



PRUDENTIAL

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Embargo: 07.01hrs Monday 1 November 2004

Scrip Dividend Offer

In September 2004, Prudential plc ("Prudential") offered its shareholders a scrip dividend alternative to cash in respect of the interim dividend of 5.4p per ordinary share for the six months ended 30 June 2004 (the "Scrip Dividend Alternative"). Under the Scrip Dividend Alternative, shareholders were offered one new ordinary share for every 428.55p otherwise payable as a cash dividend on the ordinary shares held by them, on 20 August 2004, which equates to approximately one new ordinary share for every 79.36 ordinary shares.

On 19 October 2004, Prudential announced a rights issue under which shareholders were offered the right to subscribe for one new ordinary share for every six ordinary shares held by them on 18 October 2004 at a price of 308p per new share (the "Rights Issue").

The Scrip Dividend Alternative new ordinary shares were issued on 29 October 2004. As this falls after the record date for the Rights Issue of 18 October 2004, these shares were not eligible to participate in the Rights Issue. However, the Directors have decided to offer shareholders who have received shares under the Scrip Dividend Alternative the opportunity to subscribe for further new ordinary shares on a comparable basis to the Rights Issue.

For every six ordinary shares issued under the Scrip Dividend Alternative, shareholders will have the right to subscribe for one new ordinary share at a price of 308p (the "Scrip Dividend Offer"). As with the Rights Issue, there will be no entitlement to fractions under this offer, so shareholders will need to have received at least 6 new ordinary shares under the Scrip Dividend Alternative to qualify for the Scrip Dividend Offer.

This offer is not underwritten and the right to subscribe for new ordinary shares is not transferable. The number of new ordinary shares to be issued pursuant to the Scrip Dividend Offer will be announced on 2 December 2004, and we expect these shares to be admitted to trading on the London Stock Exchange on 8 December 2004.

A Scrip Dividend Offer letter was sent to shareholders who elected to take-up the Scrip Dividend Alternative on 30 October 2004.

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News release

Prudential plc

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Incorporated and registered in England and Wales. Registered office as above. Registered number 1397169.

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Two copies of the Scrip Dividend Offer letter have been submitted to the UK Listing Authority and will shortly be available for inspection at the UK Listing Authority's Document Viewing Facility situated at: Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

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Prices and values of, and income from, shares may go down as well as up and an investor may not get back the amount invested. It should be noted that past performance is no guide to future performance. Persons needing advice should consult an independent financial adviser.

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This announcement does not constitute an offer to sell, or the solicitation of an offer to subscribe for the new ordinary shares being issued in connection with the Scrip Dividend Offer, in any jurisdiction in which such offer or solicitation is unlawful. The new ordinary shares have not been, and will not be, registered under the applicable securities laws of France, Canada, New Zealand, Switzerland, Spain, Japan or South Africa. Accordingly, unless an exemption under any applicable laws is available, the new ordinary shares may not be offered, sold, transferred, taken up or delivered, directly or indirectly, in France, Canada, New Zealand, Switzerland, Spain, Japan or South Africa or any other country outside the United Kingdom where such distribution may otherwise lead to a breach of any law or regulatory requirement.

Prudential plc, a company incorporated and with its principal place of business in the United Kingdom, and its affiliated companies constitute one of the world's leading financial services groups. It provides insurance and financial services directly and through its subsidiaries and affiliates throughout the world. It has been in existence for over 150 years and has £170 billion in assets under management, as at 30 June 2004. Prudential plc is not affiliated in any manner with Prudential Financial, Inc, a company whose principal place of business is in the United States of America.