

EXHIBIT 1

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10 - K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2003

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 1-3619

PFIZER INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

235 East 42nd Street

New York, New York

(Address of principal executive offices)

13-5315170

(I.R.S. Employer
Identification Number)

10017-5755

(Zip Code)

(212) 573-2323

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, \$.05 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes

No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in the definitive proxy or information statement incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is an accelerated filer.

Yes

No

The aggregate market value of the voting stock held by non-affiliates of the registrant, computed by reference to the closing price as of the last business day of the registrant's most recently completed second fiscal quarter, June 27, 2003, was approximately \$243 billion. The registrant has no non-voting common stock.

The number of shares outstanding of each of the registrant's classes of common stock as of February 27, 2004 was 7,625,056,017 shares of common stock, all of one class.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the 2003 Annual Report to Shareholders

Portions of the proxy statement for the 2004 Annual Meeting of Shareholders

Parts I, II and IV

Parts I and III

In addition, Pharmacia, Pfizer and other pharmaceutical manufacturers are defendants in a number of purported class action suits in various federal and state courts brought by employee benefit plans and self-styled public interest groups that state claims similar to those in the state and county actions. These suits allege, among other things, fraud, unfair competition and unfair trade practices and seek monetary and other relief, including civil penalties and treble damages.

If these state, county and purported class action suits were transferred to the U.S. District Court for the District of Massachusetts for consolidated pre-trial proceedings. Certain of the state suits and one of the private suits have been remanded to their respective state courts.

Motions to dismiss have been made in each of these state, county and purported class actions suits. By decision dated February 24, 2004, the court in the consolidated proceeding in Massachusetts in large part denied defendants' motions to dismiss plaintiffs' amended master consolidated complaint. The dismissal motions made in the state and county actions have not yet been decided.

Qui Tam Action Relating to Manufacturing Practices

Pfizer, Pharmacia and other pharmaceutical companies have been named in a *qui tam* action that was filed in the U.S. District Court for the Northern District of Texas in June 2001 but not served on Pfizer and Pharmacia until 2003. The complaint alleges that the defendants have generally failed to comply with good manufacturing practices mandated by the FDA, that as a consequence their products sold to or reimbursed by the federal government are adulterated and/or misbranded, and that the federal government is entitled to refunds of purchase prices paid. In February 2004, the court granted the plaintiff's motion for leave to amend the complaint and denied defendants' consolidated motion to dismiss as moot. To date, the federal government has not intervened in the action. We believe the claims with respect to Pfizer and Pharmacia are without merit.

NeoPharm Arbitration

In 1999, Pharmacia and NeoPharm entered into an agreement to develop NeoPharm's technology for liposome encapsulation of certain cancer drugs. In April 2002, NeoPharm filed a demand for arbitration under the agreement, alleging that Pharmacia had breached the agreement by failing to use reasonable efforts to develop, market and sell the technology. NeoPharm is seeking specific performance and damages for lost profits. In May 2002, Pharmacia filed its response and asserted a counterclaim for rescission and the return of certain payments on the ground that NeoPharm misrepresented the technology. The arbitration proceeding concluded in February 2004, and a decision is expected within the next several months.

Genotropin and Bextra

The Company recently was notified that the U.S. Department of Justice is conducting investigations relating to the marketing and sale of *Genotropin* and *Bextra*, as well as certain managed care payments. We are cooperating in these investigations.

OTHER MATTERS

Monsanto-Related Matters

In 1997, Monsanto Company ("Former Monsanto") contributed certain chemical manufacturing operations and facilities to a newly formed corporation, Solutia Inc. ("Solutia"), and spun off the shares of Solutia. In 2000, Former Monsanto merged with Pharmacia & Upjohn to form Pharmacia Corporation ("Pharmacia"). Pharmacia then transferred its agricultural operations to a newly created subsidiary, named Monsanto Company ("New Monsanto"), which it spun off in a two-stage process that was completed in 2002. Pharmacia was acquired by Pfizer on April 16, 2003 and is now a wholly owned subsidiary of Pfizer.

In connection with its spin-off that was completed in 2002, New Monsanto assumed, and agreed to indemnify Pharmacia for, any liabilities related to Pharmacia's former agricultural business. New Monsanto is defending and indemnifying Pharmacia for various claims and litigation arising out of or related to the agricultural business.

In connection with its spin-off in 1997, Solutia assumed liabilities related to Former Monsanto's chemical businesses. As a result, while Pharmacia remains a defendant in various legal proceedings involving Former Monsanto's chemical businesses, Solutia manages the litigation and is responsible for all costs and expenses and any judgment or settlement amounts. In addition, in connection with its spin-off that was completed in 2002, New Monsanto assumed, and agreed to indemnify Pharmacia for, any liabilities primarily related to Former Monsanto's chemical businesses, including any such liabilities that Solutia assumed to the extent that Solutia fails to pay or discharge them. Solutia's assumption of these liabilities, and New Monsanto's agreement to indemnify Pharmacia for these liabilities to the extent that Solutia fails to pay or discharge them, apply to, among other matters, the litigation discussed below relating to polychlorinated biphenyls ("PCBs").

As previously reported, Pharmacia is a defendant in various actions in state and federal court in Alabama relating to PCBs that were discharged from a plant site in Anniston, Alabama. The principal actions against Pharmacia were *Abernathy et al. v. Monsanto et al.* and *Tolbert et al. v. Solutia et al.* In August 2003, both of these actions were settled, subject to the execution of releases by the plaintiffs, without the payment of a material amount by Pharmacia or Pfizer. Releases from the requisite number of plaintiffs have been executed, and the settlement has been finalized.

In December 2003, Solutia filed a petition in the U.S. Bankruptcy Court for the Southern District of New York seeking reorganization under Chapter 11 of the U.S. bankruptcy code. Solutia has asked the Bankruptcy Court to relieve it from liabilities related to Former Monsanto's chemical businesses that were assumed by Solutia in 1997, including without limitation some or all of Solutia's \$50 million share of the settlement in the *Abernathy* and *Tolbert* cases. Should the Bankruptcy Court grant such relief, New Monsanto would be responsible for such liabilities under its indemnification agreement with Pharmacia. Solutia also has filed a motion with the Bankruptcy Court seeking to reject its contractual indemnity and other obligations to Pharmacia. If approved by the Bankruptcy Court, rejection will result in a breach of these obligations and substantial damage claims against Solutia. Pharmacia intends to oppose the motion to reject. If the motion is granted, New Monsanto will continue to be liable to indemnify Pharmacia for any obligations that Solutia fails to perform.

In December 2003, Solutia filed an action, also in the U.S. Bankruptcy Court for the Southern District of New York, seeking a determination that Pharmacia rather than Solutia is responsible for an estimated \$475 million in health care benefits for certain Solutia retirees. Pharmacia intends to vigorously defend this action. New Monsanto will be responsible for costs and expenses and any judgment or settlement amounts in this action under its indemnification agreement with Pharmacia.