

**MAPFRE RECORDED A PROFIT BEFORE TAX OF €573 MILLION
IN THE FIRST HALF OF 2006, A 11% INCREASE OVER 2005***

Revenues also grew 11% reaching €7,144 million

CORPORACIÓN MAPFRE, the Group's listed holding company, increased its net profit by 10% to €164.3 million

The Group expects to reach a profit before tax and minority interests of more than €1,000 million and revenues of nearly €14,500 million at the close of 2006

MAPFRE has released today its results for the first half of 2006, in which the Group has increased its profit before tax and minorities by 10.6% to €573 million, the following aspects being noteworthy:

- Total revenues reached €7,144 million, a figure 10.6% higher than that of the first half of 2005.
- Insurance and reinsurance premiums amounted to nearly €5,978 million, a 10.8% increase.
- The America Operating Unit recorded an outstanding increase in its revenues, which grew more than 45% to €1.364 million this half year.
- CORPORACIÓN MAPFRE, the Group's listed company, increased its net profit 10.3% to €164.3 million.
- The *pro forma* net profit, after tax and minority interests, of the future MAPFRE S.A., including the businesses that will be contributed to CORPORACIÓN MAPFRE reached €300.5 million.

* Consolidated profit before tax and minority interests of SISTEMA MAPFRE, which is equal to the *pro forma* profit of the future MAPFRE S.A.



MAPFRE

PRESS RELEASE

1. Group's profit

MAPFRE recorded at the close of June 2006 total revenues of €7,144, an increase of 10.6% over the previous year, €5,978 million of which corresponded to insurance and reinsurance premiums, equivalent to a growth of nearly 11%. Premiums growth in Non-life insurance stood out, increasing 13.4%, to €4,730.4 million.

Third-party funds managed in Life Insurance and Saving products reached €19,383.6 million at the close of the first half of 2006.

The consolidated profit before tax and minority interests of the Group was €572.7 million, an 11.3% increase. The figure coincides with the profit before tax and minority interests *pro forma* of the future MAPFRE S.A, whose *pro forma* net profit, after tax and minority interests, was €300.5 million.

2. CORPORACIÓN MAPFRE increased its profit by 10.3%

CORPORACIÓN MAPFRE, the listed company for most of the Group's subsidiaries, filed today with the Nacional Securities' Markets Commission ("Comisión Nacional del Mercado de Valores" or "CNMV") a report on its results at the close of June 2006, which likewise evolved positively. The total revenues of CORPORACIÓN MAPFRE and its subsidiaries reached €5,368.4 million between January and June 2006, which represents an increase close to 9% over the same period of the previous year.

The consolidated profit before tax and minority interests was €371.2 million, an 11.3% increase, and the net attributable result €164.3 million, exceeding the figure for the first six months of the previous year by 10.3%. Without the change in the value of some investments (IFRS adjustments), the net profit would have increased by 15.4%.



MAPFRE

PRESS RELEASE

The total volume of premiums written at the close of June 2006 grew 11.1% to €4,420.7 million. Among business lines, it is worth noting the growth recorded in the volume of Non-life premiums in the Commercial, General and Health Insurance Operating Units, which was in the region of 10%.

Among the subsidiaries of CORPORACIÓN MAPFRE that operate abroad, it is worth noting the revenues of MAPFRE AMÉRICA, which exceeded €1,039 million, up 41.9%, reflecting growth across all countries, especially Brazil (80%) and Mexico (55%). In the first six months of the year, the Group opened 127 new offices in the Americas.

During the month of July, Standard & Poor's has raised the rating assigned to MAPFRE RE, from "AA-" to "AA" with a stable outlook. Furthermore, the agency affirmed the "AA" ratings assigned to MAPFRE MUTUALIDAD and MAPFRE EMPRESAS, both with a stable outlook. Standard & Poor's also affirmed the "AA-" rating with a stable outlook on the debt issue of CORPORACIÓN MAPFRE.

July 25th 2006, Madrid

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FINANCIAL INFORMATION FOR SISTEMA MAPFRE AS AT 30.06.2006

1. Consolidated Income Statement for GRUPO MAPFRE (IFRS)⁽¹⁾

ITEMS	€ million		% Variation 06 / 05
	2006	2005	
NON-LIFE INSURANCE AND REINSURANCE			
Gross written and accepted premiums	4.730,4	4.170,2	13,4
Premiums earned, net of ceded and retroceded reinsurance	3.430,8	3.055,2	12,3
Net claims incurred and variation in other technical provisions	(2.453,5)	(2.159,9)	13,6
Net operating expenses	(771,4)	(625,6)	23,3
Other technical income and expenses	(25,0)	(29,0)	(13,8)
TECHNICAL RESULT	180,9	240,7	(24,8)
Net financial and other non-technical income	288,0	174,4	65,1
Result of the Non-life business	468,9	415,1	13,0
LIFE INSURANCE AND REINSURANCE			
Gross written and accepted premiums	1.247,6	1.224,2	1,9
Premiums earned, net of ceded and retroceded reinsurance	1.160,9	1.133,8	2,4
Net claims incurred and variation in other technical provisions	(1.166,6)	(1.465,4)	(20,4)
Net operating expenses	(159,9)	(95,3)	67,8
Other technical income and expenses	(3,1)	(6,0)	(48,3)
TECHNICAL RESULT	(168,7)	(432,9)	(61,0)
Net financial and other non-technical income	241,8	489,2	(50,6)
Unrealised gains and losses in unit-linked investments	2,9	12,0	(75,8)
Result of the Life business	76,0	68,3	11,3
OTHER BUSINESS ACTIVITIES			
Operating income	257,6	140,4	83,5
Operating expenses	(230,0)	(126,6)	81,7
Other income and expenses	0,2	17,4	(98,9)
Result of the Other Business Activities	27,8	31,2	(10,9)
RESULT BEFORE TAX AND MINORITY INTERESTS	572,7	514,6	11,3
TAX	(184,4)	(165,6)	11,4
RESULT FOR THE PERIOD	388,3	349,0	11,3
MINORITY INTERESTS	(87,8)	(75,1)	16,9
RESULT AFTER TAX AND MINORITY INTERESTS	300,5	273,9	9,7

2. Consolidated results of CORPORACION MAPFRE (IFRS)

COMPANIES	€ million		% Variation 06 / 05
	2006	2005	
<u>Subsidiaries of MAPFRE-CAJA MADRID HOLDING</u>			
MAPFRE VIDA	84,4	83,1	1,6
MAPFRE SEGUROS GENERALES	82,4	66,6	23,7
MAPFRE EMPRESAS	65,9	65,3	0,9
MAPFRE CAJA SALUD	9,5	8,3	14,5
<u>Other subsidiaries of CORPORACION MAPFRE</u>			
MAPFRE AMERICA	50,6	44,6	13,5
MAPFRE RE	66,1	58,7	12,6
MAPFRE ASISTENCIA	4,7	4,3	9,3
TOTAL SUBSIDIARIES	363,6	330,9	9,9
Consolidation adjustments and other items	7,6	2,5	-
RESULT BEFORE TAX AND MINORITY INTERESTS	371,2	333,4	11,3
TAX	(119,1)	(107,9)	10,4
RESULT FOR THE PERIOD	252,1	225,5	11,8
MINORITY INTERESTS	(87,8)	(76,5)	14,8
RESULT AFTER TAX AND MINORITY INTERESTS	164,3	149,0	10,3

(1) *Pro forma* income Statement of MAPFRE S.A. and subsidiaries corresponding to the Group's future corporate structure. The income Statement of SISTEMA MAPFRE (current structure) coincides with the one shown in this document, except in items "Tax" and "Minority Interests"