

**MAPFRE SIGNS A MEMORANDUM OF UNDERSTANDING FOR THE ACQUISITION OF 80% OF THE TURKISH INSURER GENEL SIGORTA**

As a further step in its expansion strategy, MAPFRE INTERNACIONAL is in exclusive negotiations with the Turkish group ÇUKUROVA to acquire an 80% stake in GENEL SIGORTA, Turkey's 10<sup>th</sup> largest Non - Life insurer and 6<sup>th</sup> largest Motor insurer. Following the transfer of certain non-core businesses, which will remain within the ÇUKUROVA group, this agreement will imply for MAPFRE an outlay of approximately €285 million for the aforementioned 80% stake in GENEL SIGORTA.

GENEL SIGORTA, with an expected premiums volume of €180 million in 2007, of which 80% will come from Non-life insurance, has a 3.2% share of the Turkish market and obtained in 2006 an estimated net profit of €27 million, an increase of 15% versus the previous year. The estimated equity of the company at year end 2006 was €260 million, while its ROE reached 10.6%.

GENEL SIGORTA and its Life assurance subsidiary GENEL YASAM employ 310 highly qualified staff and have a distribution network made up of 297 tied agents which cover the entire country.

The ÇUKUROVA group, which will maintain a 20% shareholding in GENEL SIGORTA, is one of the largest industrial groups in Turkey and operates in the telecommunications, press and radio, motor, shipping, packaging and construction sectors.

This acquisition gives MAPFRE access to the direct insurance market in Turkey, a country which has huge growth potential and is experiencing fast growth, with 71 million inhabitants and an insurance penetration rate (premiums as a proportion of GDP) of 1.6% versus 8.6% for the EU.

MAPFRE S.A. has a presence in 40 countries and is the leading insurer in the Spanish market and in Non-Life insurance in Latin America. At year end 2006, MAPFRE generated total revenues of €13.6 billion and has a market capitalisation in excess of €8.5 billion.

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