

Bulletin

for Combined Nuclear Pension Plan

A quarterly update on your pension fund investments

M&G funds:

- › Index-Linked Passive
- › Cash
- › Retirement Protection

Prudential funds:

- › 50:50 Global Equity Index
- › UK Equity Index
- › World (ex-UK) Index

Prudential funds:

- › With-Profit

Quarter 1 2008



Retirement has more potential with

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Prudential Index-Linked Passive fund (series 3)



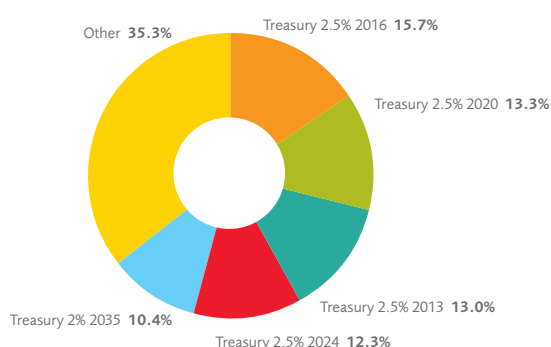
Fund description

The Fund invests in British Government index-linked gilts with over five years to go until maturity. The Fund is passively managed tracking movements in its benchmark FTSE British Government Over 5 Years Index-Linked All Stocks Index. Tracking this index is achieved by fully replicating the small number of stocks in the Index.

Key facts

Underlying fund size	£165m
Number of holdings	12
Underlying fund launch date	04/02/1998
Portfolio Manager	David Lloyd
Benchmark	FTSE British Government Over 5 Years Index-Linked All-Stocks Index
Investment Style	Passive
Sedol code (series 3)	3282441
Performance Objective	To match the performance of the benchmark as closely as possible.

Fund breakdown



Duration



Commentary

Index-linked bonds, which protect investors from inflation, are regarded as a safe haven during times of economic uncertainty. Consequently, they attracted greater interest from investors during the three-month review period. Disappointing economic data, ongoing worries over the global credit markets and concerns about inflation helped index-linked bonds outperform their fixed interest counterparts.

The Bank of England reduced interest rates by 0.25 percentage points to 5.25% in February, citing significant risks to the UK economy because of the reluctance of banks to lend to each other. UK inflation has climbed steadily since October 2007 and reached 2.5% at the end of March. Oil and food costs and bigger household energy bills have been the main drivers of rising inflation.

Source: M&G
All figures are as at 31 March 2008, unless otherwise stated.

Performance

Past performance of the fund over each of the last 5 years to the end of March

	30/03/2007 to 31/03/2008	31/03/2006 to 30/03/2007	31/03/2005 to 31/03/2006	31/03/2004 to 31/03/2005	31/03/2003 to 31/03/2004
Index-Linked Passive fund series 3	13.7	2.7	9.1	5.8	6.8
Benchmark	13.5	2.7	9.0	5.7	6.7

Past performance of the fund to 31 March 2008

	Quarter	1 Year*	3 Years*	5 Years*
Index-Linked Passive fund series 3	3.7	13.7	8.4	7.6
Benchmark	3.7	13.5	8.3	7.4

Source: Prudential. * annualised

Based on percentage change in unit price. It is important to remember that past performance is no guide to the future. The value of your investment may go down as well as up and the fund value at retirement may be less than the payments you have made.

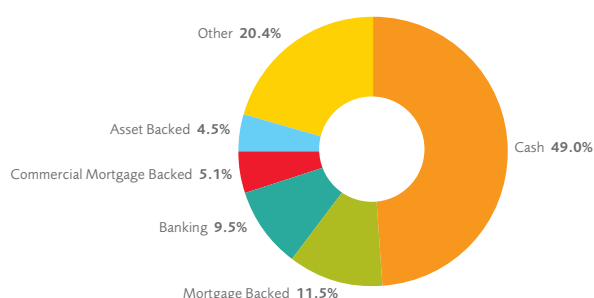
Prudential Cash fund (series 3)



Fund description

The fund invests in both high quality Floating Rate Notes (FRNs) and short-term deposits. The fund is actively managed with the aim of beating its benchmark of the London Interbank 7 Day Deposit Rate. The financial instruments held in the fund are issued by well known banks and leading financial institutions.

Fund breakdown



Top 10 cash instruments

		%
1	Royal Bank of Scotland 5.5% 29/04/2008	9.0
2	Royal Bank of Scotland 5.5% 29/04/2008	9.0
3	Epic (Barchester) FRN 09/2031	1.1
4	Spoletto Mortgages FRN 02/2035	1.0
5	Nationwide Building Society FRN 06/2010	1.0
6	Citigroup FRN 03/2009	0.9
7	Santander FRN 07/2011	0.9
8	Dunfermline Building Society FRN 03/2009	0.9
9	Permanent Fin. No. 9 FRN 06/2042	0.9
10	Chester A/Rec 06-01 FRN 05/2013	0.8

Key facts

Underlying fund size	£225m
Number of holdings	73
Underlying fund launch date	28/04/1982
Portfolio Manager	Claire Bews
Benchmark	LIBID 7 Day Deposit Rate
Investment Style	Prudent active
Sedol code (series 3)	3168110
Performance Objective	To outperform the investment benchmark on a consistent basis

Commentary

The fund performed in line with the benchmark; the London Interbank 7 Day Deposit Rate, with cash placed on term deposit at higher rates balancing some underperformance from holdings of floating rate notes (FRNs), which struggled amid investors' unwillingness to take on risk.

The manager continued our strategy of increasing holdings in FRNs in an effort to improve the yield of the fund. Selectively, the manager added FRNs of the highest quality, thereby raising the fund's exposure to around 32% by the end of the quarter from around 25% at the beginning of the year.

The manager will continue to buy such instruments in the months to come as this is where the manager sees the best opportunity to enhance the fund's yield. Key to this process is the work of our dedicated team of credit analysts as careful selection of holdings is critical in the current environment.

Source: M&G
All figures are as at 31 March 2008, unless otherwise stated.

Performance

Past performance of the fund over each of the last 5 years to the end of March

	30/03/2007 to 31/03/2008	31/03/2006 to 30/03/2007	31/03/2005 to 31/03/2006	31/03/2004 to 31/03/2005	31/03/2003 to 31/03/2004
Cash fund series 3	5.6	4.7	5.2	5.1	4.5
Benchmark	5.8	5.0	4.7	4.7	3.7

Past performance of the fund to 31 March 2008

	Quarter	1 Year*	3 Years*	5 Years*
Cash fund series 3	1.4	5.6	5.2	5.0
Benchmark	1.4	5.8	5.2	4.8

Source: Prudential. * annualised

Based on percentage change in unit price. It is important to remember that past performance is no guide to the future. The value of your investment may go down as well as up and the fund value at retirement may be less than the payments you have made.

Prudential Retirement Protection fund (series 3)



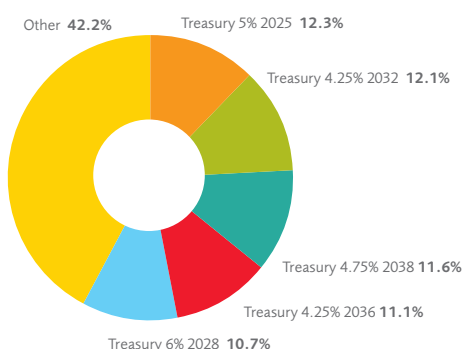
Fund description

The fund invests in British Government Gilts with over 15 years to maturity. The fund is passively managed tracking movements in its benchmark FTSE British Government Over 15 Years Gilt Index. Tracking this index is achieved by fully replicating the small number of stocks in the Index.

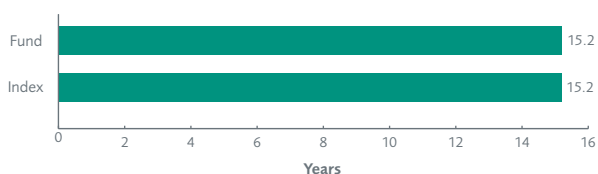
Key facts

Underlying fund size	£509m
Number of holdings	10
Underlying fund launch date	05/04/1994
Portfolio Manager	David Lloyd
Benchmark	FTSE British Government Over 15 Years Gilt Index
Investment Style	Passive
Sedol code (series 3)	3169425
Performance Objective	To match the performance of the benchmark as closely as possible.

Fund breakdown



Duration



Commentary

Stresses within financial markets and an uncertain economic environment proved helpful for lower risk investments such as government bonds (gilts), which acted as a "safe haven" for investors looking to protect their investments from volatile swings in the stockmarket.

Despite mounting evidence of a slowdown in the housing market and consumer spending, the Bank of England remained cautious about bringing down interest rates, citing inflation as an ongoing concern. The Bank cut interest rates modestly from 5.50% to 5.25% during the quarter.

The UK housing market is visibly slowing and this is likely to dampen UK economic growth. Further interest rate cuts to counter the slowdown are therefore probable. This situation offers a positive outlook for gilts.

Source: M&G
All figures are as at 31 March 2008, unless otherwise stated.

Performance

Past performance of the fund over each of the last 5 years to the end of March

	30/03/2007 to 31/03/2008	31/03/2006 to 30/03/2007	31/03/2005 to 31/03/2006	31/03/2004 to 31/03/2005	31/03/2003 to 31/03/2004
Retirement Protection fund series 3	5.2	-1.0	10.7	5.5	2.9
Benchmark	5.1	-1.1	10.7	5.4	2.8

Past performance of the fund to 31 March 2008

	Quarter	1 Year*	3 Years*	5 Years*
Retirement Protection fund series 3	0.0	5.2	4.8	4.6
Benchmark	-0.1	5.1	4.8	4.5

Source: Prudential. * annualised

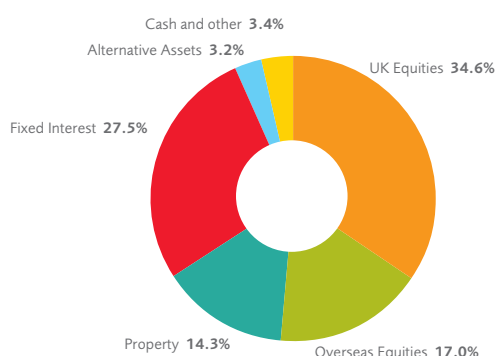
Based on percentage change in unit price. It is important to remember that past performance is no guide to the future. The value of your investment may go down as well as up and the fund value at retirement may be less than the payments you have made.

Prudential With-Profits fund

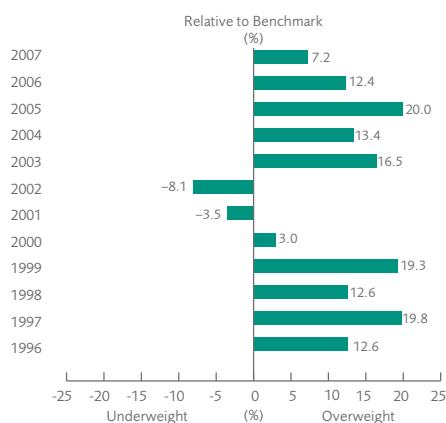
Fund description

The Fund offers the prospect of competitive long-term real returns whilst smoothing the peaks and troughs of day-to-day market movements. Investment returns are passed to policyholders through bonuses. The Fund is invested in a diversified portfolio of UK and overseas shares, bonds, property and cash. A significant proportion of the Fund is invested in shares and property which can be expected to produce attractive long-term returns, but the return on these assets can be volatile and so the Fund is actively managed to optimise the returns while controlling risk.

Fund breakdown



Underlying investment returns



Source: Prudential
All figures are as at 31 December 2007, unless otherwise stated.

Key facts

Fund size	Around £74 billion as at 31 December 2007
Solvency Rating*	AA+
Portfolio Manager	Martin Brookes
Investment Style	Prudent Active
Performance Objective	To offer competitive long term returns.

* Standard & Poors as at 07.09.07

Commentary

The fund remains well-diversified with a relatively high proportion invested in shares and commercial property which should deliver strong returns over the longer-term.

Following strong gains over a number of years, the fund's holdings in shares of companies around the Pacific Basin were trimmed towards the end of 2007.

In the middle of the year a derivatives overlay was introduced to help protect the value of the fund's more specialised bond holdings. This overlay was removed towards the end of the year following the problems in the US mortgage market.

The proportion of the fund invested in commercial property continued to be trimmed during the year before the sharp fall in commercial property prices around the end of the year.

Performance

Bonus Series	1 Year	3 Years*	5 Years*	10 Years*
UnitisedL With-Profits Returns	6.75	8.15	9.75	6.95
UnitisedN With-Profits Returns	6.75	8.15	9.70	6.80
Cash Accumulation MPP With-Profits Returns	6.75	8.15	9.75	6.95
Cash Accumulation AVC With-Profits Returns	6.75	8.15	9.70	6.75

Source: Prudential. * annualised.

Past performance is not a guide to the future. The value of your investment is not guaranteed, it can go down or up, and you may get back less than you originally put in. Please bear in mind that inflation could also reduce the value of your plan and any growth from it. For Prudential's With-Profits Fund, the rate of growth over a period will, in general, depend on when the contribution was paid. For the unitised returns above, it is assumed that the contribution was invested after any explicit charges on the 31st March 1, 3, 5 or 10 years ago and realised on or after 6th April 2008 to secure benefits at normal retirement date. For the Cash Accumulation returns above, it is assumed that 1, 3, 5 or 10 scheme revision dates ending after 15th March have passed since the contribution was invested.

Prudential BGI Aquila

(50:50) Global Equity Index fund (series 3)

BARCLAYS GLOBAL INVESTORS

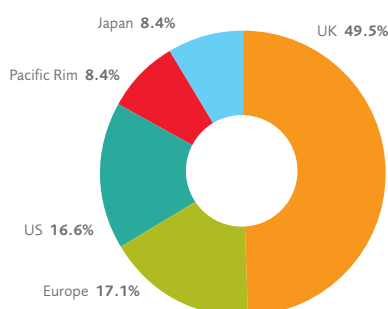
Fund description

The fund invests in both the UK and overseas equity markets. Looking to achieve low tracking error versus the index benchmark, the fund has approximately 50% invested in the shares of UK companies and the remaining 50% invested in the shares of overseas companies, split between the US, Europe ex-UK, Japan and Pacific Rim.

Key facts

Underlying fund size	£3,198m
Number of holdings	5
Underlying fund launch date	31/07/2002
Portfolio Manager	Team Approach
Benchmark	Composite Benchmark
Investment Style	Passive
Sedol code (series 3)	B08ZTM1
Performance Objective	To replicate the performance of its objective

Fund breakdown



Top holdings

	%
1 BGI Aquila Life UK Equity Index fund	49.5
2 BGI Aquila Life European Equity Index fund	17.1
3 BGI Aquila Life US Equity Index fund	16.6
4 BGI Aquila Life Pacific Rim Equity Index fund	8.4
5 BGI Aquila Life Japanese Equity Index fund	8.4

Commentary

The Aquila Life (50:50) Global Equity fund invests approximately 50% in the shares of UK companies and the remaining 50% in the shares of overseas companies, split between the US, Europe ex-UK, Japan and Pacific Rim.

The fund aims to provide returns consistent with the markets in which it invests and provides broad exposure to countries around the world.

Divergences from the benchmark's performance can come from allocation misweights against the index, costs associated with rebalancing, and "cash drag".

To keep the portfolio in line with its benchmark, the fund is reviewed daily and rebalancing trades are used to correct excessive differences from the benchmark.

Source: BGI
All figures are as at 31 March 2008, unless otherwise stated.

Performance

Past performance of the fund over each of the last 5 years to the end of March

	30/03/2007 to 31/03/2008	31/03/2006 to 30/03/2007	31/03/2005 to 31/03/2006	31/03/2004 to 31/03/2005	31/03/2003 to 31/03/2004
50:50 Global Equity Index fund series 3	-4.9	8.4	-	-	-
Benchmark	-5.1	8.0	-	-	-

Past performance of the fund to 31 March 2008

	Quarter	1 Year*	3 Years*	5 Years*
50:50 Global Equity Index fund series 3	-9.4	-4.9	-	-
Benchmark	-9.4	-5.1	-	-

Source: Prudential and BGI. * annualised

Based on percentage change in unit price. It is important to remember that past performance is no guide to the future. The value of your investment may go down as well as up and the fund value at retirement may be less than the payments you have made.

Prudential BGI Aquila

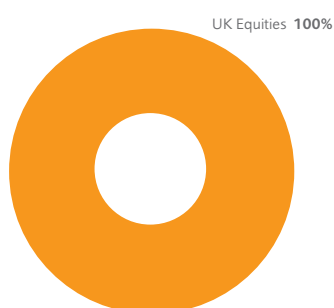
UK Equity Index fund (series 3)

BARCLAYS GLOBAL INVESTORS

Fund description

This fund is passively managed and invests in the shares of UK companies aiming to achieve a return that is consistent with the return of the Index. The benchmark is the FTSE All-Share Index. Tracking is achieved by full replication of the Index.

Fund breakdown



Key facts

Underlying fund size	£18,829m
Number of holdings	669
Underlying fund launch date	01/09/1994
Portfolio Manager	Team Approach
Benchmark	FTSE All-Share Index
Investment Style	Passive
Sedol code (series 3)	B08ZTQ5
Performance Objective	To replicate the performance of its benchmark

Top holdings

	%
1 HSBC	6.1
2 BP	6.0
3 Vodafone	4.9
4 Royal Dutch Shell A	3.9
5 GlaxoSmithKline	3.7
6 Rio Tinto	3.2
7 Royal Dutch Shell B	2.9
8 Anglo American	2.5
9 BG	2.4
10 Royal Bank of Scotland	2.1

Commentary

The fund fell by 9.83% compared with drop of 9.85% in the FTSE All-Share Index.

In the FTSE Regional Committee's quarterly index review, which took effect on 25 March, eight additions included Eurasian Natural Resources Corporation, Hardy Oil & Gas and Babcock & Brown Public Partnerships. London Scottish Bank was the only deletion from the FTSE All-Share Index.

We also saw further implementation of the cumulative 1% changes to shares in issue rule. The most significant were reductions in BHP Billiton and BT Group, and increases in Friends Provident and Scottish & Southern Energy.

The takeover of ICI by Akzo Nobel was completed and the fund received £6.70 for each share held. There were also 18 optional currency dividends, 2 bonus issues and 5 rights issues.

Source: BGI
All figures are as at 31 March 2008, unless otherwise stated.

Performance

Past performance of the fund over each of the last 5 years to the end of March

	30/03/2007 to 31/03/2008	31/03/2006 to 30/03/2007	31/03/2005 to 31/03/2006	31/03/2004 to 31/03/2005	31/03/2003 to 31/03/2004
UK Equity Index fund series 3	-7.7	11.2	28.0	15.6	30.8
Benchmark	-7.7	11.1	28.0	15.6	31.0

Past performance of the fund to 31 March 2008

	Quarter	1 Year*	3 Years*	5 Years*
UK Equity Index fund series 3	-9.8	-7.7	9.5	14.7
Benchmark	-9.9	-7.7	9.5	14.7

Source: Prudential and BGI. * annualised

Based on percentage change in unit price. It is important to remember that past performance is no guide to the future. The value of your investment may go down as well as up and the fund value at retirement may be less than the payments you have made.

Prudential BGI Aquila

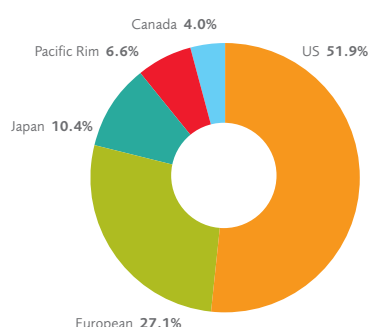
World ex-UK Index fund (series 3)

BARCLAYS GLOBAL INVESTORS

Fund description

The fund invests in shares of overseas companies according to the market capitalisation weights of the FTSE All-World Developed ex-UK Index. Within each of those markets, the fund aims to generate returns consistent with those of each country's primary share market.

Fund breakdown



Key facts

Underlying fund size	£1,526m
Number of holdings	5
Underlying fund launch date	30/09/1999
Portfolio Manager	Team Approach
Benchmark	FTSE All World (Developed) ex-UK Index
Investment Style	Passive
Sedol code (series 3)	B08ZTN2
Performance Objective	To replicate the performance of its benchmark

Top holdings

	%
1 BGI Aquila life US Equity Index fund	51.9
2 BGI Aquila life European Equity Index fund	27.1
3 BGI Aquila life M Japanese Equity Index fund	10.4
4 BGI Aquila life Pacific Rim Equity Index fund	6.6
5 BGI Aquila life Canadian Equity Index fund	4.0

Commentary

The Aquila Life World Ex-UK fund invests in overseas shares (Europe, Japan, Pacific Rim, US and Canadian markets) according to the market capitalisation weights of the FTSE All-World Developed Ex-UK Index.

Within each of those markets, the fund aims to generate returns consistent with those of each country's stock market.

Divergences from the benchmark return can come from allocation misweights against the index, costs associated with rebalancing, and "cash drag".

To keep the portfolio in line with its benchmark, the fund is reviewed daily and rebalancing trades are used to correct excessive differences from the benchmark.

Source: BGI
All figures are as at 31 March 2008, unless otherwise stated.

Performance

Past performance of the fund over each of the last 5 years to the end of March

	30/03/2007 to 31/03/2008	31/03/2006 to 30/03/2007	31/03/2005 to 31/03/2006	31/03/2004 to 31/03/2005	31/03/2003 to 31/03/2004
World ex-UK Index fund series 3	-3.3	2.2	-	-	-
Benchmark	-3.6	1.7	-	-	-

Past performance of the fund to 31 March 2008

	Quarter	1 Year*	3 Years*	5 Years*
World ex-UK Index fund series 3	-8.8	-3.3	-	-
Benchmark	-8.8	-3.6	-	-

Source: Prudential and BGI. * annualised

Based on percentage change in unit price. It is important to remember that past performance is no guide to the future. The value of your investment may go down as well as up and the fund value at retirement may be less than the payments you have made.

Regulatory Wording

Important information

Who manages the funds?

All of the series 3 funds are Prudential funds.

Prudential has delegated the investment management of these funds to either M&G Investments or various fund managers outside of Prudential.

How are the fund prices calculated?

The Series 3 funds operate on a single swinging price basis. The pricing basis on which units in the fund are transacted is dependent upon the cash flow into/out of the fund. This is also the price that is published.

What is the dealing cycle?

The Pensions Series 3 fund range is forward priced which means that the unit price is set after money is invested.

M&G Investments has a dealing cycle of T+0. This means that money received on day T buys units at the valuation date price applicable at close of business on the same day.

Funds managed by BGI have a dealing cycle of T+2. This means that money received on day T buys units at the valuation date price applicable at close of business 2 days later.

Who are these factsheets for?

This report is intended for members of the Combined Nuclear Pension Plan occupation pension scheme.

These factsheets report to members upon the investment management of the Fund during the quarter.

Can I get advice?

These factsheets should not be considered as financial promotions and any changes to investment arrangements should be discussed with an adviser. It is not our intention to give an indication of how any particular funds will perform in the future. The commentary in these factsheets reflects the general views of the individual fund managers and should not be taken as a recommendation or advice as to how a specific market or fund is likely to perform.

How are the performance figures calculated?

Performance is measured on an offer price to offer price basis.

For the purposes of comparison with the benchmark we have used unit prices with the closest valuation point to that of the benchmark, taking into consideration the relevant dealing cycle.

To obtain current unit price and performance information for all funds in the Prudential Fund range, simply log on to www.pru.co.uk/fundprices and choose "Pension Funds" and then select Group Pensions (series 3).

Are all of the funds available to me?

Not all of the funds are available for every DC product.

If you are in any doubt as to which funds you are invested in, please contact your pensions department (for scheme members), usual Prudential contact (for trustees and advisers) or refer to the "Key Features Appendix" for the scheme.

Other important information

Exchange Rate Risk – exchange rate fluctuations may cause the Sterling values of overseas investments to rise or fall.

The rates of future bonus in the With-Profits Fund cannot be guaranteed. Final bonus may vary and is not guaranteed. If money invested in the With-Profits Fund is taken out at any time except on death or normal retirement date, the amount payable may be reduced to reflect the market value of the underlying assets at that time. This is known as a Market Value Reduction.

For the With-Profits Fund, we deduct a charge through the bonus mechanism. This is currently expected to be 1% a year assuming future investment returns in the With-Profits Fund are 7% a year. Charges on With-Profits business depend on the performance of the With-Profits Fund and, in particular, the investment returns achieved and expenses incurred. Over time if investment returns are higher then we would expect to increase the charge and if investment returns are lower we would expect to reduce the charge.

There is a charge to pay for all the guarantees the With-Profits Fund supports. We guarantee to not take away regular bonuses already added when a payment is made because of death and your normal retirement date and to only apply a Market Value Reduction in certain circumstances. This charge will be taken by making a small deduction each year when deciding Regular and Final Bonuses, so you will not see it on any yearly statement. The total deduction over the lifetime of the Plan is not currently more than 2% of any payment made from the Fund. The amount of this charge will be reviewed from time to time, and is not guaranteed to remain at the current level.

With-Profits bonus series explained

Cash Accumulation With-Profits

Cash Accumulation MPP With-Profits is used solely by the oldest "pre 101" money purchase contracts for occupational pension schemes typically established from 1974.

Cash Accumulation AVC With-Profits is used solely by Additional Voluntary Contribution contracts as part of an occupational scheme (but not where VCs are paid through another Prudential group pension contract).

Unitised With-Profits

Unitised L With-Profits is used by the "101" money purchase contracts for occupational pension schemes and grouped personal pension contracts (including the "Shout/MSA" contracts) typically established from 06/04/1987 where holdings are expressed in terms of units.

Unitised N With-Profits is used by the "Select" group personal pension (established 1997) and "Money Purchase Plan/Group Personal Pension" money purchase contracts for occupational pension schemes and group personal pension contracts established since 2001 where holdings are expressed in terms of units.

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PRUDENTIAL



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