

SECURITIES AND EXCHANGE COMMISSION

FORM 425

Filing under Securities Act Rule 425 of certain prospectuses and communications in connection with business combination transactions

Filing Date: **2013-05-23**
SEC Accession No. [0001193125-13-233678](#)

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SUBJECT COMPANY

Zoetis Inc.

CIK: [1555280](#) | IRS No.: [460696167](#) | Fiscal Year End: **1231**
Type: **425** | Act: **34** | File No.: [001-35797](#) | Film No.: [13869466](#)
SIC: **2834** Pharmaceutical preparations

Mailing Address
*235 EAST 42ND STREET
NEW YORK NY 10017*

Business Address
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212-733-2323*

FILED BY

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Animal Health Industry and Zoetis Overview

May 2013

The Zoetis logo, consisting of the word "zoetis" in a lowercase, white, sans-serif font, is positioned on the right side of a solid orange horizontal bar.

THE EXCHANGE OFFER

Issuer:	Zoetis Inc. ("ZTS" or "Zoetis")
Offer to Exchange:	Up to 400,985,000 shares* of ZTS Class A common stock for outstanding shares of Pfizer Inc. ("PFE") common stock
Target Discount on ZTS:	7% based on average of VWAPs of PFE and ZTS during the Pricing Period (subject to the Maximum Exchange Ratio)
Maximum Exchange Ratio:	0.9898 shares of ZTS per share of PFE tendered (represents a 12% discount to ZTS based on May 21 closing prices)
Pricing Period:	Expected to be June 17, 18 and 19
Expiration:	Expected June 19, 2013 at 12:00 midnight New York City time
Exchange / Ticker:	NYSE / ZTS
Dealer Managers:	J.P. Morgan Securities LLC; BofA Merrill Lynch; Goldman, Sachs & Co.; Morgan Stanley & Co. LLC
Minimum Condition:	160,394,000 shares of ZTS distributed
* representing Pfizer's entire remaining interest in Zoetis	

FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements that address various matters including our 2013 financial guidance and forecast future business performance. Each forward-looking statement contained in this presentation is subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statement. Applicable risks and uncertainties include, among others, regulatory actions, such as restrictions and bans on use of antibacterials and timing of any new product approvals; perceived adverse effects on human health linked to animals that use our products; outbreaks of infectious diseases in animals that use our products, such as the incidence of H7N9 bird flu in China; competitive pressures, including from manufacturers of generic products; international economic developments, including fluctuations in exchange rates; environmental trends and conditions; and the risks identified under the heading "Risk Factors" in the prospectus dated May 22, 2013 related to the exchange offer and in our Annual Report on Form 10-K for 2012, which was filed with the Securities and Exchange Commission on March 28, 2013, as well as the other information we file with the SEC. We caution investors not to place considerable reliance on the forward-looking statements contained in this presentation. You are encouraged to read our filings with the SEC, available at www.sec.gov, for a discussion of these and other risks and uncertainties. The forward-looking statements in this presentation speak only as of the date of this document, and we undertake no obligation to update or revise any of these statements. Our business is subject to substantial risks and uncertainties, including those referenced above. Investors, potential investors, and others should give careful consideration to these risks and uncertainties.

NON-GAAP FINANCIAL INFORMATION

We use non-GAAP financial measures, such as adjusted net income and adjusted diluted earnings per share, to assess and analyze our operational results and trends and to make financial and operational decisions. We believe these non-GAAP financial measures are also useful to investors because they provide greater transparency regarding our operating performance. The non-GAAP financial measures included in this presentation should not be considered alternatives to measurements required by GAAP, such as net income, operating income, and earnings per share, and should not be considered measures of liquidity. These non-GAAP financial measures are unlikely to be comparable with non-GAAP information provided by other companies. Reconciliation of non-GAAP financial measures and GAAP financial measures are included herein in the appendix.

ADDITIONAL INFORMATION

Zoetis has filed a registration statement on Form S-4 (File No. 333-188750) with the Securities and Exchange Commission (SEC). The prospectus, which is included in the registration statement, contains important information about Pfizer, Zoetis, the exchange offer and related matters. Pfizer has delivered the prospectus to its shareholders. INVESTORS AND SECURITY HOLDERS ARE URGED TO READ CAREFULLY AND IN ITS ENTIRETY THE PROSPECTUS AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC BY PFIZER AND ZOETIS WHEN THEY BECOME AVAILABLE AND BEFORE MAKING ANY INVESTMENT DECISION. None of Pfizer, Zoetis, or any of their respective directors or officers or any dealer manager appointed with respect to the exchange offer makes any recommendation as to whether investors should participate in the exchange offer. This announcement is for informational purposes only and is not an offer to sell, a solicitation of an offer to buy any securities or a recommendation as to whether investors should participate in the exchange offer. The offer will be made solely by the prospectus.

The prospectus, documents related to the exchange offer and other documents filed with the SEC by Pfizer and Zoetis may be obtained at the SEC's website at www.sec.gov or at the SEC's Public Reference Room, located at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room can be obtained by calling the SEC at 1-800-SEC-0330. Copies of the prospectus, and other documents filed with the SEC, can be obtained by mail from the SEC at the above address, at prescribed rates. A free copy of the prospectus may be obtained by clicking on the appropriate link at www.zoetisexchange.com, a website maintained by Pfizer. Copies of the registration statement filed by Zoetis may also be obtained at www.zoetis.com.

ZOETIS

KEY INVESTMENT HIGHLIGHTS

- 1 **Global leader** in an **attractive and growing industry**
- 2 Established direct presence in both **emerging markets** and **developed markets**
- 3 **Highly diversified** by product, species, therapeutic area, and geography
- 4 Leader in direct sales and marketing, with **strong customer relationships**
- 5 Leader in **new product development**
- 6 **High-quality products** delivered by our world-class manufacturing operations
- 7 Track record of **profitable revenue growth** and significant **cash flow generation**
- 8 **Experienced management team** to deliver on **strong growth strategies**

ANIMAL HEALTH

INDUSTRY – KEY TAKEAWAYS

**LARGE, GROWING INDUSTRY
SUPPORTED BY STRONG FUNDAMENTALS**

**DIVERSE
ACROSS
MULTIPLE
DIMENSIONS**

**GLOBAL
GROWTH
DRIVERS**

**DIFFERENT
FROM HUMAN
HEALTH**

**ATTRACTIVE
FINANCIAL
PROFILE**

ANIMAL HEALTH

KEY DRIVERS OF MARKET GROWTH



LIVESTOCK



COMPANION ANIMAL

Global population growth

Economic development, particularly in emerging markets

Increased demand for animal protein

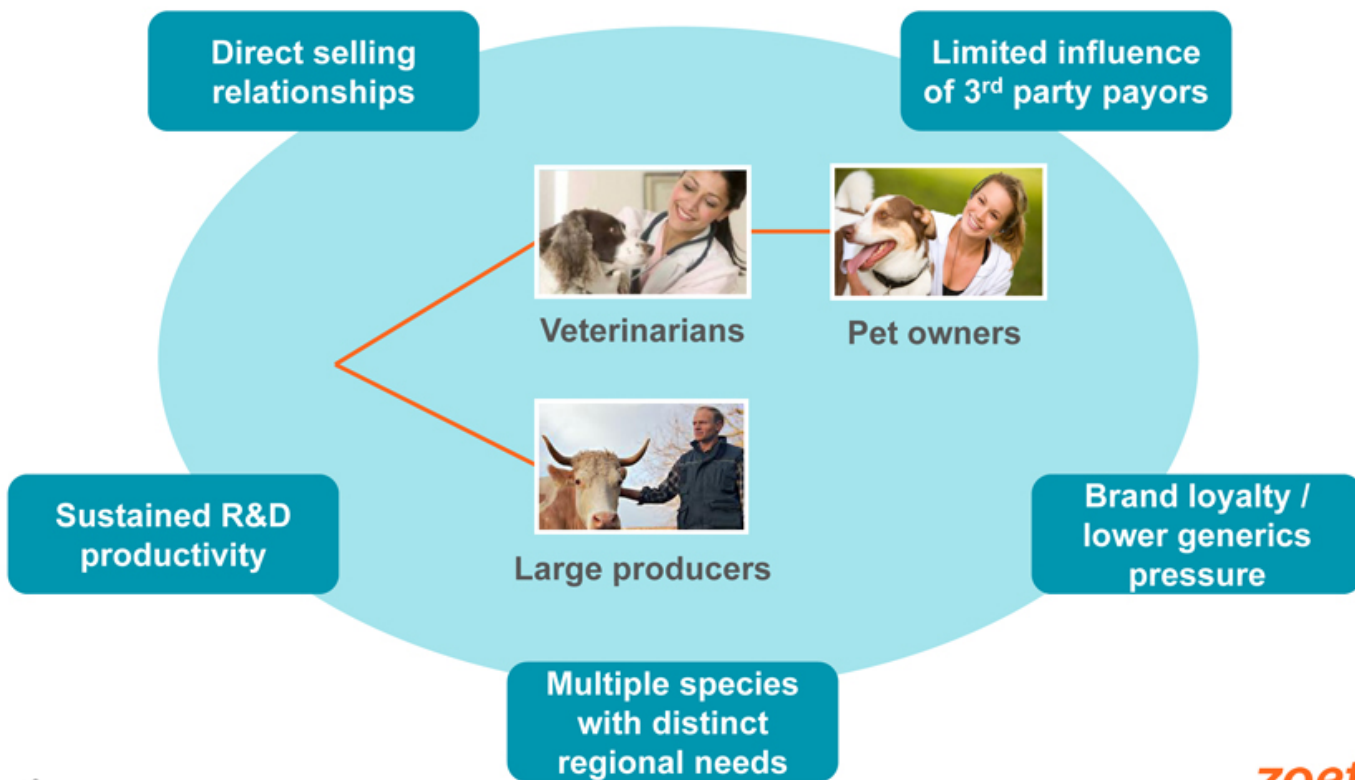
Increased ownership and medicalization

Productivity improvements

Unmet medical needs

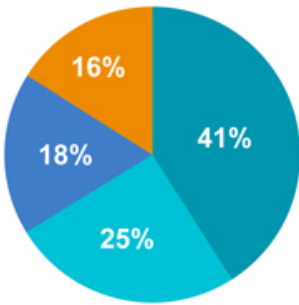
ANIMAL HEALTH

FAVORABLE MARKET DYNAMICS VS. HUMAN HEALTH



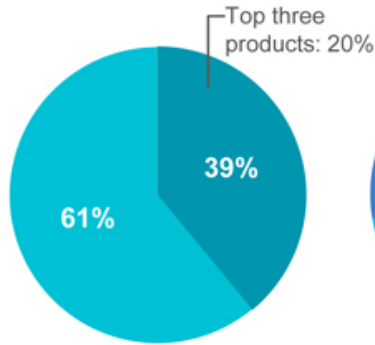
OUR DIVERSE BUSINESS MODEL

REVENUE BY GEOGRAPHY*



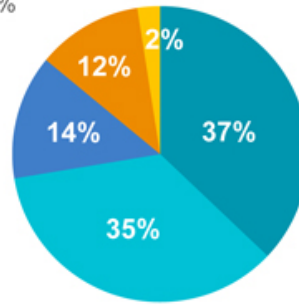
- United States (US)
- Europe, Africa and Middle East (EuAfME)
- Canada and Latin America (CLAR)
- Asia Pacific (APAC)

REVENUE BY PRODUCT LINE*



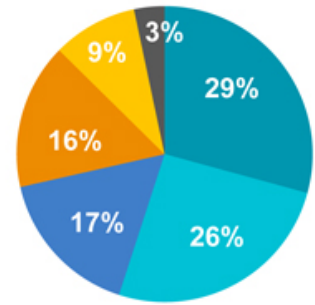
- Top ten products
- All other product lines

REVENUE BY SPECIES*



- Cattle
- Companion Animal
- Swine
- Poultry
- Other Livestock (Fish and Sheep)

REVENUE BY THERAPEUTIC AREA*



- Anti-infectives
- Vaccines
- Other pharmaceuticals
- Parasiticides
- Medicated feed additives
- Other non-pharma

* Based on 2012 Revenue



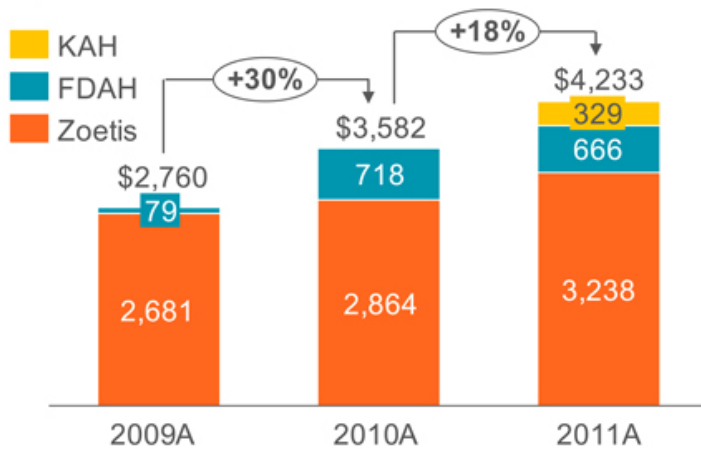
CORE STRATEGIES WILL DRIVE STRONG AND SUSTAINABLE GROWTH

- Leverage our direct local presence and strong customer relationships
-
- Further penetrate emerging markets
-
- Pursue new product development and value-added brand lifecycle management to extend our product portfolio
-
- Remain the partner of choice for access to new products and technologies
-
- Continue to provide high-quality products and improve manufacturing production margins
-
- Expand into complementary businesses to become a more complete, trusted partner in providing solutions

Financial Overview

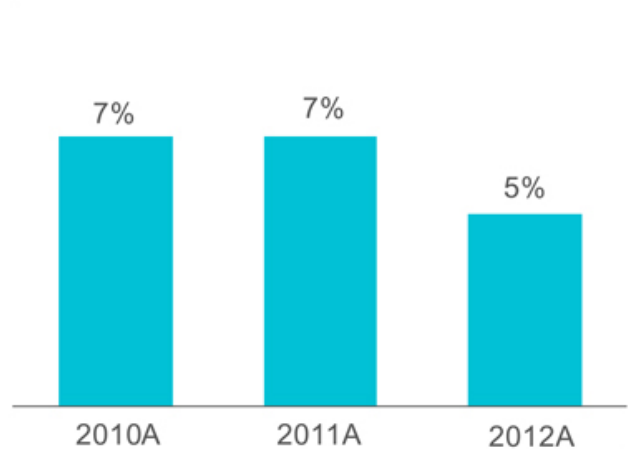
STRONG ORGANIC GROWTH PLUS ACQUISITIONS HAVE BUILT ZOETIS INTO THE MARKET LEADER

**ZOETIS REVENUE
(\$MILLIONS)**



- **Fort Dodge Animal Health (FDAH)** acquired October 15th, 2009
 - Government mandated divestitures throughout 2010 and 2011
- **Alpharma** acquired January 31st, 2011
- **Largest Animal Health business**

**ZOETIS BASE REVENUE GROWTH
(PERCENT)**

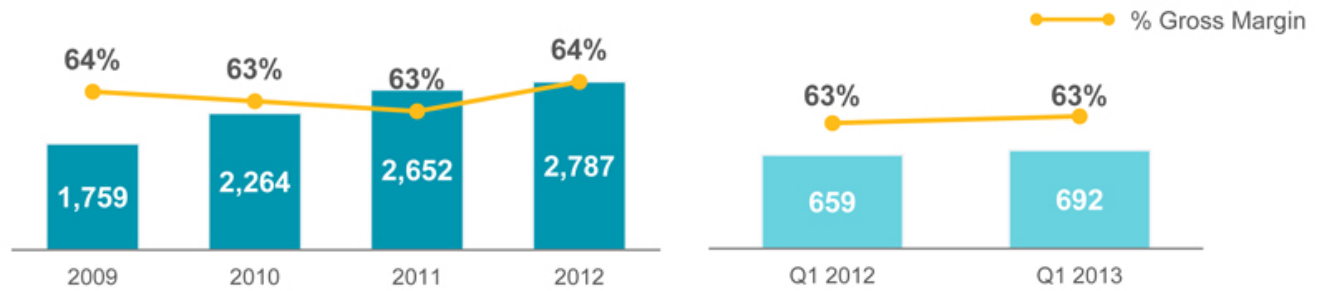


	2010A	2011A	2012A
<u>Reported Revenue (USD millions)</u>	\$3,582	\$4,233	\$4,336
<u>% Growth Reported:</u>	30%	18%	2%
<u>% Acquisition:</u>	23%	9%	1%
<u>% Divested Products:</u>	-3%	-1%	0%
<u>% Foreign Exchange:</u>	3%	3%	-4%

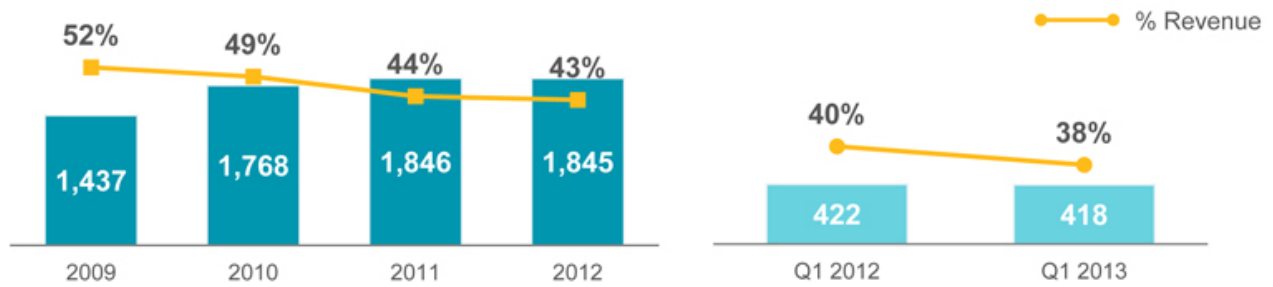


TRACK RECORD OF MARGIN IMPROVEMENT

ADJUSTED GROSS MARGIN (USD Millions)



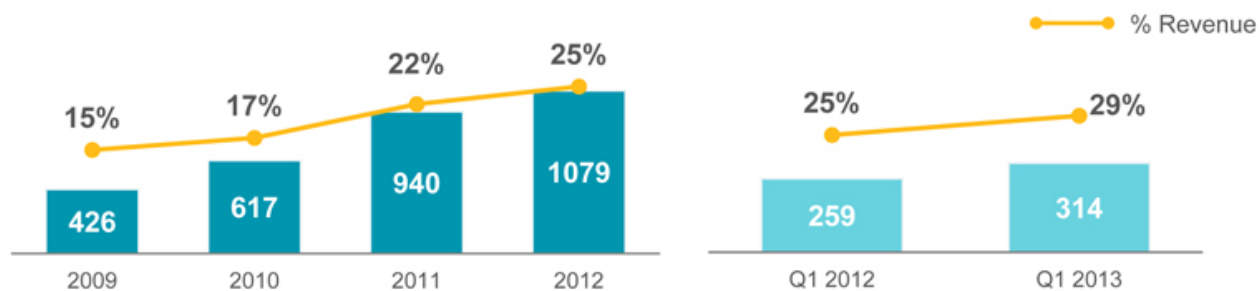
ADJUSTED TOTAL OPERATING EXPENSES (USD Millions)



Adjusted Gross Margin and Adjusted Total Operating Expenses are calculated before the impact of purchase accounting adjustments, acquisition related costs and certain significant items and are non-GAAP financial measures.

TRACK RECORD OF MARGIN IMPROVEMENT

ADJUSTED EBITDA (USD Millions)



COMMENTARY

- Adjusted EBITDA margin improvement driven by:
 - Scale resulting from the recent acquisitions
 - Gross margin improvement
 - Operating expense leverage

Adjusted EBITDA is calculated before the impact of purchase accounting adjustments, acquisition related costs and certain significant items and is a non-GAAP financial measure.

ADJUSTED INCOME STATEMENT HIGHLIGHTS

	First Quarter				
	2013*	2012*	Change	Foreign Exchange	Operational ²
Revenues	\$1,090	\$1,047	4%	(1)%	5%
Adjusted Cost of Sales ¹	398	388	3%	1%	2%
<i>as a percent of revenues</i>	36.5%	37.1%	NA	NA	NA
Adjusted SG&A Expenses ¹	322	331	(3)%	(1)%	(2)%
Adjusted R&D Expenses ¹	90	93	(3)%	—	(3)%
Adjusted Interest Expense ¹	22	8	175%		
Adjusted Other (Income) / Deductions ¹	2	(6)	(133)%		
Adjusted Tax Rate ¹	29.0%	33.2%	NA		
Adjusted Net Income ¹	179	152	18%		

*Millions of dollars, NA – Not applicable

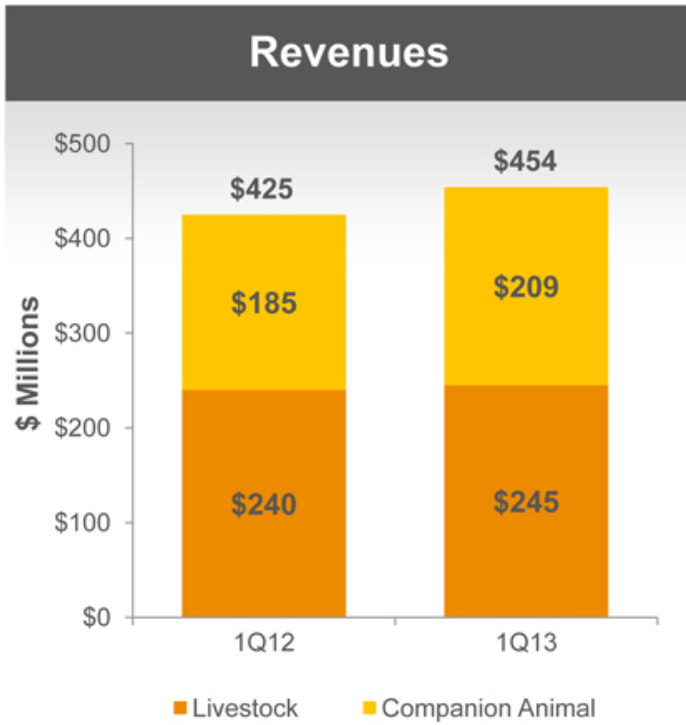
¹ Adjusted cost of sales, adjusted selling, general and administrative expenses (SG&A), adjusted research and development expenses (R&D), adjusted interest expense, adjusted other (income) / deductions, adjusted tax rate and adjusted net income (non-GAAP financial measures) are defined as the corresponding reported U.S. generally accepted accounting principles (GAAP) income statement line items, excluding purchase accounting adjustments, acquisition-related costs and certain significant items.

² Operational change excludes the impact of foreign exchange.

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US SEGMENT PERFORMANCE



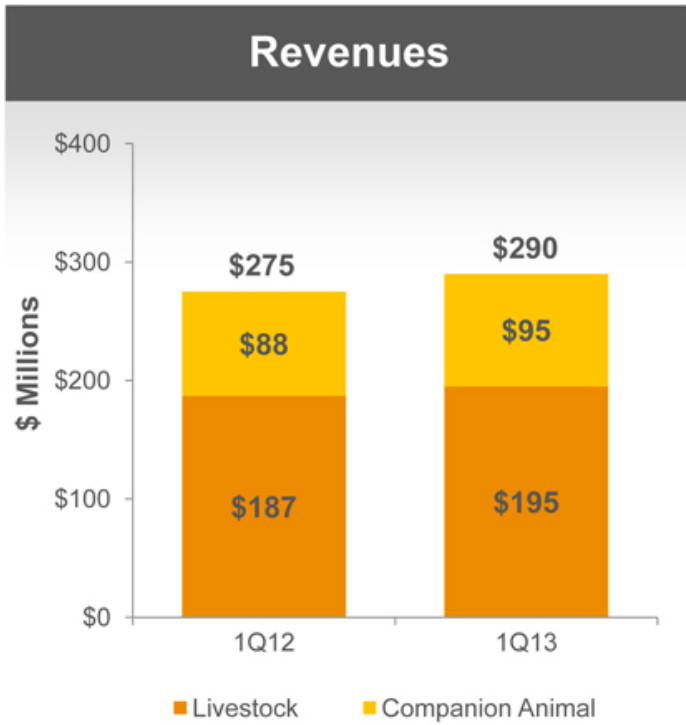
7% Growth

8% Growth

¹Defined as income before provision for taxes on income



EuAfME SEGMENT PERFORMANCE



5% Reported Growth
4% Operational² Growth

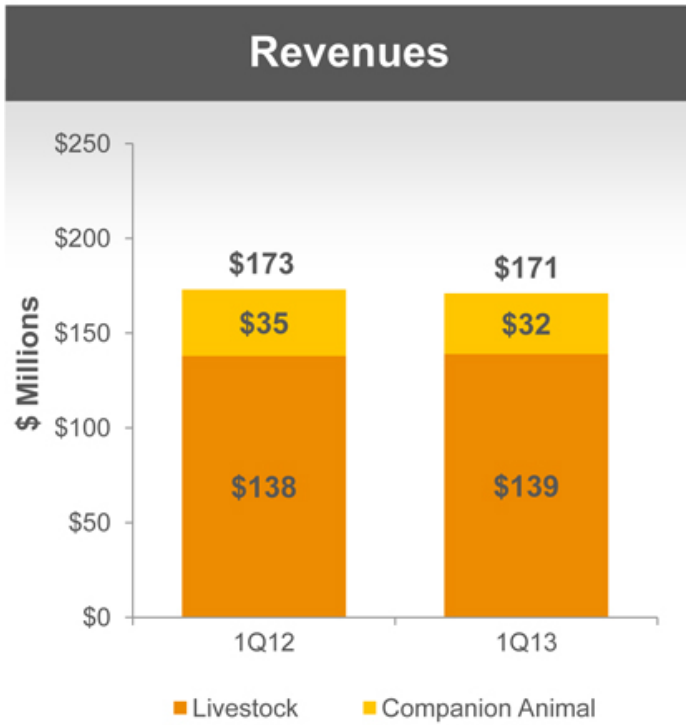
13% Reported Growth
16% Operational² Growth

¹Defined as income before provision for taxes on income

²Operational growth is defined as growth excluding the impact of foreign exchange



CLAR SEGMENT PERFORMANCE



1% Reported Decline
4% Operational² Growth

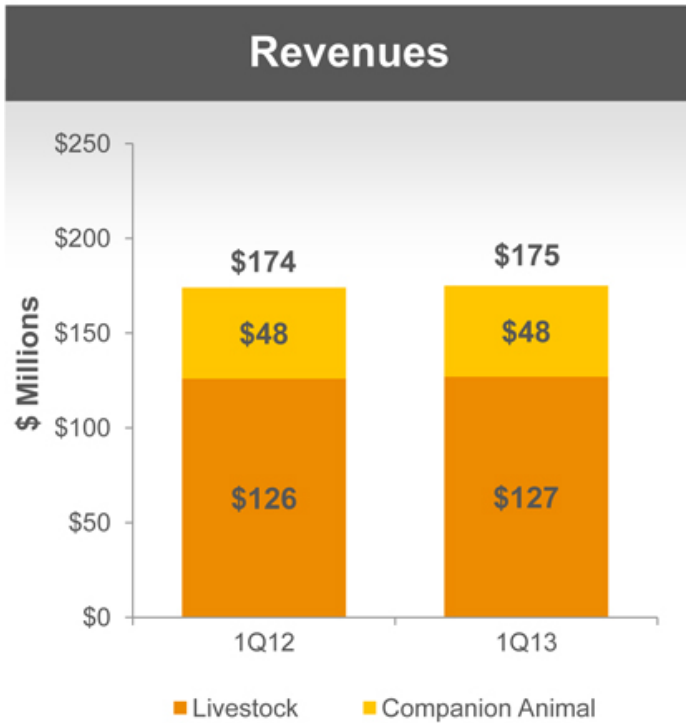
4% Reported Decline
9% Operational² Growth

¹Defined as income before provision for taxes on income

²Operational growth is defined as growth excluding the impact of foreign exchange



APAC SEGMENT PERFORMANCE



1% Reported Growth
2% Operational² Growth

6% Reported Growth
6% Operational² Growth

¹Defined as income before provision for taxes on income

²Operational growth is defined as growth excluding the impact of foreign exchange



2013 GUIDANCE

Revenues	\$4.425B – \$4.525B
Adjusted Cost of Sales as a Percentage of Revenues ¹	35% – 36%
Adjusted SG&A Expense ¹	\$1.385B – \$1.435B
Adjusted R&D Expense ¹	\$385M – \$415M
Adjusted Interest Expense ¹	Approximately \$115M
Adjusted Other (Income) / Deductions ¹	Approximately \$20M income
Tax Rate on Adjusted Net Income	Approximately 29.5%
Reported Diluted EPS	\$1.00 – \$1.06
Adjusted Diluted EPS ¹	\$1.36 – \$1.42
Certain Significant Items ² and Acquisition-Related Costs	\$200M – \$240M

Full-year 2013 guidance assumes a blend of the actual exchange rates in effect during the first quarter of 2013 and a mid-April exchange rate for the remainder of the year.

¹Non-GAAP adjusted net income and non-GAAP adjusted diluted earnings per share (non-GAAP financial measures) are defined as reported net income attributable to Zoetis and reported diluted earnings per share, excluding purchase accounting adjustments, acquisition-related costs and certain significant items.

²Includes certain nonrecurring costs related to becoming a standalone public company, such as new branding (including changes to the manufacturing process for required new packaging), the creation of standalone systems and infrastructure, site separation and certain legal registration and patent assignment costs.

Q1 2013:

- First quarter results represent a solid start for the year, showing the diversity of our business across products, species and geographies and demonstrates an ability to grow earnings faster than sales.

2013 Guidance:

- Assumes a blend of actual exchange rates in effect during the first quarter of 2013 and mid April exchange rates for the remainder of the year.
- Quarterly results are subject to some variability related to many factors including, but not limited to, weather patterns and herd management decisions.
- Annual guidance reflects our confidence in the diversity of our portfolio, the strength of our business model and our view of the evolving market conditions for animal health products this year.

ZOETIS

KEY INVESTMENT HIGHLIGHTS

- 1 **Global leader** in an **attractive and growing industry**
- 2 Established direct presence in both **emerging markets** and **developed markets**
- 3 **Highly diversified** by product, species, therapeutic area, and geography
- 4 Leader in direct sales and marketing, with **strong customer relationships**
- 5 Leader in **new product development**
- 6 **High-quality products** delivered by our world-class manufacturing operations
- 7 Track record of **profitable revenue growth** and significant **cash flow generation**
- 8 **Experienced management team** to deliver on **strong growth strategies**

APPENDIX

RECONCILIATION OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION 2012

<i>in USD millions</i>	GAAP Reported	Purchase Accounting	Acquisition related costs	Certain Significant Items	Non-GAAP Adjusted
Revenues	\$4,336	\$0	\$0	\$0	\$4,336
Cost of Sales	1,563	(4)	(9)	(1)	1,549
Gross Profit	\$2,773	\$4	\$9	\$1	\$2,787
<i>Gross Profit as % of Revenue</i>	64.0%				64.3%
Selling, general and administrative expenses	1,470	1	(1)	(18)	1,452
Research & Development Expenses	409	0	0	(10)	399
Amortization of intangible assets	64	(49)	0	0	15
Restructuring charges and certain acquisition related costs	135	0	(43)	(92)	0
Other (Income) / Expenses	(46)	0	0	25	(21)
Total Operating Expenses	\$2,032	(\$48)	(\$44)	(\$95)	\$1,845
<i>Total Operating Expenses as % of Revenue</i>	46.9%				42.6%
Income/(loss) before Interest and Taxes	\$741	\$52	\$53	\$96	\$942
Interest Expense	31	0	0	0	31
Income before provision for taxes on income	\$710	\$52	\$53	\$96	\$911
Provision for taxes on income	274	17	19	62	372
Income from continuing operations	\$436	\$35	\$34	\$34	\$539
Net income attributable to non-controlling interests	0	0	0	0	0
Net income attributable to Zoetis	\$436	\$35	\$34	\$34	\$539

RECONCILIATION OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION

2011

<i>in USD millions</i>	GAAP Reported	Purchase Accounting	Acquisition related costs	Certain Significant Items	Non-GAAP Adjusted
Revenues	\$4,233	\$0	\$0	\$0	\$4,233
Cost of Sales	1,652	(34)	(6)	(31)	1,581
Gross Profit	\$2,581	\$34	\$6	\$31	\$2,652
<i>Gross Profit as % of Revenue</i>	61.0%				62.7%
Selling, general and administrative expenses	1,453	2	(3)	(5)	1,447
Research & Development Expenses	427	(1)	0	(19)	407
Amortization of intangible assets	69	(49)	0	0	20
Restructuring charges and certain acquisition related costs	154	0	(114)	(40)	0
Other (Income) / Expenses	48	0	1	(77)	(28)
Total Operating Expenses	\$2,151	(\$48)	(\$116)	(\$141)	\$1,846
<i>Total Operating Expenses as % of Revenue</i>	50.8%				43.6%
Income/(loss) before Interest and Taxes	\$430	\$82	\$122	\$172	\$806
Interest Expense	36	0	0	0	36
Income before provision for taxes on income	\$394	\$82	\$122	\$172	\$770
Provision for taxes on income	146	27	44	47	264
Income from continuing operations	\$248	\$55	\$78	\$125	\$506
Net income attributable to non-controlling interests	3	0	0	0	3
Net income attributable to Zoetis	\$245	\$55	\$78	\$125	\$503

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RECONCILIATION OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION 2010

<i>in USD millions</i>	GAAP Reported	Purchase Accounting	Acquisition related costs	Certain Significant Items	Non-GAAP Adjusted
Revenues	\$3,582	\$0	\$0	\$0	\$3,582
Cost of Sales	1,444	(107)	0	(19)	1,318
Gross Profit	\$2,138	\$107	\$0	\$19	\$2,264
<i>Gross Profit as % of Revenue</i>	59.7%				63.2%
Selling, general and administrative expenses	1,382	0	(17)	0	1,365
Research & Development Expenses	411	0	0	0	411
Amortization of intangible assets	58	(41)	0	0	17
Restructuring charges and certain acquisition related costs	202	0	(200)	(2)	0
Other (Income) / Expenses	(130)	0	0	105	(25)
Total Operating Expenses	\$1,923	(\$41)	(\$217)	\$103	\$1,768
<i>Total Operating Expenses as % of Revenue</i>	53.7%				49.4%
Income/(loss) before Interest and Taxes	\$215	\$148	\$217	(\$84)	\$496
Interest Expense	37	0	0	0	37
Income before provision for taxes on income	\$178	\$148	\$217	(\$84)	\$459
Provision for taxes on income	67	45	72	-1	183
Income from continuing operations	\$111	\$103	\$145	(\$83)	\$276
Net income attributable to non-controlling interests	1	0	0	0	1
Net income attributable to Zoetis	\$110	\$103	\$145	(\$83)	\$275

RECONCILIATION OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION 2009

<i>in USD millions</i>	GAAP Reported	Purchase Accounting	Acquisition related costs	Certain Significant Items	Non-GAAP Adjusted
Revenues	\$2,760	\$0	\$0	\$0	\$2,760
Cost of Sales	1,078	(24)	0	(53)	1,001
Gross Profit	\$1,682	\$24	\$0	\$53	\$1,759
<i>Gross Profit as % of Revenue</i>	60.9%				63.7%
Selling, general and administrative expenses	1,066	1	0	(10)	1,057
Research & Development Expenses	368	0	0	(3)	365
Amortization of intangible assets	33	(17)	0	0	16
Restructuring charges and certain acquisition related costs	340	0	(247)	(93)	0
Other (Income) / Expenses	(3)	0	0	2	(1)
Total Operating Expenses	\$1,804	(\$16)	(\$247)	(\$104)	\$1,437
<i>Total Operating Expenses as % of Revenue</i>	65.4%				52.1%
Income/(loss) before Interest and Taxes	(\$122)	\$40	\$247	\$157	\$322
Interest Expense	26	0	0	0	26
Income before provision for taxes on income	(\$148)	\$40	\$247	\$157	\$296
Provision for taxes on income	(47)	13	79	63	108
Income from continuing operations	(\$101)	\$27	\$168	\$94	\$188
Net income attributable to non-controlling interests	(1)	0	0	0	(1)
Net income attributable to Zoetis	(\$100)	\$27	\$168	\$94	\$189

RECONCILIATION OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION

1Q 2013

<i>in USD millions</i>	GAAP Reported	Purchase Accounting	Acquisition related costs	Certain Significant Items	Non-GAAP Adjusted
Revenues	\$1,090	\$0	\$0	\$0	\$1,090
Cost of Sales	402	(1)	0	(3)	398
Gross Profit	\$688	\$1	\$0	\$3	\$692
<i>Gross Profit as % of Revenue</i>	63.1%				63.5%
Selling, general and administrative expenses	357	0	0	(35)	322
Research & Development Expenses	90	0	0	0	90
Amortization of intangible assets	15	(11)	0	0	4
Restructuring charges and certain acquisition related costs	7	0	(6)	(1)	0
Other (Income) / Expenses	5	0	0	(3)	2
Total Operating Expenses	\$474	(\$11)	(\$6)	(\$39)	\$418
<i>Total Operating Expenses as % of Revenue</i>	43.5%				38.3%
Income/(loss) before Interest and Taxes	\$214	\$12	\$6	\$42	\$274
Interest Expense	22	0	0	0	22
Income before provision for taxes on income	\$192	\$12	\$6	\$42	\$252
Provision for taxes on income	52	4	2	15	73
Net income attributable to Zoetis	\$140	\$8	\$4	\$27	\$179

RECONCILIATION OF GAAP REPORTED TO NON-GAAP ADJUSTED INFORMATION

1Q 2012

<i>in USD millions</i>	GAAP Reported	Purchase Accounting	Acquisition related costs	Certain Significant Items	Non-GAAP Adjusted
Revenues	\$1,047	\$0	\$0	\$0	\$1,047
Cost of Sales	393	(1)	(3)	(1)	388
Gross Profit	\$654	\$1	\$3	\$1	\$659
<i>Gross Profit as % of Revenue</i>	62.5%				62.9%
Selling, general and administrative expenses	338	0	0	(7)	331
Research & Development Expenses	102	0	0	(9)	93
Amortization of intangible assets	16	(12)	0	0	4
Restructuring charges and certain acquisition related costs	25	0	(11)	(14)	0
Other (Income) / Expenses	(6)	0	0	0	(6)
Total Operating Expenses	\$475	(\$12)	(\$11)	(\$30)	\$422
<i>Total Operating Expenses as % of Revenue</i>	45.4%				40.3%
Income/(loss) before Interest and Taxes	\$179	\$13	\$14	\$31	\$237
Interest Expense	8	0	0	0	8
Income before provision for taxes on income	\$171	\$13	\$14	\$31	\$229
Provision for taxes on income	59	4	5	8	76
Income from continuing operations	\$112	\$9	\$9	\$23	\$153
Net income attributable to non-controlling interests	1	0	0	0	1
Net income attributable to Zoetis	\$111	\$9	\$9	\$23	\$152

RECONCILIATION OF ADJUSTED NET INCOME TO ADJUSTED EBITDA

2009 – 2012 ; 1Q 2012 and 1Q 2013

<i>in USD millions</i>	2009	2010	2011	2012	1Q12	1Q13
Adjusted Net Income	\$189	\$275	\$503	\$539	\$152	\$179
Interest	26	37	36	31	8	22
Taxes	108	183	264	372	76	73
Depreciation	86	103	117	119	19	35
Amortization	17	19	20	18	4	5
Adjusted EBITDA	\$426	\$617	\$940	\$1,079	\$259	\$314
<i>% of revenue</i>	15.4%	17.2%	22.2%	24.9%	24.7%	28.8%

Interest, taxes, depreciation, and amortization include charges as included in adjusted net income.

Adjusted EBITDA is calculated before the impact of purchase accounting adjustments, acquisition related costs and certain significant items and is a non-GAAP financial measure.