



Annual report 1998-99



cover theme

We are Pfizer. Over the last five decades we have made significant contributions towards improving the quality of life of millions. We discovered many of this country's most widely prescribed medicines. We have worked with a passion for half a century now. At Pfizer, we look to the future with the knowledge that the only thing incurable is our passion.

board of directors

(As on March 11, 2000)

R.A. Shah

Chairman

Ian R. Young

Managing Director

Charles L. Sarris

K.F. Bunshah

M.W. Hodin (Dr.)

– Alternate : **A.K. Nehru**

P.J. Santoriella

– Alternate : **K. Handa**

B. Valentini

– Alternate : **B. Bhattacharya**

Pierre G. Etienne (Dr.) – Alternate : **B.M. Gagrut (Dr.)**

R.W. Norton

A.B. Thakkar

Pradip P. Shah

management committee

Ian R. Young

Managing Director

S. Madhok

Animal Health

B. Bhattacharya

Strategic & Business Planning

S. Mukherjee (Dr.)

Medical Affairs

R.P. Erande

Information Technology

A.K. Nehru

Manufacturing

Fidela Moreno (Dr.)

Clinical Research

S. Ramkrishna

Corporate Affairs

B.M. Gagrut (Dr.)

Pharmaceuticals

H. Walder

Personnel

K. Handa

Finance

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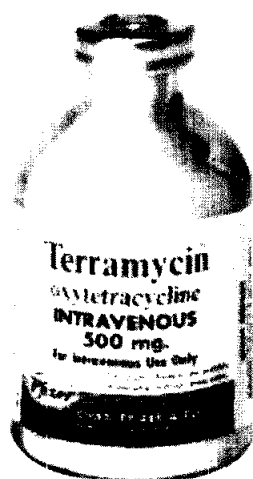
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secretary

A. Anjeneyan

Growth amid adversity

Pfizer's entry into India, with the registration of Dumex on 21.11.1950, heralded a new era for



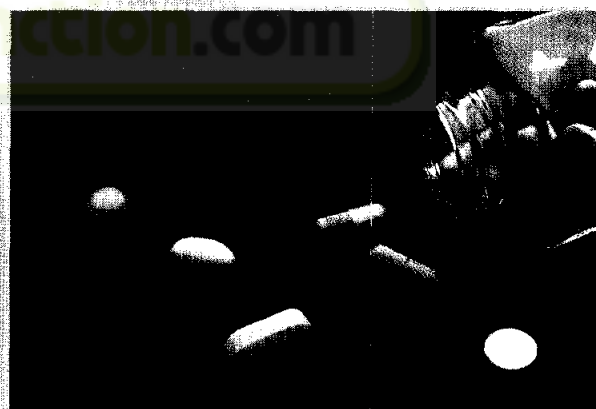
pharmaceuticals in India. In just the same year, Pfizer had developed its wonder-drug Terramycin, which was the world's first broad-spectrum antibiotic to be launched here. In India,

Pfizer's Chandigarh plant commenced the production of Tetracycline & Oxytetracycline in 1961. As early as 1956, the company had already developed and marketed Protinex, a unique protein preparation manufactured from basic stages. In 1968, a new plant at Thane was inaugurated by the then Pfizer Inc. chairman John J. Powers, Jr. Those were very successful years for Pfizer in India. Ed Pratt, President & CEO of Pfizer Inc., said on our 25th anniversary in 1975 that "you have risen to a position of leadership within India's pharmaceutical industry. The future will not be easy".

In 1970's the Indian government brought in the new Patents Act. This Act, designed to promote domestic drug industry, took away product patenting of pharmaceuticals. For research-based

pharmaceutical companies, this meant that their painstakingly researched molecules could be copied with ease by local firms. This was further compounded by draconian price control regulations which literally drove out many essential drugs from the market through illogical pricing restrictions. In the wake of these developments, many international companies withdrew from India. But Pfizer stayed on.

Our grit and perseverance in the face of adversity has often been admired by analysts and our shareholding community. In fact, through all these turbulent years, we patiently bore the brunt of discouraging extremes in government policies. While



we continuously launched new products, we unfortunately had to also pull-back some products due to the rigours of price controls. Despite this, some of our star products have been holding the top position in countrywide sales in their respective categories for years.

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50 YEARS
of Pfizer in India

We are today facing a future which holds great promise: India is committed to make its patent laws TRIPS compliant; the government has set up several committees to review price controls and the R & D environment in pharmaceuticals; and the economy itself is in an upswing which would bring about greater prosperity and, consequently, greater focus on healthcare.

Throughout our history, our greatest resource has been our people. Our shared sense of purpose and common values form the foundation of an enduring commitment: Life is our life's work.

A proud parentage

Fame and Fortune



In recent years, Pfizer Inc. was twice named the world's most admired pharmaceutical company in Fortune magazine's annual

Survey, and one of the top 10 most admired companies in the world across all industry groups in Fortune's first "All-Star" ranking. In 1999, Forbes named Pfizer its "Company of the Year", and in January 2000, Business Week ranked Pfizer Inc.'s Board of Directors as one of the 25 best in the world.

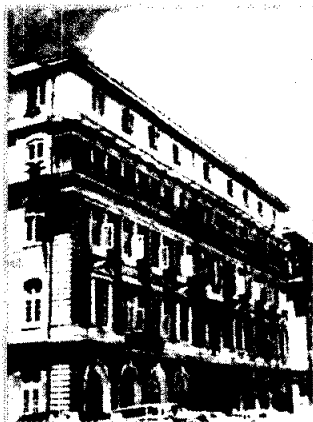
The best is about to get better

In Feb 2000, Pfizer Inc and Warner Lambert Company announced a merger which is positioned for global leadership in the discovery of new medicines that will benefit millions of patients around the world.

The combined R & D operations of the company will have a worldwide scientific staff of over 12,000 with \$ 4.7 billion in annual R & D expenditure and more than 138 compounds in development, the largest in the industry.

No other pharmaceutical company will have so many leading medicines across such a broad range of therapeutic categories, including more than a dozen drugs that each have annual sales of over US \$ 500 million - which also includes seven drugs each with over US \$ 1 billion in sales.

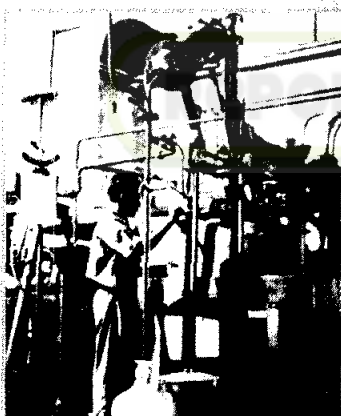
Born with



Our umbilical cord with the Indian Republic was evident in the year 1950, when the company was registered in the name of Dumex Ltd.



The first plant of the Company was setup at Darukhana in the heart of Bombay. Commissioned in 1952 as a packaging facility. This plant was the base on which the company's manufacturing competence was built.



In 1956, the Company commenced the basic manufacture of Protinex at the Darukhana Location.



In 1961, the Chandigarh Plant was commissioned and went into full-scale operation the following year.

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PFIZER a history

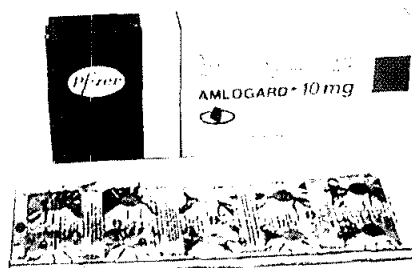
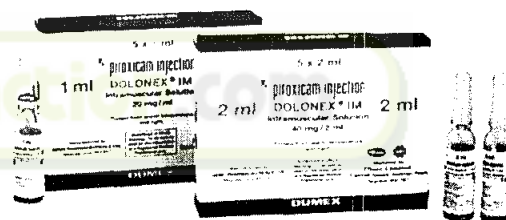
the Republic

In 1964, Corex was manufactured for the first time and later this turned out to be a blockbuster for the company.



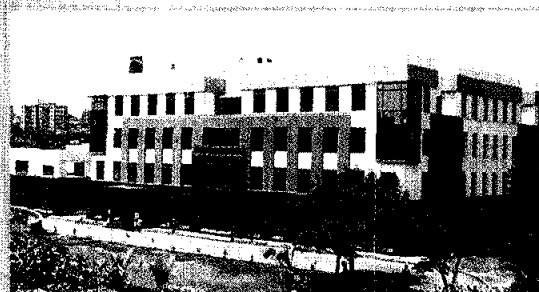
In November 1968, John J. Powers, Jr. Chairman, Pfizer Inc. inaugurated the Thane Plant.

In 1989, Dolonex (Feldene) was introduced in our country and today it is amongst the leading prescribed non-steroidal anti inflammatory drug.



In 1993, Amlogard (Nervase) was introduced in our country and today it is a widely preferred anti-hypertensive drug.

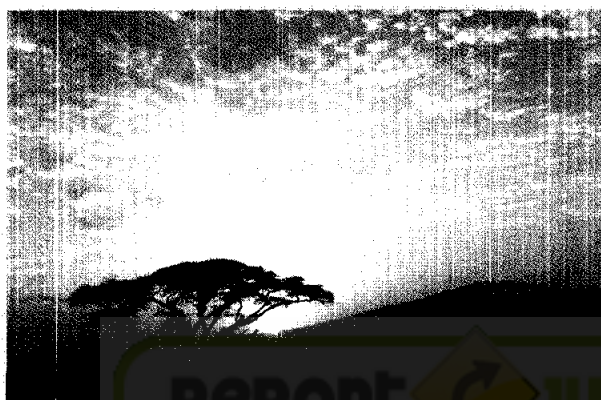
In 1998, Pfizer Limited shifted its corporate office from Nariman Point in South Mumbai to Jogeshwari (West) in the western suburbs.



The Indian pharmaceutical industry to be a world leader

A sunrise industry

That India can be a leader in the software industry is something that is recognized by the government which encourages the software industry and ensures that policies and regulations enhance its capability to develop and thrive. The pharmaceutical industry, in comparison, is hampered by a legacy of rules, regulations and



controls which were established at a time when the pharmaceutical industry was perceived as purely a manufacturing industry producing low-priced medicines for the masses.

In India, pharmaceutical companies traditionally limited their activities to manufacturing. However, increasingly Indian companies are becoming involved, with some significant success, in all the other elements of the broader knowledge-based pharmaceutical industry. The industry is not homogeneous and certainly not simply a manufacturing industry.

Budding research in India

In recent years, and directly as a consequence of the gradual liberalization which has taken place



since the early 1990's and the advent of effective pharmaceutical patent protection, a number of Indian pharmaceutical companies have commenced original research, with highly promising results. A number of international pharmaceutical companies operating in India, including Pfizer, have commenced significant clinical development programs, with positive results and again with the potential for considerable expansion. Pharmaceutical research in India can be exceptionally rewarding in terms of contribution to health care and contribution to the Indian economy.

The Best Talent

Throughout the world scientists and managers of Indian origin are making a major contribution to the

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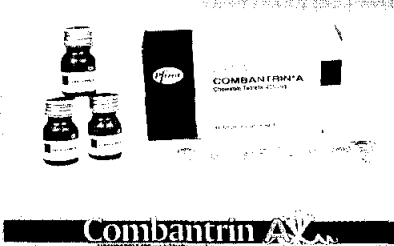
advancement of medical and pharmaceutical science. In India itself there is exceptional scientific, technical



and creative talent, capable of developing the Indian pharmaceutical industry into a world leader. However, changes must be made in the constraints under which the industry currently operates if this is to be achieved. Although we have laboratories and manufacturing plants, our greatest asset is brain power.

Market driven

India probably has the most competitive pharmaceutical market in the world, with a vast number of pharmaceutical manufacturers and a very price-conscious consumer. There can be no more than a handful of pharmaceutical products which are not



subject to strong competition in most cases from other copies of the same

chemical entity and in all cases from other chemical entities competing in the same therapeutic category.

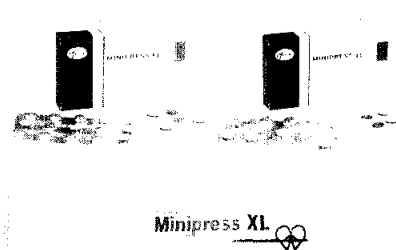
The free market will ensure price control, but at the same time can allow comparative values to enter into the equation. This indeed is what happens with products which are presently not under price control. Those that position themselves as offering superior products in better packaging and with the provision of the required

product knowledge to the medical

profession, price

at one level,

whereas others, who offer the product in a basic format, compete only on price.



Intellectual property protection

High technology, knowledge based industries like pharmaceuticals flourish and become stronger when the intellectual capital created by them through invention and innovation is secure and protected. While India is committed to WTO and to enacting TRIPS compliant laws, there are sections of our society still debating the desirability of better IP laws. Given the exceptional scientific, technological, creative and innovative talent which reside in India, the development of skills and competence to manage intellectual property, should be a national priority. Nothing changes today faster than technology and the more we delay this process the greater are the chances that we will miss the bus forever.

FINDING NEW WAYS to help

1972

Contributed Medicines worth Rs. 5 Lakhs for relief to Bangladesh Refugees. Also donated Rs. 10 Lakhs towards Prime Minister's National Defence Fund.

1973

Provided assistance and relief to drought affected areas of Maharashtra in the form of Five Relief Ambulance Vans, Mobile Diagnostic Unit and medicines valued at over Rs. 9.5 Lakhs.

1993

The Company rushed medicines worth Rs. 2 Lakhs, contributed Rs. 5 Lakhs to the Chief Minister's Relief Fund, contributed one day's salary amounting to Rs. 2.6 Lakhs to the victims of the Latur Earthquake.

1994

The Company donated 1 million capsules of Oxytetracycline to the states most affected by the plague epidemic. Also, launched health education campaign and set up medical advisory groups in the affected areas.



Pfizer contributes to the Army Central Welfare Fund for the Kargil affected army personnel



Pfizer donated a fully equipped Mobile Medicare Van to the cyclone affected people of Orissa



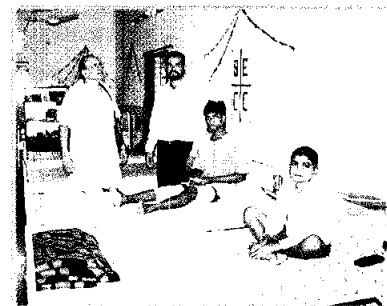
Mr. P. Harichandran (Pharmacist) dispensing medicines to patients



Mass deworming and prevention of night-blindness program at Jogeshwari, covering 10,000 students

Pfizer people care. It is just as apparent in the way Pfizer people give of themselves to make our communities better places to live. Just as our research seeks to fill major medical needs, our philanthropy is dedicated to responding to societal needs. At Pfizer, helping others is not just a sideline; it is the essence of who we are and what we do.

Whether it was in promoting a healthy living environment for people near our facilities, or in supporting NGO projects, or in rushing aid to victims of epidemics, earthquakes or floods, Pfizer India and its employees have been swift in responding to community needs. And so it was, that Pfizer's philanthropy brought some comfort to the hapless people of Orissa.



Help for furnishing a Nursing Room for street children at the Bandra Community Centre

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