Appendix 4E

Preliminary final report

1. Details of reporting period

Name of Entity	Viento Group Limited
ABN	79 000 714 054
Financial Year Ended	30 June 2010
Previous Corresponding Period	30 June 2009

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	down	6.6%	to	$2,933
Profit from ordinary activities after tax attributable to members	up	n.a.	to	$2,123
Net profit for the period attributable to members	up	n.a.	to	$2,123

Percentage change is not provided as the previous corresponding period contains a net loss.

	Amount Per Security	Franked Amount Per Security
Final Dividend	Nil	Nil
Interim Dividend	Nil	Nil
Previous Corresponding Period	Nil	Nil
Record Date for Determining Entitlements	Not Applicable	

Brief explanation of any of the figures reported above necessary to enable figures to be understood:

Refer to commentary on results for the period and the review of operations shown in the attached financial statements for further explanation.

3. Consolidated Statement of Comprehensive Income

See attached.

4. Consolidated Statement of Financial Position

See attached.

5. Consolidated Statement of Cash Flows

See attached.

6. Dividends

No recommendation for a dividend for the year ended 30 June 2010 has been made.

7. Dividend reinvestment plans

There are no dividends reinvestment plans in place.

8. Consolidated retained earnings

See attached Statement of Changes in Equity.

9. Net tangible asset backing

	30 June 2010	30 June 2009
Net tangible backing per ordinary security	23.3 cents	16.8 cents

10. Details of entities over which control has been gained or lost during the period

See attached.

11. Details of associate and joint venture entities

See attached.

12. Any other significant information needed by an investor to make an informed assessment of the economic entity's financial performance and financial position

Refer to the commentary on results and the attached financial statements.

13. Foreign entities

Not applicable.

14. Commentary on results for period

The consolidated profit of the consolidated group after providing for income tax amounted to ($2,123,000) (2009: loss of $8,460,000). Revenue for the year was $2,933,000 (2009: $3,140,000). The result includes the following items:

- Pre-tax profit $24,000
- Recognition of net deferred tax assets through Statement of Comprehensive Income of $2,099,000 (prior year the deferred tax was expensed).
- Revaluation increment on Kangaroo Island investment included in profit of $107,000

We start the new year with a streamlined operation with predictable low cost operations. The Balance Sheet is strong with Cash at Bank of $2.1m and receivables in excess of $4.3m and no debt.

Current expectations show good company profitability going forward greatly helped by revenue from the subdivision business.

15. Audit/Review Status

This report is based on accounts to which one of the following applies (tick one):

The accounts have been audited		The accounts have been subject to review	
The accounts are in the process of being audited or subject to review	✔	The accounts have not yet been audited or reviewed	

If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:

If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:

16. Details of Annual General Meeting

Date	Expected to be Thursday, 19 November 2010
Place	TBC
Time	TBC

Rob Nichevich
Director

30 August 2010

GROUP STRATEGY OVERVIEW

The 2009/2010 financial year has seen stabilisation in the investment markets. As with many other property Fund Managers and listed entities, the changed investment climate and the realignment of global capital markets has impacted the Group. After a detailed review of operations in the first half of the 2008/09 financial year, the company went through a significant restructure with a consolidation of operating expenses across the board to strengthen its overall financial position.

During the past financial year, the Group's key activities remained focused on the management of our property related investment products.

The reduction in property values has seen a need to manage the debt exposures in our various Funds. The economic downturn increased vacancies and impacting the cash flow of some of our products. To manage this, distributions are suspended in the Viento Diversified Property Fund and the New Enterprise Property Syndicate. Distributions continued for the Premiere and Metro Property Syndicates.

OPERATING RESULTS FOR THE YEAR

The consolidated profit of the group after providing for income tax amounted to $2,123,000 (2009: loss of $8,460,000). Revenue for the year was $2,933,000 (2009: $3,140,000). The deferred tax balances were re-instated as at 30 June 2010 the impact of which is a income tax benefit being recognised of $2,099,000. Looking at this result on a before tax basis we achieved a profit before tax of $24,000 (2009: loss of $7,530,000).

PROPERTY DIVISION

OVERVIEW

The 2010 financial year saw the Group's retail investor property funds management business stabilise in the aftermath of the global economic downturn. Our funds have all faced their own unique challenges. Indicators are that we have reached the bottom of the property downturn and we have seen the stabilisation of property values and vacancies within our portfolio.

Our strategy is to protect investor's capital and develop conservative, transparent direct property investment vehicles.

The property division is based in Melbourne and maintains a presence in Perth.

VIENTO DIVERSIFIED PROPERTY FUND (VDPF)

Due to economic conditions the performance of the VDPF has been negatively impacted over the past year, with a total return over the past 12 months of (10%). Property re-valuations were mixed with the gross assets under management decreasing by $1,950,000 to $136,250,000.

Due to the uncertainty surrounding the financial and property markets combined with negative investor's sentiment, the Manager suspended all applications and withdrawals from the Fund from October 2008. This included the suspension of both regular investments and reinvestment of distributions. As at the end of 2009/10 the suspension to application and withdrawals was still in place.

The Directors of Viento Property Limited made the very difficult decision to suspend Fund distribution for the April – Jun 2009 quarter and for the 2009/10 financial year in order to maintain cash reserves which will allow the Fund to continue to:

- Provide funds for leasing incentives
- Provide funds for essential capital works
- Pay down debt thus mitigating the impact of declining property values.

On 10 May 2010 the VDPF launched a product disclosure document (PDS) to raise $7m to raise capital, to reduce debt and enhance the Funds properties. If the capital raising is unsuccessful the VDPF may be forced to sell further assets.

Our primary objective for the Fund is to preserve investors' capital and improve the performance of the Fund and we have implemented the following initiatives to achieve our goals:

- Implemented an aggressive leasing strategy to address changing market conditions targeting tenants who are seeking price sensitive or cost driving leasing options
- Implemented an in-house leasing initiative
- Reduced problem debtors by implementing an improved program of pursuing tenant arrears

- Prudently manage the cash flow for the Fund through he implementation of a strict regime to manage and control property operating expenses.
- Limit capital expenditure to leasing incentives that guarantee income, plant and equipment lifecycle costs, mandatory occupational health and safety matters and compliance requirements.

The Fund comprises 11 assets, with a broad geographic coverage across 5 states and predominantly in retail and commercial property sectors.

PROPERTY INVESTMENT SYNDICATES

The Group currently administers 3 property syndicates and 2 property subdivision syndicates.

In October 2009, the Metro Property Syndicate was due to expire. We were of the opinion that to sell the properties in what is a depressed and oversupplied market, would not be in the best interest of unitholders. Therefore Viento recommended an extension of the Syndicate term for a further two years by way of special resolution to allow for market conditions to stabilise and valuation fundamentals to return. Unitholders voted in favour of the resolution and the Metro Property Syndicate has been extended until 25 October 2011.

In June 2010, the New Enterprise Property Syndicate was due to expire. We were of the opinion that the current market for selling property is difficult and it is unlikely that favourable sale prices would be achieved if all of the Properties were sold in the current market, the Cove Hill property has potential unrealised value that we can take advantage of to improve the ultimate sale price and improve the return to Unitholders and in its current state, we were unlikely to obtain a favourable sale price or even a sale offer for the Artarmon property. Therefore Viento recommended an extension of the Syndicate term for a further two years by way of special resolution to allow for market conditions to stabilise and valuation fundamentals to return. Unitholders voted in favour of the resolution and the New Enterprise Property Syndicate has been extended until 4 June 2012. Distributions remain suspended.

The Premiere Property Syndicate is performing to expectations, however the major tenant at the Rockingham cinema complex has given notice to vacate in accordance with their lease and will be vacating the premises in May 2011. Viento Property is endeavouring to find a suitable replacement tenant prior to the vacancy occurring to minimise the impact on the syndicate.

PROPERTY SUBDIVISION SYNDICATES

Viento Property Ltd is also responsible entity of two property subdivision syndicates – Southern River Syndicate and Henley Brook Syndicate. Each syndicate aims to deliver returns to investors that are commensurate with development risk.

For both Syndicates, capital is progressively returned to syndicate investors over the life of the subdivision project. Viento will receive fees based on a percentage of the sales values of the new lots sold. Consistent with the nature of each subdivision project, the majority of the returns are expected to flow through in the later years of the project as lot sales are achieved and settled.

Development has commenced at Southern River and we anticipate development at Henley Brook to commence this calendar year.

FORESTRY DIVISION

Viento continues to hold interests in forestry investment products that the Group marketed in earlier years, and to manage the interests of investors who hold such interests. The group has not marketed forestry investment products since June 2003.

The consolidated group's interest in trees was subject to an independent revaluation at 30 June 2009, resulting in a revaluation increment of $107,000 (2009: decrement of $47,000). Further trees were acquired during the year as a result of an investor going bankrupt and the Group having the trees as security. The value of the trees at 30 June 2010 was $1,985,000 (2009: $1,725,000).

The forestry investments of the group reside on Kangaroo Island, along with other agriculture investment companies. The investments have been valued assuming that an export facility will be constructed on Kangaroo Island prior to the scheduled harvest in 2015, as we believe Kangaroo Island has tree plantations significant enough to support a commercially viable export facility.

Without the development of an export facility the value of the trees is considered negligible.

There are an estimated 17,500 hectares of plantations of both Tasmanian Blue Gums (14,000) and pine (3,500). These plantations are estimated to produce over 3 million cubic metres of wood chips over a ten year period. The value per annum of this production is estimated to be $30m.

Over the period since the company first planted Tasmanian blue gums on the island annual growth has been in the range of 18 to 25 mean annual increment per cubic metre representing a commercially sustainable growth rate. Significantly these growth rates are in the top quartile of growth rates around Australia.

The Directors believe that the existing plantations and the good growth of the plantations make a strong case for a commercial wood chipping operation to be developed on the Island.

EXPLORATION DIVISION

Viento Group's wholly owned subsidiary, Constance Range Pty Ltd (CRPL) is the holder of a 70% joint venture interest in the Constance Range iron ore exploration project in North West Queensland.

Last year a valuation of the project was completed valuing the asset at $1.5m whilst it is in the financial statements at nil value. The asset comprises 310mt of hematite ore grading 51%Fe. The project is joint ventured with all costs borne by the joint venturer.

The Board is assessing various means of returning value for this asset to shareholders.

COMPLIANCE

There were no significant compliance breaches reported to ASIC for the VDPF and the 5 property syndicates during the year. This reflects the continued strong compliance culture at Viento. The Compliance Committee for Viento Property Limited, comprised a majority of independent members and it met four times during the year. The compliance plan auditors successfully completed their audit of plans for the VDPF and the 5 property syndicates .

The Group's compliance regime and risk management systems aim to ensure the business continues to have a strong regulatory focus to benefit all stakeholders.

FINANCIAL POSITION

The net assets of the consolidated group have increased from $8.881 million at 30 June 2009 to $11.047 million at 30 June 2010.

The cash position of $2.1 million has reduced when compared to that of the previous year ($3.1 million). Current trade and other receivables are $2.5 million with non-current trade and other receivables at $1.8 million. Trade and other payables are $0.6 million.

The Directors believe that Viento Group will continue to grow revenue streams from new and existing funds under management from the continuing operation and development of the Company's businesses, strategies and investments.

FUTURE DEVELOPEMENTS, PROSPECTS AND BUSINESS STRATEGIES

The company has a strong base of approximately $240 million in funds under management, predominately in property, with an established retail investor distribution network and an adequate Statement of Financial Position.

The focus of the executive team for the year to 30 June 2011, with the singular strategic vision of building funds under management, is:

- to stabilise the VDPF and syndicate portfolios and look for opportunities to create or realise value for unitholders, and to be in a position to move forward with opportunities which may become available due to the current unsettled property market conditions; and
- to review the domestic property sector to identify particular areas for growth where the group can deliver a pipeline of investment product for both retail and institutional investors.
- Consider all other opportunities in the direct property funds management sector

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2010

		CONSOLIDATED GROUP	
		2010	**2009**
		$000	**$000**
Revenue	1	2,933	3,140
Employee Benefits Expense		(1,718)	(3,426)
Termination Payments		-	(454)
Professional Services Fees		(280)	(997)
Commission Expense		(149)	(227)
Occupancy Expense		(234)	(502)
Finance Expense		(6)	(384)
Administration Expense		(436)	(781)
Depreciation and Amortisation Expense		(78)	(135)
Loss on Disposal of Property, Plant and Equipment		-	(44)
Loss on Disposal of Investments		-	(1,381)
Increment (Decrement) in Forestry Plantations	4	107	(47)
Impairment of Assets		-	(341)
Write Off Deferred Establishment Costs		-	(658)
Write Off Loans to Associates		-	(1,272)
Bad & Doubtful Debts Expense		(115)	(21)
Profit/(Loss) Before Income Tax Expense		24	(7,530)
Income Tax (Expense)/Benefit	2	2,099	(930)
Profit/(Loss) for the year		2,123	(8,460)
Other comprehensive income			
Adjustment to prior year retained earnings on disposal of Joint Venture		-	1,059
Write back of deferred tax assets		104	-
Revaluation increment of listed investment		(45)	120
Other comprehensive income for the year net of tax		59	1,179
Total comprehensive income for the year		2,182	(7,281)
Profit attributable to:			
Members of the parent entity		2,123	(8,460)
Total comprehensive income attributable to:			
Members of the parent entity		2,182	(7,281)

Overall Operations

Basic and Diluted earnings per share (cents per share)		4.49	(16.04)

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2010

	NOTE	CONSOLIDATED GROUP	
		2010	2009
		$000	$000
Current Assets			
Cash and cash equivalents		2,098	3,079
Trade and other receivables		2,486	1,463
Financial assets		154	200
Other current assets		203	232
Total Current Assets		4,941	4,974
Non Current Assets			
Trade and other receivables		1,839	2,182
Financial assets		569	569
Plant and equipment		173	242
Biological assets	4	1,985	1,725
Deferred tax assets	5	2,798	-
Intangible assets		14	14
Total Non Current Assets		7,378	4,732
Total Assets		12,319	9,706
Current Liabilities			
Trade and other payables		563	723
Short-term provisions		49	32
Other current liabilities		56	59
Total Current Liabilities		668	814
Non Current Liabilities			
Deferred tax liabilities	5	595	-
Long-term provisions		9	11
Total Non Current Liabilities		604	11
Total Liabilities		1,272	825
Net Assets		11,047	8,881
Equity			
Issued capital		19,231	19,231
Reserves		1,346	1,408
Retained earnings		(9,530)	(11,758)
Total Equity		11,047	8,881

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2010

CONSOLIDATED GROUP	***Note***	**$000** **Share Capital Ordinary**	**$000** **Share Based Payments Reserve**	**$000** **Financial Assets Reserve**	**$000** **Retained Earnings**	**$000** **Total**
Balance at 30 June 2008		19,156	546	(99)	(4,356)	15,247
Profit attributable to members of the parent entity					(8,460)	(8,460)
Total other comprehensive income for the year				120	1,059	1,179
Reclassification of convertible notes	19	42				42
Employee share options expense	30		(487)			(487)
Exercised/lapsed employee options		33	1,327			1,360
Balance at 30 June 2009		19,231	1,386	21	(11,757)	8,881
Profit attributable to members of the parent entity					2,123	2,123
Total other comprehensive income for the year				(45)	104	59
Cancellation of outstanding options			(16)			(16)
Balance at 30 June 2010		19,231	1,370	(24)	(9,530)	11,047

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2010

	CONSOLIDATED GROUP	
	2010	**2009**
	$000	**$000**
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	2,337	4,969
Payments to suppliers and employees	(3,224)	(6,961)
Interest received	79	269
Finance expenses paid	(6)	(202)
Dividends received	-	-
Income tax (paid)/refunded	-	85
Net cash provided by/(used in) operating activities	(814)	(1,840)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale:		
– Plant & equipment	-	6
– Investments	-	101
Payments for purchase of:		
– Plant & equipment	(18)	(21)
– Investments	-	-
– Forestry plantations	(153)	(78)
– Other non current assets	-	(3)
Loans to:		
– Related entities	-	-
– Other	4	-
Loans repaid by:		
– Related entities	-	-
– Other	-	12
Net cash provided by/(used in) investing activities	(167)	17
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	-	-
Proceeds from issue of convertible notes	-	-
Proceeds from exercise of share options	-	-
Proceeds from borrowings:		
– Financial institutions	-	-
– Related entities	-	81
Repayment of borrowings:		
– Financial institutions	-	-
Loans to related entities	-	(74)
Loans repaid by related entities	-	-
Net cash provided by financing activities	-	7
Net increase/(decrease) in cash held	(981)	(1,816)
Cash at the beginning of the year	3,079	4,895
Cash at the end of the year	2,098	3,079

	CONSOLIDATED GROUP	
	2010	**2009**
	$000	**$000**
1. REVENUE		
Sales Revenue		
– Management Fee Income	2,305	1,904
– Completion Fee Income	-	177
– Other Fee Income	279	521
Total sales revenue	2,584	2,602
Other Revenue		
– Rental Revenue	-	30
– Leasing Fee Revenue	146	36
– Interest Received	58	201
– Dividends	-	1
– R&D Grant Income	-	174
– Other Revenue	145	96
Total other income	349	538
Total Revenue	2,933	3,140

	CONSOLIDATED GROUP	
	2010	**2009**
	$000	**$000**
2. INCOME TAX		
a. The components of tax expense/(benefit) comprise:		
Current tax	-	(974)
Deferred tax	(2,094)	(470)
Under/(over) provision in respect of prior years	(5)	(85)
Write off deferred tax asset in respect of prior years	-	2,459
	(2,099)	930
b. Prima facie tax payable on profit/(loss) from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on profit/(loss) from ordinary activities before income tax at 30% (2009: 30%)	7	(2,259)
	7	(2,259)
Add: Tax effect of:		
- other non allowable items	4	722
- write downs to recoverable amounts	-	16
- tax assets recouped during the period	-	-
- other net timing differences	1	(94)
	12	(1,615)
Less: Tax effect of:		
- revaluations of assets	-	11
- other net timing differences	(60)	(651)
- Provisions	(59)	-
Current year write off DTA/DTL	(1,880)	(1,989)
Recoupment of prior year tax losses/adjustments	(112)	85
Income tax (benefit)	(2,099)	930
Imputation credits	-	-
Income tax (benefit) attributable to entity	(2,099)	930
Applicable weighted average effective tax rates*:	-	(12%)

3. CONTROLLED ENTITIES	**Country of Incorporation**	**Percentage Owned (%) 2010**	**2009**
(a) Controlled Entities			
Parent Entity			
Viento Group Limited	Aust		
Subsidiaries of Viento Group Limited			
Constance Range Pty Ltd	Aust	100	100
QTIF Pty Ltd	Aust	100	100
Viento Capital Pty Ltd	Aust	100	100
Viento Finance Pty Ltd	Aust	100	100
Viento Forestry Pty Ltd	Aust	100	100
Viento Investment Pty Ltd	Aust	100	100
Viento Management Pty Ltd	Aust	100	100
Viento Meta Growth Pty Ltd	Aust	100	100
Viento Mortgages Pty Ltd	Aust	100	100
Viento Property Limited	Aust	100	100
Viento Global Properties Pty Ltd	Aust	100	100
Convex Alternative Strategies Pty Ltd	Aust	100	62.5

All entities have a financial year end of 30 June 2010.

	CONSOLIDATED GROUP	
	2010	**2009**
	$000	**$000**
4. BIOLOGICAL ASSETS		
At net market value:		
Opening balance	1,725	1,649
Acquisitions	-	41
Maintenance, rent and insurance	153	82
Market value increment/(decrement)	107	(47)
Closing balance	1,985	1,725

(a) Nature of Asset

The company maintains ownership of Eucalyptus Globulus trees growing on 370 hectares (2009: 370 hectares) on Kangaroo Island, South Australia.

Plantation values are not static. Trees are capable of biological growth and will change in value over time as the trees mature. They will also change in value as woodchip prices change, or if growth or health of plantation trees are affected by various agricultural risks such as drought, fire and pest damage.

The net market value of the asset has been determined in accordance with an independent valuation carried out on **13 August 2010** by Mr David Geddes, BSc (For), AQIMM, MACFA, CPMgr, of Geddes Management Pty Ltd.

(b) Acquisitions

There were no acquisitions during the year. In 2009 the Group acquired an additional 9 hectares of plantations during the year following forfeiture of a loan. The 9 hectares were held as security over the loan which reverted to the Group upon receipt of final dividend bankruptcy payment by the debtor.

(c) Assumptions

Significant assumptions made in determining the net market value of the plantation timber include:
(i) the discount rate used in the valuation was 9.38% (2009: 9.14%);
(ii) the inflation rate for Australia used was 3.1% (2009:1.5%) and the risk free rate of return was 5.75% (2009: 5.75%);
(iii) the valuation was conducted on a pre tax basis; and
(iv) it has been assumed that an export facility will be constructed on Kangaroo Island prior to the scheduled harvest in 2015 (2009: 2015).
(v) Development of an export facility prior to the scheduled harvest date.

(d) Other Risks

i) Without the development of an export facility the value of the trees is negligible.
ii) Maintenance of projected growth rates until time of harvest – any period of projected drought can adversely impact on growth rates.
iii) The achievement of woodchip prices – blue gum woodchip prices have retained value in the last two years when many other commodities exported from Australia have significantly dropped in price as a result of global economic turmoil. An oversupply of woodchip from Australia in the next few years could adversely impact prices, but the pricing strength in the last 12 months and the “preferred product” status of blue gum woodchip, suggests little negativity in future woodchip pricing. Nevertheless, volumes of woodchip sold from Australia have been depressed over the last two years.
iv) Interest rates, inflation rates and bond rates all impact the discount rate used in valuation calculations. Any increase in the discount rate will adversely impact future tree values.
v) Harvesting and port handling costs – any increase in these costs will reduce future tree values.

(e) Other Information

There are an estimated 17,500 hectares of plantations of both Tasmanian Blue Gums (14,000) and pine (3,500).

Over the period since the company first planted Tasmanian blue gums on the island annual growth has been in the range of 18 to 24 mean annual increment per cubic metre representing a commercially sustainable growth rate.

The Directors believe that the existing plantations and the good growth of the plantations make a strong case for a commercial wood chipping operation to be developed on the Island. The cost of building a full port facility on the island is estimated to cost in the vicinity of $30m which based on the production rates above could be recovered one year into a ten year cutting plan.

	CONSOLIDATED GROUP	
	2010	**2009**
	$000	**$000**
5. TAX		
(a) Assets		
NON-CURRENT		
Deferred tax assets comprises:		
Provisions	134	63
Impairment of assets	542	1,483
Future income tax benefits of losses	1,994	1,896
Other	128	14
Write off DTA to Statement of Comprehensive Income	-	(3,456)
	2,798	-
Movements in deferred tax assets:		
Opening balance	-	2,027
Credited/(Charged) to Statement of Comprehensive Income	2,694	1,430
Current year – (charge)/credit to equity	104	-
Write off DTA to Statement of Comprehensive Income	-	(3,457)
Closing balance	2,798	-
(b) Liabilities		
NON-CURRENT		
Deferred tax liabilities comprise:		
Tax allowances relating to property, plant & equipment	-	7
Fair value gain adjustments	-	504
Other	-	486
Write off DTL to Statement of Comprehensive Income	595	(997)
	595	-
Movements in deferred tax liabilities:		
Opening balance	-	1,003
Current year - charge/(credit) to Statement of Comprehensive Income	595	(14)
Current year – charge/(credit) to equity	-	8
Write off DTL to Statement of Comprehensive Income	-	(997)
Closing balance	595	-