

The Depository Trust Company  
**IMPORTANT**  
**REVISION - TAX RATE CORRECTION**

**B#:** 2856R  
**DATE:** December 27, 2001  
**TO:** All participants  
**CATEGORY:** Dividends  
**FROM:** Mario Zaccardi, Supervisor, Dividend Department  
**ATTENTION:** Operations, Reorg & Dividend Managers, Partners & Cashiers  
**SUBJECT:** TaxRelief - Country: Spain  
Endesa, S. A. CUSIP: 29258N107  
Record Date: 12/31/01 Payable Date: TBA  
EDS Cut-Off Date: 1/07/02

DTC has been notified by Citibank N.A./Globe Tax Services, the depository bank for the above issue, that under the Conventions for Avoidance of double Taxation ("Treaties") between the United States and Spain, and Canada and Spain qualifying beneficial owners, as defined below, are entitled to a reduced tax treaty rate of 15% rather than the withholding tax rate of 18%.

Participants must use DTC's Elective Dividend System (**EDS**), under the **Foreign Securities** selection on the main menu, over the Participant Terminal System (**PTS**) to certify all or a portion of their position entitled to the applicable tax rate. Participants must also submit the required documentation (see attached) in order to receive the tax benefit afforded by the treaties.

Note: The deadline for certifying over EDS is **January 07, 2002** and receipt of documentation by Globe Tax Services is **January 07, 2002** as indicated in the attached notice.

The documentation must be delivered no later than **January 07, 2002** to the address below:

Citibank N.A./Globe Tax Services, Inc.  
90 Broad Street, 8<sup>th</sup> Floor  
New York, NY 10004-2205  
Attention: Clay Christensen - Endesa ADRs

**EDS certification alone does not constitute eligibility for the reduced withholding tax rate. Participants that do not follow up with the required documentation before the deadline will receive the dividend with 18% withheld.**

Participants who fail to meet the EDS deadline or have other beneficial holders that are not eligible for the EDS process for whom they wish to file a reclaim may use DTC's **TaxReclaim**<sup>SM</sup> form preparation service, available by using the Tax Reclaim System (TAXR) function over PTS. **TaxReclaim**<sup>SM</sup> is DTC's proprietary withholding tax form preparation service that calculates reclaim entitlements and prepares the standard tax reclamation form for filing with the foreign taxing authorities or other designated agent. To enroll in **TaxReclaim**<sup>SM</sup>, please contact your Relationship Manager.

Questions about eligibility or documentation requirements should be directed to Mr. Clay Christensen, (800) 633-4646.

Questions regarding this Important Notice should be directed to Mr. Frederick Ceraso or myself of DTC's Dividend Department, at (212) 855-4784 or 4540 respectively.

**ENDESA, S.A.**  
**CITIBANK N.A. ANNOUNCES AN EXPEDITED TAX RECLAIM PROCEDURE FOR U.S. &  
CANADIAN RESIDENTS**

Citibank N.A. ("Citibank"), as Depository for the American Depositary Receipts ("ADRs") of ENDESA S.A. ("ENDESA") (NYSE: ELE, Cusip: 29258N107), a major electric utility company in Spain, has announced a plan to assist U.S. and Canadian ADR holders reduce their tax liability in Spain. The Conventions for the Avoidance of Double Taxation ("Treaties") effectively reduce the tax liability on dividends of U.S. and Canadian residents, as defined in the Treaties, from 18% to 15%.

U.S. and Canadian ENDESA ADR holders, by submitting the required documents within the specified time frame, will enable ENDESA to refund the difference between the tax due under the Treaties and the tax withheld.

U.S. and Canadian residents, as defined by the Treaties, who wish to avail themselves of the benefit afforded by the Treaties, must:

- a) Be beneficial owners on the record date in **December 31, 2001**, and
- b) Submit to the Depository bank, Citibank the following documentation with respect to *each* dividend payment:

**1. CERTIFICATION OF RESIDENCY**

**U.S. residents:**

An original **Form 6166** (as modified for use in connection with the Spain-U.S. Treaty) issued by the Internal Revenue Service, which states the name and the taxpayer identification number of the ADR beneficial owner. This form must be dated less than **one year** prior to the ordinary pay date and no later than the ordinary pay date.

**Canadian residents:**

An original "**Certification of Domicile**" attestation (as modified for use in connection with the Spain-Canada Treaty) issued by Revenue Canada that states the name and taxpayer identification number of the ADR beneficial owner. This form must be dated less than **one year** prior to the ordinary pay date and no later than the ordinary pay date.

*It is important that these forms be requested early enough, since they may take more than 30 days to obtain.*

**2. COVER LETTER**

Beneficial owners who hold their ADRs in *street name* (through a bank or broker) within the Depository Trust Company ("DTC") must submit their Certification of Residency documents through their nominee or DTC Participant, who must forward them to Citibank N.A. along with a **cover letter** which states the name *and address* of each ADR beneficial owner and the number of ADRs held by each on the record date **December 31, 2001**. The format for the **cover letter** can be found on the following page of this notice.

In addition to the documentation requirements in items 1 & 2 above, DTC Participants will have to elect on the DTC Elective Dividend System ("EDS") over the Participant Terminal System ("PTS") the portion of the dividend eligible for the favorable tax rate. DTC will publish an important notice to this effect on or around the record date **December 31, 2001**.

For reasons of cost effectiveness, only those ADR holders with a **minimum of 3,500 ADRs** may file for a tax reclaim. All reduced withholding tax applications are subject to a service charge imposed by Citibank of a minimum of \$25.00 or \$.003 per American Depositary Share and a maximum service charge is \$2,500.00.

**SPECIAL PROCEDURE FILING DEADLINE:** Beneficial owners who hold ENDESA ADRs on record date must submit the required documentation to: Citibank N.A., c/o Globe Tax Services, Inc., 90 Broad Street, New York, New York, 10004-2205, Attention: Endesa ADRs or as described above in the second documentation requirement, to their nominee or DTC participant so that the documentation is received by Citibank N.A. c/o Globe Tax Services, Inc. **no later than the deadline January 7, 2002.**

**MISSED DEADLINE:** Those beneficial owners who do not submit the required documentation by the date specified above have approximately five years after the ADR record date in which to submit their reclaims *through Citibank N.A. c/o Globe Tax Services Inc.*, at the address mentioned above. Although five years is stipulated as the filing deadline in the Double Taxation Agreement, due to changing Spanish tax laws, it is advised that investors provide the required documentation to Citibank no later than eight weeks prior to the two year anniversary of the ADR record date. Claims received after two years will be processed on a best effort basis.

In addition to the certification of residency issued within **one year** of the ordinary pay date, late filings will require the following documents:

a) A completed, (**Spanish**) **Petición de Devolución** (tax reclaim form), *which must be signed by the beneficial owner(s) or DTC Participant.*

<b>ADR Record Date</b>	<b>December 31, 2001</b>
<b>ADR Pay Date</b>	<b>TBA</b>
<b>Short Form Deadline to claim:</b>	<b>January 7, 2002</b>
<b>Minimum ADRs required to claim:</b>	<b>3,500</b>

**PLEASE NOTE:** *Late filings will be subject to an additional filing fee.*

**EXHIBIT I  
6166 FORMAT GUIDE**

**CERTIFICATION OF RESIDENCY REQUEST FOR U.S RESIDENTS**

*USING THIS FORMAT AS A GUIDE, PLEASE COMPLETE THE SECTIONS ON THE FOLLOWING "BLANK" EXAMPLE. PLEASE SEND THE SIGNED, ORIGINAL DOCUMENT TO THE IRS ADDRESS GIVEN BELOW.*

[ DATE ]

INTERNAL REVENUE SERVICE  
AC/I-FIRPTA UNIT DP # 543  
P.O. BOX 16347  
PHILADELPHIA, PA. 19114

I, [ SHAREHOLDER'S LEGAL NAME AS FILED ON TAX RETURN ] having taxpayer identification number [ SOCIAL SECURITY OR TAXPAYER I.D. NUMBER ] am in the process of applying for tax treaty benefits in Spain.

To facilitate this, I am requesting certification from the Internal Revenue Service (Form 6166) of the following representations, which I hereby state under the penalties of perjury (The certification must refer to the United States-Spain Income Tax Convention.):

I represent that I, [ SHAREHOLDER'S LEGAL NAME AS FILED ON TAX RETURN ]:

- am a resident of the United States at:

[ SHAREHOLDER'S LEGAL ADDRESS ]

- have no permanent establishment in Spain, and

- last filed IRS Form [ TYPE OF IRS TAX FORM FILED -E.G.: 1040, 1040 A, etc. ]

for the tax year ending [ FOR EXAMPLE: YEAR ENDED 12/31/XXXX ].

Please send [ NUMBER OF CERTIFICATIONS NEEDED ] Spanish Form 6166 certification(s) to the following address on my behalf:

**[ DTC PARTICIPANT ADDRESS ]**

Sincerely,

[ SHAREHOLDER'S SIGNATURE ]

EXHIBIT II

COVER LETTER REQUIRED FOR SPANISH TAX RECLAIM FILINGS

THIS DOCUMENT MUST BE PREPARED ON THE DTC PARTICIPANT'S LETTERHEAD

[DATE]

Citibank N.A.  
c/o Globe Tax Services, Inc.  
90 Broad Street - 8th Floor  
New York, NY 10004 - 2205  
Attn: ENDESA ADRS

Enclosed are tax reclamation documents, which we are submitted on behalf of our clients who have had excess tax withheld on Spanish ADRs. We, [NAME OF DTC PARTICIPANT], also known under DTC participant number [DTC PARTICIPANT NUMBER], hereby state that each beneficial owner cited below held the respective amount of shares on the record date of December 31, 2001 for the security ENDESA, S.A. ADR (CUSIP: 29258N107).

Below is the list of beneficial owners and their respective holdings. As required, Certification of Residency or Certificate of Domicile documents issued within **one year** of the ordinary pay date for each beneficial owner are attached. The ratio for ENDESA, S.A. is 1 Ordinary share to 1 American Depositary Receipt. The information is as follows:

<u>Beneficial Owner Name</u>	<u>Address</u>	<u>Taxpayer I.D. Number</u>	<u># of ADRs</u>	<u># of ORDs</u>
1)				
2)				
3)				
4) Etc.				

We ask that CITIBANK N.A., as Depository, present these excess withholding tax refund requests on the above beneficial owners' behalf. Please contact the undersigned at [SIGNATORY'S TELEPHONE NUMBER] should you have any questions.

Sincerely,

**[SIGNATURE OF THE AUTHORIZED OFFICER FOR DTC PARTICIPANT]**  
**[NAME AND TITLE OF AUTHORIZED OFFICER FOR DTC PARTICIPANT]**

Payment Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Citibank is not liable for failure to secure the refund and any funds erroneously received shall be immediately returned to Citibank, including interest, additions to tax or penalties thereon. This is not tax advice. Please consult your tax advisor.

The ADRs/Shares supporting this tax reclaim are based upon ordinary shares which were held by the Depository, or its custodian, on the record date and were not acquired from any entity that has represented to Citibank, N.A. that the share position is not eligible for any tax reclaim