1.53	1.75	2.12	2.40	5 yr.	-8.0	63.9
.08	.09	.10	.11	.12	.14	.16	.17	.20	.23	.25	.31	.36	.44	.52	.60	.68	.76			
.09	.12	.14	.15	.17	.16	.18	.18	.20	.24	.31	.41	.35	.35	.29	.35	.30	.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	10.75			
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	7375.0			
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					
.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					
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%					

CAPITAL STRUCTURE as of 6/27/04	2002	2003	6/27/04	© VALUE LINE PUB., INC.	07-09
Total Debt \$18969 mill. Due in 5 Yrs \$15750 mill.	27.3%	29.3%	31.0%	41.0%	42.5%
LT Debt \$6765 mill. LT Interest \$328.3 mill. (9% of Cap'l)	292.0	374.0	430.0	5035	5150
Leases, Uncapitalized Annual rentals \$290.0 mill.	1298.4	1554.2	1929.0	16050	17850
Pension Assets-12/03 \$10.0 bill. Oblig. \$12.2 bill.	30.0%	32.1%	31.0%	22.5%	22.5%
Common Stock 7,550,775,788 shs. As of 8/4/04	15.7%	15.5%	17.1%	30.5%	32.0%
MARKET CAP: \$223 billion (Large Cap)	962.5	965.2	828.0	9000	10000
CURRENT POSITION	604.2	833.0	687.0	6500	5000
	4323.9	5506.6	6954.0	71060	79195
	26.9%	24.8%	25.5%	21.0%	21.0%
	30.0%	28.2%	27.7%	22.5%	22.5%
	16.3%	16.3%	16.7%	15.0%	15.5%
	46%	42%	40%	32%	32%

CASH FLOW (\$ MILL.)	2002	2003	6/27/04
Cash Assets	12551	11952	17483
Receivables	5785	8775	9342
Inventory (LIFO)	2678	5837	5863
Other	3767	3177	3997
Current Assets	24781	29741	36685
Accts Payable	1620	2601	2480
Debt Due	8669	8818	12204
Other	8266	12238	10474
Current Liab.	18555	23657	25158

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

Cal-endar	QUARTERLY SALES (\$ mill.) <sup>F</sup>	Full Year			
Mar.31	7645	7686	7898	9030	32259
Jun.30	7747	7296	7996	9334	32373
Sep.30	8525	9993	12504	14166	45188
Dec.31	12487	12274	13350	14499	52610
2005	13200	13000	14125	15500	55825

Cal-endar	EARNINGS PER SHARE <sup>AF</sup>	Full Year			
Mar.31	.33	.30	.34	.34	1.31
Jun.30	.38	.31	.38	.46	1.53
Sep.30	.45	.30	.47	.53	1.75
Dec.31	.52	.47	.54	.59	2.12
2005	.57	.53	.61	.69	2.40

Cal-endar	QUARTERLY DIVIDENDS PAID <sup>B</sup>	Full Year			
Mar.31	.09	.09	.09	.09	.36
Jun.30	.11	.11	.11	.11	.44
Sep.30	.13	.13	.13	.13	.52
Dec.31	.15	.15	.15	.15	.60
2004	.17	.17	.17	.17	.60

**PFIZER IS UNDER PRESSURE ON MULTIPLE FRONTS . . .** Alpha Pharma recently launched a generic copy of *Neurontin*, deciding not to wait for a final court ruling on a patent dispute; it may have to pay a penalty. As such, sales of the epilepsy and neuropathic pain drug will start eroding a few months sooner than expected. The early launch also gives management less time to switch patients to *Lyrica* (successor to *Neurontin*), hurting its growth prospects. As well, a number of other big sellers, notably *Viagra*, *Zoloft*, and *Lipitor*, are facing increasing competitive challenges. Important, too, Merck's removal of Cox II inhibitor *Vioxx* has raised anxiety about Pfizer's *Bextra* and *Celebrex* Cox II pain relievers. Last, the company over the next three years will have to contend with a substantial and rising generic risk, as patents on *Zithromax*, *Zoloft*, *Norvasc*, and *Zyrtec* expire. . . . **but the gigantic drugmaker is as well-equipped to handle the myriad difficulties as any, to be sure.** Despite the pressures, most of the medicines noted above still have decent growth prospects left. Moreover, a very broad and deep pipeline, supported by a research and develop-

ment budget that will probably exceed \$8 billion in 2005, promises to regularly augment an already large product portfolio. Recently launched *Inspira* (for hypertension and congestive heart failure) and *Spiriva* (chronic obstructive pulmonary disease) each have blockbuster sales potential. *Caduet*, a pill that combines *Lipitor* and *Norvasc*, will be additive to revenues. And, we're optimistic about soon-to-be-introduced *Lyrica*, *Indiplon* (insomnia), *Exubera* (inhaled insulin), and *Macugen* (diabetic macular edema). Factoring in the company's prodigious (and empowering) cash flow, we're confident that Pfizer will be able to navigate the many hurdles coming up, while keeping share net rising, albeit not as robustly as in recent years. **This top-quality issue is attractively priced, in our view.** We think investors have discounted the worst possible short- and long-term scenarios, and PFE stock now trades at valuation levels not seen in 15 years. At the current price, these timely shares offer compelling 3- to 5-year price gains potential, along with an above-average yield and a growing dividend. *George Rho* October 22, 2004

(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 Jan. (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. © 2004, Value Line Publishing, Inc. All rights reserved. Factual material is obtained from sources believed to be reliable and is provided without warranties of any kind. THE PUBLISHER IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS HEREIN. This publication is strictly for subscriber's own, non-commercial, internal use. No part of it may be reproduced, resold, stored or transmitted in any printed, electronic or other form, or used for generating or marketing any printed or electronic publication, service or product. **To subscribe call 1-800-833-0046.**

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