

**MAPFRE MUST CONTINUE TO GROW STRONGLY  
TO INCREASE ITS SIZE AND PROMOTE  
THE PROFESSIONAL DEVELOPMENT OF THE EMPLOYEES OF ITS GROUP OF  
COMPANIES**

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**CORPORACIÓN MAPFRE to carry out a €500 million capital increase**

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**MAPFRE will devote a 4.64% of its net result to socially relevant activities through  
its foundations**

The Annual General Meetings of MAPFRE MUTUALIDAD, the parent company of SISTEMA MAPFRE (the MAPFRE GROUP), and of CORPORACION MAPFRE, the listed holding company for the main joint-stock companies that belong to the aforesaid Group, were held this morning in the 'Palacio de Congresos' of the Madrid Fair.

- During the General Shareholders' Meeting of CORPORACION MAPFRE, which was the first of the two meetings to be held, the Board of Directors informed shareholders that, in its meeting held immediately ahead of the Shareholders' Meeting, it has resolved to carry out a €500 million rights issue, in accordance with the terms detailed in the annex to this press release.

The Executive Vice-Chairman, Domingo Sugranyes, presented the results for fiscal year 2003. CORPORACION MAPFRE and its subsidiaries achieved a gross consolidated result of €320.6 million, a 23.8% increase, and a net attributable result of €141.3 million, equivalent to €0.78 per share.

In compliance with the recently introduced legal requirements on transparency, the reports on Corporate Governance and Internal Audit have been released, together with the Regulations of the Board of Directors. The regulations of the General Shareholders' Meeting and a proposal to modify the Articles of Association in order to adapt the regulation of the Audit Committee to the new legal requirements, were submitted to the General Shareholders' Meeting for approval.

The General Shareholders' Meeting approved all proposals submitted to its approval, which included: the payment of an interim dividend of € 0.10 per share; the reelection of Board members Mr. Domingo Sugranyes Bickel, Mr. Rafael Galárraga Solares and Mr. Dieter Göbel; the appointment of Mr. Luis Iturbe Sanz de Madrid as a new independent Board member, replacing Mr. Felipe Rodrigo Zarzosa, who left the Board of Directors recently, having reached the age limit established in the Articles of Association; and the ratification of the appointment of Mr. Victor Bultó Millet.

- The Annual General Meeting of MAPFRE MUTUALIDAD approved a number of proposals including: the activities of the Board of Directors; the 2003 Annual Accounts of MAPFRE MUTUALIDAD and the consolidated 2003 accounts of SISTEMA MAPFRE, which reflect a gross result of € 606 million, a 38% increase, and a net result attributable to MAPFRE MUTUALIDAD of € 298.6 million, a 45% increase; the reelection of Board members Mr. Santiago Gayarre Bermejo, Mr. Rafael Fontoira Suris, Mrs. Francisca Martín Tabernerero, Mr. Agustín Rodríguez García, Mr. Francisco Vallejo Vallejo and Mr. Primitivo de Vega Zamora; the appointment of Mr. Eduardo Fernández de la Fuente replacing Mr. Juan I. Pérez Íñiguez; the transfer of the agricultural and livestock insurance business to the new subsidiary MAPFRE AGROPECUARIA Compañía Internacional de Reaseguros, S.A; and donations to the MAPFRE Foundations amounting to € 16.9 million, which together with the € 3.8 million contributed by other SISTEMA MAPFRE companies, will be equal to an allocation of



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4.64% of the Group's net consolidated result to socially relevant activities through such foundations.

The Chairman of SISTEMA MAPFRE, José Manuel Martínez, in its speech delivered before the Annual General Meeting, underlined that the gross result of SISTEMA MAPFRE increased by 38% with respect to the previous year, exceeding by more than € 100 million the estimated target, which already took into account the strong increase in profit (40%) achieved in 2002 with respect to 2001. This means that the targets set in the Strategic Plan of SISTEMA MAPFRE will be achieved over one year earlier than expected.

Mr. Martinez mentioned the numerous awards MAPFRE received during this fiscal year as well as the upgrades of the ratings assigned to it by the rating agencies, which underscore the general acknowledgement of the quality of management in SISTEMA MAPFRE.

Mr. Martinez commented on the acquisitions carried out and the new projects implemented during the fiscal year, with a particular reference to MUSINI and MUSINI VIDA. He underlined that a core goal of MAPFRE's strategy is to maintain strong growth rates in order to increase its size, thus also enhancing the professional development opportunities for its employees. Along these lines, he announced the immediate opening of both a representative office of CORPORACION MAPFRE and a subsidiary of MAPFRE ASISTENCIA in China, as a preliminary step towards a presence in the direct insurance business in a market whose importance in the world economy can only be expected to increase.

Mr. Martinez valued very positively the results of the revision of the senior management structures of SISTEMA MAPFRE carried out at the end of 2002. He also underlined the excellent results of the alliance with CAJA MADRID, highlighting its importance for the development of SISTEMA MAPFRE.



## PRESS RELEASE

He stressed that productivity increase and customer focus are key factors for the business success of SISTEMA MAPFRE. These factors underpin the revision plan for the Territorial Structure of SISTEMA MAPFRE, which aims to increase efficiency, exploit synergies, enhance the effectiveness of sales initiatives, and improve the services offered to policyholders and customers, maintaining the principle of specialisation in the management of the various operating units. Along these lines, he underlined the fact that 113 new branches were opened in Spain and 300 in the Americas during 2003, and that in 2004 a further 221 new branches will be opened in Spain and 200 in the Americas, to boost organic growth and allow for a greater proximity to customers.

SISTEMA MAPFRE, an independent Spanish Group, is formed by MAPFRE MUTUALIDAD DE SEGUROS Y REASEGUROS A PRIMA FIJA and another 247 companies with presence in 37 countries. In 2003, its consolidated revenues amounted to € 9,250 million and its funds under management reached € 25,677 million. At the end of fiscal year 2003, it had 3,529 branches (2,725 in Spain and 804 in other countries) and employed 18,605 persons ( 10,064 in Spain and 8,541 in other countries).

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