

**MAPFRE AND MUTUA VALENCIANA AUTOMOVILISTA AGREE TO INTEGRATE
THE MUTUAL INSURER'S BUSINESSES INTO MAPFRE**

The terms of the agreement ensure the preservation of the rights of the staff,
policyholders and clients of the Mutual Insurer and of its subsidiaries

MAPFRE and MUTUA VALENCIANA AUTOMOVILISTA have signed a memorandum of understanding to integrate the activities and businesses of said Mutual Insurer together into the insurance subsidiaries of MAPFRE S.A.

Under said agreement, MUTUA VALENCIANA will transfer to MAPFRE AUTOMÓVILES its Motor insurance portfolio, which makes up most of its business. The portfolios of the other business lines will be integrated into the corresponding subsidiaries of MAPFRE S.A., according to their respective lines of activity.

The parties will define jointly the most appropriate legal structures to carry out the integration, as well as its economic terms, which will be established in accordance with the reports prepared by independent experts on the basis of the Annual Accounts for fiscal year 2006 that are currently being drafted. The aforementioned reports will be submitted for approval to MUTUA VALENCIANA's General Assembly together with the corresponding agreements.

The terms of the agreement ensure the preservation of the rights of the policyholders, staff and intermediaries, as well as the continuation of the business activities of MUTUA VALENCIANA's subsidiaries and of the petrol station, car repair and radiotaxi services currently provided to its policyholders.

In 2006, MUTUA VALENCIANA obtained revenues in excess of €130 million, most of which corresponded to Motor insurance premiums, with a strong penetration in the Valencia and Andalusia regions. The entity has 300,000 clients, 390 employees and 71 branches.

January 26th 2007, Madrid

For further information, please contact MAPFRE, Corporate Department of Communications and Social Responsibility (phone +34-91-581-8196 or +34-91-581-4653, fax +34-91-581-8382, e-mail susanadiaz@mapfre.com; joaquinhernandez@mapfre.com).