

**REPORT BY THE BOARD OF DIRECTORS
CORIMON, C.A.
TO THE ANNUAL SHAREHOLDERS' MEETING
Caracas, July 31, 2014**

The Board of Directors of Corimon, C.A. has the pleasure to report to its shareholders that the fiscal year ending on April 30, 2014, has been satisfactorily closed.

In this connection, we are pleased to report that during the fiscal year ended on April 30, 2014, the consolidated sales were for Three Billion Four Hundred Seventeen Million Seven Hundred Eighty-Six Thousand Seven Hundred Seven constant Bolivars (Bs. 3,417,786,707) and the net profit was Thirty Million Four Hundred Eighty-Six Thousand Three Hundred Fifty-Two constant Bolivars (Bs. 30,486,352). The total assets of the company were recorded for Four Billion Three Hundred Fifty-Two Million Nine Hundred Sixty-Two Thousand Four Hundred Eighty-Four constant Bolivars (Bs. 4,352,962,484), while the total liabilities are Two Billion Forty-Two Million Six Hundred Twenty Thousand Twenty-Six constant Bolivars (Bs. 2,042,620,026) which sheds a total shareholders' equity at April 30, 2014, of Two Billion Three Hundred Ten Million Three Hundred Forty-Two Thousand Four Hundred Fifty-Eight constant Bolivars (Bs. 2,310,342,458).

Following are the Board of Directors' comments on the main aspects for Grupo Corimon during the Fiscal Year ended on April 30, 2014:

I. Performance of Corimon, C.A. and its subsidiaries during the fiscal year ended on April 30, 2014:

In the fiscal year that recently ended, Corimon, C.A. and its subsidiary companies continue developing new strategic associations and technological alliances, and it also continue with the process for streamlining its Plants and procedures, all this for the purpose of exceeding our goals, while making major investments to apply the Group's slogan of "Zero Environmental Liabilities" (*"Pasivo ambiental = a cero"*). This way, we continue with investments in state-of-the art peripheral and control equipment, in order to improve the service, productivity and offer the best quality products to our clients.

Corimon Pinturas, C.A.: During the fiscal year ended on April 30, 2014, subsidiary company Corimon Pinturas, C.A. continued strengthening its marketing strategy, increasing the presence of its products in the market thanks to the company's financial stability, which enabled it to reach a gross profit of Five Hundred Sixty-Two Million Fifty-Three Thousand Seven Hundred Eighty-Six constant Bolivars (Bs. 562,053,786) and an operating profit of Two Hundred Twenty-Four Million Five Hundred Ninety-One Thousand Seven Hundred Four constant Bolivars (Bs. 224,591,704). It also made important investments, among

which: the installation of a labeling machine for gallon and ¼ gallon containers, at a rated labeling speed of 90 gallons per minute, thus reducing the maintenance stops required for the previous machine. It also installed a semi-automatic filling machine for metal kegs, at a speed of 2.5 kegs per minute, thus reducing the manual filling; both machines were installed at the Industrial Plant. Also, at the Latex Plant there was installed a cap dispenser with a closure machine for plastic kegs, at a speed of twelve (12) kegs per minute, which process was formerly carried out manually. Additionally, the first phase of the automation project was completed at the Industrial Plant, in order to automatically and accurately mixing the resins and solvents for preparing the paint, thus avoiding inventory deviations.

Resimon, C.A.: Regarding this subsidiary, during the fiscal year ended on April 30, 2014, it reached a gross profit of One Hundred Sixty-Four Million Five Hundred Sixty-Three Thousand Forty-Eight constant Bolivars (Bs. 164,563,048) and an operating profit of Ninety-Seven Million Two Hundred Fifty-Seven Thousand Two Hundred Seventy-Seven constant Bolivars (Bs. 97,257,277). Among the most important investments, there are the following: the optimization of the grounding network, by installing four (4) lightning arrestors in the most critical areas, thus protecting the plant from atmospheric discharges, the acquisition of a cooling tower for the industrial services area, to be installed in August of the current year, replacing the cooling tower that was in bad condition, and further, continuing with the integration of 120 valves installed for the future automation of the productive processes.

Cerdex, C.A.: This affiliate of Grupo Corimon that engages in the manufacturing and marketing of paintbrushes, rollers and accessories for painters, maintained in leading position in the domestic market, offering excellent quality products at accessible prices. Regarding the investments made in Cerdex, we note that there was installed a second IVM Special MGG Meccanica automatic brush packing machine, with a speed of 400 piece/hour, thus reducing the manual packing process. Cerdex reached sales for One Hundred Eighty-One Million Six Hundred Thirty-Five Thousand Seven Hundred Fifty-One constant Bolivars (Bs. 181,635,751) and an operating profit of Fifty Million One Hundred Seventy-Three Thousand Six Hundred Fifteen constant Bolivars (Bs. 50,173,615).

Tiendas Montana, C.A.: The leading marketing chain of paints and related products in Venezuela, completed fiscal year 2014, with one hundred eighty-six (186) stores operating under the franchise system, and its share in the total sales of Corimon Pinturas increased from 47% to 56% in Bolivars. In fiscal year 2014, it opened six (6) new branches, located in the states of: Anzoategui, Portuguesa, Sucre and Zulia. Finally, it completed the replacement of the billboards for Tiendas Montana, with more up-to-date design and quality, which represented a major investment.

Montana Gráfica, C.A.: With regard to this subsidiary, engaged in producing a broad variety of flexible and plied packaging for mass and industrial consumption products, and providing design and pre-printing services to the graphic arts industry, we must note that it

ended the term reaching sales for Seven Hundred Ninety-Three Million One Hundred Forty-Five Thousand Four Hundred Twenty-Three constant Bolivars (Bs. 793.145.423), obtaining an operating profit of One Hundred Thirty-Million One Hundred Forty Thousand Eight Hundred Thirty-Six constant Bolivars (Bs. 130,140,836). As to the investments made by this subsidiary, in compliance with our environmental and productivity undertakings, there has been developed the project for the Solvents Recovery Plant, which is in its final installation stage, and is foreseen to be completed by October 2014.

This is one of the most important projects of Grupo Corimon, which uses state-of-the-art technology for the recovery of the solvents resulting from the label production process at the subsidiary Montana Gráfica. Hence, the recovery is made through an activated coal absorption system, regenerated with nitrogen, and a distilling process through three plate columns. This plant will achieve the recovery of 95% of the solvents issued in gaseous form by the printing machines, which were formerly emitted into the atmosphere. Among the products recovered, the most important is the ethyl acetate, since it is a major input for the production process of Montana Grafica, C.A. that is currently imported.

PPV Puras Pinturas Venezolanas, C.A: Is the most recent subsidiary organized, and continues growing to this date, having formed a network of 40 “Pintatodo” stores, exclusive for this brand, throughout the Venezuelan territory. It has also reached the consolidation of its wholesale distributors’ network, for the purpose of obtaining a greater presence at points of sale. Additionally, the brand’s presence continues to grow in the main multi-brand stores of the country, increasing its growth potential, given the market’s interest in belonging to the store network, and the current opportunities including the brand with new clients.

With respect to projects, the following major important have been made: A 1000 KVA power plant was bought and installed, for power savings and continuity of operations, during the power outages. Additionally, the following equipment was purchased: For the filling line: two (2) DeVree brand fillers, with a rate of 20 gallons per minute; two (2) P.E. Labellers labeling machines, with a rate of 90 gallons per minute; two (2) thermo-shrinking machines with a rate of 20 packages per minute, plus 14 units of production equipment, among which: agitators and dispersers, and 10 tanks, all of which are Oliver & Batlle brand.

Good Corporate Governance Principles:

Regarding the Good Corporate Governance Principles and in line with the criteria adopted by the National Securities Superintendence by means of Resolution No. 19-1-2005, the Board of Directors of the company has determined that more of one-fifth of the Directors thereof may be deemed to be independent. Also, the Board of Directors has designated an Audit Committee whose main functions are: i) To previously know the financial statements of the company as a condition for being considered by the Board of Directors and thereafter submitted to the approval of the Shareholders’ Meeting; ii) to assist the Board of Directors

in the implementation of the necessary measures to preserve the integrity of the Company's financial information; iii) to cooperate with the Board of Directors in its tasks of supervising the activities of the internal audit and the external auditors; and iv) to know and analyze the contents of the management letter in order to make the recommendations it deems necessary.

II. Corporate Social Responsibility:

Finally, we wish to advise our shareholders that Grupo Corimon, C.A. is aware of the importance of its social role, and in this regard, we highlight some of the activities carried out during fiscal year 2014:

- During fiscal year 2013-2014, the Group continued making the voluntary payroll contribution to the Dividendo para la Comunidad. A contribution was granted to ABC Prodein for the benefit of the children of Unidad Educativa Virgen Misionera of the Community of Central Tacarigua, State of Carabobo, in the amount Bs. 223,303.00.
- Corimon, C.A. made contributions to Foundations engaged in attending children's health. This year it contributed Bs. 15,000 to the Venezuelan Polio Foundation (*Fundación Venezolana contra la Parálisis Infantil*) and also contributed to the Foundation of Children With Cancer of the State of Zulia, in its Telepotazo 2013 "Caminata 12K", with a sponsorship of Bs. 15,000.
- This, Corimon continued its program "Échale Color", framed within the Company's Social Responsibility plans, with the main purpose of providing happiness, harmony and peace, through a community event where the façades of a selected community are painted with artistic designs. This program is carried out together with "Iniciativa Paz con Todo", which is part of "Asociación Civil Rompe el Molde", headed by Maickel Melamed. And this program included, on September 21, 2013, within the frame of the International Peace Day, the artistic painting of the "Comunidad Iro de Mayo", Sector Cruz Verde, Cota 905, Libertador Municipality.
- Corimon Pinturas, C.A. continues supporting the Minor League Baseball School "Fundación Atlético de Corimon", which practices at the facilities of the "Centro Deportivo Montana", promoting and encouraging sports activities for approximately 120 children and teenagers, who are the children and/or relatives of workers, and also of members of the community.
- As has already become a tradition since 2008, during the month of December 2013, with the voluntary participation of workers of subsidiaries of Grupo Corimon, toys and various donations (clothes, food, personal toiletries) were delivered to children of various day care centers. This time, we benefitted 97 children of the following

day care centers located near the Group's companies: Casa Abrigo en Familia Sustituta and Casa Abrigo Semillitas del Inmaculado Corazón de María.

- In April 2013, Corimon Pinturas participated by contributing paints and voluntary assistance in the project "Casas Blancas" of Fundación Santa Teresa, where, together with families of the Sector Juan Moreno, located in El Consejo, La Victoria, the facades of all the houses in the community were painted white, in order to make it the model municipality for the country.
- Also during fiscal year 2014, subsidiary Corimon Pinturas, C.A. has continued with the program for donating paints to schools, foundations and public institutions, among which, the following: Nunciatura Apostólica, Consejo Comunal La Quizanda, CICPC, Dirección General de Armas y Explosivos, Instituto Autónomo Municipal, Albergue Ancianos de Santa Eduvigis, I.A.P.C.A.D.E.C., Instituto del Deporte y la Recreación, A.C: de Padres y Representantes del Centro, etc.

In view of the foregoing, based on the Statutory Auditor's Report, the Board of Directors of Corimon, C.A., hereby submits to the consideration of its shareholders the Consolidated Financial Statements of Corimon, C.A. and subsidiaries, in constant Bolivars for the fiscal year ended on April 30, 2014.

On behalf of THE BOARD OF DIRECTORS
Carlos Gill Ramírez
Chairman