

The Depository Trust Company

IMPORTANT

B#: 9782-06

DATE: May 30, 2006

TO: All Participants

CATEGORY: Dividends

FROM: International Services

ATTENTION: Operations, Reorg & Dividend Managers, Partners & Cashiers

SUBJECT: TaxRelief - Country: Spain, Santander US Debt S.A. Unipers
CUSIPs: 802815AA8 & 802815AB6
R/D: 6/6/06 P/D:6/21/06 EDS Standard Cut-Off: 6/15/06
EDS Cut-Off (Adjustments Only):6/20/06

DTC has been notified by Santander US Debt, S.A. Unipersonal (the "Issuer") that interest derived from its securities bearing CUSIPs 802815AA8 and 802815AB6 (the Floating Rate Senior Notes due 2007 and 2008) is subject to the 15% Non-Resident Income Tax (NRIT) in Spain, subject to the exemptions described in the attached document.

Important Legal Information: *The Depository Trust Company ("DTC") does not represent or warrant the accuracy, adequacy, timeliness, completeness or fitness for any particular purpose of the information contained in this communication, which is based in part on information obtained from third parties and not independently verified by DTC and which is provided as is. The information contained in this communication is not intended to be a substitute for obtaining tax advice from an appropriate professional advisor. In providing this communication, DTC shall not be liable for (1) any loss resulting directly or indirectly from mistakes, errors, omissions, interruptions, delays or defects in such communication, unless caused directly by gross negligence or willful misconduct on the part of DTC, and (2) any special, consequential, exemplary, incidental or punitive damages.*

To ensure compliance with Internal Revenue Service Circular 230, you are hereby notified that: (a) any discussion of federal tax issues contained or referred to herein is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties that may be imposed under the Internal Revenue Code; and (b) as a matter of policy, DTC does not provide tax, legal or accounting advice and accordingly, you should consult your own tax, legal and accounting advisor before engaging in any transaction.



Santander US Debt, S.A. Unipersonal

CUSIPs: 802815AA8 and 802815AB6

Record Date: June 06, 2006

Payment Date: June 21, 2006

Pursuant to Law 19/2003 and Royal Decree 1778/2004, interest derived from the above securities by a Non-Spanish resident holder or a Spanish corporation will not be subject to the 15% Non-Resident Income Tax (NRIT) in Spain unless the non-resident holder (i) derives the income through “tax haven” territory (as defined in Royal Decree 1080/1991 of 5 July 1991) or (ii) fails to comply with the relevant tax residency certification procedures as described below. Should a U.S.-based DTC Participant hold securities on behalf of an institution located in a tax haven country, who is then holding the securities on behalf of an otherwise entitled Beneficial Owner (such as a U.S. resident), the Beneficial Owner would not be entitled to receive exemption from withholding tax on those securities. Please refer to Annex A for a list of tax haven countries and territories.

Participants requesting exemption from Spanish NRIT via DTC’s Elective Dividend Service (EDS) are required to provide beneficial owner information in support of their elections. The Issuer, the Guarantor and the Fiscal and Paying Agent have arranged certain procedures with DTC and Acupay System to facilitate the collection from Participants of such information concerning the identity and residence of beneficial owners of the securities. Failure to certify via EDS, provide beneficial owner information via Acupay, or to follow the required procedures, will result in 15% withholding from the interest payment.

Further information on Spanish Withholding Tax requirements can be found starting on pages 5, 43 and A-1 of the Offering Memorandum for the Notes, which can be downloaded from www.acupaysystem.com/SantanderI/OfferingMemo

Participants requesting exemption from Spanish NRIT via DTC’s Elective Dividend Service (EDS) are also required to provide information concerning the identity and country of residence of Beneficial Owners in the manner described below:

1. Beginning on June 7, 2006 (the first New York Business Day following the Record Date) and until 8 p.m. (New York time) on June 15, 2006 (the Standard Deadline), DTC Participants must enter certain information into the Acupay system regarding the Beneficial Owners of the Notes by completing these required steps:

- Participants must visit the Acupay System website at www.acupaysystem.com and register their (i) institution, (ii) one or more authorized employees who will be

responsible for making tax certifications on the behalf of the Participant and (iii) register any intermediary banks (“downstream correspondents”) to enable such intermediaries to complete certifications on behalf of their beneficial owners. If the Participant, or members of its team, were previously registered to use the Acupay System (for this or any other securities issue), there is no need to register again – your existing login details should still work.

NOTE: DTC Participants which are not located in OECD (Organisation for Economic Co-operation and Development) Countries or in a country with which Spain has entered into a Treaty for the Avoidance of Double Taxation (Tax Treaty Countries) will be allowed to register in the Acupay System but will not be eligible to participate in the “Relief-at-Source procedures”. Such Participants may however, follow the “Quick Refund procedures” discussed below. Please refer to Annex B and C respectively for a list of OECD Countries and Tax Treaty Countries.

NOTE: DTC Participants located in tax haven countries are not eligible to register in or use the Acupay System, nor DTC’s EDS.

- Once registered, Participants must provide tax certifications on behalf of their clients who are beneficial holders. This should be done using either the “one-by-one” method or the “bulk method”, as detailed on www.acupaysystem.com.
- DTC Participants that hold securities for other financial intermediaries (“downstream correspondents”) - irrespective of whether such intermediaries are Qualified Intermediaries (as described by the US IRS in Revenue Procedure 2000–12 found in Cumulative Bulletin 2000–1 of Internal Revenue Bulletin 2000–4) - which in turn hold the securities for the ultimate beneficial owners may either:
 1. Obtain a list of the downstream correspondents’ clients and enter such client details directly into the Acupay System, or
 2. Enable their downstream correspondents to enter their client details directly into the Acupay System by:
 - a. registering those downstream correspondents in the Acupay System, and;
 - b. confirming in the Acupay System that the correspondents’ aggregate positions, once entered by the downstream correspondents, conform to the books of the Participant as well as the EDS elections submitted by the participant.

NOTE: In all cases, DTC Participants should assure that the principal amount of Notes which they and/or their downstream correspondents have certified via the Acupay System are equal to the principal amount of Notes for which they have



made EDS elections at the exempt rate.

- The Acupay System may only be used to submit the details of Beneficial Owners who are exempt from Spanish withholding tax. Therefore, Participants may not enter into the Acupay System details of their Beneficial Owners who are subject to withholding (such as Beneficial Owners who received their income through countries recognized as Tax Havens by Spanish tax law or Beneficial Owners who are physical persons located in Spain).
- Once Beneficial Owner information has been entered into Acupay, the System will produce, as applicable, tax certificate I, II or III which must be reviewed, printed, signed (if accurate), scanned and emailed to certify@acupaysytem.com or faxed to Acupay at +1-646-383-9489 or +44-207-067-8453.
- Participants MUST use the tax certificates that are generated by the Acupay System (showing the official Acupay bar code) as no other form of tax certificate will be accepted.

NOTE: Acupay submissions will not be processed until Acupay has received signed Tax Certificates, as described above.

- Participants will then be required to send via post or courier to Acupay the original, signed copies of any tax certificates I, II and III that were faxed or emailed above. These original paper, signed tax certificates MUST be received by Acupay by no later than 5:00 p.m. London time (12:00 noon NY time) on July 20th, 2006 at the following address:

Acupay System LLC
Certifications
Attn: Nina Santa-Maria
28 Throgmorton St
London EC2N 2AN
United Kingdom

NOTE: A Participant that obtains favorable tax treatment through the relief at source procedure and fails to submit the original physical certificates as described above may be prohibited by the issuer from using the procedure to obtain favorable rates for future payments. In such event, the Participant will receive the interest payment on their entire position net of 15% NRIT withholding tax and relief will need to be obtained directly from the Spanish tax authorities by following the standard refund procedure established by Spanish tax law.

2. Beginning at 9 a.m. on June 7, 2006 and continuing until 8 p.m. (New York time) on June



15, 2006 (the Standard Deadline), DTC direct Participants must also make an election via EDS stating their aggregate positions that are exempt from Spanish withholding tax.

3. In order for the DTC Participant to receive interest on the Interest Payment Date free of NRIT withholding (for further credit to their clients who are exempt from Spanish NRIT) the aggregate amounts certified through the Acupay System and those elected through DTC EDS must be in synch. It is the responsibility of each Participant to ensure that the principal amount of Notes which they certify via Acupay is equal to the principal amount of Notes for which they have made EDS elections at the exempt rate. Data introduced in both DTC EDS and Acupay may be modified by the Participant (in either system) until 8 p.m. (New York time) on June 20, 2006.

4. Acting on a best efforts basis, Acupay staff will warn Participants of any misalignments between DTC elections and Acupay certifications and will seek to assist in reconciling them until 9:45 a.m. (New York time) on June 21, 2006. DTC Participants whose EDS elections and Acupay certifications are not aligned by 9:45 a.m. (New York time) on June 21, 2006 will receive the interest payment on their entire position net of 15% NRIT withholding. DTC Participants who receive net treatment due to misalignment of their DTC EDS election and Acupay Certifications may request relief through the Quick Refund Procedures described below up to the amount that they have elected exempt through the EDS system.

IMPORTANT

DTC Participants must ensure that EDS elections entered into DTC and Beneficial Owner data entered into the Acupay System are synchronized and updated to reflect any changes to beneficial ownership or DTC positions occurring prior to 9:45 a.m. on June 21, 2006 (the Interest Payment Date).

If at 9:45 a.m. New York time on June 21, 2006 there are any inconsistencies concerning the Beneficial Owner information supplied by a Participant to Acupay, that Participant's EDS elections and its position listed at DTC, payments will be made net of Spanish taxes on the entire position held by such DTC Participant.

DTC PARTICIPANTS WHOSE ACUPAY CERTIFICATIONS AND EDS ELECTIONS ARE OUT OF ALIGNMENT ON THE MORNING OF PAYMENT DATE MAY REQUEST THAT DTC MANUALLY MODIFY EDS ELECTIONS TO BRING THEM INTO ALIGNMENT BY SENDING AN EDS CHANGE REQUEST TO DTC VIA EMAIL AT SBOLLERS@DTCC.COM NO LATER THAN 9:45 A.M. NEW YORK TIME ON JUNE 21, 2006 WITH A COPY TO MMEJIA@DTCC.COM, ROLIVARI@DTCC.COM AND EDS@ACUPAYSYSTEM.COM



Quick Refund Procedure

Beneficial owners who received interest net of 15% NRIT withholding due to a misalignment of their EDS elections and Acupay certifications may qualify for a refund through the Quick Refund procedure. To utilize this procedure, Participants must have submitted valid EDS elections during the Relief at Source EDS window. Relief may be obtained only for the amount of securities elected exempt via EDS as of 9:45 a.m. on June 21, 2006. Refund through the Quick Refund procedure is **not available** for any position that was not previously elected for gross (exempt) treatment via EDS on or before 9:45 a.m. on the Payment Date. Participants may use the Acupay System to request relief through the Quick Refund Procedures on behalf of their clients beginning June 22, 2006 until July 10, 2006.

Direct Refund from Spanish Tax Authorities

If Participants have not certified for any reason through the Relief at Source or Quick Refund procedure and have received unfavorable tax treatment, eligible investors may request a tax refund from the Spanish tax authorities by following the standard refund procedure established by Spanish tax law.

By submitting EDS elections DTC Participants agree that they will indemnify Santander US Debt, S.A. Unipersonal and its agents for any liability which they may incur as a result of reliance upon information provided by such Participant on such EDS elections. The DTC Participant also agrees to return any funds erroneously received (including any interest, penalties and additions to tax thereon) arising from its EDS elections and Acupay certifications.

Questions regarding the EDS process should be directed to Sean Bollers or Larry Bottiglieri of DTC's International Services at (212) 855-4706 or 4386 respectively.

Questions regarding relief entitlements, obtaining relief directly from the Spanish Tax Authorities, or the Acupay System should be directed to Sabrina Cruz at +1-212-422-1222 or Nina Santa-Maria at +44-207-382-0340 or by emailing info@acupaysystem.com.

Annex A
Tax-Haven Countries & Territories

Andorra, Principality of	Gibraltar	Nauru, Republic of
Anguila, The Island of	Grenada	Netherlands Antilles
Antigua and Barbuda, Islands of	Hong Kong	Oman, Sultanate of
Aruba	Isle of Man	Panama, Republic of
Bahamas, The	Jamaica	Saint Lucia
Bahrain, Kingdom of	Jordan, Hashemite Kingdom of	Saint Vincent & the Grenadines
Barbados, The Island of	Lebanon, Republic of	San Marino, Republic of
Bermuda, The Islands of	Liberia, Republic of	Seychelles, Republic of
Brunei, Sultanate of	Liechtenstein, Principality of	Singapore, Republic of
	Luxembourg, Grand Duchy of (but only as regards to the income received by the companies referred to in paragraph 1 of the Protocol annexed to the Avoidance of Double Taxation Treaty, dated 3rd June 1986, entered into by Spain and Luxembourg –i.e., those holding companies as defined by Luxembourg Law of July 31, 1929 and Luxembourg Grand Ducal Decree of December 17, 1938)	
Cayman Islands		Solomon Islands
Channel Islands (Jersey and Guernsey)	Macao	Trinidad and Tobago, Republic of
Cook Islands, The	Malta, Republic of	Turks and Caicos Islands
Cyprus, Republic of	Marianas Islands	United Arab Emirates
Dominica, The Republic of	Mauritius	Vanuatu, Republic of



Santander

(Dominican Republic)		
Falkland Islands	Monaco, Principality of	Virgin Islands, British
Fiji Islands	Montserrat	Virgin Islands, United States

Annex B

OECD Countries

Australia	Hungary	Norway
Austria	Iceland	Poland
Belgium	Ireland	Portugal
Canada	Italy	Slovak Republic
Czech Republic	Japan	Spain
Denmark	Korea, Republic of	Sweden
Finland	Luxembourg	Switzerland
France	Mexico	Turkey
Germany	Netherlands	United Kingdom
Greece	New Zealand	United States

Annex C

Spanish Tax Treaty Countries

- | | | |
|--------------------|---------------------------|---|
| 1. Algeria | 23. Iceland | 44. Slovakia |
| 2. Argentina | 24. India | 45. Slovenia |
| 3. Australia | 25. Indonesia | 46. Sweden |
| 4. Austria | 26. Ireland | 47. Switzerland |
| 5. Belgium | 27. Israel | 48. Thailand |
| 6. Bolivia | 28. Italy | 49. Tunis |
| 7. Brazil | 29. Japan | 50. United States |
| 8. Bulgaria | 30. Korea, Republic
of | 51. Turkey |
| 9. Canada | 31. Latvia | 52. United Kingdom |
| 10. Croatia | 32. Lithuania | 53. Venezuela |
| 11. Chile | 33. Luxembourg | 54. Vietnam |
| 12. Czech Republic | 34. Macedonia | 55. Countries of the former
USSR (Russia covered
under separate treaty) |
| 13. China | 35. Mexico | |
| 14. Cuba | 36. Morocco | |
| 15. Denmark | 37. Netherlands | |
| 16. Ecuador | 38. Norway | |
| 17. Estonia | 39. Philippines | |
| 18. Finland | 40. Poland | |
| 19. France | 41. Portugal | |
| 20. Germany | 42. Romania | |
| 21. Greece | 43. Russia | |
| 22. Hungary | | |