



Net income recorded in first quarter 2008 was Bs.F. 367.5 million

Cantv continues its growth trend in all of its business segments

- Our mobile customer base increased 24.3% compared to first quarter 2007, to reach over 10.1 million customers; while fixed telephony customers grew by 25.7% to more than 5.2 million including a 54.0% increase in broadband subscribers which totaled to 784.9 thousand users.

Compañía Anónima Nacional Teléfonos de Venezuela (Cantv) (BVC: TDV.d) reported sustained growth in telecommunications services in all of its business segments.

Cantv's customers bases grew in all segments in first quarter 2008 compared to the same quarter in 2007, obtaining an increase in mobile lines of 24.3%, totaling more than 10.1 million customers; while fixed telephony customers increased by 25.7% to over 5.2 million subscribers including a 54.0% broadband customer increase to 784.9 thousand users.

In the fixed telephony segment for first quarter 2008, residential customers increased by 24.6%, non-residential customers grew by 13.3%, while public telephone lines, private circuits and broadband subscribers increased by 0.3%, 4.2% and 54.0%, respectively, compared to the same period a year ago.

Mobile telephony reflected a significant increase in its customer base for first quarter 2008 of almost 2.0 million customers, compared to first quarter 2007. Prepaid customers increased by 1.7 million (22.4%), while postpaid customers increased by 238 thousand customers (63.1%). Mobile traffic also increased 24.5% compared to the same period last year, to reach a total of 2.7 billion minutes of use (incoming and outgoing), while over 3.6 billion text messages were sent during the first quarter 2008, representing an increase of 20.9% over the same period in 2007.

Higher penetration in telecommunications services was leveraged by significant capital expenditures in line with Cantv's expansion plan. During first quarter 2008, capital expenditures totaled Bs.F. 139.7 million as the Company continued with the deployment of its new GSM network for mobile telephony that was announced last year, and also to strengthen the mobile network's growth program and expansion of coverage throughout the country.

In the broadband service, capital expenditures were focused on the deployment of backbone and data networks to sustain growth in ADSL. In fixed telephony, capital expenditures were focused on the substitution of analog switches with new generation Networks (NGN), as well as the expansion of the access network for fixed telephony lines and the modernization plan for public telephony and information systems.

Financial results

Net consolidated operating revenues totaled Bs.F. 2,202.6 million for first quarter 2008, an increase of Bs.F. 355.5 million, (19.2%) over first quarter 2007.

Mobile, and fixed service revenues including broadband represented 50.6% and 49.4% of total revenues, respectively.

In first quarter 2008 the Company's fixed telephony revenues, including broadband, increased by Bs.F. 160.7 million to Bs.F. 1,087.3 compared to the same period last year. This increase in fixed telephony revenue was primarily due to: an increase in local service revenue of Bs.F. 31.9 million (14.3%); an increase in International long distance revenue of Bs.F. 16.6 million (49.8%); an increase in data transmission service revenue of Bs.F. 40.2 million (20.3%), an increase in equipment sales and other services of Bs.F. 39.3 million (77.1%); an increase in Internet access of Bs.F. 27.2 million (37.0%) and an increase in directory services of Bs.F. 15.3 million (90.1%); which was partially offset by a decrease in domestic long distance service of Bs.F. 9.8 million (3.1%) and interconnection outgoing fixed to mobile and interconnection incoming (2.9%).

Mobile revenues increased by Bs.F. 194.7 million (21.2%) in first quarter 2008 to Bs.F. 1,115.3 million compared to the same period a year ago. This growth was primarily due to an increase in airtime of Bs.F. 108.9 million (28.2%); an increase of Bs.F. 54.1 million in text messaging and other services; an increase in cellular equipment sales of Bs.F. 24.4 million (20.0%); and an increase in other mobile telephony services of Bs.F. 7.3 million.

Total operating expenses, excluding depreciation and amortization, interests and taxes, for first quarter 2008, increased by Bs.F. 344.0 million (26.2%) totalizing Bs.F. 1,655.1 million, which was primarily attributable to labor and benefits

expenses, maintenance, repairs and administrative expenses and costs of sales of equipment.

Earnings before interests, tax, depreciation and amortization (EBITDA) increased by 2.1 % to Bs.F. 547.5 billion compared to first quarter 2007, while EBITDA margin reached 25% compared to 29% in first quarter 2007.

Depreciation and amortization expenses increased by 14.8% in first quarter 2008, to Bs.F. 262.0 million compared to the same period a year ago.

Operating income for first quarter 2008 was Bs.F. 285.5 million, representing an increase of 7.2% compared to the same quarter last year.

Cantv reported net income of Bs.F. 367.5 million in first quarter 2008, an increase of Bs.F. 115.7 million (46.0%) compared to the same period in 2007.

Free cash flow for first quarter 2008 was Bs.F. 468.5 million, 47.0% higher than Bs.F. 318.6 million recorded in first quarter last year.

At the Annual Shareholders' Meeting which was held on March 31, 2008, Shareholders approved an ordinary dividend of Bs.F. 0.75714 per share and an extraordinary dividend of Bs.F. 0.12704 per share, payable on April 15, 2008 to shareholders of record on April 8, 2008.

At the end of March 2008, the Government of the Bolivarian Republic of Venezuela entered into a Purchase Agreement with Renaissance Technologies, LLC, in which Renaissance Technologies, LLC agreed to sell 3,613,996 American Depositary Shares (ADS) of Cantv beneficially owned by Renaissance Technologies, LLC. The acquisition price for each ADS was comprised of : a) the purchase price of US\$11.27 per ADS and b) the amount of US\$2.88 per ADS corresponding to the ordinary and extraordinary dividend approved by Shareholders at the Annual Shareholders Meeting held on March 31, 2008. In addition, Cantv announced that the Bolivarian Republic of Venezuela is required to commence an offer within an estimated period of 60 days to acquire the remainder of Cantv's outstanding shares under the same price conditions offered to Renaissance of Bs.F. 3.46 equivalent to US\$1.61 per share.

For additional information of the Company's results please refer to the corporate web page (www.cantv.com.vw), investor section - reports.