



VIENTO GROUP LIMITED

ABN 79 000 714 054

NOTICE OF 2011 GENERAL MEETING EXPLANATORY MEMORANDUM INDEPENDENT EXPERT'S REPORT AND PROXY FORM

DATE OF MEETING

11 November 2011

TIME OF MEETING

10am WST

PLACE OF MEETING

Celtic Club

48 Ord Street, West Perth, Western Australia 6005

This Notice of General Meeting and Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.

NOTICE OF 2011 GENERAL MEETING

NOTICE is hereby given that the General Meeting of Viento Group Limited ("**Company**") will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia 6005 on Friday 11 November 2011 at 10am WST ("**Meeting**").

The Explanatory Memorandum to this Notice of General Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the proxy form are incorporated in and comprise part of this Notice.

Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in this Notice and the Explanatory Memorandum.

AGENDA

1. RESOLUTION 1 – APPROVAL FOR THE ACQUISITION OF SHARES BY THE SILVERTHORNE TRUSTEE

To consider and if thought fit, to pass the following Resolution as an ordinary Resolution:

"That for the purposes of Section 611, Item 7 of the Corporations Act and for all other purposes, approval be given for the Silverthorne Trustee to acquire 9,464,914 fully paid ordinary shares in the capital of the Company at 15 cents per Share and otherwise on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Short Explanation

The Silverthorne Trustee has agreed to purchase 9,464,914 Shares at 15 cents per Share from the Caratti Group pursuant to the terms and conditions of the Share Sale Agreement. A condition of the Share Sale Agreement requires that Shareholders approve the Proposed Transaction as if approval was required pursuant to Section 611, Item 7 of the Corporations Act.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution by the Purchaser, the Seller and any Associate of the Purchaser and the Seller. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the proxy form or it is cast by a person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with directions on the proxy form to vote as the proxy decides.

TERMS

Terms used in this Notice, including the resolutions set out in this Notice have, unless otherwise defined, the same meanings set out in the Glossary to the Explanatory Memorandum.

PROXIES

1. A member who is unable to attend and vote at the Meeting may appoint a proxy by completing and returning the attached proxy form in the manner provided below. The proxy need not be a member of the Company.
2. A member entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.
3. Forms to appoint proxies, and a power of attorney (if any) under which they are signed, must be lodged not less than 48 hours before the time of the Meeting as follows:
 - by hand:
Viento Group Limited
Level 3
11 Queens Road
Melbourne, Victoria 3004; or
 - by mail:
Viento Group Limited
Locked Bag 105
South Melbourne, Victoria 3205; or
 - by facsimile:
+61 3 9866 7029
 - by email:
info@vientogroup.com

Proxy forms must be returned by 10am WST on Wednesday 9 November 2011 to be effective. **Proxy forms received later than this time will be invalid.**

Your proxy form is enclosed.

CORPORATE REPRESENTATIVES

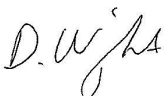
Any corporate member who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the *Corporations Act* authorising him or her to act as that company's representative. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which the appointment is signed.

ATTENDANCE AND VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders of the Company at 7pm WST on Wednesday 9 November 2011.

To vote in person, attend the Meeting on the date and at the place set out in this Notice of Meeting and Explanatory Memorandum.

BY ORDER OF THE BOARD OF DIRECTORS



Damian Wright
COMPANY SECRETARY
10 October 2011

VIENTO GROUP LIMITED
ACN 000 714 054
EXPLANATORY MEMORANDUM

INTRODUCTION

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolution contained in the Notice.

An Independent Expert's Report is attached to this Explanatory Memorandum which provides Shareholders with important information relating to Resolution 1. The Directors recommend Shareholders read this Explanatory Memorandum and the Independent Expert's Report in full before making any decision in relation to the Resolution.

ITEM 1: RESOLUTION 1 – APPROVAL FOR THE ACQUISITION OF SHARES BY THE SILVERTHORNE TRUSTEE

Introduction and Summary of the Proposed Transaction

On 30 August 2011 the Silverthorne Trustee, the Purchaser, and the Caratti Group, the Seller, entered into the Share Sale Agreement for the Sale Shares, whereby the Silverthorne Trustee will acquire from the Caratti Group 9,464,914 Shares for a total consideration of \$1,419,737.10 representing 15 cents per Share.

The consideration payable by the Purchaser to the Seller will be by bank cheque drawn by a bank carrying on business under the laws of the Commonwealth of Australia and the State of Western Australia. As announced to the market on 31 August 2011, the Proposed Transaction is subject to Shareholders approving the purchase of the Sale Shares by the Silverthorne Trustee in accordance with Item 7 of Section 611 of the Corporations Act. Completion of the purchase is scheduled to take place within seven days after the Meeting if the Shareholder approval condition is satisfied. A meeting of Shareholders is required to be held within 75 days of the date of the Share Sale Agreement.

If Shareholders approve this Resolution 1, the Purchaser will acquire the Sale Shares from the Seller pursuant to the terms and conditions of the Share Sale Agreement.

Section 611, Item 7 of the Corporations Act

Section 606 of the Corporations Act prohibits a person acquiring a relevant interest in issued voting shares in a company, if as a result of the acquisition that person's or someone else's voting power in the company increases from 20% or below to more than 20% or from a starting point that is above 20% and below 90%. A "person's voting" for these purposes means the total number of votes that the person and his or her associates has a relevant interest in, expressed as a percentage of total votes attaching to all shares in the entity.

A person has a relevant interest in securities if they:

- are the holder of the securities; or
- have power to exercise or control the exercise of, a right to vote attached to securities; or
- have power to dispose of or control the exercise of a power to dispose of, the securities.

It does not matter how remote the relevant interest is or how it arises. If two or more people can jointly exercise one of these powers, each of them is taken to have that power. A person is an "associate" of another person if, amongst other things, they have entered into an agreement, arrangement or understanding for the purpose of controlling or influencing the composition of a company's board of directors or the conduct of affairs of such company.

There are various exceptions to the prohibition in Section 606 of the Corporations Act, including under Section 611, Item 7 of the Corporations Act. Section 611, Item 7 provides an exception to the prohibition in Section 606 in circumstances where the shareholders of the company approve an acquisition of shares by virtue of an

allotment or acquisition at a general meeting at which no votes are cast in favour of this Resolution by parties involved in the proposed acquisition, including their Associates.

Mr John Farrell is an Associate of Hanscon which currently holds 6,500,000 Shares representing at the date of the Notice 11.9% of the total voting power in the Company. Mr John Silverthorne, a trustee and beneficiary of the Silverthorne Trust, has a prior business relationship with Mr John Farrell. While the Purchaser and Mr Farrell have advised the Company that they are not Associates (for the purposes of Chapter 6 of the Corporations Act), given their business relationship, they have decided to treat themselves as if they are Associates for the purposes of this transaction and therefore seek Shareholder approval under Section 611, Item 7 of the Corporations Act for their collective voting power.

Pursuant to the terms of the Share Sale Agreement the Silverthorne Trustee has, subject to Shareholder approval, agreed to acquire the Sale Shares. If Mr John Farrell was associated with the Silverthorne Trustee and if the Silverthorne Trustee acquires the Sale Shares then Hanscon and the Silverthorne Trustee and each of their Associates will hold 15,964,914 Shares representing at the date of the Notice 29.3% of the voting power of the Company.

Information required by ASIC Regulatory Guide 74 and Section 611

The following paragraphs set out information required to be provided to Shareholders under ASIC Regulatory Guide 74 and Section 611, Item 7 of the Corporations Act.

Shareholders are also referred to the Independent Expert's Report attached to this Explanatory Memorandum. **The Independent Expert has evaluated the Proposed Transaction, including the advantages and disadvantages of the Proposed Transaction, and has concluded that the advantages of the Proposed Transaction outweigh the disadvantages.**

(a) **Names of Purchaser**

The Sale Shares the subject of this Resolution 1 will, if approved by Shareholders, be purchased by the Silverthorne Trustee. The Silverthorne Trust is a discretionary family trust Mr John Silverthorne is one of the trustees of the Silverthorne Trust.

(b) **Number and Percentage of Shares to which the Purchaser will be Entitled before and after the Proposed Acquisition under Section 611, Item 7 Requirements**

Currently, the Silverthorne Trustee's relevant interest in Shares is nil. The current voting power of the Silverthorne Trustee and each of its Associates is nil, based on 54,404,572 Shares on issue at the date of the Notice.

The current combined relevant interest of the Silverthorne Trustee and Hanscon and each of their respective Associates as if they are associated is 6,500,000 Shares. The current combined voting power of the Silverthorne Trustee and Hanscon and each of their respective Associates as if they are associated represents at the date of the Notice 11.9% of the total voting power in the Company.

After the acquisition of 9,464,914 Shares, the subject of this Resolution 1, the Silverthorne Trustee will have a relevant interest in 9,464,914 Shares and its voting power (and the voting power of each of the Associates) will increase to 17.4% based on 54,404,572 Shares on issue at the date of the Notice.

After the acquisition of 9,464,914 Shares, the subject of this Resolution 1, the combined relevant interest of the Silverthorne Trustee and Hanscon and each of their respective Associates as if they are associated will be 15,964,914 Shares. The combined voting power of the Silverthorne Trustee and Hanscon and each of their respective Associates as if they are associated will be 29.3%.

The effect of the acquisition is summarised in the following table with outlines the current and proposed shareholding of the Silverthorne Trustee and Hanscon in the Company.

Shareholder	Current Position		Position after Acquisition	
	No of Shares	%	No of Shares	%
The Silverthorne Trustee	Nil	Nil	9,464,914	17.4
Hanscon	6,500,000	11.9	6,500,000	11.9
Combined ¹	6,500,000	11.9	15,964,914	29.3
Other Shareholders	47,904,572	88.1	38,439,658	70.7
Total	54,404,572	100.0	54,404,372	100.0

¹ Represents the combined relevant interest of the Silverthorne Trustee and Hanscon and their respective Associates as if they are associated.

The above table is based on the issued Shares and the current shareholdings of the Silverthorne Trustee and Hanscon as at the date of this Notice.

(c) **Identity, Associations and Qualifications of any Proposed Director**

No change to the composition of the Board is currently contemplated by the Silverthorne Trustee, Hanscon or the Board as a result of the Proposed Transaction.

(d) **Future Intentions for the Company**

(i) **The Silverthorne Trustee (Purchaser)**

The Silverthorne Trustee has indicated that its intentions mentioned in this section are based on the facts and information regarding the Company and the general business environment which are known to it as at the date of the Notice. Any future decisions which it makes will be based on all material information and circumstances at the relevant time. Accordingly, if circumstances change or new information becomes available in the future, the Purchaser's intentions could change accordingly. The Purchaser has informed the Company that it is supportive of the Company's current direction and of the Board's strategic plan which aims to strengthen the Company in three key areas by:

- recapitalising the Viento Diversified Property Fund;
- developing Viento's subdivision business; and
- diversifying into other activities which may include providing services to the mining industry.

The Purchaser has indicated that it is willing to consider any proposals the Board may put forward as to how the Purchaser could support and assist the Company toward achieving these aims.

The Purchaser has advised the Company that since it is supportive of the Company's current direction, it does not currently intend to make any major changes to the existing activities of the Company and that other than as disclosed above and elsewhere in this Explanatory Memorandum, the Purchaser:

- has no current intention of making any significant changes to the existing business of the Company;
- has no current intentions to inject capital into the Company unless the Board decides to raise additional capital but the Purchaser has indicated that if it is afforded the opportunity to inject capital into the Company, the Purchaser will consider the terms and conditions of the offer and decide whether or not to accept it and thus participate in the Company's capital raising. In addition, the Purchaser indicated that it may in the future purchase additional Shares on issue either on market or off market. Any acquisition of

additional Shares will be made in compliance with the Corporations Act. In addition, the Purchaser indicated that it has no plans of making a takeover bid for the Company in the future;

- has no current intention to become involved in decisions regarding the future employment of the Company's present employees and contemplates that they will continue in the ordinary course of business;
- does not presently intend for any property to be transferred between the Company and the Purchaser or the Seller or any party associated with any of them;
- has no current intention to deploy the fixed assets of the Company;
- has no current intention to change the Company's existing dividend policy or other financial policies;
- has no current intention to seek a position on the Board or take control of the Company's operations, or make investment decisions relating to the Company's business activities and assets; and
- has no current intention to introduce to the Company business opportunities; however, in the future if such opportunities arise the Purchaser indicated that they may be introduced for Board assessment.

(ii) **Hanscon**

Hanscon has indicated that its intentions mentioned in this section are statements of current intentions only which may vary as new information becomes available or circumstances change and are based on information and facts on the Company presumably known by Hanscon.

As at the date of this Explanatory Memorandum is issued, the Company understands that:

- there are no proposals currently contemplated whereby the Company will acquire any property or assets from Hanscon or any other party associated with it;
- there are no proposals to transfer any of the Company's property or assets to Hanscon or any other party associated with it;
- Hanscon will not change the Board;
- there is no intention to change the dividend or financial policies of the Company;
- there is no intention to change the business direction of the Company which Hanscon acknowledged as being the business direction summarised in the commentary to the 4E Preliminary Financial Statement released by the Company on 31 August 2011;
- there is no proposed intention to inject further funds into the Company. Hanscon may acquire additional existing Shares on issue in the future subject to compliance with the Corporations Act requirements and will consider offers from the Company if the Company seeks to raise additional capital in the future; and
- there is no intention to change the employment arrangements of the present employees of the Company.

(e) **Relationship between the Parties**

Both the Purchaser and Hanscon have confirmed to the Company that there is no practical or formal agreement between each other or any other Shareholder as to the voting or disposal of Shares except for the Share Sale Agreement.

(f) **The Terms of the Proposed Transaction**

The terms of the Proposed Transaction under the Share Sale Agreement are summarised in the Introduction and Summary of the Proposed Transaction section above.

(g) **Timing of the Proposed Transaction**

Subject to obtaining Shareholder approval for the purposes of Section 611, Item 7 of the Corporations Act, the Purchaser and the Seller become immediately bound under the Share Sale Agreement. Under the terms and conditions of the Share Sale Agreement the sale and purchase of Shares is required to be completed within seven days of this Meeting.

(h) **Directors' Interests and Recommendation**

The current Directors are Robert Nichevich, Shane Heffernan, Raymond King and John Farrell. Each of Robert Nichevich, Shane Heffernan and Raymond King have no material personal interest in this Resolution. Each of these Directors recommends that Shareholders vote in favour of this Resolution as they consider that the Purchaser will be supportive of the Company's ongoing activities.

Due to John Farrell being an Associate of Hanscon and having a prior business relationship with the Silverthorne Trustee, he considers that he is not independent for the purposes of this Resolution and makes no recommendation to Shareholders.

All of the Non-Associated Directors were available to consider this Resolution 1 and have resolved to put this Resolution to Shareholders. The Non-Associated Directors also resolved to issue this Explanatory Memorandum to Shareholders, together with the Independent Expert's Report.

(i) **Independent Expert's Report – Opinion on the Proposed Transaction**

As announced to the market on 31 August 2011, the Directors of the Company commissioned the Independent Expert to prepare a report on the question of whether the advantages of the Proposed Transaction outweigh the disadvantages for the Shareholders not associated with the Silverthorne Trustee. The Independent Expert's Report is attached to this Explanatory Memorandum.

The Independent Expert concludes **the advantages of the Proposed Transaction outweigh the disadvantages** for the Shareholders not associated with the Silverthorne Trustee. Shareholders are urged to read the Independent Expert's Report.

(j) **Impact on the Company of Shareholders not approving the Proposed Transaction**

If Shareholders do not approve the Proposed Transaction the subject of this Resolution 1, the condition precedent under the Share Sale Agreement will not be satisfied resulting in the Proposed Transaction not proceeding and, in turn, resulting in the Caratti Group retaining its shareholding in the Company. The Non-Associated Directors consider that there may be adverse impacts on the Company if the Proposed Transaction is not approved by Shareholders based on the Caratti Group's stated intentions if the Proposed Transaction is not approved; namely:

Stated Intention by Caratti Group should the Proposed Transaction not be Approved	Potential Adverse Impact on the Company
1. The Caratti Group will consider all of its options, including a sale of the Shares on market.	Historically, on-market trading volumes of Viento shares have been low. If the Caratti Group offers its significant shareholding on market, in the absence of ready buyers seeking sizeable shareholdings, trading in Shares may experience a period of prolonged weakness created by an overhang of Shares.

Stated Intention by Caratti Group should the Proposed Transaction not be Approved	Potential Adverse Impact on the Company
2. The Caratti Group would seek roles in the management of control of Viento whilst retaining an interest.	<p>Over the past nine months, there has been significant disruption to Viento's affairs relating to:</p> <ul style="list-style-type: none"> • The sell down of 5,014,615 Shares held by the Caratti Group and other parties which was the outcome of a successful application to the Takeovers Panel by Viento. • Mariner Corporation Limited's acquisition of 5,014,615 Shares arising from the Takeovers Panel ruling and Mariner Corporation Limited's subsequent unsuccessful attempt to replace the entire Board. • Mariner Corporation Limited's intention to make an unsolicited and highly conditional takeover offer for Viento which was subsequently withdrawn. <p>The Board is endeavouring to consolidate its affairs and corporate direction as described in the commentary to the 4E Preliminary Financial Statement released on 31 August 2011. If the Caratti Group retains its shareholding its future intentions for management and control of Viento are not known and may be disruptive to the current future plans of the Board.</p>
3. The Caratti Group does not intend supporting any capital raising.	<p>Viento's future plans may involve the need to raise additional capital from Shareholders and investors. The Company's ability to raise additional equity may be adversely impacted if an existing significant Shareholder does not support the capital raising.</p>

Further details in relation to the Proposed Transaction and the advantages, disadvantages, impact on the Company and conclusions of the Independent Expert are set out in the Independent Expert's Report.

GLOSSARY

ASIC	means the Australian Securities and Investments Commission
Associate	has the meaning given to it by Section 12 of the Corporations Act
ASX	means ASX Limited (ABN 98 008 624 691)
Board	means the board of Directors of the Company
Caratti Group	means Timebuild Pty Ltd ACN 136 599 178, Delta Ace Pty Ltd ACN 126 839 094 and TAAC Pty Ltd as trustee for the Indian Ocean Superannuation Fund
Chairman	means the individual acting as chairperson of the GM
Company or Viento Group	means Viento Group Limited ABN 79 000 714 054
Constitution	means the constitution of the Company
Corporations Act	means the <i>Corporations Act 2001</i> (Cth)
Directors	means the directors of the Company
Explanatory Memorandum	means the explanatory notes accompanying the Notice prepared for the information of Shareholders in connection with the business to be transacted at the General Meeting
General Meeting GM	means the General Meeting of the Company to be held at 10am WST on Friday, 11 November 2011
Hanscon	means Hanscon Holdings Pty Ltd ABN 51 692 671 727, as trustee for the Hanscon Discretionary Trust
Independent Expert	means SLM Corporate Pty Ltd
Independent Expert's Report	Means the report prepared by the Independent Expert for the purpose of Resolution 1 set out in the Notice
Listing Rules	means the ASX Listing Rules
Meeting	means the meeting convened by the Notice
Notice	means the notice of meeting which accompanies the Explanatory Memorandum
Non-Associated Director	means all Directors other than John Farrell
Proposed Transaction	means the acquisition by the Silverthorne Trustee of 9,464,914 Shares from the Caratti Group
Purchaser	means the Silverthorne Trustee
Related Party	has the meaning contained in section 228 of the Corporations Act
Resolution	means a resolution referred to in the Notice
Sale Shares	means 9,464,914 Shares to be purchased by the Purchaser from the Seller

	pursuant to the Share Sale Agreement
Seller	means the Caratti Group
Share	means a fully paid ordinary share in the capital of the Company
Share Sale Agreement	means the agreement dated 30 August 2011 between the Purchaser and the Seller for the Sale Shares
Shareholder	means a registered holder of one or more Shares
Silverthorne Trustee	means John Silverthorne and Maureen Silverthorne as trustees of the Silverthorne Trust
WST	means Australian Western Standard Time

PROXY FORM

COMPANY ADDRESS:

Locked Box 105

South Melbourne VIC 3205

SHARE REGISTRY:

Security Transfer Registrars Pty Ltd

All Correspondence to:

PO BOX 535, APPLECROSS WA 6953

770 Canning Highway,

APPLECROSS WA 6153

T: (08) 9315 2333

F: (08) 9315 2233

E: registrar@securitytransfer.com.au

W: www.securitytransfer.com.au

HIN/SRN No.:

SECTION A: Appointment of Proxy

I/We being a member(s) of VIENTO GROUP LIMITED and entitled to attend and vote hereby appoint:

OR

[Grid for Name of the person you are appointing]

The meeting Chairperson (mark with an "X")

Name of the person you are appointing if this person is someone other than the Chairperson of the meeting.

or failing the person named, or if no person is named, the Chairperson of the Meeting, as my/our Proxy to act generally at the meeting on my/ our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 10am WST on Friday 11 November 2011 at the Celtic Club, 48 Ord Street, West Perth, Western Australia and at any adjournment of that meeting.

SECTION B: Voting Directions to Your Proxy

Please mark with "X" in the box to indicate your voting directions to your Proxy:

Resolution

For

Against

Abstain*

1. Approval for the Acquisition of shares by the Silverthorne Trustee

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Please Sign Below

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder 1

[Signature box]

Security Holder 2

[Signature box]

Security Holder 3

[Signature box]

Sole Director and Sole Company Secretary

Director

Director / Company Secretary

My/Our contact details in case of enquiries are:

Contact Name

[Grid for Contact Name]

Contact Number

[Grid for Contact Number]

1. NOTES

1. Name and Address

This is the name and address on the Share Register of VIENTO GROUP LIMITED. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairperson of the Meeting as your Proxy please mark 'X' in the box in Section A. If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a securityholder of the company. A proxy may be an individual or a body corporate.

3. Directing your Proxy how to vote

To direct the Proxy how to vote place an 'X' in one of the boxes opposite each item of business in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions. If you don't mark Section B your proxy may vote as he or she chooses. If you mark more than one box on an item your vote will be invalid.

4. Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy an additional proxy form may be obtained by telephoning the Company's Share Registry (08) 9315 2333 or you may photocopy this form.

To appoint a second Proxy you must:

- (a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- (b) Return both forms together.

5. Signing Instructions

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a sole Director who is also the sole Company Secretary this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's Share Registry.

6. Lodgement of Proxy

This proxy form (and any power of attorney under which it is signed) must be received no later than 10am WST on Wednesday 9 November 2011 being 48 hours before the time for holding the meeting. Any proxy form received after that time will not be valid for the scheduled meeting. Please lodge the proxy form with the Company, you are encouraged to submit your proxy by mail or fax 03 9866 7029. The addresses of Company are as follows:

By Mail:	Viento Group Limited Locked Box 105 South Melbourne VIC 3205
By Hand:	Viento Group Limited Level 3 11 Queens Road Melbourne VIC 3004
By Fax:	+ 61 3 9866 7029
By Email:	info@vientogroup.com



Viento Group Limited

Independent Expert Report

21 September 2011



SLM Corporate Pty Ltd
ABN 50 088 664 680
Holder of AFS Licence No 224034

Level 15 330 Collins Street
Melbourne Victoria 3000
PO BOX 431 Flinders Lane
Victoria 8009

t 03 9244 9644
f 03 96001644
e info@slmcorporate.com.au
www.slmcorporate.com.au

21 September 2011

The Directors
Viento Group Limited
Level 3
11 Queens Road
MELBOURNE VIC 3004

Dear Sirs,

Independent Expert's Report

Shareholder Approval for sale of shares under section 611(7) of the Corporations Act

1 Introduction

1.1 Overview of the Proposed Transaction

On 30 August 2011 ("the Agreement Date") Delta Ace Pty Ltd, Timebuild Pty Ltd and TAAC Pty Ltd ("the Caratti Group" or "the Vendor") entered into an agreement ("the Proposed Transaction") with Nicholas John Silverthorne ("John Silverthorne") and Maureen Kaye Silverthorne as trustees of the Silverthorne Trust ("the Silverthorne Trust" or "the Purchaser") for the sale of shares in Viento Group Limited ("Viento" or "the Company").

The Proposed Transaction involves:

- 9,464,914 ordinary fully paid shares ("the Shares") (being approximately 17.4% of the issued capital of Viento);
- acquired at \$0.15 per share;
- for the total cash consideration of \$1,419,737.10.

For the reasons outlined below, the Proposed Transaction is subject to and conditional upon members of the Company approving such purchase on or before the Condition Satisfaction Date.

The Condition Satisfaction Date is defined to mean 75 days after the Agreement Date or such later date that the parties may agree in writing.

1.2 Reasons for the Shareholder Vote

- Pursuant to final orders made by the Takeovers Panel following a declaration of unacceptable circumstances on 13 January 2011, 5,014,615 shares were vested in the Commonwealth on trust for the Caratti Group and the Australian Securities and Investments Commission ("ASIC") was instructed to arrange for the sale of the shares by retaining an appointed seller. The sale of these shares reduced the Caratti Group's combined holdings in Viento to below 20% of the issued shares. The Caratti Group has

advised SLM Corporate that should the Proposed Transaction not proceed, it would consider all options including the sale of its remaining shares on-market.

- Mr John Silverthorne is one of the trustees for The Silverthorne Trust, which is the Purchaser in the Proposed Transaction.
- Mr John Farrell is a Director of Viento, having been appointed to the Viento Board as a representative of Hanscon Holdings Pty Ltd as trustee of the Hanscon Discretionary Trust (“Hanscon”). Hanscon is an entity controlled by Mr Johannes Versteeg.
- On 9 May 2011, a placement of 6,500,000 Viento shares was made to Hanscon, representing 11.9% of the Company. Mr Farrell has a relevant interest in the shares owned by Hanscon pursuant to Section 608(1)(b) and (c) of the Corporations Act, by virtue of having been granted a power to exercise, or control the exercise of, the right to vote attaching to the shares and the power to dispose of, or control the exercise of a power to dispose of the shares in the Company held by Hanscon.
- Mr Silverthorne and Mr Farrell have advised Viento that strictly speaking they are not associates for the purposes of Chapter 6 of the Corporations Act. However, given their existing business relationship they have agreed to treat themselves as if they are associated and to seek shareholder approval under item 7 of section 611 of the Corporations Act for their collective voting power to exceed 20%.
- Should the Proposed Transaction be completed, the Silverthorne Trust together with Hanscon will hold a controlling interest in Viento, with a combined voting power of 29.3%.
- Section 606 of the Corporations Act prohibits the acquisition of a relevant interest in issued voting shares of a company if the acquisition results in a person’s voting power in the company increasing from below 20% to more than 20%, or from a starting point that is above 20% and below 90%.
- However a person may acquire the relevant interest under one of the exceptions set out in Section 611 without contravening Section 606.
- Item 7 of section 611 of the Corporations Act allows the non-associated security holders to waive this prohibition by passing a resolution at a general meeting.
- The parties to the Proposed Transaction and the Company are now seeking the approval of the non-associated shareholders under item 7 of section 611 of the Corporations Act for the Proposed Transaction.

1.3 Purpose of this Independent Expert’s Report

ASIC Regulatory Guide 74 (“RG74”) states that company directors are obligated to provide shareholders with full and proper disclosure to enable them to assess the merits of any proposal under which a person would acquire an interest in a company that represents greater than 20% of the shares outstanding, and to decide whether to agree by resolution to the proposed acquisition.

By commissioning SLM Corporate Pty Ltd (“SLM Corporate”) to prepare this Independent Experts Report (“Report”) with an opinion as to whether the advantages of the Proposed Transaction outweigh the disadvantages and making it available to non-associated shareholders, the directors of Viento will have satisfied RG74.

This Report has been prepared so that the non-associated shareholders may fully consider and if appropriate, approve the Proposed Transaction at a general meeting, under the relevant exception set out in item 7 of Section 611 of the Act.

SLM Corporate is independent of Viento and has no other involvement with, or interest in, the outcome of the vote at the general meeting. A copy of this Report is to be included in the Explanatory Statement to be sent by the Company to its shareholders.

The purpose of this Report is to express SLM Corporate's opinion as to whether the **advantages** of the Proposed Transaction outweigh the **disadvantages**.

This Report should not be used for any other purpose by any other party.

2 Summary Opinion and Conclusions

2.1 Summary of opinion

- In SLM Corporate's opinion the advantages of the Proposed Transaction outweigh the disadvantages for Viento shareholders not associated with the Proposed Transaction.
- This is because there are several advantages if the Proposed Transaction proceeds, whilst there are no significant disadvantages to Viento shareholders not associated with the Proposed Transaction.

2.2 Advantages of the Proposed Transaction

- As Viento is a thinly traded stock, the disposal of such a significant stake in the Company by the Caratti Group on-market, in the absence of ready buyers for this stock, is likely to produce a period of prolonged weakness in the share price. The Proposed Transaction will immediately remove the overhang of shares held by the Caratti Group, avoiding potential share price weakness over a long period.
- Approving the Proposed Transaction does not materially impact the likelihood of a takeover offer being made for Viento, compared to the position if the Proposed Transaction is not approved.
- The Silverthorne Trust and Hanscon have informed SLM Corporate that they support the Company's current strategic direction, and are willing to consider how they might assist any initiatives in support of this strategic direction, including a capital injection.

2.3 Disadvantages of the proposed transaction

- The opportunity for non-associated shareholders to share in a takeover premium in the event of a future offer, is only marginally reduced by the Proposed Transaction.
- SLM Corporate does not believe this is a significant disadvantage to Viento shareholders not associated with the Proposed Transaction.

2.4 Neutral factors of the Proposed Transaction

- The Proposed Transaction price of \$0.15 per Viento share does not include a premium for control of the Company based on a number of relevant valuation metrics.
- The Silverthorne Trust could achieve the same outcome as in the Proposed Transaction, without requiring shareholder approval, by:
 - acquiring a smaller shareholding from the Caratti Group, so that when combined with Hanscon's shareholding, the total shareholding is below 20%; and
 - subsequently acquiring another 3% every six months under the "creep" provisions of the Corporations Act.
- If the Proposed Transaction is approved, the Silverthorne Trust and Hanscon will achieve a combined 29.3% holding immediately, whereas they could otherwise accumulate this holding within approximately 18 months without shareholder approval.

2.5 Summary Conclusions

- On balance, SLM Corporate believes that **the advantages outweigh the disadvantages**. Our detailed analysis is contained in our accompanying report.
- **SLM Corporate therefore recommends that Viento shareholders not associated with the Proposed Transaction approve the Proposed Transaction.**

2.6 Other Matters

SLM Corporate's opinion has been formed on the basis of business conditions specific to Viento and other general economic and market conditions in existence during the weeks leading up to the date of this Report. SLM Corporate's opinion is based on the interests of the non-associated shareholders as a whole. The position of individual shareholders has not been considered. Approval or rejection of the proposed vote is ultimately a matter for individual shareholders based on their own views as to value and future market conditions. Shareholders who are in doubt as to the action that they should take in relation to the Proposed Transaction should consult their own professional advisers.

SLM Corporate has prepared a Financial Services Guide as required by the Corporations Act. The Financial Services Guide is included in Section 7 of this Report. This Report is general financial product advice only and has been prepared without taking into account the objectives, financial situation or needs of individual shareholders of the Company. Shareholders should consider the appropriateness of the advice having regard to their own objectives, financial situation or needs before acting in relation to their shareholdings. This report should not be relied upon as a basis for acquiring or disposing of shares in Viento. Shareholders should read the Explanatory Statement and Notice of General Meeting issued by the Company in relation to the proposed vote.

Yours faithfully,



Barry Lewin
Managing Director



Antony Sormann
Director – Corporate Finance

SLM CORPORATE PTY LTD

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3 Overview of the Proposal

3.1 Introduction and Background

Background to Mr John Silverthorne, the Silverthorne Trust, Mr John Farrell and Hanscon Holdings

Mr John Silverthorne and Ms Maureen Kaye Silverthorne are the trustees for The Silverthorne Trust, which is the Purchaser in the Proposed Transaction.

Mr John Farrell is a Director of Viento, having been appointed as a representative of Hanscon Holdings Pty Ltd as trustee of the Hanscon Discretionary Trust ("Hanscon"). Hanscon is an entity controlled by Mr Johannes Versteeg

We have been informed that Mr John Silverthorne has a business relationship with Mr John Farrell.

In late September/early October 2010, the Executive Chairman of Viento, Mr Rob Nichevich discussed an investment proposal with Mr Farrell. This proposal involved a group of investors participating in a possible share placement, funding of real estate developments managed by Viento and a consultancy arrangement with Mr Farrell personally. Mr Nichevich and Mr Farrell could not agree, at least initially, on the terms of this proposal.

On 26 March 2011 a proposal was put to the Board that Mr Farrell, Mr Versteeg and Mr Silverthorne would each invest in Viento through a combination of placement and participation in the sale of a substantial block of shares.

On 9 May 2011, Viento issued 6,500,000 shares to Hanscon by way of placement at \$0.15 per share consideration.

Background to Delta Ace, Timebuild and Indian Ocean Capital (now known as TAAC) and the declaration of unacceptable circumstances by ASIC on 13 January 2011

Delta Ace Pty Ltd (controlled by Mr Allen Caratti), Timebuild Pty Ltd (controlled by Mr Michael Carter) and Indian Ocean Capital Pty Ltd (now known as TAAC Pty Ltd) (a trustee for Mr Caratti's superannuation fund) together accumulated a substantial stake in Viento over a period from mid-2009 to late 2010.

On 13 January 2011, the Takeovers Panel made a declaration of unacceptable circumstances in relation to the holdings of Delta Ace, Timebuild, and Indian Ocean Capital together with other associated parties ("the Caratti Group"), on the basis that they constituted a combined holding of 30.6% of the issued shares in Viento.

The final orders made by the Takeovers Panel required 5,014,615 shares to be vested in the Commonwealth on trust for the Caratti Group, and ASIC was instructed to arrange for the sale of the shares by retaining an appointed seller. The sale of these shares reduced the Caratti Group's combined holdings in Viento to below 20% of the issued shares. This parcel was acquired by Mariner Corporation Limited ("Mariner") on 2 May 2011.

Mariner announced an intention to make a takeover bid for Viento on 29 July 2011, which it withdrew on 1 September 2011.

As of 31 August 2011, the Caratti Group held a combined total of 9,464,914 shares or approximately 17.4% of the Company.

The Proposed Transaction

The Proposed Transaction is for the Caratti Group to sell their combined holdings to the Silverthorne Trust.

John Silverthorne will act as the representative of the Silverthorne Trust in all matters relating to Viento.

The Silverthorne Trust will purchase 9,464,914 shares from the Caratti Group at the price of \$0.15 per share, for a total cash consideration of \$1,419,737.10.

The Proposed Transaction is subject to and conditional upon members of the Company approving such purchase (and with it an associate of the Purchaser obtaining a relevant interest in more than 20% of the securities of the Company pursuant to section 611 of the Corporations Act) on or before the Condition Satisfaction Date.

The Condition Satisfaction Date is defined to mean 75 days after the Agreement Date or such later date that the parties may agree in writing.

3.2 Result of approval

If the Proposed Transaction is approved by the non-associated shareholders, the particulars of the number and percentage of Viento shares after the Proposed Transaction is finalised, are set out below:

	Prior to Proposed Transaction		If Resolution 1 passes		If Resolution 1 does not pass	
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage
Robert Nichevich	10,860,000	19.96%	10,860,000	19.96%	10,860,000	19.96%
John Silverthorne			9,464,914	17.40%		
Caratti Group	9,464,914	17.40%			9,464,914	17.40%
John Farrell	6,500,000	11.95%	6,500,000	11.95%	6,500,000	11.95%
Mariner Corp Ltd	4,839,615	8.90%	4,839,615	8.90%	4,839,615	8.90%
Vernon Finance Ltd	3,511,250	6.45%	3,511,250	6.45%	3,511,250	6.45%
Moat Inv PL	2,987,568	5.49%	2,987,568	5.49%	2,987,568	5.49%
JP Morgan Nom Aust Ltd	2,156,170	3.96%	2,156,170	3.96%	2,156,170	3.96%
McMullin Group	1,894,562	3.48%	1,894,562	3.48%	1,894,562	3.48%
Castle Partners	790,755	1.45%	790,755	1.45%	790,755	1.45%
Gresham Partners Capital	500,000	0.92%	500,000	0.92%	500,000	0.92%
Top 10 Shareholders	43,504,834	79.97%	43,504,834	79.97%	43,504,834	79.97%
Other shareholders	10,899,738	20.03%	10,899,738	20.03%	10,899,738	20.03%
Total Shares on Issue	54,404,572	100.00%	54,404,572	100.00%	54,404,572	100.00%

3.3 Changes to the Board as a result of the Proposed Transaction

Mr Silverthorne has informed SLM Corporate that the Silverthorne Trust is supportive of the current Board of Directors' strategic plan, and does not currently have any intentions to seek a position on the Board.

Hanscon has previously sought and gained the appointment of Mr John Farrell to the Board.

Hanscon has informed SLM that it is supportive of the current Board of Directors and does not currently have any intentions to seek changes to the Board.

3.4 Intention of the Silverthorne Trust regarding the future of Viento

Mr Silverthorne has informed SLM Corporate that the Silverthorne Trust is supportive of the current direction of Viento and its strategic plans. He has advised that the Silverthorne Trust has no intention of requesting any significant changes to the existing business of Viento. Further, there is no current intention to take control of Viento's operations or make investment decisions relating to the Viento business activities or assets.

4 Scope of this Report

4.1 Regulatory requirements

Section 606 of the Corporations Act prohibits the acquisition of a relevant interest in issued voting shares of a company if the acquisition results in a person's voting power in the company increasing from below 20% to more than 20%, or from a starting point that is above 20% and below 90%.

However a person may acquire the relevant interest under one of the exceptions set out in Section 611 without contravening Section 606.

Item 7 of section 611 of the Corporations Act allows the non-associated security holders to waive this prohibition by passing a resolution at a general meeting.

Section 608 of the Corporations Act defines what constitutes a relevant interest. We have been advised by John Silverthorne that the Silverthorne Trust and Hanscon have no formal or practical agreement as to voting or disposal of Viento shares. Nonetheless, in light of the prior business relationships between the Silverthorne Trust and Mr Farrell, they have informed the Company that they have decided to treat themselves as if they are associates for the purposes of the Proposed Transaction. A general meeting of shareholders has therefore been convened to vote on the Proposed Transaction.

ASIC Regulatory Guide 74 ("RG74") states that company directors are obligated to provide shareholders with full and proper disclosure to enable them to assess the merit of the proposal under which a person would acquire a substantial interest in the company, and to decide whether to agree by resolution to the proposed acquisition.

By commissioning SLM Corporate to prepare this Report which identifies the advantages and disadvantages of the Proposed Transaction, and provides an opinion as to whether the advantages outweigh the disadvantages, and by providing this to non-associated shareholders, the directors of Viento will have satisfied RG74.

We note that ASIC released a consultation paper earlier this year which recommends that RG 74 be updated to require that, if the effect of a section 611(7) acquisition on an entity's shareholding will be similar to a takeover bid (i.e. that control of the entity will be effected by the transaction), then the expert's report should also analyse whether the transaction is fair and reasonable. This update has not yet been implemented and we have accordingly not had a need to consider whether the transaction is fair and reasonable for the purposes of this Report.

4.2 Basis of this Report

SLM Corporate has prepared this Report in accordance with ASIC Regulatory Guide 111 dated March 2011, which outlines the content of expert reports where a control transaction takes place which may be approved under item 7 of s611 of the Act.

Regulatory Guide 111 states that the expert should:

- a) Consider whether non-associated security holders are forgoing the opportunity of receiving a takeover bid, and sharing in any premium for control (RG111.38)
- b) Identify the advantages and disadvantages of the proposal to security holders not associated with the transaction and provide an opinion that either:
 - The advantages of the proposal outweigh the disadvantages; or
 - The disadvantages of the proposal outweigh the advantages.
- c) Determine whether the vendor is to receive a premium for control (RG111.40), where the greater the control premium is, the greater the advantages of the transaction to the non-associated holders would need to be to support a finding that the advantages of the proposal outweigh the disadvantages (RG111.41)

- d) Inquire whether further transactions are planned between the entity, the vendor or any of their associates. If any are contemplated, the expert should determine whether those transactions would be on an arm's length basis. (RG111.42)
- e) Whether any proposed acquisition by way of sale, if approved, might deter the making of a takeover bid for the entity. (RG111.43)

4.3 Sources of Information

During the course of preparing this Report, SLM Corporate held discussions with, and received information from executive management of Viento. SLM Corporate submitted a number of written questions to Messrs John Silverthorne, John Farrell, Hanscon and Allen Caratti and received their written responses.

In preparing this Report, SLM Corporate has utilised and relied upon, without independent verification except where noted, the following information:

- a draft Notice of General Meeting and Explanatory Statement by Viento in relation to, amongst other things, the Proposed Transaction;
- Takeovers Panel decisions (Viento Group Limited 2011 ATP 1, ATP 12)
- the Annual Reports of Viento for the years ended 30 June 2009 and 30 June 2010;
- financial results for the year ending 30 June 2011 and forecasts for the period to 30 June 2012;
- press releases, stock exchange announcements and other public filings by Viento; and
- annual reports, stock exchange announcements, media and investor presentations by the Company, and related share market data.

4.4 Limitations and Reliance on Information

SLM Corporate's opinions are based on economic, financial market, business trading and other conditions and expectations prevailing at the date of this Report. These conditions can change significantly over relatively short periods of time and, if they did change materially, the valuations and opinions expressed in this Report could be different. SLM Corporate has no obligation to, nor does it undertake to advise any person of any change in circumstances that has come to its attention after the date of this Report or to review, revise or update its Report or opinions.

This Report is also based upon financial and other information provided by the Company. SLM Corporate has considered and relied upon this information. SLM Corporate has no reason to believe that any material facts have been withheld. The information provided to SLM Corporate has been evaluated through analysis, enquiry and review for the purposes of forming an opinion as to whether the advantages of the Proposed Transaction outweigh the disadvantages. However, in preparing reports such as this, time is limited and SLM does not warrant that its enquiries have identified or verified all of the matters that an audit, extensive examination or "due diligence" investigation might disclose.

An important part of the information used in forming an opinion of the kind expressed in this Report is comprised of the opinions and judgment of management. This type of information was also evaluated through analysis, enquiry and review to the extent practical. However, such information is not always capable of external verification or validation.

Preparation of this Report does not imply that SLM Corporate has audited in any way the management accounts of Viento. It is understood that the accounting information that was provided to SLM Corporate was prepared in accordance with Australian Equivalents to International Financial Reporting Standards and in a manner consistent with the method of accounting in previous years unless otherwise noted.

SLM Corporate believes that this Report and the opinions included in the Report must be considered as a whole and that selecting portions of the analysis, without considering all of the factors and analysis together, could create a misleading view of the process underlying the opinions. The preparation of a report of this nature is a complex process and is not necessarily amenable to partial analysis or summary.

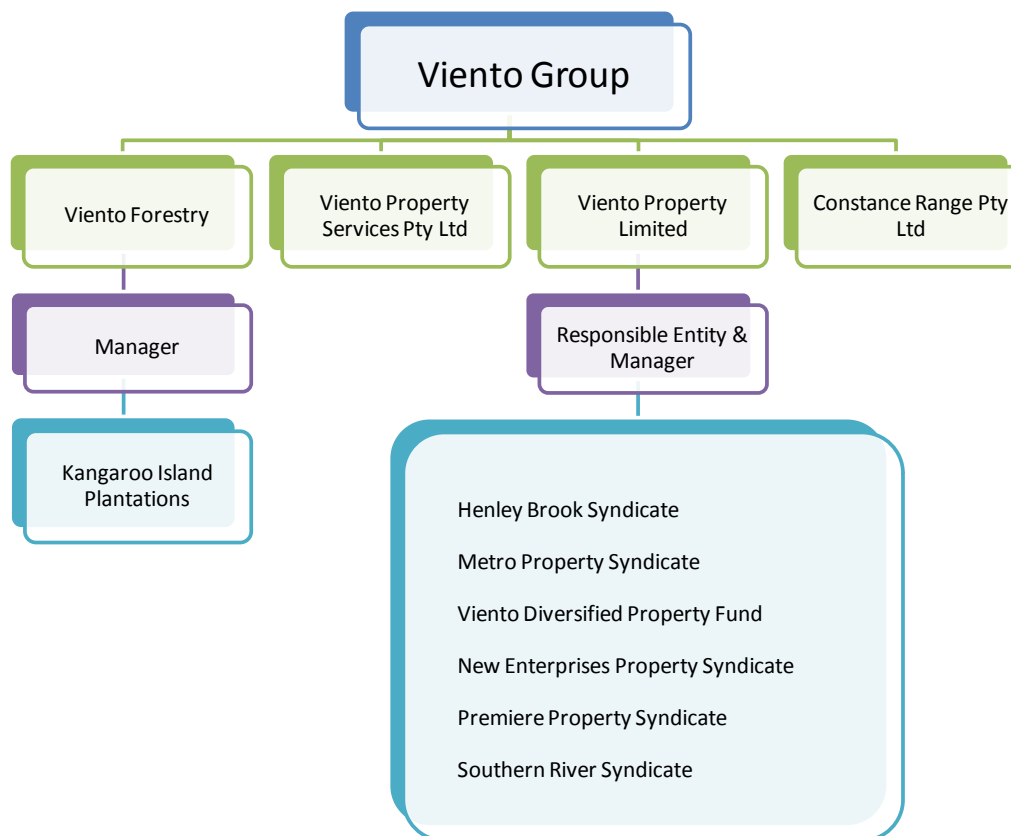
5 Profile of Viento

5.1 Background and Overview of the Company

Established in 2001, Viento Group Limited (“Viento”) is an ASX-listed funds management company specialising in unlisted direct property investments. Viento currently has \$215 million of funds under management.

The current business structure of Viento is set out below:

Figure A: Business Structure of Viento



Viento Forestry

Viento holds interests in forestry investment products that the Company marketed years earlier. Viento has not marketed forestry investment products since 2003.

The forestry investments held by Viento are situated in Kangaroo Island, and were valued by an independent valuer at \$1,952,000 as at 30 June 2011. This valuation assumes that an export facility will be constructed on Kangaroo Island prior to the schedule harvest in 2015. Without the development of an export facility, the value of the forestry assets is considered negligible.

The Company maintains ownership of Eucalyptus Globulus trees growing on 370 hectares on Kangaroo Island, South Australia. Plantation values are not static. Biological growth will change the value over time as the trees mature. They will also change in value as woodchip prices fluctuate or if growth or health of plantation trees are affected by various agricultural risks such as drought, fire, and pest damage.

Viento Property Limited

A wholly owned subsidiary of Viento, Viento Property Limited manages traditional assets in the commercial and retail sectors and develops residential subdivisions. Viento Property Limited holds an Australian Financial Services Licence (No. 224663) and is authorised to act as a responsible entity for registered managed investment schemes.

Viento Property Services Pty Ltd

Viento Property Services, a wholly owned subsidiary of Viento was established in 2009. This subsidiary is licensed to provide leasing, project management and property development services for Viento property projects. This capability enables Viento to bring property management services in-house for selected assets, helping to improve the performance of these assets.

Constance Range Pty Ltd

Constance Range, a wholly owned subsidiary of Viento, is the holder of a 70% joint venture interest in the Constance Range iron ore exploration project in North West Queensland. The project is joint ventured and all costs are borne by the joint venture partner. In 2011 the project was valued by the Company at \$1.72m now recognised in the financial statements. The asset comprises non JORC compliant resource of 310mt hematite ore grading 51%Fe.

5.2 Historical Operating Results

The table below summarises the financial performance of Viento during the years ended 30 June 2008, 2009, 2010 and 2011.

Table A – Viento Group Limited Financial Performance

Viento Group Limited - Historical Operating Results (\$000s)				
	Year ended 30 June			
	2008 Audited	2009 Audited	2010 Audited	2011 Preliminary
Income				
Revenue	9,289	3,140	2,933	3,129
Operating Expenses				
Personnel Expenses	(5,556)	(3,880)	(1,718)	(1,662)
Commission Expenses	(372)	(227)	(149)	(125)
Occupancy Expenses	(390)	(502)	(234)	(198)
Administration Expenses	(1,767)	(781)	(436)	(481)
Professional Services	(1,019)	(997)	(280)	(793)
EBITDA	185	(3,247)	116	(130)
Depreciation and Amortisation	(144)	(135)	(78)	(58)
EBIT	41	(3,382)	38	(188)
Significant Items	(2,769)	(3,764)	(8)	1,537
Operating Profit Before Interest and Tax	(2,728)	(7,146)	30	1,349
Interest Expense	(264)	(384)	(6)	(30)
Profit Before Tax	(2,992)	(7,530)	24	1,319
Income Tax Benefit / (Expense)	814	(930)	2,099	163
Net Profit / (Loss) After Tax	(2,178)	(8,460)	2,123	1,482

Key factors impacting FY08 result:

- One off costs associated with the transition to new management including redundancy payments and associated re-organisation costs;
- Significant items including the writedown in goodwill (\$1.9m) and in inventory (\$1m); and
- A general slowing in investment appetite for property-focused investment funds reflecting investor caution towards new investments generally.

Key factors impacting FY09 result:

- The recapitalisation of Kingscliff JV at a cost of \$1.38m;
- Charges relating to the closure of the Alternative Asset business \$2.38m;
- An impairment relating to the value of AXG Mining Ltd of \$341k;
- Deferred tax balances of \$2.46m were expensed in the period rather than retained as an asset;

- Reduced fee revenue reflects weaker economic conditions combined with volatility in property investment markets. Lower rental income due to higher property vacancies, and lower transaction fees as a result of lower volumes of transactions.

Key factors impacting FY10 result:

- Cost rationalisation assisted in bringing costs back in line with currently sustainable revenues;
- Staff levels were reduced by 48% and two offices were closed;
- Continued weak economic conditions produced limited revenue growth opportunities.

Key factors impacting preliminary FY11 result:

- Some new revenue opportunities emerging for the Company;
- Significant items include the recognition of the Constance Range asset on revaluation (\$1.7m);
- Costs marginally higher due to corporate action involving Mariner including an attempted Board spill and an application to the Takeovers Panel.

5.3 Financial Position

The table below summarises the balance sheet of Viento as at 30 June 2008, 2009, 2010 and 2011.

Table B – Viento Group Limited Financial Position

Viento Group Limited - Financial Position (\$'000s)				
	30 June	30 June	30 June	30 June
	2008	2009	2010	2011
	Audited	Audited	Audited	Preliminary
CURRENT ASSETS				
Cash and cash equivalents	4,895	3,079	2,098	2,731
Trade & Other Receivables	5,360	1,463	2,486	3,120
Inventory	5,077	-	-	-
Financial Assets - Held for Sale	254	200	154	1,865
Other Assets	135	232	203	221
TOTAL CURRENT ASSETS	15,721	4,974	4,941	7,937
NON-CURRENT ASSETS				
Trade & Other Receivables	2,913	2,182	1,839	1,370
Financial Assets - Held for Sale	-	569	569	569
Property Plant & Equipment	406	242	173	122
Forestry Plantations	1,649	1,725	1,985	1,952
Deferred Tax Assets	2,027	-	2,798	3,056
Intangibles	29	14	14	14
Other Assets	771	-	-	-
TOTAL NON-CURRENT ASSETS	7,795	4,732	7,378	7,083
TOTAL ASSETS	23,516	9,706	12,319	15,020
CURRENT LIABILITIES				
Trade & Other Payables	2,504	723	563	696
Financial Liabilities	4,504	-	-	-
Other Liabilities	66	59	56	25
Provisions	189	32	49	58
TOTAL CURRENT LIABILITIES	7,263	814	668	778
NON-CURRENT LIABILITIES				
Provisions	3	11	9	6
Deferred Tax Liabilities	1,003	-	595	674
TOTAL NON-CURRENT LIABILITIES	1,006	11	604	681
TOTAL LIABILITIES	8,269	825	1,272	1,459
NET ASSETS	15,247	8,881	11,047	13,561
EQUITY				
Contributed Equity	19,156	19,231	19,231	20,236
Reserves	447	1,408	1,451	1,477
Retained Earnings / (Accumulated Losses)	(4,356)	(11,758)	(9,635)	(8,152)
TOTAL EQUITY	15,247	8,881	11,047	13,561
Net Asset ('000)				\$13,561
Net Asset Backing Per Share				\$0.2493
Intangible Assets ('000)				\$3,070
Net Tangible Asset ('000)				\$10,491
Net Tangible Asset Per Share				\$0.1928
Net Tangible Asset excl Constance Range ('000)				\$8,771
NTA excl Constance Range Per Share				\$0.1612

Key factors impacting financial position:

- The Company underwent a reorganisation of its businesses in FY09 resulting in the removal of inventory held and a reduction in receivables. This fall in assets held was offset by the removal of financial liabilities;
- FY09 excluded deferred tax assets and liabilities due to the significant loss for the period;
- A capital raising occurred in FY11 by way of strategic placement to Hanscon.

5.4 Capital Structure and Shareholders

As at 31 August 2011, Viento had 54,404,572 ordinary fully paid shares on issue. The schedule of top 10 shareholders as at this date is set out below:

Table C – Top 10 Shareholders

	Prior to Proposed Transaction	
	Number of Shares	Percentage
Robert Nichevich	10,860,000	19.96%
Caratti Group	9,464,914	17.40%
John Farrell	6,500,000	11.95%
Mariner Corp Ltd	4,839,615	8.90%
Vernon Finance Ltd	3,511,250	6.45%
Moat Inv PL	2,987,568	5.49%
JP Morgan Nom Aust Ltd	2,156,170	3.96%
McMullin Group	1,894,562	3.48%
Castle Partners	790,755	1.45%
Gresham Partners Capital	500,000	0.92%
Top 10 Shareholders	43,504,834	79.97%
Other shareholders	10,899,738	20.03%
Total Shares on Issue	54,404,572	100.00%

5.5 Share Market Performance

The chart below illustrates the daily share prices and trading volumes of Viento from 31 August 2010 until 31 August 2011 (“Trading Period”).

Figure B: Viento v ASX S&P 200 Index in the Trading Period



Source: Bloomberg

We note the following with respect to the Viento share price over the Trading Period:

- At the start of the Trading Period on 31 August 2010, the share price was \$0.12;
- The last traded price prior to the announcement of the Proposed Transaction on 31 August 2011 was \$0.12;
- Viento shares traded at a high of \$0.25 in January 2011 and fell to a low of \$0.11 several times in the second half of 2010;
- The Volume Weighted Average Price (“VWAP”) of the shares during this period is shown in the following table.

Table D – Viento historical share price

Viento Group VWAP								
Period	Date from	Date to	VWAP	High	Low	Avg Volume for period	% of shares outstanding	
Date of Agreement	31/08/2011	31/08/2011	0.120	0.120	0.120	0	0.00%	
1 month	31/07/2011	31/08/2011	0.124	0.135	0.120	10,000	0.02%	
3 months	31/05/2011	31/08/2011	0.135	0.150	0.120	27,071	0.05%	
6 months	28/02/2011	31/08/2011	0.169	0.205	0.120	184,991	0.34%	
12 months	31/08/2010	31/08/2011	0.168	0.250	0.110	133,671	0.25%	

- The stock has experienced very low trading volumes, with trading activity experienced on only 68 days during the Trading Period;
- Despite significant fluctuation within the Trading Period, the price of Viento shares has ended unchanged at \$0.12 per share.
- In the same period, the ASX 200 fell 2.44% from 4404.2 to 4296.5 points.

6 Evaluation of the Proposed Transaction

6.1 Summary and Conclusions

- **In SLM's opinion the advantages of the Proposed Transaction outweigh the disadvantages for Viento shareholders not associated with the Proposed Transaction. SLM Corporate therefore recommends that Viento shareholders not associated with the Proposed Transaction vote to approve the Proposed Transaction.**

6.2 Further Background to the Proposed Transaction

- Delta Ace Pty Ltd (controlled by Mr Allen Caratti), Timebuild Pty Ltd (controlled by Mr Michael Carter) and Indian Ocean Capital Pty Ltd (now known as TAAC Pty Ltd) (a trustee for Mr Caratti's superannuation fund) together accumulated a substantial stake in Viento over a period from mid-2009 to late 2010.
- On 13 January 2011, the Takeovers Panel made a declaration of unacceptable circumstances in relation to the holdings of Delta Ace, Timebuild, and Indian Ocean Capital together with other associated parties (the Caratti Group), on the basis that they constituted a combined holding of 30.6% of the issued shares in Viento, which was higher than the 20% threshold applicable under s606 of the Corporations Act, as a result of share acquisitions which occurred without using one of the exceptions in section 611.
- The final orders made by the Takeovers Panel required ASIC to sell 5,014,615 shares on behalf of the Caratti Group to reduce their combined holdings to below 20% of the issued shares. This parcel was acquired from ASIC by Mariner on 2 May 2011.
- Mariner announced an intention to make a takeover bid for Viento on 29 July 2011, which it withdrew on 1 September 2011.
- As of 31 August 2011, the Caratti Group held a combined total of 9,464,914 shares or 17.4% of the Company.

6.3 Advantages of the Proposed Transaction

- As Viento is a thinly traded stock, the disposal of such a significant stake in the Company by the Caratti Group on-market, in the absence of ready buyers for this stock, is likely to produce a period of prolonged weakness in the share price. The Proposed Transaction will immediately remove the overhang of shares held by the Caratti Group, avoiding potential share price weakness over a long period.
- Approving the Proposed Transaction does not materially impact the likelihood of a takeover offer being made for Viento, compared to the position if the Proposed Transaction is not approved.
- The Silverthorne Trust and Hanscon have informed SLM Corporate that they support the Company's current strategic direction, and are willing to consider how they might assist any initiatives in support of this strategic direction, including a capital injection.
- Our detailed analysis and reasoning is stated in the following paragraphs.

6.4 Disadvantages of the Proposed Transaction

- The opportunity for non-associated shareholders to share in a takeover premium in the event of a future takeover offer being made, is only marginally reduced by the Proposed Transaction.
- SLM Corporate does not believe this is a significant disadvantage to Viento shareholders not associated with the Proposed Transaction.

6.5 Neutral factors of the proposed transaction

- The Proposed Transaction price of \$0.15 per Viento share does not include a premium for control of the Company based on a number of relevant valuation metrics.
- The Silverthorne Trust could achieve the same outcome as in the Proposed Transaction, without requiring shareholder approval, by:
 - acquiring a smaller shareholding from the Caratti Group, so that when combined with Hanscon's shareholding, the total shareholding is below 20%; and
 - subsequently acquiring another 3% every six months under the "creep" provisions of the Corporations Act.
- If the Proposed Transaction is approved, the Silverthorne Trust and Hanscon Holdings will achieve a combined 29.34% holding immediately, whereas they could otherwise accumulate this holding within approximately 18 months without shareholder approval.

6.6 Foregoing the opportunity to share in a takeover premium

- ASIC Regulatory Guide 111.38 states that the expert should consider whether the non-associated shareholders may be foregoing the opportunity to share in a takeover premium by approving the Proposed Transaction.
- We have considered this issue based on the price paid in the Proposed Transaction (in Paragraph 6.7) and on the impact that the Proposed Transaction may have on the potential for any future takeover bid to be made (in Paragraph 6.8).

6.7 The price to be paid in the Proposed Transaction

- The price to be paid by the Silverthorne Trust is \$0.15 per share.
- The Proposed Transaction will result in the Silverthorne Trust and Hanscon owning 29.34% of the Company.
- We have considered whether the Silverthorne Trust has paid a control premium to the Vendor for the stake and whether the non-associated shareholders are at therefore a disadvantage by not being offered the same opportunity to sell their shares to the Purchaser at the same price.
- Our analysis below compares the Proposed Transaction price to:
 - the historical traded price of the Company's shares on the Australian Securities Exchange;
 - The price paid by Hanscon in the placement on 9 May 2011;
 - The Net Tangible Asset backing of the Viento shares; and
 - The takeover offer for the Company by Mariner.

6.7.1 Quoted Price of the Listed Securities

- We compared the price under the Proposed Transaction to the historical Quoted Price of the Company's Listed Securities. The tables below sets out price and volume trends in Viento shares over the Trading Period:

Table E – Viento share price trends over the Trading Period

Viento Group VWAP						
Period	Date from	Date to	VWAP	High	Low	
Announcement Date	31/08/2011	31/08/2011	0.120	0.120	0.120	
1 month	31/07/2011	31/08/2011	0.124	0.135	0.120	
3 months	31/05/2011	31/08/2011	0.135	0.150	0.120	
6 months	28/02/2011	31/08/2011	0.169	0.205	0.120	
12 months	31/08/2010	31/08/2011	0.168	0.250	0.110	

Table F – Volume of Viento shares traded over the Trading Period

Viento Group Volume of Trades						
Period	Date from	Date to	Avg	% of total shares	Total	% of total shares
			Volume for period		Volume for the period	
Announcement Date	31/08/2011	31/08/2011	0	0.00%	0	0.00%
1 month	31/07/2011	31/08/2011	10,000	0.02%	20,000	0.04%
3 months	31/05/2011	31/08/2011	27,071	0.05%	324,850	0.60%
6 months	28/02/2011	31/08/2011	184,991	0.34%	5,734,736	10.54%
12 months	31/08/2010	31/08/2011	133,671	0.25%	9,089,650	16.71%

- The purchase price of \$0.15 per share represents a premium of 25% to the price of \$0.12 per share on the date of the announcement of the Proposed Transaction (31 August 2011).
- The purchase price is a 21% premium to the 1 month VWAP, and an 11.1% premium to the 3 month VWAP.
- The purchase price represents a 11.2% discount to the 6 month VWAP and a 10.7% discount to the 12 month VWAP.
- Total trading volumes in the 1 month and 3 month period were 0.04% and 0.6% respectively, reflecting an unusually low level of trading activity.
- Total trading volumes in the 6 month and 12 month period were 10.54% and 16.71% respectively, reflecting significantly greater levels of activity.
- The price of \$0.15 is the same price paid in the placement of shares made by the Company to Hanscon on 9 May 2011.

6.7.2 Net Tangible Asset value per share

- We have also compared the price under the Proposed Transaction to the Net Tangible Asset Value per Viento share (“NTA”) based on the net tangible assets of the Company as reported in its Financial Year 2011 preliminary accounts.
- As noted in the financial position assessment in Paragraph 5.3 above, we have calculated the latest NTA of Viento at \$10.491m. Based on the issued capital of 54.405m shares as at 31 August 2011, this equates to an implied value of **\$0.1928** per share.
- This value suggests that the Caratti Group is selling its controlling interest in Viento at a discount of 22.2% to the NTA.
- We note however that the latest assessment on Constance Range gives a value of \$1.72m where in the previous financial year it had no value on the balance sheet. This value has been included in the financial statements so that it can be distributed to all shareholders as an in specie dividend. Ongoing NTA (after

eliminating the value of the Constance Range asset, following its distribution to shareholders) will therefore be \$8.771m, equating to an implied value of \$0.1612 per share.

- This implied value suggests that the Caratti Group is selling its controlling interest in Viento at a discount of 7.0% to ongoing NTA.

6.7.3 Mariner's Takeover Proposal

- On 29 July 2011 Mariner announced to the ASX that it intended to make a conditional takeover bid for the Company at an offer price of \$0.17 per share.
- On 1 September 2011 Mariner announced the withdrawal of its intended takeover offer.
- The Proposed Transaction price of \$0.15 per share is 11.8% below the value at which Mariner intended to make its offer.

6.7.4 Other pricing considerations

- It should be noted that the price under the Proposed Transaction was negotiated between the Silverthorne Trust and the Caratti Group in a private treaty scenario. We understand that executive management of Viento were not involved in that negotiation and did not permit the Silverthorne Trust to undertake financial due diligence on Viento.

6.7.5 Analysis and conclusions

- The Proposed Transaction price of \$0.15 per Viento share:
 - is at a premium to:
 - the share price on the date the Proposed Transaction was announced
 - the 1 month and 3 month volume average weighted price ("VWAP").
 - is at a discount to:
 - the 6 month and 12 month VWAP
 - the Viento NTA as at 30 June 2011 and ongoing
 - the proposed bid by Mariner which has subsequently been withdrawn.
 - is at the same price as the capital raising to Hanscon on 9 May 2011.
- Total volumes traded in Viento shares have been extremely low over the past 3 months, equating to less than 1% in aggregate of the Company's total shares on issue. This suggests that the Purchaser would not have been able to acquire the number of shares in the Proposed Transaction on-market without bidding up the share price significantly. Volumes traded over the previous 6 – 12 month period are substantially higher, suggesting that the VWAP over those periods is a more relevant guide to the market valuation of the Company's shares.
- For the purposes of assessing whether there is a control premium, we have placed greater reliance on the Company's NTA, and the 6 and 12 month VWAP as a guide to the market value of the Viento shares. These indicators suggest that the Proposed Transaction price is at a discount to valuation of the Viento shares.
- Based on these factors, we can conclude that the Proposed Transaction price does not include a significant premium for control of the Company, and indeed would indicate that the price is at a discount to a number of relevant valuation metrics.

- In our opinion, the non-associated shareholders are therefore not being disadvantaged by not receiving an offer for their shares at the same price.

6.8 Whether the Proposed Transaction might deter the making of a takeover bid for the entity

- According to ASIC Regulatory Guide 111.43, the expert must also consider whether any proposed acquisition by way of sale, if approved, might deter the making of a takeover bid for the entity.
- The Proposed Transaction will give the Silverthorne Trust a 17.4% interest in the Company, which is a blocking position on a full takeover, as a bidder would not be able to achieve the 90% shareholding threshold (which would allow it to compulsorily acquire the balance of the shares) without the Silverthorne Trust's support;
- In combination with the Hanscon shareholding, assuming the two parties act together, the Silverthorne Trust would also have a blocking position on a takeover via a scheme of arrangement, which requires at least 75% shareholding approval;
- Mariner announced the withdrawal of its takeover bid on 1 September 2011, stating: *"The declaration of two Viento directors representing 32% of Viento shares that they will not sell into our bid, and the recently announced sale of 9,464,914 shares (almost 20% of Viento) to Silverthorne Trust (an associate of one of those Viento directors), means Mariner will not be able to meet the 90% minimum acceptance condition of its bid"*.

However, the following matters are also relevant:

- The 19.96% shareholding of Deluge Holdings Pty Ltd ("Deluge"), which is the entity associated with the Executive Chairman Rob Nichevich, is currently sufficient to block a full takeover.
- A shareholding interest of this size would be extremely influential in determining whether a scheme of arrangement would succeed. For example, if Deluge voted against a proposed scheme of arrangement, the Company would require the support of 75% of the remaining 80.04% of votes (or 93.75%) for a scheme to succeed. In our experience it is extremely unlikely that these voting thresholds would be attained. In other words, the Deluge shareholding is also likely to be sufficient to block a scheme of arrangements.
- The Caratti Group shareholding of 17.4% is of itself sufficient to block a full takeover bid.
- The Caratti Group shareholding is extremely influential in determining whether a scheme of arrangement would succeed. For example, if the Caratti Group voted against a proposed scheme of arrangement, the Company would require the support of 75% of the remaining 83.6% of votes (89.7%) for a scheme to succeed.
- Hanscon's shareholding of 11.95% is sufficient to block a full takeover bid. It would be influential in the voting on a scheme of arrangement, but not necessarily determinative on its own.
- In this analysis, we recognise that a bidder could conceivably achieve a majority ownership position in the Company via a takeover bid, without the support of either Deluge or the Caratti Group (prior to the Proposed Transaction) and without the support of Deluge, and / or the Silverthorne Trust and Hanscon (post the Proposed Transaction). Whilst the inability to achieve a full takeover may discourage some bidders, others may accept this outcome and proceed notwithstanding.

6.8.1 Summary of Potential Outcomes in a future Takeover or Scheme of Arrangement offer

Table G – Ability of the major shareholders to block a takeover bid

Shareholder	Combined voting power (%)	Ability to block a full takeover	Ability to block the acquisition of a majority shareholding	Ability to block a scheme of arrangement
Deluge	19.96	Yes	No	Practically, yes
The Caratti Group	17.4	Yes	No	Practically, yes
Hanscon	11.95	Yes	No	Influential, but not determinative
The Silverthorne Trust combined with Hanscon	29.3	Yes	No	Yes

6.8.2 Our analysis

- Sizeable blocking stakes existed prior to the Proposed Transaction, and they will continue to exist if the Proposed Transaction does proceed;
- The potential blocking stake created by the Proposed Transaction is larger than if the Proposed Transaction did not take place (assuming the parties determine to vote together);
- The size of the potential blocking stake as a result of the Proposed Transaction may discourage some parties from making a bid (refer to the statement in Mariner announcement set out in Paragraph 6.7.3);
- Any full takeover offer or scheme of arrangement will continue to require the support of Deluge (Mr Nichevich); and
- In the same way that the support of Messrs Nichevich and the Caratti Group would be required for a full bid or scheme of arrangement to succeed before the Proposed Transaction, the support of Messrs Nichevich and the Silverthorne and Hanson parties will be required after the Proposed Transaction.

6.8.3 Our conclusions

- The approval the Proposed Transaction does not materially impact on the likelihood of a takeover offer being made for Viento, compared to the position if the Proposed Transaction is not approved:
 - The Caratti Group’s shareholding is sufficient to block a takeover bid and is extremely influential in determining whether a scheme of arrangement would succeed;
 - If the Proposed Transaction is not approved, Hanscon’s vote would block a full takeover bid, and would be influential, but not determinative in a vote on a scheme of arrangement;
 - If the Proposed Transaction is approved, the combined votes of the Silverthorne Trust and Hanscon are capable of blocking both a full takeover and a scheme of arrangement;
- In either case the support of Deluge is required; and
- In either case, a bidder could still attain a majority stake.

6.9 Impact on voting power and ownership

The impact of the Proposed Transaction on voting power and ownership is summarised in the Viento share register set out below:

Table H – Pro Forma Top 10 Shareholders after the Proposed Transaction

	Prior to Proposed Transaction		If Resolution 1 passes		If Resolution 1 does not pass	
	Number of Shares	Percentage	Number of Shares	Percentage	Number of Shares	Percentage
Robert Nichevich	10,860,000	19.96%	10,860,000	19.96%	10,860,000	19.96%
John Silverthorne	9,464,914	17.40%	9,464,914	17.40%	9,464,914	17.40%
Caratti Group	9,464,914	17.40%	9,464,914	17.40%	9,464,914	17.40%
John Farrell	6,500,000	11.95%	6,500,000	11.95%	6,500,000	11.95%
Mariner Corp Ltd	4,839,615	8.90%	4,839,615	8.90%	4,839,615	8.90%
Vernon Finance Ltd	3,511,250	6.45%	3,511,250	6.45%	3,511,250	6.45%
Moat Inv PL	2,987,568	5.49%	2,987,568	5.49%	2,987,568	5.49%
JP Morgan Nom Aust Ltd	2,156,170	3.96%	2,156,170	3.96%	2,156,170	3.96%
McMullin Group	1,894,562	3.48%	1,894,562	3.48%	1,894,562	3.48%
Castle Partners	790,755	1.45%	790,755	1.45%	790,755	1.45%
Gresham Partners Capital	500,000	0.92%	500,000	0.92%	500,000	0.92%
Top 10 Shareholders	43,504,834	79.97%	43,504,834	79.97%	43,504,834	79.97%
Other shareholders	10,899,738	20.03%	10,899,738	20.03%	10,899,738	20.03%
Total Shares on Issue	54,404,572	100.00%	54,404,572	100.00%	54,404,572	100.00%

- Upon completion of the Proposed Transaction, the Silverthorne Trust will hold 9,464,914 shares or 17.4% of total equity capital on issue. This will make it the second largest shareholder behind Deluge.
- Timebuild Pty Ltd and Delta Ace Pty Ltd will cease to be substantial shareholders in the Company as a result of having no further holdings in the Company. Additionally TAAC Pty Ltd (formerly known as Indian Ocean Capital Pty Ltd) will also cease to be a shareholder in the Company.
- The issued capital of the Company will remain the same at 54,404,572 shares. Non-associated shareholders will not be impacted in their ownership interest in Viento.
- Whilst the Silverthorne Trust and Hanscon have declared they do not have any arrangements as to the voting of their shares, their combined votes (should they agree to vote together) will be sufficient to defeat any special resolution.
- The voting power held by the Silverthorne Trust will be no different to the level of voting power held by the Caratti Group prior to the Proposed Transaction.
- The Silverthorne Trust, Hanscon or any other associate can together acquire a further 3% of Viento shares every six months without shareholder approval.
- Viento will continue to have the same executive chairman.

6.10 Future Transactions between the Caratti Group and the Viento Group

ASIC Regulatory Guide 111.42 states that the expert should also enquire whether future transactions are planned between the subject entity (in this case Viento) and the Vendor (in this case the Caratti Group) or any of the Vendor's associates. According to the Regulatory Guide this is to identify any future transactions which may not be at arm's-length or which may compensate a vendor from accepting a price for their shares which is too low.

Viento has confirmed that no future transactions between Viento and the Caratti Group (or any of its associates) are planned.

6.11 Each Shareholder Should Make Their Own Decision Based on Their Own Criteria

SLM Corporate's opinion is based on the interests of the non-associated shareholders as a whole. The position of individual Viento shareholders has not been considered. Approval or rejection of the Proposed Transaction is ultimately a matter for individual shareholders based on their own views as to value and future market conditions. Shareholders who are in doubt as to the action that they should take in relation to the Proposed Transaction should consult their own professional advisers.

6.12 SLM's Conclusion

In SLM's opinion, the advantages of the Proposed Transaction outweigh the disadvantages and shareholders should vote in favour of the resolution.

7 Qualifications, Declarations and Consents

7.1 Qualifications

SLM Corporate is an independent corporate advisory firm providing strategic and financial advisory services including in relation to mergers and acquisitions, public listings, divestments and corporate restructuring, balance sheet and capital optimisation, debt, hybrid and equity raisings, succession planning and general corporate advice.

The team responsible for the preparation of this Report on behalf of SLM Corporate includes Mr Barry Lewin MBA, BCOM LLB and Mr Antony Sormann LLB B.Ec F Fin. Mr Lewin is the Managing Director of SLM Corporate and has over 10 years' experience in relevant corporate advisory matters. Mr Lewin is a responsible manager of SLM Corporate in relation to its AFS License No. 224034 issued pursuant to section 913B of the Corporations Act. Mr Sormann is the Director of Corporate Finance of SLM Corporate and has over 10 years' experience in relevant corporate advisory matters. Mr Sormann is a responsible manager of SLM Corporate under its AFS Licence No. 224034.

7.2 Declarations

It is not intended that this report should be used or relied upon for any purpose other than as an expression of SLM Corporate's opinion as to whether the advantages of the Proposed Transaction outweigh the disadvantages, having regard to the interests of the non-associated shareholders. SLM Corporate expressly disclaims any liability to any Viento shareholder who relies or purports to rely on this Report for any other purpose and to any other party who relies or purports to rely on this Report for any purpose whatsoever.

This Report has been prepared by SLM Corporate with care and diligence and the statements and opinions given by SLM Corporate in this Report are made in good faith and in the belief on reasonable grounds that such statements and opinions are correct and not misleading. However, no responsibility is accepted by SLM Corporate or any of its officers or employees for errors or omissions however arising in the preparation of this Report, provided that this shall not absolve SLM Corporate from liability arising from an opinion expressed recklessly or in bad faith.

SLM Corporate does not have at the date of this Report, and has not previously had, any shareholding in or other relationship with Viento that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Transaction. SLM Corporate considers itself to be independent in terms of ASIC's Regulatory Guide 112 dated 30 March 2011.

SLM Corporate will receive a fixed fee for the preparation of this Report. This fee is not contingent on the outcome of the Proposed Transaction. SLM Corporate will not receive any other benefit for the preparation of this Report. SLM Corporate does not have any pecuniary or other interests that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Transaction.

An advance draft of this Report was provided to Viento and its advisers. Certain changes were made to this Report as a result of the circulation of the draft Report. No alterations were made to the methodology or conclusions as a result of circulating the draft Report.

Viento has agreed that, to the extent permitted by law, it will indemnify SLM Corporate and its directors, officers and employees from and against all liability, loss or damage arising out of or in connection with the preparation of this Report or resulting from or attributable directly or indirectly to the preparation of this Report. This indemnity does not extend to any liability arising out of or in connection with SLM Corporate's wilful misconduct, dishonesty, fraud or gross negligence.

7.3 Financial Services Guide

SLM Corporate holds AFS Licence No. 224034 authorising the company to provide general financial product advice on securities and interests in managed investment schemes to wholesale and retail investors. When providing an independent expert's report, SLM Corporate's client is the entity to which the report is provided. SLM Corporate receives its remuneration from that entity which, in this case, is Viento. No related body corporate of SLM Corporate or any of the directors, employees or officers of SLM Corporate receives any remuneration or other benefit directly attributable to the preparation and provision of this Report. SLM Corporate is required to be independent of Viento in order to provide this Report. The guidelines for independence are set out in ASIC's Regulatory Guide 112 dated 30 March 2011. SLM Corporate is only responsible for this Report including this Financial Services Guide. Comments, questions or complaints regarding the Explanatory Statement and Notice of General Meeting should not be directed to SLM Corporate which is not responsible for those documents. SLM Corporate will not respond in any way that might involve the provision of personal financial product advice to any retail investor.

7.4 Consents

SLM Corporate consents to the issuing of this Report in the form and context in which it is to be included in the Explanatory Statement and Notice of General Meeting to be sent to shareholders of Viento. SLM Corporate has had no involvement in the preparation of the Explanatory Statement and Notice of General Meeting and has not verified or approved any of the contents of the Explanatory Statement and Notice of General Meeting. SLM Corporate does not accept any responsibility for the contents of the Explanatory Statement and Notice of General Meeting except for this Report. Neither the whole nor any part of this Report nor any reference thereto may be included in any other document without the prior written consent of SLM Corporate as to the form and context in which it appears.

8 Glossary

Term	Definition
Agreement Date	30 August 2011, the date on which the Proposed Transaction was signed by the Vendor and the Purchaser
The Caratti Group	Delta Ace Pty Ltd, Timebuild Pty Ltd and Indian Ocean Capital Pty Ltd (now known as TAAC Pty Ltd). These parties collectively are the Vendor in the Proposed Transaction. See also Vendor.
Creep	Under Section 611(9), a party with at least a 19% shareholding in a company can increase its shareholding by 3% of total shares outstanding in each 6 month period without requiring shareholder approval.
Deluge	Deluge Holdings Ltd. A shareholding entity associated with Mr Robert Nichevich, Executive Chairman of Viento
Hanscon	Hanscon Holdings Pty Ltd, as trustee for the Hanscon Discretionary Trust.
John Farrell	Authorised representative of Hanscon on Viento's board of directors.
John Silverthorne	One of the trustee's for the Silverthorne Trust.
Mariner	Mariner Corporation Limited
NTA	Net Tangible Asset, representing the net of fixed and current assets, and all liabilities.
Proposed Transaction	The acquisition by the Silverthorne Trust of 17.4% shareholding in Viento from the Caratti Group
Purchaser	The Silverthorne Trust
Report	Independent Expert Report
RG111	Regulatory Guideline 111. The guideline issued by ASIC which covers the appropriate content of an Independent Expert Report.
RG112	Regulatory Guideline 112. The guideline issued by ASIC which covers the independence of experts that prepare the Report.
RG74	Regulatory Guideline 74. The guideline issued by ASIC which covers the responsibilities of company directors in relation to acquisitions to be approved by shareholders.
The Silverthorn Trust	A Discretionary Trust represented by the trustees Mr John Silverthorne and Ms Maureen Kaye Silverthorne. This is the Purchaser in the Proposed Transaction. See also Purchaser.
SLM Corporate	SLM Corporate Pty Ltd, the Independent Expert that has prepared this Report.
Company	Viento Group Limited
Vendor	The Caratti Group
Viento	The Viento Group Limited
VWAP	Volume Weighted Average Price