

QUARTER 3 2007

the BULLETIN

*for Combined Nuclear
Pension Plan*

Retirement has more potential with

PRUDENTIAL



A QUARTERLY UPDATE ON YOUR PENSION FUND INVESTMENTS

Index-Linked Passive Fund – Retirement Protection Fund – With-Profits Fund – Cash Fund – BGI Aquila UK Equity Index Fund –
BGI Aquila 50/50 Global Equity Index Fund – BGI Aquila World (ex-UK) Index Fund

PRUDENTIAL M&G**Index-Linked Passive Fund (S3)****QUARTER ENDING 28.09.07****FUND DESCRIPTION**

The Fund invests in British Government index-linked bonds (index-linked gilts) with over five years to go until they mature. 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 holding all of the small number of stocks involved in the same proportions as in the Index.

KEY FACTS

UNDERLYING FUND SIZE	£158m
NUMBER OF HOLDINGS	11
UNDERLYING LAUNCH DATE	04.02.98
PORTFOLIO MANAGER	Michael Lack
INVESTMENT STYLE	Passive

PERFORMANCE**12 MONTHS TO END SEPTEMBER**

FUND	2007	2006	2005	2004	2003
Series 3 Fund Performance	2.8	6.5	9.4	7.0	7.3
Benchmark FTSE British Government > 5 Years Index-Linked All Stocks Index	2.7	6.4	9.2	6.8	7.2

Percentage change in unit price. For performance data on the underlying Fund, please visit www.prumandg.co.uk

Source: Prudential

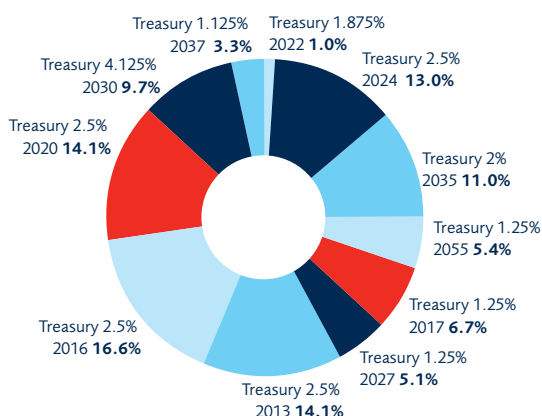
It is important to remember that past performance is not a guide to the future. The value of your investment may go down as well as up and the fund value at retirement may be less than the payments you have made.

COMMENTARY

- Index-linked government bonds rose during the period, helped by a move into more secure investments as a result of the stockmarket turmoil.
- The level of inflation fell below the Bank of England's 2% target for the first time in more than a year. Although areas such as household confidence and the housing market, which had caused concerns

about a pick up in inflation earlier in the year, have weakened somewhat, the Bank of England remains cautious about the outlook for inflation.

- While lower inflation gives the Bank of England scope to cut interest rates going forward, most commentators believe interest rates are now likely to remain on hold for the remainder of the year.

FUND BREAKDOWN

Source: Prudential M&G

The asset mix is likely to vary in the future.

TOP 10 HOLDINGS**%**

1	Treasury 2.5% I/L STK 26/07/16	16.5
2	Treasury 2.5% I/L STK 16/8/13	14.1
3	Treasury 2.5% I/L STK 16/04/20	14.1
4	Treasury 2.5% I/L STK 17/07/24	13.0
5	Treasury 2% I/L STK 26/01/35	11.0
6	Treasury 4.125% I/L STK 22/07/30	9.7
7	Treasury 1.25% I/L STK 22/11/17	6.7
8	Treasury 1.25% I/L STK 22/11/55	5.4
9	Treasury 1.25% I/L STK 22/11/27	5.1
10	Treasury 1.125% I/L STK 22/11/37	3.3

All figures as at 28 September 2007, unless otherwise stated.

PRUDENTIAL RISK RATING: LOWER

This Fund may be suitable if you want to take a more cautious approach to investment seeking a higher degree of protection against the effects of inflation and taking a lower level of risk while accepting a lower level of growth over the longer term. The Fund tracks UK government index-linked bonds (often known as index-linked gilts).

PRUDENTIAL M&G**Cash Fund (S1 & S3)**

QUARTER ENDING 28.09.07

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.

KEY FACTS

UNDERLYING FUND SIZE	£176m
UNDERLYING NUMBER OF HOLDINGS	52
UNDERLYING LAUNCH DATE	31.04.82
PORTFOLIO MANAGER	Claire Bews
INVESTMENT STYLE	Prudent Active

PERFORMANCE

12 MONTHS TO END SEPTEMBER

FUND	2007	2006	2005	2004	2003
Series 3 Fund Performance	5.5	4.7	5.2	4.7	4.3
Benchmark LIBID 7 Day Deposit Rate	5.5	4.7	4.8	4.2	3.7

Percentage change in unit price. For performance data on the underlying Fund, please visit www.prumandg.co.uk

Source: Prudential

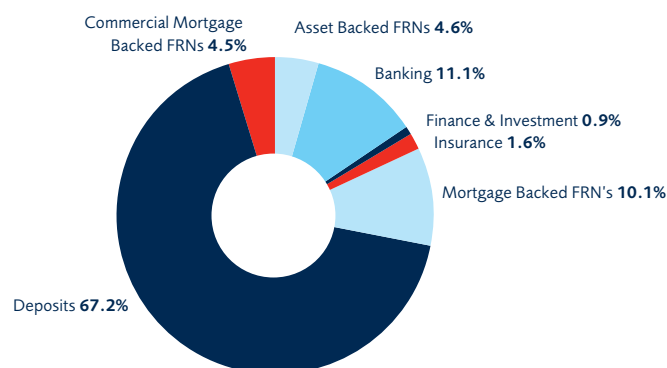
It is important to remember that past performance is not a guide to the future. The value of your investment may go down as well as up and the fund value at retirement may be less than the payments you have made.

COMMENTARY

- Despite the instability in investment markets, UK economic growth remains relatively robust. Data released during the period showed that the pace of economic growth had picked up in the second quarter of 2007, causing the Bank of England to raise interest rates to 5.75% in July.
- Consumer confidence and house prices have started to show some signs of weakness. Against this background, the Bank of England kept interest rates on hold in September.
- The Fund's exposure to floating rate notes held back performance over the period, due to the upheaval in the financial markets. Floating

rate notes issued by building societies, as well as some which were backed by a pool of assets, suffered particularly badly.

- The Fund continues to have a significant holding of floating rate notes, which made up 33% of the Fund at the end of September.
- The problems in the US mortgage market have led to some attractive prices in floating rate notes which are backed by a pool of assets. The Fund, using the expertise of three analysts who focus on this area of the market, has been looking to selectively buy more of these investments as they become available in the market.

FUND BREAKDOWN

Source: Prudential M&G

The asset mix is likely to vary in the future.

TOP 10 HOLDINGS

	%
1 Nationwide B/S FRN 06/2010	1.3
2 Citigroup FRN 03/09	1.2
3 Bluestone Secs 7-1 FRN 06/44	1.2
4 Santander FRN 07/11	1.1
5 Permanent Fin No.9 FRN 06/42	1.1
6 Dunfermline B.S. FRN 03/09	1.1
7 Leek Finance No.17 FRN 12/37	1.1
8 Metro Life FRN 02/2011	1.0
9 Holmes Fin No.6 FRN 07/2040	1.0
10 Unicredito Italian FRN 04/09	1.0

All figures as at 28 September 2007, unless otherwise stated.

PRUDENTIAL RISK RATING: MINIMAL

This Fund may be suitable if you want to take a minimal level of risk either on the part of your fund you can take as a lump sum at retirement or as a short-term measure while you are re-arranging your savings and are prepared to accept a modest level of growth over the longer term. The Fund invests in a variety of short-term bank deposits and other financial instruments giving a higher level of capital security than shares or bonds.

PRUDENTIAL M&G**Retirement Protection Fund (S1 & S3)**

QUARTER ENDING 28.09.07

FUND DESCRIPTION

The Fund invests in British Government bonds (gilts) with over 15 years to go until their 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 holding the all of the small number of stocks involved in the same proportions as in the Index.

KEY FACTS

UNDERLYING FUND SIZE	£555m
NUMBER OF HOLDINGS	9
UNDERLYING LAUNCH DATE	05.04.94
PORTFOLIO MANAGER	Michael Lack
INVESTMENT STYLE	Passive

PERFORMANCE

12 MONTHS TO END SEPTEMBER

FUND	2007	2006	2005	2004	2003
Series 3 Fund Performance	-3.5	5.5	10.4	4.5	0.8
Benchmark FTSE British Government > 15 Years Gilt Index	-3.6	5.6	10.4	4.5	0.6

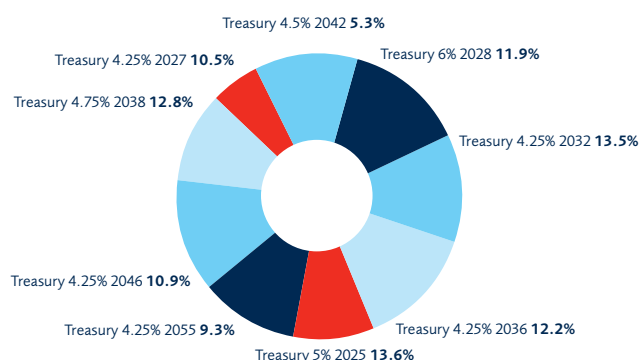
Percentage change in unit price. For performance data on the underlying Fund, please visit www.prumandg.co.uk

Source: Prudential

It is important to remember that past performance is not a 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.

COMMENTARY

- UK government bonds performed well over the quarter, benefiting from being seen as a safe investment during the stockmarket turmoil over the summer.
- Despite the instability in investment markets, UK economic growth remains relatively robust. Data released during the quarter showed that the pace of economic growth had picked up in the second quarter of 2007, causing the Bank of England to raise interest rates to 5.75% in July.
- However, there is some evidence that both household spending and the housing market are starting to weaken. Against this background, the Bank of England kept interest rates on hold in September.

FUND BREAKDOWN

Source: Prudential M&G

The asset mix is likely to vary in the future.

HOLDINGS**%**

1	Treasury 5% 07/03/25	13.6
2	Treasury 4.25% 07/06/32	13.5
3	Treasury 4.75% 07/12/38	12.8
4	Treasury 4.25% 07/03/36	12.2
5	Treasury 6% 07/12/28	11.9
6	Treasury 4.25% 07/12/46	10.9
7	Treasury 4.25% 07/12/27	10.5
8	Treasury 4.25% 07/12/55	9.3
9	Treasury 4.5% 07/12/42	5.4

All figures as at 28 September 2007, unless otherwise stated.

PRUDENTIAL RISK RATING: LOWER

Prudential believes there is a Lower risk of the value of this Fund going down as well as up over the shorter term. This Fund may be suitable for those investors nearing retirement who wish to protect their pension fund investments. By investing in long-term gilts, the Fund's performance is expected to broadly follow annuity rates, thus helping to protect your investment from potentially damaging volatility.

PRUDENTIAL**With-Profits Fund****QUARTER ENDING 28.09.07****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.

KEY FACTS

FUND SIZE	Over £73 billion (as at 30.06.07)
SOLVENCY RATING*	AA+
PORTFOLIO MANAGER	Martin Brookes
INVESTMENT STYLE	Prudent Active

* Standard & Poors as at 07.09.07

PERFORMANCE**BONUS SERIES**

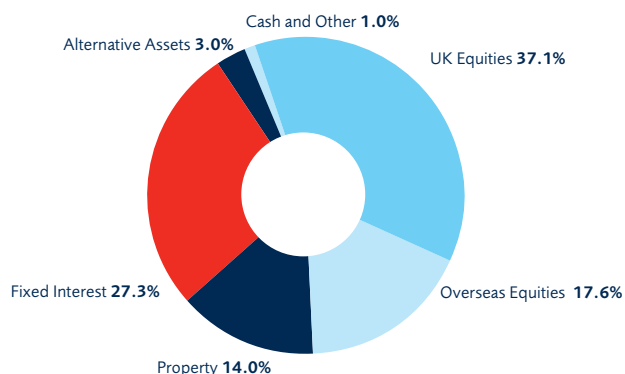
	1 YEAR	3 YEAR*	5 YEAR*	10 YEAR*
Unitised L With-Profits Returns	7.15%	9.65%	9.60%	7.25%
Unitised N With-Profits Returns	7.15%	9.65%	9.50%	7.10%
Cash Accumulation MPP With-Profits Returns	7.15%	9.65%	9.60%	7.25%
Cash Accumulation AVC With-Profits Returns	7.15%	9.65%	9.50%	7.00%

Source: Prudential, * Annualised

It is important to remember that 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 30th September 1, 3, 5 or 10 years ago and realised on or after 6th April 2007 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. The table on page 2 provides an outline of which bonus series returns relate to which contract.

COMMENTARY

- The Fund remains well diversified and benefited from the strong equity and property markets in 2006. The Fund continues to gradually diversify its investments into more specialised types of assets.
- After a sustained rise in share prices, the equity holdings were trimmed to consolidate gains before the short-lived market downturn in May, 2006. However, the fund remained well placed to take advantage of the equity market rally during the second half of 2006.
- Future overall returns from UK commercial property remain under pressure from prolonged price rises and so the Fund continued to increase its investments in overseas commercial property.
- Towards the end of 2006, the Fund's bond portfolio was re-positioned slightly to reduce the impact of risks which might arise from a possible slowdown in global economic growth.

FUND BREAKDOWN (AS AT 30.06.07)

Source: Prudential

All figures as at 30 June 2007, unless otherwise stated.

PRUDENTIAL RISK RATING: LOWER TO MEDIUM

Prudential believes there is a Lower to Medium risk of variations in the value of this Fund's underlying assets over the shorter term (see page 2). This Fund may be suitable for those investors that consider it important to maintain a broad spread of investments across their pension fund portfolio while smoothing the peaks and troughs of day-to-day market movements. This is provided through the bonus system and the Fund's diverse investments in both UK and overseas shares and bonds, commercial property and cash.

BARCLAYS GLOBAL INVESTORS AQUILA

(50/50) Global Equity Index Fund (S3)

QUARTER ENDING 28.09.07

FUND DESCRIPTION

The Fund invests in both the UK and overseas shares. 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. The Fund aims to provide returns consistent with the markets in which it invests.

KEY FACTS

UNDERLYING FUND SIZE	£2855m
UNDERLYING SECTOR FUNDS	5
UNDERLYING FUND LAUNCH DATE	31.07.02
PORTFOLIO MANAGER	Team Approach
INVESTMENT STYLE	Passive

PERFORMANCE

12 MONTHS TO END SEPTEMBER

FUND	2007	2006	2005	2004	2003
Series 3 Fund Performance	14.0	13.1	N/A	N/A	N/A
Benchmark 50% FTSE All-Share Index: 50% Overseas Equities	13.8	12.6	N/A	N/A	N/A

Percentage change in unit price.

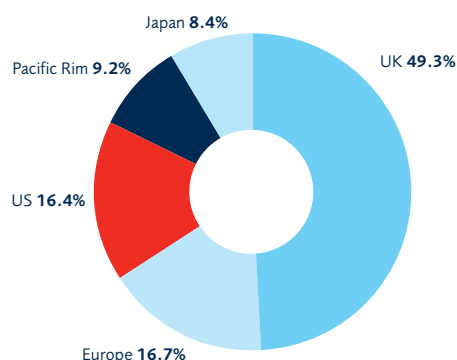
Source: Prudential and BGI

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COMMENTARY

- The Aquila Life (50:50) Global Equity Fund invests in both the UK and overseas stock markets and looks to follow closely the index against which it is measured.
- The Fund has approximately 50% of its value invested in the shares of UK companies and the remaining 50% is 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.
- Any divergence from the index in terms of performance is caused by choosing to invest more or less than the index weighting, the cost of switching investments and timing.

FUND BREAKDOWN



Source: BGI

The asset mix is likely to vary in the future.

TOP HOLDINGS

	%
1 BGI Aq Life UK Eq I Sc1	49.3
2 BGI Aq Life EU Eq I Sc1	16.7
3 BGI Aq Life US Eq Idx Sc1	16.4
4 BGI Aq Life P Rim Eq I Sc1	9.2
5 BGI Aq Life M Jap Eq I Sc1	8.4

All figure as at 28 September 2007, unless otherwise stated.

PRUDENTIAL RISK RATING: MEDIUM TO HIGHER

Prudential believes there is a Medium to Higher risk of the value of this Fund going down as well as up over the shorter term. This Fund invests in international shares (excluding the UK). The level of risk is helped by its geographic spread as well as by the number of stocks held. It may be suitable if you are some way from retirement and are prepared to accept a higher level of risk in expectation of higher long-term growth.

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BARCLAYS GLOBAL INVESTORS AQUILA

UK Equity Index Fund (S3)

QUARTER ENDING 28.09.07

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.

KEY FACTS

UNDERLYING FUND SIZE	£18,923m
UNDERLYING SECTOR FUNDS	692
UNDERLYING FUND LAUNCH DATE	01.09.94
PORTFOLIO MANAGER	Team Approach
INVESTMENT STYLE	Passive

PERFORMANCE

12 MONTHS TO END SEPTEMBER

FUND	2007	2006	2005	2004	2003
Series 3 Fund Performance	12.2	14.8	24.7	15.8	16.5
Benchmark FTSE All-Share Index	12.2	14.7	24.9	15.7	16.7

Percentage change in unit price.

Source: Prudential and BGI

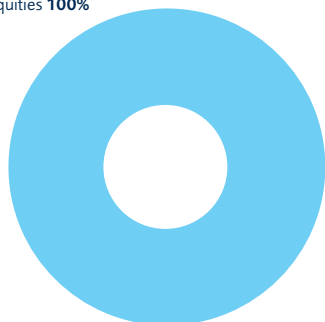
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COMMENTARY

- The Fund performed in line with the FTSE All-Share Index over the third quarter, declining around 1.8%. However, over 12 months, the Fund posted a rise of 12.2%, marginally better than the index.
- In September, the FTSE Regional Committee carried out its quarterly review of the companies that make up the UK index and made the relevant changes, which became effective on September 24.
- There were 13 new additions to the FTSE All-Share Index, with the nine largest becoming part of the FTSE 250 Index, among them Ferrexpo, Hargreaves Lansdown, New Star Asset Management and Moneysupermarket.com.
- There were no deletions from the FTSE All-Share Index and only three companies changed their weighting in the index.

FUND BREAKDOWN

UK Equities 100%



TOP 10 HOLDINGS

%

1	BP	5.9
2	HSBC	5.7
3	Vodafone	5.0
4	GlaxoSmithKline	4.0
5	Royal Dutch Shell – A	3.9
6	Royal Dutch Shell – B	3.0
7	Royal Bank of Scotland	2.7
8	Rio Tinto	2.3
9	Anglo American	2.3
10	BHP Billiton	2.2

Source: BGI

The asset mix is likely to vary in the future.

All figure as at 28 September 2007, unless otherwise stated.

PRUDENTIAL RISK RATING: HIGHER

Prudential believes there is a Higher risk of the value of this Fund going down as well as up over the shorter term. This Fund offers you access to a range of UK shares. It may be suitable if you are some way from retirement and are prepared to accept a higher level of risk in expectation of higher long-term growth. For those seeking less volatility, a combination of this fund with a bond fund may be more appropriate.

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BARCLAYS GLOBAL INVESTORS AQUILA

World Ex-UK Index Fund (S3)

QUARTER ENDING 28.09.07

FUND DESCRIPTION

The Fund invests in shares of overseas companies in proportion to the market capitalisation of each market in 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.

KEY FACTS

UNDERLYING FUND SIZE	£1,323m
UNDERLYING SECTOR FUNDS	5
UNDERLYING FUND LAUNCH DATE	30.09.99
PORTFOLIO MANAGER	Team Approach
INVESTMENT STYLE	Passive

PERFORMANCE

12 MONTHS TO END SEPTEMBER

FUND	2007	2006	2005	2004	2003
Series 3 Fund Performance	11.7	8.9	N/A	N/A	N/A
Benchmark FTSE All-World (Developed) ex-UK Index	11.4	8.3	N/A	N/A	N/A

Percentage change in unit price.

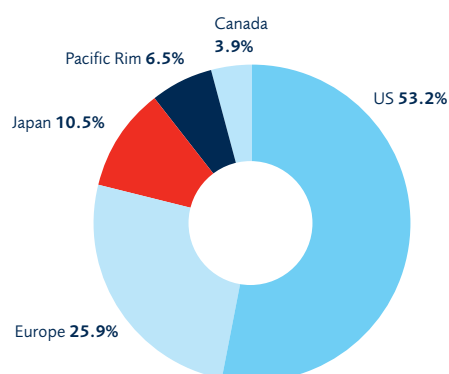
Source: Prudential and BGI

It is important to remember that past performance is not a 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.

COMMENTARY

- The Aquila Life World Ex-UK Fund invests in shares of companies whose shares are listed in the stock markets of Europe, Japan, Pacific Rim, US and Canada.
- The size of the Fund's holdings in these companies is in proportion to their importance to FTSE All-World Developed Ex-UK Index.
- Within each of the countries, the Fund aims to generate returns in line with the performance of the main share market of that country.
- Any divergence from the index in terms of performance is caused by choosing to invest more or less than the index weighting, the cost of switching investments and timing.

FUND BREAKDOWN



Source: BGI
The asset mix is likely to vary in the future.

TOP HOLDINGS

	%
1 BGI Aq Life US Eq Idx Sc1	53.2
2 BGI Aq Life Eu Eq I Sc1	25.9
3 BGI Aq Life M Jap Eq I Sc1	10.5
4 BGI Aq Life P Rim Eq I Sc1	6.5
5 BGI Aq Life Ca Eq Idx Sc1	3.9

All figure as at 28 September 2007, unless otherwise stated.

PRUDENTIAL RISK RATING: MEDIUM

Prudential believes there is a Medium risk of the value of this Fund going down as well as up over the shorter term. This Fund invests in international shares (excluding the UK). The level of risk is helped by its geographic spread as well as by the number of stocks held. This Fund may be suitable for those investors that consider it important to maintain a broad spread of investments across their pension fund portfolio.

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Regulatory Wording

QUARTER ENDING 28.09.07

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?

- The purpose of this report is to shed some light on how investment markets and funds have performed over the period and is provided for information only. It should not be considered as a financial promotion. Any change to your investment arrangements should be discussed with an adviser.
- The commentaries 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).

How are 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 on any day. This is also the price that is published.
- Changes in the rate of exchange between currencies may cause the value of the Fund to go down or up.

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.
- 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.
- Funds Managed by Prudential M&G have a dealing cycle of T+0. This means that money received on day T buys units at the valuation date price applicable at the close of business on the same day.

What is the risk rating?

- The risk ratings reflect the expected short-term volatility in the Funds' values.
- The risk ratings have been developed by Prudential for these funds. They should not be viewed as generic descriptions across the fund management industry. The ratings are reviewed periodically and may change in the future.
- There are a variety of investment risks facing you during your pension scheme membership including inflation, changing annuity costs and volatility in fund values. The importance of each type of risk will vary from person to person and from time to time.
- You should discuss the investment risks facing you and the appropriateness of these risk ratings with your adviser.

Who manages the Funds?

- All the Series 3 Funds are Prudential Funds.
- Prudential has delegated the investment management of these funds to either Prudential M&G or various fund managers outside the Prudential.

Which Prudential companies are involved and how are they regulated?

- Issued by Prudential plc.
- "Prudential" is a trading name of The Prudential Assurance Company Limited (which is also used by other companies within the Prudential group of companies). The Prudential Assurance Company Limited is registered in England and Wales. Registered Office at Laurence Pountney Hill, London, EC4R 0HH. Registered number 15454.
- Authorised and regulated by the Financial Services Authority.
- Prudential M&G is a trading name of Prudential Pensions Limited and M&G Investment Management Limited whose business addresses are at Laurence Pountney Hill, London EC4R 0HH and Prudential Property Investment Managers Limited whose business address is Princeton House, 271-273 High Holborn, London WC1V 7NE. Part of Prudential plc.
- Prudential Pensions Limited and M&G Investment Management Limited are authorised and regulated by the Financial Services Authority.