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Pfizer has 'strong' view but cuts target

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BOSTON (CBS.MW) -- Shares of Pfizer surged nearly 5 percent Tuesday after the No. 1 drugmaker affirmed its long-term earnings growth targets and highlighted new drugs with blockbuster potential.

Pfizer ([PFE: news](#), [chart](#), [profile](#)) shares tacked on \$1.58 to \$36.18.

New York-based Pfizer did trim its 2003 earnings forecast, but the drugmaker's chief financial officer predicted "strong growth" for next year and beyond.

CFO David Shedlarz, speaking at an analyst meeting in New York, said Pfizer now expects to earn \$1.73 per share in 2003, down from the company's earlier projection of \$1.80 per share. Shedlarz, however, affirmed the company's 2004 profit forecast of \$2.13 per share, which would represent a 23 percent increase over 2003's estimated earnings.

"We have a wealth of new top- and bottom-line growth opportunities across all business lines," Shedlarz said.

He said an inventory reduction that prompted the lowered earnings estimate won't recur after this year.

Analysts had already been anticipating some downward revision in the \$1.80 per share goal. Before Shedlarz' announcement, the New York-based company had been expected to earn \$1.77 per share in 2003.

Pfizer said it expects 10 percent compound annual growth in revenue to \$54 billion in 2004.

Tuesday marked the first time Pfizer has given updated financial forecasts since completing its \$60 billion buyout of drugmaker Pharmacia in April.

Pfizer officials spent much of the meeting highlighting the potential of experimental medications now in development, including a drug called varenicline that appears to help smokers break the habit. Varenicline is now in late-stage patient testing.

In addition, Pfizer executives said they're optimistic about a new inhaled insulin called Exubera and a new anti-insomnia drug known as indiplon.

"Our pipeline of new product candidates is full at all stages," CEO Hank McKinnell told the analysts. "Pfizer research is back."

Pfizer's shares had surged Monday ahead of the meeting amid growing excitement about the company's new drugs.

"Pfizer showed it's not going to compromise on its commitment to its research pipeline," said Jeffrey Kraws, co-founder of Crystal Research Associates, an independent pharmaceutical research firm. "For breadth and depth, the company has the best pipeline in the industry."

Pfizer also had good news about its cholesterol-lowering drug Lipitor to announce Monday. Lipitor cut the risk of heart attacks in diabetics in a major clinical trial, the company said.

The results appear to open the way for wider use of Lipitor, already the top-selling prescription drug in the world. In addition to Lipitor, Pfizer makes anti-impotence drug Viagra and arthritis medication Celebrex, among many others.



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