

PFIZER INC
Form 425
November 23, 2015

Pfizer and Allergan to Combine
Creating a New Global Biopharmaceutical
Leader
November 2015
Filing pursuant to Rule 425 under the
Securities Act of 1933, as amended

Edgar Filing: PFIZER INC - Form 425

Deemed filed under Rule 14a-12 under the
Securities Exchange Act of 1934, as amended
Filer: Allergan
plc
Subject Company: Pfizer Inc.
Commission File Number: 001-03619
Date: November 23, 2015

Information Related to This Communication

2

NO OFFER OR SOLICITATION

This communication is not intended to and does not constitute an offer to sell or the solicitation of an offer to subscribe for or to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction, nor shall there be any sale or transfer of securities in any jurisdiction in contravention of applicable law.

This communication is not intended to be and is not a prospectus for the purposes of Part 23 of the Companies Act 2014 of Ireland.

Act), Prospectus (Directive 2003/71/EC) Regulations 2005 (S.I. No. 324 of 2005) of Ireland (as amended from time to time) Rules issued by the Central Bank of Ireland pursuant to section 1363 of the 2014 Act, and the Central Bank of Ireland (CBI) this communication.

IMPORTANT ADDITIONAL INFORMATION WILL BE FILED WITH THE SEC

In connection with the proposed transaction between Pfizer Inc. (Pfizer) and Allergan plc (Allergan), Allergan will file with the Securities and Exchange Commission (the SEC) a registration statement on Form S-4 that will include a Joint Proxy Statement of Pfizer and Allergan (the Joint Proxy Statement/Prospectus). Pfizer and Allergan plan to mail to their respective shareholders the definitive Joint Proxy Statement/Prospectus in connection with the transaction. INVESTORS AND SECURITY HOLDERS OF PFIZER AND ALLERGAN ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC CAREFULLY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT PFIZER, ALLERGAN, THE TRANSACTION AND RELATED MATTERS. Investors and security holders may obtain free copies of the Joint Proxy Statement/Prospectus (when available) and other documents filed with the SEC by Pfizer through the website maintained by the SEC at www.sec.gov. In addition, investors and security holders will be able to obtain free copies of documents filed with the SEC by Pfizer by contacting Pfizer Investor Relations at Bryan.Dunn@pfizer.com or by calling (212) 261-7488. Investors will be able to obtain free copies of the documents filed with the SEC by Allergan by contacting Allergan Investor Relations at investor.relations@actavis.com or by calling (862) 261-7488.

PARTICIPANTS IN THE SOLICITATION

Pfizer, Allergan and certain of their respective directors, executive officers and employees may be considered participants in the solicitation of proxies in connection with the proposed transaction. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of the respective shareholders of Pfizer and Allergan in connection with the proposed transaction, including a description of their direct or indirect interests, by security holdings or otherwise, will be set forth in the Joint Proxy Statement/Prospectus filed with the SEC. Information regarding Pfizer's directors and executive officers is contained in Pfizer's proxy statement for its 2015 annual meeting of stockholders, which was filed with the SEC on March 12, 2015, and certain of Pfizer's Current Reports on Form 8-K regarding Allergan's directors and executive officers is contained in Allergan's proxy statement for its 2015 annual meeting of stockholders, which was filed with the SEC on April 24, 2015, and certain of Allergan's Current Reports on Form 8-K.

Forward-Looking Statements

3

Pfizer Cautionary Statement Regarding Forward-Looking Statements

This communication contains certain forward-looking statements with respect to the proposed transaction between Pfizer and A forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-look use future dates or words such as anticipate , target , possible , potential , predict , project , forecast , outlook estimate , intend , plan , goal , believe , hope , aim , continue , will , may , might , would , could

expressions of similar meaning or the negative thereof. Such forward-looking statements include, but are not limited to, statements of the expected benefits of the proposed transaction, including anticipated future financial and operating results, synergies, accretion and growth, Allergan's and the combined company's plans, objectives, expectations, intentions and anticipated financial results, plans relating to share repurchases and dividends, and the expected timing of completion of the transaction. There are several factors which could cause actual results and results to differ materially from those expressed or implied in forward-looking statements. Such factors include, but are not limited to, failure to obtain necessary regulatory approvals (and the risk that such approvals may result in the imposition of conditions that could materially affect the combined company or the expected benefits of the transaction) and shareholder approvals or to satisfy any of the other conditions for the transaction on a timely basis or at all, the occurrence of events that may give rise to a right of one or both of the parties to terminate the transaction agreement, adverse effects on the market price of Pfizer's common stock and on Pfizer's operating results because of a failure to complete the transaction in the anticipated time frame or at all, failure to realize the expected benefits and synergies of the transaction, restructuring costs in connection with the transaction and subsequent integration of Pfizer and Allergan, negative effects of the announcement or the completion of the transaction on the market price of Pfizer's common stock and on Pfizer's operating results, risks relating to the value of the securities to be issued in the transaction, significant transaction costs and/or unknown liabilities, the risk of litigation and/or regulatory action, the loss of senior management or scientific staff, general economic and business conditions that affect the companies following the transaction, changes in global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax laws, regulations, rates and policies, future business combinations or disposals, competitive developments, and the uncertainties inherent in business and development. By their nature, forward-looking statements involve known and unknown risks and uncertainties because they are based on and depend on circumstances that will occur in the future. The factors described in the context of such forward-looking statements in this communication could cause Pfizer's plans with respect to Allergan, actual results, performance or achievements, industry results and market developments to differ materially from those expressed in or implied by such forward-looking statements. Persons reading this communication are cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this communication. Pfizer has no obligation to update or revise the information contained in this communication (whether as a result of new information, future developments or otherwise), except as required by applicable law. A further description of risks and uncertainties can be found in Pfizer's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and in its subsequent reports on Form 10-Q, including in the sections thereof entitled "Risk Factors" and "Forward-Looking Information and Factors That May Affect Future Results", as well as in its subsequent reports on Form 10-Q which are filed with the SEC and available at www.sec.gov and www.pfizer.com.

Forward-Looking Statements

4

Allergan Cautionary Statement Regarding Forward-Looking Statements

Statements contained in this communication that refer to Allergan's anticipated future events, estimated or anticipated future results, or other information that is not based on historical facts are forward-looking statements that reflect Allergan's current perspective of existing trends and information as of the date of this communication. Forward looking statements generally will be accompanied by words such as such as anticipate, target, expect, predict, project, forecast, outlook, guidance, expect, estimate, intend, plan, goal, believe, hope, or similar words.

might, would, could or should or other similar words, phrases or expressions or the negatives thereof. Such forward-looking statements include, but are not limited to, statements about the benefits of the proposed transaction, including future financial and operating synergies, Pfizer's, Allergan's and the combined company's plans, objectives, expectations and intentions, and the expected results of the transaction. It is important to note that Allergan's goals and expectations are not predictions of actual performance. Actual results may differ materially from Allergan's current expectations depending upon a number of factors affecting Allergan's business, Pfizer's business and the combined company associated with business combination transactions. These factors include, among others, the inherent uncertainty associated with financial projections; restructuring in connection with, and successful closing of, the proposed transaction; subsequent integration of Pfizer and Allergan and the ability to recognize the anticipated synergies and benefits of the proposed transaction; the ability to obtain required regulatory approvals for the transaction (including the approval of antitrust authorities necessary to complete the transaction), the timing of obtaining such approvals and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company's operations and the benefits of the transaction; the ability to obtain the requisite Pfizer and Allergan shareholder approvals; the risk that a condition to the proposed transaction may not be satisfied on a timely basis or at all; the failure of the proposed transaction to close for any other reason; fluctuations relating to the value of the Allergan shares to be issued in the transaction; the anticipated size of the markets and continued demand for Pfizer and Allergan's products; the difficulty of predicting the timing or outcome of FDA approvals or actions, if any; the impact of regulatory actions on pricing; market acceptance of and continued demand for Allergan's and Pfizer's products; difficulties or delays in manufacturing; fluctuations in foreign currency exchange rates; the risks and uncertainties normally incident to the pharmaceutical industry, including product liability claims and the availability of product liability insurance on reasonable terms; the difficulty of predicting the timing or outcome of future litigation or government investigations; periodic dependence on a small number of products for a material source of net sales; the variability of trade buying patterns; changes in generally accepted accounting principles; risks that the carrying values of assets and liabilities are impacted by future events and circumstances; the timing and success of product launches; costs and efforts to defend or enforce intellectual property rights; the availability and pricing of third party sourced products and materials; successful compliance with government regulations applicable to Allergan's and Pfizer's facilities, products and/or businesses; changes in the laws and regulations affecting, including changes in the pricing and reimbursement of pharmaceutical products; risks associated with tax liabilities, or changes in U.S. federal or international tax interpretations to which they are subject, including the risk that the Internal Revenue Service disagrees that Allergan is a foreign corporation for U.S. federal tax purposes; the loss of key senior management or scientific staff; and such other risks and uncertainties detailed in Allergan's periodic public filings with the Securities and Exchange Commission, including but not limited to Allergan's Annual Report on Form 10-K for the year ended December 31, 2014, Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015, Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, and from time to time in Allergan's other investor communications. Except as required by law, Allergan disclaims any intent or obligation to update these forward-looking statements.

Irish Takeover Rules and Non-GAAP Financial Information

5

Applicability of the Irish Takeover Rules

As the transaction constitutes a "reverse takeover transaction" for the purposes of the Irish Takeover Panel Act, 1997, Takeover no longer in an offer period and therefore Rule 8 of the Irish Takeover Rules does not apply to the transaction from the date of is no longer a requirement to make dealing disclosures pursuant to Rule 8.

Statement Required by the Irish Takeover Rules

The directors of Pfizer accept responsibility for the information contained in this communication other than that relating to Allergan and the directors of Allergan and members of their immediate families, related trusts and persons connected with them. To the best of their knowledge and belief (and to the best of their knowledge and belief they have taken all reasonable care to ensure that such is the case), the information contained in this communication for which they accept responsibility does not omit anything likely to affect the import of such information.

The directors of Allergan accept responsibility for the information contained in this communication relating to Allergan and the directors of Allergan and members of their immediate families, related trusts and persons connected with them. To the best of the knowledge and belief of the directors of Allergan (and to the best of their knowledge and belief they have taken all reasonable care to ensure that such is the case), the information contained in this communication for which they accept responsibility is in accordance with the facts and circumstances of the case and the information.

Goldman Sachs International, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority in the United Kingdom, and its affiliate, Goldman, Sachs & Co, are acting as joint financial adviser to Pfizer and no one else in connection with the proposed transaction, Goldman Sachs International and Goldman, Sachs & Co, their affiliates and their respective partners, directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to anyone other than Pfizer for providing the protections afforded to their clients or for giving advice in connection with the proposed transaction or any other matter referred to in this announcement.

Guggenheim Securities, LLC is a broker dealer registered with the United States Securities and Exchange Commission and is acting as financial adviser to Pfizer in connection with the proposed transaction. In connection with the proposed transaction, Guggenheim Securities, LLC, its affiliates, partners, directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to anyone other than Pfizer for providing the protections afforded to their clients or for giving advice in connection with the proposed transaction or any other matter referred to in this announcement. J.P. Morgan Limited (which conducts its UK investment banking business as J.P. Morgan Cazenove) (J.P. Morgan) is acting as financial adviser to Allergan and no one else in connection with the proposed transaction. J.P. Morgan Limited, its affiliates, partners, directors, officers, employees and agents will not regard any other person as its client in relation to the matters in this announcement and will not be responsible to anyone other than Allergan for providing the protections afforded to clients of J.P. Morgan or its affiliates, nor for providing advice in relation to any matter referred to herein.

Morgan Stanley & Co. LLC acting through its affiliate, Morgan Stanley & Co. International plc, is financial adviser to Allergan and no one else in connection with the proposed transaction. In connection with such matters, Morgan Stanley & Co. LLC, Morgan Stanley & Co. International plc, and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to anyone other than Allergan for providing the protections afforded to their clients or for providing advice in connection with the contents of this announcement or any other matter referred to herein. Unless otherwise defined, capitalised terms used in this Statement Required by the Irish Takeover Rules shall have the meaning given to them in the Statement Required by the Irish Takeover Rules issued by Pfizer and Allergan on November 23, 2015.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN, INTO OR FROM ANY JURISDICTION WHERE IT WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

Non-GAAP Financial Information

This presentation includes certain financial measures regarding Pfizer that were not prepared in accordance with U.S. generally accepted accounting principles. Non-U.S. GAAP financial measures presented should not be viewed as substitutes for financial measures required by U.S. GAAP. Such non-U.S. GAAP financial measures may not be comparable to the calculation of similar measures of other companies.

Creating a New Global Biopharmaceutical Leader

6

Best-in-Class Businesses

Bolsters top-tier innovative biopharma business with leadership positions in new therapeutic areas of growth

Creates

the

world's

leading

1

established

products business well-positioned for

global long-term growth

Enhances Growth Profile

Strengthens top-line growth potential

Deep pipeline of innovative therapies

Opportunity for meaningful synergies

Leverages experience of both

companies in integrating large

organizations

Increases Financial Flexibility

Substantially improves access to cash for

investment in bringing new medicines to

patients and direct return to shareholders

Increased flexibility better enables

continued investment in the U.S.

Preserves Future Optionality

Allergan strategically fits with existing

Pfizer Innovative and Established

structure

Improves growth durability and

financial flexibility of both businesses

1. Measured by revenue.

Innovative
Established
(Including Hospira)
2013-2015

Build two pharma
businesses with
distinct capabilities

Pfizer has Been on a Consistent Path to Create
Best-in-Class Innovative and Established Businesses

Trademarks are the property of their respective owners and used for information purposes only.

2010-2013

Focus on core
pharma business and
unlock trapped value

Enhance Category Leadership

7

Nutritionals

Generate Sustainable Growth

Optimize Capital Structure

Leverage Global Scale
and Capabilities

2015+

Optimize our two pharma
businesses while fully utilizing
enterprise capital structure

Allergan Accelerates Pfizer's Strategic Objectives

8

Enhance Category Leadership

Generate Sustainable Growth

Optimize Capital Structure

Leverage Global Scale

and Capabilities

Strong innovative category leadership with durable flagship franchises built on exceptional customer connections
Multiple drivers of innovative growth across a broad mix of payer types
Potential revenue synergies driven by durable product franchises that can benefit from Pfizer's global scale for growth
High degree of financial flexibility

A Strong Foundation From Which to Build

9

2015E
Pro Forma
Revenue

~\$48
billion

1
Powerful
Global
Capabilities
and Reach

~30,000 U.S. colleagues

~65,000 ex-U.S. colleagues

Enhanced
Innovative
Category
Leadership

~\$16
billion

2

~10,000
U.S.
colleagues
3

~5,000
ex-U.S.
colleagues
3

Oncology

Vaccines

Cardio Metabolic

Rare Diseases

Inflammation &
Immunology

Aesthetics & Dermatology

Eye Care

Neuroscience

1.
Represents mid-point of Pfizer 2015 revenue guidance range issued on October 27, 2015. Please see Pfizer's Current Report on Form 10-Q for the fiscal quarter ended September 27, 2015 for assumptions and disclosures regarding

2.
Based on Allergan's public disclosure dated July 27, 2015 for the remaining Allergan business pro forma for the pending divestiture of Allergan's generic business to Teva.

3.
Pro forma for the pending divestiture of Allergan's generic business to Teva.

Sustainable Growth
Platform with
Category Leadership
Capabilities in

Maximizing

Established Brands

Allergan is a Growth Pharma Leader

10

Double digit branded sales

growth

1

Product line depth and category leadership

Productive investment in R&D through focus on

Open Science model

Highly-efficient SG&A spending

Experienced team committed

to success

Powerful global supply chain recognized as a

leader in customer service

Innovative Revenue

Growth

2

Double Digit

Established Revenue

Growth

2

Mid Single Digit

Source: EvaluatePharma and analyst consensus.

Note: Allergan figures are pro forma for the pending divestiture of Allergan's generic business to Teva.

1.

As disclosed in Allergan's Q3 2015 Earnings release dated November 4, 2015.

2.

Represents

anticipated

growth

for

2016E

2020E

based

on

analyst

estimates.

Characteristics that Define Our Exceptional Company

Allergan's World-Renowned Brands

11

Women's Health

Other

(including CV)

Anti-Infectives

Urology

Eye Care
Aesthetics &
Dermatology
Neuroscience
GI
U.S. & Canada
U.S. & Canada
International
International

More Than 70 Mid-to-Late Stage Development
Opportunities in Key Therapeutic Areas

12

Skin Quattro Device

Delivery for
Facial Fillers

21

Aesthetics &
Dermatology
Oxymetazoline
Rosacea
Aczone Reform
Acne Vulgaris
Sarecycline
Acne
Juvederm
Global Nasal
Labial Folds
Vobella
Lips Fine Lines
Botox
Forehead
Lines
Volift
Nasolabial Folds
Voluma
Filler for Temple
Voluma Plus
Facial Volumes
Voluma Global
Malar Augmentation
Phoenix
Breast Augmentation
VoLite
Filler
Voluma
Filler for Chin
Oxybutynin
Hyperhidrosis
Bimatoprost
Androgenic
Alopecia
MT10109L
Aesthetics
Facial Lines
HA Threads
Forehead & Neck
Aczone Combo
Acne Vulgaris
Setipiprant
Androgenic Alopecia
Bimatoprost
Submental Fat
Reduction
Women s Health
4
Estradiol

Vaginal Cream VVA &
Dyspareunia
Ulipristal
Fibroids
Estradiol
Vag Caps VVA
& Dyspareunia
Etonogestral Ring
Contraception
9
CNS
Rapastinel
MDD
AGN-241689
Migraine
Prophylaxis
Ubrogepant
Acute
Migraine
Botox
MDD
Vraylar
Multiple
Semprana
Acute Migraine
Vraylar
Bipolar Depression
Botox X
Spasticity
AGN-241660
MDD
9
Biosimilar X
Indication X
Nebivolol/Valsartan
Hypertension
Botox
Multiple
Bevacizumab
Multiple Cancer
Cetuximab
Multiple Cancer
Trastuzumab
Multiple Cancer
Rituximab
Non-Hodgkin
Lymphoma
TRV-027
Acute Heart Failure
Armour Thyroid

Hypothyroidism
Other
(Biosimilars, Cardiovascular and other)
Urology
4
Botox
Premature
Ejaculation
LiRIS
Interstitial
Cystitis
SER-120
Adult Nocturia
Botox
Indication X
17
Eye
Care
Tripligan
(MMT) Ocular
HTN & Glaucoma
FPR2
Agonist Dry Eye
Disease
Mimetogen
Dry Eye
Bimatoprost SR
Glaucoma
Ganfort
MDPF
Restasis
MDPF
Omega 3 OTC
Dry Eye
Pilo/Oxy
Presbyopia
Cortisol Analog
Dry Eye Disease
Brimo DDS
Atrophic AMD
Androgen
Evaporative Dry Eye
Cyclosporine SR
Dry Eye
DARPin
®
DME
Dual DARPin
®
AMD

DARPin

®

SR

AMD

OCU Tearbud 1

Dry Eye

DARPin

®

AMD

GI

Linzess

OIC

Linzess

Colonic

Release CIC

Linzess

Low Dose CIC

Viberzi

IBS-D

5

Relamorelin

Diabetic

Gastroparesis

Avycaz

cUTI, cIAI

5

Anti-Infective

Dalbavancin

Osteomyelitis

Dalbavancin

Endocarditis

Dalbavancin ABSSSI

Single Dose

Aztreonam /

Avibactam

Gram Neg Infect

Source: Allergan standalone pipeline information as of Allergan R&D Day on November 4, 2015.

Why Combination is Attractive for Allergan
Stakeholders

13

Accelerates strategy to move up the value chain and creates a new
leader in innovative biopharmaceuticals

Leverages long-term upside
of enhanced combined innovative pipeline

Ability to leverage Pfizer's global scale
to maximize value of Allergan's
leading innovative franchises

Delivers immediate, long-term value to Allergan shareholders
and

continued shareholder returns (including dividends, buybacks)

Opportunity to continue delivering significant shareholder value through
enhanced scale, capabilities and operating synergies

Transaction Overview

14

Purchase

Price

Name and

Relative

Ownership

Shareholder
Consideration

\$160B transaction, based on 11.3 shares of the combined company for each Allergan share, implying a price of \$363.63 per Allergan share¹

Pfizer stockholders receive 1 share of the combined company for each Pfizer share, or may elect to receive cash for some or all of their Pfizer Inc. shares
4

Allergan shareholders receive ~4.7B³ shares of the combined company as a result of an 11.3-for-1 share split

Shares to remain NYSE listed and traded under the PFE ticker

Pfizer and Allergan will be combined under the existing Allergan entity and the continuing company will be called Pfizer plc²

Pfizer stockholders will own ~56% of the combined company shares³

1. Allergan price per share based on Pfizer closing share price of \$32.18 on November 20, 2015 and an assumed 11.3 for 1 split
2. Subject to shareholder vote.
3. Pro forma ownership is on a fully diluted basis assuming \$12 billion cash paid and does not consider ordinary course buybacks
4. Total cash paid in the merger will be a minimum of \$6 billion and a maximum of \$12 billion, and stock and cash elections will ensure that at least \$6 billion and no more than \$12 billion of cash is paid in the merger.

Transaction Overview

continued

15

The Combination is at an
Implied Price of \$363.63 per Allergan
Share¹

Allergan increases amount of its authorized

share capital,
and

Allergan effects an 11.3-for-1 share split and
Allergan shareholders hold ~4.7B³
shares of the
combined company, which allows for
Current Pfizer stockholders to receive ~5.9B³
new
shares of the combined company through a 1-for-1
share exchange, with the ability to elect to receive
cash in lieu of combined company shares

4

1.

Allergan price per share based on Pfizer closing share price of \$32.18 on November 20, 2015 and an assumed 11.3 for 1 split of

2.

Subject to shareholder vote.

3.

Pro forma ownership is on a fully diluted basis assuming \$12 billion cash paid and does not consider ordinary course buybacks

4.

Total cash paid in the merger will be a minimum of \$6 billion and a maximum of \$12 billion, and stock and cash elections will
at least \$6 billion and no more than \$12 billion of cash is paid in the merger.

Using Existing Irish Allergan TopCo

~56%³

~44%³

Pfizer plc

Combined Company

Renamed Pfizer plc²

Pro Forma

Ownership

Pro Forma

Ownership

1

2

3

Transaction Overview
continued
16
Location
Governance
Closing

Global operational headquarters in New York

Maintain Allergan's Irish domicile

Closing expected in the second half of 2016

Subject to customary closing conditions, including Pfizer and Allergan shareholder approvals and regulatory approvals, as well as completion of Allergan's pending divestiture to Teva

Both companies have the right to terminate in specified circumstances with termination fees of up to \$3.5 billion

Unanimously approved by both Boards

Pfizer plc's Board is expected to have 15 directors, consisting of all of Pfizer's 11 current directors and 4 current directors of Allergan, including Allergan's current Executive Chairman and Allergan's current CEO

Pfizer's Chairman and CEO will serve as Chairman and CEO of the combined company and Allergan's CEO will serve as President and COO

Financial Highlights

17

More than \$2B in expected peak annual operating synergies

Full synergies are projected to be achieved over the first 3 years post-close
Synergy

Capture

Significantly expands access to cash, providing optimal financial flexibility, including substantial continued investment in the U.S.

Expect combined operating cash flow in excess of \$25B beginning in 2018

Expected

pro

forma

adjusted

effective

tax

rate

to

be

approximately

17%

18% by the first full year after closing

Enhanced

Financial

Flexibility

Expected

to

be

neutral

to

adjusted

diluted

EPS¹

in

2017,

modestly

accretive

beginning in calendar year 2018, more than 10% accretive in 2019 and

high-teens percentage accretion in 2020²

Compelling

Earnings

Accretion

Enhanced

Growth

Profile

Enhances top-

and bottom-line growth profile of both innovative and

established businesses

Remain committed to attractive current dividend policy, targeting a

50% dividend payout ratio

Strong
Shareholder
Returns

1.

Adjusted income and its components and adjusted diluted EPS are defined as U.S. GAAP reported net income and its components excluding purchase accounting adjustments, acquisition-related costs, discontinued operations and certain significant items.

2.

Expectations include the impact of expected share repurchases following the transaction.

1

Vaccines
Best-in-Class Innovative Business
18
Oncology
Cardio
Metabolic
Rare Disease

Inflammation &

Immunology

Aesthetics &

Dermatology

Eye Care

Expands Innovative Category Leadership With Strong Flagship Products

Projected to Generate Sustainable Innovative Growth

Diversifies portfolio

of payer types

Strengthens capabilities in

developing and sourcing

new molecular entities and

new indications

Adds portfolio of growing,

durable flagship franchises

Selected

Brands

Note: Investing in neuroscience R&D to position Pfizer for a category leadership position in the longer-term.

Top-Tier Growth Pharma Business Positioned for
Sustained Long-Term Leadership

19

2016E

2020E Consensus¹

Innovative Business Revenue CAGR

Expected Innovative Business Growth

Sustained by Strong Pipeline

2

Over 100 innovative mid-to-late stage programs in clinical development

New Products

New Indications

High Single Digit

Mid Single Digit

1.

Represents anticipated growth for 2016E - 2020E based on analyst estimates.

2.

Represents combined pro forma Pfizer-Allergan innovative revenue. Assumes Pfizer's Lyrica and Viagra are moved to Establishments-LOE status.

Increased scale

Durable mature product franchises
in key therapeutic areas including
CV, neuroscience, pain, women's
health and anti-infectives

Managing peri-LOE products in
developed markets

Leveraging Pfizer's global scale to
drive strong emerging markets
growth across the portfolio

The World's Leading¹

Established Products Business

20

Pro Forma Scale and Complementary Capabilities

Maximize the Combined Established Products Portfolio

Combined Scale

Combined Capabilities

Established

Product

2015E Pro Forma Revenue

>\$30

BILLION

Source: EvaluatePharma and analyst estimates.

Note: Assumes Pfizer's Lyrica and Viagra are moved to Established Business given peri-LOE status.

1. Measured by revenue.

Combined Proven Track Record of Successful Integration

21

Immediate focus on early integration planning

Will identify

best-of-the-best of both organizations

Complementary corporate cultures will enable colleagues to
build upon mutual areas of expertise

Legacy businesses have a strong record of
meeting and
exceeding synergy targets
Long History of Successful Integration
of Transformational Business Combinations

Key Takeaways

22

Best-in-Class Businesses

Enhances Growth Profile

Preserves Future Optionality

Increases Financial Flexibility

A Compelling Combination