

The Depository Trust Company

IMPORTANT

B#: 1851

DATE: April 30, 2001

TO: All Participants

CATEGORY: Dividends

FROM: Nilesh Desai, Supervisor, Dividend Department

ATTENTION: Dividend Managers, Cashiers & Reorganization Managers

SUBJECT: Optional Dividend: Prudential Plc ADR
CUSIP: 74435K204 R/D: 3/30/01 P/D: 6/06/01 Rate: In Cash
or Additional ADRs of Prudential Plc Ratio: 1 ADR to 2
Ordinary shares. DTC C/O: 5/07/2001

***** WARNING TIME CRITICAL *****

Prudential Plc's ("Prudential") Directors have instructed Morgan Guaranty Trust Company of New York to make its scrip dividend alternative, which is available to ordinary shareholders, available to holders of Prudential ADRs. This will provide ADR holders of record with a choice of receiving a dividend in cash or in Ordinary shares in the form of ADRs, or in a combination of both.

Prudential Plc has asked The Depository Trust Company ("DTC") to distribute the following eligibility information to DTC Participants:

ALL ADR HOLDERS, WHEREVER THEY RESIDE, HAVE THE RIGHT TO ELECT TO RECEIVE THIS DIVIDEND IN ORDINARY SHARES IN THE FORM OF ADRS OR IN A COMBINATION OF ORDINARY SHARES IN THE FORM OF ADRS AND CASH, UNLESS THEY ARE RESIDENTS OF CANADA, OR IN ANY JURISDICTION OUTSIDE THE UNITED STATES ("US") WHERE THE OFFER OF SUCH A RIGHT WOULD REQUIRE COMPLIANCE BY PRUDENTIAL PLC WITH GOVERNMENTAL OR REGULATORY PROCEDURES OR ANY SIMILAR FORMALITIES. AN ADR HOLDER WHO HOLDS SHARES AS A NOMINEE OR TRUSTEE FOR ANY PERSON WHO IS SO RESIDENT OF CANADA, OR IN ANY JURISDICTION OUTSIDE THE UNITED STATES ("US") IS ALSO INELIGIBLE TO ELECT AS AFORESAID IN RESPECT OF THOSE ADRS. NO PERSON RECEIVING A COPY OF ANY DOCUMENTS PURPORTING TO GIVE THEM THE RIGHT TO

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ELECT AS AFORESAID IN ANY SUCH COUNTRY OR JURISDICTION MAY TREAT THEM AS OFFERING A RIGHT TO ELECT UNLESS SUCH AN OFFER COULD LAWFULLY BE MADE WITHOUT ANY SUCH COMPLIANCE.

ANY ADR HOLDER RESIDING OUTSIDE THE US WISHING TO RECEIVE ORDINARY SHARES IN THE FORM OF ADRS OR A COMBINATION OF ORDINARY SHARES IN THE FORM OF ADRS AND CASH IS RESPONSIBLE FOR ENSURING, WITHOUT ANY FURTHER OBLIGATION ON PRUDENTIAL PLC, THAT AN ELECTION CAN BE VALIDLY MADE. SUCH ADR HOLDER SHOULD THEREFORE TAKE ADVICE ON AND OBSERVE ANY APPLICABLE LEGAL REQUIREMENTS, OBTAIN ANY GOVERNMENTAL OR OTHER CONSENTS WHICH MAY BE REQUIRED AND COMPLY WITH ALL NECESSARY FORMALITIES.

AN ELECTION TO RECEIVE ORDINARY SHARES IN THE FORM OF ADRS INSTEAD OF CASH IS SUBJECT TO THE ADR HOLDER CONTINUING TO MEET THE ELIGIBILITY CRITERIA NOTED ABOVE. ANY ADR HOLDER WHO NO LONGER MEETS SUCH CRITERIA MUST IMMEDIATELY CANCEL THE ELECTION.

Participants who have position (s) in the above captioned security can elect to receive the dividend distribution in accordance with the following options:

Option #1: Cash You may elect to receive the cash dividend of approximately \$0.4694 per ADR which is net of effective 10% U.K, tax.

Option #2: ADRs for Shareholders who meet the criteria as a Qualified ADR holder.

You may elect to receive the scrip dividend alternative payable in additional ordinary shares in the form of Prudential ADRs with a value equivalent to the net cash dividend less stamp duty reserve tax and any fees. ADRs are issued at a ratio of 1 ADR to 2 ordinary shares. Fractional entitlements will be sold and paid in cash.

The holder will be responsible for the 1 1/2% Stamp Duty Reserve Tax. The proportionate amount of Prudential ordinary shares will be sold to cover the Stamp Duty Reserve Tax, which is calculated by reference to the total cash that would otherwise have been received (net 90% of the total cash dividend value). By electing Option #2, holders of Prudential ADRs are authorizing Morgan Guaranty Trust Company of New York, as Depositary, to sell the required number of Prudential ordinary shares to cover the costs of the Stamp Duty Reserve Tax.

PARTICIPANTS SHOULD SUBMIT ELECTION INSTRUCTIONS OVER THE PARTICIPANT TERMINAL SYSTEM (PTS) THROUGH THE ELECTIVE DIVIDEND SYSTEM (EDS) FUNCTION.

To confirm record date history and payment information, Participants should access the Dividend and Allocation History (DPAL) Option, via the PTS Dividend Announcements Inquiry (DIVA) function.

* The Mandatory Distribution is in accordance with Option #1

Due to the limited time allotted for DTC to reconcile and balance Participants position (s), all late entries will receive the mandatory distribution (Option #1 Cash).

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If there are any questions regarding this Important Notice or the processing of related instructions via EDS, Participants should contact Mr. John McCarthy or Mr. Raymond Lew of DTC's Dividend Department at (212) 855-4521/4523.