

PRUDENTIAL FINANCIAL INC
Form 8-K
November 10, 2005

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): November 10, 2005

PRUDENTIAL FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

New Jersey
(State or other jurisdiction

of incorporation)

001-16707
(Commission File Number)

22-3703799
(I.R.S. Employer

Identification No.)

751 Broad Street

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Newark, New Jersey 07102

(Address of principal executive offices and zip code)

(973) 802-6000

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- .. **Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)**
 - .. **Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)**
 - .. **Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))**
 - .. **Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))**
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Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

The response to Item 8.01 is hereby incorporated into this Item 2.03.

Item 3.02 Unregistered Sales of Equity Securities.

The response to Item 8.01 is hereby incorporated into this Item 3.02. The Convertible Notes referred to in the response to Item 8.01 are convertible into Common Stock, as described in such response.

Item 8.01 Other Events.

On November 10, 2005, Prudential Financial, Inc., a New Jersey corporation (the *Company*), issued a news release announcing that it has priced a private placement pursuant to Rule 144A under the Securities Act of 1933, as amended (the *Securities Act*), of \$2.0 billion aggregate principal amount of convertible senior notes due 2035 (the *Convertible Notes*). The initial purchaser of the Convertible Notes also has an option to purchase an additional \$100 million aggregate principal amount of the Convertible Notes solely to cover its overallocments. The issuance and sale of the Convertible Notes are to be consummated on customary terms and conditions pursuant to a Purchase Agreement entered into by the Company and the initial purchaser named therein on November 9, 2005. The sale of the Convertible Notes is expected to close on November 16, 2005, subject to customary closing conditions.

The Company will pay interest on the Convertible Notes at an annual rate equal to 3- month LIBOR, reset quarterly, minus 2.76% until maturity on November 15, 2035, subject to earlier repurchase, redemption or conversion. The Convertible Notes will have an initial conversion rate of 11.1111 shares of the Company's Common Stock (the *Common Stock*) per \$1,000 principal amount of Convertible Notes, representing an initial conversion price of \$90.00, which is a premium of 21.42% over the closing Common Stock price of \$74.12 per share on November 9, 2005. The Company will settle each \$1,000 principal amount of Convertible Notes surrendered for conversion by delivering cash and shares of Common Stock, if any, equal to the sum of the daily settlement amounts for each of the ten trading days during the related observation period. The daily settlement amount for each of the ten trading days of the observation period will consist of: (1) an amount in cash equal to the lesser of \$100 and the daily conversion value relating to such day, and (2) to the extent such daily conversion value exceeds \$100, a number of shares of Common Stock equal to (A) the difference between such daily conversion value and \$100 divided by (B) the Common Stock price for such day. The Company may redeem all or some of the Convertible Notes for cash at any time after May 20, 2007 at 100% of their principal amount plus accrued interest, if any, to but not including the redemption date. The holders of the Convertible Notes may require the Company to repurchase the Convertible Notes for cash on the 18-month and 5-, 10-, 15-, 20- and 25-year anniversaries of the date of issuance at the par amount plus accrued interest, if any.

In connection with the offering of the Convertible Notes, the Company anticipates repurchasing under its existing share repurchase authorization up to approximately \$210 million of Common Stock with a portion of the net offering proceeds. The Company anticipates that substantially all of such repurchases will be from purchasers of the Convertible Notes. The Company expects to use substantially all of the remaining net offering proceeds to purchase an investment grade fixed income investment portfolio. Any net offering proceeds not used for the foregoing purposes will be used, and any net offering proceeds initially used to purchase an investment portfolio may in the future be used, for general corporate purposes.

Item 9.01 Financial Statements and Exhibits.

(c) **Exhibits.**

99.0 News Release of the Company, dated November 10, 2005, announcing the pricing of a private placement pursuant to Rule 144A under the Securities Act of \$2.0 billion aggregate principal amount of Convertible Notes.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 10, 2005

PRUDENTIAL FINANCIAL, INC.

By: /s/ Stephen W. Gauster

Name: Stephen W. Gauster
Title: Assistant Secretary

Exhibit Index

Exhibit No.	Description
99.0	News Release of the Company, dated November 10, 2005, announcing the pricing of a private placement pursuant to Rule 144A under the Securities Act of \$2.0 billion aggregate principal amount of Convertible Notes.