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August 9, 2010

Technical Director  
File reference No 1790 -100  
Financial Accounting Standards Board  
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Pfizer is a research-based, global pharmaceutical company with its principal place of business in New York. We develop, manufacture and market leading prescription medicines for humans and animals, as well as nutritional products and many of the world's best-known consumer products. The Company's 2009 total revenues were \$50 billion and its assets were \$213 billion. We appreciate the opportunity to respond to the FASB Exposure Draft on Comprehensive Income (Topic 220): *Statement of Comprehensive Income*.

#### Summary

Pfizer supports the Board's efforts to improve the understandability and comparability of financial information as well as the Board's goal of convergence of U.S. GAAP and International Financial Reporting Standards.

We believe that the combination of the statements of net income and other comprehensive income (OCI) into one continuous financial statement does not achieve the stated goals of improving comparability, consistency and transparency at a reasonable cost.

- Comparability – Meaningful comparability will only be achieved when the FASB and the IASB converge on an articulated theory to explain differences between net income items and OCI items, as well as the concept of “recycling.” We realize that while it is not the intent of this proposed ASU to address that issue, presentation alone cannot bridge the divergent thinking of both boards. The current requirements of Topic 220 allow interested users to compare and contrast OCI elements and activity among companies without the need for a continuous statement.
- Consistency – We understand that users of financial statements value consistency and that consistency would be achieved under this proposal. But, in this case, consistency may come at a cost as some users will erroneously conflate the net income metric with other comprehensive income. We wouldn't want to see users applying incorrect metrics solely due to a presentation issue. Our experience in dealing with analysts, institutional and other investors indicates that “net income” is a measure that is used with great frequency. Further, we have found that while those users find “other comprehensive income” information interesting, they do not utilize it to perform an evaluation of the company's performance nor do they utilize it for cash flow projections. We are very concerned that the presentation of net income as a “sub-total” will serve to obscure a measure which is well-known and well understood and further confuse the users of our financial

statements for no apparent benefit. We are not convinced that OCI is a metric that is well understood.

We understand that “other comprehensive income” comprises important information and has a place in the financial statements. However, many of the components are long-term in nature while net income is a measure of current operating performance. The proximity of the two measures in a single statement approach could blur these very real differences.

- Transparency – Whether OCI is reported in one continuous statement, a separate statement or a footnote disclosure, we would be presenting the same information, so we do not believe that there would be an increase in transparency.

#### Recommendation

We believe that the Board’s stated goals can be substantively achieved by permitting preparers an option of choosing either a single statement or a two-statement approach. Consistency is not greatly compromised and Net Income will retain the prominence that we believe it requires, given its importance to preparers and users.

We know that it is the Board’s desire to increase the prominence of Other Comprehensive Income as it is expected that the use of this concept may increase with convergence efforts. We understand and believe that our recommendation is consistent with that goal.

#### Comments on XBRL definitions

Please see Appendix A.

We appreciate your consideration of these comments. We would be happy to discuss these matters further or to meet with you if it would be helpful.

Sincerely,

*Loretta V. Cangialosi*

Loretta V. Cangialosi  
Senior Vice President and Controller

Cc:

Frank D’Amelio  
Senior Vice President and Chief Financial Officer

## **Appendix A**

### Comments on XBRL definitions

1. **Accumulated Other Comprehensive Income (Loss), Available-for-sale Securities Adjustment, Net of Tax \*** - In the definition, insert "the" before "value".
2. **Accumulated Other Comprehensive Income (Loss), Cumulative Changes in Net Gain (Loss) Cumulative Changes in Net Gain (Loss) from Cash Flow Hedges, Effect Net of Tax\*** - In the standard label, delete "Effect".
3. **Accumulated Other Comprehensive Income (Loss), Foreign Currency Translation Adjustment, Net of Tax\*** - In the definition, insert "certain" before "foreign equity investments" and insert "the" before "reclassification"
4. **Accumulated Other Comprehensive Income (Loss), Net of Tax** – In the definition, insert comma before "as".
5. **Comprehensive income, Net of Tax, Attributable to Parent\*** – In the definition, insert comma before the last "which".
6. **Other Comprehensive Income, Foreign Currency Transaction and Transaction Adjustment, before Tax\*** - In the definition, delete "includes gain (loss) on foreign currency forward exchange contracts" as redundant of later description.
7. **Other Comprehensive Income, Foreign Currency Transaction and Translation Gain (loss) Arising During Period, Net of Tax\*** – In the standard label, insert "the" before "Period". In the definition, delete "includes gain (loss) on foreign currency forward exchange contracts" as redundant of later description.