



2008 ANNUAL REPORT
Siderúrgica Venezolana "SIVENSA" S.A.

60 Years
1948-2008

Capital Stock as of September 30, 2008

Common shares	28,757,536
Common shares in the form of ADRs	24,187,449
Total common shares	52,944,985
Treasury Stock	310,544
Total outstanding shares	52,634,441

Financial Highlights (thousands of US dollars)

	2008	2007
Net sales	1,178,773	867,238
Exports	567,888	380,859
Profit after General, administrative expenses and other income (expenses) net	174,996	81,285
Depreciation and amortization	89,408	79,481
Net profit attributable to Sivensa shareholders	153,897	76,549
Total assets	1,985,221	1,971,903
Shareholders' equity	1,037,993	774,187
Financial debt	131,226	480,598

Current ratio (times)	1.62	2.34
Total liabilities/shareholders' equity (times)	0.57	1.24
Number of employees	2,873	2,906
Hours of training for Sivensa personnel	164,431	149,467
Participants in Fundametal programs	25,500	23,033

Authorized Capital	Bs. 141,190,196.48
Subscribed and Paid-in Capital	Bs. 105,889,970.00

Siderúrgica Venezolana SIVENSA S.A. is a Venezuelan corporation engaged in the manufacture of long steel products for the construction and infrastructure industries, and of high-quality iron briquettes for the global steel industry. Through ongoing investment programs in its divisions, Sidetur and IBH, Sivensa contributes to the country's development by generating new jobs, driving the regional economy and playing a leading role in the recycling of ferrous materials. Sivensa subsidiaries have a national presence, with nine operating plants located in the states of Bolívar, Carabobo, Miranda, Lara, and the Federal District. Sidetur also operates 14 ferrous material collection centers located in various cities. As of September 30, 2008, Sivensa and its subsidiaries employed 2,873 workers.

www.sivensa.com.ve

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NICOLÁS IZQUIERDO

Corporate Finance Director

GUSTAVO MACHADO

Sixty Years of Investments and Confidence in Our Country

As part of the celebration of our sixtieth anniversary, we have included in this edition of the 2008 Annual Report a brief summary of Sivensa's track record and the company's contributions to the development of our country's steel and pre-reduced iron industries.

On November 5, 1948, a group of entrepreneurs founded Siderúrgica Venezolana SIVENSA S.A. in Caracas with the objective of establishing the first steel mill in Venezuela. The idea materialized in 1950, when the Antímamo plant began operating with an electric arc furnace fed primarily with ferrous scrap, and a rolling mill that produced reinforcement bars and rods. By the late fifties, Sivensa had already consolidated its position as a dependable supplier for the Venezuelan construction industry, and the company was ready to undertake the first expansion of its plant, which took place in 1960.

During the sixties, Sivensa increased its participation in the construction market by developing two new products—the high resistance reinforcement bar and the electrowelded wire mesh—and began to move toward a diversification into the auto manufacturing industry by investing on a truck springs manufacturing plant, as well as in a wheel manufacturing plant. This diversification strategy through partnerships with foreign companies that supplied the technology was strengthened by the policies governments were promoting in the seventies to stimulate the development of the auto industry. During that decade Sivensa also invested in Vicson, a wire manufacturing enterprise, and, with the participation of a group of shareholders, also in Fior—a project to produce iron briquettes from iron fines. This marked the beginning of the company's interest in the pre-reduced iron sector.

After a period of growth and diversification during the seventies, in the early eighties Sivensa's management saw the need to reorganize the company in order to provide a structure that defined guidelines to decentralize operations while centralizing the finance and planning areas. Employee training and development policies were also established and models were implemented to boost productivity and enhance quality levels at all plants. Since then, Sivensa has maintained a culture of quality that is reflected in its Norven-branded products and the ISO 9000 certifications granted for its processes.

Since Sivensa's quality requirements extend beyond product manufacturing to encompass product usage, the company is continually upgrading its design systems.

During the eighties, Sivensa made inroads into the manufacturing of equipment for the oil industry and expanded its investments in the steel business. In the late eighties and early nineties, the Casima steel mill and the Venprecar direct reduction plant, both located in Puerto Ordaz, opened their doors. During the nineties, Sivensa consolidated its direct reduction operations into the IBH operational division, which then spearheaded the Orinoco Iron project in order to expand its capacity to produce reduced iron briquettes.

The evolution of the domestic and global economy, as well as the changing conditions and developments in the industry led Sivensa to refocus its operations on the steel and briquette manufacturing businesses in the late nineties and early years of the new millennium. As a result, the company stopped manufacturing products for the auto, oil and wire industries, and concentrated its efforts and investments on its core business.

Sivensa's shares have been negotiated in the Caracas Stock Exchange since 1953, allowing thousands of Venezuelans to take part in the company's plans and benefits. The company currently has over 7,500 shareholders and is one of the most liquid securities in the Venezuelan stock exchange market. Sivensa's shares are also traded over the counter worldwide through its ADRs program. Sivensa employs more than 2,800 workers at its plants and offices in Caracas, Valencia, Barquisimeto, Guarenas and Puerto Ordaz. In the past sixty years, the company has earned the trust of its domestic and international customers.

SIDETUR

Sidetur encompasses the steel working and rolling mill operations to manufacture steel products for the construction and metallic carpentry industries. Its first plant, known as Planta Antímamo, marked the origin of Sivensa in 1948. During the sixties, Sivensa invested in the electrowelded mesh business, and in 1979 acquired Siderúrgica del Turbio S.A. (Sidetur), located in Barquisimeto, Lara State, which had been in operation since 1974. In 1980, this plant began operating the modern continuous casting system that allowed the company to replace the use of ingots with billets, a semi-finished

product that yields a better performance in the rolling process. Eventually, Sidetur grouped under one administrative division the management, production and marketing of all of Sivenza's steel businesses.

In 1974, in order to adjust its rolling mills capacity to meet the requirements of a growing market, Sidetur's Antímáno plant put into operation the continuous rolling mill train, replacing the cross country technology to allow for increased installed capacity to produce bars, sheets and wire rods. During the eighties, the merger of Simalla and Masolva consolidated in Valencia the electrowelded mesh and wire drawing manufacturing operations that had begun in the sixties. In the late sixties, the company had acquired new equipment to manufacture electrowelded trusses, thus expanding its line of products for the construction market. In 1986, an additional company joined the steel group when Sidetur acquired Metalanca, known since then as Planta Guarenas, which originally manufactured steel bars, angles and sheets. The technology was upgraded in 1988, and the expansion of this plant allowed Sivenza to use semi-finished products with a higher performance and added the reinforcement bars to its product line. In 1987 and 1988, Sidetur made significant investments to increase the installed capacity of the steel and rolling mill operations at the Barquisimeto plant.

In 1989, Compañía Anónima Siderúrgica de Matanzas, known today as Casima Steel Mill, started operating with capacity to produce 360,000 metric tons of steel per year and a furnace designed to be fed with a combination of metal scrap and briquettes, taking advantage of its location at Puerto Ordaz, where the iron ore direct reduction plants are also located.

In the nineties, Sidetur implemented significant technological upgrades at its various plants. In 1998, the Sidetur plant in Valencia added new equipment to manufacture the Sidepanel, a flexible, cost-effective and quick-mounting construction system that easily adapts to different environments. During the same year Sidetur implemented an ambitious plan to upgrade technologies and increase the capacity of the Barquisimeto steel mill, allowing the company to comply with environmental standards and respond to the demand for raw materials from the Antímáno plant, whose steel mill had closed as a result of the rapid urban development of the surrounding areas. A major effort was also

undertaken at the Antímáno plant to modernize the continuous rolling mill in order to automate processes and increase the capacity to produce reinforcement bars and rods.

After operating for several years on premises that had been leased from Perfilsa, Sidetur acquired its production plants and Perfilsa became Planta Lara, increasing the company's capacity to produce steel bars, angles and flats.

As part of more recent modernization plans and technological upgrades, in 2005 Sidetur undertook the upgrading of the train to produce bars at the Barquisimeto rolling mill with a new furnace that has allowed the plant to reach record performance per hour in the production of beams and angles. During that year the Antímáno plant also expanded its preheating furnace to achieve higher performance in metal production and increase its productivity per hour.

In 2008, the Casima steel put in operation the new integral emission control system, as well as other upgraded equipment, which are in compliance with the most stringent international environmental standards.

During their sixty years in operation, Sivensa and Sidetur have developed a ferrous scrap collection and processing network in order to gather the raw materials needed for its steel mills. At the present time, Sidetur operates 14 scrap collection centers that are strategically located in different cities around the country and help clean the cities of ferrous waste while providing income for a group of Venezuelan micro entrepreneurs that are dedicated to this activity.

Sidetur currently has an installed capacity of 835,000 metric tons of semi-finished steel, 615,000 metric tons of finished products, and 67,000 tons of electrowelded mesh and trusses at modern plants that manufacture products for a demanding domestic market. Their 1,800 workers, who are highly specialized and receive ongoing training on new technologies, integrate an enthusiastic team that is committed to excellence and to a high standard of quality in every product manufactured at the plants.

IBH

Sivensa first became interested in the pre-reduced iron ore sector in 1973, when a few Sivensa shareholders individually invested in Fior, an iron fines reduction plant project to produce briquettes to feed the steel mills, thus complementing the metallic mix while improving product quality. After a few years—which were not easy because of the new technology involved—the Fior plant had already managed to improve its operational performance and gain recognition from a number of U.S. steel mills due to the purity of its briquettes. Sivensa eventually became Fior's institutional shareholder and in 1986 increased its shareholding to 60% of the company's capital. Corporación Venezolana de Guayana was the other partner.

In 1990, the Venprecar plant in Puerto Ordaz began producing briquettes using the Midrex technology, with a capacity of 600,000 metric tons a year. In 1998, Sivensa created International Briquettes Holding, the IBH division, which partnered with a transnational corporation to build the Orinoco Iron briquette manufacturing plant. IBH encompasses Sivensa's operations for the production and marketing of iron briquettes, mainly for the export market. The Orinoco Iron plant, which started operating in the year 2000, uses the FINMET technology developed in Venezuela and has a production capacity of 2,200,000 metric tons a year. In 2001, Sivensa closed the Fior plant, whose reopening is subject to the procurement of the funds needed for significant equipment investments. Similarly, through subsequent expansions, IBH has increased the production capacity of the Venprecar plant to 815,000 metric tons a year.

IBH currently employs 990 workers at its Orinoco Iron and Venprecar plants. Its briquettes are marketed mainly in the U.S. and European markets, where, due to their high metal content, they are used to manufacture high quality steel. Ferrominera Orinoco is also a partner of this division, together with Sivensa and individual and institutional shareholders who trade IBH shares in the Caracas Stock Exchange.

FUNDAMETAL

Motivated by the need of a technology skilled workforce for the Sivensa plants in Valencia, in 1976 the company created Fundametal, a training center for workers that quickly proved beneficial for the entire industrial sector of Carabobo State. Despite its modest original facilities, Fundametal gained prestige in the city of Valencia within three

years of its inception, when it became evident that the young people who trained at the Center were able to secure good jobs with attractive benefits at recognized companies.

The current Fundametal facilities in Valencia were commissioned in 1984, with enough capacity to train 5,000 participants through its various courses and programs. In the eighties, the Fundametal Center for Applied Knowledge expanded its activities by partnering with a number of Venezuelan universities and adding adult programs that recognized the participants' previous experience and knowledge, and allowed them to pursue a Bachelor's degree in management and even graduate studies in the areas of Finance and Human Resources. Similarly, training programs were revised to achieve a higher level of specialization in order to meet specific needs in the industry.

The growing demand for specialized training services led Fundametal to open new training centers in Caracas, Puerto Ordaz, Barquisimeto, and more recently in Maracaibo, in order to meet the needs of companies in these cities. Fundametal currently trains over 25,000 participants a year through its various programs and is well established as a leader in the professional training and development sector. Even though Sivena provides funds to support a number of special investments, the institution operates under a self-sustaining management model based on services rendered to the private and public sectors. A long list of achievements that has earned the trust of hundreds of organizational clients has made Fundametal a leader in the provision of high quality educational services that respond to the technological and administrative needs of the industrial and service sectors.

Dear Shareholders:

During the fiscal year¹ analyzed in this Report, the Venezuelan economy grew 6.3%. In the construction industry, the Gross Domestic Product (GDP) grew 9.1%², reflecting an ongoing public works program supported by high oil revenues, as well as continuous activity in the private sector. The inflation rate during this fiscal period was 36.05%, while the exchange rate remained at Bs. 2.15 per U.S. dollar.

Steel production worldwide increased 3.17% compared to the same period of fiscal year 2007, reaching a volume of 1.37 billion metric tons as reported by World Steel. The high demand for steel around the world, and particularly in Asia, drove a sustained increase in prices, which reached a historic record high during the month of July. The metallics market (mainly iron ore, pig iron, reduced iron and scrap) behaved in a similar manner. The average FOB price of the IBH briquette at Puerto de Palúa was US\$ 410.09/MT, compared to an average price of US\$ 236.80/MT during the prior fiscal year.

PRESENTATION OF FINANCIAL STATEMENTS:

Results in US dollars reviewed in this Report are presented in accordance with International Financial Reporting Standards (IFRS), except in reference to: the designation of the US dollar as the operational currency of some subsidiaries, including Sidetur and its effects on translation, as well as on the valuation of monetary assets and liabilities to determine deferred taxes and certain equity accounts. Sivensa's consolidated results include the accounts of Sidetur and IBH, our operational subsidiaries.

RESULTS FOR THIS FISCAL YEAR

SALES: Sivensa's sales during fiscal year 2008 totaled US\$ 1.179 billion, reflecting a 36% increase over total sales for fiscal year 2007, with domestic sales of 52% representing a drop compared to the prior annual period, during which domestic sales

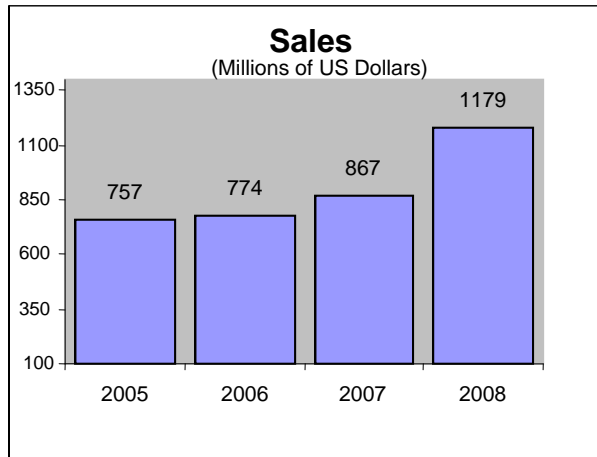
¹ Fiscal year 2008 comprises the twelve-month period from October 1, 2007 to September 30, 2008. Fiscal year 2007 comprises the twelve-month period from October 1, 2006 to September 30, 2007. In this Report, we refer indistinctly to these terms as period, fiscal year, fiscal period or economic year.

² Source: Banco Central de Venezuela.

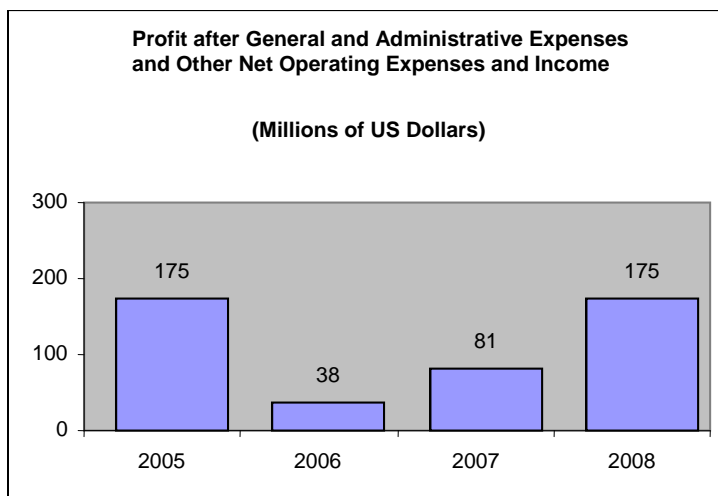
accounted for 56% of revenue. The contribution made by each division to the total sales volume in 2008 is as follows:

Sales (Millions of US Dollars)

IBH	Sidetur	Intercompany	Total
687	606	(114)	1,179



PROFIT AFTER GENERAL AND ADMINISTRATIVE EXPENSES AND OTHER NET OPERATING EXPENSES AND INCOME: Profit after administrative expenses and other net operating expenses and income was US\$ 175 million, compared to US\$ 81 million during the prior reporting period. The higher profit is primarily due to the higher price of briquettes in the international market, which allowed IBH to obtain larger gross and operating margins.



INTEREST AND OTHER NET FINANCING EXPENSES: Spending in this category totaled US\$ 62 million, compared to US\$ 64 million for the 2007 fiscal year. This variation is primarily due to: i) a reduction in interest paid during fiscal year 2008, y ii) the amortization of US\$ 11 million corresponding to the balance of expenses and commissions paid in connection with the restructuring of IBH's debt, as reported in our press release published on July 1st, 2008.

INCOME TAX: The net income tax benefit during the fiscal year was US\$ 68 million, compared to US\$ 5 million for the prior reporting period. This variation is primarily due to the deferred realization income tax on liabilities originating from the gap between the taxable value of fixed assets, which is determined based on the tax inflation adjustment, and the book value of fixed assets, which is reported at its revaluation value as determined by independent appraisers.

NET PROFIT ATTRIBUTABLE TO SIVENSA SHAREHOLDERS: Net profit for Sivensa shareholders was US\$ 154 million, compared to US\$ 77 million for the prior fiscal year, a variation that is primarily explained by the better performance achieved by IBH during the 2008 fiscal year.

REDUCTION OF IBH DEBT

As reported in the press release issued on July 1st, 2008, IBH substantially reduced its financial debt to US\$ 41.3 million at September 30, 2008. This reduction was achieved

due to a combination of factors that include high briquettes prices during the fiscal year, a better performance by IBH's operational subsidiaries, the exercising by foreign banks of certain liquid guarantees provided in loan contracts, the capital contributions from debt and securities proportionally made by the shareholders of IBH de Venezuela C.A., an IBH subsidiary, and the amendment and execution of the call option agreement on IBH de Venezuela C.A. shares by IBH for US\$ 76.6 million, for which purpose IBH obtained a medium-term loan from a Sivensa subsidiary in that amount.

By exercising the call option, IBH obtained a 100% participation in IBH de Venezuela C.A.'s equity. The debt reduction, accomplished by IBH shareholders without dilution, marked an important milestone toward the subsidiary's goal to achieve financial stability. The balance of the IBH debt, which was US\$ 41.3 million at September 30, 2008, is not reflected in Sivensa's Consolidated Financial Statements, since it is an intercompany loan.

ANALYSIS PER BUSINESS SECTOR

Steel: Sales of Siderur's products totaled US\$ 606 million, reflecting a 29% increase over fiscal year 2007. This increase is primarily due to the pressure that the increased costs of raw materials (briquettes and metallic scrap), as well as direct materials such as ferroalloys and electrodes, exerted on pricing. Domestic demand for products for the construction industry remained high at levels that were similar to those reported for fiscal year 2007, reflecting ongoing activity related to infrastructure projects advanced by the public sector, as well as the investments made by the private sector in housing and mall construction projects in major cities throughout the country.

With an investment of US\$ 26.3 million, during the third week of June 2008 Siderur completed the installation of a modern emissions control system, as well as equipment upgrades at the Casima steel mill located in Puerto Ordaz. To date, these operations have yielded the results that were expected, completely eliminating smoke emissions at the mill. The installation of other equipments, such as the new graphite and oxygen injection system and a new continuous caster torch cutting system, was also carried out as scheduled, and operations are stable to the present day. Siderur continues to move forward with its investments program at other plants and at its scrap collection and recycling centers in order to keep equipment up to date, increase reliability of operations and meet the demands of the Venezuelan market.

Briquettes: IBH sales during fiscal year 2008 totaled US\$ 687 million, compared to US\$ 459 million during the prior fiscal year. This rise resulted from significant increases in international briquette prices until July 2008, which offset the 14% drop in the sales volume in terms of metric tons, which, in turn, resulted from production cuts due to the dearth of iron fines and pellets.

Since the month of January 2008, Venprecar and Orinoco Iron production costs were impacted by higher iron ore prices reaching 66% for fines, 97% for lumps, and 87% for pellets, in line with the evolution of international pricing. Unlike other raw materials whose prices fluctuate on a daily basis, the price of iron ore is set for the entire calendar year.

DIVIDENDS DISTRIBUTED

At the Annual Shareholders Meeting held on November 30, 2007 the shareholders approved the distribution of a cash dividend in the amount of Bs. 0.9 per share (Bs. 900 per share in 2007) and a dividend in kind. The cash portion of the dividend was paid on December 14, 2007. However, payment of the in kind dividend was suspended by the National Securities Commission. As was timely reported, at a Special Meeting held on July 28, 2008, Sivensa shareholders agreed to a substitution of the in kind dividend with a cash dividend of Bs. 2.56 per share and another dividend payable in stock shares at the rate of one share for each sixteen shares held. Both dividends were paid in August 2008.

At a second Special Meeting also held on July 28, 2008, the shareholders approved an additional dividend of Bs. 1.25 per share out of unappropriated retained earnings for the year ending September 30, 2007. This dividend was paid in September 2008.

CAPITAL STOCK

In order to pay the share dividend mentioned in the preceding section, during the first Special Meeting held on July 28, 2008, the shareholders approved a capital increase in the amount of six million two hundred twenty-eight thousand eight hundred twenty-two bolivares (Bs. 6,228,822.00) through the issuance of three million one hundred fourteen thousand four hundred eleven (3,114,411) new common shares with a nominal value of Bs. 2 per share. In this manner, the capital stock was increased to one hundred five

million eight hundred eighty-nine thousand nine hundred seventy bolivares (Bs. 105,889,970) represented by 52,944,985 shares.

REPURCHASE PROGRAM (PHASE ONE)

At the second Special Meeting held on July 28, 2008, the shareholders approved Phase One of a Share Repurchase Program for up to 15% of the common shares representing the subscribed and paid in capital. Phase one of the program will be effective until January 28, 2009. At February 20, 2009, the date of this report, 420,609 shares representing 0.8% of the corporate capital have been purchased at an average price of Bs. 22.85 per share.

CORPORATE GOVERNANCE

The main purposes of Sivensa's corporate governance structure include facilitating oversight by the company's Board of Directors and Management team as part of their role, in order to protect the interests of shareholders, employees, customers, creditors and the community at large.

Sivensa's corporate governance structure consists of its Shareholders, followed by the Board of Directors, which delegates certain functions on the Audit, Compensation, Finance, and Planning committees. Pursuant to standards now in force and in accordance with best practices for corporate governance, the Sivensa Board of Directors has a majority of independent directors who do not serve in any administrative position. Integrated by qualified professionals from different business sectors, the Board of Directors is primarily responsible for defining corporate strategies, as well as for overseeing and evaluating operational performance.

Audit Committee: In order to ensure transparency and continue to promote the highest level of trust in the company's management process, reduce operational risks and enhance the efficiency of administrative processes, the Audit Committee meets periodically and works closely with the Internal Audit unit to prepare a plan that allows the company to assess whether the internal control system is performing adequately on behalf of the company and its subsidiaries.

Compensation Committee: This team is responsible for establishing the company's compensation and employee benefit policies and approving compensation packages for its executives and directors.

Finance Committee: This committee meets on a periodic basis to assess the main transactions of the group related, on the one hand, with its investment portfolio in general (liquidity level, negotiable shares and business segments), and, on the other hand, the company's capital structure, that is, the level, form and terms of indebtedness on the side of liabilities and capital levels, and the dividend policy on the side of the equity funds.

Planning Committee: This committee assists the Board of Directors with its assessments of the environment and its impact on corporate plans, in order to recommend actions to adapt or update strategies.

Sivensa complies with all shareholder reporting regulations as required by the National Securities Commission, timely informing shareholders about all events that are relevant for the organization. In addition, the company makes quarterly and annual reports, news releases, communication and other information materials available to shareholders through its website, and has a dedicated Department ready to assist shareholders with their needs.

COMMITMENT TO SOCIAL DEVELOPMENT

Consistent with the principles of solidarity and social responsibility that are part of Sivensa's core beliefs, during the fiscal year the company and its subsidiaries continued to advance a number of programs to promote a better quality of life for employees and their communities, based on a long-term vision that extends the impact of these programs to benefit future generations. Main activities during the period include:

Communities:

With the support of Sidetur, the Fundación Los Condominios completed the research and assessment phase for four areas in the Carapita community located near the Antimano plant, where a plan to execute the second phase of the project *Innovar los Barrios* is outlined. The objective of this project is to encourage residents to participate

in the work to improve the infrastructure and services to their homes, as well as to promote the construction of common areas for leisure and recreational activities through the application of a condominium concept. In addition, the company continued to drive the Community Leaders Training Program that Sidetur has had in place since 1994 by means of an agreement with *Escuela de Vecinos de Venezuela*. Ninety-seven leaders from Caracas and Barquisimeto participated in this program during fiscal year 2008.

As part of the social responsibility activities advanced by Sidetur, the company undertook the “Youth Building Values” program, bringing together the children of workers who are in their teens and youths and families from neighboring communities through experiences that promote personal and civic development using the family as the foundation of our society and the community as the nucleus that is essential for a healthy community life.

In order to further advance social responsibility programs in indigenous communities located in Bolivar State, during the fiscal year telecommunications and telemedicine equipment at La Esperanza community in the Sifontes municipality was installed. This system will allow 10,000 residents from the Kariña, Pemón and Arawako ethnic groups to receive medical care. As part of this program, the companies also donated construction materials and equipment to the town of Urimán in Gran Sabana, where IBH has maintained a presence since 2006, the year the company first facilitated the telemedicine service for this community.

As part of its ongoing effort to promote the integration of individuals with disabilities, IBH, Orinoco Iron and Venprecar organized cultural events featuring participants who were visually, hearing or movement impaired, or had Down’s syndrome.

In order to support the work being carried out by the National Anti-Drug Office (ONA), IBH subsidiaries sponsored drug prevention lectures with the participation of 11,300 students from elementary and diversified schools in San Félix and Puerto Ordaz. A number of families in the community received care during the preventive medicine drives organized by Venprecar and IBH. Similarly, scholarships and vacation programs for children of company workers were expanded to include a number of families in the community.

Education and Sports:

During the fiscal year, the Fundametal Center for Applied Knowledge, an educational institution sponsored by Sivensa since 1976, trained 25,500 participants through its various programs. Achievements during the year include the following:

- The Apprentice Program, geared to the vocational training of youths in order to enable their smooth transition into the work force, grew 36% this year, benefiting 1,450 participants. This two-year program appeals to youths 14 to 18 years of age who want to learn a trade in order to join the work force early.
- In order to implement training programs for youths from vulnerable socioeconomic sectors, Fundametal signed institutional cooperation agreements with Cámara de Pequeños y Medianos Industriales y Artesanos de Carabobo (CAPEMIAC, the Chamber of Small and Medium Industrial Enterprises and Craftsmen of Carabobo), Centro Comunal Catia (CECCA, the Catia Community Center) and Fundación Pro Desarrollo del Núcleo de la Universidad del Zulia en la Costa Oriental del Lago (FUNDALUZCOL, the Development Foundation of Zulia University for Costa Oriental del Lago). This program trained 60 electricians and 19 welders during the fiscal year.
- Applying the accelerated training modality, Fundametal spearheaded various training and technical development programs to benefit a number of companies in the central region such as Sidetur, Colgate-Palmolive and Holanda de Venezuela, with the participation of forty-five workers. In addition, the company continued to carry out the youth vocational training program in the city of Puerto Ordaz with the support of the Venezuelan Delegation to the European Commission, in order to achieve its goal of helping 39 technicians graduate in 2008.
- With an average of 25 participants per program, ten certification programs were carried out under the *Programas de Certificación con Aval de Primera Parte* initiative, which provides a certification track to meet the needs of companies in areas such as *Management Systems, Work Safety and Health* and *Maintenance* for fork lift operators, heavy equipment operators and welders. An endorsement is required after completion of the first part of the program to

progress to the second and third parts consisting, respectively, on a public authority educational endorsement and an endorsement by the specialized, independent organization.

- In the area of sports, the Valencia plant operated by Sidetur continued to support the Siduritos Small League Baseball School which is part of Organización Criollitos de Venezuela. This contribution by Sidetur since 1986 includes pre-school children and children in communities located near the plants.

Ecology:

In coordination with the People's Ministry for the Environment, IBH companies participated in various ecology-friendly activities such as the "Seed Collection Drive at Cachamay Park", the planting of 2,000 trees on the highway to Ciudad Bolívar, and the Ecological Hike at La Llovizna Park.

The Board of Directors

February 20, 2009

INVESTOR RELATIONS

Investor Relations	Corporate Financial Department Av. Venezuela Edificio Torre América Piso 11. Urbanización Bello Monte. Caracas, Venezuela Telephone: (58212) 707.6145 / 707.6280 Telefax: (58212) 707.6352 E-mail: ramon.casas@sivensa.com
Transfer Agent	Planivensa Av. Venezuela. Edificio Torre América. Planta Libre. Urb. Bello Monte. Caracas, Venezuela. Telephone: (58212) 707.6468 / 707.6466 Telefax: (58212) 707.6456 E-mail: peggy.medina@sivensa.com
Auditors	Espiñeira, Sheldon y Asociados (Member of PricewaterhouseCoopers) Av. Principal de Chuao, Edif. del Río, Caracas, Venezuela Telephone: (58212) 700.6332 Telefax: (58212) 991.5210 E-mail: jose.apostolico@ve.pwc.com