

RELEVANT FACT

Notice is hereby given to the CNMV that the Board of Director of MAPFRE, S.A. has approved a scrip dividend plan in newly issued shares, under the terms stated in the document of the said plan attached below.

Madrid, 4<sup>th</sup> May 2011

## **SCRIP DIVIDEND PLAN IN NEWLY ISSUED SHARES**

On 5<sup>th</sup> March 2011, the Ordinary General Meeting of the Company agreed to distribute a final dividend against the 2010 results of €0.08 gross per share, to all the shares, payable on the date to be determined by the Board of Directors within the period from 1<sup>st</sup> May to 30<sup>th</sup> June 2011.

Today, the Board of Directors of the Company has approved a scrip dividend plan for said dividend by means of the subscription of newly issued shares, under the following terms:

### **Payment of dividends**

The final dividend will be paid as of 22<sup>nd</sup> June 2011.

### **Reinvestment of dividends**

The reinvestment of the aforementioned final dividend shall take place by means of the subscription of the corresponding capital increase, to which all the shareholders of the Company at the closing of the market on the day prior to the payment of said final dividend who have not sold their rights shall be eligible.

Said shareholders shall be eligible to reinvest in new shares of the Company, issued under the terms set out in the following section, up to 81% of the gross dividend corresponding to the shares they own.

Said percentage results from applying the statutory withholding tax of 19%, and provides an equitable treatment to shareholders, as well as the maintenance of their participation percentage in the share capital.

### **Capital increase**

In order to implement the scrip dividend plan, the Board of Directors, pursuant to the authorisation conferred by the General Meeting on 5<sup>th</sup> March 2011, agreed to increase the share capital in line with the payment of the interim dividend for a maximum total amount, including the issuance premium, equivalent to 81% of the total amount of said dividend.

The issuance price of the new shares shall correspond to the arithmetical average of the average weighted prices of MAPFRE S.A.'s shares during the stock market sessions of 23<sup>rd</sup>, 24<sup>th</sup> and 25<sup>th</sup> May 2011, applying a 5% reduction and rounded to the nearest thousandth of Euro.

The new shares shall grant its owners the same political and economic rights as the shares currently in issue.

The admission to listing to the Madrid and Barcelona Stock Exchanges of the new shares of the Company issued as a result of the capital increase will be requested.

### Reinvestment Procedure

Shareholders shall give instructions to their Custodian bank where the shares are deposited for its subscription/reinvestment within the subscription period of the newly issued shares.

CARTERA MAPFRE, the majority shareholder of MAPFRE, S.A, will inform the CNMV about its intention to subscribe its share of the capital increase.

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For the execution of the scrip dividend plan set out above, the Board of Directors has resolved to:

1. Pay, as of 22<sup>nd</sup> June 2011, the final dividend against the 2010 results agreed by the Annual General Meeting on 5<sup>th</sup> March 2011, which represents €0.08 gross per share to all the shares in issue (numbers 1 to 3,012,154,351, both inclusive).
2. Approve the scrip dividend plan for the foreseen final dividend against the 2010 results into the newly issued shares resulting from the capital increase described under the following resolution.
3. Increase the share capital, in exercise of the authorisation granted at the General Meeting held on 5<sup>th</sup> March 2010, in the amount resulting from multiplying (a) the par value of each MAPFRE S.A.'s share, equivalent to €0.10, by (b) the total number of new shares of MAPFRE S.A. which are issued, according to the formula set out in section 4 below (hereafter New Shares), without exceeding in any case the amount of the capital increase, including the share premium, of €195,187,601.95.

The capital increase shall take place by means of the issuance and circulation of the New Shares, which will be ordinary shares, of €0.10 par value each, of the same class and series as before, numbered consecutively as from the current number of shares, whose subscription and payment shall take place in the following terms:

- a) The rate of issue of the New Shares (hereafter Issuance Price) shall be equivalent to the arithmetical average of the weighted average prices of MAPFRE S.A.'s shares during the stock market sessions of 23<sup>rd</sup>, 24<sup>th</sup> and 25<sup>th</sup> May 2011, applying a 5% reduction and rounded to the nearest thousandth of Euro, €0.10 of which shall correspond to its par value and the remainder to legal reserves, until said reserves reach 20% of the share capital; the excess over such amount shall be added to voluntary reserves.
- b) The new shares shall be paid in full at the moment of its subscription in cash.
- c) The new shares shall participate in the results which will be distributed from 15<sup>th</sup> July 2011 onwards.
- d) Existing shareholders shall have pre-emptive rights for the subscription of the newly issued shares as stated in the Companies Act, which can be exercised in the 15 days after the rights offering is announced on the official news board of the Spanish Mercantile Register (Boletín Oficial del Registro Mercantil); it shall be possible to subscribe one new share for the number of old shares resulting from the application of the formula set out in section 4 below.

- e) Once the period for exercising the pre-emptive rights has elapsed, if the shares corresponding to the foreseen capital increase were not subscribed and paid-up in full, the share capital shall be increased in the actual subscription amount.
4. The number of New Shares to be issued in the capital increase shall be that resulting from applying the following formula, rounded to the immediately lower integer:

$$\text{NNS} = \text{TNS} / \text{No. Rights}$$

Where,

NNS = Number of New Shares to be issued

TNS = Total number of shares of MAPFRE S.A. currently in issue<sup>1</sup>

No. Rights = Number of pre-emptive rights necessary to subscribe a New Share, which will result from applying the following formula, rounded to the higher integer:

$$\text{No. Rights} = \text{TNS} / \text{Potential Maximum Number of Shares}$$

where,

$$\text{Potential Maximum Number of Shares} = 195,187,601.95 / \text{Issuance Price}$$

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<sup>1</sup> 3,012,154,351 shares