

Stock Selection Guide[®]

The most widely used aid to good investment judgment

Company PFIZER INC Date 10/08/04

Prepared by jah Data taken from NAIC Data

Where traded NYSE Major product/service Pharmaceuti

CAPITALIZATION --- Outstanding Amounts		Reference	
Preferred (\$M)	205.0	% Insiders	% Institution
Common (M Shares)	7,550.8	0.0	0.0
Debt (\$M)	18,969.0	% to Tot.Cap.	22.7
		% Potential Dil.	None

1 VISUAL ANALYSIS of Sales, Earnings and Price

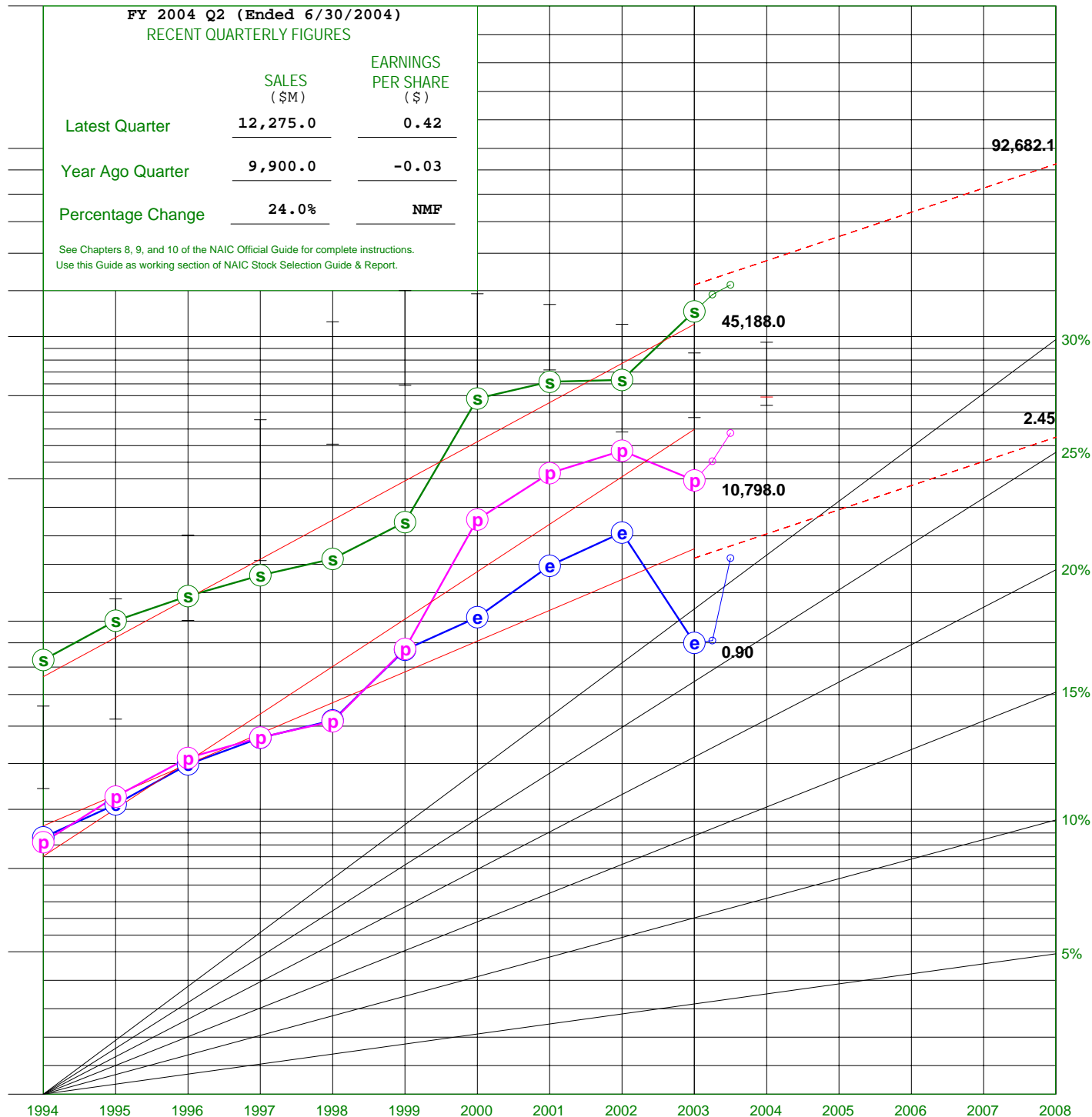
PFE

FY 2004 Q2 (Ended 6/30/2004)

RECENT QUARTERLY FIGURES

	SALES (\$M)	EARNINGS PER SHARE (\$)
Latest Quarter	12,275.0	0.42
Year Ago Quarter	9,900.0	-0.03
Percentage Change	24.0%	NMF

See Chapters 8, 9, and 10 of the NAIC Official Guide for complete instructions.
Use this Guide as working section of NAIC Stock Selection Guide & Report.



- (1) Historical Sales Growth 21.0 %
- (2) Estimated Future Sales Growth 12.5 %
- (3) Historical Earnings Per Share Growth 16.2 %
- (4) Estimated Future Earnings Per Share Growth 12.5 %

2 EVALUATING MANAGEMENT

Company **PFIZER INC** (PFE)

10/08/04

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	LAST 5 YEAR AVG.	TREND	
												UP	DOWN
A % Pre-tax Profit on Sales (Net Before Taxes ÷ Sales)	22.4	23.1	24.7	24.7	24.7	29.3	30.2	34.9	38.6	23.9	31.4		DOWN
B % Earned on Equity (E/S ÷ Book Value)	30.4	28.5	27.7	27.7	27.2	37.7	40.1	45.0	47.6	10.5	36.2		DOWN

3 PRICE-EARNINGS HISTORY as an indicator of the future

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

		PRESENT PRICE		29.800		HIGH THIS YEAR		38.890		LOW THIS YEAR		28.600		
Year	A	PRICE B		C Earnings Per Share	D Price Earnings Ratio E		F Dividend Per Share	G % Payout F ÷ C X 100	H % High Yield F ÷ B X 100					
		HIGH	LOW		HIGH A ÷ C	LOW B ÷ C								
1	1999	50.0	31.5	0.87	57.5	36.3	0.307	35.3	1.0					
2	2000	49.3	30.0	1.02	48.3	29.4	0.360	35.3	1.2					
3	2001	46.8	34.0	1.31	35.7	26.0	0.440	33.6	1.3					
4	2002	42.5	25.1	1.54	27.6	16.3	0.520	33.8	2.1					
5	2003	36.9	27.0	0.90	41.0	29.9	0.600	66.7	2.2					
6	TOTAL		147.6		104.3	72.2		204.7						
7	AVERAGE		29.5		34.8	24.1		40.9						
8	AVERAGE PRICE EARNINGS RATIO				29.4		9		CURRENT PRICE EARNINGS RATIO				21.9	

Proj. P/E [19.48] Based on Next 4 qtr. EPS [1.53]

Current P/E Based on Last 4 qtr. EPS [1.36]

4 EVALUATING RISK AND REWARD over the next 5 years

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

A HIGH PRICE -- NEXT 5 YEARS

Avg. High P/E ~~34.8~~ 28.0 X Estimate High Earnings/Share 2.45 = Forecast High Price \$ 68.6 (4A1)

B LOW PRICE -- NEXT 5 YEARS

(a) Avg. Low P/E ~~24.1~~ 17.6 X Estimated Low Earnings/Share ~~0.90~~ 1.36 = \$ 23.9 (3E7 as adj.)

(b) Avg. Low Price of Last 5 Years = 29.5 (3B7)

(c) Recent Severe Market Low Price = 25.1

(d) Price Dividend Will Support $\frac{\text{Present Divd.}}{\text{High Yield (H)}} = \frac{0.680}{0.022} = 30.5$

Selected Estimate Low Price = \$ 23.9 (4B1)

C ZONING

68.6 (4A1) High Forecast Price Minus 23.9 (4B1) Low Forecast Price Equals 44.7 (C) Range. 1/3 of Range = 11.2 (4CD)

(4C2) Lower 1/3 = 23.9 (4B1) to 35.1 (Buy) Note: Ranges changed to 25%/50%/25%

(4C3) Middle 1/3 = 35.1 to 57.4 (Maybe)

(4C4) Upper 1/3 = 57.4 to 68.6 (4A1) (Sell)

Present Market Price of 29.800 is in the Buy (4C5) Range

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

High Price (4A1) 68.6 Minus Present Price 29.800 = 38.8 = 6.6 To 1 (4D)

Present Price 29.800 Minus Low Price (4B1) 23.9 = 5.9

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

High Price (4A1) 68.6 = (2.302) X 100 = (230.2) - 100 = 130.2 % Appreciation (4E)

Present Market Price 29.800

Relative Value: 74.5% Proj. Relative Value: 66.2%

5 5-YEAR POTENTIAL

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

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

A Present Full Year's Dividend \$ 0.680
Present Price of Stock \$ 29.800 = 0.023 X 100 = 2.3 (5A) Present Yield or % Returned on Purchase Price

B AVERAGE YIELD OVER NEXT 5 YEARS

Avg. Earnings Per Share Next 5 Years 1.94 X Avg. % Payout (3G7) 40.9 = 79.3 = 2.7 % (5B)

Present Price \$ 29.800

C ESTIMATED AVERAGE ANNUAL RETURN OVER NEXT FIVE YEARS

	5 Year Appreciation Potential (4E)		P.A.R.	Tot. Ret.
5	<u>130.2</u>			
Average Yield (5B)		<u>2.60</u> %	<u>1.8%</u>	<u>1.5%</u>
Average Total Annual Return Over the Next 5 Years (5C)		<u>2.7</u> %	<u>13.4%</u>	<u>18.1%</u>
		<u>28.7</u> %	<u>15.2%</u>	<u>19.6%</u>

PERT Worksheet-A

Company PFIZER INC (PFE)

QUARTERLY DATA								LAST 12 MONTHS DATA									
PERIOD	EPS		PRE-TAX PROFIT			SALES		INCOME TAX RATE	EPS \$	PRE-TAX PROFIT		SALES MIL	INCOME TAX		% CHANGE		
	\$	% CHANGE	\$ MIL	% SALES	% CHANGE	\$ MIL	% CHANGE			\$ MIL	% SALES		\$ MIL	% RATE	EPS	PRE-TAX PROFIT	SALES
03/96	0.13		1,140.00	25.3		4,511.00		29.8					30.3				
06/96						4,452.00		31.0					30.0				
09/96						4,571.00		31.0			18,138.0		29.8				
12/96						5,003.00	8.7	31.0			18,537.0		30.7				
03/97						4,779.00	5.9	28.3			18,805.0		30.3				
06/97						4,143.00	-6.9	28.3			18,496.0		29.6				
09/97						4,760.00	4.1	28.3			18,685.0		28.9			3.0	
12/97	0.11		891.00	16.4		5,443.00	8.8	24.6			19,125.0		27.3			3.2	
03/98	0.13		1,158.00	22.2		5,217.00	9.2	28.4			19,563.0		27.4			4.0	
06/98	0.15		1,305.00	22.5		5,797.00	39.9	29.2			21,217.0		27.6			14.7	
09/98	0.13		1,126.00	19.4		5,804.00	21.9	27.4	0.51	4,480.00	20.1	22,261.0	1,227.5	27.4		19.1	
12/98	0.10	-4.6	793.00	12.0	-11.0	6,596.00	21.2	17.8	0.51	4,382.00	18.7	23,414.0	1,126.2	25.7		22.4	
03/99	0.19	46.2	1,705.40	25.9	47.3	6,580.00	26.1	29.1	0.57	4,929.40	19.9	24,777.0	1,276.0	25.9		26.7	
06/99	0.19	33.1	1,701.60	26.1	30.4	6,516.00	12.4	28.0	0.61	5,326.00	20.9	25,496.0	1,362.8	25.6		20.2	
09/99	0.21	64.1	1,850.00	27.4	64.3	6,746.00	16.2	28.2	0.70	6,050.00	22.9	26,438.0	1,560.8	25.8	36.2	35.0	18.8
12/99	0.24	133.0	2,033.00	27.0	156.4	7,534.00	14.2	26.2	0.83	7,290.00	26.6	27,376.0	2,034.1	27.9	64.6	66.4	16.9
03/00	0.25	31.6	2,177.00	30.4	27.7	7,161.00	8.8	29.4	0.89	7,761.60	27.8	27,957.0	2,169.7	28.0	57.8	57.5	12.8
06/00	0.23	19.2	1,990.00	28.5	16.9	6,989.00	7.3	26.4	0.93	8,050.00	28.3	28,430.0	2,217.7	27.5	51.5	51.1	11.5
09/00	0.27	28.6	2,352.00	32.9	27.1	7,158.00	6.1	26.9	0.99	8,552.00	29.7	28,842.0	2,326.6	27.2	42.2	41.4	9.1
12/00	0.27	12.5	2,407.00	29.7	18.4	8,106.00	7.6	30.0	1.02	8,926.00	30.3	29,414.0	2,513.4	28.2	22.4	22.4	7.4
03/01	0.33	32.0	2,889.00	38.1	32.7	7,584.00	5.9	27.1	1.10	9,638.00	32.3	29,837.0	2,659.9	27.6	23.2	24.2	6.7
06/01	0.30	30.4	2,522.00	33.9	26.7	7,446.00	6.5	24.2	1.17	10,170.00	33.6	30,294.0	2,749.9	27.0	25.8	26.3	6.6
09/01	0.34	25.9	2,617.00	46.4	11.3	5,639.00	-21.2	17.4	1.24	10,435.00	36.3	28,775.0	2,574.3	24.7	25.3	22.0	-0.2
12/01	0.33	22.2	2,789.00	34.1	15.9	8,180.00	0.9	25.1	1.30	10,817.00	37.5	28,849.0	2,536.0	23.4	27.5	21.2	-1.9
03/02	0.39	18.2	3,149.00	40.6	9.0	7,747.00	2.1	21.9	1.36	11,077.00	38.2	29,012.0	2,452.6	22.1	23.6	14.9	-2.8
06/02	0.32	6.7	2,537.00	34.8	0.6	7,297.00	-2.0	20.9	1.38	11,092.00	38.4	28,863.0	2,365.6	21.3	17.9	9.1	-4.7
09/02	0.38	11.8	3,067.00	38.4	17.2	7,996.00	41.8	23.2	1.42	11,542.00	37.0	31,220.0	2,628.1	22.8	14.5	10.6	8.5
12/02	0.47	42.4	3,727.00	39.9	33.6	9,333.00	14.1	22.0	1.56	12,480.00	38.6	32,373.0	2,744.4	22.0	20.0	15.4	12.2
03/03	0.41	5.1	3,307.00	38.9	5.0	8,506.00	9.8	23.6	1.58	12,638.00	38.1	33,132.0	2,833.1	22.4	16.2	14.1	14.2
06/03	-0.03	-109.4	2,010.00	20.3	-20.8	9,900.00	35.7	111.2	1.23	12,111.00	33.9	35,735.0	5,450.5	45.0	-10.9	9.2	23.8
09/03	0.31	-18.4	2,718.00	21.7	-11.4	12,504.00	56.4	11.1	1.16	11,762.00	29.2	40,243.0	4,940.0	42.0	-18.3	1.9	28.9
12/03	0.23	-51.1	2,769.00	19.5	-25.7	14,166.00	51.8	36.3	0.92	10,804.00	24.0	45,076.0	4,923.8	45.6	-41.0	-13.4	39.2
03/04	0.40	-2.4	4,363.00	34.9	31.9	12,487.00	46.8	29.6	0.91	11,860.00	24.2	49,057.0	5,582.9	47.1	-42.4	-6.2	48.1
06/04	0.42	NMF	3,749.00	30.5	86.5	12,275.00	24.0	14.1	1.36	13,599.00	26.4	51,432.0	3,100.1	22.8	10.6	12.3	43.9
09/04								24.8					26.2				
12/04								24.8					23.3				

A B C D E F G H I J K L M N O P Q R S T

Trailing 4 quarters

PERT Worksheet-A Graph

Company PFIZER INC (PFE)

