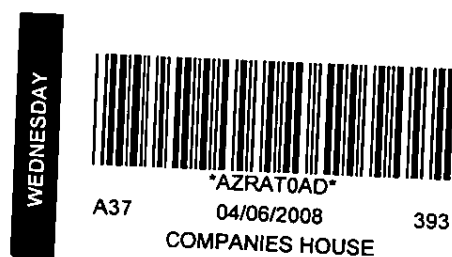


PRAMERICA REAL ESTATE INVESTORS LIMITED

REPORT AND FINANCIAL STATEMENTS

31 December 2007



Registered number 3809476

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PRAMERICA REAL ESTATE INVESTORS LIMITED

OFFICERS AND PROFESSIONAL ADVISORS

Directors

D N Bradford
C H Pardoe, II
P M Barrett
K M Shah
B S Penaliggon

Secretary

S J Davies

Registered office

Grand Buildings
Trafalgar Square
1-3 Strand
London
WC2N 5HR

Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Hay's Galleria
1 Hay's Lane
London SE1 2RD

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 31 December 2007

1. PRINCIPAL ACTIVITIES

The company's principal activity is that of an investment holding company

2. REVIEW OF DEVELOPMENTS

The financial statements show results for the year as set out below -

	2007 £	2006 £
Revenue	<u>-</u>	<u>-</u>
Profit on ordinary activities before taxation	619,206	2,677,797
Tax on profit on ordinary activities	<u>(84,806)</u>	<u>(100,955)</u>
Transferred to reserves	<u>534,400</u>	<u>2,576,842</u>

Per the exemption afforded to small companies under S 246(4)(a) of the Companies Act 1985 the company has elected not to present a full business review in the Report of the Directors

3. DIVIDENDS

The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2007 (2006 Nil) The company paid no interim dividend in the year (2006 £Nil)

4. FUTURE PROSPECTS

The directors expect the company to continue to develop during 2008

5. DIRECTORS RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

The directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

6. DIRECTORS

The current directors are shown on page 1. The following changes have occurred to the board of directors since 1 January 2007

	<u>Date of appointment</u>	<u>Date of resignation</u>
B S Penaliggon	2 April 2007	-
J O Short	-	16 March 2007

During the period, no director held any beneficial interest in the allotted share capital of the company

7. AUDITORS

Pursuant to Section 386 of the Companies Act 1985, the company has passed an elective resolution to dispense with the obligation to appoint auditors annually

PricewaterhouseCoopers LLP have expressed their willingness to continue in office as auditors

Approved by the board of directors
and signed on behalf of the board

A handwritten signature in black ink, appearing to be 'S J Davies', with a long horizontal line extending to the right.

S J Davies
Company Secretary

24 April 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRAMERICA REAL ESTATE INVESTORS LIMITED

We have audited the financial statements of Pramerica Real Estate Investors Limited for the year ended 31 December 2007, which comprise the profit and loss account, the balance sheet, the reconciliation of movements in shareholders funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PRAMERICA REAL ESTATE INVESTORS LIMITED (Continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Hay's Galleria
1 Hay's Lane
London
SE1 2RD

25 April 2008

PRAMERICA REAL ESTATE INVESTORS LIMITED**PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2007**

	Note	2007 £	2006 £
Revenue		-	-
Administrative expenses		-	(238,658)
Operating loss	2	-	(238,658)
Exceptional items	5	-	2,857,213
Profit on ordinary activities before interest and taxation		-	2,618,555
Interest receivable		619,206	59,242
Profit on ordinary activities before taxation		619,206	2,677,797
Tax on profit on ordinary activities	6	(84,806)	(100,955)
Profit on ordinary activities after tax transferred to reserves	15	534,400	2,576,842

All results arise from continuing activities. There are no other recognised gains or losses other than the profit for the year as stated above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the profit for the year as stated above and their historical cost equivalents.

**RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDER FUNDS
For the year ended 31 December 2007**

	2007 £	2006 £
Profit for the year	534,400	2,576,842
Capital contributions repaid in the year	-	(6,434,116)
Net change in shareholder's funds	534,400	(3,857,274)
Opening shareholder's funds at 1 January	12,150,490	16,007,764
Closing shareholder's funds at 31 December	12,684,890	12,150,490

The notes on pages 9 to 13 form part of these financial statements

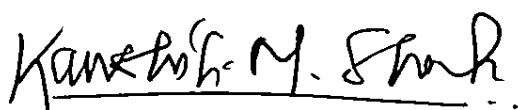
PRAMERICA REAL ESTATE INVESTORS LIMITED**BALANCE SHEET as at 31 December 2007**

	Note	2007 £	2006 £
Fixed assets			
Investments in subsidiaries	7	<u>600,000</u>	<u>600,000</u>
Current assets			
Debtors	8	12,512,810	11,893,604
Creditors: amounts falling due within one year	9	<u>(427,920)</u>	<u>(343,114)</u>
Net current assets		<u>12,084,890</u>	<u>11,550,490</u>
Net assets		<u>12,684,890</u>	<u>12,150,490</u>
Capital and reserves			
Called up equity share capital	10	4,652,153	4,652,153
Share premium	11	4,914,995	4,914,995
Profit and loss account	13	<u>3,117,742</u>	<u>2,583,342</u>
Equity shareholder's funds		<u>12,684,890</u>	<u>12,150,490</u>

The notes on pages 9 to 13 form part of these financial statements

These financial statements were approved by the directors on 24 April 2008

Signed on behalf of the Board of directors



K M Shah
Director

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

1 ACCOUNTING POLICIES

(a) *Accounting convention*

The financial statements are prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 1985 and applicable accounting standards

(b) *Consolidation*

Consolidated financial statements are not prepared as the company is a wholly owned subsidiary of PIC Holdings Limited, a company registered in England and Wales. PIC Holdings Limited consolidates the results of this company.

(c) *Cash flow statement*

The company is exempt from the requirement to prepare a cash flow statement under Financial Reporting Standard No 1 (Revised 1996) - Cash Flow Statements, as the cash flows of the company are included in the consolidated cash flow statement of the ultimate parent company, Prudential Financial, Inc.

(d) *Related party transactions*

In accordance with the exemption afforded by Financial Reporting Standard No 8 – Related Party Disclosures, certain details of transactions with parent and fellow subsidiary companies are not disclosed, as the company is a wholly owned subsidiary of a group whose consolidated financial statements are publicly available.

(e) *Investments*

Investments are stated at cost less provision for any permanent diminution in value.

(f) *Taxation*

Deferred taxation is recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in future, or a right to pay less taxation in future. An asset is not recognised to the extent that the transfer of economic benefits in future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

2 OPERATING PROFIT

The auditor's remuneration in respect of audit services provided to the company amounts to £3,900 (2006 £3,710) and is borne by a parent company, PIC Holdings Limited

3. EMPLOYMENT COSTS

The company had no employees during the year

4. DIRECTORS' EMOLUMENTS

Some of the directors received no emoluments for their services in relation to being a director of the company. The remaining directors of the company were paid by a parent company. It is not possible to make an accurate apportionment of their emoluments in respect of each of the companies. Accordingly no emoluments are disclosed within this company.

5. EXCEPTIONAL ITEMS

	2007 £	2006 £
Profit on sale of subsidiary investment	<u>-</u>	<u>2,857,213</u>

The profit on the sale of subsidiary investment related to deferred consideration received in 2006 on the sale of Rockspring Property Investment Management Limited and its subsidiaries in 2004. The consideration included £273,776 of interest.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2007 £	2006 £
Corporation Tax at 30%	185,761	100,955
Tax credit in respect of prior years	<u>(100,955)</u>	<u>-</u>
	<u>84,806</u>	<u>100,955</u>

The tax assessed for the period is lower (2005 lower) than the standard rate of corporation tax in the UK (30%) The differences are explained below

	2007 £	2006 £
Profit for the year before tax	<u>619,206</u>	<u>2,677,797</u>
Tax at 30% (2006 – 30%)	185,761	803,339
Amounts not subject to corporation tax		
Portion of profits on sale of trading subsidiaries	-	(775,031)
Disallowed expenses	-	72,647
Tax credit in respect of prior years	<u>(100,955)</u>	<u>-</u>
Current tax charge in the period	<u>84,806</u>	<u>100,955</u>

7. INVESTMENTS IN SUBSIDIARIES

Investment in subsidiary undertakings, represents 100% interests (unless otherwise stated) of £1 ordinary shares in the following principal companies

	2007 £	2006 £
Subsidiaries at cost		
Investment – Pramerica Investment Management Limited	<u>600,000</u>	<u>600,000</u>

The above companies are incorporated and registered in England and Wales

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

8. DEBTORS

	2007 £	2006 £
Amounts owed by group undertakings	12,512,810	11,891,854
Other debtors	-	1,750
	<u>12,512,810</u>	<u>11,893,604</u>

Included in amounts owed by group undertakings is £400,000 (2005 £400,000) owed by Pramerica Investment Management Limited. This amount is unsecured, interest free and is repayable on two years notice. The remaining £12,112,810 (2006 £11,491,854) amount owed by group undertakings is unsecured and has no fixed date of repayment. Interest is payable on £12,112,810 (2006 £nil) charged at the Bank of England base rate less 0.25%.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £	2006 £
Amounts owed to group undertakings	1	1
Other creditors	427,919	343,113
Accruals	-	-
	<u>427,920</u>	<u>343,114</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

10. CALLED UP EQUITY SHARE CAPITAL

	2007 £	2006 £
Ordinary shares of £1 each		
Authorised	<u>10,000,000</u>	<u>10,000,000</u>
Allotted, issued and partially paid, (25 pence on 50,000 shares)	12,500	12,500
Allotted, issued and fully paid	<u>4,639,653</u>	<u>4,639,653</u>
Total	<u>4,652,153</u>	<u>4,652,153</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

11. SHARE PREMIUM ACCOUNT

	2007 £	2006 £
At 1 January and 31 December	<u>4,914,995</u>	<u>4,914,995</u>

12. CAPITAL CONTRIBUTION ACCOUNT

	2007 £	2006 £
At 1 January	-	6,434,116
Contributions repaid in the year	<u>-</u>	<u>(6,434,116)</u>
At 31 December	<u>-</u>	<u>-</u>

13. PROFIT AND LOSS ACCOUNT

	2007 £	2006 £
At 1 January	2,583,342	6,500
Profit for the year after taxation	<u>534,400</u>	<u>2,576,842</u>
At 31 December	<u>3,117,742</u>	<u>2,583,342</u>

14. ULTIMATE PARENT COMPANY

The company's ultimate parent company is Prudential Financial, Inc a company established in the United States of America. It is also the parent undertaking of the largest group which includes the company and for which group financial statements are prepared. The parent undertaking of the smallest group which includes the company and for which group financial statements are prepared is PIC Holdings Limited a company registered in England and Wales. Copies of the latter's financial statements are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ. Copies of the financial statements of Prudential Financial, Inc are available on request from the company's registered office.