

PRUDENTIAL FINANCIAL INC  
Form 424B3  
May 14, 2008

Filed Pursuant to Rule 424(b)(3)

Registration Statement No. 333-132469

333-132469-01

333-132469-02

**This pricing supplement, which is subject to completion, relates to an automatically effective Registration Statement under the Securities Act of 1933, as amended. We may not sell the notes until we deliver a final pricing supplement. This pricing supplement and the accompanying prospectus supplement and prospectus are not an offer to sell these notes in any jurisdiction where such an offer would not be permitted.**

Subject to completion, dated May 13, 2008

PRICING SUPPLEMENT, NO.

DATED , 2008

(To Prospectus dated March 16, 2006 and

Prospectus Supplement dated March 16, 2006)

## Prudential Financial, Inc.

\$

### Inflation-Linked Retail Medium-Term Notes Due May 23, 2018

This pricing supplement relates to \$ principal amount of Inflation-Linked Retail Medium-Term Notes, or the notes, of Prudential Financial, Inc. You should read this pricing supplement in conjunction with the prospectus dated March 16, 2006 and prospectus supplement dated March 16, 2006. Unless otherwise defined herein, capitalized terms used herein have the meanings given to them in the accompanying prospectus, as supplemented.

We will pay interest on the notes on the 23<sup>rd</sup> calendar day of each month, which we refer to as an Interest Payment Date, beginning June 23, 2008. Until June 23, 2008, the annual interest rate payable on the notes will be 6.73%. Thereafter, the annual interest rate will be equal to the Inflation Index Adjustment, which will be determined as described in the accompanying prospectus supplement under Description of Retail Medium-Term Notes Indexed Retail Medium-Term Notes Inflation-Linked Rate, plus 2.75%, or 275 basis points. However, at no time will the annual interest rate for any interest payment period be less than zero.

We will base the Inflation Index Adjustment for each interest payment period on the percentage change in the U.S. Consumer Price Index, or CPI, as defined in the accompanying prospectus supplement under Description of Retail Medium-Term Notes Indexed Retail Medium-Term Notes Inflation-Linked Rate. The Inflation Index Adjustment may be a positive or negative rate in any interest payment period. We will calculate the Inflation Index Adjustment monthly and reset the interest rate on the notes monthly.

Edgar Filing: PRUDENTIAL FINANCIAL INC - Form 424B3

The notes will mature and be payable at 100% of their principal amount on May 23, 2018, plus any accrued and unpaid interest thereon to but excluding that date, and will not be subject to redemption prior to maturity. The notes will represent unsecured unsubordinated indebtedness of Prudential Financial, Inc. and will rank equally with its other unsecured unsubordinated indebtedness from time to time outstanding.

Investing in the notes involves certain risks, including those described in the Additional Risk Factors section beginning on page PS-2 of this pricing supplement, the Risk Factors section beginning on page S-6 of the accompanying prospectus supplement, and the Notes Regarding Forward-Looking Statements and Certain Risks section beginning on page 3 of the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed on the adequacy or accuracy of this pricing supplement, the accompanying prospectus or the accompanying prospectus supplement. Any representation to the contrary is a criminal offense.

|          | Purchasing Agent s  | Proceeds, Before    |
|----------|---------------------|---------------------|
|          | Discount (2)        | Expenses, to Us (3) |
| Per Note | Price to Public (1) | %                   |
| Total    | 100.00%             | %                   |
|          | \$                  | \$                  |

- (1) Plus accrued interest, if any, from May 23, 2008 if settlement occurs after that date.
- (2) If the notes priced today, J.P. Morgan Securities Inc. ( JPMSI ) would receive a commission of approximately \$23.00 per \$1,000 principal amount note and may use a portion of that commission to allow concessions to other dealers of approximately \$11.25 per \$1,000 principal amount note. In connection with this offering, Prudential Financial, Inc. or its affiliate entered into a swap transaction with an affiliate of JPMSI to hedge certain of its payment obligations under the notes. See Underwriting.
- (3) Net of accrued interest, if any, from May 23, 2008, if settlement occurs after that date.

The Agent expects to deliver the notes in book-entry form only, through the facilities of The Depository Trust Company, New York, New York, on or about May 23, 2008.

**JPMorgan**

---

**ADDITIONAL RISK FACTORS**

*You should carefully consider the following discussion of risks, and the other information provided in the accompanying prospectus and prospectus supplement. The notes will not be an appropriate investment for you if you are not knowledgeable about significant features of the notes, about our financial condition, operations and business or financial matters in general. You should not purchase the notes unless you understand, and know that you can bear, these risks.*

**During periods in which year-over-year inflation is negative, the interest rate applicable to the notes for any interest payment period could be lower than 2.75% and as low as zero.**

During periods of reduced inflation, the interest rate applicable to the notes for any interest payment period will decrease, and during periods in which year-over-year inflation is negative, which we refer to as deflation, the applicable interest rate on the notes for such interest periods will be less than 2.75% per annum and as low as zero. Therefore, if the Inflation Index Adjustment were to decrease to 1.00% based on the observed change in the CPI, for example, the annual interest rate in that period would be 2.75% above the Inflation Index Adjustment, or 3.75%. In a period of deflation, the Interest Index Adjustment would be negative, which then could result in an interest rate below 2.75% and as low as zero. For example, if the Inflation Index Adjustment were -1.00%, the annual interest rate in that period would be 1.75%, and if the Inflation Index Adjustment were -2.75%, the interest rate in that period would be zero. For further discussion of the risks related to an investment in inflation-linked notes, see Risk Factors Risks Related to an Investment in Inflation-Linked Notes in the accompanying prospectus supplement.

**The yield on the notes may be lower than the yield on a standard debt security of comparable maturity.**

The amounts we will pay you on Interest Payment Dates and the Maturity Date may be less than the return you could have earned on other investments. Because the level of the CPI as of each Interest Payment Date may be less than, equal to or only somewhat greater than its value as of the previous Interest Payment Date, and because interest payments after June 23, 2008 are determined by the level of the CPI, the effective yield to maturity on notes may be less than that which would be payable on a conventional fixed-rate, non-callable debt security of Prudential Financial, Inc. of comparable maturity.

**Floating rate notes differ from fixed rate notes.**

The annual interest rate paid by us on the notes for each interest payment period will be equal to the Inflation Index Adjustment plus 2.75%, which may be less than returns otherwise payable on debt securities issued by us with similar maturities. You should consider, among other things, the overall potential annual percentage rate of interest to maturity of the notes as compared to other investment alternatives.

**The inclusion of any commissions and estimated profit from hedging in the original issue price is likely to adversely affect secondary market prices.**

Assuming no change in market conditions or any other relevant factors, the price, if any, at which JPMSI is willing to purchase notes in secondary market transactions will likely be lower than the original issue price, because the original issue price includes, and secondary market prices are likely to exclude, any commissions paid with respect to the notes, as well as the estimated profit included in the cost of hedging our obligations under the notes. In addition, any such prices may differ from values determined by pricing models used by JPMSI as a result of dealer discounts, markups or other transaction costs. See Underwriting.

**CERTAIN NOTE TERMS**

1. Aggregate Original Principal Amount: \$
2. Issue Date: May 23, 2008
3. Maturity Date: May 23, 2018
  - (a) Amount Payable on the Maturity Date: 100% of principal amount, plus any accrued and unpaid interest thereon to but excluding that date
4. Interest Category: Indexed Notes
5. Trustee: The Bank of New York, as successor trustee under an indenture dated as of April 25, 2003, as supplemented and amended. Citibank, N.A. will act as paying agent, registrar and transfer agent for the notes.
6. Calculation Agent: Prudential Financial, Inc.
7. Purchasing Agent: J.P. Morgan Securities Inc.
8. Selling concession:
9. Interest:
  - (a) Frequency of Interest Payments: Monthly, with an initial interest payment period from and including the Issue Date to but excluding June 23, 2008
  - (b) Interest Payment Dates: The 23<sup>rd</sup> calendar day of each month, commencing June 23, 2008, or if such date is not a Business Day, the next succeeding Business Day; provided that any interest payment on an Interest Payment Date, as postponed, will accrue to but excluding such Interest Payment Date, as postponed
  - (c) Interest Rate: The Inflation Index Adjustment + Spread, subject to the Minimum Interest Rate Limitation
  - (d) Day Count: 360-day year of twelve 30-day months
  - (e) Inflation Index Adjustment: The Inflation Index Adjustment (expressed as a percentage per year) for an interest payment period will be calculated as described in the accompanying prospectus supplement under Description of Retail Medium-Term Notes Indexed Retail Medium-Term Notes Inflation-Linked Rate. The Inflation Index Adjustment + Spread for purposes of the initial interest

## Edgar Filing: PRUDENTIAL FINANCIAL INC - Form 424B3

payment date of June 23, 2008 is 6.73% per annum.

The inflation index adjustment (expressed as a percentage per year) for an interest payment period will be calculated as follows:

$$\text{Inflation index adjustment} = \frac{(\text{Ref CPI}_n - \text{Ref CPI}_{n-12})}{\text{Ref CPI}_{n-12}}$$

The inflation index adjustment will be expressed as a percentage, rounded to the nearest one-hundredth of one percent. All percentages resulting from any intermediate calculation on the notes will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with

PS-3

## Edgar Filing: PRUDENTIAL FINANCIAL INC - Form 424B3

0.000005% rounded up to 0.00001%. All coupon amounts used in or resulting from such calculation on the notes will be rounded to the nearest one-hundredth of a percentage point, with 0.005% rounded up to 0.01%.

Ref CPI<sub>n</sub> = As to any Interest Reset Date, the level of CPI for the third calendar month (the Reference Month) preceding the month in which that Interest Reset Date occurs, as reported in the second calendar month prior to such Interest Reset Date.

Ref CPI<sub>n-12</sub> = As to any Interest Reset Date, the level of CPI for the 12th calendar month preceding the relevant Reference Month.

CPI means the non-seasonally adjusted U.S. City Average All Items Consumer Price Index for All Urban Consumers, which is published monthly by the Bureau of Labor Statistics of the U.S. Department of Labor, as reported on Bloomberg page CPURNSA or any successor service.

- (f) Spread: 2.75%
- (g) Interest Reset Date: the Interest Payment Date, on which interest is paid with respect to an interest payment period
- (h) Interest Determination Date: The 5<sup>th</sup> business day preceding each Interest Reset Date
- (i) Minimum Interest Rate Limitation: Zero per year for each interest payment period

*Example.* For example, for the Interest Payment Period from and including May 23, 2008 to but excluding June 23, 2008, CPI<sub>n</sub> will be 213.528, the CPI for March 2008 (the Reference Month), and Ref CPI<sub>n-12</sub> will be 205.352, the CPI for March 2007 (which is the CPI for the 12th calendar month preceding the Reference Month). The rate at which interest will be paid for that period will be calculated as follows:

Inflation Index Adjustment =

$$= (\text{Ref CPI}_n - \text{Ref CPI}_{n-12}) / \text{Ref CPI}_{n-12}$$

$$= (213.528 - 205.352) / 205.352$$

$$= 0.0398$$

$$\text{Spread} = 2.75\%$$

$$\text{Interest Rate} = 0.0398 + 0.0275 = 0.0673 = 6.73\%$$

The following table sets forth the CPI from January 2003 to March 2008, as reported by the Bureau of Labor Statistics of the U.S. Department of Labor.

| Month    | 2008    | 2007    | 2006  | 2005  | 2004  | 2003  |
|----------|---------|---------|-------|-------|-------|-------|
| January  | 211.080 | 202.416 | 198.3 | 190.7 | 185.2 | 181.7 |
| February | 211.693 | 203.499 | 198.7 | 191.8 | 186.2 | 183.1 |
| March    | 213.528 | 205.352 | 199.8 | 193.3 | 187.4 | 184.2 |
| April    |         | 206.686 | 201.5 | 194.6 | 188.0 | 183.8 |
| May      |         | 207.949 | 202.5 | 194.4 | 189.1 | 183.5 |
| June     |         | 208.352 | 202.9 | 194.5 | 189.7 | 183.7 |
| July     |         | 208.299 | 203.5 | 195.4 | 189.4 | 183.9 |

Edgar Filing: PRUDENTIAL FINANCIAL INC - Form 424B3

|           |         |       |       |       |       |
|-----------|---------|-------|-------|-------|-------|
| August    | 207.917 | 203.9 | 196.4 | 189.5 | 184.6 |
| September | 208.490 | 202.9 | 198.8 | 189.9 | 185.2 |
| October   | 208.936 | 201.8 | 199.2 | 190.9 | 185.0 |
| November  | 210.177 | 201.5 | 197.6 | 191.0 | 184.5 |
| December  | 210.036 | 201.8 | 196.8 | 190.3 | 184.3 |

PS-4

As previously stated, movements in the CPI that have occurred in the past are not necessarily indicative of changes that may occur in the future, which may be wider or more confined than those that have occurred historically.

After June 23, 2008, the interest payable on the notes on any Interest Payment Date will be reduced in the event that the inflation index adjustment, derived from the CPI and used to calculate the interest then payable on the notes is less than the inflation index adjustment used to calculate the interest payable on the notes on the preceding Interest Payment Date.

10. Survivor's Option: No

11. Further Issuances

Prudential Financial, Inc. may, from time to time, without the consent of the existing holders, issue additional notes with the same terms as the notes, except for the issue date, issue price, initial interest accrual date and, depending on the issue date, the initial interest payment date. Any such additional note will bear the same CUSIP number and be fungible with the notes offered by this pricing supplement.

12. CUSIP Number:

13. ISIN Number:

Initial trades settle flat and clear SDFS: DTC Book Entry only, DTC number 187 via J.P. Morgan Securities Inc.

#### UNDERWRITING

In connection with this offering, Prudential Financial, Inc. entered into a swap transaction with an affiliate of JPMSI (the Hedging Counterparty) to hedge certain of its payment obligations under the notes.

If the notes priced today, JPMSI would receive a commission of approximately \$23.00 per \$1,000 principal amount note and may use a portion of that commission to allow concessions to other dealers of approximately \$11.25 per \$1,000 principal amount note. In connection with this offering, Prudential Financial, Inc. or its affiliate entered into a swap transaction with an affiliate of JPMSI to hedge certain of its payment obligations under the notes.

#### CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

Interest paid on the notes will generally be taxable as ordinary interest income to U.S. holders. For a further description of the U.S. federal income tax considerations relating to the notes, see "Certain United States Federal Income Tax Consequences" in the accompanying prospectus supplement.