PFIZER INC
Form 424B3
October 22, 2002

Filed Pursuant to Rule 424(b)(3)
Registration No. 333-98105

[PFIZER LOGO]

October 21, 2002

Dear Shareholder:

I am pleased to enclose a copy of the joint proxy statement/prospectus describing our proposed merger with Pharmacia Corporation ("Pharmacia"). This document sets forth certain information about Pfizer and Pharmacia and the terms and conditions of the merger and provides instructions as to how to vote your shares in connection with the merger. I urge you to read the enclosed materials carefully.

On behalf of your Board of Directors, I thank you for your continued support.

Sincerely,

/s/ Dr. Henry McKinnell
Dr. Henry A. McKinnell
Chairman and Chief Executive Officer

[PFIZER'S LOGO] [PHARMACIA'S LOGO]

MERGER PROPOSAL--YOUR VOTE IS IMPORTANT

The boards of directors of Pfizer Inc. and Pharmacia Corporation have approved a merger designed to create the world's largest pharmaceutical company. We believe the combined company will be able to create substantially more shareholder value than could be achieved by either company individually.

If the merger is completed, Pharmacia shareholders will receive 1.4 shares of Pfizer common stock for each share of Pharmacia common stock, plus cash in lieu of fractional shares. Each share of Pharmacia convertible perpetual preferred stock will be exchanged for a newly created class of Pfizer convertible perpetual preferred stock with substantially identical rights. Pfizer shareholders will continue to own their existing Pfizer shares. We estimate that Pfizer may issue up to 1.804 billion shares of Pfizer common stock to Pharmacia shareholders. Upon completion of the merger, Pfizer's shareholders will own approximately 77% of the combined company on a fully diluted basis, and Pharmacia shareholders will own approximately 23% of the combined company on a fully diluted basis. The shares of the combined company will be traded on the New York Stock Exchange under the symbol "PFE."

We are asking the PFIZER shareholders to approve the issuance of shares of Pfizer common stock in the merger and an amendment to the Pfizer certificate of incorporation. Pfizer's special meeting will be held:

Friday, December 6, 2002

9:00 a.m. local time

Hotel du Pont
11th and Market Streets
Wilmington, Delaware 19801

Pfizer's board of directors unanimously recommends that Pfizer shareholders vote FOR the issuance of shares of Pfizer common stock in the merger and the amendment to the Pfizer certificate of incorporation.

We are asking the PHARMACIA shareholders to adopt the merger agreement. Pharmacia's special meeting will be held:

Monday, December 9, 2002
1:00 p.m. local time

Hotel du Pont
11th and Market Streets
Wilmington, Delaware 19801

Pharmacia's board of directors unanimously recommends that Pharmacia shareholders vote FOR the adoption of the merger agreement.

We cannot complete the merger unless the shareholders of Pharmacia adopt the merger agreement and the shareholders of Pfizer approve the issuance of shares of Pfizer common stock in the merger and the amendment to the Pfizer certificate of incorporation. YOUR VOTE IS IMPORTANT.

We believe this merger will create a strong combined company that will deliver important benefits to its shareholders and customers.

/s/ Dr. Henry McKinnell	/s/ Fred Hassan
DR. HENRY MCKINNELL Chairman and Chief Executive Officer Pfizer Inc.	FRED HASSAN Chairman and Chief Executive Officer Pharmacia Corporation

CONSIDER THE RISKS DESCRIBED ON PAGES I-20 THROUGH I-22 OF THIS DOCUMENT.

NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED THE SECURITIES TO BE ISSUED UNDER THIS JOINT PROXY STATEMENT/PROSPECTUS OR DETERMINED IF THIS JOINT PROXY STATEMENT/PROSPECTUS IS ACCURATE OR ADEQUATE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS JOINT PROXY STATEMENT/PROSPECTUS IS DATED OCTOBER 21, 2002, AND IS FIRST BEING MAILED TO THE SHAREHOLDERS OF PFIZER AND PHARMACIA ON OR ABOUT OCTOBER 25, 2002.

REFERENCES TO ADDITIONAL INFORMATION

This joint proxy statement/prospectus incorporates important business and financial information about Pfizer and Pharmacia from other documents that are not included in or delivered with this joint proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain those documents incorporated by reference in this joint proxy statement/prospectus by requesting them in writing or by telephone from the appropriate company at the following addresses and telephone numbers:

Pfizer Inc.	Pharmacia Corporation
Shareholder Services	Investor Relations
235 East 42nd Street	100 Route 206 North
New York, NY 10017	Peapack, NJ 07977
Tel: (212) 573-2323	Tel: 1-877-768-6973

If you would like to request documents, please do so by November 29, 2002, in order to receive them before your special meeting.

See "Where You Can Find More Information" beginning on page V-3.

VOTING ELECTRONICALLY OR BY TELEPHONE

Pfizer shareholders of record may submit their proxies:

- Through the Internet, by visiting a web site established for that purpose at www.eproxyvote.com/pfe and following the instructions; or

- By telephone, by calling the toll-free number 1-877-PRX-VOTE (1-877-779-8683) in the United States, Canada or Puerto Rico on a touch-tone phone and following the recorded instructions; or

- Outside the United States, Canada and Puerto Rico, by calling (201)536-8073.

Pharmacia shareholders of record may submit their proxies:

- Through the Internet, by visiting a web site established for that purpose at www.eproxy.com/pha and following the instructions; or

- By telephone, by calling the number 1-800-435-6710 in the United States, Canada or Puerto Rico on a touch-tone phone and following the recorded instructions.

If you are a beneficial owner, please refer to your proxy card or the information forwarded by your bank, broker or other holder of record to see which options are available to you.

[PFIZER LOGO]

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
OF PFIZER INC.

NOTICE IS HEREBY GIVEN that Pfizer Inc. will hold a special meeting of its shareholders on Friday, December 6, 2002, 9:00 a.m., local time, at the Hotel du Pont, 11th and Market Streets, Wilmington, Delaware 19801 for the following purposes:

1. To consider and vote on a proposal to approve the issuance of shares of Pfizer common stock under an Agreement and Plan of Merger, dated as of July 13, 2002, among Pfizer, a wholly-owned subsidiary of Pfizer, and Pharmacia. A copy of the merger agreement is attached as Annex A to the joint proxy statement/prospectus accompanying this notice;

2. To consider and vote upon a proposal to amend the Pfizer certificate of

incorporation to increase the authorized share capital; and

3. To transact such other business as may properly come before the special meeting and any adjournment or postponement thereof.

Holders of record of Pfizer common stock at the close of business on October 18, 2002, are entitled to receive this notice and to vote their shares at the special meeting or any adjournment or postponement of that meeting. As of that date, there were 6,163,420,160 shares of common stock outstanding. Each share of common stock is entitled to one vote on each matter properly brought before the meeting.

A list of shareholders entitled to vote at the Pfizer special meeting will be available at the special meeting and for ten days prior to the meeting, between the hours of 8:45 a.m. and 4:30 p.m., at our offices at 235 East 42nd Street, New York, New York. You should contact the Secretary of Pfizer if you wish to review this list of shareholders.

IF YOU PLAN TO ATTEND THE SPECIAL MEETING, AN ADMISSION TICKET OR PROOF OF OWNERSHIP OF PFIZER STOCK MUST BE SHOWN AT THE DOOR. PLEASE SEND A WRITTEN REQUEST, ALONG WITH PROOF OF YOUR OWNERSHIP OF PFIZER STOCK TO: PFIZER SHAREHOLDER SERVICES, 235 EAST 42ND STREET, 7TH FLOOR, NEW YORK, NEW YORK 10017 OR CALL 1-877-366-1576 TO OBTAIN AN ADMISSION TICKET.

The Hotel du Pont is accessible to disabled persons and, upon request, we will provide wireless headsets for hearing amplification. If you require this service or other special accommodations, please send a written request to the address noted above.

YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE TO APPROVE EACH OF THE COMPANY'S PROPOSALS LISTED ABOVE, ALL OF WHICH ARE DESCRIBED IN DETAIL IN THE ACCOMPANYING JOINT PROXY STATEMENT/PROSPECTUS.

By Order of the Board of Directors

/s/ Margaret M. Foran
Margaret M. Foran
Secretary

October 21, 2002
Pfizer Inc.
235 East 42nd Street
New York, NY 10017

IMPORTANT

Your vote is important. Please either (1) mark, sign, date and return the enclosed proxy card as promptly as possible in the enclosed postage-paid envelope; (2) use the telephone number shown on the proxy card to submit your proxy by telephone or (3) visit the web site noted on your proxy card to submit your proxy on the Internet. In this way, if you are unable to attend in person, your shares can still be voted at the Pfizer special meeting. REMEMBER, YOUR VOTE IS IMPORTANT, SO PLEASE ACT TODAY!

[PHARMACIA LOGO]

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS OF
PHARMACIA CORPORATION

To Pharmacia's Shareholders:

NOTICE IS HEREBY GIVEN that Pharmacia Corporation will hold a special meeting of its shareholders at Hotel du Pont, 11th and Market Streets, Wilmington, Delaware 19801, at 1:00 p.m., local time, on December 9, 2002. The purpose of the Pharmacia special meeting is to consider and to vote upon the following matters:

1. A proposal to adopt the Agreement and Plan of Merger, dated as of July 13, 2002 among Pfizer Inc., a wholly owned subsidiary of Pfizer, and Pharmacia. A copy of the merger agreement is included as Appendix A to the accompanying joint proxy statement/prospectus; and

2. To transact such other business as may properly come before the special meeting and any adjournment or postponement thereof.

In the merger, each share of Pharmacia common stock will be converted into the right to receive 1.4 shares of Pfizer common stock.

Holders of record of Pharmacia common stock and Pharmacia Series B convertible perpetual preferred stock at the close of business on October 18, 2002, are entitled to receive this notice and to vote their shares at the special meeting or any adjournment or postponement of that meeting. As of the record date, there were 1,291,834,639 shares of Pharmacia common stock outstanding. Each share of common stock is entitled to one vote on each matter properly brought before the meeting. In addition, as of the record date, shares of the Pharmacia Series B convertible perpetual preferred stock having votes equivalent to 6,188.41525 shares of common stock were held by one of the employee benefit plan trusts and are entitled to vote at the special meeting or any postponement or adjournment.

A list of Pharmacia shareholders entitled to vote at the special meeting will be available for inspection by any shareholder during regular business hours at the office of the Secretary of Pharmacia, 100 Route 206 North, Peapack, New Jersey, and at Hotel du Pont, 11th and Market Streets, Wilmington, Delaware 19801 for ten days prior to the date of the special meeting and will also be available at the special meeting.

If you owned shares on the record date and wish to attend the meeting in person, you must provide advance notice to Pharmacia when you vote or by writing to the Secretary of Pharmacia at the address below. If you do not hold shares in your own name, you must be able to provide proof of your beneficial ownership on the record date, such as an account statement from your bank, broker, custodian or other recordholder. To gain admittance to the meeting, you must check-in at the registration desk, show government-issued identification, provide proof of beneficial ownership on the record date if you are not a shareholder of record, and be on the admission list of individuals who have notified Pharmacia that they plan to attend.

YOUR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE TO ADOPT THE MERGER AGREEMENT. YOUR ATTENTION IS DIRECTED TO THE JOINT PROXY STATEMENT/PROSPECTUS ACCOMPANYING THIS NOTICE FOR A DISCUSSION OF THE MERGER AND THE MERGER AGREEMENT.

YOUR VOTE IS IMPORTANT.

By Order of the Board of Directors

/s/ Don W. Schmitz
Don W. Schmitz
Secretary

Peapack, New Jersey
October 21, 2002

IMPORTANT

Your vote is important. Please either (1) mark, sign, date and return the enclosed proxy card as promptly as possible in the enclosed postage-paid envelope; (2) use the telephone number shown on the proxy card to submit your proxy by telephone; or (3) visit the web site noted on your proxy card to submit your proxy on the Internet. In this way, if you are unable to attend in person, your shares can still be voted at the Pharmacia special meeting. REMEMBER, YOUR VOTE IS IMPORTANT, SO PLEASE ACT TODAY!

TABLE OF CONTENTS

ANNEXES

CHAPTER ONE

THE MERGER

QUESTIONS AND ANSWERS ABOUT THE MERGER

Q: WHAT DO I NEED TO DO NOW?

A: After you carefully read this document, mail your signed proxy card in the enclosed return envelope, or submit your proxy by telephone or on the Internet, as soon as possible, so that your shares may be represented at your meeting. In order to assure that your vote is recorded, please vote your proxy as instructed on your proxy card even if you currently plan to attend your meeting in person.

Q: WHY IS MY VOTE IMPORTANT?

A: If you do not return your proxy card or submit your proxy by telephone or through the Internet or vote in person at your special meeting, it will be more difficult for Pfizer and Pharmacia to obtain the necessary quorum to hold their special meetings. In addition, if you are a Pfizer shareholder, your failure to vote will have the effect of reducing the number of affirmative votes required to approve the issuance of shares of Pfizer common stock in the merger and will have the same effect as a vote against the amendment to the Pfizer certificate of incorporation. If you are a Pharmacia shareholder, your failure to vote will have the same effect as a vote against the adoption of the merger agreement.

Q: IF MY SHARES ARE HELD IN "STREET NAME" BY MY BROKER, WILL MY BROKER VOTE MY SHARES FOR ME?

A: No. If you do not provide your broker with instructions on how to vote your "street name" shares, your broker will not be permitted to vote them on either the adoption of the merger agreement by Pharmacia shareholders or approval of the issuance of shares of Pfizer common stock in the merger and amendment to the Pfizer certificate of incorporation by Pfizer shareholders.

You should therefore be sure to provide your broker with instructions on how to vote your shares. Please check the voting form used by your broker to see if it offers telephone or Internet submission of proxies.

Q: WHAT IF I FAIL TO INSTRUCT MY BROKER?

A: If you fail to instruct your broker to vote your shares and the broker submits an unvoted proxy, the resulting broker "non-vote" will be counted toward a quorum at the respective special meeting, but it will otherwise have the consequences set forth above under "WHY IS MY VOTE IMPORTANT?"

Q: CAN I CHANGE MY VOTE AFTER I HAVE MAILED MY PROXY CARD?

A: Yes. You can change your vote at any time before your proxy is voted at your company's special meeting. You can do this in one of three ways:

- timely delivery of a valid, later-dated proxy by mail, or a later-dated proxy by telephone or Internet;

- written notice to your company's Secretary before the meeting that you have revoked your proxy; or

- voting by ballot at either the Pfizer special meeting or the Pharmacia special meeting.

If you have instructed a broker to vote your shares, you must follow directions from your broker to change those instructions.

Q: WHEN AND WHERE ARE THE SPECIAL MEETINGS?

A: The Pfizer special meeting will take place on Friday, December 6, 2002, at the Hotel du Pont, 11th and Market Streets, Wilmington, Delaware 19801, at 9:00 a.m. The Pharmacia special meeting will take place on Monday, December 9, 2002 at Hotel du Pont, 11th and Market Streets, Wilmington, Delaware 19801, at 1:00 p.m.

Q: SHOULD I SEND IN MY STOCK CERTIFICATES NOW?

A: No. After the merger is completed, Pfizer will send Pharmacia shareholders written instructions for exchanging their stock certificates. Pfizer shareholders will keep their existing stock certificates.

Q: WHEN DO YOU EXPECT THE MERGER TO BE COMPLETED?

A: We are working to complete the merger by the end of 2002. However, it is possible that factors outside of our control could require us to complete the merger at a later time or not complete it at all. We hope to complete the merger as soon as reasonably practicable.

Q: WILL PFIZER SHAREHOLDERS RECEIVE ANY SHARES AS A RESULT OF THE MERGER?

A: No. Pfizer shareholders will continue to hold the Pfizer shares they currently own.

Q: WHO DO I CALL IF I HAVE QUESTIONS ABOUT THE MEETINGS OR THE MERGER?

A: Pfizer shareholders may call 1-877-366-1576.

Pharmacia shareholders may call 1-888-768-5501 ext. 1570.

I-2

CHAPTER ONE -- THE MERGER

SUMMARY

This summary highlights selected information from this joint proxy statement/prospectus and may not contain all of the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger agreement, you should carefully read this entire document and the documents to which we refer you. See "Where You Can Find More Information" on page V-3.

THE COMPANIES (SEE PAGE I-47)

Pfizer Inc.
235 East 42nd Street
New York, New York 10017
(212) 573-2323
Internet address: www.pfizer.com

Pfizer is a research-based global pharmaceutical company that discovers, develops, manufactures and markets leading prescription medicines for humans and animals as well as many of the world's best known consumer products. Pfizer reported revenues of $32.3 billion for 2001 and revenues of $29.4 billion for 2000. The company's Norvasc(R), Zoloft(R), Zithromax(R), Viagra(R), Diflucan(R), Neurontin(R), Lipitor(R), as well as Celebrex(R), which Pfizer co-promotes and co-markets with Pharmacia, each had worldwide third-party sales exceeding $1 billion in 2001. Pfizer employs approximately 90,000 people worldwide. Pfizer spent $4.8 billion on research and development in 2001.

Pharmacia Corporation
100 Route 206 North
Peapack, New Jersey 07977
(908) 901-8000
Internet address: www.pharmacia.com

Pharmacia is a global pharmaceutical company whose core business is the development, manufacture and sale of pharmaceutical products, including general therapeutics, ophthalmology and hospital products, such as oncology and diversified therapeutics. Pharmacia also operates several businesses that include, among others, consumer health care, animal health care, diagnostics and contract manufacturing and bulk pharmaceutical chemicals. Pharmacia's leading prescription products include the co-promoted and co-marketed products Bextra(R) and Celebrex(R), as well as Xalatan(R), Genotropin(R), Camptosar(R)(1) and Detrol(R)/Detrol LA(R). Pharmacia reported revenues of $13.8 billion for 2001 and $12.7 billion for 2000. Pharmacia employs approximately 43,000 people worldwide. Pharmacia spent $2.3 billion on research and development in 2001.

WHAT PHARMACIA SHAREHOLDERS WILL RECEIVE IN THE MERGER (SEE PAGE I-76)

Pharmacia shareholders will receive 1.4 shares of Pfizer common stock for each share of Pharmacia common stock they hold. Pfizer will not issue fractional shares in the merger, except to holders of Swedish depository receipts. As a result, the total number of shares of Pfizer common stock that each Pharmacia shareholder (other than a holder of a Swedish depository receipt) will receive in the merger will be rounded down to the nearest whole number, and each Pharmacia shareholder will receive a cash payment for the remaining fraction of a share of Pfizer common stock that he or she would otherwise receive, if any, based on the market value of Pfizer common stock at the close of business at the date the merger became effective.

Example: If you currently own 151 shares of Pharmacia common stock, you will be entitled to receive 211 shares of Pfizer common stock and a check for the market value of 0.4 shares of Pfizer common stock at the close of business on the date the merger becomes effective.

----

(1) Camptosar(R) is a registered trademark of Yakult Honsha Co., Ltd.

The holder of Pharmacia Series C convertible perpetual preferred stock (which will be received by the holder in exchange for its Pharmacia Series B convertible perpetual preferred stock prior to the completion of the merger) will receive one share of Pfizer Series A convertible perpetual preferred stock for each share of Pharmacia Series C convertible perpetual preferred stock, having substantially similar terms.

RECOMMENDATIONS TO SHAREHOLDERS (SEE PAGES I-37 AND I-39)

TO PFIZER SHAREHOLDERS:

Pfizer's board of directors believes the merger is advisable, fair to you and in your best interests and recommends that you vote FOR the proposal to issue shares of Pfizer common stock in the merger.

Pfizer's board of directors also recommends that you vote FOR the proposal to amend the Pfizer certificate of incorporation to increase the authorized share capital.

TO PHARMACIA SHAREHOLDERS:

Pharmacia's board of directors believes the merger is advisable, fair to you and in your best interests and recommends that you vote FOR the proposal to adopt the merger agreement.

REASONS FOR THE MERGER (SEE PAGES I-29 TO I-37)

The boards of directors of Pfizer and Pharmacia believe that this merger will create the world's largest pharmaceutical company, with the scientific depth, global marketing strength and financial resources to take greater advantage of new opportunities and to bring innovative new products to market faster.

The boards of both companies believe that by combining our companies, we will be able to benefit from:

- Enhanced revenue potential resulting from, among other things:
  - -- access to late stage pipeline drugs;
  - -- enhanced capability to bring new products to market; and
  - -- increased scale.
- Significant cost savings from, among other things, increased purchasing power as a combined company;
- Combination of operational factors, such as growth opportunities and risk reductions with respect to research and development; and
- Leadership in major therapeutic categories.

SHAREHOLDER VOTES REQUIRED (SEE PAGE III-3)

FOR PFIZER SHAREHOLDERS:

Approval of the proposal to issue shares of Pfizer common stock in the merger requires the affirmative vote of at least a majority of the votes cast by the holders of Pfizer common stock as long as a quorum, which is a majority of the shares outstanding, is present in person or by proxy. Approval of the proposal to amend the Pfizer certificate of incorporation requires the affirmative vote of at least a majority of the outstanding shares of Pfizer common stock. The amendment to the Pfizer certificate of incorporation is necessary to provide Pfizer with sufficient shares of common stock to pay the merger consideration to Pharmacia shareholders. Approval of the proposal to issue shares of Pfizer common stock in the merger and the proposal to amend the Pfizer certificate of incorporation are conditions to the completion of the merger. Therefore, if shareholders wish to have the merger completed, they must approve both proposals.

On the record date, directors and executive officers of Pfizer and their affiliates had the right to vote 9,403,441 shares of Pfizer common stock, representing less than 1% of the shares of Pfizer common stock outstanding on the record date. To Pfizer's knowledge, directors and executive officers of Pfizer and their affiliates intend to vote their common stock in favor of the proposal to issue shares of Pfizer common stock in the merger and the proposal to amend the Pfizer certificate of incorporation.

FOR PHARMACIA SHAREHOLDERS:

Adoption of the merger agreement requires the affirmative vote of at least a majority of the votes represented by the outstanding shares of Pharmacia common stock and Pharmacia Series B convertible perpetual preferred stock, voting together as a single class. On the record date, directors and executive officers of Pharmacia and their affiliates had the right to vote 2,979,706 shares of Pharmacia common stock, including voting rights due to their indirect holdings of Pharmacia Series B convertible perpetual preferred stock, representing less than 1% of the outstanding shares of Pharmacia common stock outstanding and entitled to vote at the special meeting. To Pharmacia's knowledge, directors and executive officers of Pharmacia and their affiliates intend to vote their common stock in favor of the adoption of the merger agreement.

THE MERGER (SEE PAGE I-76)

Under the terms of the proposed merger, a wholly-owned subsidiary of Pfizer, formed for the purpose of the merger, will merge with and into Pharmacia. As a result, Pharmacia will survive the merger and will become a wholly-owned subsidiary of Pfizer upon completion of the merger.

The merger agreement is attached as Annex A to this joint proxy statement/ prospectus. We encourage you to read the merger agreement carefully and fully as it is the legal document that governs the merger.

TREATMENT OF PHARMACIA STOCK OPTIONS, RESTRICTED STOCK, AND OTHER EQUITY-BASED AWARDS (SEE PAGE I-75)

Each outstanding Pharmacia stock option will become fully vested and exercisable either upon adoption of the merger agreement by Pharmacia shareholders or upon completion of the merger, depending on the terms of the stock option plan, grant, employment agreement or other arrangement under which such option was granted. In the merger, each then-outstanding option to purchase Pharmacia common stock will be converted into an option to purchase Pfizer common stock. The number of shares of Pfizer common stock underlying the new Pfizer option will equal the number of shares of Pharmacia common stock for which the corresponding Pharmacia option was exercisable, multiplied by 1.4. The per share exercise price of each new Pfizer option will equal the exercise price of the corresponding Pharmacia option divided by 1.4.

All shares of Pharmacia restricted common stock will vest either upon adoption of the merger agreement by Pharmacia shareholders or upon completion of the merger, depending on the terms of the stock option plan, grant, employment agreement or other arrangement under which such restricted stock was granted, and will be treated in the merger like other shares of Pharmacia common stock.

All awards under Pharmacia benefit plans that provide for cash payments based on the value of Pharmacia common stock shall become fully vested either upon adoption of the merger agreement by Pharmacia shareholders or upon completion of the merger, depending on the terms of the plans under which such payments are to be made.

OWNERSHIP OF PFIZER AFTER THE MERGER

Pfizer may issue up to 1.804 billion shares of Pfizer common stock to Pharmacia shareholders in the merger. Immediately following completion of the merger, it is expected that there will be approximately 7.986 billion shares of common stock outstanding. The shares of

Pfizer common stock to be issued to Pharmacia shareholders in the merger will represent approximately 23% of the outstanding Pfizer common stock after the merger on a fully diluted basis. This information is based on the number of Pfizer and Pharmacia shares and options outstanding on June 30, 2002.

CONDITIONS TO THE COMPLETION OF THE MERGER (SEE PAGE I-84)

The completion of the merger depends upon the satisfaction or waiver of a number of conditions, including the following:

- adoption of the merger agreement by the Pharmacia shareholders and approval of the issuance of shares of Pfizer common stock in the merger and amendment to the Pfizer certificate of incorporation by the Pfizer shareholders;

- expiration or termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and approval of the merger by the European Commission;

- absence of any law or court order in the United States or European Union prohibiting the merger;

- receipt of opinions of counsel to Pfizer and Pharmacia that the merger will qualify as a tax-free reorganization;

- material accuracy, as of the closing, of the representations and warranties made by the parties and material compliance by the parties with their respective obligations under the merger agreement; and

- neither party having suffered any change that would reasonably be expected to have a material adverse effect on that party.

TERMINATION OF MERGER AGREEMENT (SEE PAGE I-85)

Right to Terminate. The merger agreement may be terminated at any time prior to the effective time in any of the following ways:

- by our mutual written consent;

- by either one of us:

  -- if the merger has not been completed by April 15, 2003 or, if the conditions to closing relating to antitrust or other governmental approvals of the merger have not been satisfied, but all other conditions to closing are satisfied or are capable of being satisfied, this date is automatically extended to July 15, 2003; except that a party may not terminate the merger agreement if the cause of the merger not being completed is that party's failure to fulfill its obligations under the merger agreement;

  -- if a governmental authority or a court in the United States or European Union permanently prohibits the completion of the merger or a governmental authority in the United States or European Union fails to grant any necessary approval of the merger, except that a party may not terminate the merger agreement if the cause of the prohibition or failure to obtain approval is a result of that party's failure to fulfill its obligations under the provision of the merger agreement which, among other requirements, requires each party to use its reasonable best efforts to obtain government approvals for the completion of the merger and requires each party to divest certain assets in response to requirements imposed by antitrust authorities;

  -- if the other party has breached in any material respect any of its representations or warranties, or has failed to perform in any material respect any of its covenants or obligations under the merger agreement and such breach:

(1) would result in the failure of certain closing conditions to the merger being satisfied; and

(2) is incapable of being cured or remains uncured at April 15, 2003.

-- if either Pfizer's shareholders fail to approve the issuance of shares of Pfizer common stock in the merger or the amendment to the Pfizer certificate of incorporation, or Pharmacia's shareholders fail to adopt the merger agreement.

- by Pfizer:

  -- if Pharmacia's board of directors either changes its recommendation in a manner adverse to Pfizer, or fails to call the Pharmacia special meeting to vote on the merger by January 13, 2003 (which deadline will be extended if this registration statement has not become effective by November 14, 2002).

- by Pharmacia:

  -- if Pfizer's board of directors either changes its recommendation in a manner adverse to Pharmacia, or fails to call the Pfizer special meeting to vote on the proposal to issue shares of Pfizer common stock in the merger or the proposal to amend the Pfizer certificate of incorporation by January 13, 2003 (which deadline will be extended if this registration statement has not become effective by November 14, 2002); or

  -- if Pharmacia's board of directors authorizes Pharmacia to enter into a written agreement concerning a transaction that Pharmacia's board of directors has determined in accordance with the merger agreement is a superior proposal, except that Pharmacia cannot terminate the merger agreement for this reason unless it has complied with certain procedural obligations to Pfizer and pays Pfizer the termination fee described below at or prior to such termination.

Termination Fees Payable by Pharmacia. Pharmacia has agreed to pay Pfizer a termination fee of $1.6 billion (within one business day after the earlier of the date Pharmacia enters into a definitive agreement with respect to, or consummates, a business combination), if the merger agreement is terminated under one of the following circumstances:

- the merger agreement is (1) terminated by Pfizer because the board of directors of Pharmacia withdraws or changes its recommendation in a manner adverse to Pfizer or for any reason Pharmacia fails to call or hold its shareholders' meeting by January 13, 2003 or until this registration statement becomes effective if such date is extended (but only if, on or before the date the agreement is terminated, there was an offer or proposal for, or announcement with respect to, a "business combination" involving Pharmacia) and (2) within twelve months of the termination, Pharmacia enters into a definitive agreement or completes a transaction with respect to a business combination with a third party;

- the merger agreement is (1) terminated by Pfizer or Pharmacia because Pharmacia's shareholders failed to adopt the merger agreement (but only if, prior to the date of the Pharmacia special meeting, there was made public to a significant number of Pharmacia's shareholders an offer or proposal for, or any public announcement with respect to, a business combination involving Pharmacia) and (2) within twelve months of the termination, Pharmacia enters into a definitive agreement or completes a transaction with respect to a

business combination with a third party; or

- the merger agreement is (1) terminated by Pfizer or Pharmacia because the necessary regulatory approvals have not been obtained and the merger has not been completed by April 15, 2003 (or July 15, 2003 if the termination date is extended), and at the time of termination Pharmacia has not yet obtained its shareholder approval and prior to April 15, 2003 (or July 15, 2003 if the termination date is extended), there has been an offer or proposal for, or announcement with respect to, a business combination involving Pharmacia and (2) within twelve months of the termination, Pharmacia enters into a definitive agreement or completes a transaction with respect to a business combination with a third party.

Pharmacia also has agreed to pay Pfizer a termination fee of $1.6 billion (at or prior to such termination), if Pharmacia terminates the merger agreement because Pharmacia's board of directors has authorized Pharmacia to enter into a written agreement for a superior proposal and Pfizer has not, within five business days of notice from Pharmacia, made an offer that the board of directors of Pharmacia determines is at least as favorable as the superior proposal Pharmacia has received from a third party.

REGULATORY APPROVALS (SEE PAGE I-44)

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, the merger cannot be completed until we have made required notifications, we have given certain information and materials to the Federal Trade Commission and the Antitrust Division of the United States Department of Justice and specified waiting period requirements have expired. Pfizer and Pharmacia filed the required notification and report forms with the Antitrust Division and the Federal Trade Commission on September 3, 2002. On October 3, 2002, Pfizer and Pharmacia each received a Request for Additional Information, referred to as a Second Request, from the FTC in connection with the proposed merger. We are continuing to cooperate fully with the FTC.

Pfizer and Pharmacia each conduct business in member states of the European Union, and the merger therefore also requires the review of the European Commission. Pfizer and Pharmacia intend to seek approval of the European Commission for the merger shortly.

Pfizer and Pharmacia are not permitted to complete the merger unless the regulatory conditions to completion of the merger described above are satisfied. In addition, the companies have agreed that, if necessary to secure regulatory approval of the merger, Pfizer will hold assets separate or conduct any portion of its business in a specified manner for up to 6 months and Pfizer and Pharmacia will divest or hold separate assets so long as such divestitures do not have a material adverse effect on Pharmacia (including, for this purpose only, on its prospects).

MATERIAL FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER (SEE PAGE I-43)

A Pharmacia shareholder's receipt of Pfizer common stock in the merger generally will be tax-free for United States federal income tax purposes, except for taxes which may result from any receipt of cash in lieu of fractional shares of Pfizer common stock.

THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES DESCRIBED ABOVE MAY NOT APPLY TO SOME HOLDERS OF PHARMACIA STOCK, INCLUDING SOME TYPES OF HOLDERS SPECIFICALLY REFERRED TO ON PAGE I-43. THE TAX CONSEQUENCES TO PHARMACIA SHAREHOLDERS WILL DEPEND UPON THEIR OWN PERSONAL SITUATION. ACCORDINGLY, WE STRONGLY URGE PHARMACIA SHAREHOLDERS TO CONSULT THEIR TAX ADVISORS FOR A FULL UNDERSTANDING OF THE PARTICULAR TAX CONSEQUENCES OF THE MERGER TO THEM.

LISTING OF PFIZER COMMON STOCK

The shares of Pfizer common stock to be issued in the merger will be listed on the New

York Stock Exchange under the ticker symbol "PFE." Pfizer common stock is also listed on the London, Euronext and Swiss stock exchanges and is also traded on various United States regional stock exchanges.

APPRAISAL RIGHTS (SEE PAGE I-45)

Neither the holders of Pharmacia common stock nor the holders of Pfizer common stock have any right to an appraisal of the value of their shares in connection with the merger or the amendment to the Pfizer certificate of incorporation. The holder of Pharmacia Series B convertible perpetual preferred stock has appraisal rights for its shares if it complies with the procedures required under Delaware law.

INTERESTS OF OFFICERS AND DIRECTORS IN THE MERGER (SEE PAGE I-70)

When Pharmacia shareholders consider their board of directors' recommendation that they vote in favor of the adoption of the merger agreement, Pharmacia shareholders should be aware that Pharmacia executive officers and directors may have interests in the merger that may be different from, or in addition to, shareholders' interests.

ACCOUNTING TREATMENT OF THE MERGER (SEE PAGE I-42)

Pfizer will account for the merger under the purchase method of accounting for business combinations under accounting principles generally accepted in the United States of America.

OPINIONS OF PFIZER'S FINANCIAL ADVISORS (SEE PAGE I-49)

In connection with the merger, the Pfizer board of directors considered the opinions of Lazard Freres & Co. LLC and Bear, Stearns & Co. Inc., Pfizer's financial advisors. The Pfizer board of directors received written opinions from each of Lazard and Bear Stearns as to the fairness, from a financial point of view, to Pfizer of the exchange ratio in the merger as of July 13, 2002. These opinions, which are attached as Annex B and Annex C, respectively, set forth the procedures followed, assumptions made, matters considered and limitations on the review undertaken by each of Lazard and Bear Stearns in providing their respective opinions. We encourage you to read these opinions carefully and in their entirety.

THESE OPINIONS ARE DIRECTED TO THE BOARD OF DIRECTORS OF PFIZER AND DO NOT CONSTITUTE RECOMMENDATIONS TO ANY SHAREHOLDER AS TO HOW THAT SHAREHOLDER SHOULD VOTE ON, OR TAKE ANY OTHER ACTION WITH RESPECT TO, THE MERGER.

OPINION OF PHARMACIA'S FINANCIAL ADVISOR (SEE PAGE I-64)

Goldman, Sachs & Co. delivered its opinion to the Pharmacia board of directors that, as of July 13, 2002 and subject to the factors and assumptions set forth therein, the exchange ratio pursuant to the merger agreement was fair from a financial point of view to the holders of Pharmacia common stock.

The full text of the written opinion of Goldman Sachs, dated July 13, 2002, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with the opinion, is attached as Annex D. Pharmacia common shareholders should read the opinion in its entirety. GOLDMAN SACHS PROVIDED ITS OPINION FOR THE INFORMATION AND ASSISTANCE OF THE PHARMACIA BOARD OF DIRECTORS IN CONNECTION WITH ITS CONSIDERATION OF THE TRANSACTION CONTEMPLATED BY THE MERGER AGREEMENT. THE GOLDMAN SACHS OPINION IS NOT A RECOMMENDATION AS TO HOW ANY HOLDER OF PHARMACIA COMMON STOCK OR PHARMACIA SERIES B CONVERTIBLE PERPETUAL PREFERRED STOCK SHOULD VOTE WITH RESPECT TO SUCH TRANSACTION.

AMENDMENT TO THE PFIZER CERTIFICATE OF INCORPORATION (SEE PAGE IV-8)

At the Pfizer special meeting, holders of Pfizer common stock will be asked to approve an amendment to the Pfizer certificate of incorporation increasing the authorized number of shares of common stock from 9 billion to 12 billion and the number of shares of preferred stock from 12 million to 27 million.

The merger cannot be completed unless Pfizer shareholders approve this amendment to the Pfizer certificate of incorporation.

SELECTED HISTORICAL FINANCIAL INFORMATION

We are providing the following financial information to assist you in your analysis of the financial aspects of the merger. We derived the annual Pfizer historical information from the consolidated financial statements of Pfizer as of and for each of the years ended December 31, 1997 through 2001. We derived the annual Pharmacia historical information from the consolidated financial statements of Pharmacia as of and for each of the years ended December 31, 1997 through 2001. The data as of and for the six months ended June 30, 2002 has been derived from interim financial statements of both Pfizer and Pharmacia and which in the opinion of each company's management, include all normal and recurring adjustments that are considered necessary for the fair presentation of the results for the interim period. The information is only a summary and should be read in conjunction with each company's historical consolidated financial statements and related notes contained in the Pfizer and Pharmacia annual reports on Form 10-K for the year ended December 31, 2001 and quarterly reports on Form 10-Q for the quarter ended June 30, 2002, which have been incorporated by reference herein, as well as other information that has been filed with the SEC. See "Where You Can Find More Information" on page V-3 for information on where you can obtain copies of this information. The historical results included below and elsewhere in this document are not indicative of the future performance of Pfizer, Pharmacia or the combined company.

PFIZER SELECTED HISTORICAL FINANCIAL INFORMATION

	AS OF AND FOR THE					
	SIX MONTHS ENDED		YEAR ENDED DECEMBER 31,			
	JUNE 30, 2002	JULY 1, 2001	2001	2000	1999	1
	(IN MILLIONS, EXCEPT PER SHARE DATA)					
Revenues(1)	$16,452	15,205	31,982	29,100	26,940	23
Income from continuing operations before cumulative effect of a change in accounting principle(2)	4,330	3,722	7,752	3,718	4,972	3
Net income(3)	3,920	3,759	7,788	3,726	4,952	4
Per common share data:						
Basic:						
Income from continuing operations before cumulative effect of a change in accounting principle	.70	.60	1.25	.60	.81	
Net income	.63	.60	1.25	.60	.81	
Diluted:						
Income from continuing operations before cumulative effect of a change in accounting principle	.69	.59	1.22	.59	.79	
Net income	.62	.59	1.22	.59	.78	
Cash dividends paid per share	.26	.22	.44	.36	.30 2/3	.2
Total assets	42,568	36,941	39,153	33,510	31,372	27
Long-term debt	3,072	2,367	2,609	1,123	1,774	1
Shareholders' equity	18,830	17,816	18,293	16,076	13,950	12
Ratio of earnings to fixed charges	32.1	23.5	25.3	11.6	14.7	

	YEAR		
	2001	2000	1999
ADOPTION OF STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 142, GOODWILL AND OTHER INTANGIBLE ASSETS-TRANSITIONAL DISCLOSURE			
Net income	$7,788	3,726	4,952

Add back: goodwill amortization	36	38	39
Add back: indefinite lived intangible assets amortization	8	9	9
Adjusted net income	$7,832	3,773	5,000
Basic earnings per common share:			
Net income	$ 1.25	.60	.81
Add back: goodwill amortization	.01	.01	.01
Adjusted net income	$ 1.26	.61	.82
Diluted earnings per common share:			
Net income	$ 1.22	.59	.78
Add back: goodwill amortization	.01	.01	.01
Adjusted net income	$ 1.23	.60	.79

On June 19, 2000, Pfizer merged with Warner-Lambert Company ("Warner-Lambert") in a transaction accounted for as a pooling-of-interests. All financial information reflects the combined results of Pfizer and Warner-Lambert as if the merger had been in effect for all periods presented.

All financial information reflects the divestitures of Pfizer's Medical Technology and Food Science businesses as discontinued operations.

Per share data reflects the 3-for-1 stock split which occurred in June 1999.

2001, 2000, 1999 and 1998 data was restated to reflect reclassifications between Revenues and Selling, informational and administrative expenses of $277 million in 2001, $255 million in 2000, $226 million in 1999 and $214 million in 1998 as a result of the January 1, 2002, adoption of Emerging Issues Task Force (EITF) Issue No. 00-25, Vendor Income Statement Characterization of Consideration Paid to a Reseller of the Vendor's Products. Pfizer has not restated periods prior to 1998 for EITF Issue No. 00-25 because the data is not available. After Pfizer reorganized its financial systems due to Pfizer's merger with Warner-Lambert, the level of detail necessary to develop an EITF 00-25 amount for periods prior to 1998 was no longer available.

----

(1) In 2001, Pfizer brought the accounting methodology pertaining to accruals for estimated liabilities related to Medicaid discounts and contract rebates of Warner-Lambert into conformity with Pfizer's historical method. This adjustment increased revenues in 2001 by $175 million.

(2) Includes merger-related costs incurred in connection with Pfizer's merger with Warner-Lambert:
 Six months ended June 30, 2002 -- Integration costs of $181 million and restructuring charges of $94 million.
 Six months ended July 1, 2001 -- Integration costs of $264 million and restructuring charges of $212 million.
 2001 -- Integration costs of $467 million and restructuring charges of $372 million.
 2000 -- Transaction costs directly related to the merger with Warner-Lambert of $226 million; costs related to Warner-Lambert's termination of the Warner-Lambert/Wyeth (formerly

known as American Home Products) merger of $1,838 million; integration costs of $246 million and restructuring charges of $947 million.

1999 -- Transaction costs directly related to the merger with Agouron Pharmaceuticals, Inc. of $33 million.

(3) Includes the cumulative effect of a change in accounting principle in the six months ended June 30, 2002 for the January 1, 2002 adoption of Statement of Financial Accounting Standards (SFAS) No. 142, Goodwill and Other Intangible Assets. As a result of adopting SFAS No. 142, Pfizer recorded the following non-cash pre-tax charges of $565 million ($410 million after-tax) in the first six months of 2002:

-- $536 million for the impairment provisions related to goodwill in Pfizer's Animal Health business which was included in the Pharmaceuticals segment (amount was determined in the second quarter of 2002 and reported after tax as a one-time cumulative effect of a change in accounting principle as of the beginning of 2002); and

-- $29 million for the impairment provisions related to identifiable intangible assets which was included in the Consumer Products segment (amount was determined in the first quarter of 2002 and reported after tax as a one-time cumulative effect of a change in accounting principle as of the beginning of 2002).

PHARMACIA SELECTED HISTORICAL FINANCIAL INFORMATION

	AS OF AND FOR THE					
	SIX MONTHS ENDED JUNE 30,		YEAR ENDED DECEMBER 31,			
	2002	2001	2001	2000	1999	199
	(IN MILLIONS, EXCEPT PER SHARE DATA)					
Revenues..........................	$ 6,680	6,623	13,837	12,651	11,177	9,2
Earnings from continuing operations before extraordinary items and cumulative effect of a change in accounting principle............	1,275	626	1,291	804	1,156	6
Net earnings(1)...................	472	987	1,501	717	1,378	3
Per common share data:						
Basic:						
Earnings from continuing operations before extraordinary items and cumulative effect of a change in accounting principle..................	.98	.48	.98	.62	.92	.
Net earnings.................	.36	.76	1.14	.55	1.10	.

Diluted:						
Earnings from continuing operations before extraordinary items and cumulative effect of a change in accounting principle..................	.97	.47	.97	.61	.90	.
Net earnings.................	.36	.74	1.12	.54	1.07	.
Cash dividends declared per share(2).....................	.27	.255	.525	.479	.508	.5
Total assets......................	22,291	22,272	22,377	22,777	20,738	19,9
Long-term debt and ESOP debt.......	2,642	2,815	2,731	3,624	1,958	2,3
Shareholders' equity..............	12,152	12,322	12,390	11,921	10,911	10,5

	YEAR		
	2001	2000	1999
ADOPTION OF STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 142, GOODWILL AND OTHER INTANGIBLE ASSETS-TRANSITIONAL DISCLOSURE			
Net earnings..................................	$1,501	717	1,378
Add back: goodwill amortization................	100	107	111
Adjusted net earnings..........................	$1,601	824	1,489
Basic earnings per common share:			
Net earnings..................................	$ 1.14	.55	1.10
Add back: goodwill amortization................	.08	.09	.09
Adjusted net earnings..........................	$ 1.22	.64	1.19

	YEAR		
	2001	2000	1999
Diluted earnings per common share:			
Net earnings..................................	$ 1.12	.54	1.07
Add back: goodwill amortization................	.08	.08	.09
Adjusted net earnings..........................	$ 1.20	.62	1.16

On March 31, 2000, a subsidiary of the former Monsanto Company and Pharmacia & Upjohn merged and the combined company was renamed Pharmacia Corporation. The merger was accounted for as a pooling of interests. As such, all financial information reflects the combined results of operations of the two predecessor companies as though they had always been combined.

(1) Includes income from discontinued operations plus or minus related gains or losses on disposal of discontinued operations, as appropriate:

Six months ended June 30, 2002 -- $89 million relating to Monsanto Company
Six months ended June 30, 2001 -- $372 million relating principally to Monsanto Company
2001 -- $221 million relating principally to Monsanto Company
2000 -- $143 million relating principally to Monsanto Company
1999 -- $242 million comprised of $150 million relating principally to Monsanto Company and $92 million relating to divestiture by former Monsanto of its alginates, biogums, bulk aspartame and tabletop sweeteners businesses.

Includes extraordinary items, income/(expense):
Six months ended June 30, 2002 -- Gain of $649 million (net of taxes of $124 million) associated with the sale of an investment that took place within two years of the merger of Pharmacia & Upjohn, Inc. and former Monsanto Company which was accounted for as a pooling of interests.
Six months ended June 30, 2001 -- Costs of $(12) million (net of taxes of $7 million) associated with the early retirement of debt.
2001 -- Costs of $(12) million (net of taxes of $7 million) associated with the early retirement of debt.
2000 -- Costs of $(32) million (net of taxes of $20 million) associated with the early retirement of debt.

Includes cumulative effect of a change of accounting, income/(expense):
Six months ended June 30, 2002 -- Accounting change adopted by Monsanto: SFAS No. 142 -- charge of $(1,541) million.
Six months ended June 30, 2001 -- Accounting change adopted by Pharmacia: SFAS No. 133 -- credit of $1 million.
2001 -- Accounting change adopted by Pharmacia: SFAS No. 133 -- credit of $1 million.
2000 -- Accounting change adopted by Pharmacia: SAB 101 -- charge of $(198) million.
1999 -- Accounting change adopted by Pharmacia: SAB 101 -- charge of $(20) million.

(2) Prior to the March 31, 2000 merger, former Monsanto Company's regular quarterly dividend was $0.03 per share of common stock ($0.12 per share annualized) (the quarterly rate was lowered from $0.16 to $0.03 per share in the fourth quarter of 1997). Pharmacia & Upjohn's (P&U's) regular quarterly dividend was $0.27 per share of common stock ($1.08 per share annualized). Amounts shown above are weighted averages of the dividends declared by the respective predecessor companies assuming the March 31, 2000 exchange ratio of P&U shares for shares of former Monsanto (1.19:1).

SELECTED UNAUDITED PRO FORMA COMBINED FINANCIAL INFORMATION

The merger will be accounted for under the purchase method of accounting, which means the assets and liabilities of Pharmacia will be recorded, as of completion of the merger, at their respective fair values and added to those of Pfizer. For a more detailed description of purchase accounting, see "The Proposed Merger -- Accounting Treatment" on page I-42.

We have presented below selected unaudited pro forma combined financial information that reflects the purchase method of accounting and is intended to provide you with a better picture of what our businesses might have looked like had they actually been combined. The combined financial information may have been different had the companies actually been combined. The selected unaudited pro forma combined financial information does not reflect the effect of asset dispositions, if any, or cost savings that may result from the merger. You should not rely on the selected unaudited pro forma combined financial information as being indicative of the historical results that would have occurred had the companies been combined or the future results that may be achieved after the merger. The following selected unaudited pro forma combined financial information has been derived from, and should be read in conjunction with, the Unaudited Pro Forma Condensed Combined Financial Statements and related notes included in Chapter Two of this joint proxy statement/prospectus.

	AS OF AND FOR THE SIX MONTHS ENDED JUNE 30, 2002	FOR THE YEAR ENDED DECEMBER 31, 2001
	(IN MILLIONS, EXCEPT PER SHARE DATA)	
Revenues	$ 22,528	44,607
Income from continuing operations available to common shareholders	4,818	7,635
Per common share data:		
Income from continuing operations per share:		
Basic	.60	.95
Diluted	.59	.93
Cash dividends paid per share(1)	N/A	N/A
Shareholders' equity per share	7.67	N/A
Total assets	104,107	N/A
Long-term debt	5,714	N/A

----

(1) Pfizer's current quarterly dividend is $0.13 ($0.52 per share annualized) and is subject to future approval and declaration by Pfizer's board of directors. Pharmacia's current quarterly dividend is $0.135 ($0.54 per share annualized) and is subject to future approval and declaration by Pharmacia's board of directors. The dividend policy of the combined company after the merger will be determined by its board of directors following the merger.

COMPARATIVE PER SHARE INFORMATION

The following table sets forth selected historical per share information of Pfizer and Pharmacia and unaudited pro forma combined per share information after giving effect to the merger between Pfizer and Pharmacia, under the purchase method of accounting, assuming that 1.4 shares of Pfizer common stock had been issued in exchange for each outstanding share of Pharmacia common stock. You should read this information in conjunction with the selected historical financial information, included elsewhere in this document, and the historical financial statements of Pfizer and Pharmacia and related notes that are incorporated in this document by reference. The unaudited Pfizer pro forma combined per share information is derived from, and should be read in conjunction with, the Unaudited Pro Forma Condensed Combined Financial Statements and related notes included in Chapter Two of this joint proxy statement/prospectus. The historical per share information is derived from unaudited financial statements as of and for the six months ended June 30, 2002 and audited financial statements as of and for the year ended December 31, 2001. The unaudited pro forma Pharmacia per share equivalents are calculated by multiplying the unaudited Pfizer pro forma combined per share amounts by the exchange ratio of 1.4.

The unaudited pro forma combined per share information does not purport to represent what the actual results of operations of Pfizer and Pharmacia would have been had the companies been combined or to project Pfizer's and Pharmacia's results of operations that may be achieved after the merger.

	FOR THE	
	SIX MONTHS ENDED JUNE 30, 2002 (UNAUDITED)	YEAR ENDED DECEMBER 31, 2001
UNAUDITED PFIZER PRO FORMA COMBINED		
Per common share data:		
Income from continuing operations:		
Basic	$ .60	.95
Diluted	.59	.93
Cash dividends(1)	N/A	N/A
Shareholders' equity	7.67	N/A
PFIZER -- HISTORICAL		
Per common share data:		
Income from continuing operations before cumulative effect of a change in accounting principle:		
Basic	.70	1.25
Diluted	.69	1.22
Cash dividends paid	.26	.44
Shareholders' equity	3.05	2.95
PHARMACIA -- HISTORICAL		
Per common share data:		
Earnings from continuing operations before extraordinary items and cumulative effect of a change in accounting principle:		
Basic	.98	.98
Diluted	.97	.97

Cash dividends paid..................................	.27	.51
Shareholders' equity.................................	9.43	9.54
UNAUDITED PRO FORMA PHARMACIA EQUIVALENTS(2)		
Per common share data:		
Earnings from continuing operations before extraordinary items and cumulative effect of a change in accounting principle:		
Basic...	.84	1.33
Diluted...	.83	1.30
Cash dividends(1)....................................	N/A	N/A
Shareholders' equity.................................	10.74	N/A

----

(1) Pfizer's current quarterly dividend is $0.13 ($0.52 per share annualized) and is subject to future approval and declaration by Pfizer's board of directors. Pharmacia's current quarterly dividend is $0.135 ($0.54 per share annualized) and is subject to future approval and declaration by Pharmacia's board of directors. The dividend policy of the combined company after the merger will be determined by its board of directors following the merger.

(2) Amounts are calculated by multiplying unaudited Pfizer pro forma combined per share amounts by the exchange ratio in the merger (1.4 shares of Pfizer common stock for each share of Pharmacia common stock).

COMPARATIVE PER SHARE MARKET PRICE AND DIVIDEND INFORMATION

Pfizer common stock and Pharmacia common stock are each listed on the New York Stock Exchange. Pfizer's and Pharmacia's ticker symbols are "PFE" and "PHA," respectively. The following table shows, for the calendar quarters indicated, based on published financial sources: (1) the high and low sale prices of shares of Pfizer and Pharmacia common stock as reported on the New York Stock Exchange Composite Transaction Tape and (2) the cash dividends paid per share of Pfizer and Pharmacia common stock.

	PFIZER COMMON STOCK*			PHARMACIA COMMON STOCK		
	HIGH	LOW	DIVIDENDS	HIGH	LOW	DIVI
2000						
First Quarter................	$37.94	$30.00	$0.09	$51.50	$34.25	$
Second Quarter...............	$48.13	$33.69	$0.09	$59.75	$48.94	$
Third Quarter................	$49.00	$39.38	$0.09	$60.19	$52.00	$
Fourth Quarter...............	$48.06	$41.00	$0.09	$61.00	$50.75	$
2001						
First Quarter................	$46.75	$34.01	$0.11	$60.00	$44.00	$
Second Quarter...............	$45.23	$38.50	$0.11	$52.26	$45.10	$
Third Quarter................	$42.23	$34.00	$0.11	$46.95	$37.60	$
Fourth Quarter...............	$44.04	$38.32	$0.11	$46.61	$38.39	$
2002						
First Quarter................	$42.15	$40.11	$0.13	$46.00	$37.50	$
Second Quarter...............	$39.40	$33.43	$0.13	$45.68	$37.04	$

----
*   Adjusted for a 3-for-1 stock split in June 1999.

** Prior to the March 31, 2000 merger between Pharmacia & Upjohn (P&U) and a subsidiary of the former Monsanto Company, former Monsanto Company's regular quarterly dividend was $0.03 per share of common stock ($0.12 per share annualized). P&U's regular quarterly dividend was $0.27 per share of common stock ($1.08 per share annualized). Amounts shown for the first and second quarters of 2000 reflect dividends paid by the respective predecessor companies assuming the March 31, 2000 exchange ratio of P&U shares for shares of former Monsanto (1.19:1).

RECENT CLOSING PRICES

The following table sets forth the closing prices per share of Pfizer common stock and Pharmacia common stock as reported on the NYSE Composite Transaction Tape on July 12, 2002, the last full trading day prior to the announcement of the merger agreement, and October 18, 2002, the most recent practicable date prior to the mailing of this joint proxy statement/prospectus to Pfizer's and Pharmacia's shareholders. This table also sets forth the imputed value of Pharmacia common stock on July 12, 2002 and the equivalent price per share of Pharmacia common stock on those dates. The equivalent price per share is equal to the closing price of a share of Pfizer common stock on that date multiplied by 1.4, the applicable exchange ratio in the merger. These prices will fluctuate prior to the special meetings and the merger, and shareholders are urged to obtain current market quotations prior to making any decision with respect to the merger.

DATE	PFIZER COMMON STOCK	PHARMACIA COMMON STOCK	IMPUTED VALUE OF PHARMACIA COMMON STOCK	PHARMACIA COMMON STOCK PER SHARE EQUIVALENT
July 12, 2002..................	$32.20	$32.59*	$29.58**	$45.08
October 18, 2002...............	$33.49	$45.30	N/A	$46.89

----
* Includes value of Monsanto Company shares held by Pharmacia at such date.

** This value has been calculated by subtracting from the closing price of Pharmacia common stock on July 12, 2002, the amount of $3.01, which is the value of Pharmacia's interest in Monsanto Company common stock calculated on a per share of Pharmacia's common stock basis. Pharmacia distributed its Monsanto Company shares to holders of Pharmacia common stock on August 13, 2002.

Although dividends are subject to future approval and declaration by Pfizer's and Pharmacia's respective boards of directors, Pfizer and Pharmacia each currently plan to continue to pay regular quarterly dividends on their common stock until closing of the merger, although Pfizer and Pharmacia have agreed to coordinate their dividend policy prior to the merger so that Pharmacia shareholders do not receive two dividends, or fail to receive a dividend in any calendar quarter. The dividend policy following the merger will be determined by the combined company's board of directors following the merger.

RISK FACTORS

PFIZER AND PHARMACIA SHAREHOLDERS SHOULD CAREFULLY CONSIDER THE FOLLOWING FACTORS, IN ADDITION TO THOSE FACTORS DISCUSSED IN THE DOCUMENTS THAT WE HAVE FILED WITH THE SECURITIES AND EXCHANGE COMMISSION AND WHICH WE HAVE INCORPORATED INTO THIS DOCUMENT AND THE OTHER INFORMATION IN THIS JOINT PROXY STATEMENT/PROSPECTUS, BEFORE VOTING AT THEIR RESPECTIVE SPECIAL MEETINGS.

THE VALUE OF PFIZER SHARES RECEIVED WILL FLUCTUATE

The number of shares of Pfizer common stock issued in the merger for each share of Pharmacia common stock is fixed. The market prices of Pfizer common stock and Pharmacia common stock when the merger is completed may vary from their market prices at the date of this document and at the date of the special meetings of Pfizer and Pharmacia. For example, during the 12 month period ending on October 18, 2002, the most recent practical date prior to the mailing of this joint proxy statement/prospectus, Pfizer common stock traded in a range from a low of $25.13 to a high of $44.04 and ended that period at $33.49, and Pharmacia common stock traded in a range from a low of $30.36 to a high of $47.00 and ended that period at $45.30. See "Comparative Per Share Market Price and Dividend Information" on page I-18 for more detailed share price information.

These variations may be the result of various factors including:

- changes in the business, operations or prospects of Pfizer or Pharmacia;

- governmental and/or litigation developments and/or regulatory considerations;

- market assessments as to whether and when the merger will be consummated;

- governmental action affecting the pharmaceutical industry generally;

- loss of patent protection and competition from generic drugs; and

- general market and economic conditions.

The merger may not be completed until a significant period of time has passed after the Pfizer and Pharmacia special meetings. At the time of their respective special meetings, Pfizer and Pharmacia shareholders will not know the exact value of the Pfizer common stock that will be issued in connection with the merger.

Shareholders of Pfizer and Pharmacia are urged to obtain current market quotations for Pfizer and Pharmacia common stock.

WE MAY BE UNABLE TO SUCCESSFULLY INTEGRATE OUR OPERATIONS AND REALIZE THE FULL COST SAVINGS WE ANTICIPATE

The merger involves the integration of two companies that have previously operated independently. The difficulties of combining the companies' operations include:

- the necessity of coordinating geographically separated organizations, systems and facilities; and

- integrating personnel with diverse business backgrounds.

The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of one or more of the combined company's businesses and the loss of key personnel. The diversion of management's attention and any delays or difficulties encountered in connection with the merger and the integration of the two companies' operations could have an adverse effect on the business, results of operations, financial condition or prospects of the combined company after the merger.

Among the factors considered by the Pfizer and the Pharmacia boards of directors in connection with their respective approvals of the merger agreement were the opportunities for operating efficiencies that could result from the merger. We cannot give any assurance that these savings will be realized within the time periods contemplated or even if they will be realized at all.

WE WILL INCUR SIGNIFICANT TRANSACTION, MERGER-RELATED AND RESTRUCTURING COSTS IN CONNECTION WITH THE MERGER

Pfizer and Pharmacia expect to incur costs associated with combining the operations of the two companies, transaction fees and other costs related to the merger. The total estimate includes approximately $100 million for transaction costs and between $3.5 and $4.0 billion of restructuring and integration costs. The estimated $100 million of transaction costs are expected to be recorded as a component of the purchase price. Approximately $1 billion of the restructuring costs are expected to be included as a liability in the purchase price allocation. These amounts are preliminary estimates and subject to change. Additional unanticipated costs may be incurred in the integration of the businesses of Pfizer and Pharmacia. Although Pfizer and Pharmacia expect that the elimination of duplicative costs, as well as the realization of other efficiencies related to the integration of the businesses, may offset incremental transaction, merger-related and restructuring costs over time, we cannot give any assurance that this net benefit will be achieved in the near term, or at all.

DUE TO LIMITATIONS IMPOSED BY ANTITRUST AND OTHER LAWS, PFIZER AND PHARMACIA ARE UNABLE TO SHARE INFORMATION NECESSARY TO COMPLETE A COMPOUND-BY-COMPOUND VALUATION OF PHARMACIA'S IN-PROCESS RESEARCH AND DEVELOPMENT. PFIZER'S CURRENT ESTIMATE OF THE WRITE-OFF OF IN-PROCESS PHARMACIA RESEARCH AND DEVELOPMENT MAY NOT BE ACCURATE.

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and other relevant laws and regulations, there are significant limitations regarding what Pfizer can learn about specific Pharmacia scientific research projects that are under way. Pfizer and Pharmacia have not been able to discuss any specifics of many of the in-process research and development projects and the range of possible outcomes. As data that would be needed to conduct a valuation of specific projects cannot be shared due to legal constraints, and as the process will take more than three months to complete, Pfizer has not done a compound-by-compound valuation of Pharmacia's in-process research and development. Instead, Pfizer determined the $13 billion in-process research and development charge included as part of the Pro Forma Financial Data was a reasonable estimate based upon what it knows about the various products within the Pharmacia pipeline and the market for such potential products, Pfizer's general understanding of Pharmacia's procedures, the amount of money spent on such projects to date and Pfizer's own extensive experience with R&D activities, including the probabilities of success of compounds in various stages of completion, as well as a review of publicly available information for precedent merger and acquisition transactions in the health care industry. Although we believe that Pfizer's estimate of the in-process research and development charge arising from the acquisition of the Pharmacia research portfolio is reasonable, no assurance can be given that a compound-by-compound valuation will confirm Pfizer's estimate. If Pfizer's estimate is lower or higher than the actual value of Pharmacia's in-process research and development the combined company will be required to take a one time charge or addition to earnings to reflect the difference in the period in which the compound-by-compound valuation is completed. We expect the final evaluation to be completed within six to twelve months of the completion of the merger. See Pro Forma Financial Data on page II-8.

OBTAINING REQUIRED APPROVALS AND SATISFYING CLOSING CONDITIONS MAY DELAY OR PREVENT COMPLETION OF THE MERGER

Completion of the merger is conditioned upon the receipt of all material governmental authorizations, consents, orders and approvals, including the expiration or termination of the applicable waiting periods, and any extension of the waiting periods, under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and approval by the European Commission. Pfizer and Pharmacia intend to pursue all required approvals in accordance with the merger agreement. The requirement for

these approvals could delay the completion of the merger for a significant period of time after Pfizer and Pharmacia shareholders have approved the proposals relating to the merger at their respective special meetings. See "The Merger Agreement -- Conditions" on page I-84 for a discussion of the conditions to the completion of the merger and "The Proposed Merger -- Regulatory Matters Relating to the Merger" on page I-44 for a description of the regulatory approvals necessary in connection with the merger. No assurance can be given, however, that these approvals will be obtained or that the required conditions to closing will be satisfied, and, if all such approvals are obtained and the conditions are satisfied, no assurance can be given as to the terms, conditions and timing of the approvals or that they will satisfy the terms of the merger agreement.

PFIZER AND PHARMACIA ARE THE SUBJECT OF VARIOUS LEGAL PROCEEDINGS

Pfizer and Pharmacia are involved in various patent, product liability, consumer, environmental and tax claims and litigations and additional matters that arise from time to time in the ordinary course of business. These include challenges to the coverage and/or validity of patents on products or processes and allegations of injuries caused by drugs or medical devices. In addition, Pfizer and Pharmacia are subject to national, state and local environmental laws and regulations. Pfizer and Pharmacia are also involved in or are the subject of governmental or regulatory agency inquiries or investigations from time to time. For more information about Pfizer's and Pharmacia's legal proceedings, see our filings with the SEC that are incorporated by reference into this document under the headings "Commitments, Contingent Liabilities and Litigation" and "Legal Proceedings."

FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in this document, and in documents that are incorporated by reference in this document, that are subject to risks and uncertainties. These statements are based on the beliefs and assumptions of each company's management. Generally, forward-looking statements include information concerning possible or assumed future actions, events or results of operations of Pfizer, Pharmacia and the combined company. Forward-looking statements include the information in this document, specifically, regarding:

- management forecasts;
- efficiencies/cost avoidance;
- cost savings;
- income and margins;
- earnings per share;
- growth;
- economies of scale;
- combined operations;
- the economy;
- future economic performance;
- conditions to, and the timetable for, completing the merger;
- future acquisitions and dispositions;
- litigation;
- potential and contingent liabilities;
- management's plans;
- business portfolios;
- taxes;
- merger and integration-related expenses; and
- product approvals and launches.

These statements may be preceded by, followed by or include the words "believes," "expects," "anticipates," "intends," "plans," "estimates" or similar expressions. We claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995 for all forward-looking statements.

Forward-looking statements are not guarantees of performance. You should understand that the following important factors, in addition to those discussed in "Risk Factors" above and elsewhere in this document, and in the documents which are incorporated by reference in this document, could affect the future results of Pfizer and Pharmacia, and of the combined company after the completion of the merger, and could cause those results or other outcomes to differ materially from those expressed or implied in our forward-looking statements:

COMPETITIVE FACTORS

- the ability to respond to and the impact of the loss of patent protection to Pfizer's, Pharmacia's or the combined company's drugs;

- the impact of competitive products, including competition from the makers of generic drugs;

- the timing of the introduction of new products;

- the ability to respond to price pressures imposed by managed care groups, institutions and government agencies;

- the ability to respond to technological advances attained by competitors and patents granted to competitors; and

- the ability to manufacture products competitively and cost effectively.

OPERATING FACTORS

- changes in the market reaction to Pfizer's and Pharmacia's significant pharmaceutical products;

- the ability to identify new viable chemical compounds and technologies and commercialize innovative and competitive products worldwide;

- the ability to successfully complete clinical trials and obtain and maintain regulatory approval for new products in the United States and other countries;

- the effect of other regulatory developments;

- the ability to gain consumer acceptance for our new products and technologies;

- the ability to secure and defend intellectual property rights and, when appropriate, license required technology;

- the ability to generate cash flows or obtain financing to fund growth;

- the ability to complete and integrate this and other acquisitions, strategic alliances and joint ventures;

- the ability to respond to unexpected safety or efficacy concerns arising with respect to marketed products, whether or not scientifically justified, leading to product recalls, litigation, withdrawals or declining sales;

- adverse outcomes of pending or threatened litigation; and

- contingencies related to actual or alleged environmental contamination.

ECONOMIC AND INDUSTRY CONDITIONS

- the effect of changes in currency exchange rates;

- the effect of political and economic conditions, inflation and interest rates worldwide; and

- the effect of changes in laws and regulations, including changes in accounting standards, trade, tax, price controls and other regulatory matters.

THE PROPOSED MERGER

GENERAL

Pfizer's board of directors is using this joint proxy statement/prospectus to solicit proxies from the holders of Pfizer common stock for use at the Pfizer special meeting. Pharmacia's board of directors is also using this document to solicit proxies from the holders of Pharmacia common stock and Pharmacia Series B convertible perpetual preferred stock for use at the Pharmacia special meeting.

PFIZER PROPOSALS

At the Pfizer special meeting, holders of Pfizer common stock are being asked to vote on:

- the issuance of shares of Pfizer common stock in the merger; and

- an amendment to the Pfizer certificate of incorporation which would increase the authorized share capital.

THE MERGER WILL NOT BE COMPLETED UNLESS PFIZER'S SHAREHOLDERS APPROVE BOTH (1) THE ISSUANCE OF SHARES OF PFIZER COMMON STOCK IN THE MERGER; AND (2) THE AMENDMENT TO THE PFIZER CERTIFICATE OF INCORPORATION, WHICH IS NECESSARY SO THAT PFIZER WILL HAVE SUFFICIENT AUTHORIZED SHARES TO ISSUE SHARES OF PFIZER COMMON STOCK TO SHAREHOLDERS OF PHARMACIA.

PHARMACIA PROPOSAL

At the Pharmacia special meeting, holders of Pharmacia common stock and Pharmacia Series B convertible perpetual preferred stock will be asked to vote upon the adoption of the merger agreement.

THE MERGER WILL NOT BE COMPLETED UNLESS PHARMACIA'S SHAREHOLDERS ADOPT THE MERGER AGREEMENT.

BACKGROUND OF THE MERGER

The management of Pfizer has periodically explored and assessed strategic options for Pfizer as part of its ongoing effort to strengthen its business and improve its product mix. During the past three years, management of Pfizer has periodically considered the possibility of a business combination or other strategic transaction with Pharmacia and its predecessor companies.

An informal discussion on the subject was pursued by Dr. McKinnell, currently Chairman of Pfizer, with Mr. Hassan, currently Chairman of Pharmacia, on January 16, 2001. At that time, Mr. Hassan indicated that it was Pharmacia's desire and strategy to grow on its own. Mr. Hassan subsequently updated the Pharmacia board of directors on this discussion at its regularly scheduled meeting on February 21, 2001. In June 2001, at a regularly scheduled meeting of Pharmacia's board of directors, Pharmacia's board and management discussed the company's strategic direction and alternatives, and the board affirmed the general strategic direction being pursued by Pharmacia as an independent company as the best growth strategy.

Accordingly, no material discussions between Pharmacia and Pfizer regarding a possible business transaction occurred until April 2002.

On April 9, 2002, Dr. McKinnell met with other members of Pfizer management, representatives of its investment banker, Lazard Freres & Co. LLC, and representatives of its legal advisor, Cadwalader, Wickersham & Taft, to discuss the possibility of making informal inquiries of Pharmacia's management about a possible business combination or other strategic transaction between Pfizer and Pharmacia. At this meeting, it was decided that Dr. McKinnell would approach Mr. Hassan, at the launch of Bextra(R), a new product being co-promoted and co-marketed by Pfizer and Pharmacia, to gauge Pharmacia's interest in a possible business combination or other strategic transaction.

At the Bextra(R) launch, which took place between April 9 and April 11, 2002, Dr. McKinnell met briefly with Mr. Hassan and suggested that it might be productive for the two of them to get together and discuss the state of the pharmaceutical industry, including

the possibility of a strategic transaction between Pfizer and Pharmacia in order to better position the two companies in a volatile economic climate. Mr. Hassan indicated that he believed that the board of directors of Pharmacia was not interested in exploring any transaction at the time, but he planned to meet with Dr. McKinnell to discuss the changing climate in the pharmaceutical industry.

On April 22, 2002, Mr. Hassan followed up with a telephone call to Dr. McKinnell to arrange a meeting to further discuss industry issues. Dr. McKinnell and Mr. Hassan agreed to meet in early May.

On April 25, 2002, at a regularly scheduled meeting of Pfizer's board of directors, Dr. McKinnell briefed the Pfizer board of directors on his recent informal discussions with Mr. Hassan as well as the strategic considerations for a possible business combination between Pfizer and Pharmacia. Pfizer's investment banker and legal advisors also discussed the respective financial and legal considerations that would likely affect any strategic transaction between the companies, including the impact of Pharmacia's proposed spin-off of its interest in one of its subsidiaries, Monsanto Company.

On April 30, 2002, Mr. Hassan updated the Pharmacia board of directors at its regularly scheduled meeting on the approach from Pfizer. Mr. Hassan recommended and the board supported continuation of the company's existing strategy to grow on its own. The board did, however, authorize Mr. Hassan to meet with Dr. McKinnell to seek a better understanding of Pfizer's intentions.

On May 9, 2002, Dr. McKinnell and Mr. Hassan met in New York. These discussions, however, did not progress beyond Dr. McKinnell's preliminary indications of interest in an acquisition of Pharmacia. Mr. Hassan stated that he believed that Pharmacia's board of directors was not interested in being acquired by anyone. No additional meetings were scheduled or planned at the time.

On May 13, 2002, Mr. Hassan had a telephone conference with the Pharmacia board of directors to update the board on his meeting with Dr. McKinnell. The board agreed to meet in person to discuss the preliminary indication of interest in more detail. On May 13, 2002, Pharmacia retained Goldman, Sachs & Co. as its investment banker.

On June 4, 2002, Dr. McKinnell met with representatives of Lazard and Cadwalader as well as other members of Pfizer management to discuss making a proposal to acquire Pharmacia. It was concluded that Dr. McKinnell should attempt to arrange a meeting with Mr. Hassan and at such meeting present a specific proposal for a possible business combination between Pfizer and Pharmacia. In early June, 2002, Dr. McKinnell called Mr. Hassan to request a meeting.

On June 7, 2002, at a special meeting of Pharmacia's board, Mr. Hassan described Dr. McKinnell's interest in discussing a potential transaction between the parties. The board reviewed Pharmacia's performance, prospects and strategic alternatives with members of senior management and representatives of the company's financial advisor, Goldman Sachs, and representatives of Pharmacia's legal advisor, Sullivan & Cromwell. The board authorized Mr. Hassan to meet with Dr. McKinnell to listen to his proposal.

On June 11, 2002, Dr. McKinnell met with Mr. Hassan and presented an offer to merge Pfizer and Pharmacia. Dr. McKinnell proposed a transaction in which Pharmacia's shareholders would receive 1.3 shares of Pfizer common stock in exchange for each share of Pharmacia common stock, taking into account the spin-off of Pharmacia's interest in Monsanto Company. Mr. Hassan indicated that he believed the offer was unacceptable but that he would present it to Pharmacia's board of directors for consideration.

On June 14, 2002, Pfizer engaged Bear, Stearns & Co. Inc. to act as its financial advisor along with Lazard.

On June 18, 2002, Pharmacia's board held a regularly scheduled meeting at which the proposed transaction with Pfizer was discussed. Mr. Hassan reviewed his discussions to date

with Dr. McKinnell, including the proposal made by Dr. McKinnell. The board reviewed Pharmacia's performance, prospects and strategic alternatives with members of senior management and representatives of Goldman Sachs and Sullivan & Cromwell. Members of senior management discussed with the board various forecasts for both companies and potential synergies that might result from a combination of the two companies. The company's legal advisors reviewed with the board their fiduciary duties under the circumstances. The board determined that the proposal from Pfizer was inadequate, but authorized Mr. Hassan and members of senior management to continue discussions with Pfizer.

On June 24, 2002, Mr. Hassan telephoned Dr. McKinnell and informed him that the Pharmacia board of directors had met and, while still supporting the company's current strategic direction as an independent company and believing the proposed exchange ratio of 1.3 to be inadequate, had authorized him to remain open to further discussions regarding a possible business combination between Pfizer and Pharmacia. Mr. Hassan emphasized that the Pharmacia board believed the exchange ratio offered by Pfizer did not accurately reflect Pharmacia's intrinsic value and could not be the basis for any such transaction.

On June 27, 2002, Pfizer and Pharmacia entered into a customary confidentiality agreement to allow the exchange of information between the two companies and their respective legal and financial advisors. On June 27 and 28, 2002, David Shedlarz, the chief financial officer of Pfizer, and Christopher Coughlin, the chief financial officer of Pharmacia, met several times to discuss the parameters and details for due diligence. At about the same time, Dr. McKinnell, in discussions with Mr. Hassan, suggested an exchange ratio of 1.4 shares of Pfizer common stock for each share of Pharmacia common stock, taking into account the spin-off of Pharmacia's interest in Monsanto Company, which exchange ratio was dependent upon, among other things, Pharmacia providing satisfactory information, including information relating to operational efficiencies of the combined company, to justify such an exchange ratio, and agreement on the terms of mutually satisfactory definitive agreements and approval by the Pfizer board of directors.

At a regularly scheduled meeting of the board of directors on June 27, 2002, Dr. McKinnell briefed the Pfizer board of directors regarding his discussions with Mr. Hassan. The members of the board of directors concurred that it would be advisable to continue to proceed with negotiations of a possible business combination with Pharmacia and emphasized the importance of the due diligence review to be undertaken by Pfizer.

On June 28, 2002, at a special telephonic meeting of the board of directors, Mr. Hassan updated the Pharmacia board on his discussions with Dr. McKinnell. The board authorized Mr. Hassan to continue discussions with Dr. McKinnell regarding the transaction.

On June 30 and July 1, 2002, Dr. McKinnell and Mr. Hassan spoke several times by telephone regarding the possible business combination. On June 30, 2002, Dr. McKinnell also conferred with members of Pfizer's senior management and representatives of Pfizer's financial and legal advisors. After these discussions, Dr. McKinnell and Mr. Hassan continued to discuss an exchange ratio of 1.4, taking into account the spin-off of Pharmacia's interest in Monsanto Company, subject to completion of each party's due diligence review, negotiation of mutually satisfactory definitive agreements and final approval by each company's board of directors.

On July 1, 2002, members of Pfizer's management, including Dr. McKinnell and Mr. Shedlarz, met with Pfizer's internal and outside legal advisors and its financial advisors to discuss the timing and procedures to complete a due diligence review of Pharmacia and Pfizer and to negotiate definitive agreements for the possible business combination.

On July 2, 2002, Mr. Hassan reviewed with the members of the Pharmacia board of directors in a telephonic meeting the new proposal from Pfizer, noting that such proposal was subject to completion of satisfactory due dili-

gence by both parties, mutual agreement on definitive agreements and approval of the Pfizer board of directors. The members of the board discussed the proposal and authorized Mr. Hassan to continue discussions with Pfizer with a view to reaching agreement on the terms of a definitive agreement consistent with the proposal discussed at the meeting.

From July 2 until July 13, 2002, the respective legal and financial advisors of Pfizer and Pharmacia conducted extensive due diligence investigations of the other company. Members of Pfizer's senior management, its internal and external legal team as well as its financial advisors and external auditors, conducted a due diligence review from an operational, financial, accounting, tax and legal perspective. Pfizer's due diligence review included interviews of Pharmacia's senior management and review of documents. During the same time, members of Pharmacia's senior management, its internal and external legal team as well as its financial advisors and external auditors, conducted a due diligence review from an operational, financial, accounting, tax and legal perspective. Pharmacia's due diligence review included interviews of Pfizer's senior management and review of documents.

On July 3, 2002, a draft of the merger agreement was circulated to Pharmacia and its legal representatives.

During the period from July 3, 2002 to the morning of July 13, 2002, Pfizer and Pharmacia, working together with their respective legal and financial advisors, negotiated the terms of the definitive agreements for a possible business combination and certain changes to their co-promotion and co-marketing agreements regarding Celebrex(R) and other COX-2 "second generation" drugs.

On July 12, 2002, Pfizer and its outside counsel negotiated with Mr. Hassan and his personal legal counsel the terms of his employment agreement with Pfizer. The terms of this employment agreement were finalized the following morning.

On the morning of July 13, 2002, Pharmacia's board held a special meeting to discuss in detail the proposed business combination with Pfizer. Members of senior management and representatives of the company's advisors reviewed the activities and discussions of the past weeks, and presented a summary of the proposed transaction terms as reflected in the draft definitive agreements, the strategic rationale that supported it, and the economic and operational benefits that it could create. The board reviewed Pharmacia's performance and prospects and strategic alternatives. Senior management presented the forecasts and economic benefits upon which the exchange ratio was predicated, and summarized the process and the results of Pharmacia's senior management's due diligence investigation of Pfizer. Representatives of Sullivan & Cromwell reviewed in more detail the terms of the proposed transaction, including the terms of the merger agreement and the amendment to the COX-2 co-promotion and co-marketing agreements and described the board's fiduciary duties under the circumstances. Goldman Sachs provided the Pharmacia board of directors a detailed analysis of the financial terms of the proposed combination and an oral opinion, which was subsequently confirmed by delivery of a written opinion, dated July 13, 2002, that, as of that date and subject to the factors and assumptions set forth in the opinion, the exchange ratio pursuant to the merger agreement was fair, from a financial point of view, to the holders of Pharmacia common stock. Without Mr. Hassan present, members of senior management reviewed with the board the terms of Mr. Hassan's proposed employment arrangement with Pfizer following completion of the merger. The board then met without senior management or Mr. Hassan present to discuss any matters that an independent board member wished to raise. During that session, the board concluded that the terms of Mr. Hassan's employment agreement were reasonable and did not create a conflict of interest. At the conclusion of this meeting, after consideration of the factors described under "-- Factors Considered by, and Recommendation of, the Board of Directors of Pharmacia" on page I-39, the

Pharmacia board of directors determined by a unanimous vote of the directors present at the meeting that the merger agreement and the transactions contemplated thereby are advisable, fair to and in the best interests of

Pharmacia and its shareholders, and approved the merger agreement, the amendment to the Pharmacia shareholder rights plan and the amendment to the COX-2 co-promotion and co-marketing agreements and authorized the signing thereof.

On the afternoon of July 13, 2002, the board of directors of Pfizer held a special meeting to review the final terms of the proposed merger agreement, the amendment to the COX-2 co-promotion and co-marketing agreements and Mr. Hassan's employment agreement. Also present at the meeting were members of Pfizer's senior management, Pfizer's legal advisors, Cadwalader, and Pfizer's financial advisors, Lazard and Bear Stearns. After an update on the progress of the negotiations by Dr. McKinnell, Pfizer's senior management presented its assessment of the proposed transaction and the results of its legal and financial due diligence review. Representatives of Cadwalader reviewed the proposed merger agreement in detail with the members of the board of directors and discussed the fiduciary duties of the board of directors in considering a possible business combination. Lazard and Bear Stearns then each delivered their respective oral opinions (which were each subsequently confirmed in writing), that, as of that date, the exchange ratio pursuant to the merger agreement was fair to Pfizer from a financial point of view. See "-- Opinions of Financial Advisors -- Opinions of Pfizer's Financial Advisors" on page I-49 for further information regarding these opinions. Thereafter, the members of board of directors of Pfizer, after consideration of the factors described under "-- Factors Considered by, and Recommendation of, the Board of Directors of Pfizer" on page I-37, voted unanimously to approve the merger agreement, the amendment to the Pfizer certificate of incorporation, the amendment to the COX-2 co-promotion and co-marketing agreements with Pharmacia and the employment agreement with Mr. Hassan.

Before the opening of trading on July 15, 2002, Pharmacia and Pfizer issued a joint press release announcing the execution of the merger agreement.

OUR REASONS FOR THE MERGER

While each of Pfizer and Pharmacia has growth potential and prospects for its immediate and long-term future as a stand-alone entity, we both believe that a combination of the two companies will create a leading global pharmaceutical company with greater diversity, breadth and financial resources that will have the opportunity to enhance shareholder value in ways that are unlikely to be achieved by Pfizer or Pharmacia alone. Specifically, the combined company would be uniquely positioned to benefit from the following:

- Enhanced revenue potential resulting from, among other things:

  -- access to late stage pipeline drugs;

  -- enhanced capability to bring new products to market; and

  -- increased scale.

- Significant cost savings from among other things, increased purchasing power as a combined company.

- Combination of operational factors, such as growth opportunities and risk reductions with respect to research and development.

- Leadership in major therapeutic categories.

Enhanced Revenue Potential. The merger will combine two large and fast-growing firms in the pharmaceutical industry, which will create the opportunity for solid growth potential, improved financial returns and accelerated earnings growth. The combined company would be a larger enterprise with a broader and more diversified product line than either Pfizer or Pharmacia on a stand-alone basis, with estimated potential combined revenues of $52.8 billion in 2003.

As competition intensifies in the industries in which Pfizer and Pharmacia participate, we

believe that the combined company will benefit from an enhanced potential for revenue growth in the following areas and for the following reasons:

- Pharmaceuticals. The combined company expects to have nearly $43.7 billion in prescription pharmaceutical sales in 2003.

  Together the two companies had eight products that they own with sales of more than $1 billion in 2001: Lipitor(R), Viagra(R), Norvasc(R), Zoloft(R), Zithromax(R), Diflucan(R), Neurontin(R)and Celebrex(R) (which is co-promoted and co-marketed by Pfizer and Pharmacia). In addition, the combined company will promote 15 products which had sales in excess of $500 million each in 2001, including Zyrtec(R), Xalatan(R), Detrol(R)/Detrol LA(R), Camptosar(R) and Accupril(R), and ten of those products had an aggregate annual growth of 24% or more in 2001.

  We believe that the combined company's enhanced market presence and sales penetration in key products, coupled with its increased research and development capabilities may lead to the development of new pharmaceutical products. Its enhanced capabilities to successfully bring such products to market may lead to enhanced potential for revenue growth. Most of the major products of both Pfizer and Pharmacia will continue to have patent protection well into this decade and beyond. We believe that these factors provide the opportunity to support the combined growth of products in both Pfizer's and Pharmacia's pipelines of new products, as well as organic and geographic growth of present products.

- New Products and Broad and Diversified Product Line. The combination of Pfizer's pipeline of new products with Pharmacia's pipeline of new products is expected to provide the combined company with the potential for enhanced revenue growth. In June 2002, the FDA approved the injectable form of Geodon(R), making it the first atypical antipsychotic medicine for schizophrenia approved in the United States for intramuscular use. In May 2002, the FDA approved Vfend(R) for life threatening fungal infections. In April 2002, Bextra(R) was launched in the United States for the relief of pain and inflammation of osteoarthritis, adult rheumatoid arthritis and primary dysmenorrhea. Also, in April 2002, Spiriva(R)(co-promoted with Boehringer-Ingelheim) was approved by regulatory authorities in Europe as a treatment for chronic obstructive pulmonary disease. The product was launched in six countries, including Germany in June 2002. On September 30, 2002, the FDA granted marketing approval for Pharmacia's INSPRA(TM) (eplerenone tablets), the first agent designed to selectively block aldosterone, for the treatment of high blood pressure.

  - Increased Scale. Scale has importance in many areas, including:

    - financial strength;

- research and development of new products;
- an increased presence in major international markets;
- an increased ability to attract licensing partners;
- improved marketing and sales support; and
- distribution capabilities, as well as enhancement of existing competencies.

We believe the increased scale of the combined company, and the benefits in the areas mentioned above, could result in greater efficiency and an enhanced potential for revenue growth.

While we expect that we will be able to realize enhanced revenues, no assurance can be given that we will actually be able to do so.

Significant Cost Savings. The combined company is expected to increase its profitability through cost savings and operating efficiencies resulting from the elimination of duplicative facilities and functions which would exist in the combined company in the United States, through multiple organizations and systems in over thirty foreign countries, and through the benefits of leveraging our combined annual external purchases. Pfizer estimates that savings from reductions in cost of goods sold will be realized by optimization of global manufacturing, involving over 100 manufacturing sites of the two companies around the world. The combined company may also be able to leverage its marketing and sales infrastructure to support existing and new products. Savings from sales, general and administrative expenses are expected to be realized by the combination of two worldwide headquarters and multiple staff support functions in over thirty countries. In addition to the competitive advantage gained by the size of the research and development budget, the combination of the research and development programs will permit the combined company to utilize the best science, research, development capabilities and procedures of each company. Pfizer's human pharmaceutical research and development expenditures have been growing by a compound annual growth rate of 14% over the last 3 years. Based on our review of and assumptions about the operations and