



MEMO #: 2984-07

MEMORANDUM

TO: All Members, Member Organizations, and ROTs

FROM: Market Watch

DATE: December 11, 2007

RE: **Coley Pharmaceutical Group, Inc. (QJC/COLY)**
Tender Offer

Corvette Acquisition Corp., an indirect wholly-owned subsidiary of Pfizer, Inc. is offering to acquire all of the outstanding Common shares of Coley Pharmaceutical Group, Inc. (COLY). Coley Pharmaceutical Group, Inc. (COLY) will receive \$8.00 in cash for every Common Share of Coley Pharmaceutical Group, Inc. (COLY) being held, in accordance with the terms and subject to the conditions set forth in the Offer to Purchase, dated November 30, 2007, and in the related Letter of Transmittal, which together constitute the "Offer".

There is a guarantee period of three (3) NASDAQ trading days, in which shares not immediately available may be tendered under a "Notice of Guaranteed Delivery".

The Offer and withdrawal rights will expire at 12:00 Midnight, New York City time, on Friday, December 28, 2007, unless extended.

The foregoing discussion is an unofficial summary of the terms of the offer, prepared by PHLX for the convenience of its members. PHLX accepts no responsibility for the accuracy or completeness of this summary. Members should refer to the offer to purchase for the authoritative description of the offer and all of its terms and conditions.

SPECIAL RISKS

Special risks exist for uncovered writers of QJC call options. If an uncovered call option writer is assigned on or before the tender offer expiration date, the writer may not be able to deliver COLY Common Stock by the option settlement date. The Options Clearing Corporation ("OCC") Article VI, Section 19 of the By-Laws describes steps, which may be taken in the event that there is a shortage of shares.

Please note that QJC options will not be adjusted to reflect the expiration of the tender offer. Until a merger, consolidation or similar event occurs, COLY common stock will still exist, trade and be deliverable in settlement of option exercise.

Questions regarding this release may be directed to Market Watch at 1-800-THE-PHLX, choice #2, or (215) 496-5380.