

RELEVANT FACT

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

Madrid, 26<sup>th</sup> October 2009

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

Approval of the distribution of an interim dividend against 2009 results of 0.07 euros gross per share to shares numbered 1 through to 2,863,410,355, each inclusive, payable on the day following the end of the subscription period of the capital increase referred hereto within this document. The Board of Directors of the Company has approved a dividend reinvestment plan of said dividend by means of the subscription of newly issued shares, under the following terms:

### **Reinvestment of dividends**

The reinvestment of the interim dividend against the 2009 results shall take place by means of the appropriate capital increase, to which will be eligible all shareholders of the Company at the close of the market on the day prior to the payment of said interim dividend who does not sell his/her rights .

Said shareholders will be eligible to reinvest up to 82% of the gross dividend corresponding to the shares they own, in new shares of the Company, issued under the terms contained in the following section.

Said percentage is the result of applying a withholding tax of 18%, 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 dividend reinvestment plan, the Board of Directors, pursuant to the authorization conferred by the General Meeting on 7<sup>th</sup> March 2009, agreed to increase the share capital in the amount corresponding to the payment of the final dividend for a maximum total amount, including the issuance premium, of 164,047,380.91 Euros.

The issuance price of the new shares (3,151%) is the result of comparing the average closing prices of MAPFRE S.A.'s shares, on the continuous market (SIBE), thirty (30) calendar days prior to 26<sup>th</sup> October 2009 (from 26<sup>th</sup> September 2009 to 25<sup>th</sup> October 2009, inclusive), with the volume weighted average price of MAPFRE's shares for those transactions undertaken on 23<sup>rd</sup> October 2009, the last effective date from a market perspective, prior to the adoption of the capital increase proposal, with the application of the first calculation, given it is lower than the latter.

The new shares to be issued shall grant its owners the same political and economic rights to shares currently in circulation.

Admission for listing to the Madrid and Barcelona Stock Exchanges of the new Company shares issued, resultant from the capital increase, will be requested.

### **Reinvestment Procedure**

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

CARTERA MAPFRE, the main 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 dividend reinvestment plan exposed above, the Board of Directors has resolved to:

1. Approve the reinvestment plan for the foreseen interim dividend against 2009 results into newly issued shares as a result of the capital increase described under the following resolution.
2. Increase the share capital, in exercise of the authorisation granted in General Meeting on 7<sup>th</sup> March 2009, in the amount of 5,206,200.60 euros, by means of the issuance and circulation of 52,062,006 ordinary shares, of 0.10 euros par value each, of the same class and series as before, numbered consecutively 2,863,410,356 to 2,915,472,361, each inclusive, whose subscription and payment shall take place in the following terms:
  - a) Shares will be issued at 3.151%, that is, at 3.151 euros each, 0.10 of which corresponds to nominal value and the remainder, 3.051 euros to legal reserves, until said reserves reach 20% of the share capital; the excess over such amount shall be added to voluntary reserves.
  - b) New shares shall be paid in full at the moment of its subscription in cash.
  - c) The new shares will participate in the results which will be distributed from 1<sup>st</sup> January 2010 onwards.
  - d) Existing shareholders shall have pre-emptive rights for the subscription of the newly issued shares as stated in the Companies Act; the period for pre-emption rights encompasses the 15 days after the rights offering is announced on the official news board of the Registrar of Companies (Boletín Oficial del Registro Mercantil); in order to subscribe for one new share, he/she must be in possession of at least 55 old shares.
  - e) If, once the period for pre-emption rights is finalised, the shares corresponding to the foreseen capital increase were not subscribed for and paid-up in full, the share capital shall be increased in the actual subscription amount.

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