

QUARTER 4 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

Index-Linked Passive Fund

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	£168m
NUMBER OF HOLDINGS	12
UNDERLYING LAUNCH DATE	04.02.98
PORTFOLIO MANAGER	Michael Lack
INVESTMENT STYLE	Passive

PERFORMANCE

12 MONTHS TO END DECEMBER

FUND	2007	2006	2005	2004	2003
Series 3 Fund Performance	8.7	2.8	9.7	9.2	7.2
Benchmark FTSE British Government > 5 Years Index-Linked All Stocks Index	8.6	2.6	9.6	9.0	7.0

Percentage change in unit price.

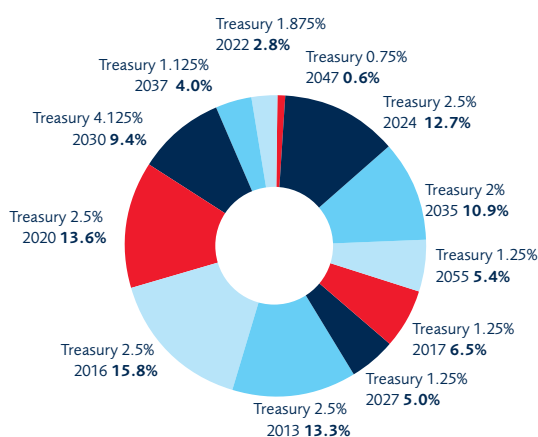
Source: Prudential

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 bonds rallied during the period as the quarter witnessed a flight into less risky assets.
- Consumer confidence and the housing market have weakened somewhat, helping to lower inflationary pressures. Inflation remained below the Bank of England's target during the quarter.
- However, as the Bank of England's governor Mervyn King stated in December, the inflation threat from record oil prices is 'complicating life'. It remains to be seen whether inflation will rise to levels seen in mid 2007, due to higher energy prices.

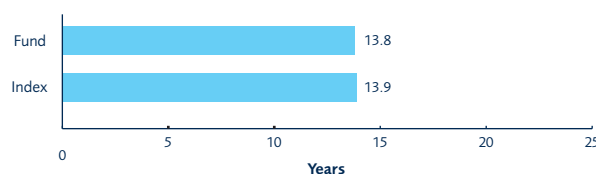
FUND BREAKDOWN



Source: Prudential M&G

The asset mix is likely to vary in the future.

DURATION



All figures as at 31 December 2007, unless otherwise stated.

PRUDENTIAL RISK RATING: LOWER

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	£220m
UNDERLYING NUMBER OF HOLDINGS	59
UNDERLYING LAUNCH DATE	31.04.82
PORTFOLIO MANAGER	Claire Bews
INVESTMENT STYLE	Prudent Active

PERFORMANCE

12 MONTHS TO END DECEMBER

FUND	2007	2006	2005	2004	2003
Series 3 Fund Performance	5.5	4.7	5.2	5.0	3.0
Benchmark LIBID 7 Day Deposit Rate	5.8	4.8	4.7	4.5	3.6

Percentage change in unit price.

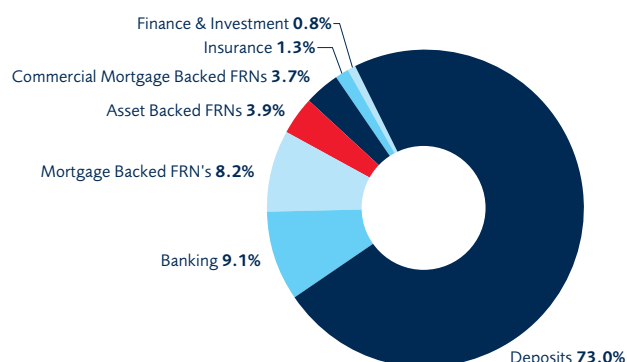
Source: Prudential, Standard & Poor's Micropal

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 Fund's exposure to Floating Rate Notes continued to hold back performance slightly during the fourth quarter.
- Floating Rate Notes, and in particular asset-backed Floating Rate Notes, have struggled during the quarter amid the market's general antipathy towards taking more risk and the higher costs of borrowing.
- Against a background of rising interbank lending rates during the quarter, the Fund increased its exposure to longer-term deposits.
- Floating Rate Notes remain a significant component of the portfolio. The repricing in the asset-backed sector has presented a number of opportunities and the Fund, drawing on the expertise of three analysts dedicated to this area of the market, has been looking to selectively buy further asset-backed Floating Rate Notes as they become available.

FUND BREAKDOWN



Source: Prudential M&G
The asset mix is likely to vary in the future.

TOP 10 HOLDINGS

	%
1 Nationwide B/S FRN	1.0
2 Citigroup FRN 03/09	0.9
3 Santander FRN 07/11	0.9
4 Dunfermline B/S FRN 03/09	0.9
5 Permanent Fin No.9 FRN 06/42	0.9
6 Metro Life FRN 02/2011	0.9
7 Bluestone Secs 7-1 FRN 06/44	0.8
8 Gracechurch FRN 15/10/12	0.8
9 Holmes Fin No.6 FRN 07/2040	0.8
10 Unicredit Italian FRN 04/09	0.8

All figures as at 31 December 2007, unless otherwise stated.

PRUDENTIAL RISK RATING: MINIMAL

Retirement Protection Fund

PAGE 4 OF 9
QUARTER ENDING 31.12.07

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	£593m
NUMBER OF HOLDINGS	10
UNDERLYING LAUNCH DATE	05.04.94
PORTFOLIO MANAGER	Michael Lack
INVESTMENT STYLE	Passive

PERFORMANCE

12 MONTHS TO END DECEMBER

FUND	2007	2006	2005	2004	2003
Series 3 Fund Performance	2.7	0.1	11.1	8.4	1.3
Benchmark FTSE British Government > 15 Years Gilt Index	2.7	0.0	11.0	8.4	1.2

Percentage change in unit price.

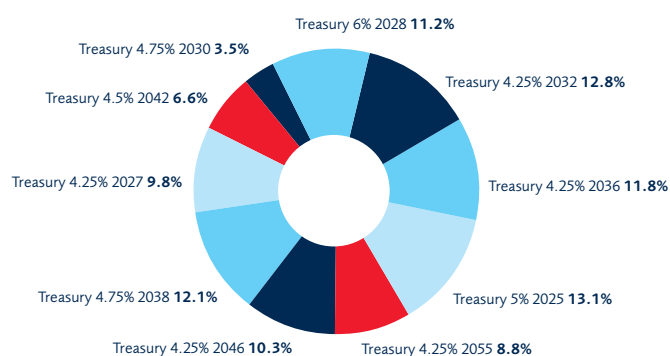
Source: Prudential

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.

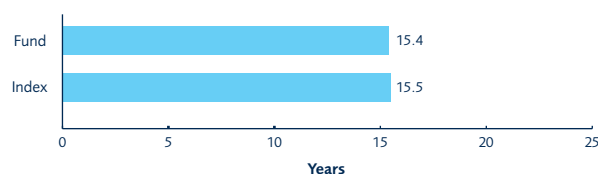
COMMENTARY

- UK gilts rallied strongly during the quarter as investors fled to the safe haven of government bonds. The ongoing credit crisis, coupled with signs that the UK economy is slowing, suppressed investors' risk appetite.
- In December, the Bank of England cut the cost of borrowing for the first time since August 2005 as weaker retail sales and falling house prices stoked fears of a significant slowdown in the UK economy. Recent UK survey data has also revealed deteriorating prospects for the economy.

FUND BREAKDOWN



DURATION



Source: Prudential M&G

The asset mix is likely to vary in the future.

All figures as at 31 December 2007, unless otherwise stated.

PRUDENTIAL RISK RATING: LOWER

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.

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

12 MONTHS TO END DECEMBER

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%

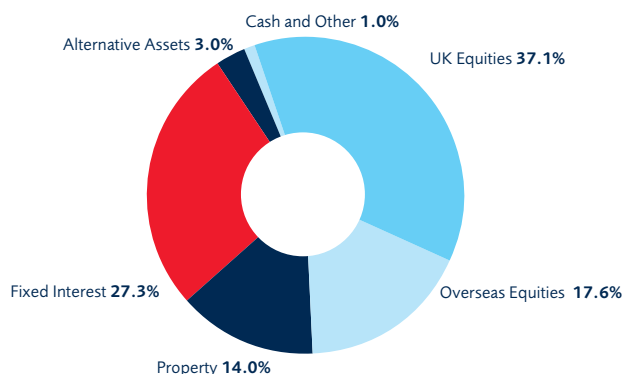
Source: Prudential, * Annualised

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

PRUDENTIAL RISK RATING: LOWER TO MEDIUM

BARCLAYS GLOBAL INVESTORS AQUILA

(50/50) Global Equity Index Fund

PAGE 6 OF 9
QUARTER ENDING 31.12.07

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	£3,148m
UNDERLYING SECTOR FUNDS	5
UNDERLYING FUND LAUNCH DATE	31.07.02
PORTFOLIO MANAGER	Team Approach
INVESTMENT STYLE	Passive

PERFORMANCE

12 MONTHS TO END DECEMBER

FUND	2007	2006	2005	2004	2003
Series 3 Fund Performance	8.2	12.8	N/A	N/A	N/A
Benchmark 50% FTSE All-Share Index: 50% Overseas Equities	8.0	12.6	N/A	N/A	N/A

Percentage change in unit price.

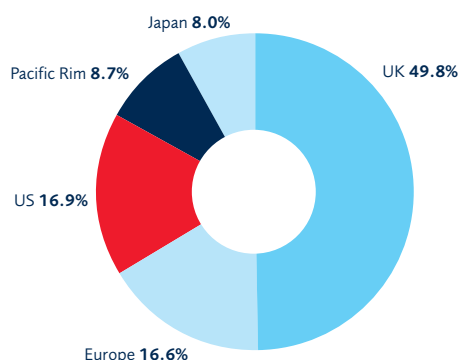
Source: Prudential and BGI

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 Fund invests in UK and overseas stock markets and looks to deliver returns that are in line with the Fund's index benchmark.
- Around half of the Fund is invested in UK shares, while the remainder is split between the US, continental Europe, Japan and the Pacific Rim.
- The Fund aims to provide returns consistent with the markets in which it invests and give investors broad exposure to countries around the world.
- Differences from the performance of the index is caused by having more or less invested in certain assets than the index, the costs associated with switching between shares 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	49.8
2 BGI Aq Life US Eq I SC1	16.9
3 BGI Aq Life EU Eq Idx SC1	16.6
4 BGI Aq Life P Rim Eq I SC1	8.7
5 BGI Aq Life M Jap Eq I SC1	8.0

All figure as at 31 December 2007, unless otherwise stated.

PRUDENTIAL RISK RATING: MEDIUM TO HIGHER

Retirement has more potential with

PRUDENTIAL

BARCLAYS GLOBAL INVESTORS AQUILA

UK Equity Index Fund

PAGE 7 OF 9
QUARTER ENDING 31.12.07

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	£19,950m
UNDERLYING SECTOR FUNDS	674
UNDERLYING FUND LAUNCH DATE	01.09.94
PORTFOLIO MANAGER	Team Approach
INVESTMENT STYLE	Passive

PERFORMANCE

12 MONTHS TO END DECEMBER

FUND	2007	2006	2005	2004	2003
Series 3 Fund Performance	5.4	16.8	22.0	12.9	20.7
Benchmark FTSE All-Share Index	5.3	16.8	22.0	12.8	20.9

Percentage change in unit price.

Source: Prudential and BGI

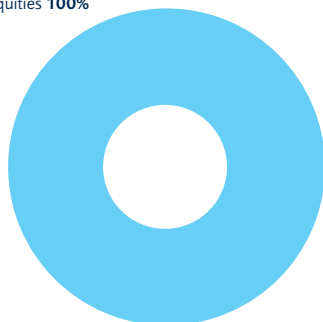
It is important to remember that past performance is not a guide to the future. The value of your investment may go down as well as up and the fund value at retirement may be less than the payments you have made.

COMMENTARY

- The Fund returned -0.33% in the fourth quarter of 2007 against -0.35% from the FTSE All-Share Index.
- In the annual rebalancing of the FTSE indices, there were 22 new additions to the FTSE All-Share Index. The three largest – Aricom, Telecity Group and International Ferro Metals – went straight into the FTSE 250 Index.
- Other additions included Genus, Hansard Global, Axon Group, SThree and Central Rand Gold. Meanwhile, there were 29 stocks removed from the FTSE All-Share Index.
- During the quarter, the Fund accepted the takeover offer for Imperial Chemical Industries by Akzo Nobel and the takeover offer for Burren Energy by ENI Holdings.

FUND BREAKDOWN

UK Equities 100%



Source: BGI

The asset mix is likely to vary in the future.

TOP 10 HOLDINGS

%

1	BP	6.4
2	HSBC Holdings	5.5
3	Vodafone	5.4
4	Royal Dutch Shell A	4.2
5	GlaxoSmithKline	3.9
6	Royal Dutch Shell B	3.2
7	Rio Tinto	2.9
8	Royal Bank of Scotland Group	2.5
9	Anglo American	2.2
10	BG Group	2.1

All figure as at 31 December 2007, unless otherwise stated.

PRUDENTIAL RISK RATING: HIGHER

Retirement has more potential with

PRUDENTIAL 

BARCLAYS GLOBAL INVESTORS AQUILA

World Ex-UK Index Fund

PAGE 8 OF 9

QUARTER ENDING 31.12.07

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	£1,568m
UNDERLYING SECTOR FUNDS	5
UNDERLYING FUND LAUNCH DATE	30.09.99
PORTFOLIO MANAGER	Team Approach
INVESTMENT STYLE	Passive

PERFORMANCE

12 MONTHS TO END DECEMBER

FUND	2007	2006	2005	2004	2003
Series 3 Fund Performance	8.3	5.6	N/A	N/A	N/A
Benchmark FTSE All-World (Developed) ex-UK Index	8.0	5.1	N/A	N/A	N/A

Percentage change in unit price.

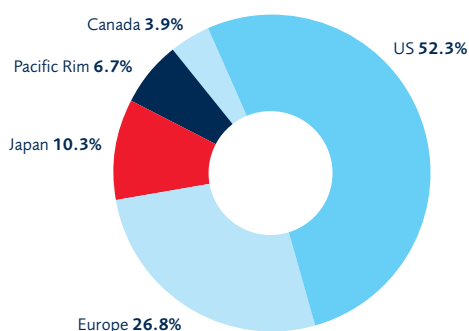
Source: Prudential and BGI

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 Fund invests in shares listed on stock markets in continental Europe, Japan, the Pacific Rim, the US and Canada.
- The size of the Fund's holdings in these stocks is in proportion to their size within the FTSE All-World Developed Ex-UK Index.
- The Fund aims to deliver returns in line with the performance of the index.
- Differences in performance between the fund and the index are due to the Fund investing slightly more or less than the index weighting, the costs associated with switching between shares and the timing of any investment decisions.

FUND BREAKDOWN



Source: BGI

The asset mix is likely to vary in the future.

TOP HOLDINGS

%

1	BGI Aq Life US Eq Idx Sc1	52.3
2	BGI Aq Life EU EQ I Sc1	26.8
3	BGI Aq Life M Jap Eq I Sc1	10.3
4	BGI Aq Life P Rim Eq I Sc1	6.7
5	BGI Aq Life Ca Eq Idx Sc1	3.9

All figure as at 31 December 2007, unless otherwise stated.

PRUDENTIAL RISK RATING: MEDIUM

Retirement has more potential with

PRUDENTIAL



Regulatory Wording

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.