

**MAPFRE ENTERS INTO AN ALLIANCE WITH GRUPPO CATTOLICA  
TO DEVELOP THE MOTOR INSURANCE BUSINESS IN ITALY**

**The new entity, MAPFRE CATTOLICA AUTO, will rank as the  
fifth largest Motor insurer in Italy**

MAPFRE and SOCIETA CATTOLICA DI ASSICURAZIONI (CATTOLICA) have signed today a memorandum of understanding to develop jointly in Italy the Motor insurance business distributed through the agents network. This agreement will place MAPFRE among the ten largest European Non-life insurers and is aligned with its strategy to strengthen its presence in direct insurance markets with a significant growth potential.

The alliance, which will come into place during 2007, subject to the granting of the relevant authorisations, will be effected through DUOMO ASSICURAZIONI, a subsidiary of CATTOLICA, which will receive the Motor insurance business of the latter, together with that of subsidiary UNIONE ASSICURAZIONI, and will be renamed as MAPFRE CATTOLICA AUTO. MAPFRE will acquire a 50% shareholding in the new company through an investment of €473 million. The alliance will be revised every five years.

MAPFRE CATTOLICA AUTO will begin to operate with a volume of business in excess of €1 billion; a distribution network with over 1,400 branches throughout Italy; and an initial net equity of €400 million. The new entity, MAPFRE CATTOLICA AUTO, will rank as the fifth largest Motor insurer in Italy.

CATTOLICA and MAPFRE will share the management of MAPFRE CATTOLICA AUTO and will nominate an equal number of members of the Board of Directors. CATTOLICA will appoint the Chairman and the Chief Executive, the latter subject to prior approval by MAPFRE. MAPFRE will appoint the Vice-Chairman and the



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General Manager. It is expected that the present Chief Executive, Mr. Ezio Paolo Reggia, will continue to hold this position.

The alliance between MAPFRE and CATTOLICA will strengthen the excellent relationship that the two entities have maintained for over 20 years and will allow both to benefit from their respective experience. The agreement with MAPFRE, the leading Motor insurer in Spain, will allow CATTOLICA to enhance its range of products and introduce the experience of the Spanish Group in customer service. At present, the penetration of Non-life insurance in the Italian market (2.6% of GDP) is lower than the European average (3.5%).

Gruppo CATTOLICA recorded at the close of 2005 a profit of €139 million and a total volume of premiums of €5.188 million. The Group is formed by Società Cattolica di Assicurazioni, a company listed on the Milan Stock Exchange, and another thirteen insurance subsidiaries. MAPFRE holds a 3% stake in the Italian Group, which ranks as the fifth largest insurer in the country.

Grupo MAPFRE is the leading Spanish insurer with a market share of 14% overall and of 21% in the Motor insurance business. In 2005, it recorded a profit of €638 million and a volume of premiums of €10,110 million. At present, it operates in 39 countries and ranks as the largest Non-life insurer in Latin America.

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