

Zoetis Inc.
Form 11-K
June 20, 2016

Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS
AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

x ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2015
or

.. TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____
Commission File No: 001-35797

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:
ZOETIS SAVINGS PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:
Zoetis Inc.
100 Campus Drive
Florham Park, NJ 07932

Table of Contents

REQUIRED INFORMATION:

Items 1 through 3: Not required; see Item 4 below.

Item 4. Financial Statements and Exhibits.

a) Report of Independent Registered Public Accounting Firm

Statements of Net Assets Available for Benefits as of December 31, 2015 and 2014

Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2015 and 2014

Notes to Financial Statements

Supplemental Schedule

Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2015

b) Exhibit 23.1 Consent of Independent Registered Public Accounting Firm

Table of Contents

ZOETIS SAVINGS PLAN

Index

Report of Independent Registered Public Accounting Firm	Page <u>1</u>
Financial Statements:	
Statements of Net Assets Available for Benefits as of December 31, 2015 and 2014	<u>2</u>
Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2015 and 2014	<u>3</u>
Notes to Financial Statements	<u>4</u>
Supplemental Schedule:	
Schedule H, Line 4i – Schedule of Assets (Held at End of Year) as of December 31, 2015	<u>10</u>
Signature	<u>11</u>
Exhibits:	
Exhibit 23.1 Consent of Independent Registered Public Accounting Firm	14

Table of Contents

Report of Independent Registered Public Accounting Firm

To the Savings Plan Committee
Zoetis Savings Plan:

We have audited the accompanying statements of net assets available for benefits of the Zoetis Savings Plan as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years ended December 31, 2015 and 2014. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2015 and 2014, and the changes in net assets available for benefits for the years ended December 31, 2015 and 2014, in conformity with U.S. generally accepted accounting principles.

The supplemental information in the accompanying Schedule H, line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2015, has been subjected to audit procedures performed in conjunction with the audit of the Plan's 2015 financial statements. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statements but include supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information in the accompanying Schedule H, line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2015, is fairly stated in all material respects in relation to the 2015 financial statements as a whole.

/s/ KPMG LLP
New York, New York
June 20, 2016

Table of Contents

ZOETIS SAVINGS PLAN

Statements of Net Assets Available for Benefits

	December 31,	
(thousands of dollars)	2015	2014
Assets:		
Investments at fair value	\$813,414	\$817,444
Receivables:		
Notes receivable from participants	12,236	11,835
Employer contributions	25,198	21,354
Total receivables	37,434	33,189
Net assets available for benefits	\$850,848	\$850,633

See accompanying notes to financial statements.

Table of Contents

ZOETIS SAVINGS PLAN

Statements of Changes in Net Assets Available for Benefits

	Years ended December 31,	
(thousands of dollars)	2015	2014
Additions to net assets attributed to:		
Investment income:		
Net (depreciation)/appreciation in investments	\$(21,097)	\$45,289
Dividend income	29,036	19,049
Investment (loss)/income on participant-directed funds	(357)	1,087
Total investment income	7,582	65,425
Interest income on notes receivable from participants	594	499
Less: Investment management fees	(99)	(76)
Net investment and interest income	8,077	65,848
Contributions:		
Employer	42,161	37,775
Participant	43,167	42,616
Rollovers	8,817	3,816
Total contributions	94,145	84,207
Total additions, net	102,222	150,055
Deductions from net assets attributed to:		
Benefits and withdrawals paid to participants	(102,007)	(50,575)
Net increase in assets available for benefits	215	99,480
Net assets available for benefits:		
Beginning of period	850,633	751,153
End of period	\$850,848	\$850,633

See accompanying notes to financial statements.

Table of Contents

Zoetis Savings Plan
Notes to Financial Statements
December 31, 2015 and 2014

1. Plan Description

The Zoetis Savings Plan (the Plan) is a defined contribution retirement plan. Participation in the Plan is open to eligible employees of Zoetis Inc. (the Plan Sponsor) or an affiliate which has, with the consent of the Plan Sponsor, adopted the Plan (Participating Employers) and who are included within a group or class designated by the Plan Sponsor as set forth in the Plan document.

The Plan is subject to certain provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA) and the Internal Revenue Code of 1986, as amended (the Code). The Plan is designed to meet ERISA's reporting and disclosure and fiduciary responsibility requirements, as well as the minimum standards for participation and vesting. As a defined contribution plan, the Plan is not, however, subject to ERISA's minimum funding standards. Additionally, benefits under the Plan are not eligible for termination insurance provided by the Pension Benefit Guaranty Corporation.

The following is a general description of certain provisions of the Plan. Participants should refer to the Plan document for more detailed and complete information.

Plan Administration

The Plan is administered by the Zoetis Savings Plan Committee, which was appointed by the Chief Human Resources Officer of Zoetis pursuant to a delegation of authority by the Zoetis Board of Directors. The investment fiduciary function is also governed by the Zoetis Savings Plan Committee. Bank of America Merrill Lynch was appointed as the Plan's recordkeeper and trustee and is a party-in-interest to the Plan.

Administrative Costs

In general, costs and expenses of administering the Plan are paid and absorbed by the Plan or the Plan Sponsor (the Company).

Eligibility

Generally, all U.S.-based employees of the Company, except (1) certain employees who are covered by a collective bargaining agreement and have not negotiated to participate in the Plan, (2) certain employees who are employed by a unit not designated for participation in the Plan, or (3) certain employees who are otherwise eligible for another Company-sponsored savings plan, are eligible to enroll in the Plan on their date of hire.

Newly eligible participants who do not affirmatively enroll in the Plan within 30 days of hire or transfer into eligible employment are automatically enrolled at a 5% pre-tax contribution rate. Contributions are invested in the Plan's default investment fund option, which is generally the Vanguard Target Retirement Fund, based on the participant's retirement eligibility date.

Contributions

Participants may elect to make contributions of up to 30% of eligible compensation on a pre-tax basis and up to 30% of eligible compensation on a Roth 401(k) or after-tax basis. Total contributions may not be greater than 60% of eligible compensation and are subject to certain restrictions under the Code. For all participants, contributions of up to 5% of eligible compensation are matched 100% by the Company. Participant contributions in excess of 5% are not matched.

The Plan Sponsor may, in its sole discretion, also make a profit sharing contribution of 0% to 8% of each participant's eligible compensation, as defined by the Plan. Participants are eligible to receive a profit-sharing contribution if they are employed on the last day of the Plan year or die, become disabled (while an employee) or terminate employment after attaining age 55 during the Plan year. In March 2016, the Company funded the profit sharing for plan year 2015 in the amount of approximately \$21.1 million. In March 2015, the Company funded the profit sharing for plan year 2014 in the amount of approximately \$17.2 million.

Participant Accounts and Vesting

Each participant's account is credited with the participant's contributions, the Company's matching and profit sharing contributions, and the participant's respective share of Plan earnings and is charged with the participant's withdrawals and distributions, and the participant's respective share of Plan losses. Participants are immediately vested in the full value of their account (i.e., participant's and Company's matching contributions) other than the profit sharing contribution.

Table of Contents

Zoetis Savings Plan
Notes to Financial Statements
December 31, 2015 and 2014

All participants will vest in the Company's profit sharing contribution as follows:

Years of Service Percentage Vested*

Under 1 year	—%
1 year	20%
2 years	40%
3 years	60%
4 years	80%
5 years	100%

*Special Vesting Rules for Former Pfizer Employees: Prior service with Pfizer for employees employed by Zoetis on June 24, 2013, will be included for purposes of vesting in the profit sharing contribution.

Forfeited balances of terminated participants' nonvested accounts are used to reduce future Company contributions. Forfeitures used to reduce future Company contributions were \$0.3 million for the year ended December 31, 2015, and were insignificant for the year ended December 31, 2014. At December 31, 2015 and 2014, forfeited nonvested accounts available to reduce future employer contributions totaled approximately \$0.1 million in each year.

Rollovers into Plan

Participants may elect to roll over one or more account balances from qualified plans.

Investment Options

Participants can elect to invest amounts credited to their account in any of the investment funds offered by the Plan and transfer amounts between these funds at any time during the year.

Each participant in the Plan elects to have his or her contributions invested in any one or combination of investment funds in the Plan.

Contributions made by participants may subsequently be invested into a self-directed brokerage account.

The Plan's trust agreement provides that any portion of any of the investment funds may, pending its permanent investment or distribution, be invested in short-term investments.

Notes Receivable from Participants

Plan participants are permitted to borrow against their account balances. The minimum amount a participant may borrow is \$1,000 and the maximum amount is the lesser of 50% of the account balance reduced by any current outstanding loan balance, or \$50,000, reduced by the highest outstanding loan balance in the preceding 12 months. Under the terms of the Plan, loans must be repaid pursuant to a fixed payment schedule within five years, unless the funds are used to purchase a primary residence. Primary residence loans must be repaid within ten years. However, certain primary residence loans existed prior to June 20, 2013, and may have longer repayment terms as they were processed under the rules of the prior plan. The interest rate on all loans is based on the prime rate plus 2% at date of loan issuance. At December 31, 2015, interest rates on outstanding loans ranged from 4.25% to 8.75% with maturities ranging from 2016 to 2034. At December 31, 2014, interest rates on outstanding loans ranged from 4.25% to 9.5% with maturities ranging from 2015 to 2034.

Interest paid by the participant is credited to the participant's account. Interest income from notes receivable from participants is recorded by the trustee as earned in the participant funds in the same proportion as the original loan issuance. Repayments may not necessarily be made to the same fund from which the amounts were borrowed.

Repayments are credited to the applicable funds based on the participant's investment elections at the time of repayment.

In the event of termination, participants will have 90 days to repay the loan before the loan is considered taxable to the participant. An additional 10% penalty tax may also apply.

Table of Contents

Zoetis Savings Plan
Notes to Financial Statements
December 31, 2015 and 2014

Benefit Payments

Upon separation from service, retirement or disability, a participant whose account balance is greater than \$1,000 is entitled to receive the full value of the account balance or defer payment to a later date, subject to receiving minimum required distributions starting at age 70½. A participant whose account balance is \$1,000 or less will receive his or her account balance upon termination. In the event of a participant's death, a spouse beneficiary generally may elect a lump sum payment or defer payment until a later date, but not beyond the year in which the participant would have reached age 70½. A non-spouse beneficiary generally may defer payment until December 31 of the year following the date of the participant's death.

In-Service Withdrawals

Participants in the Plan may make in-service or hardship withdrawals from their account balances subject to the provisions of the Plan.

Plan Termination

The Plan Sponsor expects to continue the Plan indefinitely, but reserves the right to amend, suspend or discontinue it in whole or in part at any time by action of the Plan Sponsor's Board of Directors or its authorized designee. In the event of termination of the Plan, each participant shall be entitled to the full value of his or her account balance as though he or she had retired as of the date of such termination. No part of the invested assets established pursuant to the Plan will at any time revert to the Company, except as otherwise permitted under ERISA.

2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

In June 2015, the Financial Accounting Standards Board (FASB) issued Update No. 2015-10, Technical Corrections and Improvements, which contains amendments that will affect a wide variety of topics in the accounting standards codification. One such amendment states that an equity security that is an investment in a mutual fund, or in a structure similar to a mutual fund, has a readily determinable fair value if the fair value per share is determined and published and is the basis for current transactions. In 2015, the Plan adopted this provision of Update No. 2015-10. Accordingly, such investments have been reclassified from Level 2 to Level 1 in the fair value hierarchy.

In July 2015, the FASB issued Update No. 2015-12, (Part I) Fully Benefit-Response Investment Contracts, (Part II) Plan Investment Disclosures, (Part III) Measurement Date Practical Expedient, which clarifies that indirect investments in fully benefit-responsive investment contracts through investment companies are measured at fair value. In addition, this amendment simplifies the investment disclosures required for employee benefit plans, including eliminating the requirements to disclose: (a) individual investments that represent 5% or more of net assets available for benefits, (b) net appreciation (depreciation) by individual investment type, and (c) investment information disaggregated based on the nature, characteristics and risks. The provisions of the new standard are effective beginning January 1, 2016, and early adoption is permitted. The Plan has elected to early adopt this new guidance and the requirements of the new standard have been applied retrospectively.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires Plan management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, the reported amounts of increases and decreases to net assets during the reporting period, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

Investment Valuation

The Plan's investments are stated at fair value. Units of the Zoetis and Pfizer Stock Funds are valued based on the combined quoted market prices of the underlying shares of Zoetis and Pfizer common stock and a cash equivalent component. Shares of registered investment companies and common/collective trust funds are valued at quoted market prices which represent the net asset value of shares held by the Plan at year-end. Self-directed brokerage accounts consist primarily of money market funds, common stocks and mutual funds, which are valued at quoted market prices, and are considered one general type of investment. See Note 4. Fair Value Measurements for additional information regarding the fair value of the Plan's investments.

Table of Contents

Zoetis Savings Plan
Notes to Financial Statements
December 31, 2015 and 2014

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance, plus any accrued interest. Delinquent notes receivable are classified as distributions based on the terms of the Plan document.

Risks and Uncertainties

Investment securities, including Zoetis common stock, are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in their fair values could occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

Investment Transactions

Purchases and sales of securities are reflected on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned.

Net Appreciation/(Depreciation) in Investments

The Plan presents, in the statements of changes in net assets available for benefits, the net appreciation/ (depreciation) in the value of its investments which consists of the realized gains and losses and the unrealized gains and losses on those investments. Realized gains and losses on sales of investments represent the difference between the net proceeds and the cost of the investments (average cost if less than the entire investment is sold). Unrealized gains and losses on investments represent the change in the difference between the cost of the investments and their fair value at the end of the year.

Benefit Payments

Benefits are recorded when paid.

Reclassifications

Certain reclassifications have been made to prior year data to conform to current year presentation.

3. Tax Status

The Plan uses a Prototype Non-standardized document, which has received a favorable determination letter from the Internal Revenue Service (IRS) dated March 31, 2014. The prototype Plan has not been materially modified so that the Company is entitled to rely on the prototype sponsor's determination letter for the prototype Plan. The determination letter provided to the Company by the prototype sponsor indicates that the form of the Plan is acceptable under section 401 of the Internal Revenue Code for use by employers for the benefit of their employees. The Plan has been amended since receiving the determination letter. The Plan administrator and the Plan's legal counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Code.

U.S. GAAP requires the Plan administrator to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2015 and 2014, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

4. Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. There are three levels of inputs to fair value measurements: Level 1, meaning the use of quoted prices for identical instruments in active markets; Level 2, meaning the use of quoted prices for similar instruments in active markets or quoted prices

for identical or similar instruments in markets that are not active or are directly or indirectly observable; and Level 3, meaning the use of unobservable inputs. See Note 2. Summary of Significant Accounting Policies: Investment Valuation for information regarding the methods used to determine the fair value of the Plan's investments.

Table of Contents

Zoetis Savings Plan
Notes to Financial Statements
December 31, 2015 and 2014

Investments measured at fair value are summarized below:

Investments at Fair Value as of December 31, 2015				
(thousands of dollars)	Level 1	Level 2	Level 3	Total
Zoetis Stock Fund	\$73,695	\$ —	\$ —	—\$73,695
Mutual funds	644,074	—	—	644,074
Common/collective trust funds	78,846	—	—	78,846
Money market funds	1,016	—	—	1,016
Self-directed brokerage funds	15,783	—	—	15,783
Total investments at fair value	\$813,414	\$ —	\$ —	—\$813,414

Investments at Fair Value as of December 31, 2014				
(thousands of dollars)	Level 1	Level 2	Level 3	Total
Zoetis Stock Fund	\$63,090	\$ —	\$ —	—\$63,090
Pfizer Stock Funds ^(a)	107,180	—	—	107,180
Mutual funds	552,049	—	—	552,049
Common/collective trust funds	74,480	—	—	74,480
Money market funds	24	—	—	24
Self-directed brokerage funds	20,621	—	—	20,621
Total investments at fair value	\$817,444	\$ —	\$ —	—\$817,444

^(a) In January 2015, the Zoetis Savings Plan Committee resolved that Pfizer Stock Funds would no longer be an investment option under the Plan. Balances as of June 30, 2015, were transferred within participants' accounts to the

Plan's default investment fund option, which is generally the Vanguard Target Retirement Fund, based on the participant's retirement eligibility date.

5. Related Party Transactions

Certain Plan investments held by the Plan at December 31, 2015 and 2014, were units of the Trust Fund and were managed by Bank of America Merrill Lynch. Bank of America Merrill Lynch serves as the trustee of the Plan, and therefore, transactions involving these investments are considered party-in-interest transactions.

The Plan invests in shares of the Company. The Company is the Plan sponsor, and therefore, these transactions qualify as party-in-interest transactions. At December 31, 2015 and 2014, the Plan held Zoetis common stock valued at \$73.7 million and \$63.1 million, respectively. For the period ended December 31, 2015, the Plan purchased Zoetis common stock with a fair value of approximately \$18.2 million and sold Zoetis common stock with a fair value of approximately \$13.5 million. For the period ended December 31, 2014, the Plan purchased Zoetis common stock with a fair value of approximately \$44.0 million and sold Zoetis common stock with a fair value of approximately \$9.2 million.

At December 31, 2015 and 2014, the Plan had notes receivable from participants of approximately \$12.2 million and \$11.8 million, respectively. These transactions are considered parties-in-interest transactions.

6. Reconciliation of Financial Statements to Form 5500

The Form 5500 requires Plan investments to be reported at fair value. Therefore, adjustments from fair value to contract value for certain fixed income fund investments represent a reconciling item. The Form 5500 also requires participant loans to be recorded as investments, while U.S. GAAP requires participant loans to be recorded as notes receivable from participants.

Table of Contents

Zoetis Savings Plan
Notes to Financial Statements
December 31, 2015 and 2014

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 expected to be filed for 2015 and filed for 2014.

December 31,
(thousands

of
2015 2014
dollars)

Net
assets
available
for
benefits

\$850,633 \$850,633

per
the
financial
statements

Adjustment
of
fixed
income
fund

investments
from

822

contract
value

to
fair
value

Net
assets
available

for
benefits

per
Form

5500

The following is a reconciliation of net (depreciation)/appreciation in investments per the financial statements to the Form 5500.

December 31,
(thousands

of
2015 2014
dollars)

Net
(depreciation)/appreciation
in
investments
\$ (21,097) \$ 45,289
per
the
financial
statements
Adjustment
of
fixed
income
fund
investments
from
contract
value 822
to
fair
value
at
end
of
year

Adjustment
of
fixed
income
fund
investments
from
contract
(822) (894)
value
to
fair
value
at
beginning
of
year

Net
(depreciation)/appreciation
in
investments) \$ 45,217
per
Form
5500

7. Subsequent Events

In connection with the preparation of the financial statements, the Plan administrator has evaluated subsequent events after December 31, 2015, and concluded that no additional disclosures or recordable transactions were required.

Table of Contents

ZOETIS SAVINGS PLAN
SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2015
(thousands of dollars)

(a)	(b) Identity of Issuer, Borrower, Lessor or Similar Party	(c) Description of investment	(c) Rate of Interest	(c) Maturity Date	(c) Number of Shares or Units	(d) Cost	(e) Current Value
	BIF Money Funds	Money Market			—	\$1,016	\$1,016
	Clearbridge Mid-Cap Core Fund	Mutual Fund			1,031,366	32,572	33,427
	Dodge & Cox International Stock Fund	Mutual Fund			1,359,734	53,969	49,603
	Invesco Diversified Div CL R5	Mutual Fund			2,675,940	45,253	47,043
	MFS Mass Investors Growth Stock R4	Mutual Fund			2,629,312	57,550	60,842
	Oppenheimer Developing Markets	Mutual Fund			300,247	10,381	9,004
	Prudential Jennison Mid-Cap Z	Mutual Fund			1,055,212	40,627	37,903
	T. Rowe Price Small-Cap	Mutual Fund			813,133	34,295	31,395
	JP Morgan Core Bond Fund CL R5	Mutual Fund			2,893,150	33,772	33,358
	Vanguard Target Retirement 2015	Mutual Fund			672,770	10,082	9,574
	Vanguard Target Retirement 2020	Mutual Fund			1,837,211	49,628	49,880
	Vanguard Target Retirement 2025	Mutual Fund			1,800,454	29,168	28,123
	Vanguard Target Retirement 2030	Mutual Fund			1,973,398	54,439	54,703
	Vanguard Target Retirement 2035	Mutual Fund			1,491,549	26,214	25,118
	Vanguard Target Retirement 2040	Mutual Fund			1,226,639	34,824	34,898
	Vanguard Target Retirement 2045	Mutual Fund			724,999	13,224	12,890
	Vanguard Target Retirement 2050	Mutual Fund			180,689	5,211	5,148
	Vanguard Target Retirement 2055	Mutual Fund			62,612	1,952	1,930
	Vanguard Target Retirement 2060	Mutual Fund			29,795	821	811
	Vanguard Target Retirement Income	Mutual Fund			1,353,945	16,942	16,857
	Vanguard Institutional Index Fund	Mutual Fund			452,310	75,203	84,410
	Vanguard Russell 2000 Fund	Mutual Fund			99,424	17,192	17,157
					—	—	15,783

Participant-Directed Brokerage				
Acct				
T. Rowe Price Stable Value	Common/Collective	68,168	68,168	68,168
Common Trust Fund	Trust			
BlackRock Tips Class K	Common/Collective	823,403	10,658	10,678
	Trust			
* Zoetis Stock Fund	Common stock fund	4,826,119	52,010	73,695
Total assets held for investment purposes				813,414
* Notes Receivable from	Interest rates: 4.25% to 8.75%;			
Participants	maturity dates: 2016-2034	—	—	12,236
TOTAL				\$825,650

* Party-in-interest

See accompanying report of independent registered public accounting firm.

Table of Contents

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this Annual Report to be signed on its behalf by the undersigned, hereunto duly authorized.

Zoetis Savings Plan
(Name of Plan)

June 20, 2016 By: /S/ STEVE BATTAGLIA
Steve Battaglia
Member, Zoetis Savings Plan Committee