

SINGULAR FOCUS



ANIMAL HEALTH

ANIMAL HEALTH IS OUR SINGULAR FOCUS. IT'S WHO WE ARE AND WHAT WE DO.

With this singular focus, we're able to put our customers first and assist them with making a real difference in the world. From helping veterinary businesses succeed and livestock producers raise healthy animals, we're dedicated to the business of animal health so that our customers can be dedicated to theirs. We know how deeply the world depends on animals, so animals—and the people who care for them—can depend on us.

FOR ANIMALS. FOR HEALTH. FOR YOU.

What does it mean to be an independent, global animal health company? It means we have the enthusiasm of a start-up, yet we're building on 60+ years of experience—delivering quality medicines and vaccines, diagnostic products, genetic tests and a range of relevant services. It means we work hard on the real-world challenges of those who raise and care for animals, helping to improve farm productivity while bringing new medicines and vaccines to veterinarians. Even our name derives from the word “zoetic,” meaning “pertaining to life,” and signals our commitment to the health and well-being of animals through our support of veterinarians and livestock producers.

8

**CORE ANIMAL
SPECIES**

5

**MAJOR PRODUCT
CATEGORIES**

A woman with blonde hair tied back, wearing a green polo shirt, is smiling and gently touching the face of a brown horse. The horse is wearing a halter. The background is a soft-focus outdoor scene with a clear sky.

“WHAT SETS ZOETIS APART IS THAT THEY GO BEYOND THE PRODUCT. THEY OFFER OTHER SERVICES TO HELP US ANALYZE OUR PERFORMANCE. THAT ALLOWS US TO GET BETTER AT WHAT WE DO. YOU MIGHT SAY THEY CARE ABOUT WHAT THEY DO AND WHAT WE DO.”

**—DR. KEIKO UCHIDA, ADVANCED CARE PLAZA,
KARIYA ANIMAL HEALTH**

DELIVERING SOLUTIONS THAT MATTER IS OUR #1 PRIORITY.

WORKING CLOSELY WITH EACH CUSTOMER

We have the local presence and knowledge to serve the needs of each individual customer, as well as the global reach and resources to help advance animal health around the world. First and foremost, we strive to form deep, enduring relationships with our customers through the largest direct sales force in the industry. Our sales teams and veterinary technicians provide expertise and disease education on the ground in more than 70 countries. Our new e-commerce website, launched in the U.S. in 2013, enables customers to purchase our products at any time. And, our genetic tests and services help producers make informed decisions about managing their livestock. We're in the clinic, on the ranch, and just a click or phone call away.

3500+
FIELD FORCE

A photograph of a person wearing a green long-sleeved shirt, partially visible on the left side of the frame. Next to them is a brown horse with a yellow halter, standing in a green field. The background is a soft-focus landscape with trees under a clear sky.

WE ARE CUSTOMER OBSESSED

OUR COLLEAGUES MAKE THE DIFFERENCE

**WE STRIVE TO FIND BETTER WAYS TO SOLVE
ANIMAL HEALTH CHALLENGES.**

**IMPROVING EXISTING PRODUCTS,
INTRODUCING NEW ONES**

We've launched several new and improved products in 2013 that give veterinarians new treatment options. They include Apoquel®, which controls itching and inflammation associated with allergic and atopic dermatitis for millions of dogs around the world; Rui Lan An™, a swine vaccine that prevents infection with the Porcine Reproductive and Respiratory Syndrome virus in China, the world's leading pork producing nation; Foster® PCV MH, a new combination vaccine that helps protect swine from diseases caused by Porcine Circovirus and *M. hyopneumoniae* and is the first to offer one bottle, one-dose convenience with the flexibility of two-dose administration; and Bovi-Shield Gold® One Shot, a vaccine to help prevent bovine respiratory disease with a single dosing regimen.

1100+
**R&D
SPECIALISTS**



**ACCESSING INNOVATION
THROUGH R&D PARTNERS**

With more than 1100+ R&D specialists, we have some of the best minds in animal health. But, sometimes we can't do it alone, so we form partnerships. Example: we're the sole animal health company in PROHEALTH, a consortium of 22 research partners from 11 countries that is exploring ways to ensure the sustainability of modern animal production. The consortium was recently awarded the largest animal health grant in the history of the European Union.

WORKING TO PREVENT EPIDEMICS

Helping to prevent disease in animals—including those that can pass to humans—is always a top priority. Equivac® HeV, a vaccine to prevent Hendra virus infection in horses, is a case in point. Found in Australia, the Hendra virus is transmitted from fruit bats to horses and then to people, and can be fatal. The vaccine, developed quickly through an international public-private partnership, prevents outbreaks of the disease by cutting off the pathway of transmission.

“AT ZOETIS, WE BELIEVE THE ONLY WAY OF KNOWING WHAT OUR CUSTOMERS NEED IS WORKING CLOSELY WITH THEM. WE SEE THEIR PROBLEMS IN THE FIELD OR THE CLINIC AND PROVIDE TIMELY SOLUTIONS AND HIGH-QUALITY PRODUCTS THAT CAN MAKE A DIFFERENCE. WE PRIDE OURSELVES ON A SENSE OF OWNERSHIP THAT OUR CUSTOMERS IDENTIFY WITH AND RELY ON.”

—ROBERTO HUBE, ZOETIS BUSINESS MANAGER, CHILE

120⁺
COUNTRIES

9800⁺
COLLEAGUES
AROUND
THE WORLD

WE RUN
IT LIKE WE
OWN IT

WE MAKE SURE OUR CUSTOMERS GET WHAT THEY NEED WHEN THEY WANT IT.

PURSuing FASTER, SIMPLER AND BETTER WAYS OF DOING BUSINESS

Our customers rely on a steady supply of quality medicines and vaccines to treat their animals. We have a network of 28 manufacturing facilities, experienced in biological and pharmaceutical production, that responds to local market needs. Colleagues at these facilities collaborate with R&D to make sure we can transition technology from the lab to full-scale production easily and efficiently. Constantly looking to improve our operations, we announced plans in 2013 to expand our manufacturing facilities in Lincoln, Nebraska, and Olot, Spain. We also broke ground on a new facility in Suzhou, China, which will serve not only China but more than 60 countries.

DEPENDABLE MEDICINES EVERYWHERE

With products sold in more than 120 countries and more than 300 product lines that treat eight different species, we are accustomed to managing complexity. It's what we do. Our customers value the capability, reliability and high level of quality that we deliver. In the last five years, in fact, the quality of our manufacturing operations around the world has been confirmed through approximately 200 successful regulatory inspections.





WE UNDERSTAND THE IMPORTANCE OF OUR INDUSTRY AND WE WORK WITH PURPOSE AND INTEGRITY.

SCHOLARSHIPS FOR VETERINARY STUDENTS

Because veterinarians play a crucial role in sustaining the world's food supply and caring for companion animals, we help identify outstanding veterinary students who are capable of addressing society's changing health and research needs, and we support them with scholarships in such markets as Canada, France and the U.S. In 2013, for example, nearly 280 students in the U.S. received scholarship grants from Zoetis in association with our industry partners, and in France we offered a new course on business skills and competencies for veterinary students.

“ ZOETIS HAS A LONG HISTORY OF RESPONDING TO OUR INDUSTRY’S NEEDS. NOW, THEIR STRUCTURE AS AN INDEPENDENT ANIMAL HEALTH COMPANY CREATES EXCITING OPPORTUNITIES TO CONTINUE AND EVEN ACCELERATE THIS LEGACY.”

— JOHN SMITH, DVM, FIELDALE FARMS

ADVANCING THE VETERINARY PROFESSION

Zoetis invests in the future of the veterinary profession by supporting research, education and specialized skills training so veterinarians around the world have the resources they need to provide the best health care possible for the animals they treat. Zoetis, along with leading veterinary medical schools in the U.S. and UK, is a founding member of the International Veterinary Collaboration for China (IVCC). This first-of-its-kind international animal health consortium is supporting advances in veterinary medical education and practice standards in the People's Republic of China. For example, IVCC training programs are helping dairy farmers improve productivity and enhance milk quality. The IVCC is also helping share best practices in veterinary medical education among centers of excellence in the U.S. and China and is creating opportunities for Chinese veterinary students to complete their training in the U.S.

HUMAN-ANIMAL BOND

The special bond between humans and animals is the focus of a mobile museum exhibit, *Animal Connections: Our Journey Together*. The exhibit, which began in Chicago and traveled to New York, New Jersey, and Washington, D.C., in 2013, is a collaboration among the Smithsonian Institution Traveling Exhibition Service, the American Veterinary Medical Association (AVMA) and Zoetis. Commemorating the 150th anniversary of the AVMA, the exhibit provides engaging information and ideas about the many interdependencies between people and animals.



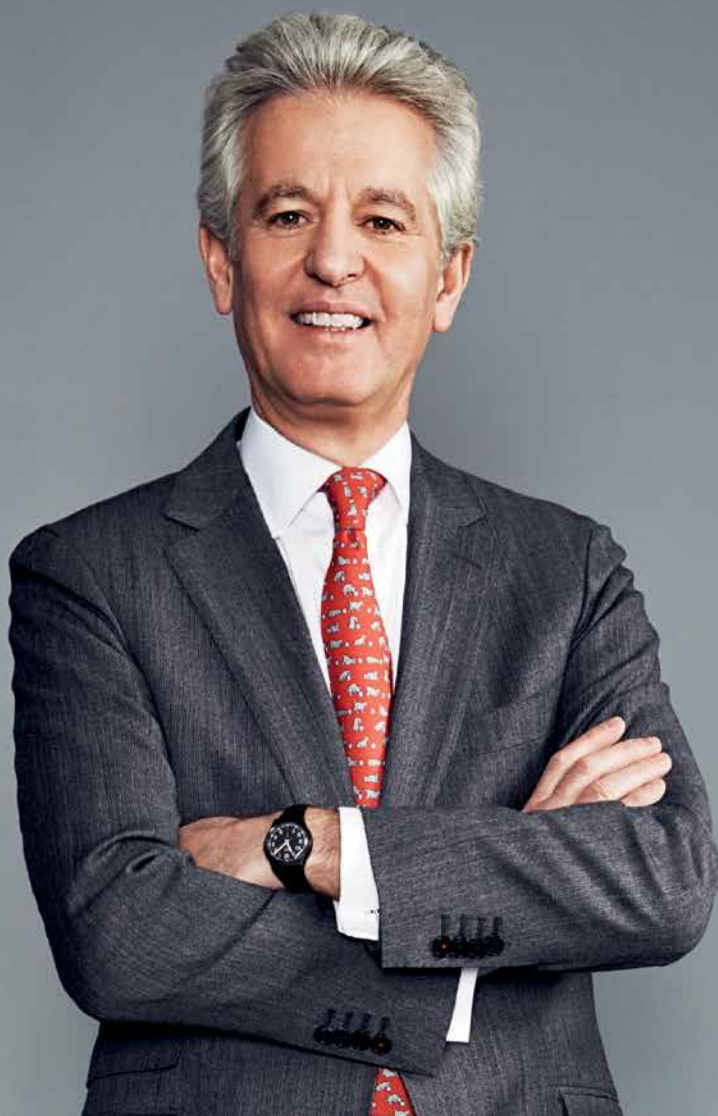
**WE STRIVE TO
ALWAYS DO THE
RIGHT THING**

WE ARE ONE ZOETIS

Zoetis is much more than the sum of its parts. Our sales organizations, R&D specialists and manufacturing network are the cornerstones of our new company and are supported by a world-class team. We all work together with a common purpose, sharing knowledge and resources, for the best interest of our customers, colleagues and shareholders.







**“BECAUSE THE WORLD
DEPENDS ON ANIMALS,
THOSE WHO CARE
FOR THEM CAN
DEPEND ON US.”**

Juan Ramón Alaix
CHIEF EXECUTIVE OFFICER

Dear Customers, Colleagues and Investors,

At Zoetis, we are inspired to serve the world by ensuring the health of its animals. People rely on animals for a variety of reasons—comfort and companionship from pets as well as protein and nutrition from farm animals—and we see tremendous opportunity to help address these needs and grow our business. Every day, our colleagues use their talents to support veterinarians and producers who treat pets and keep livestock healthy and abundant. Because the world depends on animals, those who care for them can depend on us.

Zoetis has enjoyed a successful first year, and I am pleased to introduce our first-ever Annual Review. In these pages, we have tried to capture our start, outline our beliefs and portray who we are as a company.

In 2013, we successfully established ourselves as a new public company, delivered on our financial objectives and continued meeting our customer commitments. Our performance confirmed and reinforced our long-term objective to grow revenue in line with, or faster than, the industry; to grow adjusted net income faster than revenue; and to bring additional value to our customers, colleagues and shareholders.

I am very proud of the people of Zoetis for their dedication to our customers and for building on our heritage as the world leader in animal health. I want to express my thanks to all of our colleagues at Zoetis.

DELIVERING RESULTS

While the anticipation of an initial public offering like ours—the third largest in the U.S. in 2013—can be exciting, we never lost sight of the commitments we made to our customers and never lost sight of all the hard work and capabilities that brought us to this point.

As 2013 began, we knew that first and foremost, we must continue to deliver the results our customers, colleagues—and now our shareholders—expected from us. And, we did just that. In fiscal 2013:

- We achieved our financial objectives and grew our sales faster than the market, according to external data.
- We continued to expand our diverse portfolio of more than 300 product lines, receiving nearly 180 approvals for various new products, line extensions and expansions of products into new geographies in 2013. This includes the approval of Apoquel®, a significant new product for the control or treatment of pruritus—or itching—in dogs with allergic skin conditions in the U.S., the European Union and New Zealand.
- We maintained a high-quality supply of products around the world and continued to achieve important milestones in standing up our company and implementing our growth strategies, while managing our separation from Pfizer.

BUILDING OUR CULTURE

To achieve these results in our first year, we had to reflect on and establish our own Zoetis culture and identity. We asked ourselves, “What attributes would be critical to our new company culture? What values would transcend boundaries and languages across our global team? And, what beliefs would anchor us and guide us over the life of our company?”

We answered these fundamental questions with our Core Beliefs, which you see reflected in this Review. These beliefs not only drive our colleagues’ performance, they are also part of the promise that we make to our customers, our investors, and to each other as members of One Zoetis team. We believe they are the foundation on which we are establishing Zoetis as a respected, admired and valued name in animal health.

While we are proud of our 60+ year heritage—from Pfizer and the other acquired companies that have been built into Zoetis—we are particularly excited to have set out on our own with a brand, identity and set of beliefs that are uniquely Zoetis and that will shape our future.

MILESTONES

In 2013, we...

Celebrated our Initial Public Offering on February 1, becoming the world’s leading publicly traded animal health company.

Declared our first dividend on March 28.

Branded our first product with the name Zoetis on May 15.

Received U.S. FDA approval of Apoquel® on May 16.

Opened our new global headquarters in Florham Park, NJ, on June 17.

Became a member of the S&P 500 on June 21.

Completed our separation from Pfizer on June 24, marking our first day as a fully independent company.

Announced the approval of Rui Lan An™, the first swine vaccine to result from the company’s joint venture in China, on August 4.

Announced approval of Apoquel® in the European Union on September 19.

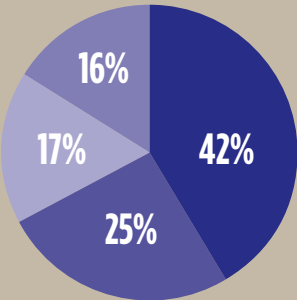
Became the only animal health company to be part of PROHEALTH Consortium studying the sustainability of modern animal health production on December 17.

2013 FINANCIAL HIGHLIGHTS

\$ Millions (Except Per Share Data)

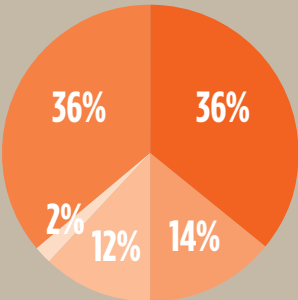
	2013	2012
Revenue	\$ 4,561	\$ 4,336
Net Income Attributable to Zoetis	\$ 504	\$ 436
Diluted Earnings per Share	\$ 1.01	\$ 0.87
Net Cash Provided by Operating Activities	\$ 681	\$ 454
R&D Expenses	\$ 399	\$ 409
Total Assets	\$ 6,558	\$ 6,262

REVENUE BY SEGMENT



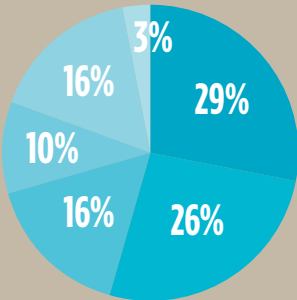
■ United States 42%
■ Europe, Africa and Middle East 25%
■ Canada and Latin America 17%
■ Asia Pacific 16%

REVENUE BY SPECIES



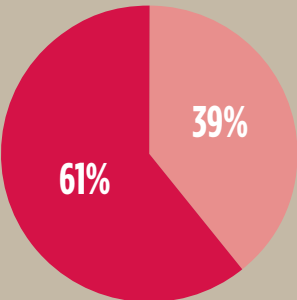
■ Cattle 36%
■ Swine 14%
■ Poultry 12%
■ Other 2%
■ Companion animal 36%

REVENUE BY MAJOR PRODUCT CATEGORY



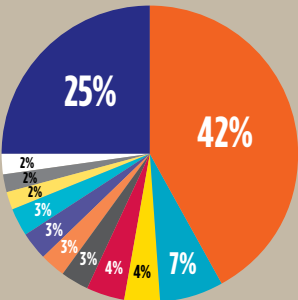
■ Anti-infectives 29%
■ Vaccines 26%
■ Parasiticides 16%
■ Medicated feed additives 10%
■ Other pharmaceuticals 16%
■ Other non-pharmaceuticals 3%

REVENUE BY PRODUCT CONCENTRATION



■ Top ten product lines 39%
■ All other product lines 61%

REVENUE BY TOP MARKETS



■ United States 42%
■ Brazil 7%
■ Canada 4%
■ Australia 4%
■ United Kingdom 3%
■ France 3%
■ Germany 3%
■ Japan 3%
■ Italy 2%
■ Spain 2%
■ China 2%
■ Other 25%

PROFITABLE GROWTH AND MARKET LEADERSHIP

Since before our IPO, we have been explaining the attributes of the animal health industry to investors, who knew us only as a small piece of a human health and pharmaceuticals company. The differences in our commercial models, customer relationships and R&D dynamics are just a few pieces of the story we have told.

As we look to the future, we see tremendous opportunities for the animal health industry. Total annual sales of animal medicines and vaccines today are approximately \$23.5 billion. And industry sources indicate that the market is expected to grow at a five-year, compound annual growth rate of approximately 5 to 6 percent through the end of 2017.

Three key trends are driving this steady and predictable growth in animal health: the growing world population; the increasing middle class, especially in emerging markets; and the rising urbanization in various markets. As a result of these trends, the world is seeing an increase in demand for sources of protein, while facing limited resources and less arable land to produce them. This makes efficient production and healthy livestock more and more critical to producers. We also see as economies expand—with a rising middle class and greater urbanization—that people with greater disposable incomes are more willing to adopt pets and place a premium on their health and medical care. The need to produce more with less resources and to place greater attention on pet health are great opportunities for animal health companies and for Zoetis as the industry leader.

To continue our leadership and profitable growth in this dynamic market, we will continue developing those capabilities that differentiate us and allocate our resources to maximize our profitable growth.

Our key capabilities include:

- **The largest and most well-regarded direct sales force in the industry:** Our commercial model, strong relationships and global scale make us a highly valued partner and help us withstand issues in any relevant market or region.
- **Innovation in R&D:** We address unmet market needs that are important to our local customers, and we are continuously improving and expanding our diverse portfolio of products to enhance their lifecycles.
- **Reliable supply and manufacturing:** We maintain high-quality standards to ensure a dependable supply for our customers.

As we continue to build on these key capabilities, our new independence has also given us the opportunity to examine the way we work, build our own model, and increase the efficiency of our operations. We continue to stand up many of our own corporate functions and infrastructure, and we are looking at how we can build them for efficiency and simplicity. For example, we are building a technology infrastructure that can support our needs and make us a more nimble and connected global enterprise. We are also making decisions about our use of capital so we can invest in profitable growth opportunities and return capital to our shareholders.

LOOKING AHEAD

After being a public company for a little more than a year, we recognize that we are only at the beginning of our journey as an independent company. We are pleased to have built a solid foundation as the world leader in animal health, but we have much more work to do.

I am confident that with our Core Beliefs, world-class capabilities and talented colleagues, we can achieve our financial and strategic goals and continue serving the needs of those who care for animals around the world.



Juan Ramón Alaix
Chief Executive Officer

WHERE WE ARE GOING

MISSION STATEMENT

We build on a six-decade history and singular focus on animal health to bring customers quality products, services and a commitment to their businesses.

HOW WE WILL GET THERE

CAPITALIZE ON TRENDS IN ANIMAL HEALTH

LEVERAGE OUR KEY CAPABILITIES

MAXIMIZE OUR RESOURCES

ZOETIS EXECUTIVE TEAM



JUAN RAMÓN ALAIX
Chief Executive Officer



SANDRA BEATY
Executive Vice President,
Corporate Affairs



ALEJANDRO BERNAL
Executive Vice President and
Area President, Europe, Africa
and Middle East Region



HEIDI CHEN
Executive Vice President and
General Counsel



CATHERINE KNUPP
Executive Vice President and
President, Research and
Development



ROXANNE LAGANO
Executive Vice President and
Chief Human Resources Officer



JOYCE LEE
Executive Vice President and
Area President, Canada &
Latin America Region



CLINTON LEWIS, JR.
Executive Vice President and
President, U.S. Operations



RICHARD PASSOV
Executive Vice President and
Chief Financial Officer



KRISTIN PECK
Executive Vice President and
Group President



STEFAN WEISKOPF
Executive Vice President and
Area President, Asia Pacific Region

ZOETIS BOARD OF DIRECTORS



MICHAEL MCCALLISTER



JUAN RAMÓN ALAIX



FRANK D'AMELIO



SANJAY KHOSLA



GREGORY NORDEN



LOUISE PARENT



WILLIE REED



ROBERT SCULLY



WILLIAM STEERE, JR.

SHAREHOLDER INFORMATION

ZOETIS GLOBAL HEADQUARTERS

100 Campus Drive
Florham Park, NJ 07932
1 (973) 822-7000

STOCK LISTING

Common stock for Zoetis is listed on the New York Stock Exchange under the ticker symbol ZTS.

ANNUAL MEETING OF SHAREHOLDERS

The Zoetis 2014 Annual Meeting of Shareholders will be held on Tuesday, May 13, 2014, at 10 a.m., at the Hilton Short Hills Hotel, 41 John F. Kennedy Parkway, in Short Hills, NJ

TRANSFER AGENT

Questions and communications regarding transfer of stock, dividends, cost-basis information and address changes should be directed to our transfer agent and registrar, Computershare Trust Company, N.A., as follows:

Shareholder correspondence should be mailed to:

Computershare
P.O. Box 30170
College Station, TX 77842-3170

Overnight correspondence should be mailed to:

Computershare
211 Quality Circle, Suite 210
College Station, TX 77845

Telephone:

Within the U.S.: 1 (800) 446-2617
Outside the U.S.: 1 (781) 575-2725

Website:

www.computershare.com/investor

CORPORATE GOVERNANCE

Copies of our 2013 Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K to the Securities and Exchange Commission, Proxy Statement, and this Annual Review are available online at investor.zoetis.com.

In addition, shareholders can view our Corporate Governance Principles; Director Qualification Standards; Director Code of Conduct; Charters of the Audit Committee, Compensation Committee and Corporate Governance Committee; and other corporate governance materials at www.zoetis.com/about/corporate-governance.

Copies of our SEC filings and Corporate Governance documents are available to shareholders without charge upon written request to the Secretary at our global headquarters.

ZOETIS ON THE WEB

You can find more information about Zoetis, including financial results, press releases, career opportunities, news on Zoetis products and services, and other activities, on our website www.zoetis.com.

Real-time information about Zoetis can be found on our Facebook and Twitter pages (www.facebook.com/zoetis and www.twitter.com/zoetis), on our YouTube channel (www.youtube.com/ZoetisInc), and on LinkedIn (www.linkedin.com/company/zoetis).

SHAREHOLDER SERVICES

If you have a question for us and cannot find an answer on our website, please write to us at Zoetis Shareholder Services, 100 Campus Drive, Florham Park, NJ 07932, or email us at shareholderservices@zoetis.com.

FORWARD-LOOKING STATEMENTS

Please refer to Zoetis' 2013 Form 10-K for a description of the substantial risks and uncertainties related to the forward-looking statements included in this Annual Review. Our Form 10-K is available on our website at investor.zoetis.com/sec-filings and on the Security and Exchange Commission's website at www.sec.gov.

