Appendix 4D

Half-Year Report

1. Details of reporting period

Name of Entity	Viento Group Limited
ABN	79 000 714 054
Period Ended	31 December 2011
Previous Corresponding Period	31 December 2010

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	Up	68%	to	2,431
Profit from ordinary activities after tax attributable to members	Increased	From loss of ($45,000)	to	289
Net profit for the period attributable to members	Increased	from loss of ($45,000)	to	289
		Amount Per Security		**Franked Amount Per Security**
Final Dividend		Nil		Nil
Interim Dividend		Nil		Nil
Previous Corresponding Period		Nil		Nil
Record Date for Determining Entitlements		Not Applicable		

Brief explanation of the figures reported above:

REVIEW OF OPERATIONS

The Viento Group recorded a profit after income tax of $289,000 (2010: loss $45,000). Total revenue for the half-year was $2,443,000 (2010: $1,569,000).

The Directors are pleased to report a half year profit. The result has been positively impacted due to the commencement of management fees from our subdivision syndicates.

Revenue from the management fees earned from the subdivision syndicates occurs when the lots are settled. Significant sales were unconditional at 31 December 2011 but did not settle until after the half year end. Subsequent to the December half year end gross income of over $900,000 was earned from settlements expected to occur in the December half year.

The commercial property business has suffered from a reduction in values and more stringent demands from lenders. The primary lender to the Viento Diversified Property Fund (VDPF) has closed its income fund with the plan to repay the depositors to that fund. As a consequence the lender requires the loans to be repaid. Extensions have been arranged until the end of November 2012. In order to achieve this timetable, the VDPF will require refinancing, sell down of properties or recapitalisation

The Board considered the best solution to manage this issue is to recapitalise the VDPF to enable the repayment of debt and reduction in Loan to Value Ratios. This will enable retention of the properties with the objective of achieving increased returns for VDPF investors from the expected improvement in property values.

Market commentators believe that we are at or approaching the bottom of the cycle and it would best for investors if the properties were retained and allowed time for the value cycle to improve.

A recapitalisation will enable the fund to open for distributions, redemptions and other opportunities.

Consultants have been appointed to assist with the recapitalisation of the VDPF. As a result of this work a party has been identified as appropriate to the recapitalisation plan. The company is currently in due diligence for the recapitalisation of the VDPF with a suitable group. The agreement with this group is non-binding and subject to satisfactory due diligence.

The market will be kept informed of the progress of this due diligence.

The last six months have been demanding and exciting we have seen major changes in the share register, progressed with the recapitalisation of the VDPF, achieved the first revenues from the subdivision business and examined new growth opportunities.

Our banks have been supportive despite the difficult times and we are grateful for that. The team at Viento has worked hard and effectively through these difficult and demanding times. On your behalf we express our gratitude.

FUTURE DEVELOPMENTS PROSPECTS AND BUSINESS STRATEGIES

The subdivision syndicates are progressing despite weak market conditions. Property prices for subdivision lots in Western Australia are stable although sales are at a slower rate than the historical norm. At this time we are developing stage three in both subdivisions with forward sales of 95% of available lots in Henley Brook/Avonlee and 70% of available lots at Southern River/Riverbank. Total pre sales of $13m have been achieved for these new stages.

Whilst development funding is difficult, our subdivision locations continue to be well received with lots priced at appropriate levels. The market demand is at an acceptable level and we are achieving our share of available sales. These projects are expected to deliver another three years of subdivision revenues.

Following a strategic review of the business the Directors have agreed to invest funds in the mining services industry to participate in the $800 billion of projects being considered for development in Australia.

The principles of the new key shareholders Hanscon Holdings Pty Ltd and the Silverthorne Trust have a history of success in the mining and civil contracting business. Both shareholders are actively assisting the company in its endeavours.

The Directors believe that the company is uniquely placed to enter the mining services industry and are considering a number of opportunities. As part of this strategy the company plans to add to the existing expertise and skills of the board.

We are looking forward to a bright and successful future.

3. Net tangible asset backing

	31/12/2011	31/12/2010
Net tangible backing per ordinary security	24.5 cents	23.3 cents

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

Nil

5. Details of Dividends

No dividend has been paid or recommended to be paid for the half-year ended 31 December 2011.

6. Details of dividend reinvestment plans

The Company does not have a dividend reinvestment plan.

7 Details of associate and joint venture entities

Not applicable.

8. Foreign entities

Not applicable.

9. Audit

This report has been based on accounts that have been subject to an audit review.

During the financial year ended 30 June 2011, a qualified opinion was issued on the basis that company's valuation of the investment in the Constance Range Iron ore Exploration Project (CRIOEP) differs from the cost model under AASB 6. The view of the company has not changed since 30 June 2011. As a result, the current accounting treatment adopted by the consolidated entity is a departure from Australian Accounting Standards.

Other than the matter raised above there are no items of dispute with the auditor and the audit review is not subject to further qualification.

Robert Nichevich
Executive Chairman
28 February 2012

VIENTO GROUP LIMITED

ABN 79 000 714 054

FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2011

DIRECTORS' REPORT

Your directors present their financial report of the consolidated group for the half-year ended 31 December 2011.

DIRECTORS

The names of the directors who held office during or since the end of the half-year:

Mr Robert C Nichevich with M Bennett as an alternate director (alternate resigned 25 July 2011)

Mr John Farrell

Mr Raymond E King

Mr Shane M Heffernan

REVIEW OF OPERATIONS

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The Board considered the best solution to manage this issue is to recapitalise the VDPF to enable the repayment of debt and reduction in Loan to Value Ratios. This will enable retention of the properties with the objective of achieving increased returns for VDPF investors from the expected improvement in property values.

Market commentators believe that we are at or approaching the bottom of the cycle and it would best for investors if the properties were retained and allowed time for the value cycle to improve.

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Consultants have been appointed to assist with the recapitalisation of the VDPF. As a result of this work a party has been identified as appropriate to the recapitalisation plan. The company is currently in due diligence for the recapitalisation of the VDPF with a suitable group. The agreement with this group is non-binding and subject to satisfactory due diligence.

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Our banks have been supportive despite the difficult times and we are grateful for that. The team at Viento has worked hard and effectively through these difficult and demanding times. On your behalf we express our gratitude.

FUTURE DEVELOPMENTS PROSPECTS AND BUSINESS STRATEGIES

The subdivision syndicates are progressing despite weak market conditions. Property prices for subdivision lots in Western Australia are stable although sales are at a slower rate than the historical norm. At this time we are developing stage three in both subdivisions with forward sales of 95% of available lots in Henley Brook/Avonlee and 70% of available lots at Southern River/Riverbank. Total pre sales of $13m have been achieved for these new stages.

Whilst development funding is difficult, our subdivision locations continue to be well received with lots priced at appropriate levels. The market demand is at an acceptable level and we are achieving our share of available sales. These projects are expected to deliver another three years of subdivision revenues.

Following a strategic review of the business the Directors have agreed to invest funds in the mining services industry to participate in the $800 billion of projects being considered for development in Australia.

DIRECTORS' REPORT (cont…)

The principles of the new key shareholders Hanscon Holdings Pty Ltd and the Silverthorne Trust have a history of success in the mining and civil contracting business. Both shareholders are actively assisting the company in its endeavours.

The Directors believe that the company is uniquely placed to enter the mining services industry and are considering a number of opportunities. As part of this strategy the company plans to add to the existing expertise and skills of the board.

We are looking forward to a bright and successful future.

REGISTERED OFFICE

The registered office and principal place of business of Viento Group Limited and its controlled entities is:

Level 3
11 Queens Road
Melbourne, Victoria, 3004

Telephone: 03 9865 7000
Facsimile: 03 9866 7029

ROUNDING OF AMOUNTS

The consolidated group has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded to the nearest $1,000.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration under section 307C of the *Corporations Act 2001* is set out on page 4 for the half year ended 31 December 2011.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of the *Corporations Act 2001*.

R N Nichevich
Executive Chairman

Dated this 28th day of February 2012

Perth, Western Australia

AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Viento Group Limited for the half-year ended 31 December 2011, I declare that, to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

Crowe Horwath Perth

CROWE HORWATH PERTH

CYRUS PATELL
Partner

Signed at Perth, 28 February 2012

VIENTO GROUP LIMITED ABN 79 000 714 054 AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

		Consolidated Group	
		31 Dec 11	**31 Dec 10**
	Note	**$'000**	**$'000**
Revenue	2	2,066	1,153
Other Income	2	377	416
Employee benefits expense		(877)	(845)
Professional services expense		(426)	(286)
Commission expense		(195)	(62)
Occupancy expense		(290)	(175)
Finance expense		(3)	(3)
Administration expense		(197)	(243)
Depreciation and amortisation expense		(20)	(31)
Profit/(Loss) before income tax		435	(76)
Income tax (expense)/benefit		(146)	31
Profit/(Loss) for the period		289	(45)
Other comprehensive income			
Movement in Share Based Payments Reserve		27	20
Movement in Financial Assets Reserve		(5)	2
Other comprehensive income for the period		22	22
Total comprehensive income		311	(23)
Profit/(Loss) attributable to:			
Members of the parent entity		289	(45)
Total comprehensive income attributable to:			
Members of the parent entity		311	(23)
Earnings/(Losses) per share from continuing operations			
From continuing operations			
Basic earnings/(loss) per share (cents)		0.532	(0.095)
Diluted earnings/(loss) per share (cents)		0.532	(0.095)

The accompanying notes form part of these financial statements.

VIENTO GROUP LIMITED ABN 79 000 714 054 AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

	Consolidated Group		
		Restated	
	31 Dec 11 $'000	**30 Jun 11 $'000**	**30 Jun 10 $'000**
CURRENT ASSETS			
Cash and cash equivalents	1,693	2,731	2,098
Trade and other receivables	5,080	3,120	2,486
Financial assets	1,860	1,865	154
Other current assets	116	221	203
TOTAL CURRENT ASSETS	8,749	7,937	4,941
NON-CURRENT ASSETS			
Trade and other receivables	430	1,370	1,839
Financial assets	569	569	569
Plant and equipment	106	122	173
Biological assets	2,011	1,952	1,985
Deferred tax assets	2,865	3,056	2,798
Intangible assets	14	14	14
TOTAL NON-CURRENT ASSETS	5,995	7,083	7,378
TOTAL ASSETS	14,744	15,020	12,319
CURRENT LIABILITIES			
Trade and other payables	231	696	563
Provisions	40	58	49
Other current liabilities	11	25	56
TOTAL CURRENT LIABILITIES	282	779	668
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities	1,146	**1,190**	595
Provisions	9	6	9
TOTAL NON-CURRENT LIABILITIES	1,155	**1,196**	604
TOTAL LIABILITIES	1,437	**1,975**	1,272
NET ASSETS	13,307	**13,045**	11,047
EQUITY			
Issued capital	20,187	20,236	19,231
Reserves	1,499	1,477	1,450
Accumulated losses	(8,379)	**(8,668)**	(9,634)
TOTAL EQUITY	13,307	**13,045**	11,047

The accompanying notes form part of these financial statements.

VIENTO GROUP LIMITED ABN 79 000 714 054 AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Issued Capital Ordinary	Share Based Payments Reserve	Financial Assets Reserve	Retained Losses	Total
	$000	$000	$000	$000	$000
Balance at 1 July 2010	**19,231**	**1,370**	**80**	**(9,634)**	**11,047**
Total comprehensive Income for the period	-	20	2	(45)	(23)
Subtotal	**-**	**-**	**-**	**-**	**-**
Dividends paid or provided for	-	-	-	-	-
Balance at 31 December 2010	**19,231**	**1,390**	**82**	**(9,679)**	**11,024**
Balance at 1 July 2010	**19,231**	**1,370**	**80**	**(9,634)**	**11,047**
Profit attributable to members of the parent entity (restated for tax adjustment*).	-	-	-	966	966
Total other comprehensive income for the year	-	-	7	-	7
Exercise of options	9	-	-	-	9
Options issued as remuneration	-	20	-	-	20
Issue of share capital	1,041	-	-	-	1,041
Cancellation of shares	(45)	-	-	-	(45)
Restated Balance at 30 June 2011	**20,236**	**1,390**	**87**	**(8,668)**	**13,045**

*refer to note 1 for details of the tax restatement.

	Issued Capital Ordinary	Share Based Payments Reserve	Financial Assets Reserve	Retained Losses	Total
Restated Balance at 1 July 2011	**20,236**	**1,390**	**87**	**(8,668)**	**13,045**
Profit attributable to members of the parent	-	-	-	289	289
Total comprehensive Income for the period	-	27	(5)	-	22
Shares cancelled	(49)	-	-	-	(49)
Subtotal					
Dividends paid or provided for	-	-	-	-	-
Balance at 31 December 2011	**20,187**	**1,417**	**82**	**(8,379)**	**13,307**

The accompanying notes form part of these financial statements.

VIENTO GROUP LIMITED ABN 79 000 714 054 AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2011

	Consolidated Entity	
	31 Dec 11	**31 Dec 10**
	$'000	**$'000**
Cash Flow From Operating Activities		
Receipts from customers	1,780	1,464
Payments to suppliers & employees	(2,531)	(1,863)
Interest received	140	31
Finance costs paid	(3)	(3)
Net cash provided by / (used in) operating activities	(614)	(371)
Cash Flow From Investing Activities		
Purchase of property, plant and equipment	(4)	(8)
Payments for biological assets	(58)	(55)
Loan to Southern River Syndicate related party	(426)	-
Loan repaid by Henley Brook related party	64	27
Net cash provided by / (used in) investing activities	(424)	(36)
Cash Flow From Financing Activities	-	-
Net cash provided by / (used in) financing activities	-	-
Net (decrease) in cash and cash equivalents	(1,038)	(407)
Cash and cash equivalents at beginning of the period	2,731	2,098
Cash and cash equivalents at end of the period	1,693	1,691

The accompanying notes form part of these financial statements.

NOTE 1: BASIS OF PREPARATION

Statement of compliance

The half-year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report and any public announcements made during the half year.

Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Class Order 98/100, dated 10 July 1998, and in accordance with that Class Order amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2011 annual financial report for the financial year ended 30 June 2011. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Company's accounting policies and has no effect on the amounts reported for the current or prior periods.

Prior period tax error

The Group has identified a prior period error which requires restatement of the 30 June 2011 financial statements.

The restatement relates to the taxation impact resulting from the revaluation of the Constance Range mining tenement during 2010/2011.

The tax treatment adopted in the 30 June 2011 financial statements was on basis the revaluation was exempt from tax. However it has subsequently been determined that the transaction should have been included in the determination of deferred tax liabilities at 30 June 2011.

Had the Constance Range revaluation been correctly treated from a taxation perspective at 30 June 2011, this would have resulted in an increase in Tax Expense of $516,000 and an increase in Deferred Tax Liability of $516,000.

As a result the 30 June 2011 restated Profit after Tax is $966,000 (previously reported $1,482,000) and Net Assets is $13,045,000 (previously reported $13,561,000). There is no cash flow impact of this prior period error.

	Consolidated Entity	
	31 Dec 11	31 Dec 10
	$'000	$'000
NOTE 2: REVENUE		
Operating Revenue		
Management fee income	992	1,069
Management fee income : Subdivision settlements	1,074	-
Other fee income	-	84
	2,066	1,153
Other Income		
Leasing and rental revenue	78	135
Share loan revaluation	12	126
Interest	285	149
Other revenues	2	6
	377	416
Total Revenue	2,443	1,569

NOTE 3: DIVIDENDS

No dividend has been provided for or paid during the half-year (2010: nil)

NOTE 4: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On the 1st of February 2012 Viento Group Limited completed a transaction for the acquisition of units in the Southern River Property Syndicate from the Viento Diversified Property Fund (VDPF).

VDPF owed Viento Group subsidiary Viento Property Limited (VPL) monies for Syndicate roll-over and Management fees dating back to June 2008 which had been converted to a loan in Viento Group Limited. The loan balance at 31 December 2011 prior to the transaction was $3,280,000 which has been reduced to $758,000 in February 2012 as a result of the units in the Southern River syndicate being used as consideration for the loan repayment to Viento Group from the VDPF.

As this was a related party transaction, VPL obtained independent legal and valuation advice and conducted the transaction on an arm's length basis by accepting units at the upper end of their external valuation. The independent valuation of the units were valued between $2,276,000 and $2,522,000. Viento Group accepted the higher unit valuation.

Other than the above, there have been no material events subsequent to 31 December 2011 that have not been disclosed in these financial statements.

NOTE 5: CONTINGENT LIABILITIES

There has been no change in contingent liabilities since the last annual reporting date.

VIENTO GROUP LIMITED ABN 79 000 714 054 AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

In the directors' opinion:

a. The financial statements and notes, as set out on pages 5 to 10 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standard AASB 134: Interim Financial Reporting; and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

   (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

b. there are reasonable grounds to believe that Viento Group Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

R N Nichevich
Executive Chairman
Dated this 28th day of February 2012

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF VIENTO GROUP LIMITED

Report on the Half-Year Financial Report
We have reviewed the accompanying half-year financial report of Viento Group Limited and its controlled entities (the consolidated entity) which comprises the consolidated statement of financial position as at 31 December 2011, the consolidated statement of comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Directors' Responsibility for the Financial Report
The directors of the consolidated entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2011and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*. As the auditor of the consolidated entity, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence
In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Basis for Qualified Conclusion
During the financial year ended 30 June 2011, a qualified opinion was issued on the basis that company's valuation of the investment in the Constance Range Iron Ore Exploration Project (CRIOEP) differs from the cost model under AASB 6. The view of the company has not changed since 30 June 2011. As a result, the current accounting treatment adopted by the consolidated entity is a departure from Australian Accounting Standards.

Had the requirements under AASB 127 been correctly applied as well as the cost model under AASB 6, the revenue, profit before income tax, net assets and equity of the consolidated entity at 30 June 2011 would have reduced by $1.72 million. This has resulted in the opening balances in relation to the net assets and equity of the consolidated entity at 1 July 2011 being overstated by $1.72million.

Qualified Conclusion
Based on our review, which is not an audit, with the exception of the matter described in the preceding paragraph, we have not become aware of any matter that makes us believe that the half-year financial report of Viento Group Limited and its controlled entities is not in accordance with the *Corporations Act 2001* including:

(i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 and of its performance for the half-year ended on that date; and

(ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

Crowe Horwath Perth

CROWE HORWATH PERTH

CYRUS PATELL
Partner

Signed at Perth, 28 February 2012