



Compañía Anónima Nacional Teléfonos de Venezuela (CANTV) announces plans to amend and terminate its ADR program

CARACAS, VENEZUELA – February 18, 2009 – Compañía Anónima Nacional Teléfonos de Venezuela (CANTV) (“CANTV”) announced today that it plans to terminate the deposit agreement under which its American Depositary Shares (“ADSs”) are issued and to enter into certain related amendments to the deposit agreement.

CANTV has instructed the Bank of New York, as depositary (the “Depositary”) under the Amended and Restated Deposit Agreement, dated September 10, 2000, under which CANTV’s ADSs are issued (the “Deposit Agreement”), to terminate the Deposit Agreement. In addition, CANTV and the Depositary have agreed to proposed amendments to the Deposit Agreement to: (i) eliminate the period of time that must pass after termination of the Deposit Agreement before the Depositary may sell the Class D Common Shares of CANTV (“Class D shares”) remaining deposited in the ADSs facility, so that the Depositary may sell any remaining Class D shares commencing immediately upon termination of the Deposit Agreement; (ii) require the Depositary to use reasonable efforts to sell the remaining Class D shares as soon as practicable after termination of the Deposit Agreement; and (iii) provide that the Depositary may cause to be created and sell new ADSs (“New ADSs”) representing Class D shares that remain deposited under the Deposit Agreement following its termination, instead of selling the deposited Class D shares. The amendment and termination of the Deposit Agreement will become effective contemporaneously with (but prior to) the expiration of the proposed tender offers by the Bolivarian Republic of Venezuela (the “Republic”) to acquire the outstanding Class D shares and ADSs, but not prior to April 18, 2009 (which is 60 days after the date of the Depositary’s notice of the proposed amendment and termination). CANTV has agreed

to provide the Depositary with customary indemnification in connection with the amendment and termination of the Deposit Agreement.

The Republic has notified CANTV that in approximately 30 days, it intends to commence separate, but concurrent, tender offers to purchase (i) in Venezuela, any and all outstanding Class D Shares of CANTV not already owned by the Republic on the date the offers commence at a price, payable in Bolivars, of the equivalent of US\$1.61 per share (being the US\$11.27 per ADS price divided by seven to reflect that each ADS represents seven shares), calculated at the official exchange rate in the Republic for the sale of U.S. dollars by the Venezuelan Central Bank, *Banco Central de Venezuela*, in effect on the date on which the sale and purchase transactions in the offer for the shares are completed in a special session of the Caracas Stock Exchange, and (ii) in the United States, any and all outstanding ADSs not already owned by the Republic on the date the offers commence at a price, payable in U.S. dollars, of US\$11.27 per ADS, the prices for the Class D shares and the ADSs being equivalent to the price established in the transaction in which the Republic purchased ADSs from Renaissance Technologies LLC in April 2008. The official exchange rate in the Republic for the sale of U.S. dollars by the Venezuelan Central Bank, *Banco Central de Venezuela*, is currently Bs. 2.15 per US\$ 1.00. Only Class D shares may be sold in the offer in Venezuela, and only ADSs may be sold in the offer in the United States. Holders of CANTV's Class C Shares will be able to participate in the offer by converting their Class C Shares into Class D Shares in accordance with the procedure established in the Issuer's By-laws. The tender offers are expected to commence in March 2009, and will be subject to customary conditions.

The Republic has also notified CANTV that it has entered into an agreement with the Depositary pursuant to which Depositary has agreed, subject to the amendment and termination of the Deposit Agreement described above, to create and tender New ADSs in the offer for ADSs.

Notice to Investors

This press release is not an offer to purchase or the solicitation of an offer to sell any securities. The solicitation and the offer to buy the Class D shares and the ADSs will be made pursuant to offers to purchase, related letters of transmittal and related materials that the

Republic will distribute if and when it commences the offers. If and when available, those documents will contain important information that investors should read and consider carefully before any decision is made with respect to the offers.

About CANTV

CANTV, a Venezuelan corporation, is the leading Venezuelan telecommunications services provider with nearly 6.1 million switched fixed access lines in service, nearly 11.8 million mobile subscribers and nearly 900 thousand broadband subscribers as of December 31, 2008. The Company is approximately 89.4% owned by the Bolivarian Republic of Venezuela, acting principally through the Ministry of the Popular Power for Telecommunications and Information Technology.

Forward-Looking Statements:

This report contains statements about expected future events and financial results that are forward-looking and subject to risks and uncertainties. Actual results could differ materially from those predicted in such forward-looking statements. Factors which may cause actual results to differ materially from those discussed herein include economic considerations (which among other effects, could affect demand for telecommunications services and the ability of the Company to make collections), inflation, regulatory factors, exchange controls and occurrences in currency markets, competition, labor relations and legal proceedings. The Company undertakes no obligation to revise these forward-looking statements to reflect events or circumstances after the date hereof.