

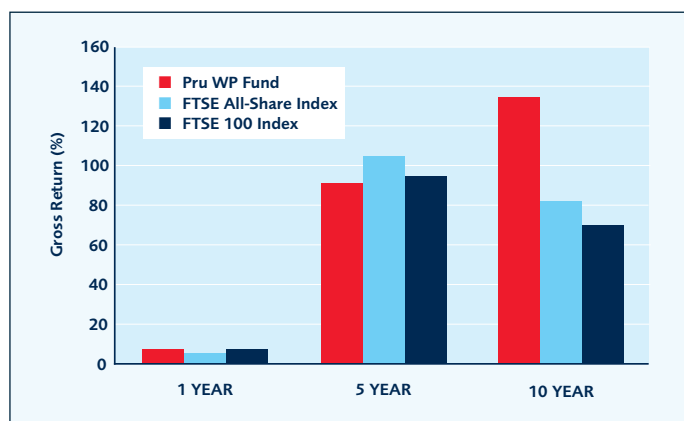
2008 BONUS DECLARATION WITH-PROFITS ANNUITY

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Retirement has more potential with
PRUDENTIAL 

WHAT'S HAPPENED TO THE WITH-PROFITS FUND IN RECENT YEARS?

As you know our With-Profits Fund invests in a range of assets, which includes shares, property and fixed investments. After three consecutive years of poor investment performance the investment markets in which our With-Profits Annuity invests have shown better returns since 2003, however, many areas of the investment markets experienced high levels of volatility during the second half of 2007.



All figures are gross of tax, charges and the effects of smoothing. Income can rise as well as fall. Index figures are total return. Past performance is not a guide to the future. The rate of future bonuses cannot be guaranteed.

As the economic environment and market valuations change our fund managers actively manage and review the assets underlying the With-Profits Fund with a view to reducing and delivering good long term investment performance.

HOW DOES THIS AFFECT WITH-PROFITS ANNUITIES THIS YEAR?

We're delighted to announce we have increased all Additional Bonus Rates whilst maintaining our Regular Bonus Rate. This means all With-Profits Annuitants receiving an income from us will this year see an increase to their total income at their policy anniversary following 6th April 2008.

The Regular Bonus Rate is 2.75%. The rate of Additional Bonus depends on when the annuity commenced – see the following table on the right.

DATE ANNUITY STARTED	ADDITIONAL BONUS
06/04/91 – 05/04/92	83.25%
06/04/92 – 05/04/93	85.25%
06/04/93 – 05/04/94	64.00%
06/04/94 – 05/04/95	64.25%
06/04/95 – 05/04/96	56.25%
06/04/96 – 05/04/97	45.50%
06/04/97 – 05/04/98	32.50%
06/04/98 – 05/04/99	24.00%
06/04/99 – 05/04/00	24.75%
06/04/00 – 05/04/01	19.75%
06/04/01 – 05/04/02	26.75%
06/04/02 – 05/04/03	37.75%
06/04/03 – 05/04/04	35.75%
06/04/04 – 05/04/05	28.00%
06/04/05 – 05/04/06	20.00%
06/04/06 – 05/04/07	7.00%
06/04/07 – 05/04/08	2.25%

Source: Prudential. Past performance is not a guide to the future. Income can rise as well as fall. Additional bonuses may be reduced or removed and are not guaranteed until the time that additional bonus comes into payment.

You can use our on-line With-Profits Annuity Historic Bonus Calculator to work out your client's new income. Simply visit the With-Profits Annuities home page on www.pruadviser.co.uk/wpa

PAST PERFORMANCE – AVERAGE YEARLY INCREASES IN ANNUITY PAYMENTS

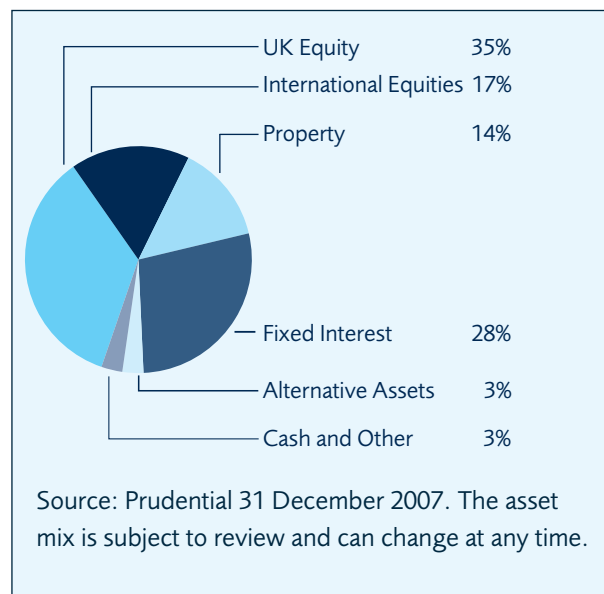
The effect of the regular and additional bonuses declared to date are equivalent to the average yearly increases in annuity payments, over the duration of the annuity, shown in the table below:

DATE ANNUITY STARTED	AVERAGE YEARLY INCREASES IN ANNUITY PAYMENTS
06/04/91 – 05/04/92	9.37%
06/04/92 – 05/04/93	9.38%
06/04/93 – 05/04/94	8.48%
06/04/94 – 05/04/95	8.49%
06/04/95 – 05/04/96	8.13%
06/04/96 – 05/04/97	7.57%
06/04/97 – 05/04/98	6.71%
06/04/98 – 05/04/99	6.02%
06/04/99 – 05/04/00	6.10%
06/04/00 – 05/04/01	5.63%
06/04/01 – 05/04/02	6.58%
06/04/02 – 05/04/03	8.43%
06/04/03 – 05/04/04	9.23%
06/04/04 – 05/04/05	9.29%
06/04/05 – 05/04/06	9.19%
06/04/06 – 05/04/07	6.29%
06/04/07 – 05/04/08	5.06%

Source: Prudential. Past performance is no guide to the future. Income can rise as well as fall. Table assumes 0% ABR selected.

WHAT ARE THE CURRENT UNDERLYING ASSETS OF PRUDENTIAL'S WITH-PROFITS FUND?

Our underlying investment strategy has not changed. Its aim is to secure, on your clients' behalf, the highest combination of income and growth in capital value while maintaining the security of the Fund. Our aims are that bonuses will reflect the returns achieved on the underlying investments of the With-Profits Fund, whilst smoothing the peaks and troughs of investment performance, and to ensure that clients receive a fair share of the profits distributed from the Fund.



WHAT CAN YOU EXPECT IN FUTURE YEARS?

Inflation is now much lower than it was back in the early 1990s and continues to be tightly controlled by the Bank of England. While this protects the purchasing power of income, it also means that the investment returns are likely to be lower than in the past. However, Prudential remains committed to With-Profits Annuities and we believe that the overall annual increases in annuity payments, excluding the effect of any Anticipated Bonus Rate, will continue to exceed inflation.

For more information on our With-Profits Annuities, visit www.pruadviser.co.uk/wpa or contact our Retirement Income Specialist Team on **0845 60 60 630**

BONUS HISTORY

Year of Declaration	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Regular Bonus	10.50%	9.50%	8.50%	7.75%	7.25%	7.00%	6.50%	6.00%	5.50%	5.00%	4.50%	3.00%	2.75%	2.75%	2.75%	2.75%	2.75%
Date annuity started	Additional Bonuses																
6/4/1991 to 5/4/1992	0.00%	0.00%	2.00%	4.50%	12.75%	20.00%	30.00%	40.00%	47.50%	55.75%	50.75%	35.50%	35.25%	40.50%	51.75%	69.75%	83.25%
6/4/1992 to 5/4/1993		0.00%	0.00%	2.50%	9.00%	18.50%	27.50%	36.50%	43.50%	51.50%	47.00%	32.25%	32.00%	42.50%	53.75%	72.00%	85.25%
6/4/1993 to 5/4/1994			0.00%	1.50%	5.25%	12.00%	20.00%	28.00%	34.50%	42.00%	37.25%	23.50%	23.25%	26.75%	36.75%	53.00%	64.00%
6/4/1994 to 5/4/1995				0.50%	3.00%	8.00%	15.00%	22.00%	28.00%	35.00%	30.50%	17.50%	17.25%	26.50%	36.50%	52.75%	64.25%
6/4/1995 to 5/4/1996					1.25%	4.50%	11.00%	17.50%	23.00%	29.50%	25.25%	12.75%	12.50%	20.00%	29.50%	44.75%	56.25%
6/4/1996 to 5/4/1997						1.75%	6.50%	12.50%	17.50%	23.50%	19.50%	7.50%	7.25%	12.25%	21.25%	35.50%	45.50%
6/4/1997 to 5/4/1998							2.25%	7.75%	11.50%	15.25%	11.50%	0.25%	0.00%	2.00%	10.00%	23.00%	32.50%
6/4/1998 to 5/4/1999								2.75%	5.75%	8.50%	5.00%	0.00%	0.00%	1.00%	9.00%	17.75%	24.00%
6/4/1999 to 5/4/2000									2.50%	5.00%	1.75%	0.00%	0.00%	2.75%	10.50%	19.25%	24.75%
6/4/2000 to 5/4/2001										2.25%	1.50%	0.00%	0.00%	3.75%	7.00%	15.50%	19.75%
6/4/2001 to 5/4/2002											1.50%	0.00%	0.00%	4.50%	12.50%	21.50%	26.75%
6/4/2002 to 5/4/2003												0.00%	3.50%	10.75%	19.50%	29.00%	37.75%
6/4/2003 to 5/4/2004													3.50%	10.00%	18.75%	28.25%	35.75%
6/4/2004 to 5/4/2005														4.25%	12.50%	21.50%	28.00%
6/4/2005 to 5/4/2006															8.00%	16.50%	20.00%
6/4/2006 to 5/4/2007																4.50%	7.00%
6/4/2007 onwards																	2.25%

Source: Prudential 2008

This leaflet is based on our understanding, as at date of printing, of current legislation and HM Revenue & Customs practice, all of which are liable to change. Past performance is no guide to the future. The rate of future growth in the With-Profits Fund and therefore the rate of bonuses cannot be guaranteed. Additional Bonus can be reduced or removed. Bonuses include the effect of charges. The income from With-Profits Annuities can fall as well as rise.

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