

**PRAMERICA REAL ESTATE INVESTORS LIMITED
(FORMERLY PRICOA PROPERTY LIMITED)**

REPORT AND FINANCIAL STATEMENTS

31 December 2004



Registered number 3809476

CONTENTS

	Page
Officers and professional advisers	1
Report of the directors	2
Report of the auditors to the members	5
Profit and loss account	6
Reconciliation of movements in shareholder's funds	6
Balance sheet	7
Notes to the financial statements	8

OFFICERS AND PROFESSIONAL ADVISORS

Directors

D.N. Bradford
J.O. Short
C. H. Pardoe, II
P. M. Barrett
K. M. Shah

Secretary

J.L.Bagshaw

Registered office

9 Devonshire Square
London
EC2M 4HP

Auditors

PricewaterhouseCoopers LLP
Southwark Towers
32 London Bridge Street
London SE1 9SY

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 31 December 2004.

1. PRINCIPAL ACTIVITIES

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

PRICOA Property PLC was re-registered as a private limited company on 3 March 2004 and its name changed to PRICOA Property Limited. The name was subsequently changed again on 1 October 2004 to Pramerica Real Estate Investors Limited.

2. REVIEW OF DEVELOPMENTS

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

	2004 £	2003 £
Revenue	-	-
Profit on ordinary activities before taxation	10,658,786	400,000
Tax on profit on ordinary activities	-	-
Profit on ordinary activities after taxation for the period	10,658,786	400,000
Dividend paid	(7,944,880)	-
Profit on ordinary activities after taxation for the period transferred to reserves	2,713,906	400,000

3. DIVIDENDS

The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2004 (2003: Nil). The company paid an interim dividend in the year of £7,944,880 (2003: Nil).

4. FUTURE PROSPECTS

The directors expect the company to continue to develop during 2005.

5. DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit and loss of the company for that period. The directors are required to 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 suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the year ended 31 December 2004 and that applicable accounting standards have been followed.

The directors are responsible for keeping proper accounting records which 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 since 1 January 2004.

	Date of Appointment	Date of Resignation
J.L. Bagshaw (secretary)	2 March 2004	-
B. Dawreeawoo (secretary)	-	2 March 2004
J. M. Austen	-	29 September 2004
R. A. Gilchrist	-	30 June 2004
R. M. Plummer	-	30 June 2004
K. M. Shah	24 September 2004	-
P. M. Barrett	24 September 2004	-

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 read 'Philip Barrett', written in a cursive style.

P.M Barrett
Director

28 April 2005

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

We have audited the financial statements, which comprise the profit and loss account, the reconciliation of movements in equity shareholder's funds, the balance sheet, and the related notes.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards issued by the Auditing Practices Board. 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 transactions is not disclosed.

We read the other information contained in the annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. The other information comprises only the directors' report.

Basis of audit opinion

We conducted our audit in accordance with auditing standards 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 judgements 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.

PRAMERICA REAL ESTATE INVESTORS LIMITED (FORMERLY PRICOA PROPERTY LIMITED)

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 of the state of the company's affairs at 31 December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Southwark Towers
32 London Bridge Street
London
SE1 9SY

28 April 2005

PRAMERICA REAL ESTATE INVESTORS LIMITED (FORMERLY PRICOA PROPERTY LIMITED)

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2004

	Note	Year Ended 31 December 2004 £	Year Ended 31 December 2003 £
Revenue		-	-
Administrative expenses		(9,894)	-
Other operating income		10,293,681	400,000
Operating profit	2	10,283,787	400,000
Exceptional items	5	374,999	-
Profit on ordinary activities before taxation		10,658,786	400,000
Tax on profit on ordinary activities	6	-	-
Profit on ordinary activities after taxation		10,658,786	400,000
Dividends paid		(7,944,880)	-
Retained profit transferred to reserves	12	2,713,906	400,000

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'S FUNDS
for the year ended 31 December 2004

	2004 £	2003 £
Profit for the year	10,658,786	400,000
Capital contributions in the year	8,011,418	-
Dividends paid	(7,944,880)	-
Net change in shareholders funds	10,725,324	400,000
Opening shareholder's funds at 1 January	10,154,333	9,754,333
Closing shareholder's funds at 31 December	20,879,657	10,154,333

The notes on pages 8 to 13 form part of these financial statements.

PRAMERICA REAL ESTATE INVESTORS LIMITED (FORMERLY PRICOA PROPERTY LIMITED)

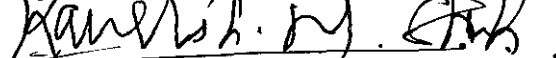
BALANCE SHEET as at 31 December 2004

	Note	2004 £	2003 £
Fixed assets			
Investments in subsidiaries	7	18,143,163	9,754,648
		<u>18,143,163</u>	<u>9,754,648</u>
Long term debtors	8	400,000	400,000
Current assets			
Debtors	9	2,346,495	-
		<u>2,346,495</u>	<u>-</u>
Creditors: amounts falling due within one Year	10	(10,001)	(315)
Net current assets		<u>2,336,494</u>	<u>(315)</u>
Total assets less current liabilities		20,879,657	10,154,333
Net assets		<u>20,879,657</u>	<u>10,154,333</u>
Capital and reserves			
Called up equity share capital	11	4,652,153	4,652,153
Share premium	12	4,914,995	4,914,995
Capital Contribution reserve	13	8,011,418	-
Profit and loss account	14	3,301,091	587,185
Equity shareholder's funds		<u>20,879,657</u>	<u>10,154,333</u>

The notes on pages 8 to 13 form part of these financial statements.

These financial statements were approved by the directors on 28 April 2005.

Signed on behalf of the Board of directors



K. M. Shah
Director

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

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) *Pension Costs*

Pension costs in respect of the defined contribution plan operated by the company are charged against the results of the period in which they become payable.

(f) *Investments*

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

(g) *Taxation*

Deferred taxation has been 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 2004

2. OPERATING PROFIT

The operating profit for the year contains a charge for auditors' remuneration of £10,000. The auditors' remuneration of £4,000 for 2003 was borne by Rockspring Property Investment Management Limited (formerly PRICOA Property Investment Management 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 subsidiary, Rockspring Property Investment Management Limited (formerly PRICOA Property Investment Management Limited) or 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.

Neither Rockspring Property Investment Management Limited nor any parent company made any recharge to the company in the year in respect of directors' emoluments.

5. EXCEPTIONAL ITEMS

	2004 £	2003 £
Profit on sale of subsidiary investment	<u>374,999</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2004 £	2003 £
Corporation Tax at 30%	-	-
	<u>-</u>	<u>-</u>

The tax assessed for the period is lower (2003: lower) than the standard rate of corporation tax in the UK (30%). The differences are explained below.

	2004 £	2003 £
Profit/(loss) for the year before tax	£ <u>10,658,786</u>	£ <u>400,000</u>
Tax at 30% (2003 – 30%)	3,197,636	120,000
Amounts not subject to corporation tax		
UK inter group dividends	(3,088,104)	(120,000)
Profits on sale of trading subsidiaries	(112,500)	-
Group relief surrendered to other group companies	<u>2,968</u>	<u>-</u>
Current tax charge in the period	£ <u>-</u>	£ <u>-</u>

7. INVESTMENTS IN SUBSIDIARIES

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

	2004 £	2003 £
Subsidiaries at cost:		
Investment – Rockspring Property Investment Management Limited (formerly PRICOA Property Investment Management Limited)	-	9,554,648
Investment – Pramerica Regulated Business Limited (formerly PRICOA Property Private Equity Limited)	600,000	200,000
Investment – Pramerica Financial Limited (formerly European Property Partners II GP Limited)	<u>17,543,163</u>	<u>1</u>
	<u>18,143,163</u>	<u>9,754,649</u>

The above companies are incorporated and registered in England and Wales.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2004

8. LONG TERM DEBTORS

	2004 £	2003 £
Amount owed by a group undertaking.	<u>400,000</u>	<u>400,000</u>

The amount owed by a group undertaking is unsecured, interest free and is repayable on two years notice.

9. DEBTORS

	2004 £	2003 £
Amounts owed by group undertakings.	<u>2,346,495</u>	<u>-</u>

Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment.

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Amounts owed to group undertakings.	1	400,315
Accruals	<u>10,000</u>	<u>-</u>
	<u>10,001</u>	<u>400,315</u>

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

11. CALLED UP EQUITY SHARE CAPITAL

	2004 £	2003 £
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 2004

12. SHARE PREMIUM ACCOUNT

	2004 £	2003 £
At 1 st January and 31 December	<u>4,914,995</u>	<u>4,914,995</u>

13. CAPITAL CONTRIBUTION ACCOUNT

	2004 £	2003 £
At 1 st January	-	-
Contributions in the year	<u>8,011,418</u>	<u>-</u>
At 31 December	<u>8,011,418</u>	<u>-</u>

14. PROFIT AND LOSS ACCOUNT

	2004 £	2003 £
At 1 st January	587,185	187,185
Profit for the year after taxation	10,658,786	400,000
Dividend paid	<u>(7,944,880)</u>	<u>-</u>
At 31 December	<u>3,301,091</u>	<u>587,185</u>

15. 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.