

Edgar Filing: PRUDENTIAL FINANCIAL INC - Form 13F-HR

PRUDENTIAL FINANCIAL INC

Form 13F-HR

February 14, 2002

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

Form 13F

Form 13F COVER PAGE

Report for the Calendar Year or Quarter Ended: December 31, 2001

Check here if Amendment No
Amendment Number: 0
This Amendment (choose one):

Institutional Investment Manager Filing this Report:

Name: Prudential Financial, Inc.
Address: 751 Broad Street
Newark, New Jersey 07102-3777

Form 13F File Number:

The institutional investment manager filing this report and the person by whom it is signed hereby represent that the person signing the report is authorized to submit it, that all information contained herein is true, correct and complete, and that it is understood that all required items, statements, schedules, lists, and tables, are considered integral parts of this form.

Person Signing this Report on Behalf of Reporting Manager:

Name: Ellen McGlynn Koke
Title: Vice President
Phone: 973-802-5037

Signature, Place, and Date of Signing:
/s/ Ellen McGlynn Koke Newark, New Jersey February 13, 2002

Report Type (Check only one.): 13F Holdings Report

List of Other Managers Reporting for this Manager:

I am signing this report as required by the Securities Exchange Act of 1934.

FORM 13F SUMMARY PAGE

Report Summary:

Number of Other Included Managers: 4
Form 13F Information Table Entry Total: 3,135
Form 13F Information Table Value Total: \$30,598,074,000.00

List of Other Included Managers:

No.	13F File Number	Name
0	28-0256	The Prudential Insurance Company of America
1	28-4211	Enhanced Investment Technologies, Inc.
3	28-4217	Prudential Investment Management, Inc.
9	28-6737	Prudential Investment Management Services, LLC

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Prudential Securities Group Inc., wholly-owned subsidiary of Prudential Financial, Inc., is reporting with respect to securities over which it exercises investment discretion.

Jennison Associates, LLC., a wholly-owned subsidiary of Prudential Financial, Inc., is reporting with respect to securities over which it exercises investment discretion.

NAME OF ISSUER	-TITLE OF CLASS-	--CUSIP--	FORM 13F INFORMATION TABLE			
			VALUE X\$1000	SHARES/ PRN AMT	SH/ PRN	PUT/ CALL
NONE						
AAR CORP 80575	COM	000361105	726	80575	SH	DEFINED 0
A D C TELECOMMUNICATIONS 42900	COM	000886101	197	42900	SH	DEFINED 0
A D C TELECOMMUNICATIONS 1075992	COM	000886101	4950	1075992	SH	DEFINED 0
ACTV INC 11700	COM	00088E104	22	11700	SH	DEFINED 0
ABM INDS INC 78600	COM	000957100	2464	78600	SH	DEFINED 0
AFLAC INC 421400	COM	001055102	10350	421400	SH	DEFINED 0
AFLAC INC	COM	001055102	18671	760232	SH	DEFINED 0
AGCO CORP 32400	COM	001084102	511	32400	SH	DEFINED 0
AGL RES INC 69000	COM	001204106	1588	69000	SH	DEFINED 0
AES CORP 75600	COM	00130H105	1236	75600	SH	DEFINED 0
AES CORP 725777	COM	00130H105	11866	725777	SH	DEFINED 0
AES CORP 3882	COM	00130H105	63	3882	SH	DEFINED 0
AK STL HLDG CORP 112373	COM	001547108	1279	112373	SH	DEFINED 0
AMB PROPERTY CORP 3900	COM	00163T109	101	3900	SH	DEFINED 0
AMB PROPERTY CORP	COM	00163T109	564	21700	SH	DEFINED 0
AMLI RESIDENTIAL PPTYS TR 8300	SH BEN INT	001735109	209	8300	SH	DEFINED 0
AMR CORP 265300	COM	001765106	5916	265300	SH	DEFINED 0
AMR CORP 783456	COM	001765106	17471	783456	SH	DEFINED 0
AOL TIME WARNER INC 1389350	COM	00184A105	44598	1389350	SH	DEFINED 0
AOL TIME WARNER INC 7649944	COM	00184A105	245563	7649944	SH	DEFINED 0
AOL TIME WARNER INC 8998	COM	00184A105	289	8998	SH	DEFINED 0
APAC CUSTOMER SERVICES INC 17500	COM	00185E106	46	17500	SH	DEFINED 0
AT&T CORP	COM	001957109	26488	1460202	SH	DEFINED 0

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AT&T CORP 7889464	COM	001957109	143115	7889464	SH	DEFINED 0
AT&T CORP 78320	COM	001957109	1421	78320	SH	DEFINED 0
ATMI INC 88900	COM	00207R101	2120	88900	SH	DEFINED 0
AT&T WIRELESS SVCS INC 993096	COM	00209A106	14271	993096	SH	DEFINED 0
AT&T WIRELESS SVCS INC 6066708	COM	00209A106	87179	6066708	SH	DEFINED 0
AT&T WIRELESS SVCS INC 25203	COM	00209A106	362	25203	SH	DEFINED 0
AVX CORP NEW 18000	COM	002444107	425	18000	SH	DEFINED 0
AXT INC	COM	00246W103	1056	73175	SH	DEFINED 0
AARON RENTS INC 55700	COM	002535201	908	55700	SH	DEFINED 0
ABBOTT LABS 666817	COM	002824100	37175	666817	SH	DEFINED 0
ABBOTT LABS 2747132	COM	002824100	153153	2747132	SH	DEFINED 0
ABERCROMBIE & FITCH CO 54112	CL A	002896207	1436	54112	SH	DEFINED 0
ABGENIX INC 4600	COM	00339B107	155	4600	SH	DEFINED 0
ABGENIX INC 7800	COM	00339B107	262	7800	SH	DEFINED 0
ABGENIX INC 11477	COM	00339B107	386	11477	SH	DEFINED 0
ACCLAIM ENTMT INC	COM PAR \$0.02	004325205	123	23150	SH	DEFINED 0
ACCREDO HEALTH INC 141250	COM	00437V104	5608	141250	SH	DEFINED 0
ACLARA BIOSCIENCES INC 11600	COM	00461P106	59	11600	SH	DEFINED 0
ACTIVISION INC NEW 35550	COM NEW	004930202	925	35550	SH	DEFINED 0
ACTION PERFORMANCE COS INC 111325	COM	004933107	3408	111325	SH	DEFINED 0
ACTEL CORP 70100	COM	004934105	1396	70100	SH	DEFINED 0
ACTUATE CORP 15300	COM	00508B102	81	15300	SH	DEFINED 0
ACUITY BRANDS INC 292515	COM	00508Y102	3539	292515	SH	DEFINED 0
ACXIOM CORP	COM	005125109	5498	314700	SH	DEFINED 0
ADAPTEC INC 510000	COM	00651F108	7395	510000	SH	DEFINED 0
ADELPHIA BUSINESS SOLUTIONS 16300	CL A	006847107	9	16300	SH	DEFINED 0
ADELPHIA COMMUNICATIONS CORP 14844	CL A	006848105	463	14844	SH	DEFINED 0
ADMINISTAFF INC 86700	COM	007094105	2376	86700	SH	DEFINED 0
ADOBE SYS INC 372200	COM	00724F101	11557	372200	SH	DEFINED 0
ADOBE SYS INC 398410	COM	00724F101	12371	398410	SH	DEFINED 0
ADOLOR CORP 14200	COM	00724X102	255	14200	SH	DEFINED 0

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ADTRAN INC	COM	00738A106	447	17500 SH	DEFINED 0
ADVANCED DIGITAL INFORMATION 16700	COM	007525108	268	16700 SH	DEFINED 0
ADVANCED MARKETING SVCS INC 51900	COM	00753T105	947	51900 SH	DEFINED 0
ADVANCED FIBRE COMMUNICATIONS 12600	COM	00754A105	223	12600 SH	DEFINED 0
ADVANCED FIBRE COMMUNICATIONS 20255	COM	00754A105	358	20255 SH	DEFINED 0
ADVANCED TISSUE SCIENCES INC 198600	COM	00755F103	866	198600 SH	DEFINED 0
ADVO INC 65750	COM	007585102	2827	65750 SH	DEFINED 0
AEROFLEX INC 182450	COM	007768104	3454	182450 SH	DEFINED 0
ADVANCED MICRO DEVICES INC	COM	007903107	5246	330800 SH	DEFINED 0
ADVANCED MICRO DEVICES INC 1317482	COM	007903107	20895	1317482 SH	DEFINED 0
ADVANCED MICRO DEVICES INC 3745	COM	007903107	59	3745 SH	DEFINED 0
ADVANCEPCS 236450	COM	00790K109	6940	236450 SH	DEFINED 0
AEGON N V 19506	ORD AMER REG	007924103	522	19506 SH	DEFINED 0
ADVANCED ENERGY INDS 89900	COM	007973100	2395	89900 SH	DEFINED 0
ADVENT SOFTWARE INC 4700	COM	007974108	235	4700 SH	DEFINED 0
ADVENT SOFTWARE INC 8800	COM	007974108	440	8800 SH	DEFINED 0
AETNA INC NEW	COM	00817Y108	4909	148812 SH	DEFINED 0
AETNA INC NEW 248244	COM	00817Y108	8190	248244 SH	DEFINED 0
AETNA INC NEW 48128	COM	00817Y108	1588	48128 SH	DEFINED 0
AFFILIATED COMPUTER SERVICES 4800	CL A	008190100	509	4800 SH	DEFINED 0
AFFILIATED COMPUTER SERVICES 66827	CL A	008190100	7092	66827 SH	DEFINED 0
AFFILIATED MANAGERS GROUP 41100	COM	008252108	2897	41100 SH	DEFINED 0
AGERE SYS INC 78900	CL A	00845V100	449	78900 SH	DEFINED 0
AGILENT TECHNOLOGIES INC 317747	COM	00846U101	9059	317747 SH	DEFINED 0
AGILENT TECHNOLOGIES INC	COM	00846U101	19603	687587 SH	DEFINED 0
AGILE SOFTWARE CORP DEL 19300	COM	00846X105	332	19300 SH	DEFINED 0
AGRIUM INC 157380	COM	008916108	1668	157380 SH	DEFINED 0
AIR PRODS & CHEMS INC 186300	COM	009158106	8739	186300 SH	DEFINED 0
AIR PRODS & CHEMS INC 544406	COM	009158106	25538	544406 SH	DEFINED 0
AIRBORNE INC 61500	COM	009269101	912	61500 SH	DEFINED 0
AIRGAS INC 178100	COM	009363102	2693	178100 SH	DEFINED 0

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AIRGATE PCS INC 4400	COM	009367103	200	4400 SH	DEFINED 0
AIRTRAN HLDGS INC	COM	00949P108	70	10600 SH	DEFINED 0
AKAMAI TECHNOLOGIES INC 47053	COM	00971T101	279	47053 SH	DEFINED 0
ALAMOSA HLDGS INC 22900	COM	011589108	273	22900 SH	DEFINED 0
ALASKA AIR GROUP INC 57300	COM	011659109	1667	57300 SH	DEFINED 0
ALASKA COMMUNICATIONS SYS GRP 15400	COM	01167P101	123	15400 SH	DEFINED 0
ALBANY INTL CORP 44122	CL A	012348108	957	44122 SH	DEFINED 0
ALBANY MOLECULAR RESH INC 9300	COM	012423109	246	9300 SH	DEFINED 0
ALBEMARLE CORP 25066	COM	012653101	602	25066 SH	DEFINED 0
ALBERTO CULVER CO	CL B CONV	013068101	1754	39200 SH	DEFINED 0
ALBERTO CULVER CO 96544	CL B CONV	013068101	4319	96544 SH	DEFINED 0
ALBERTSONS INC 436727	COM	013104104	13753	436727 SH	DEFINED 0
ALBERTSONS INC 1325768	COM	013104104	41748	1325768 SH	DEFINED 0
ALCAN INC 180500	COM	013716105	6485	180500 SH	DEFINED 0
ALCAN INC 887955	COM	013716105	31904	887955 SH	DEFINED 0
ALCAN INC 76000	COM	013716105	2731	76000 SH	DEFINED 1
ALCOA INC 340732	COM	013817101	12113	340732 SH	DEFINED 0
ALCOA INC	COM	013817101	69136	1944760 SH	DEFINED 0
ALEXANDER & BALDWIN INC 31800	COM	014482103	849	31800 SH	DEFINED 0
ALFA CORP 13800	COM	015385107	310	13800 SH	DEFINED 0
ALKERMES INC 3900	COM	01642T108	103	3900 SH	DEFINED 0
ALKERMES INC 5000	COM	01642T108	132	5000 SH	DEFINED 0
ALLEGHENY ENERGY INC 20500	COM	017361106	743	20500 SH	DEFINED 0
ALLEGHENY ENERGY INC 276950	COM	017361106	10031	276950 SH	DEFINED 0
ALLEGHENY TECHNOLOGIES INC 222916	COM	01741R102	3734	222916 SH	DEFINED 0
ALLEGHENY TECHNOLOGIES INC	COM	01741R102	2079	124105 SH	DEFINED 0
ALLEGIANCE TELECOM INC 10300	COM	01747T102	85	10300 SH	DEFINED 0
ALLEN TELECOM INC 79000	COM	018091108	672	79000 SH	DEFINED 0
ALLERGAN INC 194400	COM	018490102	14590	194400 SH	DEFINED 0
ALLERGAN INC 315116	COM	018490102	23649	315116 SH	DEFINED 0
ALLETE INC 48400	COM	018522102	1220	48400 SH	DEFINED 0

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ALLIANCE CAP MGMT HLDG L P 7400	UNIT LTD PARTN	01855A101	358	7400 SH	DEFINED 0
ALLIANCE IMAGING INC 11800	COM NEW	018606202	144	11800 SH	DEFINED 0
ALLIANCE SEMICONDUCTOR CORP	COM	01877H100	1560	129150 SH	DEFINED 0
ALLIANCE SEMICONDUCTOR CORP 9582	COM	01877H100	116	9582 SH	DEFINED 0
ALLIANT ENERGY CORP 1300	COM	018802108	39	1300 SH	DEFINED 0
ALLIANT ENERGY CORP 40432	COM	018802108	1228	40432 SH	DEFINED 0
ALLIANT TECHSYSTEMS INC 79000	COM	018804104	6099	79000 SH	DEFINED 0
ALLIED CAP CORP NEW 4100	COM	01903Q108	107	4100 SH	DEFINED 0
ALLIED CAP CORP NEW 9100	COM	01903Q108	237	9100 SH	DEFINED 0
ALLIED WASTE INDS INC 127200	COM PAR\$.01NEW	019589308	1788	127200 SH	DEFINED 0
ALLIED WASTE INDS INC	COM PAR\$.01NEW	019589308	5057	359700 SH	DEFINED 0
ALLMERICA FINL CORP 1200	COM	019754100	53	1200 SH	DEFINED 0
ALLMERICA FINL CORP 56300	COM	019754100	2508	56300 SH	DEFINED 0
ALLSTATE CORP 298994	COM	020002101	10076	298994 SH	DEFINED 0
ALLSTATE CORP 2305511	COM	020002101	77696	2305511 SH	DEFINED 0
ALLTEL CORP 217000	COM	020039103	13395	217000 SH	DEFINED 0
ALLTEL CORP 493613	COM	020039103	30471	493613 SH	DEFINED 0
ALPHA INDS INC 136550	COM	020753109	2977	136550 SH	DEFINED 0
ALPHARMA INC	CL A	020813101	3153	119200 SH	DEFINED 0
ALTERA CORP 285400	COM	021441100	6056	285400 SH	DEFINED 0
ALTERA CORP 579372	COM	021441100	12294	579372 SH	DEFINED 0
ALTERA CORP 4247	COM	021441100	90	4247 SH	DEFINED 0
ALTEON INC 17200	COM	02144G107	78	17200 SH	DEFINED 0
AMAZON COM INC 2900	COM	023135106	31	2900 SH	DEFINED 0
AMAZON COM INC 34200	COM	023135106	370	34200 SH	DEFINED 0
AMAZON COM INC 14593	COM	023135106	158	14593 SH	DEFINED 0
AMBAC FINL GROUP INC	COM	023139108	4397	76000 SH	DEFINED 0
AMBAC FINL GROUP INC 138250	COM	023139108	7999	138250 SH	DEFINED 0
AMERADA HESS CORP 20900	COM	023551104	1306	20900 SH	DEFINED 0
AMERADA HESS CORP 423572	COM	023551104	26473	423572 SH	DEFINED 0
AMEREN CORP 16400	COM	023608102	694	16400 SH	DEFINED 0

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AMEREN CORP 184917	COM	023608102	7822	184917 SH	DEFINED 0
AMCORE FINL INC 9100	COM	023912108	203	9100 SH	DEFINED 0
AMERICAN AXLE & MFG HLDGS INC 10900	COM	024061103	233	10900 SH	DEFINED 0
AMERICAN CAPITAL STRATEGIES	COM	024937104	320	11300 SH	DEFINED 0
AMERICAN ELEC PWR INC 60340	COM	025537101	2627	60340 SH	DEFINED 0
AMERICAN ELEC PWR INC 886885	COM	025537101	38606	886885 SH	DEFINED 0
AMERICAN EAGLE OUTFITTERS NEW 108104	COM	02553E106	2829	108104 SH	DEFINED 0
AMERICAN EXPRESS CO 580000	COM	025816109	20700	580000 SH	DEFINED 0
AMERICAN EXPRESS CO 1886665	COM	025816109	67335	1886665 SH	DEFINED 0
AMERICAN EXPRESS CO 38560	COM	025816109	1376	38560 SH	DEFINED 0
AMERICAN FINL GROUP INC OHIO 35800	COM	025932104	879	35800 SH	DEFINED 0
AMERICAN FINL HLDGS INC	COM	026075101	1682	66200 SH	DEFINED 0
AMERICAN GREETINGS CORP 5000	CL A	026375105	69	5000 SH	DEFINED 0
AMERICAN GREETINGS CORP 802088	CL A	026375105	11053	802088 SH	DEFINED 0
AMERICAN HOME PRODS CORP 680500	COM	026609107	41755	680500 SH	DEFINED 0
AMERICAN HOME PRODS CORP 2244215	COM	026609107	137705	2244215 SH	DEFINED 0
AMERICAN INTL GROUP INC 887388	COM	026874107	70459	887388 SH	DEFINED 0
AMERICAN INTL GROUP INC 4963724	COM	026874107	394120	4963724 SH	DEFINED 0
AMERICAN INTL GROUP INC 6935	COM	026874107	551	6935 SH	DEFINED 0
AMERICAN ITALIAN PASTA CO	CL A	027070101	2454	58375 SH	DEFINED 0
AMERICAN MGMT SYS INC 137562	COM	027352103	2487	137562 SH	DEFINED 0
AMERICAN MED SYS HLDGS INC 16800	COM	02744M108	348	16800 SH	DEFINED 0
AMERICAN NATL INS CO 3400	COM	028591105	286	3400 SH	DEFINED 0
AMERICAN PWR CONVERSION CORP 492100	COM	029066107	7116	492100 SH	DEFINED 0
AMERICAN PWR CONVERSION CORP 248000	COM	029066107	3586	248000 SH	DEFINED 0
AMERICAN SOFTWARE INC 14800	CL A	029683109	34	14800 SH	DEFINED 0
AMERICAN STD COS INC DEL 2900	COM	029712106	198	2900 SH	DEFINED 0
AMERICAN STD COS INC DEL	COM	029712106	5322	78000 SH	DEFINED 0
AMERICAN STS WTR CO 30400	COM	029899101	1062	30400 SH	DEFINED 0
AMERICAN TOWER CORP 6800	CL A	029912201	64	6800 SH	DEFINED 0
AMERICAN TOWER CORP 17000	CL A	029912201	161	17000 SH	DEFINED 0

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AMERICAN WTR WKS INC 1000	COM	030411102	42	1000 SH	DEFINED 0
AMERICAN WTR WKS INC 53400	COM	030411102	2229	53400 SH	DEFINED 0
AMERICAN WOODMARK CORP 7500	COM	030506109	403	7500 SH	DEFINED 0
AMERICREDIT CORP 3800	COM	03060R101	120	3800 SH	DEFINED 0
AMERICREDIT CORP	COM	03060R101	690	21877 SH	DEFINED 0
AMERIPATH INC 8900	COM	03071D109	287	8900 SH	DEFINED 0
AMERITRADE HLDG CORP 18900	CL A	03072H109	112	18900 SH	DEFINED 0
AMERUS GROUP CO 31000	COM	03072M108	1111	31000 SH	DEFINED 0
AMERISOURCEBERGEN CORP 61200	COM	03073E105	3889	61200 SH	DEFINED 0
AMERISOURCEBERGEN CORP 191697	COM	03073E105	12182	191697 SH	DEFINED 0
AMETEK INC NEW 34400	COM	031100100	1097	34400 SH	DEFINED 0
AMGEN INC 379050	COM	031162100	21394	379050 SH	DEFINED 0
AMGEN INC	COM	031162100	111609	1977482 SH	DEFINED 0
AMGEN INC 13496	COM	031162100	762	13496 SH	DEFINED 0
AMKOR TECHNOLOGY INC 9300	COM	031652100	149	9300 SH	DEFINED 0
AMKOR TECHNOLOGY INC 14900	COM	031652100	239	14900 SH	DEFINED 0
AMPHENOL CORP NEW 8100	CL A	032095101	389	8100 SH	DEFINED 0
AMPHENOL CORP NEW 4400	CL A	032095101	211	4400 SH	DEFINED 0
AMSOUTH BANCORPORATION 322100	COM	032165102	6088	322100 SH	DEFINED 0
AMSOUTH BANCORPORATION 524089	COM	032165102	9905	524089 SH	DEFINED 0
AMYLIN PHARMACEUTICALS INC	COM	032346108	181	19800 SH	DEFINED 0
ANADARKO PETE CORP 176413	COM	032511107	10029	176413 SH	DEFINED 0
ANADARKO PETE CORP 355025	COM	032511107	20183	355025 SH	DEFINED 0
ANALOG DEVICES INC 160600	COM	032654105	7129	160600 SH	DEFINED 0
ANALOG DEVICES INC 578066	COM	032654105	25660	578066 SH	DEFINED 0
ANALOG DEVICES INC 2442	COM	032654105	108	2442 SH	DEFINED 0
ANALOGIC CORP 38050	COM PAR \$0.05	032657207	1465	38050 SH	DEFINED 0
ANALYSTS INTL CORP 63200	COM	032681108	261	63200 SH	DEFINED 0
ANCHOR BANCORP WIS INC	COM	032839102	1345	75800 SH	DEFINED 0
ANDERSEN GROUP INC 12500	COM	033501107	156	12500 SH	DEFINED 0
ANDREW CORP 241087	COM	034425108	5277	241087 SH	DEFINED 0

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ANDREW CORP 640407	COM	034425108	14019	640407	SH	DEFINED 0
ANDRX GROUP 4600	COM	034553107	324	4600	SH	DEFINED 0
ANDRX GROUP 7200	COM	034553107	507	7200	SH	DEFINED 0
ANGELICA CORP 22400	COM	034663104	243	22400	SH	DEFINED 0
ANHEUSER BUSCH COS INC 987500	COM	035229103	44645	987500	SH	DEFINED 0
ANHEUSER BUSCH COS INC 16339	COM	035229103	739	16339	SH	DEFINED 0
ANIXTER INTL INC 129300	COM	035290105	3751	129300	SH	DEFINED 0
ANNALY MTG MGMT INC 17000	COM	035710409	272	17000	SH	DEFINED 0
ANNTAYLOR STORES CORP 90925	COM	036115103	3182	90925	SH	DEFINED 0
ANTHEM INC 11700	COM	03674B104	579	11700	SH	DEFINED 0
ANSWERTHINK INC 12500	COM	036916104	82	12500	SH	DEFINED 0
ANTHRACITE CAP INC 41300	COM	037023108	454	41300	SH	DEFINED 0
ANTIGENICS INC DEL 18100	COM	037032109	167	10200	SH	DEFINED 0
AO TATNEFT 18100	SPON ADR REG S	03737P306	187	18100	SH	DEFINED 0
AON CORP 391150	COM	037389103	13894	391150	SH	DEFINED 0
AON CORP 424354	COM	037389103	15073	424354	SH	DEFINED 0
APACHE CORP 149470	COM	037411105	7456	149470	SH	DEFINED 0
APACHE CORP 202670	COM	037411105	10109	202670	SH	DEFINED 0
APARTMENT INVT & MGMT CO 2600	CL A	03748R101	119	2600	SH	DEFINED 0
APARTMENT INVT & MGMT CO 7367	CL A	03748R101	337	7367	SH	DEFINED 0
APOGEE ENTERPRISES INC 6000	COM	037598109	1264	79900	SH	DEFINED 0
APOLLO GROUP INC 368192	CL A	037604105	270	6000	SH	DEFINED 0
APOLLO GROUP INC 14100	CL A	037604105	16572	368192	SH	DEFINED 0
APOLLO GROUP INC 6100	COM UNV PHOENX	037604204	460	14100	SH	DEFINED 0
APOGENT TECHNOLOGIES INC 122900	COM	03760A101	157	6100	SH	DEFINED 0
APOGENT TECHNOLOGIES INC 495700	COM	03760A101	3171	122900	SH	DEFINED 0
APPLE COMPUTER INC 1300542	COM	037833100	10856	495700	SH	DEFINED 0
APPLE COMPUTER INC 1300542	COM	037833100	28482	1300542	SH	DEFINED 0
APPLEBEES INTL INC 23700	COM	037899101	4740	138600	SH	DEFINED 0
APRIA HEALTHCARE GROUP INC 23700	COM	037933108	592	23700	SH	DEFINED 0

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APPLERA CORP 217200	COM AP BIO GRP	038020103	8529	217200	SH	DEFINED 0
APPLERA CORP 409638	COM AP BIO GRP	038020103	16086	409638	SH	DEFINED 0
APPLERA CORP 7689	COM AP BIO GRP	038020103	302	7689	SH	DEFINED 0
APPLERA CORP 1100	COM CE GEN GRP	038020202	29	1100	SH	DEFINED 0
APPLERA CORP 5592	COM CE GEN GRP	038020202	149	5592	SH	DEFINED 0
APPLERA CORP 5637	COM CE GEN GRP	038020202	150	5637	SH	DEFINED 0
APPLICA INC	COM	03815A106	583	64700	SH	DEFINED 0
APPLIED INDL TECHNOLOGIES INC 70375	COM	03820C105	1312	70375	SH	DEFINED 0
APPLIED MATLS INC 317500	COM	038222105	12732	317500	SH	DEFINED 0
APPLIED MATLS INC 1173759	COM	038222105	47068	1173759	SH	DEFINED 0
APPLIED MATLS INC 305134	COM	038222105	12236	305134	SH	DEFINED 0
APPLIED MICRO CIRCUITS CORP 527400	COM	03822W109	5970	527400	SH	DEFINED 0
APPLIED MICRO CIRCUITS CORP 714236	COM	03822W109	8085	714236	SH	DEFINED 0
APPLIED MICRO CIRCUITS CORP 5077	COM	03822W109	57	5077	SH	DEFINED 0
APTARGROUP INC	COM	038336103	3950	112750	SH	DEFINED 0
ARBITRON INC 86004	COM	03875Q108	2937	86004	SH	DEFINED 0
ARCH CHEMICALS INC 69500	COM	03937R102	1612	69500	SH	DEFINED 0
ARCH COAL INC 19164	COM	039380100	435	19164	SH	DEFINED 0
ARCHER DANIELS MIDLAND CO 288792	COM	039483102	4144	288792	SH	DEFINED 0
ARCHER DANIELS MIDLAND CO 1873380	COM	039483102	26883	1873380	SH	DEFINED 0
ARCHSTONE SMITH TR 6700	COM	039583109	176	6700	SH	DEFINED 0
ARCHSTONE SMITH TR 18420	COM	039583109	484	18420	SH	DEFINED 0
ARCTIC CAT INC	COM	039670104	1532	90100	SH	DEFINED 0
AREA BANCSHARES CORP NEW 10950	COM	039872106	213	10950	SH	DEFINED 0
ARGOSY GAMING CO 91200	COM	040228108	2966	91200	SH	DEFINED 0
ARIBA INC 24500	COM	04033V104	151	24500	SH	DEFINED 0
ARIBA INC 29957	COM	04033V104	185	29957	SH	DEFINED 0
ARKANSAS BEST CORP DEL 78100	COM	040790107	2251	78100	SH	DEFINED 0
ARMOR HOLDINGS INC 78500	COM	042260109	2119	78500	SH	DEFINED 0
ARMSTRONG HLDGS INC 17100	COM	042384107	58	17100	SH	DEFINED 0
ARQULE INC	COM	04269E107	928	54600	SH	DEFINED 0

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ARRIS GROUP INC 10300	COM	04269Q100	101	10300 SH	DEFINED 0
ARROW ELECTRS INC 2100	COM	042735100	63	2100 SH	DEFINED 0
ARROW ELECTRS INC 169849	COM	042735100	5078	169849 SH	DEFINED 0
ARROW INTL INC 5800	COM	042764100	232	5800 SH	DEFINED 0
ART TECHNOLOGY GROUP INC 10700	COM	04289L107	37	10700 SH	DEFINED 0
ARTESYN TECHNOLOGIES INC 118350	COM	043127109	1102	118350 SH	DEFINED 0
ARTHROCARE CORP 140600	COM	043136100	2521	140600 SH	DEFINED 0
ARVINMERITOR INC	COM	043353101	2276	115900 SH	DEFINED 0
ASCENTIAL SOFTWARE CORP 124300	COM	04362P108	503	124300 SH	DEFINED 0
ASHLAND INC 24400	COM	044204105	1124	24400 SH	DEFINED 0
ASHLAND INC 447227	COM	044204105	20608	447227 SH	DEFINED 0
ASHLAND INC 17027	COM	044204105	785	17027 SH	DEFINED 0
ASHWORTH INC 34500	COM	04516H101	272	34500 SH	DEFINED 0
ASIAINFO HLDGS INC 19500	COM	04518A104	340	19500 SH	DEFINED 0
ASPECT COMMUNICATIONS CORP 147725	COM	04523Q102	573	147725 SH	DEFINED 0
ASPEN TECHNOLOGY INC	COM	045327103	1631	97100 SH	DEFINED 0
ASSOCIATED BANC CORP 1400	COM	045487105	49	1400 SH	DEFINED 0
ASSOCIATED BANC CORP 89936	COM	045487105	3174	89936 SH	DEFINED 0
ASSOCIATED ESTATES RLTY CORP 12200	COM	045604105	112	12200 SH	DEFINED 0
ASTEC INDS INC 53675	COM	046224101	776	53675 SH	DEFINED 0
ASTORIA FINL CORP 600	COM	046265104	16	600 SH	DEFINED 0
ASTORIA FINL CORP 839946	COM	046265104	22225	839946 SH	DEFINED 0
ASTROPOWER INC 39600	COM	04644A101	1601	39600 SH	DEFINED 0
ATLANTIC COAST AIRLINES HLDGS	COM	048396105	3357	144150 SH	DEFINED 0
ATLAS AIR WORLDWIDE HLDGS INC 34300	COM	049164106	502	34300 SH	DEFINED 0
ATMEL CORP 116300	COM	049513104	857	116300 SH	DEFINED 0
ATMEL CORP 9508	COM	049513104	70	9508 SH	DEFINED 0
ATMOS ENERGY CORP 125175	COM	049560105	2660	125175 SH	DEFINED 0
ATWOOD OCEANICS INC 42375	COM	050095108	1477	42375 SH	DEFINED 0
AUDIOVOX CORP 76400	CL A	050757103	570	76400 SH	DEFINED 0
AUSPEX SYS INC 15600	COM	052116100	28	15600 SH	DEFINED 0

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AUTODESK INC	COM	052769106	6586	176700	SH	DEFINED 0
AUTODESK INC 84470	COM	052769106	3148	84470	SH	DEFINED 0
AUTOMATIC DATA PROCESSING INC 114800	COM	053015103	6762	114800	SH	DEFINED 0
AUTOMATIC DATA PROCESSING INC 1082321	COM	053015103	63749	1082321	SH	DEFINED 0
AUTONATION INC 67700	COM	05329W102	835	67700	SH	DEFINED 0
AUTOZONE INC 145700	COM	053332102	10461	145700	SH	DEFINED 0
AUTOZONE INC 475544	COM	053332102	34144	475544	SH	DEFINED 0
AVALONBAY CMNTYS INC 1800	COM	053484101	85	1800	SH	DEFINED 0
AVALONBAY CMNTYS INC	COM	053484101	573	12119	SH	DEFINED 0
AVANT CORP 164200	COM	053487104	3364	164200	SH	DEFINED 0
AVAYA INC 540999	COM	053499109	6573	540999	SH	DEFINED 0
AVAYA INC 491083	COM	053499109	5967	491083	SH	DEFINED 0
AVENTIS 25206	SPONSORED ADR	053561106	1790	25206	SH	DEFINED 0
AVERY DENNISON CORP 161900	COM	053611109	9152	161900	SH	DEFINED 0
AVERY DENNISON CORP 152692	COM	053611109	8632	152692	SH	DEFINED 0
AVIALL INC NEW 10425	COM	05366B102	79	10425	SH	DEFINED 0
AVID TECHNOLOGY INC	COM	05367P100	1108	91175	SH	DEFINED 0
AVIRON 4700	COM	053762100	234	4700	SH	DEFINED 0
AVISTA CORP 178900	COM	05379B107	2372	178900	SH	DEFINED 0
AVNET INC 1900	COM	053807103	48	1900	SH	DEFINED 0
AVNET INC 57229	COM	053807103	1458	57229	SH	DEFINED 0
AVOCENT CORP 19600	COM	053893103	475	19600	SH	DEFINED 0
AVON PRODS INC 552700	COM	054303102	25701	552700	SH	DEFINED 0
AVON PRODS INC 399210	COM	054303102	18563	399210	SH	DEFINED 0
AWARE INC MASS	COM	05453N100	587	70700	SH	DEFINED 0
AXCELIS TECHNOLOGIES INC 7600	COM	054540109	98	7600	SH	DEFINED 0
AXCELIS TECHNOLOGIES INC 265472	COM	054540109	3422	265472	SH	DEFINED 0
AZTAR CORP 141775	COM	054802103	2594	141775	SH	DEFINED 0
BB&T CORP 170000	COM	054937107	6139	170000	SH	DEFINED 0
BB&T CORP 624988	COM	054937107	22568	624988	SH	DEFINED 0
BISYS GROUP INC 1500	COM	055472104	96	1500	SH	DEFINED 0

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BISYS GROUP INC 156707	COM	055472104	10028	156707	SH	DEFINED 0
BJ SVCS CO	COM	055482103	68	2100	SH	DEFINED 0
BJ SVCS CO 229737	COM	055482103	7455	229737	SH	DEFINED 0
BJS WHOLESALE CLUB INC 5700	COM	05548J106	251	5700	SH	DEFINED 0
BJS WHOLESALE CLUB INC 141615	COM	05548J106	6245	141615	SH	DEFINED 0
BMC INDS INC MINN 73500	COM	055607105	151	73500	SH	DEFINED 0
BOK FINL CORP 7602	COM NEW	05561Q201	240	7602	SH	DEFINED 0
BP PRUDHOE BAY RTY TR 12400	UNIT BEN INT	055630107	184	12400	SH	DEFINED 0
BRE PROPERTIES INC 12900	CL A	05564E106	399	12900	SH	DEFINED 0
BMC SOFTWARE INC	COM	055921100	11762	718500	SH	DEFINED 0
BMC SOFTWARE INC 501230	COM	055921100	8205	501230	SH	DEFINED 0
BMC SOFTWARE INC 95339	COM	055921100	1561	95339	SH	DEFINED 0
BAKER HUGHES INC 168620	COM	057224107	6150	168620	SH	DEFINED 0
BAKER HUGHES INC 491834	COM	057224107	17937	491834	SH	DEFINED 0
BALDOR ELEC CO 99316	COM	057741100	2076	99316	SH	DEFINED 0
BALL CORP 37500	COM	058498106	2651	37500	SH	DEFINED 0
BALL CORP 67163	COM	058498106	4748	67163	SH	DEFINED 0
BALLY TOTAL FITNESS HLDG CORP	COM	05873K108	1777	82400	SH	DEFINED 0
BANCO SANTANDER CHILE 11900	SPON ADR SER A	05965F108	222	11900	SH	DEFINED 0
BANCOLOMBIA S A 18900	SPON ADR PREF	05968L102	29	18900	SH	DEFINED 0
BANCORPSOUTH INC 20625	COM	059692103	342	20625	SH	DEFINED 0
BANDAG INC 20600	COM	059815100	716	20600	SH	DEFINED 0
BANK OF AMERICA CORPORATION 425879	COM	060505104	26809	425879	SH	DEFINED 0
BANK OF AMERICA CORPORATION 3703582	COM	060505104	233140	3703582	SH	DEFINED 0
BANK NEW YORK INC 509900	COM	064057102	20804	509900	SH	DEFINED 0
BANK NEW YORK INC	COM	064057102	41928	1027642	SH	DEFINED 0
BANK ONE CORP 350506	COM	06423A103	13687	350506	SH	DEFINED 0
BANK ONE CORP 2488336	COM	06423A103	97170	2488336	SH	DEFINED 0
BANKATLANTIC BANCORP 65400	CL A	065908501	600	65400	SH	DEFINED 0
BANKNORTH GROUP INC NEW 1700	COM	06646R107	38	1700	SH	DEFINED 0
BANKNORTH GROUP INC NEW 150423	COM	06646R107	3388	150423	SH	DEFINED 0

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BANKUNITED FINL CORP 10700	CL A	06652B103	159	10700 SH	DEFINED 0
BANTA CORP 52775	COM	066821109	1558	52775 SH	DEFINED 0
BARD C R INC	COM	067383109	9294	144100 SH	DEFINED 0
BARD C R INC 252265	COM	067383109	16271	252265 SH	DEFINED 0
BARNES & NOBLE INC 51106	COM	067774109	1513	51106 SH	DEFINED 0
BARNES GROUP INC 57800	COM	067806109	1387	57800 SH	DEFINED 0
BARRICK GOLD CORP 542713	COM	067901108	8656	542713 SH	DEFINED 0
BARRICK GOLD CORP 738404	COM	067901108	11778	738404 SH	DEFINED 0
BARR LABS INC 3200	COM	068306109	254	3200 SH	DEFINED 0
BARR LABS INC 56475	COM	068306109	4482	56475 SH	DEFINED 0
BARRA INC	COM	068313105	6800	144412 SH	DEFINED 0
BASSETT FURNITURE INDS INC 33912	COM	070203104	475	33912 SH	DEFINED 0
BAUSCH & LOMB INC 133800	COM	071707103	5039	133800 SH	DEFINED 0
BAUSCH & LOMB INC 76564	COM	071707103	2883	76564 SH	DEFINED 0
BAXTER INTL INC 444500	COM	071813109	23839	444500 SH	DEFINED 0
BAXTER INTL INC 1221294	COM	071813109	65498	1221294 SH	DEFINED 0
BAY VIEW CAP CORP DEL 33500	COM	07262L101	246	33500 SH	DEFINED 0
BE AEROSPACE INC 107200	COM	073302101	983	107200 SH	DEFINED 0
BEA SYS INC	COM	073325102	99	6400 SH	DEFINED 0
BEA SYS INC 39600	COM	073325102	610	39600 SH	DEFINED 0
BEAR STEARNS COS INC 88679	COM	073902108	5200	88679 SH	DEFINED 0
BEAR STEARNS COS INC 366110	COM	073902108	21469	366110 SH	DEFINED 0
BEAZER HOMES USA INC 12100	COM	07556Q105	885	12100 SH	DEFINED 0
BECKMAN COULTER INC 3500	COM	075811109	155	3500 SH	DEFINED 0
BECKMAN COULTER INC 118142	COM	075811109	5234	118142 SH	DEFINED 0
BECTON DICKINSON & CO 154100	COM	075887109	5108	154100 SH	DEFINED 0
BECTON DICKINSON & CO	COM	075887109	14040	423519 SH	DEFINED 0
BED BATH & BEYOND INC 270600	COM	075896100	9173	270600 SH	DEFINED 0
BED BATH & BEYOND INC 414442	COM	075896100	14050	414442 SH	DEFINED 0
BEDFORD PPTY INVS INC 9300	COM PAR \$0.02	076446301	209	9300 SH	DEFINED 0
BEL FUSE INC 30000	CL B	077347300	752	30000 SH	DEFINED 0

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BELDEN INC 102700	COM	077459105	2419	102700 SH	DEFINED 0
BELL MICROPRODUCTS INC 46500	COM	078137106	587	46500 SH	DEFINED 0
BELLSOUTH CORP 840200	COM	079860102	32054	840200 SH	DEFINED 0
BELLSOUTH CORP	COM	079860102	132028	3460759 SH	DEFINED 0
BELO CORP 4500	COM SER A	080555105	84	4500 SH	DEFINED 0
BELO CORP 78700	COM SER A	080555105	1476	78700 SH	DEFINED 0
BEMIS INC 17800	COM	081437105	875	17800 SH	DEFINED 0
BEMIS INC 75719	COM	081437105	3724	75719 SH	DEFINED 0
BENCHMARK ELECTRS INC 58175	COM	08160H101	1103	58175 SH	DEFINED 0
BERKLEY W R CORP 6400	COM	084423102	344	6400 SH	DEFINED 0
BERKSHIRE HATHAWAY INC DEL 963	CL B	084670207	2432	963 SH	DEFINED 0
BEST BUY INC	COM	086516101	18687	250900 SH	DEFINED 0
BEST BUY INC 352177	COM	086516101	26230	352177 SH	DEFINED 0
BETHLEHEM STL CORP 37300	COM	087509105	17	37300 SH	DEFINED 0
BEVERLY ENTERPRISES INC 35500	COM NEW	087851309	305	35500 SH	DEFINED 0
BIG LOTS INC 8000	COM	089302103	83	8000 SH	DEFINED 0
BIG LOTS INC 888356	COM	089302103	9239	888356 SH	DEFINED 0
BIO RAD LABS INC 3800	CL A	090572207	241	3800 SH	DEFINED 0
BIO TECHNOLOGY GEN CORP 178050	COM	090578105	1465	178050 SH	DEFINED 0
BIOGEN INC	COM	090597105	6871	119800 SH	DEFINED 0
BIOGEN INC 216007	COM	090597105	12388	216007 SH	DEFINED 0
BIOGEN INC 10109	COM	090597105	580	10109 SH	DEFINED 0
BIOMET INC 365575	COM	090613100	11296	365575 SH	DEFINED 0
BIOMET INC 455155	COM	090613100	14064	455155 SH	DEFINED 0
BIOMARIN PHARMACEUTICAL INC 10300	COM	09061G101	138	10300 SH	DEFINED 0
BLACK & DECKER CORP 12500	COM	091797100	472	12500 SH	DEFINED 0
BLACK & DECKER CORP 358540	COM	091797100	13528	358540 SH	DEFINED 0
BLACK BOX CORP DEL	COM	091826107	2990	56550 SH	DEFINED 0
BLACK HILLS CORP 10900	COM	092113109	369	10900 SH	DEFINED 0
BLOCK H & R INC 149800	COM	093671105	6696	149800 SH	DEFINED 0
BLOCK H & R INC 541716	COM	093671105	24215	541716 SH	DEFINED 0

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BLOCK H & R INC 18661	COM	093671105	834	18661	SH	DEFINED 0
BLYTH INC 19900	COM	09643P108	463	19900	SH	DEFINED 0
BOB EVANS FARMS INC 108560	COM	096761101	2667	108560	SH	DEFINED 0
BOCA RESORTS INC 14400	CL A	09688T106	189	14400	SH	DEFINED 0
BOEING CO	COM	097023105	16990	438116	SH	DEFINED 0
BOEING CO 1850004	COM	097023105	71743	1850004	SH	DEFINED 0
BOISE CASCADE CORP 75200	COM	097383103	2558	75200	SH	DEFINED 0
BOISE CASCADE CORP 139577	COM	097383103	4747	139577	SH	DEFINED 0
BORDERS GROUP INC 1100	COM	099709107	22	1100	SH	DEFINED 0
BORDERS GROUP INC 34647	COM	099709107	687	34647	SH	DEFINED 0
BORG WARNER INC 150441	COM	099724106	7861	150441	SH	DEFINED 0
BORLAND SOFTWARE CORP 19600	COM	099849101	307	19600	SH	DEFINED 0
BOSTON COMMUNICATIONS GROUP	COM	100582105	619	54500	SH	DEFINED 0
BOSTON PROPERTIES INC 3800	COM	101121101	144	3800	SH	DEFINED 0
BOSTON PROPERTIES INC 2671314	COM	101121101	101510	2671314	SH	DEFINED 0
BOSTON SCIENTIFIC CORP 388100	COM	101137107	9361	388100	SH	DEFINED 0
BOSTON SCIENTIFIC CORP 564405	COM	101137107	13613	564405	SH	DEFINED 0
BOWATER INC 1300	COM	102183100	62	1300	SH	DEFINED 0
BOWATER INC 102600	COM	102183100	4894	102600	SH	DEFINED 0
BOWNE & CO INC 108250	COM	103043105	1386	108250	SH	DEFINED 0
BOYDS COLLECTION LTD	COM	103354106	73	10800	SH	DEFINED 0
BRADY CORP 74300	CL A	104674106	2719	74300	SH	DEFINED 0
BRANDYWINE RLTY TR 10900	SH BEN INT NEW	105368203	230	10900	SH	DEFINED 0
BRIGGS & STRATTON CORP 65100	COM	109043109	2780	65100	SH	DEFINED 0
BRIGHTPOINT INC 155025	COM	109473108	487	155025	SH	DEFINED 0
BRINKER INTL INC 2000	COM	109641100	60	2000	SH	DEFINED 0
BRINKER INTL INC 109871	COM	109641100	3270	109871	SH	DEFINED 0
BRISTOL MYERS SQUIBB CO 797628	COM	110122108	40679	797628	SH	DEFINED 0
BRISTOL MYERS SQUIBB CO	COM	110122108	195456	3832477	SH	DEFINED 0
BROADCOM CORP 200700	CL A	111320107	8203	200700	SH	DEFINED 0
BROADCOM CORP 367600	CL A	111320107	15024	367600	SH	DEFINED 0

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BROADCOM CORP 16477	CL A	111320107	673	16477 SH	DEFINED 0
BROADVISION INC 77100	COM	111412102	211	77100 SH	DEFINED 0
BROADVISION INC 49847	COM	111412102	137	49847 SH	DEFINED 0
BROADWING INC 5900	COM	111620100	56	5900 SH	DEFINED 0
BROADWING INC 130600	COM	111620100	1241	130600 SH	DEFINED 0
BROCADE COMMUNICATIONS SYS INC	COM	111621108	247	7450 SH	DEFINED 0
BROCADE COMMUNICATIONS SYS INC 23500	COM	111621108	778	23500 SH	DEFINED 0
BROOKLINE BANCORP INC 14300	COM	113739106	235	14300 SH	DEFINED 0
BROOKS AUTOMATION INC 52700	COM	11434A100	2143	52700 SH	DEFINED 0
BROOKTROUT INC 32100	COM	114580103	209	32100 SH	DEFINED 0
BROWN & BROWN INC 14400	COM	115236101	393	14400 SH	DEFINED 0
BROWN FORMAN CORP 175684	CL B	115637209	10998	175684 SH	DEFINED 0
BROWN FORMAN CORP 100993	CL B	115637209	6322	100993 SH	DEFINED 0
BROWN TOM INC	COM NEW	115660201	3230	119600 SH	DEFINED 0
BROWN SHOE INC NEW 66050	COM	115736100	1073	66050 SH	DEFINED 0
BRUKER DALTONICS INC 14800	COM	116795105	242	14800 SH	DEFINED 0
BRUNSWICK CORP 194200	COM	117043109	4226	194200 SH	DEFINED 0
BRUNSWICK CORP 684040	COM	117043109	14885	684040 SH	DEFINED 0
BRUSH ENGINEERED MATLS INC 49900	COM	117421107	711	49900 SH	DEFINED 0
BUCKEYE TECHNOLOGIES INC 115150	COM	118255108	1324	115150 SH	DEFINED 0
BUILDING MATLS HLDG CORP 50700	COM	120113105	550	50700 SH	DEFINED 0
BURLINGTON COAT FACTORY	COM	121579106	2267	134940 SH	DEFINED 0
BURLINGTON NORTHN SANTA FE CP 110061	COM	12189T104	3140	110061 SH	DEFINED 0
BURLINGTON NORTHN SANTA FE CP 1279405	COM	12189T104	36501	1279405 SH	DEFINED 0
BURLINGTON RES INC 168429	COM	122014103	6323	168429 SH	DEFINED 0
BURLINGTON RES INC 289853	COM	122014103	10881	289853 SH	DEFINED 0
BUTLER MFG CO DEL 25350	COM	123655102	702	25350 SH	DEFINED 0
C&D TECHNOLOGIES INC 86600	COM	124661109	1979	86600 SH	DEFINED 0
CBL & ASSOC PPTYS INC 9300	COM	124830100	293	9300 SH	DEFINED 0
CBRL GROUP INC	COM	12489V106	4434	150600 SH	DEFINED 0
CCBT FINL COS INC 9100	COM	12500Q102	215	9100 SH	DEFINED 0

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C COR NET CORP 118725	COM	125010108	1730	118725	SH	DEFINED 0
C D I CORP 56350	COM	125071100	1071	56350	SH	DEFINED 0
CDW COMPUTER CTRS INC 9400	COM	125129106	505	9400	SH	DEFINED 0
CDW COMPUTER CTRS INC 90225	COM	125129106	4846	90225	SH	DEFINED 0
CEC ENTMT INC 85975	COM	125137109	3730	85975	SH	DEFINED 0
CH ENERGY GROUP INC 49875	COM	12541M102	2168	49875	SH	DEFINED 0
C H ROBINSON WORLDWIDE INC	COM	12541W100	460	15900	SH	DEFINED 0
C H ROBINSON WORLDWIDE INC 53400	COM	12541W100	1544	53400	SH	DEFINED 0
CIGNA CORP 116700	COM	125509109	10812	116700	SH	DEFINED 0
CIGNA CORP 432828	COM	125509109	40102	432828	SH	DEFINED 0
CLECO CORP NEW 30904	COM	12561W105	679	30904	SH	DEFINED 0
CMGI INC 73086	COM	125750109	119	73086	SH	DEFINED 0
CMS ENERGY CORP 225700	COM	125896100	5424	225700	SH	DEFINED 0
CMS ENERGY CORP 529197	COM	125896100	12717	529197	SH	DEFINED 0
CPI CORP	COM	125902106	437	26300	SH	DEFINED 0
CNA FINL CORP 26400	COM	126117100	770	26400	SH	DEFINED 0
CNA SURETY CORP 12400	COM	12612L108	192	12400	SH	DEFINED 0
CNF INC 500	COM	12612W104	17	500	SH	DEFINED 0
CNF INC 64050	COM	12612W104	2149	64050	SH	DEFINED 0
CNS INC 19000	COM	126136100	104	19000	SH	DEFINED 0
CNET NETWORKS INC 12638	COM	12613R104	113	12638	SH	DEFINED 0
CP HOLDERS 59409	DEP RCPTS CP	12616K106	2331	59409	SH	DEFINED 0
CSG SYS INTL INC	COM	126349109	303	7500	SH	DEFINED 0
CSG SYS INTL INC 48800	COM	126349109	1974	48800	SH	DEFINED 0
CSX CORP 135300	COM	126408103	4742	135300	SH	DEFINED 0
CSX CORP 334426	COM	126408103	11722	334426	SH	DEFINED 0
CTS CORP 82025	COM	126501105	1304	82025	SH	DEFINED 0
CUNO INC 53300	COM	126583103	1626	53300	SH	DEFINED 0
CVF TECHNOLOGIES CORP 0	COM	12660F102	0	0	SH	DEFINED 0
CVF TECHNOLOGIES CORP 647128	COM	12660F102	168	647128	SH	DEFINED 0
CVS CORP	COM	126650100	9197	310700	SH	DEFINED 0

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CVS CORP 796384	COM	126650100	23573	796384	SH	DEFINED 0
CVS CORP 29862	COM	126650100	884	29862	SH	DEFINED 0
CV THERAPEUTICS INC 6800	COM	126667104	354	6800	SH	DEFINED 0
CABLEVISION SYS CORP 2400	CL A NY CABLVS	12686C109	114	2400	SH	DEFINED 0
CABLEVISION SYS CORP 13000	CL A NY CABLVS	12686C109	617	13000	SH	DEFINED 0
CABLE DESIGN TECHNOLOGIES CORP 144812	COM	126924109	1981	144812	SH	DEFINED 0
CABOT CORP 73300	COM	127055101	2617	73300	SH	DEFINED 0
CABOT OIL & GAS CORP	CL A	127097103	2237	93000	SH	DEFINED 0
CABOT MICROELECTRONICS CORP 1200	COM	12709P103	95	1200	SH	DEFINED 0
CABOT MICROELECTRONICS CORP 6885	COM	12709P103	546	6885	SH	DEFINED 0
CACI INTL INC 88400	CL A	127190304	3490	88400	SH	DEFINED 0
CADENCE DESIGN SYSTEM INC 14200	COM	127387108	311	14200	SH	DEFINED 0
CADENCE DESIGN SYSTEM INC 328820	COM	127387108	7208	328820	SH	DEFINED 0
CAL DIVE INTL INC 111800	COM	127914109	2759	111800	SH	DEFINED 0
CALLAWAY GOLF CO 66400	COM	131193104	1272	66400	SH	DEFINED 0
CALPINE CORP	COM	131347106	3606	214800	SH	DEFINED 0
CALPINE CORP 1282345	COM	131347106	21531	1282345	SH	DEFINED 0
CAMBREX CORP 78700	COM	132011107	3431	78700	SH	DEFINED 0
CAMDEN PPTY TR 10156	SH BEN INT	133131102	373	10156	SH	DEFINED 0
CAMINUS CORP 23400	COM	133766105	538	23400	SH	DEFINED 0
CAMPBELL SOUP CO 1028900	COM	134429109	30733	1028900	SH	DEFINED 0
CAMPBELL SOUP CO 588800	COM	134429109	17587	588800	SH	DEFINED 0
CANADIAN NATL RY CO 4688	COM	136375102	226	4688	SH	DEFINED 0
CAPITAL AUTOMOTIVE REIT	COM SH BEN INT	139733109	286	14400	SH	DEFINED 0
CAPITAL ONE FINL CORP 267500	COM	14040H105	14432	267500	SH	DEFINED 0
CAPITAL ONE FINL CORP 288337	COM	14040H105	15556	288337	SH	DEFINED 0
CAPITOL FED FINL 16900	COM	14057C106	352	16900	SH	DEFINED 0
CAPTARIS INC 84400	COM	14071N104	311	84400	SH	DEFINED 0
CARBO CERAMICS INC 39900	COM	140781105	1562	39900	SH	DEFINED 0
CARAUSTAR INDS INC 79100	COM	140909102	548	79100	SH	DEFINED 0
CARDINAL HEALTH INC 245650	COM	14149Y108	15884	245650	SH	DEFINED 0

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CARDINAL HEALTH INC	COM	14149Y108	63445	981202	SH	DEFINED 0
CAREER EDUCATION CORP 12400	COM	141665109	425	12400	SH	DEFINED 0
CAREMARK RX INC 100	COM	141705103	2	100	SH	DEFINED 0
CAREMARK RX INC 159388	COM	141705103	2600	159388	SH	DEFINED 0
CARLISLE COS INC 29300	COM	142339100	1084	29300	SH	DEFINED 0
CARNIVAL CORP 296600	COM	143658102	8329	296600	SH	DEFINED 0
CARNIVAL CORP 1516446	COM	143658102	42582	1516446	SH	DEFINED 0
CARPENTER TECHNOLOGY CORP 27500	COM	144285103	732	27500	SH	DEFINED 0
CARRAMERICA RLTY CORP	COM	144418100	99	3300	SH	DEFINED 0
CARRAMERICA RLTY CORP 8300	COM	144418100	250	8300	SH	DEFINED 0
CARREKER CORP 59400	COM	144433109	350	59400	SH	DEFINED 0
CASCADE NAT GAS CORP 31022	COM	147339105	684	31022	SH	DEFINED 0
CASEYS GEN STORES INC 147900	COM	147528103	2204	147900	SH	DEFINED 0
CASH AMER INTL INC 76180	COM	14754D100	648	76180	SH	DEFINED 0
CASTLE A M & CO 37600	COM	148411101	308	37600	SH	DEFINED 0
CATALINA MARKETING CORP 500	COM	148867104	17	500	SH	DEFINED 0
CATALINA MARKETING CORP	COM	148867104	2263	65207	SH	DEFINED 0
CATAPULT COMMUNICATIONS CORP 54400	COM	149016107	1418	54400	SH	DEFINED 0
CATELLUS DEV CORP 13950	COM	149111106	257	13950	SH	DEFINED 0
CATERPILLAR INC DEL 138700	COM	149123101	7247	138700	SH	DEFINED 0
CATERPILLAR INC DEL 856918	COM	149123101	44774	856918	SH	DEFINED 0
CATERPILLAR INC DEL 765465	COM	149123101	39996	765465	SH	DEFINED 0
CATHAY BANCORP INC 3900	COM	149150104	250	3900	SH	DEFINED 0
CATO CORP NEW 91700	CL A	149205106	1733	91700	SH	DEFINED 0
CELL GENESYS INC	COM	150921104	256	11000	SH	DEFINED 0
CELL THERAPEUTICS INC 10500	COM	150934107	253	10500	SH	DEFINED 0
CELESTICA INC 344	SUB VTG SHS	15101Q108	14	344	SH	DEFINED 0
CELESTICA INC 1000000	SUB VTG SHS	15101Q108	40390	1000000	SH	DEFINED 1
CELGENE CORP 9100	COM	151020104	290	9100	SH	DEFINED 0
CELGENE CORP 46300	COM	151020104	1478	46300	SH	DEFINED 0
CELGENE CORP 19133	COM	151020104	611	19133	SH	DEFINED 0

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CENDANT CORP 542674	COM	151313103	10642	542674	SH	DEFINED 0
CENDANT CORP	COM	151313103	51873	2645219	SH	DEFINED 0
CENTENNIAL COMMUNCTNS CORP NEW 11500	CL A NEW	15133V208	118	11500	SH	DEFINED 0
CENTERPOINT PPTYS TR 8000	SH BEN INT	151895109	398	8000	SH	DEFINED 0
CENTEX CORP 93100	COM	152312104	5315	93100	SH	DEFINED 0
CENTEX CORP 436495	COM	152312104	24920	436495	SH	DEFINED 0
CENTRAL PKG CORP 105300	COM	154785109	2068	105300	SH	DEFINED 0
CENTRAL VT PUB SVC CORP 39150	COM	155771108	654	39150	SH	DEFINED 0
CENTURY ALUM CO 55900	COM	156431108	747	55900	SH	DEFINED 0
CENTURY BUSINESS SVCS INC	COM	156490104	43	18900	SH	DEFINED 0
CENTURYTEL INC 262400	COM	156700106	8607	262400	SH	DEFINED 0
CENTURYTEL INC 283293	COM	156700106	9292	283293	SH	DEFINED 0
CEPHALON INC 2100	COM	156708109	159	2100	SH	DEFINED 0
CEPHALON INC 169050	COM	156708109	12778	169050	SH	DEFINED 0
CEPHALON INC 15860	COM	156708109	1199	15860	SH	DEFINED 0
CERIDIAN CORP NEW 4900	COM	156779100	92	4900	SH	DEFINED 0
CERIDIAN CORP NEW 39622	COM	156779100	743	39622	SH	DEFINED 0
CERNER CORP	COM	156782104	30	600	SH	DEFINED 0
CERNER CORP 102825	COM	156782104	5134	102825	SH	DEFINED 0
CERTEGY INC 14150	COM	156880106	484	14150	SH	DEFINED 0
CERTEGY INC 29900	COM	156880106	1023	29900	SH	DEFINED 0
CERUS CORP 4500	COM	157085101	206	4500	SH	DEFINED 0
CHAMPION ENTERPRISES INC 150600	COM	158496109	1854	150600	SH	DEFINED 0
CHAMPIONSHIP AUTO RACING TEAM 33100	COM	158711101	533	33100	SH	DEFINED 0
CHARLES RIV LABS INTL INC 62400	COM	159864107	2089	62400	SH	DEFINED 0
CHARTER ONE FINL INC	COM	160903100	1717	63226	SH	DEFINED 0
CHARTER ONE FINL INC 330312	COM	160903100	8968	330312	SH	DEFINED 0
CHARTER MUN MTG ACCEP CO 26800	SH BEN INT	160908109	436	26800	SH	DEFINED 0
CHARMING SHOPPES INC 161500	COM	161133103	858	161500	SH	DEFINED 0
CHARTER COMMUNICATIONS INC DEL 3900	CL A	16117M107	64	3900	SH	DEFINED 0
CHARTER COMMUNICATIONS INC DEL 28400	CL A	16117M107	467	28400	SH	DEFINED 0

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CHARTER COMMUNICATIONS INC DEL 8992	CL A	16117M107	148	8992 SH	DEFINED 0
CHATEAU CMNTYS INC 8755	COM	161726104	262	8755 SH	DEFINED 0
CHECKFREE CORP NEW	COM	162813109	52	2900 SH	DEFINED 0
CHECKFREE CORP NEW 21200	COM	162813109	382	21200 SH	DEFINED 0
CHECKPOINT SYS INC 90700	COM	162825103	1215	90700 SH	DEFINED 0
CHEESECAKE FACTORY INC 142262	COM	163072101	4946	142262 SH	DEFINED 0
CHELSEA PPTY GROUP INC 5800	COM	163421100	285	5800 SH	DEFINED 0
CHEMED CORP 29800	COM	163596109	1010	29800 SH	DEFINED 0
CHEMFIRST INC 41875	COM	16361A106	1004	41875 SH	DEFINED 0
CHEMICAL FINL CORP 7424	COM	163731102	224	7424 SH	DEFINED 0
CHESAPEAKE CORP	COM	165159104	1199	43100 SH	DEFINED 0
CHESAPEAKE ENERGY CORP 56700	COM	165167107	375	56700 SH	DEFINED 0
CHEVRONTEXACO CORP 350193	COM	166764100	31381	350193 SH	DEFINED 0
CHEVRONTEXACO CORP 2099478	COM	166764100	188134	2099478 SH	DEFINED 0
CHICOS FAS INC 90100	COM	168615102	3577	90100 SH	DEFINED 0
CHILDRENS PL RETAIL STORES INC 8400	COM	168905107	228	8400 SH	DEFINED 0
CHIPPAC INC 15400	CL A	169657103	114	15400 SH	DEFINED 0
CHOICE HOTELS INTL INC 18950	COM	169905106	420	18950 SH	DEFINED 0
CHIRON CORP	COM	170040109	6501	148300 SH	DEFINED 0
CHIRON CORP 279427	COM	170040109	12250	279427 SH	DEFINED 0
CHITTENDEN CORP 96193	COM	170228100	2655	96193 SH	DEFINED 0
CHOICEPOINT INC 10050	COM	170388102	509	10050 SH	DEFINED 0
CHOICEPOINT INC 22840	COM	170388102	1158	22840 SH	DEFINED 0
CHRISTOPHER & BANKS CORP 71800	COM	171046105	2459	71800 SH	DEFINED 0
CHUBB CORP 115300	COM	171232101	7956	115300 SH	DEFINED 0
CHUBB CORP 552675	COM	171232101	38135	552675 SH	DEFINED 0
CHURCH & DWIGHT INC	COM	171340102	599	22500 SH	DEFINED 0
CIBER INC 163825	COM	17163B102	1548	163825 SH	DEFINED 0
CIENA CORP 335330	COM	171779101	4799	335330 SH	DEFINED 0
CIENA CORP 399100	COM	171779101	5711	399100 SH	DEFINED 0
CINCINNATI FINL CORP 225000	COM	172062101	8584	225000 SH	DEFINED 0

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CINCINNATI FINL CORP 260059	COM	172062101	9921	260059	SH	DEFINED 0
CINERGY CORP 41389	COM	172474108	1384	41389	SH	DEFINED 0
CINERGY CORP 625964	COM	172474108	20926	625964	SH	DEFINED 0
CIRCUIT CITY STORE INC	CIRCT CITY GRP	172737108	7224	278400	SH	DEFINED 0
CIRCUIT CITY STORE INC 292054	CIRCT CITY GRP	172737108	7579	292054	SH	DEFINED 0
CIRRUS LOGIC INC 82700	COM	172755100	1093	82700	SH	DEFINED 0
CIRRUS LOGIC INC 5056	COM	172755100	67	5056	SH	DEFINED 0
CISCO SYS INC 2378123	COM	17275R102	43068	2378123	SH	DEFINED 0
CISCO SYS INC 14938034	COM	17275R102	270528	14938034	SH	DEFINED 0
CISCO SYS INC 803427	COM	17275R102	14550	803427	SH	DEFINED 0
CINTAS CORP 22700	COM	172908105	1090	22700	SH	DEFINED 0
CINTAS CORP	COM	172908105	10664	222174	SH	DEFINED 0
CITIGROUP INC 1643462	COM	172967101	82962	1643462	SH	DEFINED 0
CITIGROUP INC 9304164	COM	172967101	469674	9304164	SH	DEFINED 0
CITIZENS BKG CORP MICH 12650	COM	174420109	416	12650	SH	DEFINED 0
CITIZENS COMMUNICATIONS CO 117500	COM	17453B101	1253	117500	SH	DEFINED 0
CITIZENS COMMUNICATIONS CO 329729	COM	17453B101	3515	329729	SH	DEFINED 0
CITRIX SYS INC 320900	COM	177376100	7272	320900	SH	DEFINED 0
CITRIX SYS INC 465403	COM	177376100	10546	465403	SH	DEFINED 0
CITY NATL CORP	COM	178566105	1986	42400	SH	DEFINED 0
CLAIRES STORES INC 31800	COM	179584107	480	31800	SH	DEFINED 0
CLARCOR INC 79350	COM	179895107	2154	79350	SH	DEFINED 0
CLAYTON HOMES INC 58827	COM	184190106	1006	58827	SH	DEFINED 0
CLEAR CHANNEL COMMUNICATIONS 323100	COM	184502102	16449	323100	SH	DEFINED 0
CLEAR CHANNEL COMMUNICATIONS 931141	COM	184502102	47404	931141	SH	DEFINED 0
CLEVELAND CLIFFS INC 40100	COM	185896107	734	40100	SH	DEFINED 0
CLOROX CO DEL 371500	COM	189054109	14693	371500	SH	DEFINED 0
CLOROX CO DEL	COM	189054109	20117	508636	SH	DEFINED 0
COACH INC 59312	COM	189754104	2312	59312	SH	DEFINED 0
COACHMEN INDS INC 44400	COM	189873102	533	44400	SH	DEFINED 0
COCA COLA BOTTLING CO CONS 25925	COM	191098102	982	25925	SH	DEFINED 0

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COCA COLA CO 1121500	COM	191216100	52879	1121500 SH	DEFINED 0
COCA COLA CO 4001925	COM	191216100	188691	4001925 SH	DEFINED 0
COCA COLA ENTERPRISES INC 476700	COM	191219104	9029	476700 SH	DEFINED 0
COCA COLA ENTERPRISES INC 615136	COM	191219104	11651	615136 SH	DEFINED 0
COGNEX CORP	COM	192422103	3218	125650 SH	DEFINED 0
COHERENT INC 85550	COM	192479103	2645	85550 SH	DEFINED 0
COHU INC 74350	COM	192576106	1468	74350 SH	DEFINED 0
COLGATE PALMOLIVE CO 439600	COM	194162103	25387	439600 SH	DEFINED 0
COLGATE PALMOLIVE CO 1041501	COM	194162103	60147	1041501 SH	DEFINED 0
COLGATE PALMOLIVE CO 12383	COM	194162103	715	12383 SH	DEFINED 0
COLLINS & AIKMAN CORP NEW 1443876	COM	194830105	11118	1443876 SH	DEFINED 0
COLONIAL BANCGROUP INC 77405	COM	195493309	1091	77405 SH	DEFINED 0
COLONIAL PPTYS TR	COM SH BEN INT	195872106	2053	65900 SH	DEFINED 0
COLUMBIA SPORTSWEAR CO 38500	COM	198516106	1282	38500 SH	DEFINED 0
COMCAST CORP 527354	CL A SPL	200300200	18985	527354 SH	DEFINED 0
COMCAST CORP 1533323	CL A SPL	200300200	55200	1533323 SH	DEFINED 0
COMCAST CORP 199328	CL A SPL	200300200	7176	199328 SH	DEFINED 0
COMDISCO INC 17870	COM	200336105	9	17870 SH	DEFINED 0
COMERICA INC 102900	COM	200340107	5896	102900 SH	DEFINED 0
COMERICA INC 633833	COM	200340107	36319	633833 SH	DEFINED 0
COMMERCE BANCORP INC NJ	COM	200519106	173	4400 SH	DEFINED 0
COMMERCE BANCORP INC NJ 188628	COM	200519106	7421	188628 SH	DEFINED 0
COMMERCE BANCSHARES INC 2520	COM	200525103	98	2520 SH	DEFINED 0
COMMERCE BANCSHARES INC 6481	COM	200525103	253	6481 SH	DEFINED 0
COMMERCE GROUP INC MASS 7900	COM	200641108	298	7900 SH	DEFINED 0
COMMERCE ONE INC DEL 70840	COM	200693109	253	70840 SH	DEFINED 0
COMMERCE ONE INC DEL 108601	COM	200693109	388	108601 SH	DEFINED 0
COMMERCIAL FEDERAL CORPORATION 193250	COM	201647104	4541	193250 SH	DEFINED 0
COMMERCIAL METALS CO	COM	201723103	1836	52500 SH	DEFINED 0
COMMERCIAL NET LEASE RLTY INC 21600	COM	202218103	281	21600 SH	DEFINED 0
COMMONWEALTH INDS INC DEL 43100	COM	203004106	203	43100 SH	DEFINED 0

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COMMONWEALTH TEL ENTERPRISES 4933	COM	203349105	224	4933 SH	DEFINED 0
COMMSCOPE INC 75666	COM	203372107	1609	75666 SH	DEFINED 0
COMMUNITY HEALTH SYS INC NEWCO 700	COM	203668108	18	700 SH	DEFINED 0
COMMUNITY HEALTH SYS INC NEWCO 12300	COM	203668108	314	12300 SH	DEFINED 0
COMMUNITY FIRST BANKSHARES INC 145400	COM	203902101	3735	145400 SH	DEFINED 0
COMPANIA DE TELECOMUNICS CHILE	SPON ADR NEW	204449300	409	30350 SH	DEFINED 0
COMPAQ COMPUTER CORP 951886	COM	204493100	9290	951886 SH	DEFINED 0
COMPAQ COMPUTER CORP 3732116	COM	204493100	36425	3732116 SH	DEFINED 0
COMPAQ COMPUTER CORP 74511	COM	204493100	727	74511 SH	DEFINED 0
COMPASS BANCSHARES INC 167418	COM	20449H109	4738	167418 SH	DEFINED 0
COMPUCREDIT CORP 17100	COM	20478N100	201	17100 SH	DEFINED 0
COMPUTER ASSOC INTL INC 319950	COM	204912109	11035	319950 SH	DEFINED 0
COMPUTER ASSOC INTL INC 1524885	COM	204912109	52593	1524885 SH	DEFINED 0
COMPUTER NETWORK TECHNOLOGY CP	COM	204925101	231	13000 SH	DEFINED 0
COMPUTER SCIENCES CORP 176100	COM	205363104	8625	176100 SH	DEFINED 0
COMPUTER SCIENCES CORP 241663	COM	205363104	11837	241663 SH	DEFINED 0
COMPUTER TASK GROUP INC 57400	COM	205477102	226	57400 SH	DEFINED 0
COMPUWARE CORP 350600	COM	205638109	4134	350600 SH	DEFINED 0
COMPUWARE CORP 527103	COM	205638109	6215	527103 SH	DEFINED 0
COMPUWARE CORP 152792	COM	205638109	1801	152792 SH	DEFINED 0
COMVERSE TECHNOLOGY INC 274600	COM PAR \$0.10	205862402	6143	274600 SH	DEFINED 0
COMVERSE TECHNOLOGY INC	COM PAR \$0.10	205862402	5333	238382 SH	DEFINED 0
CONAGRA FOODS INC 528300	COM	205887102	12558	528300 SH	DEFINED 0
CONAGRA FOODS INC 1626825	COM	205887102	38670	1626825 SH	DEFINED 0
CONCORD CAMERA CORP 75200	COM	206156101	596	75200 SH	DEFINED 0
CONCORD COMMUNICATIONS INC 60450	COM	206186108	1248	60450 SH	DEFINED 0
CONCORD EFS INC 90100	COM	206197105	2953	90100 SH	DEFINED 0
CONCORD EFS INC 728218	COM	206197105	23871	728218 SH	DEFINED 0
CONCURRENT COMPUTER CORP NEW 18600	COM	206710204	276	18600 SH	DEFINED 0
CONE MLS CORP N C	COM	206814105	28	15600 SH	DEFINED 0
CONNECTIV INC 56125	COM	206829103	1375	56125 SH	DEFINED 0

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CONEXANT SYSTEMS INC 172700	COM	207142100	2480	172700	SH	DEFINED 0
CONEXANT SYSTEMS INC 337200	COM	207142100	4842	337200	SH	DEFINED 0
CONMED CORP 98825	COM	207410101	1973	98825	SH	DEFINED 0
CONOCO INC 122970	COM	208251504	3480	122970	SH	DEFINED 0
CONOCO INC 2015729	COM	208251504	57045	2015729	SH	DEFINED 0
CONSECO INC 23565	COM	208464107	105	23565	SH	DEFINED 0
CONSECO INC	COM	208464107	1944	435764	SH	DEFINED 0
CONSOL ENERGY INC 10000	COM	20854P109	248	10000	SH	DEFINED 0
CONSOLIDATED EDISON INC 159800	COM	209115104	6450	159800	SH	DEFINED 0
CONSOLIDATED EDISON INC 572173	COM	209115104	23093	572173	SH	DEFINED 0
CONSOLIDATED GRAPHICS INC 36800	COM	209341106	708	36800	SH	DEFINED 0
CONSTELLATION BRANDS INC 142400	CL A	21036P108	6102	142400	SH	DEFINED 0
CONSTELLATION ENERGY GROUP INC 98300	COM	210371100	2610	98300	SH	DEFINED 0
CONSTELLATION ENERGY GROUP INC 243462	COM	210371100	6464	243462	SH	DEFINED 0
CONVERGYS CORP	COM	212485106	7553	201462	SH	DEFINED 0
CONVERGYS CORP 232492	COM	212485106	8716	232492	SH	DEFINED 0
COOPER CAMERON CORP 8000	COM	216640102	323	8000	SH	DEFINED 0
COOPER CAMERON CORP 14200	COM	216640102	573	14200	SH	DEFINED 0
COOPER COS INC 53500	COM NEW	216648402	2674	53500	SH	DEFINED 0
COOPER INDS INC 5900	COM	216669101	206	5900	SH	DEFINED 0
COOPER INDS INC 503456	COM	216669101	17581	503456	SH	DEFINED 0
COOPER TIRE & RUBR CO 5200	COM	216831107	83	5200	SH	DEFINED 0
COOPER TIRE & RUBR CO	COM	216831107	9567	599410	SH	DEFINED 0
COORS ADOLPH CO 102400	CL B	217016104	5468	102400	SH	DEFINED 0
COORS ADOLPH CO 64668	CL B	217016104	3453	64668	SH	DEFINED 0
COPART INC 213925	COM	217204106	7780	213925	SH	DEFINED 0
COR THERAPEUTICS INC 4400	COM	217753102	105	4400	SH	DEFINED 0
COR THERAPEUTICS INC 13700	COM	217753102	328	13700	SH	DEFINED 0
COR THERAPEUTICS INC 21129	COM	217753102	506	21129	SH	DEFINED 0
CORINTHIAN COLLEGES INC 105000	COM	218868107	4293	105000	SH	DEFINED 0
CORIXA CORP	COM	21887F100	276	18306	SH	DEFINED 0

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CORN PRODS INTL INC 145350	COM	219023108	5124	145350 SH	DEFINED 0
CORNERSTONE RLTY INCOME TR INC 20800	COM	21922V102	236	20800 SH	DEFINED 0
CORNING INC 997333	COM	219350105	8896	997333 SH	DEFINED 0
CORNING INC 1997843	COM	219350105	17821	1997843 SH	DEFINED 0
CORPORATE EXECUTIVE BRD CO 16400	COM	21988R102	602	16400 SH	DEFINED 0
CORRECTIONS CORP AMER NEW 14920	COM NEW	22025Y407	277	14920 SH	DEFINED 0
CORUS BANKSHARES INC 4900	COM	220873103	222	4900 SH	DEFINED 0
CORVIS CORP	COM	221009103	106	32900 SH	DEFINED 0
CORVIS CORP 81648	COM	221009103	264	81648 SH	DEFINED 0
COST PLUS INC CALIF 65000	COM	221485105	1723	65000 SH	DEFINED 0
COSTCO WHSL CORP NEW 222200	COM	22160K105	9861	222200 SH	DEFINED 0
COSTCO WHSL CORP NEW 701254	COM	22160K105	31122	701254 SH	DEFINED 0
COSTCO WHSL CORP NEW 264383	COM	22160K105	11733	264383 SH	DEFINED 0
COUNTRYWIDE CR INDS INC DEL 208300	COM	222372104	8534	208300 SH	DEFINED 0
COUNTRYWIDE CR INDS INC DEL 665354	COM	222372104	27260	665354 SH	DEFINED 0
COUSINS PPTYS INC	COM	222795106	257	10550 SH	DEFINED 0
COVANCE INC 28675	COM	222816100	651	28675 SH	DEFINED 0
COVANTA ENERGY CORP 23955	COM	22281N103	108	23955 SH	DEFINED 0
COVENTRY HEALTH CARE INC 261125	COM	222862104	5209	261125 SH	DEFINED 0
COX COMMUNICATIONS INC NEW 4200	CL A	224044107	176	4200 SH	DEFINED 0
COX COMMUNICATIONS INC NEW 63497	CL A	224044107	2661	63497 SH	DEFINED 0
COX COMMUNICATIONS INC NEW 10915	CL A	224044107	457	10915 SH	DEFINED 0
CRANE CO 31000	COM	224399105	795	31000 SH	DEFINED 0
CRANE CO	COM	224399105	12353	481782 SH	DEFINED 0
CRAWFORD & CO 12200	CL B	224633107	143	12200 SH	DEFINED 0
CREDENCE SYS CORP 25300	COM	225302108	470	25300 SH	DEFINED 0
CREDIT ACCEP CORP MICH 18400	COM	225310101	164	18400 SH	DEFINED 0
CREE INC 9900	COM	225447101	292	9900 SH	DEFINED 0
CREE INC 18600	COM	225447101	548	18600 SH	DEFINED 0
CRESCENT REAL ESTATE EQUITIES 5100	COM	225756105	92	5100 SH	DEFINED 0
CRESCENT REAL ESTATE EQUITIES 156074	COM	225756105	2827	156074 SH	DEFINED 0

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CROMPTON CORP	COM	227116100	775	86146 SH	DEFINED 0
CROSS A T CO 60300	CL A	227478104	356	60300 SH	DEFINED 0
CROWN ANDERSEN INC 12609	COM	228190104	104	12609 SH	DEFINED 0
CROWN CASTLE INTL CORP 8100	COM	228227104	87	8100 SH	DEFINED 0
CROWN CASTLE INTL CORP 19400	COM	228227104	207	19400 SH	DEFINED 0
CROWN CORK & SEAL INC 38275	COM	228255105	97	38275 SH	DEFINED 0
CRYOLIFE INC 57375	COM	228903100	1721	57375 SH	DEFINED 0
CUBIST PHARMACEUTICALS INC 8100	COM	229678107	291	8100 SH	DEFINED 0
CULLEN FROST BANKERS INC	COM	229899109	5117	165700 SH	DEFINED 0
CUMMINS INC 62400	COM	231021106	2405	62400 SH	DEFINED 0
CUMMINS INC 242882	COM	231021106	9361	242882 SH	DEFINED 0
CUMULUS MEDIA INC 18700	CL A	231082108	303	18700 SH	DEFINED 0
CURATIVE HEALTH SVCS INC 19000	COM	231264102	257	19000 SH	DEFINED 0
CURAGEN CORP 9500	COM	23126R101	213	9500 SH	DEFINED 0
CYBERONICS INC 21200	COM	23251P102	562	21200 SH	DEFINED 0
CYBEX INTL INC 14500	COM	23252E106	27	14500 SH	DEFINED 0
CYGNUS INC	COM	232560102	449	85550 SH	DEFINED 0
CYMER INC 90300	COM	232572107	2414	90300 SH	DEFINED 0
CYPRESS SEMICONDUCTOR CORP 23200	COM	232806109	462	23200 SH	DEFINED 0
CYPRESS SEMICONDUCTOR CORP 167500	COM	232806109	3338	167500 SH	DEFINED 0
CYPRESS SEMICONDUCTOR CORP 5435	COM	232806109	108	5435 SH	DEFINED 0
CYTEC INDS INC 46607	COM	232820100	1258	46607 SH	DEFINED 0
CYTOGEN CORP 23200	COM	232824102	70	23200 SH	DEFINED 0
CYTYC CORP 8800	COM	232946103	230	8800 SH	DEFINED 0
CYTYC CORP	COM	232946103	2328	89200 SH	DEFINED 0
DDI CORP 13900	COM	233162106	137	13900 SH	DEFINED 0
DMC STRATEX NETWORKS INC 228950	COM	23322L106	1781	228950 SH	DEFINED 0
DPL INC 1400	COM	233293109	34	1400 SH	DEFINED 0
DPL INC 88212	COM	233293109	2124	88212 SH	DEFINED 0
DQE INC 44700	COM	23329J104	846	44700 SH	DEFINED 0
D R HORTON INC 223898	COM	23331A109	7268	223898 SH	DEFINED 0

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DST SYS INC DEL 7400	COM	233326107	369	7400 SH	DEFINED 0
DST SYS INC DEL	COM	233326107	8391	168324 SH	DEFINED 0
DSP GROUP INC 25200	COM	23332B106	586	25200 SH	DEFINED 0
DTE ENERGY CO 156863	COM	233331107	6579	156863 SH	DEFINED 0
DTE ENERGY CO 510631	COM	233331107	21416	510631 SH	DEFINED 0
DAISYTEK INTL CORP 17200	COM	234053106	227	17200 SH	DEFINED 0
DAL-TILE INTL INC 1037723	COM	23426R108	24127	1037723 SH	DEFINED 0
DANA CORP 223001	COM	235811106	3095	223001 SH	DEFINED 0
DANA CORP 571478	COM	235811106	7932	571478 SH	DEFINED 0
DANAHER CORP DEL	COM	235851102	2816	46700 SH	DEFINED 0
DANAHER CORP DEL 201411	COM	235851102	12147	201411 SH	DEFINED 0
DANAHER CORP DEL 12211	COM	235851102	736	12211 SH	DEFINED 0
DARDEN RESTAURANTS INC 310500	COM	237194105	10992	310500 SH	DEFINED 0
DARDEN RESTAURANTS INC 308813	COM	237194105	10932	308813 SH	DEFINED 0
DATASCOPE CORP 55250	COM	238113104	1874	55250 SH	DEFINED 0
DAVITA INC 3700	COM	23918K108	90	3700 SH	DEFINED 0
DAVITA INC 15307	COM	23918K108	374	15307 SH	DEFINED 0
DAVOX CORP	COM	239208101	324	33500 SH	DEFINED 0
DEERE & CO 164000	COM	244199105	7160	164000 SH	DEFINED 0
DEERE & CO 493354	COM	244199105	21540	493354 SH	DEFINED 0
DEL MONTE FOODS CO 26300	COM	24522P103	224	26300 SH	DEFINED 0
DELL COMPUTER CORP 710800	COM	247025109	19320	710800 SH	DEFINED 0
DELL COMPUTER CORP 4919405	COM	247025109	133709	4919405 SH	DEFINED 0
DELL COMPUTER CORP 690252	COM	247025109	18761	690252 SH	DEFINED 0
DELPHI AUTOMOTIVE SYS CORP 349687	COM	247126105	4777	349687 SH	DEFINED 0
DELPHI AUTOMOTIVE SYS CORP	COM	247126105	18275	1337877 SH	DEFINED 0
DELPHI FINL GROUP INC 64677	CL A	247131105	2154	64677 SH	DEFINED 0
DELTA & PINE LD CO 120904	COM	247357106	2736	120904 SH	DEFINED 0
DELTA AIR LINES INC DEL 35600	COM	247361108	1042	35600 SH	DEFINED 0
DELTA AIR LINES INC DEL 452064	COM	247361108	13227	452064 SH	DEFINED 0
DELTIC TIMBER CORP 33350	COM	247850100	914	33350 SH	DEFINED 0

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DELTA WOODSIDE INDS INC NEW 18200	COM	247909104	16	18200 SH	DEFINED 0
DELUXE CORP 36900	COM	248019101	1534	36900 SH	DEFINED 0
DELUXE CORP	COM	248019101	23974	576585 SH	DEFINED 0
DENDRITE INTL INC 140425	COM	248239105	1970	140425 SH	DEFINED 0
DENTSPLY INTL INC NEW 7500	COM	249030107	377	7500 SH	DEFINED 0
DENTSPLY INTL INC NEW 95600	COM	249030107	4799	95600 SH	DEFINED 0
DEPARTMENT 56 INC 48300	COM	249509100	415	48300 SH	DEFINED 0
DEVELOPERS DIVERSIFIED RLTY CO 15700	COM	251591103	300	15700 SH	DEFINED 0
DEVON ENERGY CORP NEW 84800	COM	25179M103	3278	84800 SH	DEFINED 0
DEVON ENERGY CORP NEW 178285	COM	25179M103	6891	178285 SH	DEFINED 0
DEVRY INC DEL	COM	251893103	430	15100 SH	DEFINED 0
DEVRY INC DEL 40500	COM	251893103	1152	40500 SH	DEFINED 0
DIAGNOSTIC PRODS CORP 94400	COM	252450101	4149	94400 SH	DEFINED 0
DIAL CORP NEW 181100	COM	25247D101	3106	181100 SH	DEFINED 0
DIAMOND OFFSHORE DRILLING INC 1700	COM	25271C102	52	1700 SH	DEFINED 0
DIAMOND OFFSHORE DRILLING INC 233721	COM	25271C102	7105	233721 SH	DEFINED 0
DIEBOLD INC 113241	COM	253651103	4579	113241 SH	DEFINED 0
DIGENE CORP 26700	COM	253752109	788	26700 SH	DEFINED 0
DIGI INTL INC	COM	253798102	252	39600 SH	DEFINED 0
DIGITAS INC 13500	COM	25388K104	54	13500 SH	DEFINED 0
DIME CMNTY BANCSHARES 78550	COM	253922108	2204	78550 SH	DEFINED 0
DILLARDS INC 279200	CL A	254067101	4467	279200 SH	DEFINED 0
DILLARDS INC 747185	CL A	254067101	11955	747185 SH	DEFINED 0
DIME BANCORP INC NEW 164520	COM	25429Q102	5936	164520 SH	DEFINED 0
DIME BANCORP INC NEW 154600	WT EXP 000002	25429Q110	23	154600 SH	DEFINED 0
DIMON INC 114125	COM	254394109	822	114125 SH	DEFINED 0
DIONEX CORP	COM	254546104	1686	66100 SH	DEFINED 0
DISNEY WALT CO 804200	COM DISNEY	254687106	16663	804200 SH	DEFINED 0
DISNEY WALT CO 4324463	COM DISNEY	254687106	89603	4324463 SH	DEFINED 0
DISNEY WALT CO 13066	COM DISNEY	254687106	271	13066 SH	DEFINED 0
DIRECT FOCUS INC 10200	COM	254931108	318	10200 SH	DEFINED 0

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DIXIE GROUP INC 10700	CL A	255519100	49	10700 SH	DEFINED 0
DOBSON COMMUNICATIONS CORP 13800	CL A	256069105	118	13800 SH	DEFINED 0
DOCUMENTUM INC 10900	COM	256159104	237	10900 SH	DEFINED 0
DOLE FOOD INC	COM	256605106	2026	75500 SH	DEFINED 0
DOLLAR GEN CORP 625262	COM	256669102	9316	625262 SH	DEFINED 0
DOLLAR GEN CORP 457039	COM	256669102	6810	457039 SH	DEFINED 0
DOLLAR TREE STORES INC 11100	COM	256747106	343	11100 SH	DEFINED 0
DOLLAR TREE STORES INC 28520	COM	256747106	882	28520 SH	DEFINED 0
DOMINION RES INC VA NEW 85586	COM	25746U109	5144	85586 SH	DEFINED 0
DOMINION RES INC VA NEW 722541	COM	25746U109	43425	722541 SH	DEFINED 0
DONALDSON INC 58100	COM	257651109	2257	58100 SH	DEFINED 0
DONNELLEY R R & SONS CO	COM	257867101	772	26000 SH	DEFINED 0
DONNELLEY R R & SONS CO 699031	COM	257867101	20754	699031 SH	DEFINED 0
DORAL FINL CORP 28500	COM	25811P100	889	28500 SH	DEFINED 0
DOUBLECLICK INC 10710	COM	258609304	121	10710 SH	DEFINED 0
DOVER CORP 23700	COM	260003108	879	23700 SH	DEFINED 0
DOVER CORP 277889	COM	260003108	10301	277889 SH	DEFINED 0
DOW CHEM CO 283964	COM	260543103	9592	283964 SH	DEFINED 0
DOW CHEM CO 2278661	COM	260543103	76973	2278661 SH	DEFINED 0
DOW JONES & CO INC	COM	260561105	8155	149000 SH	DEFINED 0
DOW JONES & CO INC 136785	COM	260561105	7486	136785 SH	DEFINED 0
DOWNEY FINL CORP 136134	COM	261018105	5616	136134 SH	DEFINED 0
DRESS BARN INC 71800	COM	261570105	1796	71800 SH	DEFINED 0
DREYERS GRAND ICE CREAM INC 14000	COM	261878102	539	14000 SH	DEFINED 0
DRIL-QUIP INC 51475	COM	262037104	1241	51475 SH	DEFINED 0
DSL NET INC 17500	COM	262506108	22	17500 SH	DEFINED 0
DU PONT E I DE NEMOURS & CO 452394	COM	263534109	19231	452394 SH	DEFINED 0
DU PONT E I DE NEMOURS & CO	COM	263534109	67495	1587753 SH	DEFINED 0
DU PONT E I DE NEMOURS & CO 1090687	COM	263534109	46365	1090687 SH	DEFINED 0
DUANE READE INC 6800	COM	263578106	206	6800 SH	DEFINED 0
DUKE ENERGY CORP 427762	COM	264399106	16794	427762 SH	DEFINED 0

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DUKE ENERGY CORP 1937550	COM	264399106	76068	1937550	SH	DEFINED 0
DUKE REALTY CORP 2600	COM NEW	264411505	63	2600	SH	DEFINED 0
DUKE REALTY CORP 14216	COM NEW	264411505	346	14216	SH	DEFINED 0
DUN & BRADSTREET CORP DEL NEW 37612	COM	26483E100	1328	37612	SH	DEFINED 0
DURA AUTOMOTIVE SYSTEMS CORP	CL A	265903104	330	30000	SH	DEFINED 0
DUPONT PHOTOMASKS INC 61400	COM	26613X101	2668	61400	SH	DEFINED 0
DURECT CORP 14700	COM	266605104	170	14700	SH	DEFINED 0
DYCOM INDS INC 49650	COM	267475101	830	49650	SH	DEFINED 0
DYNEGY INC NEW 217100	CL A	26816Q101	5536	217100	SH	DEFINED 0
DYNEGY INC NEW 918715	CL A	26816Q101	23427	918715	SH	DEFINED 0
EEX CORP 14523	COM NEW	26842V207	27	14523	SH	DEFINED 0
EGL INC 24000	COM	268484102	335	24000	SH	DEFINED 0
E M C CORP MASS	COM	268648102	12020	894315	SH	DEFINED 0
E M C CORP MASS 3104464	COM	268648102	41724	3104464	SH	DEFINED 0
ENSCO INTL INC 1500	COM	26874Q100	37	1500	SH	DEFINED 0
ENSCO INTL INC 302473	COM	26874Q100	7516	302473	SH	DEFINED 0
EOG RES INC 103900	COM	26875P101	4064	103900	SH	DEFINED 0
EOG RES INC 152029	COM	26875P101	5946	152029	SH	DEFINED 0
E PIPHANY INC 25750	COM	26881V100	224	25750	SH	DEFINED 0
ESS TECHNOLOGY INC 182100	COM	269151106	3871	182100	SH	DEFINED 0
E TRADE GROUP INC	COM	269246104	3782	369000	SH	DEFINED 0
E Z EM INC 10200	CL A	269305207	57	10200	SH	DEFINED 0
EARTHLINK INC 11045	COM	270321102	134	11045	SH	DEFINED 0
EAST WEST BANCORP INC 81700	COM	27579R104	2104	81700	SH	DEFINED 0
EASTMAN CHEM CO 102400	COM	277432100	3996	102400	SH	DEFINED 0
EASTMAN CHEM CO 430563	COM	277432100	16801	430563	SH	DEFINED 0
EASTMAN KODAK CO 176900	COM	277461109	5206	176900	SH	DEFINED 0
EASTMAN KODAK CO 773406	COM	277461109	22761	773406	SH	DEFINED 0
EASTMAN KODAK CO	COM	277461109	34133	1159809	SH	DEFINED 0
EATON CORP 16600	COM	278058102	1235	16600	SH	DEFINED 0
EATON CORP 224979	COM	278058102	16741	224979	SH	DEFINED 0

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EATON VANCE CORP 9900	COM NON VTG	278265103	352	9900 SH	DEFINED 0
EATON VANCE CORP 28900	COM NON VTG	278265103	1027	28900 SH	DEFINED 0
EBAY INC 10900	COM	278642103	729	10900 SH	DEFINED 0
EBAY INC 30100	COM	278642103	2014	30100 SH	DEFINED 0
EBAY INC 3197	COM	278642103	214	3197 SH	DEFINED 0
ECHOSTAR COMMUNICATIONS NEW	CL A	278762109	530	19300 SH	DEFINED 0
ECHOSTAR COMMUNICATIONS NEW 102000	CL A	278762109	2802	102000 SH	DEFINED 0
ECHOSTAR COMMUNICATIONS NEW 13769	CL A	278762109	378	13769 SH	DEFINED 0
ECLIPSYS CORP 13200	COM	278856109	221	13200 SH	DEFINED 0
ECOLAB INC 210700	COM	278865100	8481	210700 SH	DEFINED 0
ECOLAB INC 184159	COM	278865100	7412	184159 SH	DEFINED 0
ECOLAB INC 19177	COM	278865100	772	19177 SH	DEFINED 0
EDISON INTL 436400	COM	281020107	6590	436400 SH	DEFINED 0
EDISON INTL	COM	281020107	7052	467026 SH	DEFINED 0
EDISON SCHOOLS INC 11200	CL A	281033100	220	11200 SH	DEFINED 0
EDUCATION MGMT CORP 165880	COM	28139T101	6013	165880 SH	DEFINED 0
J D EDWARDS & CO 34700	COM	281667105	571	34700 SH	DEFINED 0
EDWARDS AG INC 3100	COM	281760108	137	3100 SH	DEFINED 0
EDWARDS AG INC 78751	COM	281760108	3478	78751 SH	DEFINED 0
EDWARDS LIFESCIENCES CORP 125902	COM	28176E108	3479	125902 SH	DEFINED 0
EFUNDS CORP 15220	COM	28224R101	209	15220 SH	DEFINED 0
EL PASO CORP	COM	28336L109	6167	138250 SH	DEFINED 0
EL PASO CORP 790785	COM	28336L109	35277	790785 SH	DEFINED 0
EL PASO CORP 25223	COM	28336L109	1125	25223 SH	DEFINED 0
EL PASO ELEC CO 154100	COM NEW	283677854	2234	154100 SH	DEFINED 0
ELAN PLC 9900	ADR	284131208	446	9900 SH	DEFINED 0
ELANTEC SEMICONDUCTOR INC 81900	COM	284155108	3145	81900 SH	DEFINED 0
ELCOR CORP 75375	COM	284443108	2095	75375 SH	DEFINED 0
ELECTRO SCIENTIFIC INDS 81275	COM	285229100	2439	81275 SH	DEFINED 0
ELECTROGLAS INC	COM	285324109	1009	68300 SH	DEFINED 0
ELECTRONIC ARTS INC 11100	COM	285512109	665	11100 SH	DEFINED 0

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ELECTRONIC ARTS INC 345410	COM	285512109	20707	345410 SH	DEFINED 0
ELECTRONIC DATA SYS NEW 189000	COM	285661104	12956	189000 SH	DEFINED 0
ELECTRONIC DATA SYS NEW 1065984	COM	285661104	73073	1065984 SH	DEFINED 0
ELECTRONICS BOUTIQUE HLDGS CP 15700	COM	286045109	627	15700 SH	DEFINED 0
ELECTRONICS FOR IMAGING INC 139400	COM	286082102	3110	139400 SH	DEFINED 0
EMBOTELLADORA ANDINA S A 13000	SPON ADR A	29081P204	127	13000 SH	DEFINED 0
EMCOR GROUP INC	COM	29084Q100	1802	39700 SH	DEFINED 0
EMERSON ELEC CO 73000	COM	291011104	4168	73000 SH	DEFINED 0
EMERSON ELEC CO 792830	COM	291011104	45271	792830 SH	DEFINED 0
EMISPHERE TECHNOLOGIES INC 6700	COM	291345106	214	6700 SH	DEFINED 0
EMMIS COMMUNICATIONS CORP 17400	CL A	291525103	411	17400 SH	DEFINED 0
EMPRESA NACIONAL DE ELCTRCIDAD 31000	SPONSORED ADR	29244T101	322	31000 SH	DEFINED 0
EMULEX CORP 5500	COM NEW	292475209	217	5500 SH	DEFINED 0
EMULEX CORP 7300	COM NEW	292475209	288	7300 SH	DEFINED 0
ENCOMPASS SVCS CORP	COM	29255U104	48	16492 SH	DEFINED 0
ENERGEN CORP 114500	COM	29265N108	2822	114500 SH	DEFINED 0
ENERGY EAST CORP 4500	COM	29266M109	85	4500 SH	DEFINED 0
ENERGY EAST CORP 146508	COM	29266M109	2782	146508 SH	DEFINED 0
ENERGIZER HLDGS INC 1400	COM	29266R108	27	1400 SH	DEFINED 0
ENERGIZER HLDGS INC 142441	COM	29266R108	2714	142441 SH	DEFINED 0
ENERSIS S A 19863	SPONSORED ADR	29274F104	264	19863 SH	DEFINED 0
ENGAGE INC 17100	COM	292827102	8	17100 SH	DEFINED 0
ENGELHARD CORP	COM	292845104	534	19300 SH	DEFINED 0
ENGELHARD CORP 711732	COM	292845104	19701	711732 SH	DEFINED 0
ENGINEERED SUPPORT SYS INC 9300	COM	292866100	318	9300 SH	DEFINED 0
ENESCO GROUP INC 35850	COM	292973104	226	35850 SH	DEFINED 0
ENNIS BUSINESS FORMS INC 14987	COM	293389102	144	14987 SH	DEFINED 0
ENTERASYS NETWORKS INC 18800	COM	293637104	166	18800 SH	DEFINED 0
ENTERASYS NETWORKS INC 171836	COM	293637104	1521	171836 SH	DEFINED 0
ENTERCOM COMMUNICATIONS CORP 12100	CL A	293639100	605	12100 SH	DEFINED 0
ENTERGY CORP NEW	COM	29364G103	6246	159700 SH	DEFINED 0

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ENTERGY CORP NEW 813261	COM	29364G103	31807	813261 SH	DEFINED 0
ENTERPRISE PRODS PARTNERS L P 4600	COM	293792107	216	4600 SH	DEFINED 0
ENTRUST INC 17400	COM	293848107	177	17400 SH	DEFINED 0
ENZON INC 3600	COM	293904108	203	3600 SH	DEFINED 0
ENZO BIOCHEM INC 96155	COM	294100102	2260	96155 SH	DEFINED 0
EPRESENCE INC 66200	COM	294348107	277	66200 SH	DEFINED 0
EQUIFAX INC 187600	COM	294429105	4531	187600 SH	DEFINED 0
EQUIFAX INC	COM	294429105	5125	212235 SH	DEFINED 0
EQUINIX INC 15400	COM	29444U106	45	15400 SH	DEFINED 0
EQUITABLE RES INC 2700	COM	294549100	92	2700 SH	DEFINED 0
EQUITABLE RES INC 29500	COM	294549100	1005	29500 SH	DEFINED 0
EQUITY INNS INC 19800	COM	294703103	131	19800 SH	DEFINED 0
EQUITY OFFICE PROPERTIES TRUST 26742	COM	294741103	804	26742 SH	DEFINED 0
EQUITY OFFICE PROPERTIES TRUST 683117	COM	294741103	20548	683117 SH	DEFINED 0
EQUITY RESIDENTIAL PPTYS TR 16100	SH BEN INT	29476L107	462	16100 SH	DEFINED 0
EQUITY RESIDENTIAL PPTYS TR	SH BEN INT	29476L107	9337	325202 SH	DEFINED 0
ERICSSON L M TEL CO 2662980	ADR CL B SEK10	294821400	13901	2662980 SH	DEFINED 0
ERIE INDY CO 7500	CL A	29530P102	289	7500 SH	DEFINED 0
ESCO TECHNOLOGIES INC 6400	COM	296315104	221	6400 SH	DEFINED 0
ESSEX PPTY TR INC 6500	COM	297178105	321	6500 SH	DEFINED 0
ESTERLINE TECHNOLOGIES CORP 105800	COM	297425100	1694	105800 SH	DEFINED 0
ETHAN ALLEN INTERIORS INC 124500	COM	297602104	5178	124500 SH	DEFINED 0
ETHYL CORP 21800	COM	297659104	20	21800 SH	DEFINED 0
EVERGREEN RES INC	COM NO PAR	299900308	2490	64500 SH	DEFINED 0
EXAR CORP 114200	COM	300645108	2381	114200 SH	DEFINED 0
EXCELON CORP 10029	COM	300691102	12	10029 SH	DEFINED 0
EXELON CORP 355408	COM	30161N101	17017	355408 SH	DEFINED 0
EXELON CORP 953955	COM	30161N101	45675	953955 SH	DEFINED 0
EXELIXIS INC 10100	COM	30161Q104	168	10100 SH	DEFINED 0
EXPEDIA INC 5300	CL A	302125109	215	5300 SH	DEFINED 0
EXPEDITORS INTL WASH INC 4700	COM	302130109	268	4700 SH	DEFINED 0

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EXPEDITORS INTL WASH INC	COM	302130109	3718	65278	SH	DEFINED 0
EXPRESS SCRIPTS INC 4900	COM	302182100	229	4900	SH	DEFINED 0
EXPRESS SCRIPTS INC 178955	COM	302182100	8368	178955	SH	DEFINED 0
EXTENDED STAY AMER INC 26200	COM	30224P101	430	26200	SH	DEFINED 0
EXTREME NETWORKS INC 10300	COM	30226D106	133	10300	SH	DEFINED 0
EXTREME NETWORKS INC 137800	COM	30226D106	1778	137800	SH	DEFINED 0
EXULT INC DEL 800	COM	302284104	13	800	SH	DEFINED 0
EXULT INC DEL 49400	COM	302284104	793	49400	SH	DEFINED 0
EXXON MOBIL CORP	COM	30231G102	102715	2613622	SH	DEFINED 0
EXXON MOBIL CORP 12393992	COM	30231G102	487084	12393992	SH	DEFINED 0
EXXON MOBIL CORP 689731	COM	30231G102	27106	689731	SH	DEFINED 0
FEI CO 12600	COM	30241L109	397	12600	SH	DEFINED 0
FLIR SYS INC 16500	COM	302445101	626	16500	SH	DEFINED 0
F M C CORP 8100	COM NEW	302491303	482	8100	SH	DEFINED 0
F M C CORP 228701	COM NEW	302491303	13608	228701	SH	DEFINED 0
FNB CORP PA 8737	COM	302520101	230	8737	SH	DEFINED 0
FPL GROUP INC	COM	302571104	4749	84200	SH	DEFINED 0
FPL GROUP INC 253973	COM	302571104	14324	253973	SH	DEFINED 0
F Y I INC 52450	COM	302712104	1757	52450	SH	DEFINED 0
FACTORY 2-U INC 35800	COM	303072102	717	35800	SH	DEFINED 0
FACTSET RESH SYS INC 108825	COM	303075105	3803	108825	SH	DEFINED 0
FAIR ISAAC & CO INC 66962	COM	303250104	4220	66962	SH	DEFINED 0
FAIRCHILD SEMICONDUCTOR INTL 12200	CL A	303726103	344	12200	SH	DEFINED 0
FAIRCHILD SEMICONDUCTOR INTL 10800	CL A	303726103	305	10800	SH	DEFINED 0
FAIRCHILD SEMICONDUCTOR INTL	CL A	303726103	160	5669	SH	DEFINED 0
FAMILY DLR STORES INC 46100	COM	307000109	1382	46100	SH	DEFINED 0
FAMILY DLR STORES INC 231400	COM	307000109	6937	231400	SH	DEFINED 0
FASTENAL CO 5200	COM	311900104	345	5200	SH	DEFINED 0
FASTENAL CO 11600	COM	311900104	771	11600	SH	DEFINED 0
FEDDERS CORP 111175	COM	313135105	338	111175	SH	DEFINED 0
FEDERAL HOME LN MTG CORP 247400	COM	313400301	16180	247400	SH	DEFINED 0

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FEDERAL HOME LN MTG CORP 1448432	COM	313400301	94727	1448432	SH	DEFINED 0
FEDERAL MOGUL CORP	COM	313549107	16	19900	SH	DEFINED 0
FEDERAL NATL MTG ASSN 446400	COM	313586109	35489	446400	SH	DEFINED 0
FEDERAL NATL MTG ASSN 1964178	COM	313586109	156152	1964178	SH	DEFINED 0
FEDERAL REALTY INVT TR 11900	SH BEN INT NEW	313747206	274	11900	SH	DEFINED 0
FEDERAL SIGNAL CORP 20733	COM	313855108	462	20733	SH	DEFINED 0
FEDERATED DEPT STORES INC DEL 29900	COM	31410H101	1223	29900	SH	DEFINED 0
FEDERATED DEPT STORES INC DEL 1055967	COM	31410H101	43189	1055967	SH	DEFINED 0
FEDERATED INVS INC PA 26200	CL B	314211103	835	26200	SH	DEFINED 0
FEDERATED INVS INC PA	CL B	314211103	1272	39900	SH	DEFINED 0
FEDEX CORP 243100	COM	31428X106	12612	243100	SH	DEFINED 0
FEDEX CORP 499707	COM	31428X106	25925	499707	SH	DEFINED 0
FELCOR LODGING TR INC 37090	COM	31430F101	620	37090	SH	DEFINED 0
FERRO CORP 34050	COM	315405100	878	34050	SH	DEFINED 0
FIDELITY NATL FINL INC 491827	COM	316326107	12197	491827	SH	DEFINED 0
FIFTH THIRD BANCORP 390236	COM	316773100	23933	390236	SH	DEFINED 0
FIFTH THIRD BANCORP 801212	COM	316773100	49138	801212	SH	DEFINED 0
FILENET CORP	COM	316869106	2442	120350	SH	DEFINED 0
FINANCIAL FED CORP 49300	COM	317492106	1541	49300	SH	DEFINED 0
FINISAR 3700	COM	31787A101	38	3700	SH	DEFINED 0
FINISAR 17700	COM	31787A101	180	17700	SH	DEFINED 0
FINOVA GROUP INC 15300	COM	317928109	9	15300	SH	DEFINED 0
FIRST AMERN CORP CALIF 243300	COM	318522307	4559	243300	SH	DEFINED 0
FIRST BANCORP P R 77100	COM	318672102	2197	77100	SH	DEFINED 0
FIRST CHARTER CORP 11600	COM	319439105	196	11600	SH	DEFINED 0
FIRST CTZNS BANCSHARES INC N C	CL A	31946M103	254	2600	SH	DEFINED 0
FIRST COMWLTH FINL CORP PA 22100	COM	319829107	255	22100	SH	DEFINED 0
FIRST DATA CORP 156600	COM	319963104	12285	156600	SH	DEFINED 0
FIRST DATA CORP 815958	COM	319963104	64012	815958	SH	DEFINED 0
FIRST FINL BANCORP OH 11220	COM	320209109	198	11220	SH	DEFINED 0
FIRST FINL BANKSHARES 6925	COM	32020R109	208	6925	SH	DEFINED 0

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FIRST HORIZON PHARMACEUTICAL 7100	COM	32051K106	209	7100 SH	DEFINED 0
FIRST INDUSTRIAL REALTY TRUST 24700	COM	32054K103	768	24700 SH	DEFINED 0
FIRST MIDWEST BANCORP DEL	COM	320867104	4971	170299 SH	DEFINED 0
FIRST HEALTH GROUP CORP 23800	COM	320960107	589	23800 SH	DEFINED 0
FIRST HEALTH GROUP CORP 118799	COM	320960107	2939	118799 SH	DEFINED 0
FIRST NIAGARA FINL GROUP INC 16100	COM	33582U100	271	16100 SH	DEFINED 0
FIRST REP BK SAN FRANCISCO 37500	COM	336158100	906	37500 SH	DEFINED 0
FIRST SENTINEL BANCORP INC 12600	COM	33640T103	158	12600 SH	DEFINED 0
FIRST TENN NATL CORP 600	COM	337162101	22	600 SH	DEFINED 0
FIRST TENN NATL CORP 135051	COM	337162101	4897	135051 SH	DEFINED 0
FIRST VA BANKS INC	COM	337477103	56	1100 SH	DEFINED 0
FIRST VA BANKS INC 31400	COM	337477103	1594	31400 SH	DEFINED 0
FISERV INC 178850	COM	337738108	7569	178850 SH	DEFINED 0
FISERV INC 266230	COM	337738108	11267	266230 SH	DEFINED 0
FIRSTFED FINL CORP 62600	COM	337907109	1604	62600 SH	DEFINED 0
FIRSTMERIT CORP 2000	COM	337915102	54	2000 SH	DEFINED 0
FIRSTMERIT CORP 47544	COM	337915102	1288	47544 SH	DEFINED 0
FIRSTENERGY CORP 330538	COM	337932107	11562	330538 SH	DEFINED 0
FIRSTENERGY CORP	COM	337932107	32586	931566 SH	DEFINED 0
FISHER SCIENTIFIC INTL INC 15200	COM NEW	338032204	444	15200 SH	DEFINED 0
FLEETBOSTON FINL CORP 628589	COM	339030108	22943	628589 SH	DEFINED 0
FLEETBOSTON FINL CORP 2719156	COM	339030108	99249	2719156 SH	DEFINED 0
FLEETBOSTON FINL CORP 43199	COM	339030108	1577	43199 SH	DEFINED 0
FLEETWOOD ENTERPRISES INC 115250	COM	339099103	1306	115250 SH	DEFINED 0
FLEMING COS INC 248375	COM	339130106	4595	248375 SH	DEFINED 0
FLORIDA EAST COAST INDS 13700	CL A	340632108	317	13700 SH	DEFINED 0
FLORIDA ROCK INDS INC	COM	341140101	3048	83312 SH	DEFINED 0
FLUOR CORP NEW 138500	COM	343412102	5180	138500 SH	DEFINED 0
FLUOR CORP NEW 397042	COM	343412102	14849	397042 SH	DEFINED 0
FLOW INTL CORP 40200	COM	343468104	497	40200 SH	DEFINED 0
FLOWERS FOODS INC 5157	COM	343498101	206	5157 SH	DEFINED 0

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FLOWSERVE CORP 21424	COM	34354P105	570	21424 SH	DEFINED 0
FOOT LOCKER INC 18300	COM	344849104	286	18300 SH	DEFINED 0
FOOTSTAR INC 60744	COM	344912100	1901	60744 SH	DEFINED 0
FORD MTR CO DEL FORD MTR CO DEL 3186018	COM PAR \$0.01	345370860	18921	1203643 SH	DEFINED 0
FOREST CITY ENTERPRISES INC 11550	CL A	345550107	447	11550 SH	DEFINED 0
FOREST LABS INC 139700	COM	345838106	11448	139700 SH	DEFINED 0
FOREST LABS INC 277200	COM	345838106	22717	277200 SH	DEFINED 0
FOREST OIL CORP 10900	COM PAR \$0.01	346091705	307	10900 SH	DEFINED 0
FORTUNE BRANDS INC 148900	COM	349631101	5895	148900 SH	DEFINED 0
FORTUNE BRANDS INC 233788	COM	349631101	9256	233788 SH	DEFINED 0
FORWARD AIR CORP	COM	349853101	2027	59750 SH	DEFINED 0
FOSSIL INC 98975	COM	349882100	2078	98975 SH	DEFINED 0
FOUNDRY NETWORKS INC 11600	COM	35063R100	95	11600 SH	DEFINED 0
4 KIDS ENTMT INC 33300	COM	350865101	667	33300 SH	DEFINED 0
FOX ENTMT GROUP INC 8000	CL A	35138T107	212	8000 SH	DEFINED 0
FOX ENTMT GROUP INC 32400	CL A	35138T107	860	32400 SH	DEFINED 0
FRANKLIN COVEY CO 56600	COM	353469109	341	56600 SH	DEFINED 0
FRANKLIN RES INC 135400	COM	354613101	4776	135400 SH	DEFINED 0
FRANKLIN RES INC	COM	354613101	12642	358444 SH	DEFINED 0
FREDS INC 9150	CL A	356108100	375	9150 SH	DEFINED 0
FREEMARKETS INC 35800	COM	356602102	858	35800 SH	DEFINED 0
FREEPORT-MCMORAN COPPER & GOLD 417700	CL B	35671D857	5593	417700 SH	DEFINED 0
FREEPORT-MCMORAN COPPER & GOLD 210944	CL B	35671D857	2825	210944 SH	DEFINED 0
FREMONT GEN CORP 205220	COM	357288109	1605	205220 SH	DEFINED 0
FRESENIUS MED CARE AG 274574	SPON ADR PEF	358029205	4009	274574 SH	DEFINED 0
FRIEDMAN INDS INC 22902	COM	358435105	55	22902 SH	DEFINED 0
FRONTIER AIRLINES INC NEW	COM	359065109	1334	78450 SH	DEFINED 0
FRONTIER FINL CORP WASH 8100	COM	35907K105	212	8100 SH	DEFINED 0
FRONTIER OIL CORP 55000	COM	35914P105	915	55000 SH	DEFINED 0
FRONTLINE CAP GROUP 15400	COM	35921N101	2	15400 SH	DEFINED 0

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FUELCELL ENERGY INC 19200	COM	35952H106	348	19200	SH	DEFINED 0
FULLER H B CO 29100	COM	359694106	837	29100	SH	DEFINED 0
FULTON FINL CORP PA 2500	COM	360271100	55	2500	SH	DEFINED 0
FULTON FINL CORP PA 7665	COM	360271100	167	7665	SH	DEFINED 0
FURNITURE BRANDS INTL INC	COM	360921100	2760	86200	SH	DEFINED 0
G & K SVCS INC 81800	CL A	361268105	2642	81800	SH	DEFINED 0
GATX CORP 2000	COM	361448103	65	2000	SH	DEFINED 0
GATX CORP 31900	COM	361448103	1037	31900	SH	DEFINED 0
GBC BANCORP CALIF 41600	COM	361475106	1227	41600	SH	DEFINED 0
GABLES RESIDENTIAL TR 7700	SH BEN INT	362418105	228	7700	SH	DEFINED 0
GALLAGHER ARTHUR J & CO 13300	COM	363576109	459	13300	SH	DEFINED 0
GALLAGHER ARTHUR J & CO 55500	COM	363576109	1914	55500	SH	DEFINED 0
GANNETT INC	COM	364730101	5667	84300	SH	DEFINED 0
GANNETT INC 450187	COM	364730101	30266	450187	SH	DEFINED 0
GAP INC DEL 957922	COM	364760108	13353	957922	SH	DEFINED 0
GAP INC DEL 1181061	COM	364760108	16464	1181061	SH	DEFINED 0
GAP INC DEL 72283	COM	364760108	1008	72283	SH	DEFINED 0
GARDNER DENVER INC 43600	COM	365558105	973	43600	SH	DEFINED 0
GARTNER INC 15900	COM	366651107	186	15900	SH	DEFINED 0
GARTNER INC 47105	CL B	366651206	528	47105	SH	DEFINED 0
GATEWAY INC	COM	367626108	155	19300	SH	DEFINED 0
GATEWAY INC 451472	COM	367626108	3630	451472	SH	DEFINED 0
GATEWAY INC						s on the ability of foreign companies to conduct business in that

In addition, although base wages are lower in the Philippines than in the United States, wages for our employees in the Philippines are increasing, which could result in increased costs to employ our manufacturing engineers. As of September 30, 2006, approximately 93% of SunPower's employees were located in the Philippines. We also are faced with competition in the Philippines for employees, and we expect this competition to increase as additional solar companies enter the market and expand their operations. In particular, there may be limited availability of qualified manufacturing engineers. We have benefited from an excess of supply over demand for college graduates in the field of engineering in the Philippines. If this favorable imbalance changes due to increased competition, it could affect the availability or cost of qualified employees, who are critical to our performance. This could increase our costs and turnover rates.

A significant portion of our operations occur outside the United States. Currency fluctuations in the Euro, Philippine peso or the South Korean won relative to the U.S. dollar could decrease revenue or increase its expenses.

During the nine months ended September 30, 2006, approximately 70% of SunPower's total revenue, on a pro forma basis for the Merger, was generated outside the United States. We presently have currency exposure arising from sales, capital equipment purchases, prepayments and customer advances denominated in foreign currencies. A majority of SunPower's total revenue is denominated in Euros, including fixed price

agreements with Conergy and Solon, and a significant portion is denominated in U.S. dollars, while a portion of SunPower's costs are incurred and paid in Euros and a smaller portion of SunPower's expenses are paid in Philippine pesos and Japanese yen. In addition, SunPower's prepayment to Wacker-Chemie AG, a polysilicon supplier to SunPower, and SunPower's customer advances from Solon are denominated in Euros. In 2005 and for the nine months ended September 30, 2006, approximately 19% and 34%, respectively, of PowerLight's total revenue was generated outside the U.S. PowerLight presently has currency exposure arising from both sales and purchases denominated in foreign currencies. A large portion of PowerLight's total revenue is denominated in Euros, and a significant portion of its costs are incurred and paid in Euros.

We are exposed to the risk of a decrease in the value of the Euro relative to the U.S. dollar, which would decrease our total revenue. Changes in exchange rates between foreign currencies and the U.S. dollar may adversely affect our operating margins. For example, if these foreign currencies appreciate against the U.S. dollar, it will make it more expensive in terms of U.S. dollars to purchase inventory or pay expenses with foreign currencies. In addition, currency devaluation can result in a loss to us if we hold deposits of that currency as well as make our products, which are usually purchased with U.S. dollars, relatively more expensive than products manufactured locally. An increase in the value of the U.S. dollar relative to foreign currencies could make our solar cells more expensive for international customers, thus potentially leading to a reduction in our sales and

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profitability. Furthermore, many of our competitors will be foreign companies that could benefit from such a currency fluctuation, making it more difficult for us to compete with those companies. We currently conduct hedging activities, which involve the use of currency forward contracts. We cannot predict the impact of future exchange rate fluctuations on our business and operating results. In the past, we have experienced an adverse impact on our total revenue and profitability as a result of foreign currency fluctuations.

The current tax holidays in the Philippines will expire within the next several years.

We currently benefit from income tax holiday incentives in the Philippines pursuant to our Philippine subsidiary's registrations with the Board of Investments and Philippine Economic Zone Authority, which provide that we pay no income tax in the Philippines for four years pursuant to our Board of Investments non-pioneer status and Philippine Economic Zone Authority registrations, and six years pursuant to our Board of Investments pioneer status registration. Our current income tax holidays expire in 2010, and we intend to apply for extensions. However, these tax holidays may or may not be extended. We believe that as our Philippine tax holidays expire, (a) gross income attributable to activities covered by our Philippine Economic Zone Authority registrations will be taxed at a 5% preferential rate, and (b) our Philippine net income attributable to all other activities will be taxed at the statutory Philippine corporate income tax rate of 32%. As of yet no tax benefit has been realized from the income tax holiday due to operating losses in the Philippines.

We may not be able to increase or sustain our recent growth rate, and we may not be able to manage our future growth effectively.

We may be unable to continue to expand our business or manage future growth. Our recent expansion has placed, and our planned expansion and any other future expansion will continue to place, a significant strain on our management, personnel, systems and resources. We plan to purchase additional equipment to significantly expand our manufacturing capacity and to hire additional employees to support an increase in manufacturing, research and development and our sales and marketing efforts. To successfully manage our growth and handle the responsibilities of being a public company, we believe we must effectively:

hire, train, integrate and manage additional qualified engineers for research and development activities, sales and marketing personnel, and financial and information technology personnel;

retain key management and augment our management team, particularly if we lose key members;

continue to enhance our customer resource management and manufacturing management systems;

implement and improve additional and existing administrative, financial and operations systems, procedures and controls, including the need to integrate our financial internal control systems in our Philippines facility with those of our San Jose, California headquarters;

expand and upgrade our technological capabilities; and

manage multiple relationships with our customers, suppliers and other third parties.

PowerLight experienced significant revenue growth due primarily to the development and market acceptance of its PowerGuard® roof system, the acquisition and introduction of its PowerTracker® ground and elevated parking systems, its development of other technologies and increasing global interest and demand for renewable energy sources, including solar power generation. As a result, PowerLight increased its revenues in a relatively short period of time. Its annual revenue increased from \$50.9 million in 2003 to \$87.6 million in 2004 to \$107.8 million in 2005, and from \$66.7 million to \$140.1 million for the nine months ended September 30, 2005 and 2006, respectively. Our PowerLight business may not experience similar revenue growth in future periods. Accordingly, you should not rely on the results of any prior quarterly or annual period as an indication of the future operating performance of our PowerLight business.

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We may encounter difficulties in effectively managing the budgeting, forecasting and other process control issues presented by rapid growth. If we are unable to manage our growth effectively, we may not be able to take

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advantage of market opportunities, develop new solar cells and other products, satisfy customer requirements, execute our business plan or respond to competitive pressures.

We had approximately 1,630 full-time employees as of January 1, 2007, on a pro forma combined basis, and we anticipate that we will need to hire a significant number of highly skilled technical, manufacturing, sales, marketing, administrative and accounting personnel. The competition for qualified personnel is intense in our industry. We may not be successful in attracting and retaining sufficient numbers of qualified personnel to support our anticipated growth. Since we are a public company, may have more difficulty than our private competitors in attracting personnel because of the perception that the stock option component of our compensation package may not be as valuable.

The success of our PowerLight business will depend in part on the continuing formation of such companies and the potential revenue source they represent. In deciding whether to form and invest in such companies, potential investors weigh a variety of considerations, including their projected return on investment. Such projections are based on current and proposed federal, state and local laws, particularly tax legislation. Changes to these laws, including amendments to existing tax laws or the introduction of new tax laws, tax court rulings as well as changes in administrative guidelines, ordinances and similar rules and regulations could result in different tax assessments and may adversely affect an investor's projected return on investment, which could have a material adverse effect on our business and results of operations.

The steps we have taken to increase the efficiency of our polysilicon utilization are unproven at volume production levels and may not enable us to realize the cost reductions we anticipate.

Given the polysilicon shortage, we believe the efficient use of polysilicon will be critical to our ability to reduce our manufacturing costs. We continue to implement several measures to increase the efficient use of polysilicon in our manufacturing process. For example, we are developing processes to utilize thinner wafers which require less polysilicon and improved wafer-slicing technology to reduce the amount of material lost while slicing wafers, otherwise known as kerf loss. Although we have implemented some production on thinner wafers and anticipate further reductions in wafer thickness, these methods may have unforeseen negative consequences on our yields or our solar cell efficiency or reliability once they are put into large-scale commercial production or they may not enable us to realize the cost reductions we hope to achieve.

PowerLight recognized revenue on a percent completion basis and upon the achievement of contractual milestones. We intend to recognize revenue from projects our PowerLight business on a similar basis, and any delay or cancellation of a project could adversely affect our business.

PowerLight recognized revenue on a percent completion basis and, as a result, the revenue from this business was driven by its performance of its contractual obligations, which is generally driven by timelines for the installation of its solar power systems at customer sites. We will recognize revenue from projects of the PowerLight business on a similar basis. As a consequence of the Merger, we will delay the recognition of revenue from sales of cells and panels to PowerLight until PowerLight recognizes revenue. This could result in unpredictability of revenue and, in the near term, a revenue decrease. As with any project-related business, there is the potential for delays within any particular customer project. Variation of project timelines and estimates may impact our ability to recognize revenue in a particular period. In addition, certain customer contracts may include payment milestones due at specified points during a project. Because our PowerLight business usually must invest substantial time and incur significant expense in advance of achieving milestones and the receipt of payment, failure to achieve such milestones could adversely affect our business and results of operations.

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Our PowerLight business sales cycles can be longer than those of SunPower and may require significant upfront investment by it which may not ultimately result in signing of a sales contract, which could materially adversely affect our business and results of operations.

Our PowerLight business sales cycles, which measure the time between its first contact with a customer and the signing of a sales contract for a particular project, vary substantially and average approximately eight months. Sales cycles for the PowerLight business systems are lengthy for a number of reasons, including:

its customers often delay purchasing decisions until their eligibility for an installation rebate is confirmed, which generally takes several months;

the long time required to secure adequate financing for system purchases on terms acceptable to customers; and

the customer's review and approval processes for system purchases are lengthy and time consuming.

As a result of these long sales cycles, our PowerLight business must make significant upfront investments of resources in advance of the signing of sales contracts and the receipt of any revenues, most of which are not recognized for several additional months following contract signing. Accordingly, our PowerLight business must focus its limited resources on sales opportunities that it believes it can secure. Its inability to enter into sales contracts with potential customers after it makes such an investment could have a material adverse effect on our business and results of operations.

We depend on a combination of our own wafer-slicing operations and those of other vendors for the wafer-slicing stage of our manufacturing, and any technical problems, breakdowns, delays or cost increases could significantly delay our manufacturing operations, decrease our output and increase our costs.

We have historically depended on the wafer-slicing operations of third-party vendors to slice ingots into wafers. We have established our own wafer-slicing operations, and in the first nine months of 2006, we sliced approximately 61% of our wafers. If our third-party vendors increase their prices or decrease or discontinue their shipments to us, as a result of equipment malfunctions, competing purchasers or otherwise, and we are unable to obtain substitute wafer-slicing from another vendor on acceptable terms, or increase our own wafer-slicing operations on a timely basis, our sales will decrease, our costs may increase or our business will otherwise be harmed.

We obtain capital equipment used in our manufacturing process from sole suppliers and if this equipment is damaged or otherwise unavailable, our ability to deliver products on time will suffer, which in turn could result in order cancellations and loss of revenue.

Some of the capital equipment used in the manufacture of our solar power products and in our wafer-slicing operations has been developed and made specifically for us, is not readily available from multiple vendors and would be difficult to repair or replace if it were to become damaged or stop working. In addition, we currently obtain the equipment for many of our manufacturing processes from sole suppliers and we obtain our wafer-slicing equipment from one supplier. If any of these suppliers were to experience financial difficulties or go out of business, or if there were any damage to or a breakdown of our manufacturing or wafer-slicing equipment at a time when we are manufacturing commercial quantities of our products, our business would suffer. In addition, a supplier's failure to supply this equipment in a timely manner, with adequate quality and on terms acceptable to us, could delay our capacity expansion of our manufacturing facility and otherwise disrupt our production schedule or increase our costs of production.

We generally do not have long-term agreements with our customers and accordingly could lose customers without warning.

We do not have long-term agreements with customers but instead operate on a purchase order basis. PowerLight is typically contracted to perform large project with no assurance of repeat business from the same

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customers in the future. Although we believe that cancellations on our purchase orders to date have been insignificant, our customers may cancel or reschedule purchase orders with us on relatively short notice. Cancellations or rescheduling of customer orders could result in the delay or loss of anticipated sales without allowing us sufficient time to reduce, or delay the incurrence of, our corresponding inventory and operating expenses. In addition, changes in forecasts or the timing of orders from these or other customers expose us to the risks of inventory shortages or excess inventory. This, in addition to the completion and non-repetition of large PowerLight projects, in turn could cause our operating results to fluctuate.

Sales contracts for PowerLight's products with increasing frequency have begun to include provisions regarding liquidated damages for installation delays, electricity generation or other solar power system performance guarantees and conditional payments. If they continue, such provisions will put us at economic risk for future uncertain events.

Some of PowerLight's larger customers require that it pay substantial liquidated damages for each day or other period its solar installation is not completed beyond an agreed target date. This is particularly true in Europe, where long-term, fixed feed-in tariffs available to investors are typically set during the year of project completion, but the fixed amount declines over time for projects completed in subsequent years. In addition, investors often require that the solar power system generate specified levels of electricity in order to maintain their investment returns, allocating risk and financial penalties to PowerLight if those levels are not achieved. Furthermore, its customers often require protections in the form of conditional payments, payment retentions or holdbacks, and similar arrangements that condition its future payments on performance. Delays in solar panel or other supply shipments, other construction delays, unexpected performance problems in electricity generation or other events could cause our PowerLight business to fail to meet these performance criteria, resulting in unanticipated revenue and earnings losses and financial penalties. If the trend for requiring such provisions continues, our PowerLight business would be subject to the same risks as PowerLight prior to the Merger, which could have a material adverse effect on our business and results of operations.

PowerLight prior to the Merger usually acted as the general contractor for its customers in connection with the installations of its solar power systems and was subject to risks associated with cost overruns, delays and other contingencies. We intend to operate the PowerLight business in the same manner, and will be subject to the same risks.

PowerLight prior to the merger acted as the general contractor for its customers in connection with the installation of its solar power systems. All essential costs were estimated at the time of entering into the sales contract for a particular project, and these were reflected in the overall price that it charges its customers for the project. These cost estimates were preliminary and may or may not be covered by contracts between PowerLight or the other project developers, subcontractors, suppliers and other parties to the project. In addition, PowerLight required qualified, licensed subcontractors to install most of its systems. Shortages of such skilled labor could significantly delay a project or otherwise increase PowerLight's costs. Should miscalculations in planning a project or defective or late execution occur, PowerLight may not have achieved its expected margins or cover its costs. In particular, construction delays, including those caused by inclement weather, failure to timely receive necessary approvals and permits, or delays in obtaining necessary solar panels, inverters or other materials. Because we intend to operate our PowerLight business in the same manner, our PowerLight business could be subject to the same risks, and such risks could have a material adverse effect on our business and results of operations.

Our PowerLight business could be adversely affected by seasonal trends and construction cycles.

Our PowerLight business is subject to significant industry-specific seasonal fluctuations. Its sales have historically reflected these seasonal trends with the largest percentage of total revenues being realized during the last two calendar quarters. Low seasonal demand normally results in reduced shipments and revenues in the first two calendar quarters. There are various reasons for this seasonality, mostly related to economic incentives and

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weather patterns. For example, in European countries with feed-in tariffs, the construction of solar power systems is concentrated during the second half of the calendar year, largely due to the annual reduction of the applicable minimum feed-in tariff and the fact that the coldest winter months are January through March. In the United States, customers will sometimes make purchasing decisions towards the end of the year in order to take advantage of tax credits or for other budgetary reasons.

In addition, to the extent the PowerLight business is successful in implementing its strategy to enter the new home development market, it expects the seasonality of its business and financial results to become more pronounced as sales in this market are often tied to construction market demands which tend to follow national trends in construction, including declining sales during cold weather months.

The expansion of our PowerLight business into the residential market may increase its exposure to certain risks, including class action product liability claims.

PowerLight has expanded into the residential market by beginning to sell its systems to large production homebuilders. It currently expects this new growth strategy to initially focus on new home development projects in excess of 50 homes, though it considers projects below this amount. As part of this strategy, PowerLight developed SunTile[®], a product that integrates a solar panel into a roof tile. To date PowerLight has focused on large-scale commercial applications and has almost no experience serving the residential market.

Our PowerLight business' new residential products and services may not gain market acceptance and it may not otherwise be successful in entering the residential market, which would limit its growth and adversely affect our operating results. Furthermore, the residential construction market has peculiar characteristics that may increase its exposure to certain risks it currently faces or expose it to new risks. These risks include increased seasonality, sensitivity to interest rates and other macroeconomic conditions, as well as enhanced legal exposure. In particular, new home developments often result in class action litigation when one or more homes within a development experiences construction problems. Unlike our PowerLight business' core activities, where it typically acts as general contractor, it will be generally acting as subcontractor to homebuilders overseeing the development projects. In many instances subcontractors may be held liable for work of the homebuilder or other subcontractors. In addition, homebuilders often require onerous indemnification obligations that effectively allocate most of the potential liability from homeowner or class action lawsuits to subcontractors, including our PowerLight business. Insurance policies for its residential work have significant limitations on coverage that may render such policies inapplicable to these lawsuits. If our PowerLight business is not successful in entering the new residential construction market, or if as a result of the litigation and indemnification risks associated with such market, our PowerLight business incurs significant costs, our business and results of operations could be materially adversely affected.

If we fail to successfully develop and introduce new products and services, we will not be able to compete effectively, and our ability to generate revenues will suffer.

As we introduce new or enhanced products or integrate PowerLight's or other new technology into our products, we will face risks relating to such transitions including, among other things, technical challenges, disruption in customers' ordering patterns, insufficient supplies of new products to meet customers' demand, possible product and technology defects arising from the integration of new technology and a potentially different sales and support environment relating to any new technology. Our failure to manage the transition to newer products or the integration of newer technology into our products could adversely affect our business' operating results and financial results.

The solar power market is characterized by continually changing technology requiring improved features, such as increased efficiency and higher power output and improved aesthetics. This will require us to continuously develop new solar power products and enhancements for existing solar power products to keep pace with evolving industry standards and changing customer requirements. Technologies developed by others may

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prove more advantageous than ours for the commercialization of solar power products and may render our technology obsolete. Our failure to further refine our technology and develop and introduce new solar power products could cause our products to become uncompetitive or obsolete, which could reduce our market share and cause our sales to decline. SunPower's research and development expense was \$7.1 million in the nine months ended September 30, 2006 and \$6.5 million in fiscal year 2005. PowerLight's net research and development expense after deduction for government funding was \$0.5 million in the nine months ended September 30, 2006 and \$0.5 million in fiscal year 2005. PowerLight's total research and development expense before government funding was \$1.6 million in the nine months ended September 30, 2006 and \$2.1 million in fiscal year 2005. We will need to invest significant financial resources in research and development to maintain our market position, keep pace with technological advances in the solar power industry and effectively compete in the future.

Evaluating our business and future prospects may be difficult due to our limited history in producing and shipping solar cells and solar panels in commercial volumes.

There is limited historical information available about our company upon which you can base your evaluation of our business and prospects. Although we began to develop and commercialize high-efficiency solar cell technology for use in solar concentrators in 1988 and began shipping product from our pilot manufacturing facility in 2003, we shipped our first commercial A-300 solar cells from our Philippines manufacturing facility in late 2004. Relative to the entire solar industry, we have shipped only a limited number of solar cells and solar panels and have recognized limited revenue. Our future success will require us to continue to scale our Philippines facilities significantly beyond their current capacity. In addition, our business model, technology and ability to achieve satisfactory manufacturing yields at higher volumes are unproven at significant scale. As a result, you should consider our business and prospects in light of the risks, expenses and challenges that we will face as an early-stage company seeking to develop and manufacture new products in a rapidly growing market.

Our reliance on government programs to partially fund our research and development programs could impair our ability to commercialize our solar power products and services and increase our research and development expenses.

We intend to continue our policy of selectively pursuing contract research, product development and market development programs funded by various agencies of the federal and state governments to complement and enhance our own resources. Funding from government grants is recorded as an offset to our research and development expense. For the nine months ended September 30, 2006, funding from government grants offset a majority of PowerLight's research and development expense and offset SunPower's research and development expense by approximately 9.7%.

These government agencies may not continue their commitment to programs relevant to our development projects. Moreover, we may not be able to compete successfully to obtain funding through these or other programs. A reduction or discontinuance of these programs or of our participation in these programs would materially increase our research and development expenses, which would adversely affect our profitability and could impair our ability to develop our solar power products and services. In addition, contracts involving government agencies may be terminated or modified at the convenience of the agency. Many of our PowerLight business' government contracts also contain royalty provisions that require it to pay certain amounts based on specified formulas. Government contracts are subject to audit and governmental agencies may dispute its royalty calculations. Any such dispute could result in fines, increased royalty payments, cancellation of the agreement or other penalties, which could have material adverse affect on our business and results of operations.

Our PowerLight business' government-sponsored research contracts require that it provide regular written technical updates on a monthly, quarterly or annual basis, and, at the conclusion of the research contract, a final report on the results of its technical research. Because these reports are generally available to the public, third parties may obtain some aspects of its sensitive confidential information. Moreover, the failure to provide

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accurate or complete reports may provide the government with rights to any intellectual property arising from the related research.

Funding from government contracts also may limit when and how we can deploy our products and services developed under those contracts. In addition, technology and intellectual property that we develop with government funding provides the government with march-in rights. March-in rights refer to the right of the government or a government agency to require us to grant a license to the developed technology or products to a responsible applicant or, if it refuses, the government may grant the license itself. The government can exercise its march-in rights if it determines that action is necessary because we fail to achieve practical application of the technology or because action is necessary to alleviate health or safety needs, to meet requirements of federal regulations or to give the United States industry preference.

Since we cannot test our solar panels for the duration of our standard 25-year warranty period, we may be subject to unexpected warranty expense.

Our current standard product warranty for our solar panels includes a 10-year warranty period for defects in material and workmanship and a 25-year warranty period for declines in power performance as well as a one-year warranty on the functionality of our solar cells. We believe our warranty periods are consistent with industry practice. Due to the long warranty period and our proprietary technology, we bear the risk of extensive warranty claims long after we have shipped product and recognized revenue. We have sold solar cells only since late 2004. Any increase in the defect rate of our products would cause us to increase the amount of warranty reserves and have a corresponding negative impact on our results. Although we conduct accelerated testing of our solar cells and have several years of experience with our all back contact cell architecture, our solar panels have not and cannot be tested in an environment simulating the 25-year warranty period. In the second quarter of 2006, we increased our estimated warranty provision rate, which increased our warranty reserve by approximately \$1.0 million. This change in estimate was based on results of recent testing that simulates adverse environmental conditions and potential failure rates our solar panels could experience during their 25-year warranty period. As a result of the foregoing, we may be subject to unexpected warranty expense, which in turn would harm our financial results.

Because the markets in which we compete are highly competitive and many of our competitors have greater resources than us, we may not be able to compete successfully and we may lose or be unable to gain market share.

We compete with a large number of competitors in the solar power market, including BP Solar International Inc., Evergreen Solar, Inc., Mitsubishi Electric Corporation, Q-Cells AG, Sanyo Corporation, Sharp Corporation, SolarWorld AG and Suntech Power Holdings Co., Ltd. In addition, universities, research institutions and other companies are developing alternative technologies such as thin films and concentrators, which may compete with our technology. We expect to face increased competition in the future. Further, many of our competitors are developing and are currently producing products based on new solar power technologies that may ultimately have costs similar to, or lower than, our projected costs.

Our PowerLight business solar power products and services compete against other power generation sources including conventional fossil fuels supplied by utilities, other alternative energy sources such as wind, biomass, CSP and emerging distributed generation technologies such as micro-turbines, sterling engines and fuel cells. In the large-scale on-grid solar power systems market, we will face direct competition from a number of companies that manufacture, distribute, or install solar power systems. Many of these companies sell PowerLight's products as well as their own or those of other manufacturers. Our PowerLight business primary competitors in the United States include Arizona Public Service Company, BP Solar International, Inc., a subsidiary of BP p.l.c., Conergy Inc., Dome-Tech Group, Eastwood Energy, EI Solutions, Inc., GE Energy, a subsidiary of General Electric Corporation, Global Solar Energy, Inc., a subsidiary of Solon, Power-Fab, Schott Solar, Inc., Solar Integrated Technologies, Inc., SPG Solar, Inc., Sun Edison LLC, SunTechnics Installation &

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Services, Inc., Thompson Technology Industries, Inc. and WorldWater & Power Corporation. Our PowerLight business primary competitors in Europe include BP Solar, Conergy (through its subsidiaries AET Alternative Energie Technik GmbH, SunTechnics Solartechnik GmbH and voltwerk AG), PV-Systemtechnik Gbr, SAG Solarstrom AG, Solon AG and Taufer Solar GmbH. Additionally, our PowerLight business will occasionally compete with distributed generation equipment suppliers such as Caterpillar, Inc. and Cummins Inc. Other existing and potential competitors in the solar power market include universities and research institutions. We also expect that future competition will include new entrants to the solar power market offering new technological solutions. As we enter new markets and pursue additional applications for our PowerLight business products and services, we expect to face increased competition, which may result in price reductions, reduced margins or loss of market share.

Competition is intense, and many of our competitors have significantly greater access to financial, technical, manufacturing, marketing, management and other resources than we do. Many also have greater name recognition, a more established distribution network and a larger installed base of customers. In addition, many of our competitors have well-established relationships with our current and potential suppliers, resellers and their customers and have extensive knowledge of our target markets. As a result, these competitors may be able to devote greater resources to the research, development, promotion and sale of their products and respond more quickly to evolving industry standards and changing customer requirements than we will be able to. Consolidation or strategic alliances among such competitors may strengthen these advantages and may provide them greater access to customers or new technologies. We may also face competition from some of PowerLight's resellers, who may develop products internally that compete with our PowerLight business product and service offerings, or who may enter into strategic relationships with or acquire other existing solar power system providers. To the extent that government funding for research and development grants, customer tax rebates and other programs that promote the use of solar and other renewable forms of energy are limited, we will compete for such funds, both directly and indirectly, with other renewable energy providers and their customers.

If we cannot compete successfully in the solar power industry, our operating results and financial condition will be adversely affected. Furthermore, we expect competition in our PowerLight business markets to increase, which could result in lower prices or reduced demand for our PowerLight business services and have a material adverse effect on our business and results of operations.

The demand for products requiring significant initial capital expenditures such as our solar power products is affected by general economic conditions.

The United States and international economies have recently experienced a period of slow economic growth. A sustained economic recovery is uncertain. In particular, terrorist acts and similar events, continued turmoil in the Middle East or war in general could contribute to a slowdown of the market demand for products that require significant initial capital expenditures, including demand for solar cells and solar power systems and new residential and commercial buildings. In addition, increases in interest rates may increase financing costs to customers, which in turn may decrease demand for our solar power products. If the economic recovery slows down as a result of the recent economic, political and social turmoil, or if there are further terrorist attacks in the United States or elsewhere, we may experience decreases in the demand for our solar power products, which may harm our operating results.

Increases in interest rates may decrease the return on investment for certain customers or investors in projects of our PowerLight business, which could decrease demand for its products and services and which could have a material adverse effect on our business and results of operations.

PowerLight's business has benefited from historically low interest rates in recent years, as these rates have made it more attractive for its customers to use debt financing to purchase its solar power systems. Interest rates have been rising and may continue to rise, which will likely increase the cost of financing these systems and may reduce an operating company's profits and investors' expected returns on investment. Rising interest rates may

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also make certain alternative investments more attractive to investors, and therefore lead to a decline in demand for our PowerLight business solar power systems, which could have a material adverse effect on our business and results of operations.

We depend on a third-party subcontractor in China to assemble a majority of our solar cells into solar panels and any failure to obtain sufficient assembly and test capacity could significantly delay our ability to ship our solar panels and damage our customer relationships.

Historically, we have relied on Jiawei, a third-party subcontractor in China, to assemble a majority of our solar cells into solar panels and perform panel testing and to manage test, packaging, warehousing and shipping of our solar panels. We do not have a long-term agreement with Jiawei and we typically obtain services from them based on short-term purchase orders that are generally aligned with timing specified by our customers' purchase orders and our sales forecasts. If the operations of Jiawei were disrupted or their financial stability impaired, or if they should choose not to devote capacity to our solar panels in a timely manner, our business would suffer as we may be unable to produce finished solar panels on a timely basis. In addition, we supply inventory to Jiawei and we bear the risk of loss, theft or damage to our inventory while it is held in their facilities.

As a result of outsourcing this final step in our production, we face several significant risks, including:

lack of assembly and testing capacity and higher prices;

limited control over delivery schedules, quality assurance and control, manufacturing yields and production costs; and

delays resulting from an inability to move production to an alternate provider.

The ability of our subcontractor to perform assembly and test is limited by their available capacity. We do not have a guaranteed level of production capacity with our subcontractor, and it is difficult to accurately forecast our capacity needs because of the shifting mix between sales of solar cells and solar panels and the timing of expanding our manufacturing capacity. Other customers of Jiawei that are larger and better financed than we are, or that have long-term agreements in place, may induce Jiawei to reallocate capacity to them. Any reallocation could impair our ability to secure the supply of solar panels that we need for our customers. In addition, interruptions to the panel manufacturing processes caused by a natural or man-made disaster could result in partial or complete disruption in supply until we are able to shift manufacturing to another facility. It may not be possible to obtain sufficient capacity or comparable production costs at another facility. Migrating our design methodology to a new third-party subcontractor or to a captive panel assembly facility could involve increased costs, resources and development time. Utilizing additional third party subcontractors could expose us to further risk of losing control over our intellectual property and the quality of our solar panels. Any reduction in the supply of solar panels could impair our revenue by significantly delaying our ability to ship products and potentially damage our relationships with existing customers.

One of PowerLight's key products, PowerTracker[®], was acquired through an assignment and acquisition of the patents associated with the product from a third party individual, and if we are unable to continue to use this product, our business, prospects, operating results and financial condition would be materially harmed.

In September 2002, PowerLight entered into a Technology Assignment and Services Agreement and other ancillary agreements with Jefferson Shingleton and MaxTracker Services, LLC, a New York limited liability company controlled by Mr. Shingleton. These agreements form the basis for its intellectual property rights in its PowerTracker[®] products. Under such agreements, as later amended, Mr. Shingleton assigned to PowerLight his MaxTracker, MaxRack, MaxRack Ballast and MaxClip products and all related intellectual property rights. Mr. Shingleton is obligated to provide consulting services to PowerLight related to such technology until December 31, 2012 and is required to assign to PowerLight any enhancements he makes to the technology while providing such consulting services. Mr. Shingleton retains a first security interest in the patents and patent applications assigned until the earlier of the expiration of the patents, full payment by PowerLight to

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Mr. Shingleton of all of the royalty obligations under the Technology Assignment and Services Agreement, or the termination of the Technology Assignment and Services Agreement. In the event of PowerLight's default under the Technology Assignment and Services Agreement, MaxTracker Services and Mr. Shingleton may terminate the agreements and the related assignments and cause the intellectual rights assigned to it to be returned to Mr. Shingleton or MaxTracker Services, including patents related to PowerTracker®. In addition, upon such termination, PowerLight must grant Mr. Shingleton a perpetual, non-exclusive, royalty-free right and license to use, sell, and otherwise exploit throughout the world any intellectual property MaxTracker Services or Mr. Shingleton developed during the provision of consulting services to PowerLight. Events of default by PowerLight which could enable Mr. Shingleton or Max Tracker Services to terminate the agreements and the related assignments and cause the intellectual rights assigned to it to be returned to Mr. Shingleton or MaxTracker Services include the following:

if PowerLight files a petition in bankruptcy or equivalent order or petition under the laws of any jurisdiction;

if a petition in bankruptcy or equivalent order or petition under the laws of any jurisdiction is filed against it which is not dismissed within 60 days of such filing;

if PowerLight's assets are assigned for the benefit of creditors;

if PowerLight voluntarily or involuntarily dissolves (except in connection with the Merger, for which PowerLight received a waiver of this condition);

if PowerLight fails to pay any amount due under the agreements when due and does not remedy such failure to pay within 10 days of written notice of such failure to pay; or

if PowerLight defaults in the performance of any of its material obligations under the agreements when required (other than payment of amounts due under the agreements), and such failure is not remedied within 30 days of written notice to it of such default from Mr. Shingleton or MaxTracker Services. However, if such a default can reasonably be cured after the 30-day period, and PowerLight commences cure of such default within 30-day period and diligently prosecutes that cure to completion, such default does not trigger a termination right unless and until PowerLight ceases commercially reasonable efforts to cure such default.

If PowerLight is unable to continue to use and sell PowerTracker® as a result of the termination of the agreements and the related assignment or any other reason, our business, prospects, operating results and financial condition would be materially harmed.

We are dependent on our intellectual property, and we may face intellectual property infringement claims that could be time-consuming and costly to defend and could result in the loss of significant rights.

From time to time, we, our customers or third-parties with whom we work may receive letters, including letters from various industry participants, alleging infringement of their patents. Although we are not currently aware of any parties pursuing or intending to pursue infringement claims against us, we cannot assure you that we will not be subject to such claims in the future. Also, because patent applications in the United States and many other jurisdictions are kept confidential for 18 months before they are published, we may be unaware of pending patent applications that relate to our products. Our third-party suppliers may also become subject to infringement claims, which in turn could negatively impact our business. We ceased use of certain licensed technology for which we have not paid royalties since the second quarter of 2004 because our current products do not use the licensed technology. However, the licensor could challenge these actions and litigate against us. Intellectual property litigation is expensive and time-consuming and could divert management's attention from our business and could have a material adverse effect on our business, operating results or financial condition. If there is a successful claim of infringement against us, our customers or our third-party intellectual property providers, we may be required to pay substantial damages to the party claiming infringement, stop selling products or using technology that contains the allegedly infringing intellectual property, or enter into royalty or

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license agreements that may not be available on acceptable terms, if at all. Parties making infringement claims may also be able to bring an action before the International Trade Commission that could result in an order stopping the importation into the United States of our solar cells. Any of these judgments could materially damage the our business. We may have to develop non-infringing technology, and our failure in doing so or in obtaining licenses to the proprietary rights on a timely basis could have a material adverse effect on our business.

We may file claims against other parties for infringing our intellectual property that may be very costly and may not be resolved in our favor.

We cannot guarantee that infringement of our intellectual property by other parties does not exist now or that it will not occur in the future. To protect our intellectual property rights and to maintain our competitive advantage, we may file suits against parties who we believe infringe our intellectual property. Intellectual property litigation is expensive and time consuming and could divert management's attention from our business and could have a material adverse effect on our business, operating results or financial condition, and our enforcement efforts may not be successful. In certain situations, we may have to bring such suit in foreign jurisdictions, in which case we are subject to additional risk as to the result of the proceedings and the amount of damage that we can recover. Certain foreign jurisdictions may not provide protection to intellectual property comparable to that in the United States. Our engagement in intellectual property enforcement actions may negatively impact our financial results.

We may not be able to prevent others from using the SunPower name or similar mark in connection with their solar power products which could adversely affect the market recognition of our name and our revenue.

SunPower is our registered trademark in the United States for use with solar cells and solar panels. We are seeking similar registration of the SunPower trademark in foreign countries but we may not be successful in some of these jurisdictions. For example, we have received initial rejection of our application to register the SunPower trademark in Canada and Japan based on prior registration by other people. In the foreign jurisdictions where we are unable to obtain this registration or have not tried, others may be able to sell their products using the SunPower trademark which could lead to customer confusion. In addition, if there are jurisdictions where someone else has already established trademark rights in the SunPower name, we may face trademark disputes and may have to market our products with other trademarks, which also could hurt our marketing efforts. We may encounter trademark disputes with companies using marks which are confusingly similar to SunPower which if not resolved favorably could cause our branding efforts to suffer. In addition, we may have difficulty in establishing strong brand recognition with consumers if others use similar marks for similar products.

PowerLight holds registered trademarks for PowerLight®, PowerGuard®, PowerTracker® and SunTile® in the United States, registered trademarks for PowerLight® and PowerGuard® in Europe, and a pending trademark application for PowerTilt in the United States. It has not registered, and may not be able to register, these trademarks elsewhere.

We rely primarily upon copyright and trade secret laws and contractual restrictions to protect our proprietary rights, and, if these rights are not sufficiently protected, our ability to compete and generate revenue could suffer.

We seek to protect our proprietary manufacturing processes, documentation and other written materials primarily under trade secret and copyright laws. We also typically require employees and consultants with access to our proprietary information to execute confidentiality agreements. The steps taken by us to protect our proprietary information may not be adequate to prevent misappropriation of our technology. In addition, our proprietary rights may not be adequately protected because:

people may not be deterred from misappropriating our technologies despite the existence of laws or contracts prohibiting it;

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policing unauthorized use of our intellectual property may be difficult, expensive and time-consuming, and we may be unable to determine the extent of any unauthorized use; and

the laws of other countries in which we market our solar cells, such as some countries in the Asia/Pacific region, may offer little or no protection for our proprietary technologies.

Reverse engineering, unauthorized copying or other misappropriation of our proprietary technologies could enable third parties to benefit from our technologies without paying us for doing so. Any inability to adequately protect our proprietary rights could harm our ability to compete, to generate revenue and to grow our business.

We may not obtain sufficient patent protection on the technology embodied in the solar cells we currently manufacture and market, which could harm our competitive position and increase our expenses.

Although we rely primarily on trade secret laws and contractual restrictions to protect the technology in the solar cells we currently manufacture and market, our success and ability to compete in the future may also depend to a significant degree upon obtaining patent protection for our proprietary technology. As of September 30, 2006, in the United States, SunPower owned seven issued patents and jointly owned another three patents, and had 18 U.S. and 10 foreign patent applications pending. These patent applications cover aspects of the technology in the solar cells we currently manufacture and market. Patents that we currently own or license-in do not cover the solar cells that we presently manufacture and market. As of September 30, 2006, including the United States and foreign countries, PowerLight had a total 61 issued patents and 44 pending patent applications. PowerLight intends to continue to seek patent protection for those aspects of its technology, designs, and methodologies and processes that it believes provide significant competitive advantages. PowerLight's material patents primarily relate to PowerGuard®, PowerTilt and PowerTracker®.

Our patent applications may not result in issued patents, and even if they result in issued patents, the patents may not have claims of the scope we seek. In addition, any issued patents may be challenged, invalidated or declared unenforceable. The term of any issued patents would be 20 years from their filing date and if our applications are pending for a long time period, we may have a correspondingly shorter term for any patent that may issue. Our present and future patents may provide only limited protection for our technology and may not be sufficient to provide competitive advantages to us. For example, competitors could be successful in challenging any issued patents or, alternatively, could develop similar or more advantageous technologies on their own or design around our patents. Also, patent protection in certain foreign countries may not be available or may be limited in scope and any patents obtained may not be as readily enforceable as in the United States, making it difficult for us to effectively protect our intellectual property from misuse or infringement by other companies in these countries. Our inability to obtain and enforce our intellectual property rights in some countries may harm our business. In addition, given the costs of obtaining patent protection, we may choose not to protect certain innovations that later turn out to be important.

If the effective term of our patents is decreased due to changes in patent laws or if we need to refile some of our patent applications, the value of our patent portfolio and the revenue we derive from products protected by the patents may be decreased.

The value of our patents depends in part on their duration. A shorter period of patent protection means less value of a patent. For example, the United States patent laws were amended in 1995 to change the term of patent protection from 17 years after the date of the patent's issuance to 20 years after the earliest effective filing date of the application for a patent, unless the application was pending on June 8, 1995, in which case the term of a patent's protection expires either 17 years after its issuance or 20 years after its filing, whichever is later. Because the time required from the filing of patent application to issuance of a patent is often longer than three years, a 20-year patent term from the filing date may result in substantially shorter patent protection. Also, we may need to refile some of our patent applications and, in these situations, the patent term will be measured from the date of the earliest priority application to which benefit is claimed in such a patent application. This would also shorten our period of patent exclusivity. A shortened period of patent exclusivity may negatively impact our revenue protected by our patents.

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Our intellectual property indemnification practices may adversely impact our business.

We are required by contract to indemnify some of our customers and our third-party intellectual property providers for certain costs and damages of patent infringement in circumstances where our solar cells are a factor creating the customer's or these third-party providers' infringement liability. This practice may subject us to significant indemnification claims by our customers and our third-party providers. We cannot assure you that indemnification claims will not be made or that these claims will not harm our business, operating results or financial condition.

The success of our business depends on the continuing contributions of our key personnel.

We rely heavily on the services of our key executive officers, including Thomas H. Werner, our Chief Executive Officer, Emmanuel T. Hernandez, our Chief Financial Officer, Dr. Richard Swanson, our President and Chief Technology Officer, PM Pai, our Chief Operating Officer and Thomas L. Dinwoodie, PowerLight's Chief Executive Officer. The loss of services of any principal member of our management team, particularly Thomas H. Werner, Emmanuel T. Hernandez, Dr. Richard Swanson, PM Pai and Thomas L. Dinwoodie could adversely impact our operations. In addition, our technical personnel represent a significant asset and serve as the source of our technological and product innovations. We believe our future success will depend upon our ability to retain these key employees and our ability to attract and retain other skilled managerial, engineering and sales and marketing personnel. However, we cannot guarantee that any employee will remain employed at the Company for any definite period of time since all of our employees, including Messrs. Werner, Hernandez, Swanson, Pai and Dinwoodie, serve at-will and may terminate their employment at any time for any reason.

Our headquarters, and other facilities, as well as the facilities of certain of our key subcontractors, are located in regions that are subject to earthquakes and other natural disasters.

Our headquarters, including research and development operations, our manufacturing facilities and the facilities of our subcontractor upon which we rely to assemble and test our solar panels are located in countries that are subject to earthquakes and other natural disasters. Our headquarters and research and development operations are located in the United States, our manufacturing facilities is located in the Philippines, and the facilities of our subcontractor for assembly and test of solar panels is located in China. Since we do not have redundant facilities, any earthquake, tsunami or other natural disaster in these countries could materially disrupt our production capabilities and could result in our experiencing a significant delay in delivery, or substantial shortage, of our solar cells.

Compliance with environmental regulations can be expensive, and noncompliance with these regulations may result in adverse publicity and potentially significant monetary damages and fines.

We are required to comply with all foreign, U.S. federal, state and local laws and regulations regarding pollution control and protection of the environment. In addition, under some statutes and regulations, a government agency, or other parties, may seek recovery and response costs from operators of property where releases of hazardous substances have occurred or are ongoing, even if the operator was not responsible for such release or otherwise at fault. We use, generate and discharge toxic, volatile and otherwise hazardous chemicals and wastes in our research and development and manufacturing activities. Any failure by us to control the use of, or to restrict adequately the discharge of, hazardous substances could subject us to potentially significant monetary damages and fines or suspensions in our business operations. In addition, if more stringent laws and regulations are adopted in the future, the costs of compliance with these new laws and regulations could be substantial. To date such laws and regulations have not had a significant impact on SunPower's or our PowerLight business' operations, and we believe that we have all necessary permits to conduct their respective operations as they are presently conducted. If we fail to comply with present or future environmental laws and regulations, however, we may be required to pay substantial fines, suspend production or cease operations. Under SunPower's separation agreement with Cypress, SunPower will indemnify Cypress from any environmental liabilities associated with SunPower's operations and facilities in San Jose, California and the Philippines.

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We maintain self-insurance for certain indemnities we have made to our officers and directors.

Our certificate of incorporation, by-laws and indemnification agreements require us to indemnify our officers and directors for certain liabilities that may arise in the course of their service to us. We self-insure with respect to potential indemnifiable claims. Although we have insured our officers and directors against certain potential third-party claims for which we are legally or financially unable to indemnify them, we intend to self-insure with respect to potential third-party claims which give rise to direct liability to such third-party or an indemnification duty on our part. If we were required to pay a significant amount on account of these liabilities for which we self-insure, our business, financial condition and results of operations could be seriously harmed.

Changes to financial accounting standards may affect our results of operations and cause us to change our business practices.

We prepare our financial statements to conform with U.S. GAAP. These accounting principles are subject to interpretation by the American Institute of Certified Public Accountants, the SEC and various bodies formed to interpret and create appropriate accounting policies. A change in those policies can have a significant effect on our reported results and may affect our reporting of transactions completed before a change is announced. Changes to those rules or the questioning of current practices may adversely affect our reported financial results or the way we conduct our business. For example, accounting policies affecting many aspects of our business, including rules relating to employee stock option grants, have recently been revised. The Financial Accounting Standards Board, or the FASB, and other agencies have made changes to U.S. GAAP, that required U.S. companies, starting in the first quarter of fiscal 2006, to record a charge to earnings for employee stock option grants and other equity incentives. We may have significant and ongoing accounting charges resulting from option grant and other equity awards that could reduce our net income or increase our net loss. In addition, since SunPower and PowerLight historically used equity-related compensation as a component of their total employee compensation program, the accounting change could make the use of equity-related compensation less attractive to us and therefore make it more difficult to attract and retain employees.

If we fail to maintain an effective system of internal controls, we may not be able to accurately report our financial results or prevent fraud. As a result, current and potential stockholders could lose confidence in our financial reporting, which could harm our business and the trading price of our common stock.

Beginning in connection with our Annual Report on Form 10-K for the fiscal year ended December 31, 2006, Section 404 of the Sarbanes-Oxley Act of 2002 will require us to evaluate and report on our internal controls over financial reporting and have our independent registered public accounting firm annually attest to our evaluation, as well as issue its own opinion on our internal control over financial reporting. Because we have not been subject to these requirements before, we and our independent accountants have not reviewed our internal controls for purposes of Section 404 in the past, and are now in the process of doing so for the first time. Although Cypress completed its Section 404 compliance for its Annual Report on Form 10-K for the fiscal years ended December 31, 2004 and 2005, the review of our internal controls as part of this process was limited in scope and you should not conclude from this Cypress process that our internal controls were adequate to the extent required of an independent public company at that time. We have in the past discovered, and may in the future discover, areas of our internal controls that need improvement. We are preparing for compliance with Section 404 by strengthening, assessing and testing our system of internal controls to provide the basis for our report. However, the continuous process of strengthening our internal controls and complying with Section 404 is expensive and time consuming, and requires significant management attention. We cannot be certain that these measures will ensure that we will maintain adequate control over our financial processes and reporting, or that we or our independent registered public accounting firm will be able to provide the attestation and opinion required in connection with our Annual Report on Form 10-K for the fiscal year ended December 31, 2006. If we or our independent registered public accounting firm discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in our financial statements and harm our stock price. In addition, future non-compliance with Section 404 could subject us to a variety of administrative sanctions, including the suspension or delisting of our common stock from The Nasdaq Global Market and the

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inability of registered broker-dealers to make a market in our common stock, which would further reduce our stock price.

Our efforts to establish an effective, unified system of internal control over financial reporting could present challenges.

PowerLight has not been required to prepare a report on the effectiveness of its internal controls over financial reporting because it was not subject to the informational requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act. In August 2006, PowerLight's audit committee received a letter from its independent auditors identifying certain material weaknesses in its internal controls over financial reporting relating to its audits for 2005, 2004 and 2003. These material weaknesses included problems with financial statement close processes and procedures, inadequate accounting resources, unsatisfactory application of the percentage of completion accounting method, inaccurate physical inventory counts, incorrect accounting for complex capital transactions and inadequate disclosure of related party transactions. In addition, PowerLight had to restate its 2004 and 2003 financial statements to correct previously reported amounts primarily related to its contract revenue, contract costs, accrued warranty, California state sales tax accrual and inventory items. We have begun remediation efforts with respect to the material weaknesses identified by PowerLight's independent auditors. Although initiated, our plan to improve the effectiveness of the internal controls and processes at PowerLight is not complete. It will take some time to put in place the rigorous disclosure controls and procedures desired by our management and our board of directors. While we expect to complete this remediation process as quickly as possible, doing so depends on several factors beyond our control, including the hiring of additional qualified personnel and, as a result, we cannot at this time estimate how long it will take to complete the steps identified above. Our management will continue to evaluate the effectiveness of the control environment at PowerLight and will continue to refine existing controls. We cannot assure you that the measures we have taken to date or any future measures will remediate the material weaknesses reported by PowerLight's independent auditors. Additional deficiencies in PowerLight's or our internal controls may be discovered in the future. Any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could harm our operating results or cause us to fail to meet our reporting obligations and may result in a restatement of our prior period financial statements. Ineffective internal controls could also cause investors to lose confidence in our reported financial information, which would likely have a negative effect on the trading price of our securities.

We are responsible for establishing and maintaining disclosure controls and procedures as defined in the Exchange Act Rules. We will be required to report on the effectiveness of our internal controls over financial reporting for the first time in our annual report on Form 10-K for the fiscal year ended December 31, 2006, although our report on our internal controls over financial reporting will not include an assessment of PowerLight's internal controls until our annual report on Form 10-K for the fiscal year ended December 31, 2007 (the first fiscal year to end after the date of the Merger), unanticipated factors may hinder the effectiveness or delay the integration of SunPower's and PowerLight's control systems. We cannot predict whether we will be able to establish an effective, unified system of internal controls over financial reporting.

We face competition in the market for our imaging detectors and infrared detectors, and if we fail to compete effectively, we will lose or fail to gain market share.

We compete with companies such as Hamamatsu Photonics K.K. and UDT Sensors, Inc. in the market for high performance imaging detectors. In addition we compete with companies such as Vishay Intertechnology, Inc., Rohm Co., Ltd. and Agilent Technologies, Inc. in the market for infrared detectors. We may face competition in the future from other manufacturers of high performance imaging detectors, infrared detectors or alternative devices. The use of alternative devices, including low power, high data rate wireless protocols, may replace existing detectors and limit our market opportunity. Our current and future competitors may have longer operating histories, greater name recognition and greater financial, sales and marketing, technical and other resources than us or may develop technologies superior to those incorporated in our imaging detectors and

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infrared detectors. If we fail to compete successfully, we may be unable to expand our customer base for our imaging detectors and our business would suffer.

Because of the lengthy sales cycles for our imaging detectors and the relatively fixed nature of a significant portion of our expenses, we may incur substantial expenses before we earn associated revenue and may not ultimately achieve our forecasted sales for our imaging detectors.

Our sales cycles from design to manufacture of our imaging detectors can typically take 12 to 18 months. Sales cycles for our imaging detectors are lengthy for a number of reasons, including:

our customers usually complete an in-depth technical evaluation of our imaging detectors before they place a purchase order;

the commercial adoption of our imaging detectors is typically limited during the initial release of their products to evaluate performance and consumer demand;

failure to deliver a product in a timely manner can seriously delay or cancel introduction; and

the development and commercial introduction of products incorporating complex technology frequently are delayed or canceled. As a result of our lengthy sales cycles, we may incur substantial expenses before we earn associated revenue because a significant portion of our operating expenses is relatively fixed and based on expected revenue. If customer cancellations or product changes occur, this could result in the loss of anticipated sales without allowing us sufficient time to reduce our operating expenses.

We incur substantial compliance costs as a public company.

As a public company, we incur significant legal, accounting and other expenses. In addition, the Sarbanes-Oxley Act of 2002, as well as rules subsequently implemented by the SEC and The Nasdaq Global Market, have required changes in corporate governance practices of public companies. We expect these new rules and regulations to increase our legal and financial compliance costs in 2007 and beyond, and to make some activities more time-consuming and costly. We also expect these new rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance in the future and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified persons to serve on our board of directors or as executive officers.

Risks Related to Our Relationship with Cypress Semiconductor Corporation

As long as Cypress controls us, the ability of our other stockholders to influence matters requiring stockholder approval will be limited.

As of January 23, 2007, Cypress owned all 52,033,287 shares of outstanding SunPower class B common stock, representing approximately 70.5% of the total outstanding shares of SunPower common stock, or approximately 64.5% of such shares on a fully diluted basis after taking into account outstanding options, and 95.0% of the voting power of SunPower's outstanding capital stock. Shares of class A common stock and class B common stock have substantially similar rights, preferences and privileges except with respect to voting and conversion rights and other protective provisions. Shares of class B common stock are entitled to eight votes per share of class B common stock, and shares of class A common stock are entitled to one vote per share of class A common stock. If Cypress transfers shares of class B common stock to any party other than a successor in interest or a subsidiary of Cypress prior to a tax-free distribution to its stockholders, those shares would automatically convert into shares of class A common stock. Other than through such transfers or voluntary conversions by Cypress of shares of class B common stock into shares of class A common stock, only at such time, if at all, that Cypress, its successors in interest (not including its stockholders following a dissolution) and

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its subsidiaries collectively own less than 40% of the shares of all classes of our common stock then outstanding will all shares of class B common stock automatically convert into shares of our class A common stock on a one-for-one basis. Until such time, by virtue of the voting power afforded the shares of class B common stock, Cypress will be able to effectively elect all of the members of our board of directors.

In addition, until such time as Cypress, its successors in interest and its subsidiaries collectively own less than 40% of the shares of all classes of our common stock then outstanding and Cypress is no longer consolidating us for accounting purposes, Cypress will have the ability to take stockholder action without the vote of any other stockholder and, by virtue of the voting power afforded the shares of class B common stock, investors will not be able to affect the outcome of any stockholder vote during this period. As a result, Cypress will have the ability to control all matters affecting us, including:

the composition of our board of directors and, through the board of directors, any determination with respect to the Combined Company's business plans and policies, including the appointment and removal of officers;

any determinations with respect to mergers and other business combinations;

our acquisition or disposition of assets;

our financing activities;

changes to the agreements providing for our separation from Cypress;

the allocation of business opportunities that may be suitable for us;

the payment of dividends on the class A common stock; and

the number of shares available for issuance under our stock plans.

Cypress's voting control may discourage transactions involving a change of control of SunPower, including transactions in which holders of class A common stock might otherwise receive a premium for their shares over the then current market price. Except for a limited time in connection with the Merger, Cypress is not prohibited from selling a controlling interest in us to a third party and may do so without approval of holders of class A common stock and without providing for a purchase of class A common stock. Accordingly, shares of class A common stock may be worth less than they would be if Cypress did not maintain voting control over us.

Our ability to continue to manufacture our imaging detectors and our solar cells in our current facilities with our current and planned manufacturing capacities, and therefore to maintain and increase revenue and achieve profitability, depends to a large extent upon the continued success of our relationship with Cypress.

Our imaging detectors are manufactured for us by Cypress and are processed and tested in our San Jose, California facility. We do not have a long-term fixed-price agreement with Cypress for the manufacturing of our imaging detectors, but instead operate on a purchase order basis. The processes for manufacturing our imaging detectors are highly complex, specialized and proprietary. If Cypress is unable to continue manufacturing our imaging detectors for us, our manufacturing output would be interrupted and delayed, and we would incur increased expenses in establishing relationships with alternative manufacturers at market prices. We may not be able to find alternative manufacturers on terms acceptable to us, and we may be unable to establish our own operations in a timely or cost-effective manner, if at all.

We manufacture our solar cells in our Philippines manufacturing facility which we lease from Cypress. We are in the process of expanding existing facilities for solar and panel assembly. If we are unable to expand in our current facility or are required to move our manufacturing

facility, we would incur significant expenses as well as lost sales. Furthermore, we may not be able to locate a facility that meets our needs on terms acceptable to us. Any of these circumstances would increase our expenses and decrease our total revenue and could prevent us from sustaining profitability.

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Our historical financial information as a business segment of Cypress prior to our initial public offering may not be representative of our results as an independent public company.

The historical financial information we have incorporated by reference into this prospectus does not necessarily reflect what our financial position, results of operations or cash flows would have been had we been an independent entity during the historical periods presented prior to our initial public offering. The historical costs and expenses reflected in our audited and unaudited consolidated financial statements include an allocation for certain corporate functions historically provided by Cypress prior to our initial public offering, including centralized legal, tax, treasury, information technology, employee benefits and other Cypress corporate services and infrastructure costs. These expense allocations were based on what we and Cypress considered reasonable reflections of the utilization of services provided or the benefit received by us. The historical financial information prior to our initial public offering is not necessarily indicative of what our results of operations, financial position, cash flows or costs and expenses will be in the future. We have not made adjustments to such historical financial information to reflect many significant changes that occurred or may yet occur in our cost structure, funding and operations as a result of our separation from Cypress, including changes in our employee base, changes in our tax structure, potential increased costs associated with reduced economies of scale and increased costs associated with being a publicly traded, stand-alone company.

Our ability to operate our business effectively may suffer if we are unable to cost-effectively establish our own administrative and other support functions in order to operate as a stand-alone company after the expiration of our services agreements with Cypress.

As a subsidiary of Cypress, we have relied on administrative and other resources of Cypress to operate our business. In connection with our initial public offering, we entered into various service agreements to retain the ability for specified periods to use these Cypress resources. These agreements will expire upon the earlier of November 2009 or a change of control of our Company. We need to create our own administrative and other support systems or contract with third parties to replace Cypress systems. In addition, we recently established disclosure controls and procedures and internal control over financial reporting as part of our becoming a separate public company in November 2005. These services may not be provided at the same level as when we were a wholly owned subsidiary of Cypress, and we may not be able to obtain the same benefits that we received prior to the separation. These services may not be sufficient to meet our needs, and after our agreements with Cypress expire, we may not be able to replace these services at all or obtain these services at prices and on terms as favorable as we currently have with Cypress. Any failure or significant downtime in our own administrative systems or in Cypress administrative systems during the transitional period could result in unexpected costs, impact our results and/or prevent us from paying our suppliers or employees and performing other administrative services on a timely basis.

We may experience increased costs resulting from a decrease in our purchasing power and we may have difficulty obtaining new customers due to our relatively small size after our separation from Cypress.

Historically, we were able to take advantage of Cypress size and purchasing power in procuring goods, technology and services, including insurance, employee benefit support and audit services. We are a smaller company than Cypress, and we cannot assure you that we will have access to financial and other resources comparable to those available to us prior to our separation from Cypress. These risks would be more pronounced if Cypress were to cease to own a majority of our stock. As an independent company, we may be unable to obtain goods, technology and services at prices or on terms as favorable as those available to us prior to our separation from Cypress, which could increase our costs and reduce our profitability. In addition, as a smaller, separate, stand-alone company, we may encounter more customer concerns about our viability as a separate entity, which could harm our business, financial condition and results of operations. Our future success depends on our ability to maintain our current relationships with existing customers, and we may have difficulty attracting new customers.

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Our agreements with Cypress require us to indemnify Cypress for certain tax liabilities. These indemnification obligations may limit our ability to obtain additional financing or participate in future acquisitions for up to two years.

We have entered into a tax sharing agreement with Cypress, under which we and Cypress agree to indemnify one another for certain taxes and similar obligations that the other party could incur under certain circumstances. In general, we will be responsible for taxes relating to our business. Furthermore, we may be held jointly and severally liable for taxes determined on a consolidated basis even though Cypress is required to indemnify us for its taxes pursuant to the tax sharing agreement. After the date we cease to be a member of Cypress consolidated group for federal income tax purposes or state income tax purposes, as and to the extent that we become entitled to utilize on our separate tax returns portions of those credit or loss carryforwards existing as of such date, we will distribute to Cypress the tax effect (estimated to be 34% for federal income tax purposes) of the amount of such tax loss carryforwards so utilized and the amount of any credit carryforwards so utilized. We will distribute these amounts to Cypress in cash or in our shares, at our option. Upon completion of our follow-on public offering of class A common stock in June 2006, we were no longer considered to be a member of Cypress consolidated group for federal income tax purposes. Accordingly, we will be subject to the obligations payable to Cypress for any federal income tax credit or loss carryforwards utilized in its federal tax returns. As of December 31, 2005, we had approximately \$36.5 million of federal net operating loss carryforwards and approximately \$4.8 million of California net operating loss carryforwards, meaning that such potential future payments to Cypress, which would be made over a period of several years, would therefore aggregate approximately \$15.0 million.

If Cypress distributes our class B common stock to Cypress stockholders in a transaction intended to qualify as a tax-free distribution under Section 355 of the Internal Revenue Code, or the Code, Cypress intends to obtain an opinion of counsel to the effect that such distribution qualifies under Section 355 of the Code. Despite such an opinion, however, the distribution may nonetheless be taxable to Cypress under Section 355(e) of the Code if 50% or more of our voting power or economic value is acquired as part of a plan or series of related transactions that includes the distribution of our stock. The tax sharing agreement includes our obligation to indemnify Cypress for any liability incurred as a result of issuances or dispositions of our stock after the distribution, other than liability attributable solely to certain dispositions of our stock by Cypress, that cause Cypress distribution of shares of our stock to its stockholders to be taxable to Cypress under Section 355(e) of the Code. Under current law, following a distribution by Cypress and for up to two years thereafter, our obligation to indemnify Cypress will be triggered only if we issue stock or otherwise participate in one or more transactions other than the distribution in which 50% or more of our voting power or economic value is acquired in financing or acquisition transactions that are part of a plan or series of related transactions that includes the distribution. If such an indemnification obligation is triggered, the extent of our liability to Cypress will generally equal the product of (a) Cypress top marginal federal and state income tax rate for the year of the distribution, and (b) the difference between the fair market value of our class B common stock distributed to Cypress stockholders and Cypress tax basis in such stock as determined on the date of the distribution. Our ability to use our equity to obtain additional financing or to engage in acquisition transactions for a period of time after a distribution will be restricted if we can only sell or issue a limited amount of our stock before triggering our obligation to indemnify Cypress for taxes it incurs under Section 355(e) of the Code.

For example, under the current tax rules, if Cypress were to make a complete distribution of its class B common stock and our total outstanding capital stock at the time of such distribution was 69,000,000 shares, unless we qualified for one of several safe harbor exemptions available under the Treasury Regulations, in order to avoid our indemnification obligation to Cypress, we could not, for up to two years from the date of Cypress distribution, issue 69,000,000 or more shares of class A common stock, nor could we participate in one or more transactions (excluding the distribution itself) in which 34,500,000 or more shares of our then existing class A common stock were to be acquired in connection with a plan or series of related transactions that includes the distribution. In addition, these limits could be lower depending on certain actions that we or Cypress might take before or after a distribution. If we were to participate in such a transaction, assuming Cypress distributed 52,000,000 shares, Cypress top marginal income tax rate is 40% for federal and state income tax purposes, the

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fair market value of our class B common stock is \$32.00 per share and Cypress tax basis in such stock is \$5.00 per share on the date of their distribution, then our liability under our indemnification obligation to Cypress would be approximately \$562.0 million.

Third parties may seek to hold us responsible for liabilities of Cypress.

Third parties may seek to hold us responsible for Cypress liabilities. Under our separation agreements with Cypress, Cypress will indemnify us for claims and losses relating to liabilities related to Cypress business and not related to our business. However, if those liabilities are significant and we are ultimately held liable for them, we cannot assure you that we will be able to recover the full amount of our losses from Cypress.

Our inability to resolve any disputes that arise between us and Cypress with respect to our past and ongoing relationships may result in a significant reduction of our revenue.

Disputes may arise between Cypress and us in a number of areas relating to our past and ongoing relationships, including:

labor, tax, employee benefit, indemnification and other matters arising from our separation from Cypress;

the cost of wafers for our imaging detectors;

employee retention and recruiting;

business combinations involving us;

pricing for transitional services;

sales or distributions by Cypress of all or any portion of its ownership interest in us;

the nature, quality and pricing of services Cypress has agreed to provide us; and

business opportunities that may be attractive to both Cypress and us.

We may not be able to resolve any potential conflicts, and even if we do, the resolution may be less favorable than if we were dealing with an unaffiliated party.

The agreements we entered into with Cypress may be amended upon agreement between the parties. While we are controlled by Cypress, we may not have the leverage to negotiate amendments to these agreements if required on terms as favorable to us as those we would negotiate with an unaffiliated third party.

Some of our directors and executive officers may have conflicts of interest because of their ownership of Cypress common stock, options to acquire Cypress common stock and positions with Cypress.

Some of our directors and executive officers own Cypress common stock and options to purchase Cypress common stock. In addition, some of our directors are executive officers and/or directors of Cypress. Ownership of Cypress common stock and options to purchase Cypress common stock by our directors and officers and the presence of executive officers or directors of Cypress on our board of directors could create, or appear to create, conflicts of interest with respect to matters involving both us and Cypress. For example, corporate opportunities may arise that concern both of our businesses, such as the potential acquisition of a particular business or technology that is complementary to both of our businesses.

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In these situations, our amended and restated certificate of incorporation provides that directors and officers who are also directors or officers of Cypress have no duty to communicate or present such corporate opportunity to us unless it is specifically applicable to the solar energy business and not applicable to or reasonably related to any business conducted by Cypress, have the right to deal with such corporate opportunity in their sole discretion and shall not be liable to us or our stockholders for breach of fiduciary duty by reason of the fact that such director or officer pursues or acquires such corporate

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opportunity for itself or for Cypress. In addition, we have not established at this time any procedural mechanisms to address actual or perceived conflicts of interest of these directors and officers and expect that our board of directors, in the exercise of its fiduciary duties, will determine how to address any actual or perceived conflicts of interest on a case-by-case basis. If any corporate opportunity arises and if our directors and officers do not pursue it on our behalf pursuant to the provisions in our amended and restated certificate of incorporation, we may not become aware of, and may potentially lose, a significant business opportunity.

Because Cypress is not obligated to distribute to its stockholders or otherwise dispose of our common stock that it owns, we will continue to be subject to the risks described above relating to Cypress control of us if Cypress does not complete such a transaction.

Cypress is not obligated to distribute to its stockholders or otherwise dispose of the shares of our class B common stock that it beneficially owns, although it might elect to do so in the future. Cypress announced on October 6, 2006 and reiterated on October 19, 2006 that it was exploring ways in which to allow its stockholders to fully realize the value its investment in us. Cypress has made public statements since October 19, 2006 that were consistent with these announcements. Moreover, completion of any such transaction could be contingent upon, among other things, the receipt of a favorable tax ruling from the Internal Revenue Service and/or a favorable opinion of Cypress tax advisor as to the tax-free nature of such a transaction for U.S. federal income tax purposes.

Unless and until such a distribution occurs or Cypress otherwise disposes of shares so that it, its successors in interest and its subsidiaries collectively own less than 40% of the shares of all classes of our common stock then outstanding, we will continue to face the risks described above relating to Cypress control of us and potential conflicts of interest between Cypress and us. We may be unable to realize potential benefits that could result from such a distribution by Cypress, such as greater strategic focus, greater access to capital markets, better incentives for employees and more accountable management, although we cannot guarantee that we would realize any of these potential benefits if such a distribution did occur. In addition, speculation by the press, investment community, our customers, our competitors or others regarding whether Cypress intends to complete such a distribution or otherwise dispose of its controlling interest in us could harm our business or lead to volatility in our stock price.

So long as Cypress continues to hold a controlling interest in us or is otherwise a significant stockholder, the liquidity and market price of our class A common stock may be adversely impacted. In addition, there can be no assurance that Cypress will distribute or otherwise dispose of any of its shares of our class B common stock.

Cypress ability to replace our board of directors may make it difficult for us to recruit independent directors.

Cypress may at any time replace our entire board of directors. Furthermore, some actions of our board of directors require the approval of 75% of our directors except to the extent this condition is waived by Cypress. As a result, unless and until Cypress, its successors in interest and its subsidiaries collectively own less than 40% of the shares of all classes of our common stock then outstanding and Cypress is no longer consolidating us for accounting purposes, Cypress could exercise significant control over our board of directors. As such, individuals who might otherwise accept a board position at SunPower may decline to serve, and Cypress may be able to control important decisions made by our Board of Directors.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, any accompanying prospectus supplement and the documents incorporated by reference herein and therein may contain forward-looking statements that involve risks and uncertainties. All such statements, other than statements of historical fact, are forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

expectations regarding expenses, sources of revenues and international sales and operations;

anticipated cash needs and estimates regarding capital expenditures, capital requirements and needs for additional financing;

the performance, features and benefits of products, plans for future products and for enhancements of existing products and product shipment dates;

the supply and price of components and raw materials, including polysilicon;

future pricing of products and systems in which SunPower[®] and PowerLight[®] products are incorporated;

plans for and timing of expansion of SunPower[®] and PowerLight[®] production capacity;

the ability to attract customers and develop and maintain customer and supplier relationships;

competitive positions and expectations regarding key competitive factors;

elements of SunPower[®] and PowerLight[®] marketing, growth and diversification strategies, including SunPower[®] strategy to reduce its dependence on market incentives;

SunPower[®] and PowerLight[®] intellectual property and continued investment in research and development;

anticipated trends and challenges in SunPower[®] and PowerLight[®] businesses and the markets in which they operate; and

statements regarding potential legal proceedings.

In addition to the risk factors included elsewhere or incorporated by reference herein, important factors that could cause actual results to differ materially from estimates or projections contained in the forward-looking statements include, without limitation:

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the ability of SunPower to timely and cost-effectively integrate the operations of SunPower and PowerLight;

the ability of SunPower to realize the synergies and other perceived advantages resulting from our acquisition of PowerLight;

the ability of SunPower and PowerLight to retain key personnel;

the extent and timing of market acceptance of new products;

the ability of SunPower and PowerLight to procure, maintain, enforce and defend their respective patents and other proprietary rights;

the effects of local, national and global economic, credit and capital market conditions on the economy in general, and on the solar power industry in particular, and the effects of currency exchange rates and interest rates;

litigation outcomes and judicial actions, including costs of existing litigation matters;

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the ability to continue to increase customer loyalty and maintain existing distributor, subcontractor and supplier relationships;

the ability to successfully complete any future acquisitions and integrate any acquired businesses;

acts of war or terrorist incidents;

the effects of competition; and

other risks referenced from time to time in our filings with the SEC.

In some cases, you can identify forward-looking statements by such terms as may, might, will, objective, intend, should, could, can, expect, believe, estimate, predict, potential, plan, is designed to or the negative of these terms, and similar expressions intended to identify forward-looking statements. These statements reflect current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Also, these forward-looking statements represent estimates and assumptions only as of the date of this prospectus or any accompanying prospectus supplement. SunPower does not intend to update any of these forward-looking statements to reflect circumstances or events that occur after the statement is made.

You should read this prospectus, any accompanying prospectus supplement and the documents that are referenced and which have been filed as exhibits to the registration statement of which this prospectus is a part or incorporated by reference herein, completely and with the understanding that our actual future results may be materially different from what we expect. All forward-looking statements are qualified by these cautionary statements.

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**RATIO OF EARNINGS TO FIXED CHARGES AND RATIO OF EARNINGS
TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS**

Our ratio of earnings to fixed charges for the years ended December 31, 2001, 2002 and 2003, for the period from January 1, 2004 to November 8, 2004, for the period from November 9, 2004 to December 31, 2004, for the year ended December 31, 2005 and for the nine months ended September 30, 2006 is set forth below. We were not required to pay, nor did we pay, dividends on any preferred stock outstanding during any of these periods, our ratio of earnings to combined fixed charges and preferred stock dividends did not differ from the ratio below during any of these periods.

	Predecessor Company			Jan. 1 through Nov. 8, 2004(1)	Nov. 9 through Dec. 31, 2004(1)	Successor Company	
	Years Ended Dec. 31,					Year Ended Dec. 31,	Nine Months Ended Sept. 30,
	2001(1)	2002(1)	2003(1)			2005(1)	2006(1)
Ratio of Earnings to Fixed Charges(2)	(3)	(3)	(3)	(3)	(3)	(3)	11.7x

- (1) SunPower's fiscal year consists of 52 or 53 weeks ending on the Sunday closest to December 31, with quarters of 13 or 14 weeks ending the Sunday closest to March 31, June 30, September 30 and December 31 of each year. For presentation purposes only, the ratio of earnings to fixed charges refers to the month end and calendar year end of each respective period.
- (2) For purposes of calculating the ratio of earnings to fixed charges, fixed charges are calculated by adding (a) interest on all indebtedness and amortization of debt discount and expense, (b) interest capitalized and (c) an estimate of the interest within rental expense. Earnings are calculated by adding (a) pretax income from continuing operations, (b) fixed charges and (c) amortization of capitalized interest.
- (3) Earnings were inadequate to cover fixed charges by \$2.9 million, \$3.5 million, \$14.5 million, \$23.3 million, \$5.6 million and \$15.8 million for the years ended December 31, 2001, 2002 and 2003, for the period from January 1, 2004 to November 8, 2004, for the period from November 9, 2004 to December 31, 2004, for the year ended December 31, 2005 and for the nine months ended September 30, 2006, respectively.

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USE OF PROCEEDS

Unless otherwise described in an applicable prospectus supplement, we intend to use the net proceeds from any sale of securities under this prospectus for general corporate purposes, including working capital and capital expenditures.

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DESCRIPTION OF CLASS A COMMON STOCK

From time to time, we may offer and sell shares of our class A common stock registered under this prospectus. This section describes the general terms and provisions of our class A common stock and, where applicable to holders of our class A common stock, the terms and provisions of our class B common stock. The prospectus supplement relating to any offering of class A common stock, or other securities convertible into or exchangeable or exercisable for class A common stock, will describe more specific terms of the offering of common stock or other securities, including the number of shares offered, the initial offering price, and market price and dividend information.

The summary set forth below does not purport to be complete and is subject to and qualified in its entirety by reference to our restated certificate of incorporation and amended and restated bylaws, each of which is incorporated by reference as an exhibit to the registration statement of which this prospectus is a part. We encourage you to read our restated certificate of incorporation and amended and restated bylaws for additional information before you decide whether to purchase any shares of our class A common stock.

General

Our restated certificate of incorporation authorizes the issuance of up to 217,500,000 shares of class A common stock, par value \$0.001 per share and 157,500,000 shares of class B common stock, par value \$0.001 per share.

Voting Rights

Shares of class A common stock and class B common stock have substantially similar rights except that shares of class A common stock are entitled to one vote per share while shares of class B common stock are entitled to eight votes per share, on all matters to be voted on by our stockholders. Holders of shares of our capital stock are not entitled to cumulate their votes in the election of directors to our board of directors. Generally, all matters to be voted on by stockholders must be approved by a majority of the votes entitled to be cast at a meeting by all shares of class A common stock and class B common stock present in person or represented by proxy, voting together as a single class, subject to any voting rights granted to any preferred stock. Except as otherwise provided by law, and subject to any voting rights granted to holders of any outstanding preferred stock, amendments to our restated certificate of incorporation generally must be approved by at least a majority of the combined voting power of all our class A common stock and class B common stock, voting together as a single class. However, shares of our class A common stock are not eligible to vote on any alteration or change in the powers, preferences or special rights of the class B common stock that would not adversely affect the rights of the class A common stock.

Conversion Rights

If Cypress makes a distribution of its shares of class B common stock to its stockholders in connection with a tax-free distribution, shares of our class B common stock will automatically convert into shares of class A common stock. Such a conversion will also occur if such shares of class B common stock are transferred to a person other than Cypress, a successor in interest to Cypress or one of Cypress' subsidiaries. Cypress, its successors in interest and its subsidiaries may also convert shares of class B common stock into shares of class A common stock at any time. All conversions of shares of class B common stock into shares of class A common stock will be effected on a one-for-one basis. Shares of class A common stock are not convertible into any of our other securities.

At such time, if at all, as Cypress, its successors in interest and its subsidiaries collectively own less than 40% of the shares of all classes of our common stock then outstanding, and if Cypress has not effected a tax-free distribution of class B common stock to its stockholders prior to such time, each outstanding share of class B common stock will automatically convert into one share of our class A common stock on a one-for-one basis.

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Dividend Rights

Subject to preferences that may apply to shares of preferred stock outstanding at the time, the holders of outstanding shares of class A common stock and class B common stock are entitled to receive dividends out of assets legally available at the times and in the amounts that our board of directors may determine from time to time.

No Preemptive or Redemption Rights

Class A common stock and class B common stock are not entitled to preemptive rights and are not subject to redemption or sinking fund provisions.

Right to Receive Liquidation Distributions

Upon our liquidation, dissolution or winding-up, the holders of class A common stock and class B common stock are entitled to share equally in all of our assets remaining after payment of all liabilities and the liquidation preferences of any outstanding preferred stock.

Registration Rights

We have entered into an investor rights agreement with Cypress providing for specified registration and other rights relating to its shares of our common stock. In connection with the Merger, we agreed to file with the SEC, and keep effective for a period of up to three years from the effectiveness thereof, a registration statement covering the resale of the shares of our class A common stock issued to the former shareholders of PowerLight in the Merger. We have not entered into, and do not expect to enter into, any other agreements, with any of our other stockholders obligating or requiring us to register shares of class A common stock.

Classification of Our Board of Directors

Our restated certificate of incorporation and amended and restated bylaws provide that until such time as Cypress, its successors in interest and its subsidiaries collectively own less than 40% of the shares of all classes of our common stock then outstanding and Cypress is no longer consolidating us for accounting purposes, our board of directors will not be classified; thereafter, our board of directors will be divided into three classes of directors, with the classes to be as nearly equal in number as possible. Our amended and restated bylaws contain a process for determining to which class our incumbent directors will belong in the event that our board of directors becomes classified.

Membership on Committees of the Board of Directors

Our restated certificate of incorporation and amended and restated bylaws provide that until such time as Cypress, its successors in interest and its subsidiaries collectively own less than 40% of the shares of all classes of our common stock then outstanding and Cypress is no longer consolidating us for accounting purposes, at the request of Cypress, a representative specifically designated by Cypress shall serve on each committee of our board of directors unless otherwise prohibited by the rules of The Nasdaq Stock Market or applicable law.

Calling of a Special Meeting of Stockholders by a Stockholder

Our restated certificate of incorporation and amended and restated bylaws provide that until such time as Cypress, its successors in interest and its subsidiaries collectively own less than 40% of the shares of all classes of our common stock then outstanding and Cypress is no longer consolidating us for accounting purposes, Cypress may call a special meeting of the stockholders; thereafter, stockholders may not call special meetings of the stockholders.

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Action of the Stockholders by Written Consent

Our restated certificate of incorporation and amended and restated bylaws provide that until such time as Cypress, its successors in interest and its subsidiaries collectively own less than 40% of the shares of all classes of our common stock then outstanding and Cypress is no longer consolidating us for accounting purposes, stockholders may act without a meeting by written consent; thereafter, no action can be taken by stockholders except at an annual or special meeting of the stockholders called in accordance with our amended and restated bylaws, and stockholders may not act by written consent.

Super-Majority Voting of the Board of Directors

Our restated certificate of incorporation provides that unless and until Cypress, its successors in interest and its subsidiaries collectively own less than 40% of the shares of all classes of our common stock then outstanding and Cypress is no longer consolidating us for accounting purposes, the affirmative vote of at least 75% of the then-authorized number of members of our board of directors will be required to: (a) adopt, amend or repeal our amended and restated bylaws or restated certificate of incorporation; (b) appoint or remove our chief executive officer; (c) designate, appoint or allow for the nomination or recommendation for election by our stockholders of an individual to our board of directors; (d) change the size of our board of directors to be other than five members; (e) form a committee of our board of directors or establish or change a charter, committee responsibilities or committee membership of any committee of our board of directors; (f) adopt any stockholder rights plan, poison pill or other similar arrangement; or (g) approve any transactions that would involve a merger, consolidation, restructuring, sale of substantially all of our assets or any of our subsidiaries or otherwise result in any person or entity obtaining control of us or any of our subsidiaries.

Cypress may at any time in its sole discretion waive this requirement to obtain such a super-majority vote of our board of directors.

Provisions of Our Restated Certificate of Incorporation Governing Corporate Opportunity

Our amended and restated certificate of incorporation provides that directors and officers who are also directors or officers of Cypress have no duty to communicate or present a corporate opportunity to us unless it is specifically and primarily applicable to converting solar energy into electrical energy and using the resulting electrical energy other than in applications for consumers where photodiode technology is combined with micro-controllers and other integrated circuits made by Cypress, have the right to deal with such corporate opportunity in their sole discretion and shall not be liable to us or our stockholders for breach of fiduciary duty by reason of the fact that such director or officer pursues or acquires such corporate opportunity for itself or for Cypress.

Anti-Takeover Effects of Delaware Law

We are subject to the provisions of Section 203 of Delaware General Corporation Law, or the DGCL, regulating corporate takeovers. In general, those provisions prohibit a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years following the date that the stockholder became an interested stockholder, unless:

the transaction is approved by the board before the date the interested stockholder attained that status;

upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced; or

on or after the date the business combination is approved by the board and authorized at a meeting of stockholders by at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

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Section 203 defines business combination to include the following:

any merger or consolidation involving the corporation and the interested stockholder;

any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;

subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;

any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; or

the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of a corporation and any entity or person affiliated with or controlling or controlled by any of these entities or persons.

A Delaware corporation may opt out of this provision either with an express provision in its original certificate of incorporation or in an amendment to its certificate of incorporation or bylaws approved by its stockholders. However, we have not opted out, and do not currently intend to opt out, of this provision. The statute could prohibit or delay mergers or other takeover or change in control attempts and, accordingly, may discourage attempts to acquire us.

Limitation of Liability and Indemnification Matters

We have adopted provisions in our restated certificate of incorporation that limit the liability of our directors for monetary damages for breach of their fiduciary duty as directors, except for liability that cannot be eliminated under the DGCL. Delaware law provides that directors of a company will not be personally liable for monetary damages for breach of their fiduciary duty as directors, except for liabilities:

for any breach of their duty of loyalty to us or our stockholders;

for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law;

for unlawful payment of dividend or unlawful stock repurchase or redemption, as provided under Section 174 of the DGCL; or

for any transaction from which the director derived an improper personal benefit.

Our restated certificate of incorporation and amended and restated bylaws also provide that we will indemnify our directors and officers to the fullest extent permitted by Delaware law. Our amended and restated bylaws also permit us to purchase insurance on behalf of any officer, director, employee or other agent for any liability arising out of his actions as our officer, director, employee or agent, regardless of whether the amended and restated bylaws would permit indemnification. We have entered into separate indemnification agreements with our directors and executive officers that could require us, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors and to advance their expenses incurred as a result of any proceeding against them as to which they could be indemnified.

Nasdaq Global Market Listing Symbol

Our class A common stock trades on The Nasdaq Global Market under the symbol SPWR.

Transfer Agent and Registrar

The transfer agent and registrar for our class A common stock is ComputerShare Investor Services.

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DESCRIPTION OF PREFERRED STOCK

This section describes the general terms and provisions of our preferred stock. The prospectus supplement relating to any offering of preferred stock, or other securities convertible into or exchangeable or exercisable for preferred stock, will describe more specific terms of the preferred stock being offered, including the designation of the series, the number of shares offered, the initial offering price and any voting, dividend, and liquidation preference rights, and any general terms described in this section that will not apply to those shares of preferred stock.

The summary set forth below does not purport to be complete and is subject to and qualified in its entirety by reference to our restated certificate of incorporation and the certificate of designation relating to the applicable series of preferred stock that we will file with the Delaware Secretary of State, each of which is or will be filed with the SEC and incorporated by reference as an exhibit to the registration statement of which this prospectus is a part. We encourage you to read our restated certificate of incorporation and the applicable certificate of designation for additional information before deciding whether to purchase any shares of our preferred stock or securities convertible into or exchangeable or exercisable for our preferred stock.

General

Our restated certificate of incorporation authorizes the issuance of up to 10,042,490 shares of preferred stock, par value \$0.001 per share. The preferred stock may be issued from time to time in one or more series, each of which is to have the voting powers, designation, preferences and relative, participating, optional or other special rights and qualifications, limitations or restrictions thereof as are stated and expressed in our articles of incorporation, or in a resolution or resolutions providing for the issue of that series adopted by our board of directors.

Our board of directors, without further action of our stockholders, has the authority to create one or more series of preferred stock and, with respect to each series, to fix or alter as permitted by law:

the number of shares and the distinctive designation of the series;

the dividend rights;

any redemption rights, terms and prices;

the terms of any retirement or sinking funds;

the rights, terms and prices, if any, by which the shares may be convertible into, or exchangeable for, other shares;

the voting power, if any; and

any other terms, conditions, special rights and protective provisions.

DESCRIPTION OF DEBT SECURITIES

This section describes certain general terms and provisions that we expect would be applicable to our debt securities. When we offer to sell a particular series of debt securities, we will describe the specific terms of that series in a supplement to this prospectus. The following description of debt securities will apply to the debt securities offered by this prospectus unless we provide otherwise in the applicable prospectus supplement. The applicable prospectus supplement for a particular series of debt securities may specify different or additional terms.

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The debt securities offered hereby may be secured or unsecured, and may be either senior debt securities, senior subordinated debt securities or subordinated debt securities. The debt securities offered hereby will be issued under an indenture between us and a trustee. The indenture will be qualified under, subject to, and governed by, the Trust Indenture Act of 1939, as amended.

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General

The terms of each series of debt securities will be established by or pursuant to a resolution of our board of directors and detailed or determined in the manner provided in a board of directors' resolution, an officers' certificate or by a supplemental indenture. The particular terms of each series of debt securities will be described in a prospectus supplement relating to the series, including any pricing supplement.

We can issue an unlimited amount of debt securities under an indenture that may be in one or more series with the same or various maturities, at par, at a premium or at a discount. We will set forth in a prospectus supplement, including any pricing supplement, relating to any series of debt securities being offered the initial offering price, the aggregate principal amount and the following terms of the debt securities:

the title of the debt securities;

the price or prices (expressed as a percentage of the aggregate principal amount) at which we will sell the debt securities;

any limit on the aggregate principal amount of the debt securities;

the date or dates on which we will pay the principal on the debt securities;

the rate or rates (which may be fixed or variable) per annum or the method used to determine the rate or rates (including any commodity, commodity index, stock exchange index or financial index) at which the debt securities will bear interest and the right, if any, to extend the maturity of the debt securities, the date or dates from which interest will accrue, the date or dates on which interest will commence and be payable and any regular record date for the interest payable on any interest payment date;

the place or places where the principal of, premium, and interest on the debt securities will be payable;

the terms and conditions upon which we may redeem the debt securities;

any obligation we have to redeem or purchase the debt securities pursuant to any sinking fund or analogous provisions or at the option of a holder of debt securities;

the dates on which and the price or prices at which we will repurchase the debt securities at the option of the holders of debt securities and other detailed terms and provisions of these repurchase obligations;

the denominations in which the debt securities will be issued, if other than denominations of \$1,000 and any integral multiple thereof;

whether the debt securities will be issued in the form of certificated debt securities or global debt securities;

the portion of principal amount of the debt securities payable upon declaration of acceleration of the maturity date, if other than the principal amount;

the currency of denomination of the debt securities;

the designation of the currency, currencies or currency units in which payment of principal of, premium and interest on the debt securities will be made;

if payments of principal of, premium or interest on the debt securities will be made in one or more currencies or currency units other than that or those in which the debt securities are denominated, the manner in which the exchange rate with respect to these payments will be determined;

the manner in which the amounts of payment of principal of, premium or interest on the debt securities will be determined, if these amounts may be determined by reference to an index based on a currency or currencies other than that in which the debt securities are denominated or designated to be payable or by reference to a commodity, commodity index, stock exchange index or financial index;

any provisions relating to any security provided for the debt securities;

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any addition to or change in the events of default described in this prospectus or in the indenture with respect to the debt securities and any change in the acceleration provisions described in this prospectus or in the indenture with respect to the debt securities;

any addition to or change in the covenants described in this prospectus or in the indenture with respect to the debt securities;

whether the debt securities will be senior or subordinated and any applicable subordination provisions;

any other terms of the debt securities, which may modify or delete any provision of the indenture as it applies to that series; and

any depositories, interest rate calculation agents, exchange rate calculation agents or other agents with respect to the debt securities. We may issue debt securities that are exchangeable and/or convertible into shares of our class A common stock or our preferred stock. The terms, if any, on which the debt securities may be exchanged for and/or converted will be set forth in the applicable prospectus supplement. Such terms may include provisions for conversion, either mandatory, at the option of the holder or at our option, in which case the number of shares of class A common stock or preferred stock or other securities to be received by the holders of debt securities would be calculated as of a time and in the manner stated in the prospectus supplement.

We may issue debt securities that provide for an amount less than their stated principal amount to be due and payable upon declaration of acceleration of their maturity pursuant to the terms of the indenture. We will provide you with information on the federal income tax considerations and other special considerations applicable to any of these debt securities in the applicable prospectus supplement.

If we denominate the purchase price of any of the debt securities in a foreign currency or currencies or a foreign currency unit or units, or if the principal of and any premium and interest on any series of debt securities is payable in a foreign currency or currencies or a foreign currency unit or units, we will provide you with information on the restrictions, elections, general tax considerations, specific terms and other information with respect to that issue of debt securities and such foreign currency or currencies or foreign currency unit or units in the applicable prospectus supplement.

Each debt security will be represented by either one or more global securities registered in the name of The Depository Trust Company, as Depository, or a nominee of the Depository (we will refer to any debt security represented by a global debt security as a book-entry debt security), or a certificate issued in definitive registered form (we will refer to any debt security represented by a certificated security as a certificated debt security), as described in the applicable prospectus supplement. Except as described under "Global Debt Securities and Book-Entry System" below, book-entry debt securities will not be issuable in certificated form.

Certificated Debt Securities

You may transfer or exchange certificated debt securities at the trustee's office or paying agencies in accordance with the terms of the indenture. No service charge will be made for any transfer or exchange of certificated debt securities, but we may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with a transfer or exchange.

You may transfer certificated debt securities and the right to receive the principal of, premium and interest on certificated debt securities only by surrendering the old certificate representing those certificated debt securities and either we or the trustee will reissue the old certificate to the new holder or we or the trustee will issue a new certificate to the new holder.

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Global Debt Securities and Book-Entry System

Each global debt security representing book-entry debt securities will be deposited with, or on behalf of, the Depository, and registered in the name of the Depository or a nominee of the Depository.

The Depository has indicated it intends to follow the following procedures with respect to book-entry debt securities.

Ownership of beneficial interests in book-entry debt securities will be limited to persons that have accounts with the Depository for the related global debt security, whom we refer to as participants, or persons that may hold interests through participants. Upon the issuance of a global debt security, the Depository will credit, on its book-entry registration and transfer system, the participants' accounts with the respective principal amounts of the book-entry debt securities represented by the global debt security beneficially owned by such participants. The accounts to be credited will be designated by any dealers, underwriters or agents participating in the distribution of the book-entry debt securities. Ownership of book-entry debt securities will be shown on, and the transfer of the ownership interests will be effected only through, records maintained by the Depository for the related global debt security (with respect to interests of participants) and on the records of participants (with respect to interests of persons holding through participants). The laws of some states may require that certain purchasers of securities take physical delivery of such securities in definitive form. These laws may impair the ability to own, transfer or pledge beneficial interests in book-entry debt securities.

So long as the Depository for a global debt security, or its nominee, is the registered owner of that global debt security, the Depository or its nominee, as the case may be, will be considered the sole owner or holder of the book-entry debt securities represented by such global debt security for all purposes under the indenture. Except as described herein, beneficial owners of book-entry debt securities will not be entitled to have securities registered in their names, will not receive or be entitled to receive physical delivery of a certificate in definitive form representing securities and will not be considered the owners or holders of those securities under the indenture. Accordingly, to exercise any rights of a holder under the indenture, each person beneficially owning book-entry debt securities will have to rely on the procedures of the Depository for the related global debt security and, if that person is not a participant, on the procedures of the participant through which that person owns its interest.

We understand, however, that under existing industry practice, the Depository will authorize the persons on whose behalf it holds a global debt security to exercise certain rights of holders of debt securities, and the indenture will provide that we, the trustee and our respective agents will treat as the holder of a debt security the persons specified in a written statement of the Depository with respect to that global debt security for purposes of obtaining any consents or directions required to be given by holders of the debt securities pursuant to the indenture.

Unless provided otherwise by the terms of any series of debt securities, we will make payments of principal of, and premium and interest on book-entry debt securities to the registered holder of the related global debt security. We, the trustee and any other agent of ours or agent of the trustee will not have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a global debt security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

We expect that the Depository, upon receipt of any payment of principal of, premium or interest on a global debt security, will immediately credit participants' accounts with payments in amounts proportionate to the respective amounts of book-entry debt securities held by each participant as shown on the records of the Depository. We also expect that payments by participants to owners of beneficial interests in book-entry debt securities held through those participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in bearer form or registered in street name, and will be the responsibility of those participants.

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We will issue certificated debt securities in exchange for each global debt security if the Depository is at any time unwilling or unable to continue as Depository or ceases to be a clearing agency registered under the Exchange Act, and a successor Depository registered as a clearing agency under the Exchange Act is not appointed by us within 90 days. In addition, we may at any time and in our sole discretion determine not to have any of the book-entry debt securities of any series represented by one or more global debt securities and, in that event, we will issue certificated debt securities in exchange for the global debt securities of that series. Global debt securities will also be exchangeable by the holders for certificated debt securities if an event of default with respect to the book-entry debt securities represented by those global debt securities has occurred and is continuing. Any certificated debt securities issued in exchange for a global debt security will be registered in such name or names as the Depository shall instruct the trustee. We expect that such instructions will be based upon directions received by the Depository from participants with respect to ownership of book-entry debt securities relating to such global debt security.

We have obtained the foregoing information in this section concerning the Depository and the Depository's book-entry system from sources we believe to be reliable. We take no responsibility for the accuracy of the information or for the Depository's performance of its obligations under the rules and regulations governing its operations.

No Protection in the Event of a Change in Control

Unless we provide otherwise in the applicable prospectus supplement, the debt securities will not contain any provisions which may afford holders of the debt securities protection in the event we have a change in control or in the event of a highly leveraged transaction (whether or not such transaction results in a change in control).

Covenants

Unless we provide otherwise in the applicable prospectus supplement, the debt securities will not contain any restrictive covenants, including covenants restricting us or any of our subsidiaries from incurring, issuing, assuming or guarantying any indebtedness secured by a lien on any of our or our subsidiaries' property or capital stock, or restricting us or any of our subsidiaries from entering into any sale and leaseback transactions.

Consolidation, Merger and Sale of Assets

Unless we provide otherwise in the applicable prospectus supplement, we may not consolidate with or merge into, or convey, transfer or lease all or substantially all of our properties and assets to, any person (a successor person), and we may not permit any person to merge into, or convey, transfer or lease its properties and assets substantially as an entirety to us, unless:

the successor person is a corporation, partnership, trust or other entity organized and validly existing under the laws of any U.S. domestic jurisdiction and expressly assumes our obligations on the debt securities and under the indenture;

immediately after giving effect to the transaction, no event of default, and no event which, after notice or lapse of time, or both, would become an event of default, shall have occurred and be continuing under the indenture; and

certain other conditions are met.

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Events of Default

Unless we provide otherwise in the applicable prospectus supplement, event of default will mean, with respect to any series of debt securities, any of the following:

default in the payment of any interest upon any debt security of that series when it becomes due and payable, and continuance of that default for a period of 60 days (unless the entire amount of such payment is deposited by us with the trustee or with a paying agent before the expiration of the 60-day period);

default in the payment of principal of or premium on any debt security of that series within three business days of its maturity;

default in the deposit of any sinking fund payment, when and as due in respect of any debt security of that series;

default in the performance or breach of any other covenant or warranty by us in the indenture (other than a covenant or warranty that has been included in the indenture solely for the benefit of a series of debt securities other than that series), which default continues uncured for a period of 90 days after we receive written notice from the trustee or we and the trustee receive written notice from the holders of at least 33% in principal amount of the outstanding debt securities of that series as provided in the indenture;

certain events of our bankruptcy, insolvency or reorganization;

default under any of our debt with an aggregate principal amount of \$100.0 million (including a default with respect to any debt security of a different series) or the debt of our subsidiaries, if (1) such default results from the failure to pay any such debt when it becomes due and (2) such debt is not discharged or such acceleration is not rescinded or annulled within 30 days after written notice to us by the holder or holders of such debt in the manner provided for in the applicable debt instrument; and

any other event of default provided with respect to debt securities of that series that is described in the applicable prospectus supplement accompanying this prospectus.

No event of default with respect to a particular series of debt securities (except as to certain events of bankruptcy, insolvency or reorganization) will necessarily constitute an event of default with respect to any other series of debt securities. An event of default may also be an event of default under our bank credit agreements or other debt securities in existence from time to time and under certain guaranties by us of any subsidiary indebtedness. In addition, certain events of default or an acceleration under the indenture may also be an event of default under some of our other indebtedness outstanding from time to time.

Unless we provide otherwise in the applicable prospectus supplement, if an event of default with respect to debt securities of any series at the time outstanding occurs and is continuing (other than certain events of our bankruptcy, insolvency or reorganization), then the trustee or the holders of not less than 33% in principal amount of the outstanding debt securities of that series may, by written notice to us (and to the trustee if given by the holders), declare to be due and payable immediately the principal (or, if the debt securities of that series are discount securities, that portion of the principal amount as may be specified in the terms of that series) of and accrued and unpaid interest, if any, of all debt securities of that series. In the case of an event of default resulting from certain events of bankruptcy, insolvency or reorganization, the principal (or such specified amount) of and accrued and unpaid interest, if any, of all outstanding debt securities will become and be immediately due and payable without any declaration or other act by the trustee or any holder of outstanding debt securities. At any time after a declaration of acceleration with respect to debt securities of any series has been made, but before the trustee has obtained a judgment or decree for payment of the money due, the holders of a majority in principal amount of the outstanding debt securities of that series may, subject to our having paid or deposited with the trustee a sum sufficient to pay overdue interest and principal which has become due other than by acceleration and certain other conditions, rescind and annul such acceleration if all events of default, other than the

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non-payment of accelerated principal and interest, if any, with respect to debt securities of that series, have been cured or waived as provided in the indenture. For information as to waiver of defaults, see the discussion under the heading **Modification and Waiver** below. We refer you to the prospectus supplement relating to any series of debt securities that are discount securities for the particular provisions relating to acceleration of a portion of the principal amount of the discount securities upon the occurrence of an event of default and the continuation of an event of default.

Unless we provide otherwise in the applicable prospectus supplement, the indenture will provide that the trustee will be under no obligation to exercise any of its rights or powers under the indenture at the request of any holder of outstanding debt securities, unless the trustee receives indemnity satisfactory to it against any loss, liability or expense. Subject to certain rights of the trustee, the holders of a majority in principal amount of the outstanding debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the debt securities of that series.

Unless we provide otherwise in the applicable prospectus supplement, no holder of any debt security of any series will have any right to institute any proceeding, judicial or otherwise, with respect to the indenture or for the appointment of a receiver or trustee, or for any remedy under the indenture, unless:

that holder has previously given to the trustee written notice of a continuing event of default with respect to debt securities of that series; and

the holders of at least 33% in principal amount of the outstanding debt securities of that series have made a written request, and offered reasonable indemnity, to the trustee to institute such proceeding as trustee, and the trustee shall not have received from the holders of a majority in principal amount of the outstanding debt securities of that series a direction inconsistent with that request and has failed to institute the proceeding within 60 days.

Notwithstanding the foregoing, the holder of any debt security will have an absolute and unconditional right to receive payment of the principal of, premium and any interest on that debt security on or after the due dates expressed in that debt security and to institute suit for the enforcement of payment.

The indenture will require us, within 120 days after the end of our fiscal year, to furnish to the trustee a certificate as to compliance with the indenture. The indenture will provide that the trustee may withhold notice to the holders of debt securities of any series of any default or event of default (except in payment on any debt securities of that series) with respect to debt securities of that series if it in good faith determines that withholding notice is in the interest of the holders of those debt securities.

Modification and Waiver

Unless we provide otherwise in the applicable prospectus supplement, we and the trustee may modify and amend the indenture with the consent of the holders of at least a majority in principal amount of the outstanding debt securities of each series affected by the modifications or amendments. We and the trustee may not make any modification or amendment without the consent of the holder of each affected debt security then outstanding if that amendment will:

change the amount of debt securities whose holders must consent to an amendment or waiver;

reduce the rate of or extend the time for payment of interest (including default interest) on any debt security;

reduce the principal of or premium on or change the fixed maturity of any debt security or reduce the amount of, or postpone the date fixed for, the payment of any sinking fund or analogous obligation with respect to any series of debt securities;

reduce the principal amount of discount securities payable upon acceleration of maturity;

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waive a default in the payment of the principal of, premium or interest on any debt security (except a rescission of acceleration of the debt securities of any series by the holders of at least a majority in aggregate principal amount of the then outstanding debt securities of that series and a waiver of the payment default that resulted from that acceleration);

make the principal of or premium or interest on any debt security payable in currency other than that stated in the debt security;

make any change to certain provisions of the indenture relating to, among other things, the right of holders of debt securities to receive payment of the principal of, premium and interest on those debt securities, the right of holders to institute suit for the enforcement of any payment or the right of holders to waive past defaults, the right of holders of a specified principal amount of debt securities which are denominated in a foreign currency to be deemed for the purposes of taking action under the indenture, the amounts of U.S. dollars at the market exchange rate, certain terms regarding judgments in foreign currencies or to amend the limitations described in this bullet point; or

waive a redemption payment with respect to any debt security or change any of the provisions with respect to the redemption of any debt securities.

Except for certain specified provisions, the holders of at least a majority in principal amount of the outstanding debt securities of any series may, on behalf of the holders of all debt securities of that series, waive our compliance with provisions of the indenture. The holders of a majority in principal amount of the outstanding debt securities of any series may, on behalf of the holders of all the debt securities of that series, waive any past default under the indenture with respect to that series and its consequences, except a default in the payment of the principal of, premium or any interest on any debt security of that series; provided, however, that the holders of a majority in principal amount of the outstanding debt securities of any series may rescind an acceleration and its consequences, including any related payment default that resulted from the acceleration.

Subordination Provisions

Holders of subordinated debt securities should recognize that contractual provisions in the indenture may prohibit us from making payments on those securities. Senior subordinated debt securities are subordinate and junior in right of payment, to the extent and in the manner stated in the indenture or any supplement thereto to all of our senior indebtedness, as defined in the indenture, including all debt securities we have issued and will issue under the indenture.

Unless otherwise indicated in the applicable prospectus supplement, the indenture defines the term *senior indebtedness* with respect to each respective series of debt securities, unless the instrument creating such indebtedness or obligations provides that they are subordinated or are not superior in right of payment to such securities, to mean the principal, premium, if any, unpaid interest and all fees and other amounts payable in connection with any debt for money borrowed other than (1) debt incurred (a) with respect to certain elections under the federal bankruptcy code, (b) debt to our subsidiaries, (c) debt to our employees, (d) tax liability, and (e) certain trade payables, (2) all obligations under interest rate, currency and commodity swaps, caps, floors, collars, hedge arrangements, forward contracts or similar agreements and (3) renewals, modifications and refunds of any such debt.

Unless otherwise indicated in the applicable prospectus supplement, we may not pay principal of, premium, of any, or interest on any subordinated debt securities or defease, purchase, redeem or otherwise retire such securities if:

a default in the payment of any principal, or premium, if any, or interest on any senior indebtedness, occurs and is continuing or any other amount owing in respect of any senior indebtedness is not paid when due; or

any other default occurs with respect to any senior indebtedness and the maturity of such senior indebtedness is accelerated in accordance with its terms,

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unless and until such default in payment or event of default has been cured or waived and any such acceleration is rescinded or such senior indebtedness has been paid in full in cash.

If there is any payment or distribution of the assets of SunPower to creditors upon a total or partial liquidation or a total or partial dissolution or in a bankruptcy, reorganization, insolvency, receivership or similar proceeding, holders of all present and future senior indebtedness (which will include interest accruing after, or which would accrue but for, the commencement of any bankruptcy, reorganization, insolvency, receivership or similar proceeding) are entitled to receive payment in full before any payment or distribution, whether in cash, securities or other property, in respect of the subordinated indebtedness. In addition, unless otherwise indicated in the applicable prospectus supplement, in any such event, payments or distributions which would otherwise be made on subordinated debt securities will generally be paid to the holders of senior indebtedness, or their representatives, in accordance with the priorities existing among these creditors at that time until the senior indebtedness is paid in full.

After payment in full of all present and future senior indebtedness, holders of subordinated debt securities will be subrogated to the rights of any holders of senior indebtedness to receive any further payments or distributions that are applicable to the senior indebtedness until all the subordinated debt securities are paid in full. The indenture provides that the foregoing subordination provisions may not be changed in a manner which would be adverse to the holders of senior indebtedness without the consent of the holders of such senior indebtedness.

The prospectus supplement delivered in connection with the offering of a series of subordinated debt securities will set forth a more detailed description of the subordination provisions applicable to any such debt securities.

If the trustee under the indenture or any holders of the subordinated debt securities receive any payment or distribution that is prohibited under the subordination provisions, then the trustee or the holders will have to repay that money to the holders of the senior indebtedness.

Even if the subordination provisions prevent us from making any payment when due on the subordinated debt securities of any series, we will be in default on our obligations under that series if we do not make the payment when due. This means that the trustee under the indenture and the holders of that series can take action against us, but they will not receive any money until the claims of the holders of senior indebtedness have been fully satisfied.

Defeasance of Debt Securities and Certain Covenants in Certain Circumstances

Legal Defeasance

Unless the terms of the applicable series of debt securities provide otherwise, we may be discharged from any and all obligations in respect of the debt securities of any series (except for certain obligations to register the transfer or exchange of debt securities of the series, to replace stolen, lost or mutilated debt securities of the series, and to maintain paying agencies and certain provisions relating to the treatment of funds held by paying agents). We will be so discharged on the 91st day after the deposit with the trustee, in trust, of money and/or U.S. government obligations or, in the case of debt securities denominated in a single currency other than U.S. dollars, foreign government obligations (as described at the end of this section), that, through the payment of interest and principal in accordance with their terms, will provide money in an amount sufficient in the opinion of a nationally recognized firm of independent public accountants to pay and discharge each installment of principal, premium and interest on and any mandatory sinking fund payments in respect of the debt securities of that series on the stated maturity of such payments in accordance with the terms of the indenture and those debt securities.

This discharge may occur only if, among other things, we have delivered to the trustee an officers' certificate and an opinion of counsel stating that we have received from, or there has been published by, the U.S. Internal Revenue Service a ruling or, since the date of execution of the indenture, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that holders of the debt securities of such

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series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the deposit, defeasance and discharge and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same times as would have been the case if the deposit, defeasance and discharge had not occurred.

Defeasance of Certain Covenants

Unless the terms of the applicable series of debt securities provide otherwise, upon compliance with certain conditions, we may omit to comply with certain of the restrictive covenants contained in the indenture, as well as any additional covenants contained in a supplement to the indenture, a board resolution or an officers' certificate delivered pursuant to the indenture. The conditions include:

depositing with the trustee money and/or U.S. government obligations or, in the case of debt securities denominated in a single currency other than U.S. dollars, foreign government obligations, that, through the payment of interest and principal in accordance with their terms, will provide money in an amount sufficient in the opinion of a nationally recognized firm of independent public accountants to pay principal, premium and interest on and any mandatory sinking fund payments in respect of the debt securities of that series on the stated maturity of those payments in accordance with the terms of the indenture and those debt securities;

such deposit does not result in a breach or constitute a default under the indenture or any other agreement to which we are a party;

no default or event of default with respect to the debt securities shall have occurred and be continuing on the date of deposit or during the period ending 90 days after such date; and

the delivery to the trustee of an opinion of counsel to the effect that the holders of the debt securities of that series will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the deposit and related covenant defeasance and will be subject to U.S. federal income tax in the same amount and in the same manner and at the same times as would have been the case if the deposit and related covenant defeasance had not occurred.

Covenant Defeasance and Events of Default

If we elect, as described above, not to comply with certain covenants of the indenture with respect to any series of debt securities, and the debt securities of that series are declared due and payable because of the occurrence of any event of default, the amount of money and/or U.S. government obligations or foreign government obligations on deposit with the trustee will be sufficient to pay amounts due on the debt securities of that series at the time of their stated maturity but may not be sufficient to pay amounts due on the debt securities of that series at the time of the acceleration resulting from the event of default. However, we will remain liable for those payments.

Foreign government obligations means, with respect to debt securities of any series that are denominated in a currency other than U.S. dollars:

direct obligations of the government that issued or caused to be issued such currency for the payment of which obligations its full faith and credit is pledged, which are not callable or redeemable at the option of the issuer thereof; or

obligations of a person controlled or supervised by or acting as an agency or instrumentality of that government, the timely payment of which is unconditionally guaranteed as a full faith and credit obligation by that government, which are not callable or redeemable at the option of the issuer thereof.

Governing Law

The indenture and the debt securities will be governed by, and construed in accordance with, the laws of the State of New York.

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DESCRIPTION OF WARRANTS

We may issue, either separately or together with other securities, warrants for the purchase of any of the other types of securities that we may sell under this prospectus.

The warrants will be issued under warrant agreements to be entered into between us and a bank or trust company, as warrant agent, all to be set forth in the applicable prospectus supplement relating to any or all warrants in respect of which this prospectus is being delivered. Copies of the form of agreement for each warrant, which we refer to collectively as warrant agreements, including the forms of certificates representing the warrants, which we refer to collectively as warrant certificates, and reflecting the provisions to be included in such agreements that will be entered into with respect to the particular offerings of each type of warrant, will be filed with the SEC and incorporated by reference as exhibits to the registration statement of which this prospectus is a part.

The following description sets forth certain general terms and provisions of the warrants to which any prospectus supplement may relate. The particular terms of the warrants to which any prospectus supplement may relate and the extent, if any, to which the general provisions may apply to the warrants so offered will be described in the applicable prospectus supplement. To the extent that any particular terms of the warrants, warrant agreements or warrant certificates described in a prospectus supplement differ from any of the terms described below, then the terms described below will be deemed to have been superseded by that prospectus supplement. We encourage you to read the applicable warrant agreement and certificate for additional information before you decide whether to purchase any of our warrants.

General

The prospectus supplement will describe the terms of the warrants in respect of which this prospectus is being delivered, as well as the related warrant agreement and warrant certificates, including the following, where applicable:

the principal amount of, or the number of, securities, as the case may be, purchasable upon exercise of each warrant and the initial price at which the principal amount or number of securities, as the case may be, may be purchased upon such exercise;

the designation and terms of the securities, if other than common stock, purchasable upon exercise of the warrants and of any securities, if other than class A common stock, with which the warrants are issued;

the procedures and conditions relating to the exercise of the warrants;

the date, if any, on and after which the warrants, and any securities with which the warrants are issued, will be separately transferable;

the offering price, if any, of the warrants;

the date on which the right to exercise the warrants will commence and the date on which that right will expire;

if applicable, a discussion of the material U.S. federal income tax considerations applicable to the exercise of the warrants;

whether the warrants represented by the warrant certificates will be issued in registered or bearer form and, if registered, where they may be transferred and registered;

call provisions, if any, of the warrants;

antidilution provisions, if any, of the warrants; and

any other material terms of the warrants.

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The description in the prospectus supplement will not necessarily be complete and will be qualified in its entirety by reference to the warrant agreement and warrant certificate relating to the warrants being offered.

Exercise of Warrants

Each warrant will entitle the holder to purchase for cash that principal amount of, or number of, securities, as the case may be, at the exercise price set forth in, or to be determined as set forth in, the applicable prospectus supplement relating to the warrants. Unless otherwise specified in the applicable prospectus supplement, warrants may be exercised at the corporate trust office of the warrant agent or any other office indicated in the applicable prospectus supplement at any time up to 5:00 p.m., New York City time, on the expiration date set forth in the applicable prospectus supplement. After 5:00 p.m., New York City time, on the expiration date, unexercised warrants will become void. Upon receipt of payment and the warrant certificate properly completed and duly executed, we will, as soon as practicable, issue the securities purchasable upon exercise of the warrant. If less than all of the warrants represented by the warrant certificate are exercised, a new warrant certificate will be issued for the remaining amount of warrants.

Modification of the Warrant Agreement

The warrant agreements may permit us and the warrant agent, if any, without the consent of the warrant holders, to supplement or amend the agreement in the following circumstances:

to cure any ambiguity;

to correct or supplement any provision which may be defective or inconsistent with any other provisions; or

to add new provisions regarding matters or questions that we and the warrant agent may deem necessary or desirable and which do not adversely affect the interests of the warrant holders.

No Rights of Security Holder Prior to Exercise

Before the exercise of their warrants, holders of warrants will not have any of the rights of holders of the securities purchasable upon the exercise of the warrants, and will not be entitled to:

in the case of warrants to purchase debt securities, payments of principal of, or any premium or interest on, the debt securities purchasable upon exercise; or

in the case of warrants to purchase equity securities, the right to vote or to receive dividend payments or similar distributions on the securities purchasable upon exercise.

Exchange of Warrant Certificates

Warrant certificates will be exchangeable for new warrant certificates of different denominations at the corporate trust office of the warrant agent or any other office indicated in the applicable prospectus supplement.

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PLAN OF DISTRIBUTION

We may sell any of the securities being offered hereby in one or more of the following ways from time to time:

through agents;

through underwriters or dealers;

in short or long transactions;

in at the market offerings, within the meaning of Rule 415(a)(4) of the Securities Act, to or through a market maker or into an existing trading market, on an exchange or otherwise;

directly to investors; or

through a combination of these methods of sale.

We will set forth in a prospectus supplement the terms of the offering of securities, including:

the name or names of any agents, underwriters or dealers;

the purchase price of the securities being offered and the proceeds we will receive from the sale;

any over-allotment options under which underwriters may purchase additional securities from us;

any agency fees or underwriting discounts or commissions and other items constituting agents or underwriters compensation;

the public offering price;

any discounts or concessions allowed or reallocated or paid to dealers; and

any securities exchanges on which such securities may be listed.

We may enter into derivative transactions with third parties or sell securities not covered by this prospectus to third parties in privately negotiated transactions from time to time. If the applicable prospectus supplement indicates, in connection with those derivative transactions, such third parties (or affiliates of such third parties) may sell securities covered by this prospectus and the applicable prospectus supplement, including in short sale transactions. If so, such third parties (or affiliates of such third parties) may use securities pledged by us or borrowed from us or others to settle those sales or to close out any related open borrowings of stock, and may use securities received from us in settlement of those derivative transactions to close out any related open borrowings of stock. The third parties (or affiliates of such third parties) in such sale

transactions will be underwriters and will be identified in an applicable prospectus supplement (or a post-effective amendment).

We may loan or pledge securities to a financial institution or other third party that in turn may sell the securities using this prospectus and an applicable prospectus supplement. Such financial institution or third party may transfer its short position to investors in our securities or in connection with a simultaneous offering of other securities offered by this prospectus.

Underwriters, Agents and Dealers

We may designate agents who agree to use their reasonable efforts to solicit purchases for the period of their appointment or to sell our securities for which they have been appointed an agent on a continuing basis.

If we use underwriters for a sale of our securities, the underwriters will acquire the securities for their own account. The underwriters may resell the securities from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale.

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Underwriters may offer securities to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more firms acting as underwriters. The obligations of the underwriters to purchase our securities will be subject to the conditions set forth in the applicable underwriting agreement. The underwriters may change from time to time any initial public offering price and any discounts or concessions the underwriters allow or reallow or pay to dealers. We may use underwriters with whom we have a material relationship. We will describe in an applicable prospectus supplement the name of the underwriter and the nature of any such relationship.

If a dealer is utilized in the sale of securities in respect of which this prospectus is delivered, we will sell such securities to the dealer as principal. The dealer may then resell such securities to the public at varying prices to be determined by such dealer at the time of resale.

Underwriters, dealers and agents that participate in the distribution of our securities may be underwriters as defined in the Securities Act, and any discounts or commissions they receive from us and any profit on their resale of the securities may be treated as underwriting discounts and commissions under the Securities Act. We will identify in the applicable prospectus supplement any underwriters, dealers or agents and will describe their compensation. We may have agreements with the underwriters, dealers and agents to indemnify them against specified civil liabilities, including liabilities under the Securities Act. Underwriters, dealers and agents may engage in transactions with or perform services for us or our subsidiaries in the ordinary course of their businesses.

Stabilization Activities

In connection with an offering through underwriters, an underwriter may purchase and sell securities in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of securities than they are required to purchase in the offering. Covered short sales are sales made in an amount not greater than the underwriters' option to purchase additional securities from us in the offering, if any. If the underwriters have an over-allotment option to purchase additional securities from us, the underwriters may close out any covered short position by either exercising their over-allotment option or purchasing securities in the open market. In determining the source of securities to close out the covered short position, the underwriters may consider, among other things, the price of securities available for purchase in the open market as compared to the price at which they may purchase securities through the over-allotment option. Naked short sales are any sales in excess of such option or where the underwriters do not have an over-allotment option. The underwriters must close out any naked short position by purchasing securities in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the securities in the open market after pricing that could adversely affect investors who purchase in the offering.

Accordingly, to cover these short sales positions or to otherwise stabilize or maintain the price of the securities, the underwriters may bid for or purchase securities in the open market and may impose penalty bids. If penalty bids are imposed, selling concessions allowed to syndicate members or other broker-dealers participating in the offering are reclaimed if securities previously distributed in the offering are repurchased, whether in connection with stabilization transactions or otherwise. The effect of these transactions may be to stabilize or maintain the market price of the securities at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also effect the price of the securities to the extent that it discourages resale of the securities. The magnitude or effect of any stabilization or other transactions is uncertain. These transactions may be effected on The Nasdaq Global Market or otherwise and, if commenced, may be discontinued at any time.

Any underwriters who are qualified market makers on The Nasdaq Global Market may engage in passive market making transactions in the securities on The Nasdaq Global Market in accordance with Rule 103 of Regulation M. Passive market makers must comply with applicable volume, price and other limitations of Rule 103.

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Direct Sales

We may also sell securities directly to one or more purchasers without using underwriters or agents. In this case, no agents, underwriters or dealers would be involved. We may sell securities upon the exercise of rights that we may issue to our securityholders. We may also sell the securities directly to institutional investors or others who may be deemed to be underwriters within the meaning of the Securities Act with respect to any sale of those securities.

Trading Markets and Listing of Securities

Unless otherwise specified in an applicable prospectus supplement, each class or series of securities will be a new issue with no established trading market, other than our class A common stock, which is listed on The Nasdaq Global Market. We may elect to list any other class or series of securities on any exchange, but we are not obligated to do so. It is possible that one or more underwriters may make a market in a class or series of securities, but the underwriters will not be obligated to do so and may discontinue any market making at any time without notice. We cannot give any assurance as to the liquidity of the trading market for any of the securities.

EXPERTS

The financial statements of SunPower Corporation as of December 31, 2004 and 2005 and for the year ended December 31, 2003, the period from January 1, 2004 to November 8, 2004, the period from November 9, 2004 to December 31, 2004 and the year ended December 31, 2005 incorporated in this prospectus by reference to SunPower's annual report on Form 10-K for the fiscal year ended December 31, 2005 have been so incorporated in reliance on the reports of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The consolidated financial statements of PowerLight Corporation appearing in SunPower Corporation's current report on Form 8-K/A dated January 25, 2007 included therein, have been audited by Ernst & Young LLP, independent auditors, as set forth in their report thereon included therein, and are incorporated herein by reference in reliance upon such reports given on the authority of such firm as experts in accounting and auditing.

LEGAL MATTERS

Unless otherwise indicated in an applicable supplement to this prospectus, the validity of the securities will be passed upon for us by Jones Day, Palo Alto, California and for any underwriters or agents by counsel named in the applicable prospectus supplement.

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WHERE YOU CAN FIND MORE INFORMATION

Available Information

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any of this information at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at (800) SEC-0330 or (202) 942-8090 for further information on the public reference room. The SEC also maintains an Internet website that contains reports, proxy statements and other information regarding issuers, including us, who file electronically with the SEC. The address of that site is www.sec.gov. The information contained on the SEC's website is expressly not incorporated by reference into this prospectus.

Our SEC filings are also available on our website at www.sunpowercorp.com, although the information on our website is expressly not incorporated by reference into, and does not constitute a part of, this prospectus.

This prospectus contains summaries of provisions contained in some of the documents discussed in this prospectus, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of some of the documents referred to in this prospectus have been filed or will be filed or incorporated by reference as exhibits to the registration statement of which this prospectus is a part. If any contract, agreement or other document is filed or incorporated by reference as an exhibit to the registration statement, you should read the exhibit for a more complete understanding of the document or matter involved.

Incorporation of Documents by Reference

The SEC allows us to incorporate by reference information into this prospectus. This means we can disclose information to you by referring you to another document we filed with the SEC. We will make those documents available to you without charge upon your oral or written request. Requests for those documents should be directed to SunPower Corporation, 3939 North First Street, San Jose, California 95134, Attention: Corporate Secretary. In addition, you may obtain copies of this information by sending an e-mail to publicrelations@sunpowercorp.com or by calling (408) 240-5588. This prospectus incorporates by reference the following documents:

Our annual report on Form 10-K for the fiscal year ended December 31, 2005 filed on March 24, 2006;

Our quarterly report on Form 10-Q for the quarter ended April 2, 2006 filed on May 16, 2006;

Our quarterly report on Form 10-Q for the quarter ended July 2, 2006 filed on August 16, 2006;

Our quarterly report on Form 10-Q for the quarter ended October 1, 2006 filed on November 13, 2006;

Our current reports on Form 8-K filed on March 14, 2006, March 24, 2006 (both of the current reports on Form 8-K filed on this day), May 1, 2006 (only the information reported under Item 1.01 is incorporated herein by reference), July 10, 2006 (only the information reported under Item 1.01 is incorporated herein by reference), July 17, 2006, October 18, 2006 (only the information reported under Item 1.01 is incorporated herein by reference), November 16, 2006 (as amended by filings on November 20, 2006 and November 22, 2006), December 22, 2006 and January 17, 2007 (both of the current reports on Form 8-K filed on this day, although with respect to the current report on Form 8-K relating to (i) the entry into a material definitive agreement with JingAo Solar Company, Ltd., only the information reported under Item 1.01 thereof is incorporated herein by reference and (ii) the completion of the Merger, also including the amendment thereto filed on January 25, 2007); and

the description of the class A common stock included in the Form 8-A filed on October 31, 2005, and any amendment or report we may file with the SEC for the purpose of updating such description.

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We are also incorporating by reference additional documents we may file pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act after the date of this prospectus until the offering of the particular securities covered by an applicable prospectus supplement has been completed, other than any portion of the respective filings furnished, rather than filed, under the applicable SEC rules.

This additional information is a part of this prospectus from the date of filing of those documents.

Any statements made in this prospectus or in a document incorporated or deemed to be incorporated by reference into this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document which is also incorporated or deemed to be incorporated into this prospectus modifies or supersedes the statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

The information relating to us contained in this prospectus should be read together with the information in the documents incorporated by reference.

Table of Contents**PART II****Information Not Required in Prospectus****Item 14. Other Expenses of Issuance and Distribution**

The following is a statement of the expenses (all of which are estimated) to be incurred by us in connection with a distribution of securities registered under this registration statement:

Securities and Exchange Commission Registration Fee	\$	*
Legal Fees and Expenses		**
Accounting Fees and Expenses		**
Printing Expenses		**
Blue Sky Fees		**
Transfer Agent Fees and Expenses		**
Trustee Fees and Expenses		**
Rating Agency Fees		**
Miscellaneous		**
 Total	 \$	 **

* Under SEC Rules 456(b) and 457(r), the SEC registration fee will be paid at the time of any particular offering of securities under the registration statement, and is therefore not currently determinable.

** These fees are calculated based on the securities offered and the number of issuances and accordingly cannot be estimated at this time.

Item 15. Indemnification of Directors and Officers

Section 145(a) of the DGCL provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that such person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful.

Section 145(b) of the DGCL provides that a corporation may indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that such person acted in any of the capacities set forth above, against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation, except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation, unless and only to the extent that the court in which such action or suit was brought shall determine that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

Further subsections of Section 145 of the DGCL provide that:

to the extent a present or former director or officer of a corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of Section 145 or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith;

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the indemnification and advancement of expenses provided for pursuant to Section 145 shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise; and

the corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liability under Section 145.

Article VIII of SunPower's restated certificate of incorporation (i) authorizes the indemnification of directors and officers (the Indemnitees) to the fullest extent authorized by the DGCL, (ii) provides for the advancement of expenses to the Indemnitees for defending any proceedings related to the specified circumstances, and (iii) authorizes SunPower to maintain certain policies of insurance to protect itself and any of its directors, officers or employees.

SunPower has entered into agreements to indemnify certain of its directors and executive officers in addition to the indemnification provided for in its restated certificate of incorporation and amended and restated bylaws. These agreements, among other things, provide for indemnification of SunPower's directors and executive officers for expenses, judgments, fines and settlement amounts incurred by any of these people in any action or proceeding arising out of his or her services as a director or executive officer of SunPower or at SunPower's request.

The foregoing is only a general summary of certain aspects of Delaware law and SunPower's restated certificate of incorporation dealing with indemnification of directors and officers, and does not purport to be complete. It is qualified in its entirety by reference to the detailed provisions of Section 145 of the DGCL and SunPower's restated certificate of incorporation.

Table of Contents**Item 16. Exhibits**

Exhibit No.	Description
1.1*	Form of Underwriting Agreement for Equity Securities.
1.2*	Form of Underwriting Agreement for Debt Securities.
3.1	Restated Certificate of Incorporation (incorporated by reference to Amendment No. 6 to SunPower's Registration Statement on Form S-1, filed with the SEC on November 15, 2005).
3.2	Amended and Restated Bylaws (incorporated by reference to Amendment No. 1 to SunPower's Registration Statement on Form S-1, filed with the SEC on October 11, 2005).
4.1	Specimen Class A Common Stock Certificate (incorporated by reference to Exhibit 4.1 to Amendment No. 4 to SunPower's Registration Statement on Form S-1, filed with the SEC on October 11, 2005).
4.2*	Form of Specimen Preferred Stock Certificate.
4.3*	Form of Class A Common Stock Warrant Agreement (together with form of Class A Common Stock Warrant Certificate).
4.4*	Form of Preferred Stock Warrant Agreement (together with form of Preferred Stock Warrant Certificate).
4.5	Form of Indenture.
4.6*	Form of debt security.
5.1	Opinion of Jones Day regarding validity.
12.1	Computation of earnings to fixed charges and earnings to combined fixed charges and preferred stock dividends.
23.1	Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm.
23.2	Consent of Ernst & Young, LLP, independent auditors.
23.3	Consent of Jones Day (included in Exhibit 5.1).
24.1	Power of attorney (included on signature page hereof).
25.1	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of Wells Fargo Bank, National Association, as trustee under the indenture.

* To be subsequently filed by an amendment to this Registration Statement or as an exhibit to a document filed under the Exchange Act and incorporated by reference into this Registration Statement.

Item 17. Undertakings

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission

pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and

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(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (1)(i), (1)(ii) and (1)(iii) above do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933, to any purchaser:

(i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which the prospectus relates, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof. *Provided, however*, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned registrant undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

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(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933 shall be deemed to be part of this registration statement as of the time it was declared effective;

(2) for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

The undersigned registrant hereby undertakes to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the Commission under Section 305(b)(2) of the Trust Indenture Act.

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Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Jose, State of California, on the 29th day of January, 2007.

SUNPOWER CORPORATION

By: /s/ THOMAS H. WERNER

Thomas H. Werner

Chief Executive Officer

POWER OF ATTORNEY

KNOWN ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Thomas H. Werner and Emmanuel T. Hernandez, and each of them, his or her true and lawful attorneys in fact and agents, each with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments, including post-effective amendments, to this Registration Statement, and any registration statement relating to the offering covered by this Registration Statement and filed pursuant to Rule 462(b) under the Securities Act of 1933, and to file the same, with exhibits, thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and conforming all that each of said attorneys in fact and agents or their substitute or substitutes may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ THOMAS H. WERNER Thomas H. Werner	Chief Executive Officer (Principal Executive Officer) and Director	January 29, 2007
/s/ EMMANUEL T. HERNANDEZ Emmanuel T. Hernandez	Chief Financial Officer (Principal Financial and Accounting Officer)	January 29, 2007
/s/ T. J. RODGERS T. J. Rodgers	Chairman of the Board	January 29, 2007
/s/ W. STEVE ALBRECHT W. Steve Albrecht	Director	January 29, 2007
/s/ BETSY S. ATKINS Betsy S. Atkins	Director	January 29, 2007
/s/ PATRICK WOOD Patrick Wood	Director	January 29, 2007

Patrick Wood

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EXHIBIT INDEX

Exhibit No.	Description
4.5	Form of Indenture.
5.1	Opinion of Jones Day regarding validity.
12.1	Computation of earnings to fixed charges and earnings to combined fixed charges and preferred stock dividends.
23.1	Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm.
23.2	Consent of Ernst & Young, LLP, independent auditors.
23.3	Consent of Jones Day (included in Exhibit 5.1).
24.1	Power of attorney (included on signature page hereof).
25.1	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of Wells Fargo Bank, National Association, as trustee under the indenture.