

**REPORT BY THE BOARD OF DIRECTORS OF
CORIMON, C.A.
TO THE GENERAL ANNUAL SHAREHOLDERS'S MEETING
Caracas, July 31, 2013**

The Board of Directors of Corimon, C.A. is pleased to inform its shareholders it has satisfactorily completed the fiscal year that ended on April 30, 2013.

In this regard, we have the pleasure of reporting that during the fiscal year that ended on April 30, 2013, there were consolidated sales for Two Billion Three Hundred Sixty-Three Million Three Hundred Eight Thousand Three Hundred Forty-Two constant Bolivars (Bs. 2,363,308,342) and the net profit was of One Hundred Million Twenty-Two Thousand Two Hundred Forty-Seven constant Bolivars (Bs. 100,022,247). The total assets of the company were for Two Billion Seven Hundred Ninety-Seven Million Four Hundred Sixty-One Thousand Four constant Bolivars (Bs. 2,797,461,004), while the total liabilities were One Billion Three Hundred Thirteen Million Three Hundred Twenty-Two Thousand Two Hundred and One constant Bolivars (Bs. 1,313,322,201), for a total net equity at April 30, 2013, of One Billion Four Hundred Eighty-Four Million One Hundred Thirty-Nine Thousand Two Hundred Seventy constant Bolivars (Bs. 1.484.139.270).

The Board of Directors reports the following major aspects worth noting for Grupo Corimon regarding the Fiscal Year ended April 30, 2013:

I. Performance of Corimon, C.A. and its subsidiaries during the fiscal year ended on April 30, 2013:

In the recently closed fiscal year, Corimon, C.A. and its subsidiaries continued to develop new strategic associations and technological alliances, and also continued with the modernization process of its Plants and procedures, all in order to exceed our goals, while having also made important investments in this regard with the group's slogan "Pasivo ambiental = a cero" ("*Zero Environmental Liabilities*"). This way, we continue investing in peripheral equipment and state-of-the-art controls, in order to improve our service and productivity, and thus offer the best quality products to our clients.

Corimon Pinturas, C.A.: In the fiscal year ended on April 30, 2013, subsidiary 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 record a gross profit of Four Hundred Sixty-Four Million Five Hundred Ninety-Two Thousand Three Hundred Forty-Two constant Bolivars (Bs. 464,592,342) and an operating profit of One Hundred Thirty-Nine Million Nine Hundred Eighty-Six Thousand Three Hundred Ten constant Bolivars (Bs. 139,986,310). It also made major investments, among which: the acquisition of a quarter and a-half Filling Machine with automatic lid dispenser,

having a production capacity of 20 gallons per minute, which enabled a productivity increase of 10%, efficient weight control and reduction of shrinkage. An agitator was also purchased for the purpose of reducing sedimentation during the intermissions in the preparation of Latex paints. Finally, an investment was made to acquire seven (7) forklift units, five (5) of which are electric and two (2) driven by gas, in order to reduce the obsolescence of the existing fleet.

Resimon, C.A: Regarding this subsidiary, during the fiscal year ended on April 30, 2013, it reached a gross profit of Sixty-Three Million Two Hundred Nine Thousand Six Hundred Thirty-Four constant Bolivars (Bs. 63,209,634) and an operating profit of Nine Million One Hundred Eight Thousand Eight Hundred Forty-Seven constant Bolivars (Bs. 9,108,847). Among the most important investments, there is: the replacement of the Vaporizer and Cooler of gases associated to the Formaldehyde plant (area 9), which allowed guaranteeing safe operations, reducing stops and improving the efficiency of the manufacturing process. Additionally, a major step was made by installing approximately 120 actuated valves, thus starting the future automation of the production processes.

Cerdex, C.A: This subsidiary of Grupo Corimon that engages in the manufacture and marketing of brushes, rolls and accessories for the painter, maintained its leading position in the domestic market, offering excellent quality products at accessible prices. Regarding the investments made in Cerdex, we note that a second automatic brush packing machine was acquired, thus contributing to a productivity increase of 10% (PZA. H/H), reducing the manual packing. Cerdex reached sales of Forty Million Six Hundred Eighty-One Thousand One Hundred Eighty-Nine constant Bolivars (Bs. 40,681,189) and obtained an operating profit of Nine Million Nine Hundred Eighty-Nine Thousand One Hundred Forty-Seven constant Bolivars (Bs. 9,989,147).

Tiendas Montana, C.A: Leading chain for the marketing of paints and related products in Venezuela, closed fiscal year 2013 with one hundred eighty-seven (187) stores operating under the franchise system and their share in the total sales of Corimon Pinturas increased to 47% in Bolivars. In fiscal year 2013, it opened seventeen (17) new stores, located in the states of: Anzoátegui, Apure, Aragua, Barinas, Bolívar, Cojedes, Nueva Esparta, Vargas and Zulia. Finally, it completed a project for the replacement of the “Tiendas Montana” billboards, with a more up-to-date design and quality, which represented a major investment.

Montana Gráfica, C.A: Regarding this subsidiary engaged in the production of a wide variety of flexible and folding packaging for mass and industrial consumption goods and the provision of design and pre-press services for the graphic arts industry, it should be noted that it closed the fiscal year with sales for Four Hundred Fifty Million Three Hundred Forty-Four Thousand Two Hundred Seven constant Bolivars (Bs. 450,344,207), and an operating profit of Forty-Four Million Six Hundred Eighty-Nine Thousand Six Hundred

Eighty-Two constant Bolívares (Bs. 44,689,682). As to investments, it has added new equipment in the pre-press area, acquiring a new printing machine, as well as a new line of cylinders that includes a defatting machine, metal coating machine and a cylinder devastator polishing machine, enabling an increase in production and improvement of processes. It has also updated the software and hardware for graphic developments, which will enable Montana Gráfica to preserve its foremost technological position in the printing of various types of substrates. Finally, it is presently developing the project of the Solvent Recovery Plant, which is expected to be completed in April 2014.

PPV Puras Pinturas Venezolanas, C.A.: This new subsidiary continues to grow; to this date it has opened 37 stores named “Tiendas Pintatodo” nation-wide, and it also continues increasing the trademark’s presence in the multi-brand stores of the country, for a total of 100 clients in this channel at the close of the fiscal year. Additionally, it has a channel of 11 Distributors that engage in the regional wholesale of products to the minor channel. It is currently in the process of opening 16 new Tiendas Pintatodo, and negotiating at least 50 new clients in the Key Accounts / Third Party channel. This new subsidiary had sales for One Hundred Sixty-Nine Million Seven Hundred Seventy-Nine Thousand Sixty-Five constant Bolívares (Bs. 169,779,065) and a net profit of Twelve Million Thirty-One Thousand Eight Hundred Fifty-One constant Bolívares (Bs. 12,031,851).

II. Principles of Good Corporate Governance:

With regard to the Principles of Good Corporate Governance and the adoption of the criteria set by the Venezuelan National Securities Superintendence through Resolution No. 19-1-2005, the Board of Directors of the company has determined that more than one-fifth of its Directors may be deemed to be independent. Also, the Board of Directors has designated an Audit Committee, whose main functions are: i) To previously review the financial statements of the company as a condition for the same to be considered by the Board of Directors and thereafter submitted for the approval of the Shareholders’ Meeting; ii) Assist the Board of Directors in the implementation of the necessary measures for preserving the integrity of the company’s financial information; iii) Cooperate with the Board of Directors in its task of supervising the internal audit and external auditor’s activities; and iv) Review and analyze the contents of the management letter in order to make the recommendations it deems necessary.

III. Social Responsibility:

Finally, we wish to make it known to our shareholders that Grupo Corimon, C.A. is aware of the importance of its social role, and in this regard following we highlight some of the activities carried out during fiscal year 2013:

- ✓ During fiscal year 2012-2013, it continued making the voluntary payroll contribution to the Dividendo para la Comunidad.
- ✓ Corimon, C.A. made contributions to Foundations engaged in child healthcare. This time we benefitted Fundación Amigos del Niño con Cáncer (*Foundation named Friends of Children with Cancer*) of the State of Zulia, supporting its campaign named Potazo 2012, as Main Sponsor, and also the Fundación Venezolana contra la Parálisis Infantil (*Venezuelan Children's Polio Foundation*), having participated with them in the race "X Carrera – Caminata" through the Silver sponsorship.
- ✓ This year, Corimon continued with its program "Échale Color" ("Let's Color It"), framed within the Company's Social Responsibility plans, with the main purpose of bringing happiness, harmony and peace through a community event for painting with artistic designs the facades of the selected community. This program is carried out jointly with "Iniciativa Paz con Todo", that is part of the Asociación Civil Rompe el Molde, led by Maickel Melamed. In this connection, in September 2012, the community selected was that of José Félix Ribas, located in Petare, and in February 2013, it had a second intervention at the school Unidad Educativa Virgen María Misionera, in the community of Tacarigua, State of Carabobo. This School was selected because it is located in the area where many of the workers of our Valencia plants live and is also a beneficiary of the Dividendo Voluntario a la Comunidad to which the workers of Grupo Corimon contribute.
- ✓ The company Corimon Pinturas, C.A. continues supporting the Escuela de Beisbol Menor "Fundación Atlético de Corimon" (*minor league baseball school*) that carries out its practices at the facilities of Centro Deportivo Montana, therefore promoting and encouraging sports activities for approximately 120 children and teenagers, who are the children and/or relatives of the workers, and of the members of the community.
- ✓ As has been a tradition since 2008, during the month of December 2012, with the voluntary participation of workers of the subsidiaries of Grupo Corimon, toys and miscellaneous donations (clothes, foods, and personal hygiene products) were delivered to children of various day-care homes. This time, the beneficiaries were 93 children of the following day-care homes: Casa Abrigo Dr. Luis Gadalacau, Casa Abrigo en Familia Sustituta and Casa Abrigo Semillitas del Inmaculado Corazón de María.
- ✓ Also during fiscal year 2013, subsidiary Corimon Pinturas, C.A., has continued with the program of donating paints to educational institutions, foundations and public institutions, among which the following: Saime, IVSS, Asociación de Scouts de Venezuela, Fundación Amigos del Niño con Cáncer, Fundación Festival Internacional, Albergue Ancianos de Santa Eduvigis, Asoprogar, U.E. Colegio Inmaculada Concepción, Sociedad Civil Mamita y Yo Preescolar, Parroquia de San Martín de Porres.

Due to the foregoing considerations, and upon review of the Statutory Auditors' Report, the Board of Directors of Corimon, C.A. submits to the consideration of the shareholders the Consolidated Financial Statements of Corimon, C.A. and its subsidiaries, in constant Bolivars for the fiscal year ended on April 30, 2013.

For the BOARD OF DIRECTORS
Carlos Gill Ramírez
President