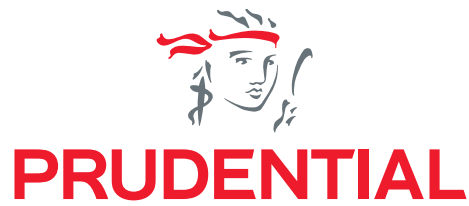


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# PRUDENTIAL PLC

Rights Issue Prospectus





THIS DOCUMENT AND ITS ENCLOSURES ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION

**When considering what action you should take, you should seek your own personal financial advice immediately from your stockbroker, bank manager, solicitor, accountant, fund manager or independent financial adviser, who, if you are taking advice in the United Kingdom, is authorised under the Financial Services and Markets Act 2000 or, if you are taking advice in Ireland, is authorised or exempted pursuant to the Investment Intermediaries Act 1995 of Ireland or the Stock Exchange Act 1995 of Ireland.**

If you sell or have sold or otherwise transferred (other than ex-rights) all of your Existing Shares in Prudential held in certificated form before 20 October 2004 (the "ex-rights date"), please forward this document and the accompanying documents to the purchaser or transferee or the stockbroker, bank or other agent through whom the sale or transfer is/was effected for onward transmission to the purchaser or transferee. If you sell or have sold or otherwise transferred your Existing Shares in Prudential held in uncertificated form before the ex-rights date, a claim transaction will automatically be generated by CRESTCo which, on settlement, will transfer the appropriate number of Nil Paid Rights to the purchaser or transferee. The distribution of this document and/or the accompanying documents, including the Provisional Allotment Letter, and/or the transfer of Nil Paid Rights, Fully Paid Rights and/or New Shares into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the accompanying documents come should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of such jurisdictions. In particular, this document, the Provisional Allotment Letters and any other such documents should not be distributed, forwarded to or transmitted in or into the United States (as defined in Regulation S under the US Securities Act of 1933, as amended (the "Securities Act")) or the Excluded Territories.

A copy of this document, which comprises a prospectus relating to the Company prepared in accordance with the Listing Rules made under section 74 of the Financial Services and Markets Act 2000, has been delivered to the Registrar of Companies in England and Wales for registration in accordance with section 83 of that Act. A copy of this document and the Provisional Allotment Letter, together with copies of the written consents and material contracts referred to in Part VII have been delivered to the Registrar of Companies in Ireland in accordance with Section 47 of the Companies Act, 1963 of Ireland as required by the European Communities (Transferable Securities and Stock Exchange) Regulations, 1992 of Ireland. The Existing Shares have been admitted to the Official List and to trading on the London Stock Exchange's market for listed securities. Application has been made to the UK Listing Authority and to the London Stock Exchange for the New Shares (nil and fully paid) to be admitted to the Official List and to trading on the London Stock Exchange's market for listed securities. It is expected that Admission will become effective, and that dealings in the New Shares will commence, nil paid, on 20 October 2004.

Each of UBS, Cazenove and Goldman Sachs is acting for Prudential plc in connection with the Rights Issue and no-one else and will not be responsible to anyone other than Prudential plc for providing the protections afforded to each of their respective clients or for providing advice in relation to the Rights Issue or any other matters referred to in this document.

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# PRUDENTIAL PLC

*(Registered in England and Wales under the Companies Act 1985 with registered number 1397169)*

## 1 for 6 Rights Issue of

## New Shares at 308p per New Share

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**The latest time and date for acceptance and payment in full under the Rights Issue is 11.00 a.m. on 10 November 2004. The procedure for acceptance and payment is set out in Part III of this document and, for Qualifying non-CREST Shareholders only, also in the Provisional Allotment Letter. Qualifying CREST Shareholders should refer to section 4 of Part III of this document.**

Your attention is drawn to the letter of recommendation from the Chairman of Prudential which appears in Part I of this document. See also Part V of this document for a discussion of certain factors which should be taken into account when considering whether to take up your rights under the Rights Issue.

The New Shares, the Nil Paid Rights, the Fully Paid Rights and the Provisional Allotment Letters have not been and will not be registered under the Securities Act or under any relevant securities laws of any state or other jurisdiction of the United States and may not be offered, sold, taken up, exercised, resold, renounced, transferred or delivered, directly or indirectly, within the United States absent registration or an applicable exemption from the registration requirements of the Securities Act and in compliance with state securities laws. The New Shares, the Nil Paid Rights, the Fully Paid Rights and the Provisional Allotment Letters have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the New Shares, the Nil Paid Rights, the Fully Paid Rights and the Provisional Allotment Letters or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States. Except as otherwise provided for herein, this document does not constitute an offer of New Shares, Nil Paid Rights or Fully Paid Rights to any shareholder with a registered address in, or who is resident in, the United States or the Excluded Territories. None of the Existing Shares, the Nil Paid Rights, the Fully Paid Rights or the New Shares have been or will be registered under the relevant laws of any state, province or territory of the Excluded Territories. Subject to certain exceptions, the New Shares may not, directly or indirectly, be offered, sold, renounced, taken up or delivered in, into or within the Excluded Territories, and subject to certain exceptions, the

Provisional Allotment Letters are not being posted to any person in the United States or the Excluded Territories (this document is being sent to persons in the Excluded Territories for information purposes only). This document does not constitute an offer to sell or the solicitation of an offer to buy New Shares or to take up entitlements to Nil Paid Rights in any jurisdiction in which such offer or solicitation is unlawful. The attention of Overseas Shareholders and other recipients of this document who are residents or citizens of any country other than the United Kingdom or who have a contractual or other legal obligation to forward this document or the Provisional Allotment Letter to a jurisdiction outside the United Kingdom is drawn to sections 7 and 8 of Part III of this document.

This document contains certain further information directed to shareholders in Ireland pursuant to paragraph 4 of the Third Schedule to the European Communities (Transferable Securities and Stock Exchange) Regulations, 1992 of Ireland and has been lodged with The Irish Stock Exchange Limited. The attention of shareholders in Ireland is drawn to sections 12.3 and 15.6 of Part VII of this document.

This document has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of New Shares may not be circulated or distributed, nor may New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to an institutional investor specified in Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a sophisticated investor, and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

The New Shares have not been and will not be registered under the Securities and Exchange Law of Japan. Accordingly, no underwriter may offer or sell, directly or indirectly, any New Shares in Japan or to or for the benefit of any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to any persons for reoffering or resale, directly or indirectly in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law of Japan and any other applicable laws and regulations.

Provisional Allotment Letters are being despatched with this document to Qualifying non-CREST Shareholders other than those, subject to certain exceptions, with registered addresses in the United States or the Excluded Territories. Qualifying CREST Shareholders will not (except in the circumstances described in Part III of this document) receive a Provisional Allotment Letter. Qualifying CREST Shareholders other than those, subject to certain exceptions, with registered addresses in the United States or the Excluded Territories are expected to receive a credit to their appropriate stock accounts in CREST in respect of the Nil Paid Rights to which they are entitled on 20 October 2004. The Nil Paid Rights so credited are expected to be enabled for settlement by CRESTCo as soon as practicable after Admission.

Qualifying CREST Shareholders should note that they will receive no further written communication from Prudential in respect of the Rights Issue. They should accordingly retain this document for, amongst other things, details of the action they should take in respect of the Rights Issue. Qualifying CREST Shareholders who are CREST sponsored members should refer to their CREST sponsors regarding the action to be taken in connection with this document and the Rights Issue. The attention of Overseas Shareholders is drawn to sections 7 and 8 of Part III of this document.

This document includes "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the US Securities Exchange Act of 1934, as amended (the "Exchange Act") with respect to certain of the Company's plans and its current goals and expectations relating to its future financial condition, performance, results, strategy and objectives. Statements containing the words "believes", "intends", "expects", "plans", "seeks" and "anticipates", and words of similar meaning, are forward-looking. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the Company's control including among other things, UK domestic and global economic and business conditions, market related risks such as fluctuations in interest rates and exchange rates, and the performance of financial markets generally; the policies and actions of regulatory authorities, the impact of competition, inflation, and deflation; experience in particular with regard to mortality and morbidity trends, lapse rates and policy renewal rates; the timing, impact and other uncertainties of future acquisitions or combinations within relevant industries; and the impact of changes in capital, solvency or accounting standards, and tax and other legislation and regulations in the jurisdictions in which the Company and its affiliates operate. This may for example result in changes to assumptions used for determining results of operations or re-estimation of reserves for future policy benefits, together with other factors discussed in Part IV of this document. As a result, the Company's actual future financial condition, performance and results may differ materially from the plans, goals and expectations set forth in the Company's forward-looking statements contained in this document or any other forward-looking statement it may make. The Company may also make or disclose written and/or oral forward-looking statements in reports filed or furnished to the US Securities and Exchange Commission, the Company's annual report and accounts to shareholders, proxy statements, offering circulars, registration statements, prospectuses, prospectus supplements, press releases and other written materials and in oral statements made by directors, officers or employees of the Company to third parties, including financial analysts. Except as required by the UK Listing Authority, the London Stock Exchange or by law, the Company undertakes no obligation to update any of the forward-looking statements contained in this document or any other forward-looking statements it may make.

**No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied upon as having been authorised by the Company or the Underwriters. Neither the delivery of this document nor any subscription or sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date hereof or that the information in this document is correct as at any time subsequent to its date.**

Holdings of Existing Shares in certificated and uncertificated form will be treated as separate holdings for the purposes of calculating entitlements under the Rights Issue.

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## NOTICE TO US INVESTORS

For this Rights Issue, the Company is relying upon exemptions from registration under the US securities laws for an offer and sale that does not involve a public offering in the United States. None of the New Shares, the Nil Paid Rights, the Fully Paid Rights or the Provisional Allotment Letters have been recommended by any US federal or state securities commission or any other US state or foreign regulatory authorities and they have not determined that this document is accurate or complete. Any representation to the contrary is a criminal offence.

The New Shares, the Nil Paid Rights, the Fully Paid Rights and the Provisional Allotment Letters have not been and will not be registered under the Securities Act or under the securities laws of any state of the United States and, accordingly, the Nil Paid Rights may be offered and delivered and the New Shares may be offered and sold in the United States only pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

If you are in the United States, you may not exercise your Nil Paid Rights or Fully Paid Rights and/or purchase any New Shares offered hereby unless you are a “qualified institutional buyer” (“QIB”) within the meaning of Rule 144A under the Securities Act. In addition, in order to exercise your Nil Paid Rights or Fully Paid Rights and/or purchase any New Shares offered hereby you must sign and deliver an investor letter, substantially in the form described under “Part III — Terms and Conditions of the Rights Issue — 7. Overseas Shareholders — (e) Transfer Restrictions”.

If you sign such a letter, you will be:

- representing that you and any account for which you are purchasing the new shares are a QIB within the meaning of Rule 144A under the Securities Act;
- agreeing not to resell the Nil Paid Rights or the Fully Paid Rights or the New Shares, except that
  - you may resell the Nil Paid Rights or the Fully Paid Rights outside the United States in compliance with Rule 903 or 904 of Regulation S under the Securities Act, and
  - you may resell any New Shares (a) outside the United States in compliance with Rule 903 or 904 of Regulation S under the Securities Act or (b) pursuant to Rule 144 under the Securities Act (if available); and
- agreeing not to deposit any New Shares into any unrestricted depository facility established or maintained by a depository bank (including the Company’s ADR facility for which JPMorgan Chase Bank acts as depository bank), unless they have been registered pursuant to an effective registration statement under the Securities Act.

### **Rule 144A under the Securities Act is not available for the resale of any New Shares.**

From the date of this document through the 40<sup>th</sup> day thereafter (which is 28 November 2004), JPMorgan Chase Bank, as depository for the Company’s ADR facility, will not accept deposits of any Shares in the facility unless the Shareholder certifies that the Shares were not acquired in this Rights Issue.

Any envelope containing a Provisional Allotment Letter and post-marked from the United States will not be accepted unless it contains a duly executed investor letter in the appropriate form as described in section 7(a) of Part III of this document. Similarly, any Provisional Allotment Letter in which the exercising holder requests New Shares to be issued in registered form and gives an address in the United States will not be accepted unless it contains a duly executed investor letter.

The payment paid in respect of Provisional Allotment Letters that do not meet the foregoing criteria will be returned without interest.

Any person in the United States who obtains a copy of this document and who is not a QIB is requested to disregard it.

## NOTICE TO NEW HAMPSHIRE RESIDENTS

**NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER RSA 421-B WITH THE STATE OF NEW HAMPSHIRE NOR**

**THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE OR NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS SECTION.**



**DIRECTORS, COMPANY SECRETARY AND ADVISERS**

**DIRECTORS**

Sir David Clementi  
Jonathan Bloomer  
Philip Broadley  
Michael Garrett  
Bridget Macaskill  
Clark Manning  
Michael McLintock  
Roberto Mendoza  
Mark Norbom  
Kathleen O'Donovan  
James Ross  
Rob Rowley  
Mark Wood

**LEGAL ADVISER**

*To the Company*  
Slaughter and May  
One Bunhill Row  
London EC1Y 8YY

**LEGAL ADVISER**

*To the Joint Financial Advisers, Sponsors  
and the Underwriters*  
Freshfields Bruckhaus Deringer  
65 Fleet Street  
London EC4Y 1HS

**COMPANY SECRETARY**

Peter Maynard

**AUDITORS**

KPMG Audit plc  
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London EC4Y 8BB

**REGISTERED OFFICE**

Laurence Pountney Hill  
London EC4R 0HH

**REGISTRARS**

Lloyds TSB Registrars  
The Causeway  
Worthing, West Sussex,  
BN99 6DA

**PAYING AGENTS IN  
IRELAND**

Capita Corporate Registrars Plc  
Unit 5, Manor Street Business Park  
Manor Street, Dublin 7  
Ireland

**RECEIVING AGENTS**

Lloyds TSB Registrars  
Princess House  
1 Suffolk Lane  
London EC4R 0AX

**JOINT FINANCIAL ADVISERS, SPONSORS AND UNDERWRITERS**

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1 Finsbury Avenue  
London EC2M 2PP

Cazenove & Co. Ltd  
20 Moorgate  
London EC2R 6DA

Goldman Sachs International  
Peterborough Court  
133 Fleet Street  
London EC4A 2BB

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### WHERE TO FIND HELP

Part II of this document answers some of the questions most often asked by shareholders about rights issues and the procedure for acceptance and payment. If you have further questions, please telephone the Shareholder Helpline on the numbers set out below. This helpline is available from 8.30 a.m. to 5.30 p.m. Monday to Friday and will remain open until 11 November 2004.

**Shareholder Helpline telephone numbers: Freephone 0800 174350 (from inside the UK) or +44 1903 702767 (from outside the UK)**

*Note: For legal reasons, the Shareholder Helpline will only be able to provide information contained in this document and information relating to Prudential's register of members and will be unable to give advice on the merits of the Rights Issue or to provide financial or investment advice.*