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): December 4, 2007

PRUDENTIAL FINANCIAL, INC.

(Exact name of registrant as specified in its charter)

New Jersey	001-16707	22-3703799
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

751 Broad Street
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))

Item 7.01 Regulation FD Disclosure.

Prudential Financial, Inc., a New Jersey corporation (the "Company"), issued a news release reaffirming its 2007 earnings guidance and announcing its 2008 earnings guidance and 2008-2010 return on equity goals. The Company is furnishing a copy of the news release as Exhibit 99.1 hereto.

The Company is also furnishing, as Exhibit 99.2 hereto, a copy of additional slides presented at its Investor Day conference held on December 4, 2007 setting out the 2007 earnings guidance, 2008 earnings guidance and 2008-2010 return on equity goals.

Item 9.01 Financial Statements and Exhibits.

(d) <u>Exhibits</u>.

99.1 News release of Prudential Financial, Inc., dated December 4, 2007, reaffirming its 2007 earnings guidance and announcing its 2008 earnings guidance and 2008-2010 return on equity goals (furnished and not filed).

99.2 Slide presentation of Prudential Financial, Inc. at its Investor Day conference on December 4, 2007 setting out its 2007 earnings guidance, 2008 earnings guidance and 2008-2010 return on equity goals (furnished and not filed).

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: December 4, 2007

PRUDENTIAL FINANCIAL, INC.

By: /s/ Brian J. Morris
Name: Brian J. Morris
Title: Assistant Secretary

Exhibit Index

Exhibit No.	Description
99.1	News release of Prudential Financial, Inc., dated December 4, 2007, reaffirming its 2007 earnings guidance and announcing its 2008 earnings guidance and 2008-2010 return on equity goals (furnished and not filed).
99.2	Slide presentation of Prudential Financial, Inc. at its Investor Day conference on December 4, 2007 setting out its 2007 earnings guidance, 2008 earnings guidance and 2008-2010 return on equity goals (furnished and not filed).

News Release

Prudential
Prudential Financial, Inc.
751 Broad Street
Newark, NJ 07102-3777
www.prudential.com

For Immediate Release **Contact:** **Bob DeFillippo**
December 4, 2007 (973) 802-4149

PRUDENTIAL FINANCIAL, INC. ANNOUNCES 2008 EARNINGS GUIDANCE AND 2008-2010 RETURN ON EQUITY GOALS

NEWARK, N.J. – Prudential Financial, Inc. (NYSE:PRU) announced today 2008 earnings per share guidance and return on equity goals for 2008 – 2010 at its Investor Day conference in New York City. Management stated its expectation that Prudential Financial would achieve Common Stock earnings per share in the range of $8.00 to $8.20 for 2008, based on after-tax adjusted operating income of the Financial Services Businesses. Management also raised its target for return on equity to a range of 16 percent to 18 percent for the 2008 – 2010 period. The 2008 earnings per share expectation assumes flat to modest positive returns in the S&P 500 Index for the fourth quarter of 2007 and appreciation in the S&P 500 Index of 8 percent for the year 2008, and a number of additional factors that are in the company's Current Report on Form 8-K dated December 4, 2007 filed earlier today with the Securities and Exchange Commission, which also relate to the return on equity target range. The return on equity target range is based on after-tax adjusted operating income of the Financial Services Businesses and on attributed equity excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension and postretirement benefits.

Management also reaffirmed its previous guidance that Prudential Financial expects that it will achieve Common Stock earnings per share in the range of $7.45 to $7.60 for the year 2007, based on after-tax adjusted operating income of the Financial Services Businesses.

Adjusted operating income, which is not measured in accordance with generally accepted accounting principles (GAAP), should not be viewed as a substitute for income determined in accordance with GAAP, and our definition of adjusted operating income, which can be found below under "Non-GAAP Financial Measure," may differ from that used by other companies.

-more-

Prudential Financial, Inc. (NYSE: PRU), a financial services leader with approximately $637 billion of assets under management as of September 30, 2007, has operations in the United States, Asia, Europe, and Latin America. Leveraging its heritage of life insurance and asset management expertise, Prudential is focused on helping individual and institutional customers grow and protect their wealth. The company's well-known Rock symbol is an icon of strength, stability, expertise and innovation that has stood the test of time. Prudential's businesses offer a variety of products and services, including life insurance, annuities, retirement-related services, mutual funds, investment management, and real estate services. For more information, please visit www.prudential.com.

Non-GAAP Financial Measure

Adjusted operating income is a non-GAAP measure of performance of our Financial Services Businesses. Adjusted operating income excludes "Realized investment gains (losses), net," as adjusted, and related charges and adjustments. A significant element of realized investment gains and losses are impairments and credit-related and interest rate-related gains and losses. Impairments and losses from sales of credit-impaired securities, the timing of which depends largely on market credit cycles, can vary considerably across periods. The timing of other sales that would result in gains or losses, such as interest rate-related gains or losses, is largely subject to our discretion and influenced by market opportunities as well as our tax profile. Realized investment gains (losses) representing profit or loss of certain of our businesses which primarily originate investments for sale or syndication to unrelated investors, and those associated with terminating hedges of foreign currency earnings and current period yield adjustments are included in adjusted operating income. Realized investment gains and losses from products that are free standing derivatives or contain embedded derivatives, and from associated derivative portfolios that are part of an economic hedging program related to the risk of those products, are included in adjusted operating income. Adjusted operating income also excludes investment gains and losses on trading account assets supporting insurance liabilities and changes in experience-rated contractholder liabilities due to asset value changes, because these recorded changes in asset and liability values will ultimately

-more-

accrue to contractholders. Trends in the underlying profitability of our businesses can be more clearly identified without the fluctuating effects of these transactions. In addition, adjusted operating income excludes the results of divested businesses, which are not relevant to our ongoing operations. Discontinued operations, which is presented as a separate component of net income under GAAP, is also excluded from adjusted operating income.

Our expectations of Common Stock earnings per share and return on equity are based on after-tax adjusted operating income. Because we do not predict future realized investment gains / losses or recorded changes in asset and liability values that will ultimately accrue to contractholders, we cannot provide a measure of our Common Stock earnings per share or return on equity expectations based on income from continuing operations of the Financial Services Businesses, which is the GAAP measure most comparable to adjusted operating income. We believe that the presentation of adjusted operating income as we measure it for management purposes enhances understanding of the results of operations of the Financial Services Businesses by highlighting the results from ongoing operations and the underlying profitability of our businesses. For additional information about adjusted operating income, please refer to our Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, on the Investor Relations Web site at www.investor.prudential.com.

Forward-Looking Statements

Certain of the statements included in this release constitute forward-looking statements within the meaning of the U. S. Private Securities Litigation Reform Act of 1995. Words such as “expects,” “believes,” “anticipates,” “includes,” “plans,” “assumes,” “estimates,” “projects,” “intends,” “should,” “will,” “shall,” or variations of such words are generally part of forward-looking statements. Forward-looking statements are made based on management’s current expectations and beliefs concerning future developments and their potential effects upon Prudential Financial, Inc. and its subsidiaries. There can be no assurance that future developments affecting Prudential Financial, Inc. and its subsidiaries will be those anticipated by management. These

-more-

forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements, including, among others: (1) general economic, market and political conditions, including the performance and fluctuations of stock, real estate, and other financial markets; (2) interest rate fluctuations; (3) reestimates of our reserves for future policy benefits and claims; (4) differences between actual experience regarding mortality, morbidity, persistency, surrender experience, interest rates or market returns and the assumptions we use in pricing our products, establishing liabilities and reserves or for other purposes; (5) changes in our assumptions related to deferred policy acquisition costs, valuation of business acquired or goodwill; (6) changes in our claims-paying or credit ratings; (7) investment losses and defaults; (8) competition in our product lines and for personnel; (9) changes in tax law; (10) economic, political, currency and other risks relating to our international operations; (11) fluctuations in foreign currency exchange rates and foreign securities markets; (12) regulatory or legislative changes; (13) adverse determinations in litigation or regulatory matters and our exposure to contingent liabilities, including in connection with our divestiture or winding down of businesses; (14) domestic or international military actions, natural or man-made disasters including terrorist activities or pandemic disease, or other events resulting in catastrophic loss of life; (15) ineffectiveness of risk management policies and procedures in identifying, monitoring and managing risks; (16) effects of acquisitions, divestitures and restructurings, including possible difficulties in integrating and realizing the projected results of acquisitions; (17) changes in statutory or U.S. GAAP accounting principles, practices or policies; (18) changes in assumptions for retirement expense; (19) Prudential Financial, Inc.'s primary reliance, as a holding company, on dividends or distributions from its subsidiaries to meet debt payment obligations and continue share repurchases, and the applicable regulatory restrictions on the ability of the subsidiaries to pay such dividends or distributions; and (20) risks due to the lack of legal separation between our Financial Services Businesses and our Closed Block Business. Prudential Financial, Inc. does not intend, and is under no obligation, to update any particular forward-looking statement included in this document.

-more-

The information referred to above, as well as the risks of our businesses described in our Annual Report on Form 10-K for the year ended December 31, 2006, and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, should be considered by readers when reviewing forward-looking statements contained in this release. Additional historical information relating to our financial performance is located on our Web site at www.investor.prudential.com.

Prudential

Prudential Financial, Inc.
Investor Day

December 4, 2007

Forward-Looking Statements

Certain of the statements included in this presentation constitute forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. It is possible that actual results may differ materially from any expectations or predictions expressed in this presentation. Words such as “expects,” “believes,” “anticipates,” “includes,” “plans,” “assumes,” “estimates,” “projects,” “intends,” “should,” “will,” “shall,” or variations of such words are generally part of forward-looking statements. Forward-looking statements are made based on management’s current expectations and beliefs concerning future developments and their potential effects upon Prudential Financial, Inc. and its subsidiaries. There can be no assurance that future developments affecting Prudential Financial, Inc. and its subsidiaries will be those anticipated by management. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements, including, among others: (1) general economic, market and political conditions, including the performance and fluctuations of stock, real estate, and other financial markets; (2) interest rate fluctuations; (3) reestimates of our reserves for future policy benefits and claims; (4) differences between actual experience regarding mortality, morbidity, persistency, surrender experience, interest rates or market returns and the assumptions we use in pricing our products, establishing liabilities and reserves or for other purposes; (5) changes in our assumptions related to deferred policy acquisition costs, valuation of business acquired or goodwill; (6) changes in our claims-paying or credit ratings; (7) investment losses and defaults; (8) competition in our product lines and for personnel; (9) changes in tax law; (10) economic, political, currency and other risks relating to our international operations; (11) fluctuations in foreign currency exchange rates and foreign securities markets; (12) regulatory or legislative changes; (13) adverse determinations in litigation or regulatory matters and our exposure to contingent liabilities, including in connection with our divestiture or winding down of businesses; (14) domestic or international military actions, natural or man-made disasters including terrorist activities or pandemic disease, or other events resulting in catastrophic loss of life; (15) ineffectiveness of risk management policies and procedures in identifying, monitoring and managing risks; (16) effects of acquisitions, divestitures and restructurings, including possible difficulties in integrating and realizing the projected results of acquisitions; (17) changes in statutory or U.S. GAAP accounting principles, practices or policies; (18) changes in assumptions for retirement expense; (19) Prudential Financial, Inc.’s primary reliance, as a holding company, on dividends or distributions from its subsidiaries to meet debt payment obligations and continue share repurchases, and the applicable regulatory restrictions on the ability of the subsidiaries to pay such dividends or distributions; and (20) risks due to the lack of legal separation between our Financial Services Businesses and our Closed Block Business.

Prudential Financial, Inc. does not intend, and is under no obligation, to update any particular forward-looking statement included in this presentation.

Prudential Financial, Inc. of the United States is not affiliated with Prudential PLC which is headquartered in the United Kingdom.

Non–GAAP Measure

Adjusted operating income is a non-GAAP measure of performance of our Financial Services Businesses. Adjusted operating income excludes "Realized investment gains (losses), net," as adjusted, and related charges and adjustments. A significant element of realized investment gains and losses are impairments and credit-related and interest rate-related gains and losses. Impairments and losses from sales of credit-impaired securities, the timing of which depends largely on market credit cycles, can vary considerably across periods. The timing of other sales that would result in gains or losses, such as interest rate-related gains or losses, is largely subject to our discretion and influenced by market opportunities as well as our tax profile. Realized investment gains (losses) representing profit or loss of certain of our businesses which primarily originate investments for sale or syndication to unrelated investors, and those associated with terminating hedges of foreign currency earnings and current period yield adjustments are included in adjusted operating income. Realized investment gains and losses from products that are free standing derivatives or contain embedded derivatives, and from associated derivative portfolios that are part of an economic hedging program related to the risk of those products, are included in adjusted operating income. Adjusted operating income also excludes investment gains and losses on trading account assets supporting insurance liabilities and changes in experience-rated contractholder liabilities due to asset value changes, because these recorded changes in asset and liability values will ultimately accrue to contractholders. Trends in the underlying profitability of our businesses can be more clearly identified without the fluctuating effects of these transactions. In addition, adjusted operating income excludes the results of divested businesses, which are not relevant to our ongoing operations. Discontinued operations, which is presented as a separate component of net income under GAAP, is also excluded from adjusted operating income.

We believe that the presentation of adjusted operating income as we measure it for management purposes enhances understanding of the results of operations of the Financial Services Businesses by highlighting the results from ongoing operations and the underlying profitability of our businesses. However, adjusted operating income is not a substitute for income determined in accordance with GAAP, and the excluded items are important to an understanding of our overall results of operations. The schedules on the following three pages provide a reconciliation of adjusted operating income for the Financial Services Businesses to income from continuing operations in accordance with GAAP.

Return on equity ("ROE") based on adjusted operating income is determined by dividing adjusted operating income after-tax (giving effect to the direct equity adjustment for earnings per share calculation), annualized for interim periods, by average attributed equity for the Financial Services Businesses excluding accumulated other comprehensive income related to unrealized gains and losses on investments for all periods and accumulated other comprehensive income related to pension and postretirement benefits for periods including and after 2004. An alternative measure to ROE based on adjusted operating income is return on average equity based on income from continuing operations. Return on average equity based on income from continuing operations represents income from continuing operations after-tax as determined in accordance with GAAP (giving effect to the direct equity adjustment for earnings per share calculation), annualized for interim periods, divided by average total attributed equity for the Financial Services Businesses. Return on average equity based on income from continuing operations is 16.82% and 14.04% for the nine months ended September 30, 2007 and 2006, respectively, and 14.67%, 15.48%, 9.23%, 5.38% and 3.79% for the years ended December 31, 2006, 2005, 2004, 2003 and 2002, respectively.

Our expectations of Common Stock earnings per share and return on equity are based on after-tax adjusted operating income. Because we do not predict future realized investment gains / losses or recorded changes in asset and liability values that will ultimately accrue to contractholders, we cannot provide a measure of our Common Stock earnings per share or return on equity expectations based on income from continuing operations of the Financial Services Businesses, which is the GAAP measure most comparable to adjusted operating income.

For additional information about adjusted operating income and the comparable GAAP measure please refer to our Annual Report on Form 10-K for the year ended December 31, 2006, our Quarterly Report on Form 10-Q for the quarter ended September 30, 2007 and our Current Report on Form 8-K dated October 4, 2007 on the Investor Relations Web site at www.investor.prudential.com. Additional historical information relating to the Company's financial performance, including its third quarter 2007 Quarterly Financial Supplement, is also located on the Investor Relations website.

The information referred to above and on the prior page, as well as the risks of our businesses described in our Annual Report on Form 10-K for the year ended December 31, 2006, and our Quarterly Report on Form 10-Q for the quarter ended September 30, 2007, should be considered by readers when reviewing forward-looking statements contained in this presentation.

Reconciliation between adjusted operating income and the comparable GAAP measure

Prudential Financial, Inc.
(in millions, except per share data)

	Year ended December 31, 2002	2003	2004	2005	2006
Financial Services Businesses:					
Pre-tax adjusted operating income by division:					
Insurance Division	$ 545	$ 788	$ 991	$ 1,227	$ 1,359
Investment Division	238	287	351	707	1,129
International Insurance and Investments Division	757	803	994	1,416	1,566
Corporate and other operations	133	75	161	188	47
Total pre-tax adjusted operating income	1,673	1,953	2,497	3,538	4,101
Income taxes, applicable to adjusted operating income	559	638	673	1,115	1,174
Financial Services Businesses after-tax adjusted operating income	1,114	1,315	1,824	2,423	2,927
Reconciling items:					
Realized investment gains (losses), net, and related charges and adjustments	(856)	(204)	4	561	90
Investment gains (losses) on trading account assets supporting insurance liabilities, net	-	-	(55)	(33)	35
Change in experience-rated contractholder liabilities due to asset value changes	-	-	1	(44)	11
Sales practices remedies and costs	(20)	-	-	-	-
Divested businesses	(10)	(171)	(24)	(16)	76
Equity in earnings of operating joint ventures	(7)	(71)	(72)	(214)	(322)
Total reconciling items, before income taxes	(893)	(446)	(146)	254	(110)
Income taxes, not applicable to adjusted operating income	(497)	(148)	(75)	(473)	(48)
Total reconciling items, after income taxes	(396)	(298)	(71)	727	(62)
Income from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures, extraordinary gain on acquisition and cumulative effect of accounting change	718	1,017	1,753	3,150	2,865
Equity in earnings of operating joint ventures, net of taxes	5	45	55	142	208
Income from continuing operations (after-tax) of Financial Services Businesses before extraordinary gain on acquisition and cumulative effect of accounting change	723	1,062	1,808	3,292	3,073
Income (loss) from discontinued operations, net of taxes	(44)	(37)	(76)	(73)	71
Extraordinary gain on acquisition, net of taxes	-	-	21	-	-
Cumulative effect of accounting change, net of taxes	-	-	(79)	-	-
Net income of Financial Services Businesses	$ 679	$ 1,025	$ 1,674	$ 3,219	$ 3,144
Earnings per share of Common Stock (diluted):					
Financial Services Businesses after-tax adjusted operating income	$ 2.00	$ 2.51	$ 3.59	$ 4.81	$ 6.06
Reconciling items:					
Realized investment gains (losses), net, and related charges and adjustments	(1.48)	(0.37)	0.01	1.08	0.18
Investment gains (losses) on trading account assets supporting insurance liabilities, net	-	-	(0.10)	(0.06)	0.07
Change in experience-rated contractholder liabilities due to asset value changes	-	-	-	(0.08)	0.02
Sales practices remedies and costs	(0.03)	-	-	-	-
Divested businesses	(0.02)	(0.31)	(0.05)	(0.03)	0.15
Equity in earnings of operating joint ventures	(0.01)	(0.13)	(0.13)	(0.42)	(0.64)
Total reconciling items, before income taxes	(1.54)	(0.81)	(0.27)	0.49	(0.22)
Income taxes, not applicable to adjusted operating income	(0.86)	(0.26)	(0.14)	(0.91)	(0.10)
Total reconciling items, after income taxes	(0.68)	(0.55)	(0.13)	1.40	(0.12)
Income from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures, extraordinary gain on acquisition and cumulative effect of accounting change	1.32	1.96	3.46	6.21	5.94
Equity in earnings of operating joint ventures, net of taxes	0.01	0.09	0.10	0.27	0.42
Income from continuing operations (after-tax) of Financial Services Businesses before extraordinary gain on acquisition and cumulative effect of accounting change	1.33	2.05	3.56	6.48	6.36
Income (loss) from discontinued operations, net of taxes	(0.08)	(0.07)	(0.14)	(0.14)	0.14
Extraordinary gain on acquisition, net of taxes	-	-	0.04	-	-
Cumulative effect of accounting change, net of taxes	-	-	(0.15)	-	-
Net income of Financial Services Businesses	$ 1.25	$ 1.98	$ 3.31	$ 6.34	$ 6.50
Weighted average number of outstanding Common shares (diluted basis)	578.0	548.4	531.2	520.9	494.0
Reconciliation to Consolidated Net Income of Prudential Financial, Inc:					
Net income of Financial Services Businesses (above)	$ 679	$ 1,025	$ 1,674	$ 3,219	$ 3,144
Net income (loss) of Closed Block Business	(485)	239	582	321	284
Consolidated net income	$ 194	$ 1,264	$ 2,256	$ 3,540	$ 3,428
Direct equity adjustments for earnings per share calculations	$ 43	$ 60	$ 84	$ 82	$ 68

Reconciliation between adjusted operating income and the comparable GAAP measure (continued)

Prudential Financial, Inc.
(in millions, except per share data)

	Nine months ended Sept 30, 2006	Nine months ended Sept 30, 2007
Financial Services Businesses:		
Pre-tax adjusted operating income by division:		
Insurance Division	$ 1,010	$ 1,255
Investment Division	768	1,086
International Insurance and Investments Division	1,168	1,410
Corporate and other operations	60	(4)
Total pre-tax adjusted operating income	3,006	3,747
Income taxes, applicable to adjusted operating income	861	1,104
Financial Services Businesses after-tax adjusted operating income	2,145	2,643
Reconciling items:		
Realized investment gains (losses), net, and related charges and adjustments	(40)	63
Investment gains (losses) on trading account assets supporting insurance liabilities, net	(8)	10
Change in experience-rated contractholder liabilities due to asset value changes	28	4
Sales practices remedies and costs	-	-
Divested businesses	58	29
Equity in earnings of operating joint ventures	(223)	(323)
Total reconciling items, before income taxes	(185)	(217)
Income taxes, not applicable to adjusted operating income	(91)	(90)
Total reconciling items, after income taxes	(94)	(127)
Income from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures, extraordinary gain on acquisition and cumulative effect of accounting change	2,051	2,516
Equity in earnings of operating joint ventures, net of taxes	146	200
Income from continuing operations (after-tax) of Financial Services Businesses before extraordinary gain on acquisition and cumulative effect of accounting change	2,197	2,716
Income (loss) from discontinued operations, net of taxes	54	4
Extraordinary gain on acquisition, net of taxes	-	-
Cumulative effect of accounting change, net of taxes	-	-
Net income of Financial Services Businesses	$ 2,251	$ 2,720
Earnings per share of Common Stock (diluted):		
Financial Services Businesses after-tax adjusted operating income	$ 4.41	$ 5.69
Reconciling items:		
Realized investment gains (losses), net, and related charges and adjustments	(0.08)	0.13
Investment gains (losses) on trading account assets supporting insurance liabilities, net	(0.02)	0.02
Change in experience-rated contractholder liabilities due to asset value changes	0.06	0.01
Sales practices remedies and costs	-	-
Divested businesses	0.12	0.06
Equity in earnings of operating joint ventures	(0.45)	(0.68)
Total reconciling items, before income taxes	(0.37)	(0.46)
Income taxes, not applicable to adjusted operating income	(0.18)	(0.19)
Total reconciling items, after income taxes	(0.19)	(0.27)
Income from continuing operations (after-tax) of Financial Services Businesses before equity in earnings of operating joint ventures, extraordinary gain on acquisition and cumulative effect of accounting change	4.22	5.42
Equity in earnings of operating joint ventures, net of taxes	0.29	0.43
Income from continuing operations (after-tax) of Financial Services Businesses before extraordinary gain on acquisition and cumulative effect of accounting change	4.51	5.85
Income (loss) from discontinued operations, net of taxes	0.11	0.01
Extraordinary gain on acquisition, net of taxes	-	-
Cumulative effect of accounting change, net of taxes	-	-
Net income of Financial Services Businesses	$ 4.62	$ 5.86
Weighted average number of outstanding Common shares (diluted basis)	497.8	471.6
Reconciliation to Consolidated Net Income of Prudential Financial, Inc:		
Net income of Financial Services Businesses (above)	$ 2,251	$ 2,720
Net income (loss) of Closed Block Business	140	113
Consolidated net income	$ 2,391	$ 2,833
Direct equity adjustments for earnings per share calculations	$ 51	$ 42

Reconciliation between adjusted operating income and the comparable GAAP measure (continued)

Prudential Financial, Inc.

COMBINED STATEMENTS OF OPERATIONS - FINANCIAL SERVICES BUSINESSES

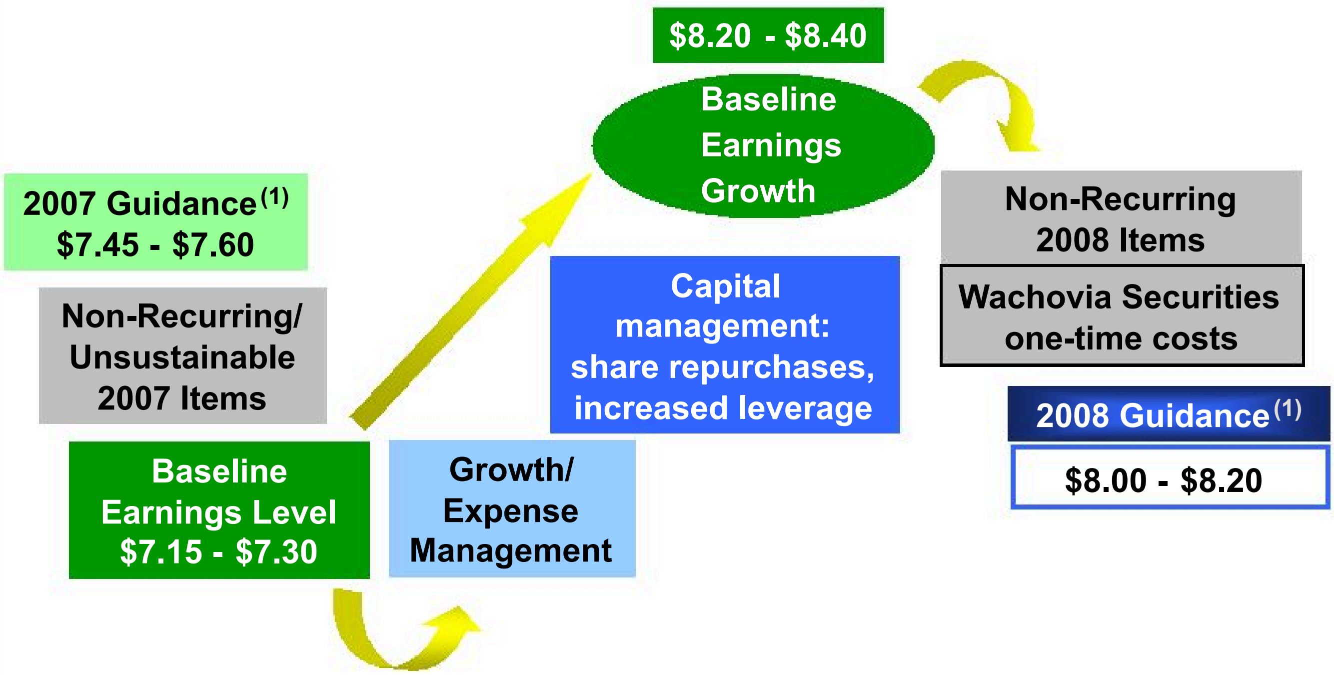
(in millions)

	Year ended December 31,					Nine months ended	
	2002	2003	2004	2005	2006	Sept 30, 2006	Sept 30, 2007
Revenues (1):							
Premiums	$ 7,195	$ 7,848	$ 8,736	$ 10,128	$ 10,287	$ 7,694	$ 8,077
Policy charges and fee income	1,815	1,978	2,385	2,529	2,649	1,912	2,294
Net investment income	5,017	4,913	5,771	6,861	7,657	5,647	6,240
Asset management fees, commissions and other income	3,618	2,971	2,783	3,358	3,969	2,831	3,406
Total revenues	17,645	17,710	19,675	22,876	24,562	18,084	20,017
Benefits and Expenses (1):							
Insurance and annuity benefits	7,662	8,158	8,897	9,990	10,423	7,818	8,104
Interest credited to policyholders' account balances	1,730	1,718	2,220	2,516	2,790	2,045	2,286
Interest expense	195	200	334	615	949	694	831
Deferral of acquisition costs	(1,064)	(1,270)	(1,528)	(1,801)	(2,037)	(1,492)	(1,649)
Amortization of acquisition costs	739	533	766	910	670	431	643
General and administrative expenses	6,710	6,418	6,489	7,108	7,666	5,582	6,055
Total benefits and expenses	15,972	15,757	17,178	19,338	20,461	15,078	16,270
Adjusted operating income before income taxes	1,673	1,953	2,497	3,538	4,101	3,006	3,747
Reconciling items:							
Realized investment gains (losses), net, and related adjustments	(862)	(161)	62	669	73	(70)	80
Related charges	6	(43)	(58)	(108)	17	30	(17)
Total realized investment gains (losses), net, and related charges and adjustments	(856)	(204)	4	561	90	(40)	63
Investment gains (losses) on trading account assets supporting insurance liabilities, net	-	-	(55)	(33)	35	(8)	10
Change in experience-rated contractholder liabilities due to asset value changes	-	-	1	(44)	11	28	4
Sales practices remedies and costs	(20)	-	-	-	-	-	-
Divested businesses	(10)	(171)	(24)	(16)	76	58	29
Equity in earnings of operating joint ventures	(7)	(71)	(72)	(214)	(322)	(223)	(323)
Total reconciling items, before income taxes	(893)	(446)	(146)	254	(110)	(185)	(217)
Income from continuing operations before income taxes, equity in earnings of operating joint ventures, extraordinary gain on acquisition and cumulative effect of accounting change	780	1,507	2,351	3,792	3,991	2,821	3,530
Income tax expense	62	490	598	642	1,126	770	1,014
Income from continuing operations before equity in earnings of operating joint ventures, extraordinary gain on acquisition and cumulative effect of accounting change	$ 718	$ 1,017	$ 1,753	$ 3,150	$ 2,865	$ 2,051	$ 2,516

(1) Revenues exclude realized investment gains, net of losses and related charges and adjustments; investment gains, net of losses, on trading account assets supporting insurance liabilities, and revenues of divested businesses, and include revenues representing equity in earnings of operating joint ventures. Benefits and expenses exclude charges related to realized investment gains, net of losses; change in experience-rated contractholder liabilities due to asset value changes, benefits and expenses of divested businesses, and sales practices remedies and costs.

Prudential Financial

FSB Full Year 2008 Earnings Guidance

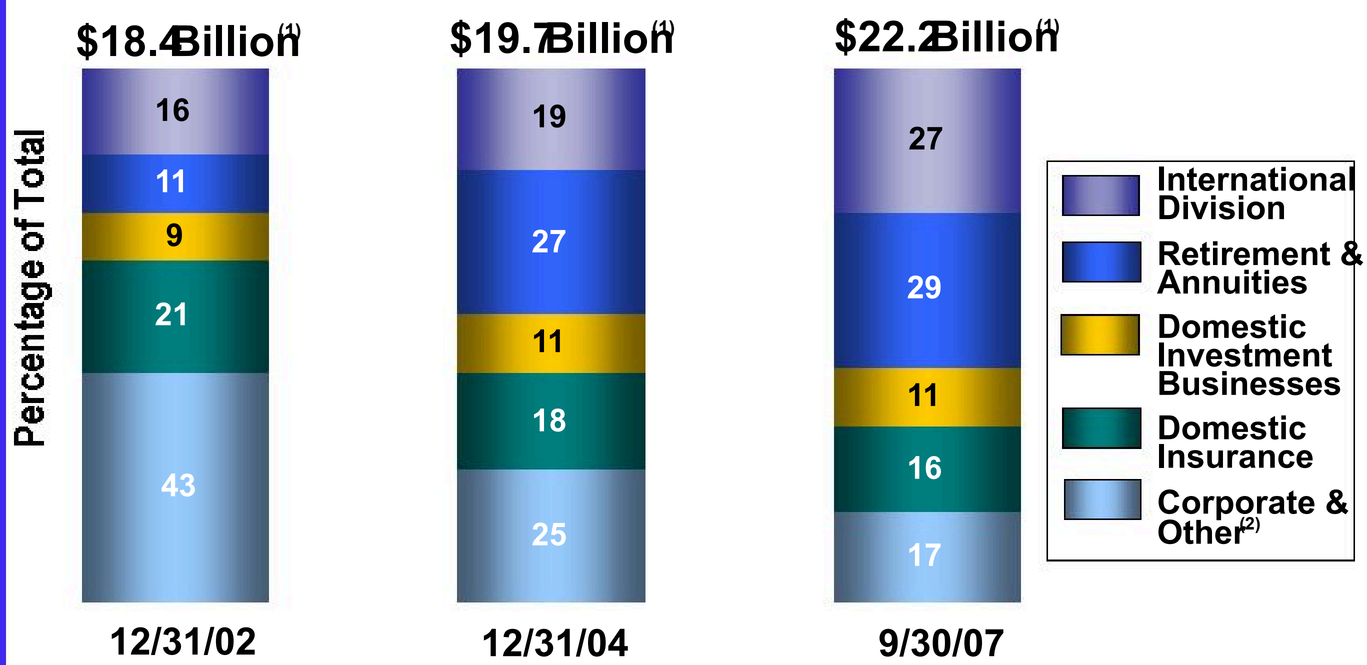


1) Based on after-tax adjusted operating income for the Financial Services Businesses

Prudential Financial, Inc.

Art Ryan
CEO and Chairman

Equity Capital Migration ⇨ Businesses with Favorable Growth and Return Prospects



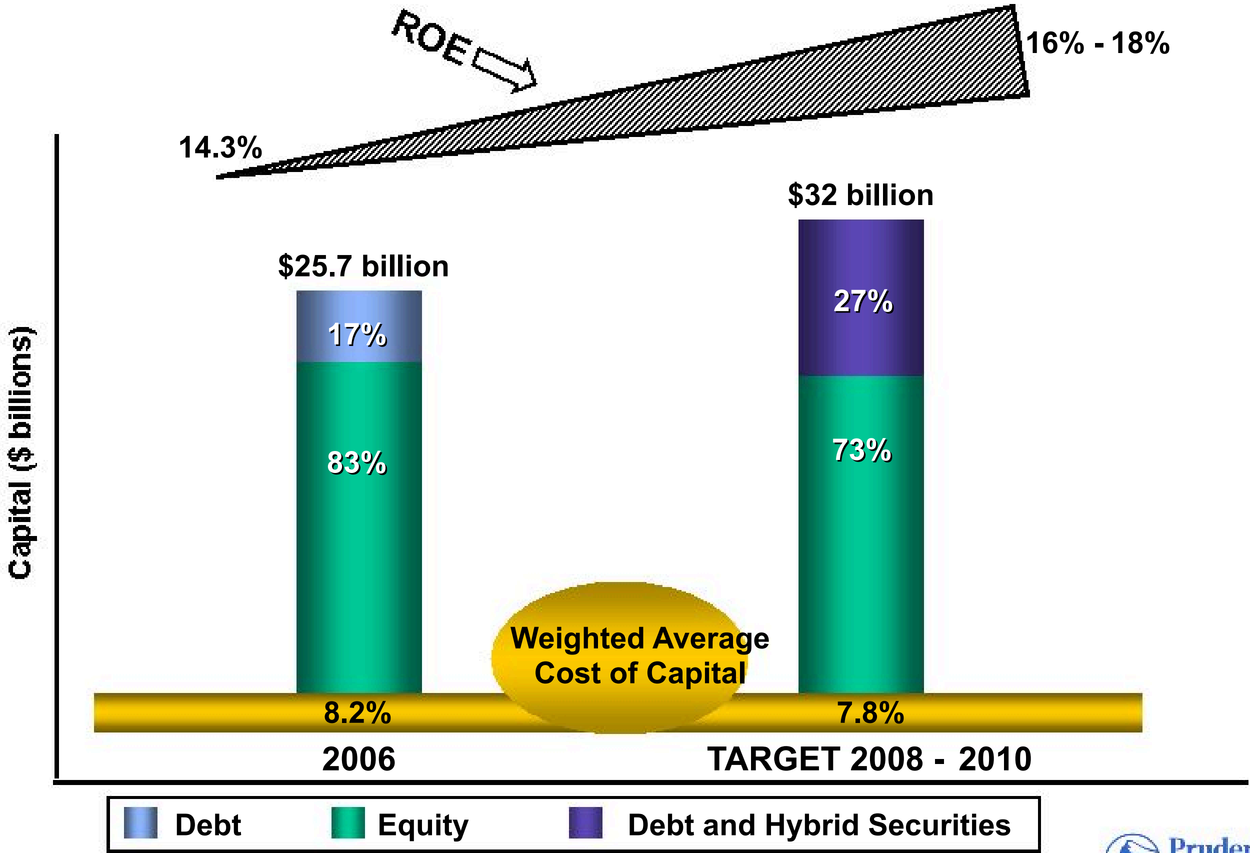
1) Attributed equity of FSB; excluding accumulated other comprehensive income related to unrealized gains and losses on investments for all years and accumulated other comprehensive income related to pension and postretirement benefits for September 30, 2007 and December 31, 2004

2) Includes divested businesses

2008 and Beyond …

- Two substantial growth opportunities:
  - International businesses
  - Domestic retirement and savings businesses
- Evolving multi-channel distribution strategy
- Manage margins and returns
- Substantial operating cash flows enable share repurchases, growing cash dividends
- Opportunistic acquisitions

2008 – 2010 Objectives: Continued ROE Growth; Drive to “Optimal Capital Structure”



Prudential Financial

2008 – 2010 Financial Objectives

- ROE expansion to 16% – 18% range[1]
- Solid double digit average annual growth in EPS[1]
- Reasonably consistent operating results
- Stock buybacks of $3.5 billion a year through 2010 under base case
- "AA" capital management

1) Based on after-tax adjusted operating income of the FSB. ROE targets based on attributed equity excluding accumulated other comprehensive income related to unrealized gains and losses on investments and pension and postretirement benefits.