

**REPORT OF THE BOARD OF DIRECTORS OF SIDERÚRGICA  
VENEZOLANA "SIVENSA" S.A. TO THE CONSIDERATION OF THE  
ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON  
NOVEMBER 24, 2009  
REGARDING THE PROPOSED DECREE OF A DIVIDEND IN CASH**

Dear Shareholders,

The Board of Directors of Siderúrgica Venezolana "Sivensa", S.A., at its meeting of November 17, 2009, agreed to submit to the Annual Meeting of Shareholders a proposal for the declaration of a cash dividend in the amount of Two Hundred Four Million Eight Hundred Thirty-Three Thousand Six Hundred Twenty Venezuelan Bolivars (VEF 204,833,620.00), at the rate of Three Venezuelan Bolivars and Ninety Cents (VEF 3.90) per share (excluding treasury shares), to be charged against the retained and not distributed profits corresponding to the fiscal year ended September 30, 2009.

In the event that the Annual Meeting of Shareholders approves this proposal, the Board of Directors resolved to recommend to such Meeting (i) to fix December 4, 2009, as the Final Trading Date with Rights (*Fecha Límite de Transacción con Beneficio*), and December 11, 2009, as the Effective Record Date (date of payment of the dividend - *Fecha Efectiva de Registro del Beneficio*); and (ii) in the event that an unexpected event occurs which may impair or limit the ability of management to comply with the aforesaid dates, to authorize the Board of Directors to fix such dates again, always complying with 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 pursuant to Resolution No. 110-2004 of August 11, 2004, published in Official Gazette No. 38.007 of August 24, 2004."

Caracas, November 17, 2009

The Board of Directors