

**MAPFRE ACHIEVED A RECORD GROSS PROFIT OF €872 MILLION
DESPITE HURRICANES.**

GROUP REVENUES APPROACHED €12,500 MILLION.

**CORPORACIÓN MAPFRE, THE GROUP'S LISTED HOLDING COMPANY,
INCREASED ITS NET PROFIT BY ALMOST 20%.**

The chairman of MAPFRE, José Manuel Martínez Martínez, presented the results of SISTEMA MAPFRE in 2005, which he described as very positive, highlighting, among others, the following aspects:

- The gross result achieved the record amount of €872 million, despite the impact of various negative factors, and specially the hurricanes.
- The target of €10,000 million in insurance and reinsurance premiums was widely exceeded. Premiums reached €10,110 million and total revenues amounted to €12.485 million, a 13.3% increase.
- CORPORACIÓN MAPFRE, the group's listed holding company, increased its net profit by 20% and will distribute a dividend of €0.32 euros per share, an 18% increase over 2004.
- MAPFRE AMÉRICA doubled its profit in 2005 and is now the third largest business unit of the Group.
- A new holding company was created, MAPFRE INTERNACIONAL, to promote the expansion of the Group in direct insurance in geographical areas other than Latin America, and particularly in Europe.
- A restructuring was implemented, raising the foundational activities of SISTEMA MAPFRE to the highest strategic level within the organisation. Since 1 January 2006, their activities are carried out through the five institutes which FUNDACIÓN MAPFRE now comprises, including the newly created Social Action Institute.



MAPFRE

PRESS RELEASE

1. Profit of the Group

In fiscal year 2005, MAPFRE obtained total revenues of €12,485 million, a 13.3% increase. For the first time ever, the Insurance Group exceeded ten thousand million euros in premiums (€10,110 million) in insurance and reinsurance, an increase of 13.4%. This positive development came primarily from organic growth.

Funds under management in Life insurance and Savings products grew 11% over the previous year to €19,585 million.

The gross profit under IFRS was €872 million, a 2.9% increase, and profit after tax reached €638 million, exceeding the figure for the same period of 2004 by 3%. Of this net result, €252 million are attributable to minority shareholders and the remaining €385 million to MAPFRE MUTUALIDAD, the Group's parent company.

Under IFRS, due to the absence of the equalisation reserve, the result was influenced by the impact of catastrophe claims in accepted reinsurance (particularly hurricanes *Katrina* and *Wilma*), the cost of which was entirely recorded in 2005, the year in which they were incurred.

2. CORPORACIÓN MAPFRE increased its net profit by 19.3%

CORPORACION MAPFRE, the holding company for most Group subsidiaries that is listed on the Stock Exchange, filed today with the CNMV the report on its results for 2005, which likewise developed very favourably. Its consolidated profit before tax and minority interests reached €548 million, and its net attributable profit was €250 million, a 19.3% increase over the previous year.

The subsidiaries of CORPORACIÓN MAPFRE which carry out their activities in Spain, grouped under MAPFRE - CAJA MADRID Holding de Entidades Aseguradoras, achieved a premiums volume of €4,509 million, a 6% increase, and a gross consolidated profit (before tax and minority interest) of €397 million, a 17% increase.

The subsidiaries of CORPORACIÓN MAPFRE which carry out their activities abroad recorded a positive evolution of their businesses with significant increases in their premiums in local currency and in their profits: MAPFRE AMÉRICA obtained a net profit of €105.7 million, which nearly doubles the profit for the previous year and includes non-recurring fiscal income of €30.6 million; the net profit of international



MAPFRE

PRESS RELEASE

reinsurer MAPFRE RE reached €32.3 million, vs. €45.6 million on the previous year; and MAPFRE ASISTENCIA made a net profit of €10 million, almost tripling the figure for 2004.

The Board of Directors of CORPORACIÓN MAPFRE will propose to the General Meeting the payment of a dividend of €0.32 euros per share, equivalent to a 19% increase with respect to the previous year, of which €0.17 euros were already distributed on an interim basis in November 2005.

3. Targets

For 2006, SISTEMA MAPFRE set itself the target to exceed, for the first time ever, €1,000 million in profit.

Madrid, 8 February 2006

Should you need further information, please contact MAPFRE, Dirección General de Comunicación y Responsabilidad Social (phone+34 91 581 22 16, fax +34 91 581 83 82, e-mail ndelolm@mapfre.com).

FINANCIAL INFORMATION FOR SISTEMA MAPFRE AS AT 31.12.2005

1. Consolidated Income Statement for MAPFRE MUTUALIDAD and its subsidiaries (IFRS)

| ITEMS | €million | |
|---|----------------|----------------|
| | 2005 | 2004 |
| NON-LIFE INSURANCE AND REINSURANCE | | |
| Gross written and accepted premiums | 7,801.1 | 6,736.0 |
| Premiums earned, net of ceded and retroceded reinsurance | 6,409.1 | 5,476.5 |
| Net claims incurred and variation in other technical provisions | (4,712.5) | (3,841.8) |
| Net operating expenses | (1,349.8) | (1,105.9) |
| Other technical income and expenses | (64.7) | (90.7) |
| TECHNICAL RESULT | 282.1 | 438.1 |
| Net financial and other non-technical income | 401.8 | 263.5 |
| Result of the Non-life business | 683.9 | 701.6 |
| LIFE INSURANCE AND REINSURANCE | | |
| Gross written and accepted premiums | 0.0 | 0.0 |
| Premiums earned, net of ceded and retroceded reinsurance | 2,309.0 | 2,176.0 |
| Net claims incurred and variation in other technical provisions | (2,558.2) | (2,467.2) |
| Net operating expenses | (269.2) | (224.0) |
| Other technical income and expenses | (9.7) | (14.1) |
| TECHNICAL RESULT | (661.0) | (627.4) |
| Net financial and other non-technical income | 763.7 | 736.2 |
| Unrealised gains and losses in unit-linked investments | 25.6 | 18.3 |
| Result of the Life business | 128.3 | 127.1 |
| OTHER BUSINESS ACTIVITIES | | |
| Operating income | 406.4 | 295.7 |
| Operating expenses | (355.5) | (275.3) |
| Other income and expenses | 8.9 | (1.8) |
| Result of the Other Business Activities | 59.8 | 18.6 |
| Result before tax and minority interests | 872.0 | 847.3 |
| Taxes | (234.0) | (227.8) |
| Result after tax | 638.0 | 619.5 |

2. Consolidated results of CORPORACION MAPFRE (IFRS)

| COMPANIES | €million | |
|---|--------------|--------------|
| | 2005 | 2004 |
| <u>Subsidiaries of MAPFRE-CAJA MADRID HOLDING</u> | | |
| MAPFRE VIDA | 172.3 | 159.8 |
| MAPFRE SEGUROS GENERALES | 111.6 | 108.1 |
| MAPFRE EMPRESAS | 103.9 | 92.1 |
| MAPFRE CAJA SALUD | 15.7 | 6.7 |
| <u>Other subsidiaries of CORPORACION MAPFRE</u> | | |
| MAPFRE AMERICA | 91.6 | 70.4 |
| MAPFRE RE | 54.4 | 72.0 |
| MAPFRE ASISTENCIA | 14.2 | 3.8 |
| TOTAL SUBSIDIARIES | 563.6 | 512.9 |
| Consolidation adjustments and other items | (15.7) | (33.3) |
| Result before tax and minority interests | 547.9 | 479.6 |
| Taxes | (154.1) | (148.1) |
| Result after tax | 393.8 | 331.5 |
| Result attributable to minority interests | (144.0) | (122.1) |
| Result attributable to CORPORACIÓN MAPFRE | 249.8 | 209.4 |