

PRUDENTIAL FINANCIAL INC
Form 424B7
July 16, 2008

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Registration Statement No. 333-132469

333-132469-01

333-132469-02

Supplement No. 2

(To Prospectus dated March 16, 2006 and Prospectus Supplement dated April 10, 2008)

\$3,000,000,000

Prudential Financial, Inc.

Floating Rate Convertible Senior Notes due December 15, 2037

This supplement updates and amends certain information contained in the prospectus dated March 16, 2006, as supplemented by the prospectus supplement dated April 10, 2008, relating to the offer and sale from time to time by certain selling securityholders of up to \$3,000,000,000 aggregate principal amount of our Floating Rate Convertible Senior Notes due December 15, 2037 and any shares of Common Stock issuable upon conversion of the notes. The terms of the notes are set forth in the prospectus dated March 16, 2006 and prospectus supplement dated April 10, 2008. This supplement is not complete without, and may not be utilized except in connection with, the accompanying prospectus dated March 16, 2006 and prospectus supplement dated April 10, 2008, including any amendments or further supplements thereto. This supplement is qualified by reference to the prospectus dated March 16, 2006 and prospectus supplement dated April 10, 2008 and any amendments or further supplements thereto, except to the extent that the information in this supplement supersedes the information contained in the prospectus dated March 16, 2006 or in the prospectus supplement dated April 10, 2008.

See Risk Factors beginning on page S-4 of the prospectus supplement dated April 10, 2008 to read about important factors you should consider before buying the notes.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus or prospectus supplement. Any representation to the contrary is a criminal offense.

The date of this supplement is July 16, 2008

The information in the table under the caption "Selling Securityholders" in the prospectus supplement dated April 10, 2008 is modified by adding the information below with respect to persons not previously listed in the prospectus supplement dated April 10, 2008 or in any amendments or supplements thereto, and by superseding the information with respect to persons previously listed in the prospectus supplement dated April 10, 2008 or any amendments or supplements thereto with the information that is set forth below.

SELLING SECURITYHOLDERS

| Name | Principal Amount of Notes | | Number of Shares of Common Stock | | Principal Amount of Notes | | Number of Shares of Common Stock | |
|---|---|-----------------------------------|--|---|---|---|---|--|
| | Beneficially Owned Prior to this Offering | Principal Amount of Notes Offered | Beneficially Owned Prior to this Offering ⁽¹⁾ | Number of Shares of Common Stock Offered ⁽¹⁾ | Owned After Completion of Offering ⁽²⁾ | Number of Shares of Common Stock Offered ⁽²⁾ | Owned After Completion of Offering ⁽²⁾ | |
| Advent Convertible | | | | | | | | |
| Arbitrage Master ⁽³⁾ Attorneys Liability | 21,184,000 | 21,184,000 | 160,007 | 160,007 | 0 | | 0 | |
| Assurance Society c/o | | | | | | | | |
| Income Research & | | | | | | | | |
| Management ⁽⁴⁾ Brown Brothers | 1,110,000 | 1,110,000 | 8,384 | 8,384 | 0 | | 0 | |
| Harriman ⁽⁵⁾⁽⁶⁾ Chase Manhattan Bank | 2,839,000 | 2,839,000 | 21,444 | 21,444 | 0 | | 0 | |
| Luxembourg ⁽⁵⁾⁽⁶⁾ Citigroup Global | 31,714,000 | 31,714,000 | 239,542 | 239,542 | 0 | | 0 | |
| Markets Inc. ⁽⁵⁾⁽⁷⁾ City of Southfield Fire and Police Retirement | 509,030,000 | 509,030,000 | 3,864,976 ⁽⁸⁾ | 3,844,805 | 0 | | 20,171 ⁽⁸⁾ | |
| System c/o Income | | | | | | | | |
| Research & Management ⁽⁴⁾ Columbia Convertible | 515,000 | 515,000 | 3,890 | 3,890 | 0 | | 0 | |
| Securities Fund ⁽⁹⁾ Commonwealth Professional Assurance Co. Convertible Bond Portfolio c/o Income | 2,000,000 | 2,000,000 | 24,702 ⁽¹⁰⁾ | 15,106 | 0 | | 9,596 ⁽¹⁰⁾ | |
| Research & Management ⁽⁴⁾ | 1,735,000 | 1,735,000 | 13,105 | 13,105 | 0 | | 0 | |
| | 245,000 | 245,000 | 1,851 | 1,851 | 0 | | 0 | |

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| | | | | | | |
|---|------------|------------|-------------------------|---------|---|-------------------------|
| Concord Hospital Employees Pension Fund c/o Income Research & Management ⁽⁴⁾ | | | | | | |
| Concord Hospital Non-Pension | | | | | | |
| Fund c/o Income Research & Management ⁽⁴⁾ | 505,000 | 505,000 | 3,814 | 3,814 | 0 | 0 |
| Credit Suisse Zurich ⁽⁵⁾⁽⁶⁾ | 1,531,000 | 1,531,000 | 11,564 | 11,564 | 0 | 0 |
| CSS, LLC ⁽⁵⁾⁽¹¹⁾ | 5,000,000 | 5,000,000 | 37,766 | 37,766 | 0 | 0 |
| DBX Convertible Arbitrage 13 Fund ⁽¹²⁾ | 1,495,000 | 1,495,000 | 11,292 | 11,292 | 0 | 0 |
| Diamondback Master | | | | | | |
| Fund ⁽¹³⁾ | 2,500,000 | 2,500,000 | 18,883 | 18,883 | 0 | 0 |
| DKR Soundshore Oasis Holding Fund, Ltd. ⁽¹⁴⁾ | 50,000,000 | 50,000,000 | 377,660 | 377,660 | 0 | 0 |
| Excellus Health Plan c/o | | | | | | |
| Income Research & Management ⁽⁴⁾ | 8,555,000 | 8,555,000 | 64,618 | 64,618 | 0 | 0 |
| HFR CA Op Master | | | | | | |
| Trust ⁽³⁾ | 1,330,000 | 1,330,000 | 10,046 | 10,046 | 0 | 0 |
| HFR RVA Op Master | | | | | | |
| Trust ⁽³⁾ | 2,259,000 | 2,259,000 | 17,063 | 17,063 | 0 | 0 |
| Highbridge International | | | | | | |
| LLC ⁽¹⁵⁾ | 65,000,000 | 65,000,000 | 673,915 ⁽¹⁶⁾ | 490,958 | 0 | 182,957 ⁽¹⁶⁾ |
| Institutional Benchmark | | | | | | |
| Series ⁽³⁾ | 2,478,000 | 2,478,000 | 18,717 | 18,717 | 0 | 0 |
| Landesbank Hessen-Thuringen | | | | | | |
| Girozentrale ⁽⁵⁾⁽⁶⁾ | 2,200,000 | 2,200,000 | 16,617 | 16,617 | 0 | 0 |
| Lazard Asset | | | | | | |
| Management ⁽¹⁷⁾⁽¹⁸⁾ | 10,000,000 | 10,000,000 | 75,532 | 75,532 | 0 | 0 |
| Lotsoff Capital | | | | | | |
| Management | | | | | | |
| Investment Trust | | | | | | |
| Active Income Fund | 5,000,000 | 5,000,000 | 37,766 | 37,766 | 0 | 0 |
| Lyxor Master Trust Fund ⁽³⁾ | 273,000 | 273,000 | 2,062 | 2,062 | 0 | 0 |
| MAG Mutual Insurance | | | | | | |
| Co. c/o Income Research & Management ⁽⁴⁾ | 2,130,000 | 2,130,000 | 16,088 | 16,088 | 0 | 0 |

| Name | Principal Amount of Notes | | Number of Shares of Common Stock | | Principal Amount of Notes Owned After Completion of Offering ⁽²⁾ | Number of Shares of Common Stock Owned After Completion of Offering ⁽²⁾ |
|--|---|-----------------------------------|--|---|---|--|
| | Beneficially Owned Prior to this Offering | Principal Amount of Notes Offered | Beneficially Owned Prior to this Offering ⁽¹⁾ | Number of Shares of Common Stock Offered ⁽¹⁾ | | |
| MedAmerica Insurance Co. | | | | | | |
| Hartford Trust c/o Income | | | | | | |
| Research & Management ⁽⁴⁾ MedAmerica Insurance PA | 2,560,000 | 2,560,000 | 19,336 | 19,336 | 0 | 0 |
| c/o Income Research & Management ⁽⁴⁾ MedAmerica New York | 3,125,000 | 3,125,000 | 23,604 | 23,604 | 0 | 0 |
| Insurance c/o Income | | | | | | |
| Research & Management ⁽⁴⁾ MIG Assurance Convertible | 2,815,000 | 2,815,000 | 21,262 | 21,262 | 0 | 0 |
| Portfolio c/o Income | | | | | | |
| Research & Management ⁽⁴⁾ Morgan Stanley & Co. | 2,365,000 | 2,365,000 | 17,863 | 17,863 | 0 | 0 |
| Incorporated ⁽⁵⁾⁽¹⁹⁾ Nomura Bank | 1,000,000 | 1,000,000 | 1,776,347 ⁽²⁰⁾ | 7,553 | 0 | 1,768,794 ⁽²⁰⁾ |
| (Luxembourg) ⁽⁵⁾⁽⁶⁾ Nomura Trust & Banking | 286,000 | 286,000 | 2,160 | 2,160 | 0 | 0 |
| Co. Ltd. ⁽⁵⁾⁽⁶⁾ Raytheon Enhanced Master | 10,449,000 | 10,449,000 | 78,923 | 78,923 | 0 | 0 |
| Pension Trust Fund ⁽³⁾ | 3,741,000 | 3,741,000 | 28,257 | 28,257 | 0 | 0 |
| Royal Bank of Canada ⁽¹⁷⁾ Swiss Re Financial Products | 35,000,000 | 35,000,000 | 264,362 | 264,362 | 0 | 0 |
| Corporation ⁽¹⁷⁾ Tufts Associated Health | 387,950,000 | 387,950,000 | 3,210,495 | 2,930,264 | 0 | 280,231 |
| Plans Convertible Bond | | | | | | |
| Portfolio c/o Income | | | | | | |
| Research & Management ⁽⁴⁾ | 2,910,000 | 2,910,000 | 21,980 | 21,980 | 0 | 0 |
| UBS Securities LLC ⁽⁵⁾⁽²¹⁾ UMass Memorial Health | 43,514,000 | 43,514,000 | 641,313 ⁽²²⁾ | 328,670 | 0 | 312,643 ⁽²²⁾ |
| Care Convertible Bond | | | | | | |
| Portfolio c/o Income | | | | | | |
| Research & Management ⁽⁴⁾ | 1,115,000 | 1,115,000 | 8,422 | 8,422 | 0 | 0 |
| UMass Memorial Investment | 1,385,000 | 1,385,000 | 10,461 | 10,461 | 0 | 0 |

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Partnership Convertible

Bond Portfolio c/o

Income Research & Management⁽⁴⁾

University of Massachusetts

Convertible Bond

Portfolio c/o Income

| | | | | | | |
|--------------------------------------|---------|---------|-------|-------|---|---|
| Research & Management ⁽⁴⁾ | 750,000 | 750,000 | 5,665 | 5,665 | 0 | 0 |
| Victory Capital | | | | | | |

Management, Inc. as

Investment Manager for

| | | | | | | |
|-------------------------------------|-----------|-----------|--------|--------|---|---|
| CompSource Oklahoma ⁽²³⁾ | 2,000,000 | 2,000,000 | 15,106 | 15,106 | 0 | 0 |
|-------------------------------------|-----------|-----------|--------|--------|---|---|

Wachovia Capital Markets

| | | | | | | |
|------------------------|------------|------------|---------|---------|---|---|
| LLC ⁽⁵⁾⁽²⁴⁾ | 24,500,000 | 24,500,000 | 185,053 | 185,053 | 0 | 0 |
|------------------------|------------|------------|---------|---------|---|---|

Waterstone Market Neutral

| | | | | | | |
|----------------------------------|------------|------------|---------|---------|---|---|
| Mac51 Fund, Ltd. ⁽¹²⁾ | 30,210,000 | 30,210,000 | 228,182 | 228,182 | 0 | 0 |
|----------------------------------|------------|------------|---------|---------|---|---|

Waterstone Market Neutral

| | | | | | | |
|-----------------------------------|------------|------------|---------|---------|---|---|
| Master Fund, Ltd. ⁽¹²⁾ | 69,295,000 | 69,295,000 | 523,399 | 523,399 | 0 | 0 |
|-----------------------------------|------------|------------|---------|---------|---|---|

| | | | | | | |
|---|-----------|-----------|--------|--------|---|---|
| West LB AG Dusseldorf ⁽⁵⁾⁽⁶⁾ | 2,968,000 | 2,968,000 | 22,418 | 22,418 | 0 | 0 |
|---|-----------|-----------|--------|--------|---|---|

- (1) Assumes conversion of all of the holders' notes at the maximum initial conversion rate of 7.5532 shares per \$1,000 principal amount of notes. However, the maximum conversion rate is subject to adjustment as described under "Description of Notes - Conversion Rights - Conversion Price Adjustments." As a result, the amount of Common Stock issuable upon conversion of the notes may increase or decrease in the future.
- (2) Assumes that all of the notes and/or all of the Common Stock into which the notes are convertible are sold.
- (3) Tracy V. Maitland is the natural person who may exercise voting power and investment control over this selling securityholder's notes and the shares of Common Stock issuable upon conversion of the notes.
- (4) Income Research & Management is the investment manager of this selling securityholder. Income Research & Management's principals, John Sommers, Jack Sommers, Rick Kizik, Bill O' Malley and Ed Ingalls, are the natural persons who may exercise voting power and investment control over this selling securityholder's notes and the shares of Common Stock issuable upon conversion of the notes.
- (5) This selling securityholder has identified itself as a broker-dealer.
- (6) The Bank of New York Mellon is the entity that may exercise voting power and investment control over this selling securityholder's notes and the shares of Common Stock issuable upon conversion of the notes.
- (7) Citigroup Global Markets Inc. acted as the initial purchaser in connection with the original issuance of the notes on December 12, 2007. Citigroup Global Markets Inc. also acted as co-initial purchaser in connection with the original issuance of the Floating Rate Convertible Senior Notes due December 12, 2036 issued by Prudential Financial on December 12, 2006.
- (8) Consists of \$2,102,000 aggregate principal amount of the Floating Rate Convertible Senior Notes due December 12, 2036 issued by Prudential Financial. The 20,171 shares of our Common Stock beneficially owned by this selling securityholder were calculated based on the maximum initial conversion rate of 9.5962 shares per \$1,000 principal amount of notes.
- (9) Yanfang (Emma) Yan is the natural person who may exercise voting power and investment control over this selling securityholder's notes and the shares of Common Stock issuable upon conversion of the notes.
- (10) Consists of \$1,000,000 aggregate principal amount of the Floating Rate Convertible Senior Notes due December 12, 2036 issued by Prudential Financial. The 9,596 shares of Common Stock beneficially owned by this selling securityholder were calculated based on the maximum initial conversion rate of 9.5962 shares per \$1,000 principal amount of notes.
- (11) Nicholas D. Schoewe and Clayton A. Struve are the natural persons who may exercise voting power and investment control over this selling securityholder's notes and the shares of Common Stock issuable upon conversion of the notes.
- (12) Shawn Bergerson is the natural person who may exercise voting power and investment control over this selling securityholder's notes and the shares of Common Stock issuable upon conversion of the notes.
- (13)

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Anthony Bechalany, the head of trading at Diamondback Capital Management, LLC, is the natural person who may exercise voting power and investment control over this selling securityholder's notes and the shares of Common Stock issuable upon conversion of the notes.

- (14) The investment manager of this selling securityholder is DKR Oasis Management Company LP (the Investment Manager). The Investment Manager has the authority to do any and all acts on behalf of this selling securityholder, including voting any shares held by this selling securityholder. Mr. Seth Fischer is the managing partner of Oasis Management Holdings LLC, one of the general partners of the Investment Manager. Mr. Fischer has ultimate responsibility for investments with respect to this selling securityholder. Mr. Fischer disclaims beneficial ownership of the notes and the shares of Common Stock issuable upon conversion of the notes.
- (15) Highbridge Capital Management, LLC is the trading manager of this selling securityholder and has voting control and investment discretion over the notes and shares of Common Stock issuable upon conversion of the notes held by this selling securityholder. Glenn Dubin and Henry Swieca control Highbridge Capital Management, LLC and have voting control and investment discretion over the notes and shares of Common Stock issuable upon conversion of the notes held by this selling securityholder. Each of Highbridge Capital Management LLC, Glenn Dubin and Henry Swieca disclaims beneficial ownership of the notes and shares of Common Stock issuable upon conversion of the notes held by this selling securityholder.
- (16) Consists of \$13,000,000 aggregate principal amount of the Floating Rate Convertible Senior Notes due December 12, 2036 issued by Prudential Financial and 58,206 shares of our Common Stock. The 124,751 shares of Common Stock beneficially owned by this selling securityholder were calculated based on the maximum initial conversion rate of 9.5962 shares per \$1,000 principal amount of notes.

- (17) This selling securityholder has identified itself as an affiliate of a broker-dealer.
- (18) Andrew Kabala, Sean Reynolds and Kendrick Wakeman are the natural persons who may exercise voting power and investment control over this selling securityholder's notes and the shares of Common Stock issuable upon conversion of the notes.
- (19) This selling securityholder is a wholly-owned subsidiary of Morgan Stanley. Morgan Stanley is the entity that may exercise voting power and investment control over this selling securityholder's notes and the shares of Common Stock issuable upon conversion of the notes.
- (20) During the past three years, this selling securityholder and/or its affiliates have performed financial advisory and investment banking services for us. In addition, this selling securityholder has identified that one of its affiliates is a lender under one of our credit facilities.
- (21) John DiBacco, on behalf of UBS Securities LLC, is the natural person who may exercise voting and dispositive power over this selling securityholder's notes and the shares of Common Stock issuable upon conversion of the notes.
- (22) Consists of \$28,984,000 aggregate principal amount of the Floating Rate Convertible Senior Notes due December 12, 2036 issued by Prudential Financial and 34,507 shares of our Common Stock. The 278,136 shares of Common Stock beneficially owned by this selling securityholder were calculated based on the maximum initial conversion rate of 9.5962 shares per \$1,000 principal amount of notes.
- (23) This selling securityholder is a wholly-owned subsidiary of Keybank National Association. Keybank National Association is the entity that may exercise voting power and investment control over this selling securityholder's notes and the shares of Common Stock issuable upon conversion of the notes.
- (24) Wachovia Corporation, a publicly held entity, is the parent company of this selling securityholder. Prudential Financial has a minority interest in Wachovia Securities Financial Holdings, LLC, a retail securities and clearing operation, which is a joint venture controlled by Wachovia Corporation.