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Pfizer Technologies Limited

**Directors' report and
financial statements**

Year ended 30 November 2006



Pfizer Technologies Limited

Directors' report and financial statements

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Pfizer Technologies Limited

Directors and other information

Directors

K Fletcher
A M Doherty
F J C Overtoom
M Fauerbach
J Eaton
C M Seller
JD Young

Registered office

c/o Pfizer Limited
Ramsgate Road
Sandwich
Kent
CT13 9NJ

Independent auditors

KPMG
Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2
Ireland

Registered number

03443383

Pfizer Technologies Limited

Directors' report

The directors hereby present their annual report and the audited financial statements for the year ended 30 November 2006

Principal activities

The principal activity of the company is the development and exploitation of pharmaceutical intellectual property

The directors do not have any current plans to change the company's activities

The development and performance of the company during the year was satisfactory, as was the position of the company at the year end. It is anticipated that company development, performance and position will remain satisfactory into 2007

Company risks

A principal factor which can cause risk and uncertainty for the company is the development, performance and position of the Pfizer Inc group (of which the company is a member). The consolidated financial statements of Pfizer Inc are available from Pfizer Inc, 235 East 42nd Street, New York, NY 10017, USA

Results and dividends

The audited financial statements for the year ended 30 November 2006 are set out on pages 7 to 15

The company generated an after tax profit of £187,618,000 (*2005 profit of £162,092,000*). The directors paid a dividend of £150,000,000 (*2005 £150,000,000*). The retained profit for the year of £37,618,000 (*2005 profit of £12,092,000*) has been transferred to reserves

Political and charitable contributions

The company made no political or charitable contributions during the year

Pfizer Technologies Limited

Directors' report (*continued*)

Directors and directors' interests

The directors who served during the year were as follows

K Fletcher	
S Eccles	(resigned on 31 July 2006)
O Brandicourt	(resigned on 1 February 2007)
A M Doherty	
F J C Overtoom	
E Bauman	(appointed on 28 April 2005 and resigned on 2 February 2006)
J Eaton	
M Fauerbach	(appointed on 20 April 2006)
C M Seller	(appointed on 1 August 2006)
JD Young	(appointed on 7 February 2007)

At no time during the year did any of the directors have any interest in the shares of the company or of any Pfizer UK group company, or any rights to subscribe for such shares


Auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. The directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Pursuant to a shareholder resolution, the company is not obliged to reappoint its auditors annually and KPMG, Ireland will therefore continue in office.

By order of the board

Director



F. OVERTOOM

Date

21/9/07

Pfizer Technologies Limited

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

Independent auditors' report to the member of Pfizer Technologies Limited

We have audited the financial statements of Pfizer Technologies Limited for the year ended 30 November 2006 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 4, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.



Independent auditors' report to the member of Pfizer Technologies Limited
(continued)

Opinion

In our opinion the financial statements

- give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 November 2006 and of its profit for the year then ended, and
- have been properly prepared in accordance with the Companies Act 1985

KPMG

Chartered Accountants
Registered Auditor
1 Stokes Place
St Stephen's Green
Dublin 2
Ireland

24 September 2007

Pfizer Technologies Limited

Statement of accounting policies

for the year ended 30 November 2006

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation

The financial statements have been prepared in accordance with generally accepted accounting principles under the historical cost convention, and comply with financial reporting standards of the Accounting Standards Board

Under Financial Reporting Standard 1 (Revised) the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking consolidates the company's financial statements in its own published consolidated financial statements

Foreign currencies

Transactions in foreign currencies are recorded using the company's standard exchange rate for the month of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Turnover

Turnover represents the amounts (excluding value added tax) derived from royalty agreements with other members of the Pfizer worldwide group and is recognised on related actual product sales

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences that have originated but not reversed by the balance sheet date and which could give rise to an obligation to pay more or less tax in the future

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Intangible fixed assets

Intangible fixed assets purchased separately from a business are capitalised at their cost. They are amortised to nil by equal annual instalments over their useful economic lives, of not more than 20 years based on directors' estimates, after making any required provisions for impairment

Pfizer Technologies Limited

Profit and loss account

for the year ended 30 November 2006

	<i>Notes</i>	2006 £'000	2005 £'000
Turnover – continuing operations	<i>1</i>	281,617	249,805
Net operating costs	<i>2</i>	(12,800)	(12,800)
		<hr/>	<hr/>
Operating profit – continuing operations	<i>3</i>	268,817	237,005
Interest receivable and similar income	<i>6</i>	-	21
		<hr/>	<hr/>
Profit on ordinary activities before taxation		268,817	237,026
Tax on profit on ordinary activities	<i>7</i>	(81,199)	(74,934)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		187,618	162,092
Dividend on equity shares	<i>8</i>	(150,000)	(150,000)
		<hr/>	<hr/>
Retained profit for the year	<i>13</i>	37,618	12,092
		<hr/>	<hr/>

There are no recognised gains or losses other than those reported in the profit and loss account for each year

Pfizer Technologies Limited

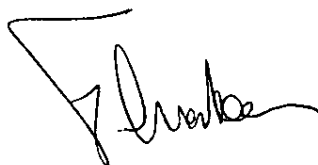
Balance sheet at 30 November 2006

	Notes	2006 £'000	2005 £'000
Fixed assets			
Intangible fixed assets	9	46,933	59,733
Current assets			
Debtors: amounts falling due within one year	10	977,720	652,820
Creditors: amounts falling due within one year	11	(928,313)	(653,831)
Net current assets/(liabilities)		<u>49,407</u>	<u>(1,011)</u>
Net assets		<u>96,340</u>	<u>58,722</u>
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account	13	96,339	58,721
Equity shareholder's funds		<u>96,340</u>	<u>58,722</u>

These financial statements were approved by the board of directors and were signed on its behalf on
by

21/9/07

Director


F. OVERTOOM

Pfizer Technologies Limited

Reconciliation of movements in shareholder's funds *for the year ended 30 November 2006*

	2006 £'000	2005 £'000
Opening equity shareholder's funds	58,722	46,630
Profit for the year	187,618	162,092
Dividends declared	(150,000)	(150,000)
	<hr/>	<hr/>
Closing equity shareholder's funds	96,340	58,722
	<hr/>	<hr/>

Pfizer Technologies Limited

Notes

forming part of the financial statements

1 Segmental analysis

All turnover, profit before taxation and net assets relate to the company's principal activity, the development and exploitation of pharmaceutical intellectual property

	USA		Rest of the World		Total	
	2006	2005	2006	2005	2006	2005
	£'000	£'000	£'000	£'000	£'000	£'000
Turnover	200,512	174,867	81,105	74,938	281,617	249,805
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

2 Net operating costs

	2006	2005
	£'000	£'000
Amortisation of intangible fixed assets	12,800	12,800
	<u> </u>	<u> </u>

3 Profit on ordinary activities before taxation

Auditors' remuneration is borne without recourse by Pfizer Limited, a fellow group company

4 Remuneration of directors

None of the directors received any emoluments or became entitled to benefits of any kind for the services they provided to the company in either 2006 or 2005

During the year, three of the directors exercised options over shares in the ultimate parent company Pfizer Inc, (2005 *three*)

Retirement benefits did not accrue to any of the directors in respect of their services to the company in 2006 or 2005

Seven of the directors received shares under long term incentive schemes in respect of their services to the company (2005 *nil*)

5 Staff numbers and costs

The company did not employ any staff during either the current or previous year

Pfizer Technologies Limited

Notes

forming part of the financial statements (continued)

6 Interest receivable and similar income

	2006 £'000	2005 £'000
Other interest receivable	-	21

7 Taxation

	2006 £'000	2005 £'000
UK corporation tax at 30% (2005 30%)	84,485	74,948
Adjustment relating to an earlier year	(3,286)	(14)
	81,199	74,934

The tax charge assessed for the year is lower than would have been achieved by tax affecting the profit before tax for the year at 30%. The differences are as follows

	2006 £'000	2005 £'000
Profit on ordinary activities before tax	268,817	237,026
Taxation charge at UK corporation tax rate of 30% (2005 30%)	80,645	71,108
<i>Effects of</i>		
Permanent differences	3,840	3,840
Adjustment relating to prior year	(3,286)	(14)
Current tax charge for the year	81,199	74,934

The directors are not aware of any factors, other than those described above, that will have a significant effect on the future tax charge, apart from the change in the applicable corporation tax rate for future years. Pursuant to Finance Act 2007 (enacted 19 July 2007), the rate of corporation tax has been reduced to 28% from the current 30% rate, first coming into effect for the company on 1 April 2008.

Pfizer Technologies Limited

Notes

forming part of the financial statements (continued)

8 Dividends

	2006 £'000	2005 £'000
<i>Equity shares</i>		
Dividend paid	150,000	150,000

9 Intangible assets

	Intellectual Property Rights £'000
<i>Cost</i>	
At beginning and end of year	112,000
<i>Amortisation</i>	
At beginning of year	52,267
Charge for year	12,800
At end of year	65,067
<i>Net book value</i>	
At 30 November 2006	46,933
At 30 November 2005	59,733

The company holds certain intellectual property rights which it purchased at market value of £112,000,000 from Parke Davis & Co Limited, a fellow Pfizer Inc group company, on 26 October 2001

The company also holds other intellectual property rights which were assigned to it by its immediate parent company for nominal consideration

Pfizer Technologies Limited

Notes

forming part of the financial statements (continued)

10 Debtors: amounts falling due within one year

	2006 £'000	2005 £'000
Amounts due from group undertakings	977,720	652,820

11 Creditors: amounts falling due within one year

	2006 £'000	2005 £'000
Amounts due to group undertakings	855,798	624,281
Corporation tax payable	72,515	29,550
	928,313	653,831

12 Called up share capital

	2006 £'000	2005 £'000
<i>Authorised</i>		
Equity 1,000 ordinary shares of £1 each	1	1
<i>Allotted, called up and fully paid</i>		
Equity 1,000 ordinary shares of £1 each	1	1

Pfizer Technologies Limited

Notes

forming part of the financial statements (continued)

13 Reserves

	Profit and loss account £'000
At beginning of year	58,721
Retained profit for the year	37,618
	<hr/>
At end of year	96,339
	<hr/>

14 Related party disclosures

The company is controlled by Pfizer UK Group Limited. The ultimate controlling company is Pfizer Inc, a company incorporated in the United States of America.

As the company is a wholly owned subsidiary of Pfizer Limited, it has availed of the exemption in FRS No 8 *Related Party Disclosures* (FRS 8) from the requirement to disclose details of transactions with group undertakings. Other than any transactions with related group undertakings there are no related party transactions requiring disclosure.

15 Ultimate parent company and parent undertaking of larger group of which the company is a member

Pfizer Technologies Limited is part of the world-wide group of companies whose ultimate parent is Pfizer Inc, a company incorporated in the United States of America. Copies of the ultimate parent company's financial statements may be obtained from Pfizer Inc, 235 East 42nd Street, New York, NY10017, USA.

The immediate holding company is Pfizer Limited, which is incorporated in Great Britain and registered in England and Wales.

The smallest group in which the results of the company are consolidated is that headed by C P Pharmaceuticals International C V, Coolsingel 93, 3012 AE Rotterdam, Holland whose accounts are publicly available from the Chamber of Commerce, PO Box 450, 3001 AL Rotterdam, Holland.