

PG&E CORP.

Solid Quarter, Guidance Reiterated

Still an Undervalued Story: We reiterate our 1-Overweight rating and our EPS estimates of \$3.43/\$3.67/\$3.90 for '10/11/12, respectively. We are raising our price target from \$48 to \$50 premised upon multiple expansion. Our prior target of \$48 was premised upon a 10% regulatory jurisdiction premium to the then utility multiple of 11.1x our '12E EPS of \$3.90. Our current target of \$50 is premised upon a 5% regulatory jurisdiction premium to the current utility multiple of 12.1x our '12E EPS of \$3.90. Our current target implies a total return upside of 14% inclusive of a 4% dividend yield.

California Concerns Overdone: It is our view that the market has become overly concerned about deterioration of the California regulatory environment. We do not believe there is any "retaliatory" order forthcoming from the CPUC as a result of the company's failed Proposition 16 efforts. Further, we believe the CPUC order will be constructive. Open seats on the CPUC should not be an issue until 2011 after the company's general rate case is completed. The Governor's race has yet to politicize the process and any resultant impacts on the CPUC from a Brown or Whitman win would similarly not be felt until 2011. That said, the hearings will begin soon, and that should increase the risk premium in the shares. We have incorporated this into our price target by lowering our regulatory jurisdiction premium from 10% to 5%.

Risks: Risks to our view, which we view as low, would be a less than constructive order from the CPUC in December, and management not executing on approved levels of capital expenditures and/or mismanaging the operating expenditures of the company. We view all these risks as relatively low in nature.

PCG: Quarterly and Annual EPS USD

FY Dec	2009		2010		2011		Change y/y		
	Actual	Old	New	Cons	Old	New	Cons	2010	2011
Q1	0.66A	0.79A	0.79A	0.79A	N/A	N/A	0.79E	20%	N/A
Q2	0.83A	0.90E	0.91A	0.90E	N/A	N/A	0.97E	10%	N/A
Q3	0.93A	N/A	N/A	0.97E	N/A	N/A	1.06E	N/A	N/A
Q4	0.80A	N/A	N/A	0.76E	N/A	N/A	0.85E	N/A	N/A
Year	3.21A	3.43E	3.43E	3.41E	3.67E	3.67E	3.71E	7%	7%
P/E			13.2			12.3			

Source: Barclays Capital
Consensus numbers are from Thomson Reuters

Barclays Capital does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report.

Investors should consider this report as only a single factor in making their investment decision.

PLEASE SEE ANALYST(S) CERTIFICATION(S) AND IMPORTANT DISCLOSURES BEGINNING ON PAGE 6.

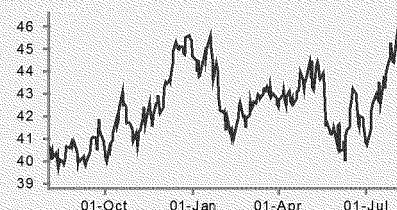
Stock Rating	1-OVERWEIGHT Unchanged
Sector View	1-POSITIVE Unchanged
Price Target	USD 50.00 raised 4% from USD 48.00

Price (03-Aug-2010)	USD 45.09
Potential Upside/Downside	+11%
Tickers	PCG

Market Cap (USD mn)	16789
Shares Outstanding (mn)	372.35
Free Float (%)	99.89
52 Wk Avg Daily Volume (mn)	2.3
Dividend Yield (%)	4.0
Return on Equity TTM (%)	11.96
Current BVPS (USD)	27.90

Source: FactSet Fundamentals

Price Performance	Exchange-NYSE
52 Week range	USD 45.80-34.95



Link to Barclays Capital Live for interactive charting

U.S. Utilities

Daniel Ford, CFA
1.212.526.0836
dan.ford@barcap.com
BCI, New York

Ross A. Fowler, CFA
1.617.330.5893
ross.fowler@barcap.com
BCI, New York

Regulatory Activity

TO12 Settled, TO13 Filed

On July 27 the FERC approved a settlement in the Transmission Owner 12 rate case which called for a base revenue requirement of \$875 million with the necessary increase retroactively effective to March 1, 2010. One day later, on July 28, the company filed its Transmission Owner 13 rate case which requests a \$151 million increase, or a base revenue requirement of \$1.026 billion. This is premised upon capital expenditures of \$765 Million in 2010 and \$810 million in 2011 to add capacity, improve reliability, perform general maintenance and substation work, and to expand automation efforts. The new rates are requested to become effective on October 1 of this year, and the company expects a typical five month suspension of rates by the FERC, leading to a March 1, 2011 rate effective date.

Request for Offers

On July 29 the CPUC approved the Marsh Landing, Contra Costa Unit 6 and Unit 7, and Midway Sunset purchase power agreements. The Oakley purchase and sales agreement was denied. The CPUC determined that 950-1,000MW in resources needed to be procured by the company.

Cornerstone Improvement Program

In late June the CPUC approved \$357 million in capital expenditures related to reliability upgrades on the company's distribution network. Also approved was \$9 million in operating expenditures. The period of spend will go from 2010-2013. The company had originally submitted a six-year \$2 billion proposal. While this was not approved in full, the CPUC has authorized submittal of additional spending related to Cornerstone within the next general rate case.

Solar Photovoltaic Program

Also earlier in the quarter the CPUC authorized 250MWs of owned solar PV generation for a total cost of \$1.5 billion over the next five years and PPAs for another 250MWs of solar PV generation over the same timeframe. The utility owned half of the projects will receive traditional return of and on capital under typical utility rate base regulation.

Manzana Wind Project

We expect a decision on the Manzana Wind project by the CPUC in September of this year. The project would allow the acquisition of the completed 186-246MW wind farm to be built by Iberdrola Renewables, Inc. for capital costs of approximately \$900 million at the total 246MWs. Our model incorporates approval of the Manzana Wind project in our estimates.

General Rate Cases, California Elections

Opening and reply briefs in the 2011 general rate case will be filed this month. An Administrative Law Judge proposed decision is expected in November and a final decision is due in December. Prior rate cases have been extended past their deadline, however, if that happens in this case rates would in all likelihood be retroactive to January 1, 2011. Rates are expected to be effective on January 1 of next year. Also to be decided by year end is the Gas Transmission & Storage case. Hearings were postponed to this month to continue prospective settlement discussions.

We continue to believe based upon the rulings discussed above that the CPUC will issue a constructive ruling in the current general rate case. The Governor's race between Jerry Brown (D) and Meg Whitman (R) has so far not politicized the regulatory process. The composition of the current commission in our view is likely to remain until the completion of the current GRC. A Brown win, in our opinion, could result in CPUC President Mike Peevy staying on in that role. We are less certain of the potential for President Peevy to stay on should Whitman be elected Governor. Our view is that she would want to install her own president at the commission and that Peevy may not want to continue to serve on the CPUC.

Solid Quarter, Guidance Reiterated

For the quarter the company reported ongoing earnings per share of \$0.91 vs. \$0.83 last year, consensus of \$0.90 and our estimate of \$0.90. Our estimate incorporated a smaller positive impact from miscellaneous items than actually achieved in the quarter. On a year over year basis, earnings were driven by an increase in base rate revenues, severance costs, lower uncollectable expenses, and other miscellaneous items. These positive factors were offset by the market performance of benefit investment trusts and the impact of share dilution. Management reiterated guidance of \$3.35-\$3.50 for 2010 and \$3.65-\$3.85 for 2011.

The company also released sensitivities to the outcome of the ongoing general rate case and other factors. They are provided in the table below.

Figure 1: PCG General Earnings Sensitivities

Variable	Change	2010 Earnings Impact	2011 Earnings Impact
Rate Base	+/- \$100 Million	+/- \$6 Million	+/- \$6 Million
Return on Equity	+/- 0.1% in Allowed	+/- \$11 Million	+/- \$13 Million
Share Count	+/- 1% in Avg. Shares	+/- \$0.03 per share	+/- \$0.04 per share
At Risk Revenues	+/- \$7 Million pre-tax	+/- \$0.01 per share	+/- \$0.01 per share

At Risk Revenues include Electric Transmission and California Gas Transmission
Source: Company Press Release.

A roll forward of 2Q 2010 earnings per share is provided below.

Figure 2: 2Q 2010 EPS Roll Forward

2Q 2009 Ongoing EPS	\$0.83
Increase in Base Rate Revenues	\$0.05
Severance Costs	\$0.01
Uncollectable Expenses	\$0.01
Environmental Remediation/Liability	\$0.01
Miscellaneous Items	\$0.03
Mkt. Performance – Benefit Investment Trusts	(\$0.02)
Increase in Shares Outstanding	(\$0.01)
2Q 2010 Ongoing EPS	\$0.91

Source: Company Press Release, Barclays Capital.

A full financial summary follows in Figure 3 below.

Figure 3: Full Financial Summary

Barclays Capital	(US \$'s 000,000)					
US Equity Research						PG&E CORPORATION
SUMMARY FINANCIALS	2009A	2010E	2011E	2012E	2013E	4-Yr CAGR
Valuation Ratios						
EV/EBITDA	7.0x	6.4x	6.2x	6.1x	5.9x	
P/E	14.0x	13.1x	12.3x	11.5x	10.7x	
Dividend Yield	3.7%	4.0%	4.3%	4.5%	4.8%	
Income Statement						
Electric	10,224	10,835	10,992	11,100	11,214	2.34%
Gas	3,142	3,088	3,379	3,545	3,654	3.85%
Revenues Total	\$13,366	\$13,924	\$14,370	\$14,645	\$14,868	2.70%
Electric	6,513	7,098	7,227	7,308	7,394	3.23%
Gas	1,851	1,851	1,851	1,851	1,851	0.00%
Gross Income Total	\$8,364	\$8,949	\$9,078	\$9,159	\$9,245	2.54%
Gross Income %	62.6%	64.3%	63.2%	62.5%	62.2%	
PG&E	4,127	4,809	5,178	5,559	5,940	9.53%
EBITDA	\$4,127	\$4,809	\$5,178	\$5,559	\$5,940	9.53%
EBITDA %	30.9%	34.5%	36.0%	38.0%	40.0%	
PG&E	1,752	2,273	2,405	2,538	2,671	11.12%
Depreciation	\$1,752	\$2,273	\$2,405	\$2,538	\$2,671	11.12%
PG&E	92	92	92	92	92	0.00%
Corporate	8	8	8	8	8	0.00%
Other Income	\$100	\$100	\$100	\$100	\$100	0.00%
PG&E	662	711	744	796	843	6.22%
Corporate	43	22	31	31	31	-7.94%
Interest	\$705	\$733	\$775	\$827	\$874	5.50%
PG&E	482	533	590	645	701	9.81%
Corporate	48	36	38	42	46	-0.84%
Income Tax	\$530	\$570	\$628	\$687	\$747	8.97%
PG&E	1,250	1,383	1,530	1,672	1,818	9.81%
Corporate	(10)	(50)	(61)	(65)	(69)	62.25%
Net Income	\$1,240	\$1,333	\$1,469	\$1,607	\$1,749	8.97%
Avg. Diluted Shares Outstanding	386.0	388.8	400.7	412.1	416.5	1.92%

Source: Company Filings, Barclays Capital.

Figure 4: Full Financial Summary (Continued)

	2009A	2010E	2011E	2012E	2013E	4-Yr CAGR
Electric Delivery	\$3.24	\$3.56	\$3.82	\$4.06	\$4.36	7.74%
Corporate	(\$0.03)	(\$0.13)	(\$0.15)	(\$0.16)	(\$0.17)	59.19%
EPS Total	\$3.21	\$3.43	\$3.67	\$3.90	\$4.20	6.92%
Dividend per share	\$ 1.68	\$ 1.82	\$ 1.93	\$ 2.04	\$ 2.17	6.58%
Payout Ratio	52%	53%	53%	52%	52%	
Cash Flow						
FFO	\$3,087	\$3,616	\$3,885	\$4,155	\$4,430	9.45%
CFO	3,039	3,505	4,253	4,388	4,668	11.33%
Capex	(\$3,958)	(\$4,230)	(\$4,633)	(\$4,653)	(\$4,653)	4.12%
Asset Disposals	0	0	0	0	0	
Asset Acquisitions	0	0	0	0	0	
Dividends	(590)	(708)	(773)	(843)	(903)	11.22%
Free Cash flow Pre-div	(919)	(725)	(379)	(264)	15	NM%
Free Cash flow Post-div	(1,509)	(1,433)	(1,152)	(1,107)	(888)	-12.43%
Free Cash flow Yield	-5.29%	-4.14%	-2.10%	-1.42%	0.08%	NM%
Balance Sheet						
Cash	\$527	\$12	\$23	\$41	\$51	
ST Debt (not inc RRBs & ERBs)	833	833	833	833	833	
LT Debt (not inc RRBs & ERBs)	10,824	11,953	12,773	14,199	14,974	
Shareowners Equity	10,333	11,204	12,722	13,682	14,724	
Total Capital	21,990	23,990	26,328	28,714	30,531	
Equity/Capital	47.0%	46.7%	48.3%	47.6%	48.2%	
Return on Equity (ROE)	12.7%	12.4%	12.3%	12.2%	12.3%	
Return on Invested Capital	11.5%	11.0%	11.0%	11.0%	11.0%	
Credit Ratios						
Interest Coverage	5.9x	6.6x	6.7x	6.7x	6.8x	
Debt/EBITDA	2.8x	2.7x	2.6x	2.7x	2.7x	

Notes: FFO = Net Income + Depreciation; Interest Coverage = EBITDA/Interest Expense; ROIC = EBIT/Avg. Total Capital.

Source: Company Filings, Barclays Capital.

ANALYST(S) CERTIFICATION(S)

We, Daniel Ford, CFA and Ross A. Fowler, CFA, hereby certify (1) that the views expressed in this research report accurately reflect our personal views about any or all of the subject securities or issuers referred to in this research report and (2) no part of our compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

IMPORTANT DISCLOSURES

For current important disclosures, including, where relevant, price target charts, regarding companies that are the subject of this research report, please send a written request to: Barclays Capital Research Compliance, 745 Seventh Avenue, 17th Floor, New York, NY 10019 or refer to <http://publicresearch.barcap.com> or call 1-212-526-1072.

The analysts responsible for preparing this research report have received compensation based upon various factors including the firm's total revenues, a portion of which is generated by investment banking activities.

On September 20, 2008, Barclays Capital acquired Lehman Brothers' North American investment banking, capital markets, and private investment management businesses. All ratings and price targets prior to this date relate to coverage under Lehman Brothers Inc.

Barclays Capital produces a variety of research products including, but not limited to, fundamental analysis, equity-linked analysis, quantitative analysis, and trade ideas. Recommendations contained in one type of research product may differ from recommendations contained in other types of research products, whether as a result of differing time horizons, methodologies, or otherwise.

Primary Stocks (Ticker, Date, Price)

PG&E Corp. (PCG, 03-Aug-2010, USD 45.09), 1-Overweight / 1-Positive

Guide to the Barclays Capital Fundamental Equity Research Rating System:

Our coverage analysts use a relative rating system in which they rate stocks as 1-Overweight, 2-Equal Weight or 3-Underweight (see definitions below) relative to other companies covered by the analyst or a team of analysts that are deemed to be in the same industry sector (the "sector coverage universe").

In addition to the stock rating, we provide sector views which rate the outlook for the sector coverage universe as 1-Positive, 2-Neutral or 3-Negative (see definitions below). A rating system using terms such as buy, hold and sell is not the equivalent of our rating system. Investors should carefully read the entire research report including the definitions of all ratings and not infer its contents from ratings alone.

Stock Rating

1-Overweight - The stock is expected to outperform the unweighted expected total return of the sector coverage universe over a 12-month investment horizon.

2-Equal Weight - The stock is expected to perform in line with the unweighted expected total return of the sector coverage universe over a 12-month investment horizon.

3-Underweight - The stock is expected to underperform the unweighted expected total return of the sector coverage universe over a 12-month investment horizon.

RS-Rating Suspended - The rating and target price have been suspended temporarily due to market events that made coverage impracticable or to comply with applicable regulations and/or firm policies in certain circumstances including when Barclays Capital is acting in an advisory capacity in a merger or strategic transaction involving the company.

Sector View

1-Positive - sector coverage universe fundamentals/valuations are improving.

2-Neutral - sector coverage universe fundamentals/valuations are steady, neither improving nor deteriorating.

3-Negative - sector coverage universe fundamentals/valuations are deteriorating.

Below is the list of companies that constitute the "sector coverage universe":

U.S. Utilities

Alliant Energy (LNT)	American Electric Power (AEP)	CMSEnergy (CMS)
Consolidated Edison (ED)	Dominion Resources (D)	DPL Inc. (DPL)
DTE Energy (DTE)	Duke Energy (DUK)	Great Plains Energy Inc. (GXP)
Hawaiian Electric Inds (HE)	ITC Holdings (ITC)	NiSource, Inc. (NI)
Northeast Utilities (NU)	NSTAR (NST)	NV Energy, Inc. (NVE)
OGE Energy Corp. (OGE)	Pepco Holdings (POM)	PG&E Corp. (PCG)
Pinnacle West Capital (PNW)	PNM Resources (PNM)	Portland General Electric Co. (POR)
Progress Energy (PGN)	Sempra Energy (SRE)	Southern Co. (SO)
TECO Energy (TE)	Westar Energy (WR)	Wisconsin Energy (WEC)
Xcel Energy (XEL)		

IMPORTANT DISCLOSURES CONTINUED

Distribution of Ratings:

Barclays Capital Inc. Equity Research has 1525 companies under coverage.

43% have been assigned a 1-Overweight rating which, for purposes of mandatory regulatory disclosures, is classified as a Buy rating; 51% of companies with this rating are investment banking clients of the Firm.

43% have been assigned a 2-Equal Weight rating which, for purposes of mandatory regulatory disclosures, is classified as a Hold rating; 45% of companies with this rating are investment banking clients of the Firm.

11% have been assigned a 3-Underweight rating which, for purposes of mandatory regulatory disclosures, is classified as a Sell rating; 35% of companies with this rating are investment banking clients of the Firm.

Barclays Capital offices involved in the production of equity research:

London

Barclays Capital, the investment banking division of Barclays Bank PLC (Barclays Capital, London)

New York

Barclays Capital Inc. (BCI, New York)

Tokyo

Barclays Capital Japan Limited (BCJL, Tokyo)

São Paulo

Banco Barclays S.A. (BBSA, São Paulo)

Hong Kong

Barclays Bank PLC, Hong Kong branch (BB, Hong Kong)

Toronto

Barclays Capital Canada Inc. (BCC, Toronto)

Johannesburg

Absa Capital, a division of Absa Bank Limited (Absa Capital, Johannesburg)

IMPORTANT DISCLOSURES CONTINUED

PG&E Corp. (PCG)

USD 45.09 (03-Aug-2010)

Stock Rating

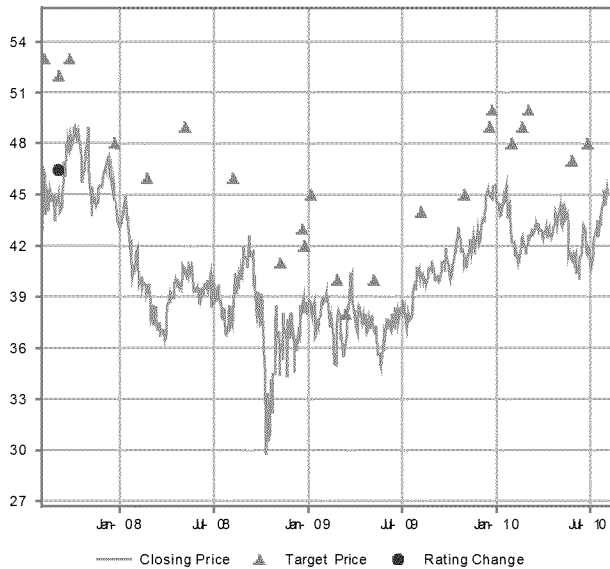
1-OVERWEIGHT

Sector View

1-POSITIVE

Rating and Price Target Chart - USD (as of 03-Aug-2010)

Currency=USD



Date	Closing Price	Rating	Price Target
25-Jun-2010	42.01		48.00
26-May-2010	41.21		47.00
03-Mar-2010	42.31		50.00
19-Feb-2010	42.61		49.00
29-Jan-2010	42.24		48.00
22-Dec-2009	44.81		50.00
17-Dec-2009	44.98		49.00
29-Oct-2009	41.40		45.00
06-Aug-2009	40.44		44.00
07-May-2009	37.25		40.00
13-Mar-2009	36.22		38.00
25-Feb-2009	37.53		40.00
05-Jan-2009	0.00		45.00
23-Dec-2008	38.05		42.00
19-Dec-2008	0.00		43.00
07-Nov-2008	34.36		41.00
07-Aug-2008	38.50		46.00
06-May-2008	40.71		49.00
22-Feb-2008	39.17		46.00
21-Dec-2007	45.73		48.00
25-Sep-2007	47.75		53.00
04-Sep-2007	44.37	1-Overweight	52.00
07-Aug-2007	45.16		53.00

[Link to Barclays Capital Live for interactive charting](#)

Barclays Bank PLC and/or an affiliate has been lead manager or co-lead manager of a publicly disclosed offer of securities of PG&E Corp. in the previous 12 months.

Barclays Bank PLC and/or an affiliate is a market-maker and/or liquidity provider in securities issued by PG&E Corp. or one of its affiliates.

Barclays Bank PLC and/or an affiliate has received compensation for investment banking services from PG&E Corp. in the past 12 months.

Barclays Bank PLC and/or an affiliate trades regularly in the shares of PG&E Corp..

Barclays Bank PLC and/or an affiliate has received non-investment banking related compensation from PG&E Corp. within the past 12 months.

PG&E Corp. is, or during the past 12 months has been, an investment banking client of Barclays Bank PLC and/or an affiliate.

PG&E Corp. is, or during the past 12 months has been, a non-investment banking client (securities related services) of Barclays Bank PLC and/or an affiliate.

PG&E Corp. is, or during the past 12 months has been, a non-investment banking client (non-securities related services) of Barclays Bank PLC and/or an affiliate.

Valuation Methodology: Our price target of \$50 is premised upon a 5% regulatory jurisdictional premium to the '12E regulatory group multiple of 12.1x our '12E eps of \$3.90E.

Risks which May Impede the Achievement of the Price Target: Key risks include California and Federal regulation, rating agency actions, interest rates and access to capital markets.

This publication has been prepared by Barclays Capital; the investment banking division of Barclays Bank PLC, and/or one or more of its affiliates as provided below. This publication is provided to you for information purposes only. Prices shown in this publication are indicative and Barclays Capital is not offering to buy or sell or soliciting offers to buy or sell any financial instrument. Other than disclosures relating to Barclays Capital, the information contained in this publication has been obtained from sources that Barclays Capital believes to be reliable, but Barclays Capital does not represent or warrant that it is accurate or complete. The views in this publication are those of Barclays Capital and are subject to change, and Barclays Capital has no obligation to update its opinions or the information in this publication.

The analyst recommendations in this report reflect solely and exclusively those of the author(s), and such opinions were prepared independently of any other interests, including those of Barclays Capital and/or its affiliates.

Neither Barclays Capital, nor any affiliate, nor any of their respective officers, directors, partners, or employees accepts any liability whatsoever for any direct or consequential loss arising from any use of this publication or its contents. The securities discussed in this publication may not be suitable for all investors. Barclays Capital recommends that investors independently evaluate each issuer, security or instrument discussed in this publication and consult any independent advisors they believe necessary. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity). The information in this publication is not intended to predict actual results, which may differ substantially from those reflected. Past performance is not necessarily indicative of future results.

This communication is being made available in the UK and Europe to persons who are investment professionals as that term is defined in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion Order) 2005. It is directed at, and therefore should only be relied upon by, persons who have professional experience in matters relating to investments. The investments to which it relates are available only to such persons and will be entered into only with such persons. Barclays Capital is authorized and regulated by the Financial Services Authority ('FSA') and member of the London Stock Exchange.

Barclays Capital Inc., US registered broker/dealer and member of FINRA (www.finra.org), is distributing this material in the United States and, in connection therewith accepts responsibility for its contents. Any U.S. person wishing to effect a transaction in any security discussed herein should do so only by contacting a representative of Barclays Capital Inc. in the U.S. at 745 Seventh Avenue, New York, New York 10019. This material is distributed in Canada by Barclays Capital Canada Inc., a registered investment dealer and member of IIROC (www.iiroc.ca).

Subject to the conditions of this publication as set out above, Absa Capital, the Investment Banking Division of Absa Bank Limited, an authorised financial services provider (Registration No.: 1986/004794/06), is distributing this material in South Africa. Absa Bank Limited is regulated by the South African Reserve Bank. This publication is not, nor is it intended to be, advice as defined and/or contemplated in the (South African) Financial Advisory and Intermediary Services Act, 37 of 2002, or any other financial, investment, trading, tax, legal, accounting, retirement, actuarial or other professional advice or service whatsoever. Any South African person or entity wishing to effect a transaction in any security discussed herein should do so only by contacting a representative of Absa Capital in South Africa, 15 Alice Lane, Sandton, Johannesburg, Gauteng 2196. Absa Capital is an affiliate of Barclays Capital.

Non-U.S. persons should contact and execute transactions through a Barclays Bank PLC branch or affiliate in their home jurisdiction unless local regulations permit otherwise.

In Japan, foreign exchange research reports are prepared and distributed by Barclays Bank PLC Tokyo Branch. Other research reports are distributed to institutional investors in Japan by Barclays Capital Japan Limited. Barclays Capital Japan Limited is a joint-stock company incorporated in Japan with registered office of 6-10-1 Roppongi, Minato-ku, Tokyo 106-6131, Japan. It is a subsidiary of Barclays Bank PLC and a registered financial instruments firm regulated by the Financial Services Agency of Japan. Registered Number: Kanto Zaimukyokuchō (kinsho) No. 143.

Barclays Bank PLC, Hong Kong Branch is distributing this material in Hong Kong as an authorised institution regulated by the Hong Kong Monetary Authority. Registered Office: 41/F, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

Barclays Bank PLC Frankfurt Branch is distributing this material in Germany under the supervision of Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin). This material is distributed in Malaysia by Barclays Capital Markets Malaysia Sdn Bhd.

Barclays Bank PLC in the Dubai International Financial Centre (Registered No. 0060) is regulated by the Dubai Financial Services Authority. Barclays Bank PLC-DIFC Branch, may only undertake the financial services activities that fall within the scope of its existing DFSA licence.

Barclays Bank PLC in the UAE is regulated by the Central Bank of the UAE and is licensed to conduct business activities as a branch of a commercial bank incorporated outside the UAE in Dubai (Licence No.: 13/1844/2008, Registered Office: Building No. 6, Burj Dubai Business Hub, Sheikh Zayed Road, Dubai City) and Abu Dhabi (Licence No.: 13/952/2008, Registered Office: Al Jazira Towers, Hamdan Street, PO Box 2734, Abu Dhabi).

Barclays Bank PLC in the Qatar Financial Centre (Registered No. 00018) is authorised by the Qatar Financial Centre Regulatory Authority. Barclays Bank PLC-QFC Branch may only undertake the regulated activities that fall within the scope of its existing QFCRA licence. Principal place of business in Qatar: Qatar Financial Centre, Office 1002, 10th Floor, QFC Tower, Diplomatic Area, West Bay, PO Box 15891, Doha, Qatar.

This information has been distributed by Barclays Bank PLC. Related financial products or services are only available to Professional Clients as defined by the DFSA, and Business Customers as defined by the QFCRA.

IRS Circular 230 Prepared Materials Disclaimer: Barclays Capital and its affiliates do not provide tax advice and nothing contained herein should be construed to be tax advice. Please be advised that any discussion of U.S. tax matters contained herein (including any attachments) (i) is not intended or written to be used, and cannot be used, by you for the purpose of avoiding U.S. tax-related penalties; and (ii) was written to support the promotion or marketing of the transactions or other matters addressed herein. Accordingly, you should seek advice based on your particular circumstances from an independent tax advisor.

© Copyright Barclays Bank PLC (2010). All rights reserved. No part of this publication may be reproduced in any manner without the prior written permission of Barclays Capital or any of its affiliates. Barclays Bank PLC is registered in England No. 1026167. Registered office 1 Churchill Place, London, E14 5HP. Additional information regarding this publication will be furnished upon request.

