



Important Notice
The Depository Trust Company

B #:	1290-14
Date:	June 25, 2014
To:	All Participants
Category:	Dividends
From:	International Services
Attention:	Operations, Reorg & Dividend Managers, Partners & Cashiers
Subject:	<u>Tax Country:</u> Spain Iberdrola S.A. CUSIP: 450737101 <u>Record Date:</u> 07/02/2014 <u>Payable Date:</u> 07/11/2014

NO EDS

The Depository Trust Company has received from JP Morgan Chase Bank the attached information regarding certain tax refunds on the above captioned dividend.

As directed in the notice, participants that have qualified beneficial holders that expect to benefit from this procedure should secure the required documentation.

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.

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Non-Confidential

Iberdrola S.A. has announced a cash dividend. J.P. Morgan acts as the sole Depository bank for the company's American Depository Receipt ("ADR") program.

On ADR Pay Date, all holders will receive this dividend net of the full Spanish statutory withholding tax rate of 21%.

Subsequent to the payment date on which the dividend less the 21% withholding tax will be paid, beneficial owners may reclaim the difference between the statutory rate and the beneficial owner's rate of entitlement by submitting the required documentation to J.P. Morgan. This issue is **NOT** eligible through the Elective Dividend System ("EDS"). There will be one "Quick Refund" filing deadline and the Standard Long-Form filing deadline entitling beneficiaries up to four years from the Spanish payment date to file for reclaim.

DIVIDEND EVENT DETAILS	
COUNTRY OF ISSUANCE	SPAIN
ISSUE	IBERDROLA S.A.
CUSIP#	450737101
DEPOSITARY	J.P. MORGAN
ADR RECORD DATE	JULY 2, 2014
ADR PAY DATE	JULY 11, 2014
ADR GROSS DIVIDEND RATE	\$ 0.162924
ORD GROSS DIVIDEND RATE	0.03 €
RATIO	4 ORD : 1 ADR
STATUTORY WHT RATE	21%

CHARGES & DEADLINES

FILING METHOD	PAYMENT METHOD	DEPOSITARY SERVICE CHARGE	MINIMUM SERVICE CHARGE PER BENEFICIAL OWNER	FINAL SUBMISSION DEADLINE (ALL TIMES EST)
QUICK REFUND	CHECK	\$0.0035 per ADR	\$25.00 & the greater of 60.00 EUR or 5% Custodial Fee	ESP DEADLINE & DOCUMENTATION DEADLINE: JULY 21, 2014; 5:00 P.M.
STANDARD LONG-FORM	CHECK	\$0.005 per ADR	\$25.00 & the greater of 60.00 EUR or 5% Custodial Fee	MAY 1, 2018

ELIGIBILITY MATRIX

RATE DESCRIPTION	RECLAIM RATE	ELIGIBLE RESIDENTS	DOCUMENTATION REQUIRED
UNFAVORABLE - 21%	0%	NON-TREATY COUNTRIES	NONE
FAVORABLE - 15%	6%	ALL U.S. ENTITIES	<ol style="list-style-type: none"> 1. EXHIBIT I (COVER LETTER) 2. ESP SUBMISSION OR CLIENT LISTING ON EXHIBIT I 3. IRS FORM 6166
FAVORABLE - 15%	6%	ALGERIA, AUSTRALIA, BELGIUM, BOLIVIA, BRAZIL, BULGARIA, CANADA, CROATIA, CUBA, CZECH REPUBLIC, ECUADOR, ESTONIA, FINLAND, FRANCE, HUNGARY, ICELAND, INDIA, INDONESIA, IRELAND, ITALY, JAPAN, KAZAKSTAN, LITHUANIA, LUXEMBOURG, MACEDONIA, MEXICO, MOROCCO, NEW ZEALAND, NORWAY, PHILIPPINES, POLAND, PORTUGAL, ROMANIA, RUSSIAN FEDERATION, SLOVAKIA, SLOVENIA, SOUTH AFRICA, SOUTH KOREA, TUNISIA, TURKEY, UNITED ARAB EMIRATE, VIETNAM	<ol style="list-style-type: none"> 1. EXHIBIT I (COVER LETTER) 2. ESP SUBMISSION OR CLIENT LISTING ON EXHIBIT I 3. CERTIFICATE OF RESIDENCE
FAVORABLE - 15%	6%	AUSTRIA, GERMANY, THE NETHERLANDS, SWEDEN, SWITZERLAND, UNITED KINGDOM	<ol style="list-style-type: none"> 1. EXHIBIT I (COVER LETTER) 2. ESP SUBMISSION OR CLIENT LISTING ON EXHIBIT I 3. PETICION DE REDUCCION (QUICK REFUND) 4. PETICION DE DEVOLUCION (STANDARD LONG-FORM)
FAVORABLE - 12%	9%	COSTA RICA, EL SALVADOR, EGYPT	<ol style="list-style-type: none"> 1. EXHIBIT I (COVER LETTER) 2. ESP SUBMISSION OR CLIENT LISTING ON EXHIBIT I 3. CERTIFICATE OF RESIDENCE
FAVORABLE - 10%	11%	ALBANIA, ARMENIA, BOSNIA-HERZEGOVINA, CHILE, CHINA, GEORGIA, GREECE, HONG KONG, IRAN, ISRAEL, JAMAICA, LATVIA, MOLDOVA, PAKISTAN, PANAMA, SERBIA, THAILAND, TRINIDAD AND TOBAGO, VENEZUELA	<ol style="list-style-type: none"> 1. EXHIBIT I (COVER LETTER) 2. ESP SUBMISSION OR CLIENT LISTING ON EXHIBIT I 3. CERTIFICATE OF RESIDENCE
FAVORABLE - 5%	16%	BARBADOS, COLOMBIA, MALAYSIA, MALTA, SAUDI ARABIA, SINGAPORE, URUGUAY	<ol style="list-style-type: none"> 1. EXHIBIT I (COVER LETTER) 2. ESP SUBMISSION OR CLIENT LISTING ON EXHIBIT I 3. CERTIFICATE OF RESIDENCE
EXEMPT - 0%	21%	EXHIBIT II	<ol style="list-style-type: none"> 1. EXHIBIT I (COVER LETTER) 2. ESP SUBMISSION OR CLIENT LISTING ON EXHIBIT I 3. INCORPORATION DOCUMENT

DESCRIPTION OF VARIOUS DOCUMENTATION (QUICK & STANDARD RECLAIMS)

DOCUMENT NAME	DESCRIPTION	ORIGINAL / COPY	SIGNATURE REQUIREMENT
EXHIBIT I (COVER LETTER)	LISTING OF BENEFICIAL OWNER INFORMATION (NAME, ADDRESS, TAX IDENTIFICATION NUMBER, NUMBER OF SHARES)	ORIGINAL	DTC REPRESENTATIVE
IRS FORM 6166	<ul style="list-style-type: none"> - ISSUED BY THE INTERNAL REVENUE SERVICE, STATING THE NAME AND TAX PAYER IDENTIFICATION NUMBER OF THE BENEFICIAL OWNER - MUST MENTION THE UNITED STATES – SPAIN INCOME TAX CONVENTION - MUST STATE THE TAX YEAR OF THE DIVIDEND'S <u>LOCAL</u> PAY DATE 	ORIGINAL	IRS REPRESENTATIVE
CERTIFICATE OF RESIDENCE	<ul style="list-style-type: none"> - CERTIFIED BY TAX ADMINISTRATION OF BENEFICIARY'S COUNTRY OF RESIDENCE, STATING (IN ENGLISH OR SPANISH) THE NAME AND TAX PAYER IDENTIFICATION NUMBER OF THE BENEFICIAL OWNER - MUST MENTION THE TREATY BETWEEN THE COUNTRY OF RESIDENCE AND SPAIN - MUST STATE THE TAX YEAR OF THE DIVIDEND'S <u>LOCAL</u> PAY DATE OR BE DATED 1 YEAR PRIOR TO THE DIVIDEND'S <u>LOCAL</u> PAY DATE 	ORIGINAL	RELEVANT TAX AUTHORITY
PETICION DE REDUCCION & PETICION DE DEVOLUCION	<ul style="list-style-type: none"> - CERTIFIED BY TAX ADMINISTRATION OF BENEFICIARY'S COUNTRY OF RESIDENCE, STATING (IN ENGLISH OR SPANISH) THE NAME AND TAX PAYER IDENTIFICATION NUMBER OF THE BENEFICIAL OWNER - MUST MENTION THE TREATY BETWEEN THE COUNTRY OF RESIDENCE AND SPAIN - MUST STATE THE TAX YEAR OF THE DIVIDEND'S <u>LOCAL</u> PAY DATE OR BE DATED 1 YEAR PRIOR TO THE DIVIDEND'S <u>LOCAL</u> PAY DATE 	ORIGINAL	RELEVANT TAX AUTHORITY
INCORPORATION DOCUMENT	<ul style="list-style-type: none"> - A COPY OF THE STATUES OF THE ENTITY WHERE IT IS MENTIONED THAT IT IS A SUPRANATIONAL ORGANISM. 	COPY	ENTITY'S REPRESENTATIVE

ESP

powered by **GLOBETAX**

J.P. Morgan, offers ESP powered by GlobeTax, an electronic withholding tax submission system. This system allows for the secure and simplified transfer of beneficial owner level data from the Participant to J.P. Morgan and creates applicable documentation on the Participants behalf.

Submit the data online through the web site below, print out the documents on 1letterhead, sign them, and mail them to J.P. Morgan / GlobeTax along with the necessary required documents.

These claims should be submitted through the following web site. (Requires a one-time registration)

<https://www.globetaxesp.com>

Please contact Ms. Aina Moreno at 1-212-747-9100 or via email at Aina_Moreno@Globetax.com if you have any questions about this process.

FREQUENTLY ASKED QUESTIONS (FAQs)

GENERAL QUESTIONS

QUESTION	ANSWER
WHAT ARE THE MINIMUM AMOUNT OF SHARES NECESSARY IN ORDER TO BE ELIGIBLE FOR RECLAIM AT THE MOST COMMON RATE (6%)?	APPROXIMATELY 10,900 SHARES
HOW LONG DOES IT TAKE TO RECEIVE PAYMENT ON QUICK REFUND RECLAIMS?	APPROXIMATELY 8-12 WEEKS FROM THE QUICK REFUND DEADLINE
HOW LONG DOES IT TAKE TO RECEIVE PAYMENT ON STANDARD LONG-FORM RECLAIMS?	APPROXIMATELY 1-3 YEARS
CAN I SUBMIT ONE IRS FORM 6166 OR CERTIFICATE OF RESIDENCE FOR THE SAME BENEFICIARY FOR MULTIPLE PAY DATES?	NO. AN ORIGINAL DOCUMENT IS REQUIRED FOR EACH DIVIDEND
IS THERE A RELIEF-AT-SOURCE PROCESS FOR THIS EVENT?	NO
WHAT IS THE DIFFERENCE BETWEEN THE PETICION DE REDUCCION AND THE PETICION DE DEVOLUCION?	THE FORMS ARE IDENTICAL, HOWEVER, THE PETICION DE REDUCCION IS THE QUICK REFUND PROCESS AND THE PETICION DE DEVOLUCION IS FOR THE STANDARD LONG-FORM PROCESS
HOW DO I HAVE TO RECLAIM ON THIS DIVIDEND?	FOUR YEARS FROM THE DIVIDEND'S LOCAL PAY DATE

CONTACT DETAILS

PRIMARY CONTACT	AINA MORENO
INTERNATIONAL PHONE	1-212-747-9100
INTERNATIONAL FAX	1-212-747-0029
EMAIL ADDRESS	AINA_MORENO@GLOBETAX.COM
COMPANY	J.P. MORGAN / GLOBETAX
STREET ADDRESS	90 BROAD STREET, 16 TH FLOOR
CITY/STATE/ZIP	NEW YORK, NY 10004
ADDITIONAL CONTACTS	GREGG LEWIS

**EXHIBIT I - COVER LETTER REQUIRED FOR SPANISH STANDARD LONG-FORM RECLAIMS
THIS DOCUMENT MUST BE PREPARED ON THE DTC PARTICIPANT'S LETTERHEAD**

[DATE]

J.P. MORGAN Chase Bank
c/o Globe Tax Services, Inc.
90 Broad Street-16th Floor
New York, NY 10004-2205
Attn: SPAIN

Enclosed please find tax reclamation documents, which we are submitting on behalf of our clients who wish to avoid excess withholding tax on Spanish ADRs. We, [NAME OF DTC PARTICIPANT], also identified as 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 JULY 2, 2014 for the security IBERDROLA S.A.

Below is the list of beneficial owners and their holdings, which total [TOTAL # OF ADRs CITED BELOW] ADRs. As required, the forms and a certification of residency document (Form 6166) if applicable, are enclosed for each beneficial owner. **The ratio is 1 ADRs to 4 Ordinary share.** The information is as follows:

<u>Name</u> <u>of beneficial owner(s)</u>	<u>Address</u>	<u>Type of Account</u>	<u>Taxpayer i.d. #</u>	<u># of ADRs held</u>
1)				
2)				
3)				
4) etc.				

We ask that J.P. Morgan Chase Bank, as Depository, apply to the Spanish depository bank for the reduced withholding tax rate on the above beneficial owners' behalf. Please contact the undersigned at [SIGNATORY'S TELEPHONE NUMBER] or via email at [SIGNATORY'S EMAIL ADDRESS] should you have any questions.

Indemnification

I / We certify that to the best of my knowledge the individual beneficial owners are eligible for the preferential rates as stated herein and I declare that I have performed all the necessary due diligence to satisfy myself as to the accuracy of the information submitted to me by these beneficial owners.

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

Sincerely,

[Signature of authorized signatory for DTC Participant]
[NAME AND TITLE OF AUTHORIZED OFFICER FOR DTC PARTICIPANT]

PAYMENT ADDRESS: _____

EXHIBIT II- THE LIST OF THE TAX-EXEMPT ENTITIES

African Development Bank
Asian Development Bank
European Bank for Reconstruction and Development
European Central Bank
European Investment Bank
European Monetary Institute
European Patent Organization
European Space Agency
European Union
Inter-American Development Bank
International Atomic Energy Agency
International Bank of Reconstruction and Development (IBRD)
International Civil Aviation Organisation
International Development Association
International Financial Corporation
International Fund for Agricultural Development
International Labour Organisation (ILO)
International Maritime Organisation
International Monetary Fund (IMF)
International Oil Council
International Telecommunications Union
North Atlantic Treaty Organization (NATO)
Spanish Red Cross
United Nations Children's Fund (UNICEF)
United Nations (UN)
United Nations Refugee Agency
United Nations Education, Science and Culture Organisation (UNESCO)
United Nations Food and Agricultural Organisation
United Nations World Food Program
Universal Postal Union
World Health Organisation (WHO)
World Intellectual Property Organisation (WIPO)
World Tourism Organisation (WTO)
World Trade Organisation
World Weather Organisation