

**REPORT SUBMITTED BY THE BOARD OF DIRECTORS TO THE CONSIDERATION
OF THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON DECEMBER 5TH
2008, IN CONNECTION WITH THE PROPOSED DECREE OF DIVIDENDS**

Dear Shareholders,

According to the provisions set forth in the "Rules regarding the Information on the Payment of Dividends to be furnished by Companies that make Public Offerings of their Shares," issued by the National Securities Commission (*Comisión Nacional de Valores*) pursuant to the Resolution Number 110-2004, published in the Official Gazette of the Bolivarian Republic of Venezuela Number 38.007 of August 24th, 2004, the Board of Directors of the Company agreed, in its Special Meeting of November 27th, 2008, the following:

First.- Submit to the consideration of the Annual Meeting of Shareholders to be held on December 5th, 2008, the proposal for a decree of dividends for the amount of up to Two Hundred Two Million Six Hundred Fifteen Thousand Venezuelan Bolivars (Bs. 202,615,000.00), to be charged against the profits reflected in the "Non-Consolidated Financial Statements without Equity Participation in Affiliates" at September 30, 2008, to be paid in the following manner: (a) a dividend in cash for the amount of Thirty-One Million Five Hundred Twelve Thousand Eight Hundred Sixty-Four Venezuelan Bolivars with Sixty Cents (Bs. 31,512,864.60), which exceeds the twenty-five percent (25%) of the profits obtained in the economic year October 2007/September 2008, of One Hundred Twenty-Two Million Eight Hundred Seventy Thousand Venezuelan Bolivars (Bs. 122,870,000.00); and (b) a dividend for the amount of up to One Hundred Seventy-One Million One Hundred Two Thousand One Hundred Thirty-Five Bolivars with Forty Cents (Bs. 171,102,135.40), to be paid through the delivery of "*Títulos de Interés y Capital Cubierto (TICC)*" and/or in cash, or under any other manner agreed by the Board of Directors.

Second.- Recommend that for payment of the cash dividend indicated in a) above, the Shareholders Meeting establishes December 15th, 2008 as the "Final Trading Date with Rights" (*Fecha Límite de Transacción con Beneficio*), and December 19th, 2008 as the "Effective Record Date" (*Fecha Efectiva de Registro del Beneficio*).

Third.- Recommend that for payment of all that relates to the implementation of the proposal indicated in b) of the first item, the Shareholders Meeting delegates upon the Company's Board of Directors the power to establish the "Final Trading Date with Rights" (*Fecha Límite de Transacción con Beneficio*) and the "Effective Record Date" (*Fecha Efectiva de Registro del Beneficio*), as well as to carry out whichever other actions necessary or convenient for the payment of such dividend.

Caracas, November 27th, 2008.

THE BOARD OF DIRECTORS