

FEDERAL COURT OF CANADA
(TRIAL DIVISION)

BETWEEN:

HER MAJESTY THE QUEEN

and

PFIZER INC.

Accused

AGREED STATEMENT OF FACTS

I. THE ACCUSED

Pfizer Inc.

1. Pfizer Inc. ("Pfizer") is a corporation based in the United States, with its global headquarters in New York City. During the relevant period, Pfizer, through its former Food Science Group, was engaged in the production abroad, and the distribution and sale in Canada, of sodium erythorbate.

II. OTHER RELEVANT CORPORATIONS

2. Note: Pfizer has no direct knowledge of, but does not contest, the facts set out in paragraph 3 below, which are based on information obtained by the Commissioner of Competition (the "Commissioner").

Fujisawa Pharmaceutical Co., Ltd.

3. Fujisawa Pharmaceutical Co., Ltd. ("Fujisawa") is a Japan based corporation whose Chemical Division was engaged in the production, manufacture, distribution, sale and supply of sodium erythorbate internationally during the relevant period. Fujisawa supplied sodium erythorbate in North America through its U.S. subsidiary, PMP Fermentation Products, Inc. (PMP). PMP sold sodium erythorbate in Canada through a distributor, Ashland Canada Inc.

III. SODIUM ERYTHORBATE AND THE CANADIAN MARKET FOR SODIUM ERYTHORBATE

4. Sodium erythorbate is a chemical food ingredient preservative which is used primarily to maintain colour and flavour in meat and processed foods. During the relevant period, there were no manufacturing or refining facilities for sodium erythorbate in Canada, and supplies of the product to Canada consisted of imports. Pfizer's former Food Science Group was a producer and supplier of sodium erythorbate sold in Canada during the relevant period. Pfizer divested the assets associated with its Food Science Group in 1995 and no longer produces the product.
5. Pfizer's sales of sodium erythorbate in Canada during the relevant period were approximately \$7.5 million.

IV. THE 1992-1994 AGREEMENT

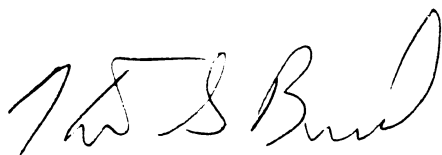
6. During the relevant period of the offence, between approximately July 1992 and December 1994, Pfizer employees periodically engaged in conversations and other communications, and attended meetings, with representatives of another sodium erythorbate producer, Fujisawa. The meetings occurred in locations in the United States and Japan.
7. As a result of these conversations, communications and meetings, an unlawful agreement between the two producers was reached in relation to the sale of sodium erythorbate in Canada. Beginning in or about July, 1992, the parties agreed to fix and maintain the prices at which both producers would supply sodium erythorbate in Canada. The agreement continued until in or about December, 1994.

V. OTHER CONSIDERATIONS

8. Pursuant to his responsibilities for the administration and enforcement of the *Competition Act*, the Commissioner has conducted and continues to conduct extensive inquiries into this industry sector in Canada. He considers that Pfizer's cooperation with this inquiry has provided significant assistance to the investigation.
9. The decision by Pfizer to appear and submit to the jurisdiction of the Canadian Courts to plead guilty has saved considerable costs of further investigation and trial which would otherwise have been incurred by the Government of Canada.

VI. CONCLUSION

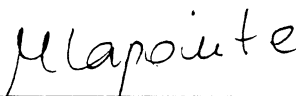
10. Pfizer admits the above facts, pursuant to section 655 of the *Criminal Code*, solely for the purpose of dispensing with their proof at trial in this proceeding.
11. Pfizer acknowledges, on the basis of its admission of the facts set out herein, with respect to the agreement alleged in the Indictment, that all the constituent elements of an indictable offence under paragraph 45(1)(c) of the *Competition Act* have been established.
12. The parties agree that this document may be executed by signature conveyed by facsimile transmission or in counterparts.



Pfizer Inc.

by: Kent S. Bernard
Assistant General Counsel

October 22, 2001



The Attorney General of Canada

by:

October 17th, 2001

Court File No.: T-1559-01

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