



Stock Selection Guide [®]

The most widely used aid to good investment judgment

Company PFIZER INC Date 12/22/03

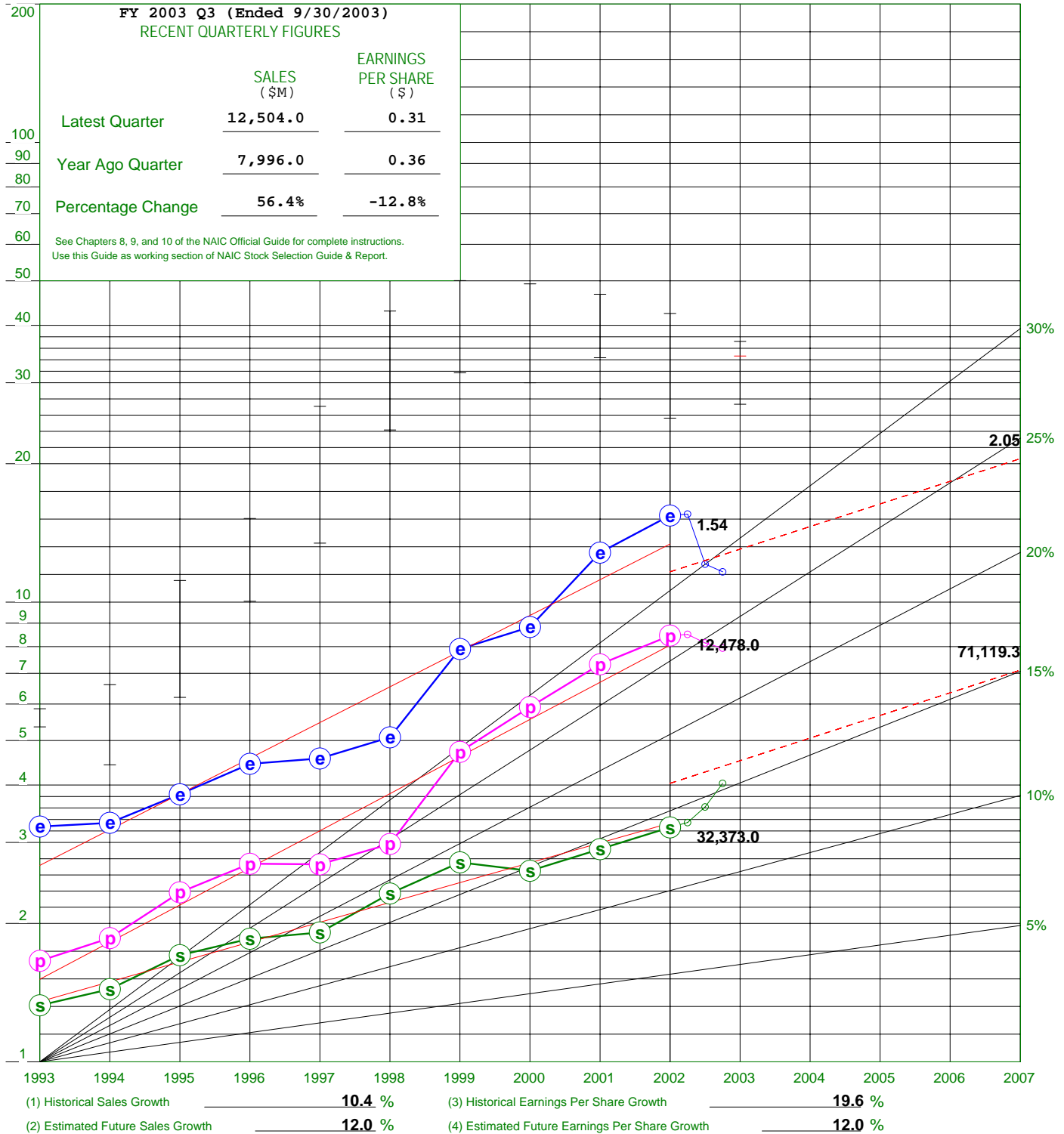
Prepared by jah Data taken from M

Where traded NYSE Major product/service Major Drugs

CAPITALIZATION --- Outstanding Amounts		Reference	
Preferred (\$M)	229.0	% Insiders	% Institution
Common (M Shares)	7,710.7	0.0	0.0
Debt (\$M)	11,809.0	% to Tot.Cap.	31.9
		% Potential Dil.	None

1 VISUAL ANALYSIS of Sales, Earnings and Price

PFE



2 EVALUATING MANAGEMENT

Company **PFIZER INC (PFE)**

12/22/03

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	LAST 5 YEAR AVG.	TREND	
												UP	DOWN
A % Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	18.4	19.1	20.2	21.5	20.8	18.9	25.7	33.5	37.2	38.5	30.8	UP	
B % Earned on Equity (E/S ÷ Book Value)	37.4	32.1	29.6	28.5	25.8	24.5	34.7	34.1	43.8	47.6	36.9	UP	

3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is a building block for translating earnings into future stock prices.

Year	PRESENT PRICE		34.300	HIGH THIS YEAR	36.920	LOW THIS YEAR	26.950			
	A	B	C	D		E	F	G	H	
	PRICE	PRICE	Earnings Per Share	Price Earnings Ratio			Dividend Per Share	% Payout F ÷ C X 100	% High Yield F ÷ B X 100	
	HIGH	LOW		HIGH A ÷ C	LOW B ÷ C					
1 1998	43.0	23.7	0.51	84.6	46.7	0.250	49.2	1.1		
2 1999	50.0	31.5	0.79	63.2	39.8	0.310	39.2	1.0		
3 2000	49.3	30.0	0.88	55.8	34.0	0.360	40.8	1.2		
4 2001	46.8	34.0	1.28	36.5	26.5	0.440	34.3	1.3		
5 2002	42.5	25.1	1.54	27.5	16.3	0.520	33.7	2.1		
6 TOTAL		144.3		64.0	42.8		197.2			
7 AVERAGE		28.9		32.0	21.4		39.4			
8 AVERAGE PRICE EARNINGS RATIO			26.7	9 CURRENT PRICE EARNINGS RATIO				29.5		

4 Proj. P/E [26.40] Based on Next 4 qtr. EPS [1.30] Current P/E Based on Last 4 qtr. EPS [1.16] EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

A HIGH PRICE -- NEXT 5 YEARS

Avg. High P/E 32.0 (3D7 as adj.) X Estimate High Earnings/Share 2.05 = Forecast High Price \$ 65.6 (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E 21.4 (3E7 as adj.) X Estimated Low Earnings/Share 1.54 = \$ 33.0

(b) Avg. Low Price of Last 5 Years = 28.9 (3B7)

(c) Recent Severe Market Low Price = 25.1

(d) Price Dividend Will Support Present Divd. 0.600 = 29.0
High Yield (H) 0.021

Selected Estimate Low Price = \$ 28.9 (4B1)

C ZONING

65.6 (4A1) High Forecast Price Minus 28.9 (4B1) Low Forecast Price Equals 36.7 (C) Range. 1/3 of Range = 9.2 (4CD)

(4C2) Lower 1/3 = 28.9 (4B1) to 38.1 (Buy) Note: Ranges changed to 25%/50%/25%

(4C3) Middle 1/3 = 38.1 to 56.4 (Maybe)

(4C4) Upper 1/3 = 56.4 (4A1) to 65.6 (Sell)

Present Market Price of 34.300 is in the Buy (4C5) Range

D UP-SIDE DOWN-SIDE RATIO (Potential Gain vs. Risk of Loss)

High Price (4A1) 65.6 Minus Present Price 34.300 = 31.3 = 5.8 To 1
 Present Price 34.300 Minus Low Price (4B1) 28.9 = 5.4 (4D)

E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

High Price (4A1) 65.6
 Present Market Price 34.300 = (1.913) X 100 = (191.3) - 100 = 91.3 (4E) % Appreciation

Relative Value: 110.5% Proj. Relative Value: 98.9%

5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

Note: Results are expressed as a simple rate; use the table below to convert to a compound rate.

A Present Full Year's Dividend \$ 0.600
 Present Price of Stock \$ 34.300 = 0.017 X 100 = 1.7 (5A) Present Yield or % Returned on Purchase Price

B AVERAGE YIELD OVER NEXT 5 YEARS

Avg. Earnings Per Share Next 5 Years 1.64 X Avg. % Payout (3G7) 39.4 = 64.6 = 1.9 (5B) %

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

	5 Year Appreciation Potential (4E)	Average Yield (5B)	Average Total Annual Return Over the Next 5 Years (5C)	P.A.R. Average Yield	Tot. Ret.
	<u>91.3</u>	<u>1.9</u> %	<u>18.3</u> %	<u>1.5%</u>	<u>1.2%</u>
				<u>9.8%</u>	<u>13.8%</u>
				<u>11.3%</u>	<u>15.1%</u>

Trailing 4 quarters

PERT Worksheet-A Graph

Company PFIZER INC (PFE)

