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 2012
Previous Corresponding Period	31 December 2011

2. Results for announcement to the market

				$'000
Revenues from ordinary activities	Up	419%	to	10,229
Loss from ordinary activities after tax attributable to members	Decreased	From profit of $289,000	to	(1,370)
Net loss for the period attributable to members	Decreased	From profit of $289,000	to	(1,370)
		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		

3. Net tangible asset backing

	31/12/2012	**31/12/2011**
Net tangible asset backing per ordinary security	24.3 cents	24.5 cents

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

See note 7 in the notes to the Financial Statements for the Half-Year Ended 31 December 2012

Results for the period should be read in conjunction with the Financial Report attached.

VIENTO GROUP LIMITED

ABN 79 000 714 054

FINANCIAL REPORT

FOR THE HALF YEAR ENDED

31 DECEMBER 2012

DIRECTORS' REPORT

Your directors present their financial report of the consolidated group for the half-year ended 31 December 2012.

DIRECTORS

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

Mr Robert Nichevich

Mr John Farrell

Mr John Silverthorne

Mr Shane Heffernan

Mr Raymond King (resigned 28 August 2012)

REVIEW OF OPERATIONS

The Viento Group recorded a loss after income tax attributable to members of $1,370,000 (December 2011: profit $289,000). Total revenue for the half-year was $10,229,000 (December 2011: $2,443,000).

The loss is within the expectations of the board while the company is developing its mining services business. Your board made a strategic decision to primarily focus on developing businesses in Civil Contracting, Mining Contracting and Utility Services from its own resources rather than acquire businesses. This decision was taken at a time when vendors were asking unrealistic premiums for operating businesses.

As a consequence of this decision the company is investing in structures, systems and personnel to support its various businesses.

MINEWORKS GROUP PTY LTD (MWG)

To support these new businesses Viento invested in MWG, which provides labour hire, equipment hire and workshop facilities to the mining industry and each of Viento's businesses.

Viento's investment in MWG is meeting expectations and the MWG operation is integrating well in to the Group. The support provided to VCS enabled the completion of VCS's first contract in a timely and efficient manner. Viento believes that MWG can make a significant contribution to the success of the Group.

Work is being undertaken on systems and processes and management support is being provided to make MWG a significant company in its own right.

VIENTO CONTRACTING SERVICES PTY LTD (VCS)

This subsidiary commenced operation on 1 July 2012. It has successfully completed its first contract. It has been formed to provide civil contracting services to the mining industry. The team is a highly regarded professional group, able to provide services of the highest standard.

In order to enable the VCS to become a Tier 1 contractor in the market, systems and processes are being developed to cover the requirements of occupational health and safety together with sophisticated reporting systems. An integrated management system is being developed to enable VCS to meet ISO standards.

This work is expected to be completed by the end of March 2013, to enable VCS to bid for work from major mining companies.

VCS is tendering for contracts directly and in association with various indigenous groups. These opportunities have been made available to VCS through the extensive network and reputation of the Directors.

VIENTO UTILITIES PTY LTD (VUS)

VUS commenced operation in September 2012 under the management of a proven group of professionals in the electrical and communications space.

Viento is pleased to note that VUS was awarded its first contract in December 2012 with additional work being awarded since that date.

VUS is complementary to other Viento businesses creating the opportunity to offer a broader range of services to the mining industry.

VIENTO MINING SERVICES PTY LTD (VMS)

VMS is a newly formed subsidiary and is expected to commence operations during the period to June 2013. VMS will be headed by John Silverthorne and supported by a team of professionals with a wealth of experience, highly regarded by their peers.

PROPERTY DIVISION

The performance of the two managed subdivisions at Riverbank and Avonlee has improved with the general improvement in the market for residential subdivision property in Western Australia.

All of the available lots in the stages for sale have been pre-sold. Development activities have commenced on each of the stages.

The group continues to be well supported by our bankers through the provision of development funding. This relationship built over recent years when circumstances have been more challenging, has been a great help in maintaining the support.

GENERAL

The challenges of starting a business in a new industry are significant. All areas of the business needed to be addressed from accommodation to staff, to systems. We have made it more difficult by establishing three new businesses and acquiring a majority interest in another, a significant achievement in at times difficult conditions.

None of these challenges could have been met without the support and effort from all of our team, our advisors and our Directors. We are grateful for all of the help and assistance provided.

There has been a technical breach of the covenant on the CBA loan facility, which is regarded as minor in nature. Viento is currently working with CBA to restructure the covenant requirements to better align with the structure of the Group.

On 19 December 2012 the board announced plans to make a placement of up to 16 million shares to raise $4 million. At the General Meeting on 14 February 2013 shareholders voted in favour of the placement. Viento expects the placement to be completed shortly following strong investor interest.

We are at the beginning of an exciting journey. Viento would like to thank its shareholders for their support and be assured that we are focused on delivering shareholder value to you.

REGISTERED OFFICE

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

Level 1
76 Hasler Road
Osborne Park, WA, 6017

Telephone: 08 6145 2400
Facsimile: 08 9443 9980

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 5 for the half year ended 31 December 2012.

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 2013

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 2012, 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

PHILIPPA HOBSON
Partner

Signed at Perth, 28 February 2013

VIENTO GROUP LIMITED ABN 79 000 714 054 AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

		Consolidated Group	
		31 Dec 12	**31 Dec 11**
	Note	**$'000**	**$'000**
Revenue	2	10,148	2,066
Other Income		81	377
Employee benefits expense		(6,243)	(877)
Raw materials and consumables used		(1,860)	-
Professional services expense		(561)	(426)
Commission expense		(145)	(195)
Occupancy expense		(366)	(290)
Finance expense		(426)	(3)
Administration expense		(644)	(197)
Other expense		(127)	-
Depreciation and amortisation expense		(943)	(20)
Impairment of property, plant and equipment		(535)	-
(Loss)/Profit before income tax		(1,621)	435
Income tax benefit /(expense)		362	(146)
(Loss)/Profit for the period		**(1,259)**	**289**
Other comprehensive income			
Movement in Share Based Payments Reserve		-	27
Movement in Financial Assets Reserve		(4)	(5)
Other comprehensive income for the period, net of tax		(4)	22
Total comprehensive income for the period		**(1,263)**	**311**
Profit/(Loss) attributable to:			
Members of the parent entity		(1,370)	289
Non-controlling interest		111	-
		(1,259)	**289**
Total comprehensive income attributable to:			
Members of the parent entity		(1,374)	311
Non-controlling interest		111	-
		(1,263)	**311**
Earnings per share from continuing operations			
Basic earnings/(loss) per share (cents)		(2.00)	0.53
Diluted earnings/(loss) per share (cents)		(2.00)	0.53

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 2012

	Note	31 Dec 12 $'000	30 Jun 12 $'000
CURRENT ASSETS			
Cash and cash equivalents		1,577	4,558
Trade and other receivables		4,094	2,461
Inventories		359	-
Financial assets		2,641	1,732
Other current assets		536	517
TOTAL CURRENT ASSETS		**9,207**	**9,268**
NON-CURRENT ASSETS			
Trade and other receivables		347	340
Financial assets		1,753	3,204
Plant and equipment		10,151	5,995
Biological assets		1,194	1,180
Deferred tax assets		3,172	2,454
Intangible assets		164	14
TOTAL NON-CURRENT ASSETS		**16,781**	**13,187**
TOTAL ASSETS		**25,988**	**22,455**
CURRENT LIABILITIES			
Trade and other payables		1,522	3,242
Loans and borrowings		4,969	1,035
Current tax liabilities		287	-
Provisions		191	45
Other current liabilities		47	64
TOTAL CURRENT LIABILITIES		**7,016**	**4,386**
NON-CURRENT LIABILITIES			
Loans and borrowings		2,293	1,284
Deferred tax liabilities		961	913
Provisions		20	19
Other liabilities		45	-
TOTAL NON-CURRENT LIABILITIES		**3,319**	**2,216**
TOTAL LIABILITIES		**10,335**	**6,602**
NET ASSETS		**15,653**	**15,853**
EQUITY			
Issued capital		22,516	22,256
Reserves		2,014	1,565
Accumulated losses		(9,338)	(7,968)
Parent entity interest		**15,192**	**15,853**
Non-controlling interest		461	-
TOTAL EQUITY		**15,653**	**15,853**

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 2012

	Issued Capital Ordinary	Share Based Payments Reserve	Financial Assets Reserve	Accumulated Losses	Total	Non-controlling interest	Total
Balance at 1 July 2011	**20,236**	**1,390**	**87**	**(8,668)**	**13,045**	**-**	**13,045**
Profit attributable to members of the parent	-	-	-	289	289	-	289
Other comprehensive income	-	27	(5)	-	22	-	22
Total comprehensive Income for the period	**-**	**27**	**(5)**	**289**	**311**	**-**	**311**
Transactions with owners in their capacity as owners:							
Shares cancelled	(49)	-	-	-	(49)	-	(49)
	(49)	**-**	**-**	**-**	**(49)**	**-**	**(49)**
Balance at 31 December 2011	**20,187**	**1,417**	**82**	**(8,379)**	**13,307**	**-**	**13,307**
Balance at 1 July 2012	**22,256**	**1,451**	**114**	**(7,968)**	**15,853**	**-**	**15,853**
Loss attributable to members of the parent	-	-	-	(1,370)	(1,370)	111	(1,259)
Other comprehensive income	-	-	(4)	-	(4)	-	(4)
Total comprehensive Income for the period	**-**	**-**	**(4)**	**(1,370)**	**(1,374)**	**111**	**(1,263)**
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs and tax	260	-	-	-	260	-	260
Share options - value of employee services	-	453	-	-	453	-	453
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	350	350
	260	**453**	**-**	**-**	**713**	**350**	**1,063**
Balance at 31 December 2012	**22,516**	**1,904**	**110**	**(9,338)**	**15,192**	**461**	**15,653**

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 2012

	Consolidated Entity	
	31 Dec 12	**31 Dec 11**
	$'000	**$'000**
Cash Flow From Operating Activities		
Receipts from customers	12,838	1,780
Payments to suppliers & employees	(12,525)	(2,531)
Interest received	164	140
Finance costs paid	(416)	(3)
Net cash provided by (used in) operating activities	**61**	**(614)**
Cash Flow From Investing Activities		
Purchase of property, plant and equipment	(2,528)	(4)
Payments for biological assets	(14)	(58)
Proceeds from sale of plant & equipment	269	-
Net cash inflow on acquisition of subsidiary	429	-
Loan to Southern River Syndicate related party	(369)	(426)
Loan repaid by Henley Brook related party	160	64
Net cash provided by / (used in) investing activities	**(2,053)**	**(424)**
Cash Flow From Financing Activities		
Proceeds from share issues	260	-
Loans to other entities	27	-
Repayment of finance leases	(2,287)	-
Proceeds from borrowings	1,408	-
Settlement of pre-acquisition relationship	(397)	-
Net cash provided by / (used in) financing activities	**(989)**	**-**
Net (decrease) in cash and cash equivalents	**(2,981)**	**(1,038)**
Cash and cash equivalents at beginning of the period	4,558	2,731
Cash and cash equivalents at end of the period	**1,577**	**1,693**

The accompanying notes form part of these financial statements.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting entity

Viento Group Limited (the ‘Company’) is a company domiciled in Australia. The address of the Company’s registered office is Level 1, 76 Hasler Road, Osborne Park Western Australia 6017. The consolidated financial statements of the Company as at and for the half year ended 31 December 2012 comprise the Company and its subsidiaries (together referred to as the ‘Consolidated Group’ and individually as ‘Group entities’). The Consolidated Group is a for-profit entity and primarily is involved in the provision of an integrated mining services business to the mining industry.

Basis of Preparation

These general purpose interim financial statements for half-year reporting period the ended 31 December 2012 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Consolidated Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Consolidated Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Consolidated Group for the year ended 30 June 2012, together with any subsequent public announcements.

Accounting Policies

The same accounting policies and methods of computation have been followed in the interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

Business combination and goodwill

Business combinations are accounted for using the acquisition method, however for the purposes of the goodwill calculation, the Group has elected the partial goodwill method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of AASB 139 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised either in either profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of AASB 139, it is measured in accordance with the appropriate AASB. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group’s cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical Accounting Estimates and Judgments

The critical estimates and judgments are consistent with those applied and disclosed in the 30 June 2012 annual report.

New and Revised Accounting Requirements Applicable to the Current Half-year Reporting Period

The Consolidated Group has adopted all of the new and revised Standards and Interpretations issued by the Australia Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

NOTE 2: OPERATING SEGMENT INFORMATION

Operating segments

The following tables present revenue and profit information regarding the Consolidated Groups operating segments for the six months ended 31 December 2012 and 2011, respectively.

	Mining Services $'000	Managed Investments $'000	Other $'000	Total $'000
Half year Dec 2012				
Revenue from external customers	9,162	986	-	10,148
Inter segment revenue	1,146	44	(1,190)	-
Total revenue	**10,308**	**1,030**	**(1,190)**	**10,148**
Segment results	**370**	**(1,991)**	**-**	**(1,621)**
Inter-segment revenues of $1,190,000 are eliminated on consolidation				
Half year Dec 2011				
Revenue from external customers	-	2,066	-	2,066
Inter segment revenue	-	-	-	-
Total revenue	**-**	**2,066**	**-**	**2,066**
Segment results	**-**	**435**	**-**	**435**

The following table presents segment assets of the Consolidated segments as at 31 December 2012 and 30 June 2012:

	Mining Services $'000	Managed Investments $'000	Other $'000	Total $'000
Half year Dec 2012 - Segment assets	**13,815**	**12,173**	**-**	**25,988**
Full Year June 2012 - Segment assets	**6,259**	**16,196**	**-**	**22,455**

NOTE 3: PROPERTY, PLANT AND EQUIPMENT

30 June 2012	Plant & equipment $'000	Furniture, fittings and other $'000	Total $'000
Cost	5,866	406	6,272
Accumulated depreciation	-	(277)	(277)
Net book amount	**5,866**	**129**	**5,995**
Half year ended 31 December 2012			
Opening net book amount	5,866	129	5,995
Additions	2,497	90	2,587
Acquisition through business combination (refer to note 7)	2,755	40	2,795
Disposals	(230)	(53)	(283)
Depreciation	(914)	(29)	(943)
Closing net book amount	**9,974**	**177**	**10,151**
31 December 2012			
Cost	11,851	264	12,115
Accumulated depreciation	(1,877)	(87)	(1,964)
Net book amount	**9,974**	**177**	**10,151**

NOTE 4: INTANGIBLE ASSETS

At July 2012	Goodwill $'000	Trademarks $'000	Total $'000
Cost	2,182	14	2,196
Accumulated amortisation and impairment	(2,182)	-	(2,182)
Net book amount	**-**	**14**	**14**
Half-year ended 31 December 2012			
Opening net book amount	-	14	14
Acquisition of business	150	-	150
Impairment charge	-	-	-
Closing net book amount	**150**	**14**	**164**
At 31 December 2012			
Cost	2,332	14	2,346
Accumulated amortisation and impairment	(2,182)	-	(2,182)
Net book amount	**150**	**14**	**164**

NOTE 5: LOANS AND BORROWINGS

This note provided information about the contractual terms of the Consolidated Groups interest bearing loans and borrowing, which are measured at amortised cost

	31 Dec 2012 $'000	30 Jun 2012 $'000
Non-current liabilities		
Finance lease liabilities	2,293	1,284
Current liabilities		
Insurance premium funding liability	75	270
Finance lease liabilities	4,894	765
	4,969	**1,035**

NOTE 5: LOANS AND BORROWINGS (Continued)

Terms and debt repayments schedule

Terms and conditions of outstanding loans were as follows:

			31 Dec 2012 $'000		30 Jun 2012 $'000	
	Nominal interest rate	**Year of maturity**	**Face value**	**Carrying amount**	**Face value**	**Carrying amount**
Finance Lease CBA	7.42%	2015	458	388	458	458
Finance Lease CBA	7.52%	2015	1,591	1,350	1,591	1,591
Finance Lease CBA	7.22%	2015	1,408	1,230	-	-
Finance Lease CBA	7.17%	2015	706	671	-	-
Unsecured insurance premium funding	3.38%	2013	270	75	270	270
Finance lease liabilities	7.0 - 11.5%	2017	4,809	3,548	-	-
Total loans and borrowings			**9,242**	**7,262**	**2,319**	**2,319**

Breach of loan facility covenant

The Group has secured finance lease liabilities with Commonwealth Bank of Australia (CBA) with a carrying amount of $3,639,000 at 31 December 2012. This loan facility contains a debt covenant stating that Viento Group Ltd is required to maintain a debt services coverage ratio of 1.4 times calculated as EBITDA divided by actual repayments.

The actual debt service coverage ratio for the year 31 December 2012 was 0.26 resulting in a breach of the CBA loan facility covenant. The finance leases under this loan facility have therefore been shown as current as at 31 December 2012.

As at the date of this report Viento Group Limited is currently working with CBA on a resolution to this issue.

NOTE 6: PROFIT FOR THE HALF-YEAR

Profit for the half-year includes the following items that are unusual because of their nature, size or incidence:

	Half-year	
	31 Dec 2012	**31 Dec 2011**
	$'000	**$'000**
Expenses		
Provide for unrecoverable investment	109	-
Less: Applicable income tax	(33)	-
	76	-
Impairment of units in Kingscliff Land Unit Trust	85	-
Impairment of interest in Cudgen Joint Venture	450	-
Less: Applicable income tax benefit	(160)	-
	375	-

NOTE 7: BUSINESS COMBINATIONS

Acquisitions of Mineworks Group Pty Ltd

On the 31 July 2012 the Group acquired 75% of the voting shares of Mineworks Group Pty Ltd, an unlisted company based in Australia which offers a full range of mining support services from equipment supply and maintenance to labour hire of skilled staff. The Consolidated Group has acquired Mineworks Group Pty Ltd due to its presence in the mining services industry and synergies within the Consolidated Group reflected in the goodwill calculation below. The acquisitions have been accounted for using the partial goodwill method of accounting. The acquisition date fair value is preliminary and may be adjusted. The interim consolidated financial statements include the results of Mineworks Group Pty Ltd for the five month period form the acquisition date.

The provisional fair value of the identifiable assets and liabilities of Mineworks Group Pty Ltd as at the date of acquisition was:

Fair value of consideration transferred	**$000**
Cash paid	1,000
Deferred consideration (1 August 2013)	200
	1,200
CURRENT ASSETS	
Cash & cash equivalents	1,449
Trade & other receivables	2,434
Inventories	266
Other current assets	145
	4,294
NON-CURRENT ASSETS	
Property. plant & equipment	2,794
Deferred tax assets	52
Other Non-Current Assets	84
	2,930
CURRENT LIABILITIES	
Trade & other payables	1,938
Loans & borrowings	1,825
Current tax liabilities	115
Provisions	119
	3,997
NON-CURRENT LIABILITIES	
Loans & borrowings	1,827
	1,827
Net identifiable assets acquired	**1,400**
Less non-controlling interest (25%)	(350)
Add goodwill	150
	1,200
Consideration transferred settled in cash	(1,000)
Cash and cash equivalents acquired	1,449
Net cash inflow on acquisition	**449**
Acquisition costs charged to expenses	(20)
Net cash inflow relating to the acquisition	**429**

NOTE 7: BUSINESS COMBINATIONS (Continued)

In the five months to 31 December 2012 Mineworks contributed revenue of $8,003,000 and profit after tax of $445,000 to the groups result. If the acquisition had occurred on 1 July 2012, management estimates that consolidated revenue would have been $11,771,000 and consolidated loss after tax for the half year would have been $1,273,000. In determining these amounts management has assumed that the fair value adjustments determined provisionally, that arose on the date of acquisition would have been the same had the acquisition had occurred on 1 July 2012.

The gross amount of trade and other receivables is $2,434,000, and this amount has been recognised as the fair value of trade and other receivables. None of the trade and other receivables have been impaired and it is expected that the full contractual amounts can be collected.

There are no contingent liabilities associated with the acquisition.

NOTE 8: EQUITY SECURITIES ISSUED

	6 months to 31 Dec 2012 Shares	Year to 30 Jun 2012 Shares	6 months to 31 Dec 2012 $'000	Year to 30 Jun 2012 $'000
Ordinary shares at beginning of period	62,749,572	54,404,572	22,256	20,236
Shares issued for cash	1,000,000	8,750,000	252	2,186
Exercise of share options	50,000	135,000	8	20
Share raising costs	-	-	-	(136)
Share cancelled	-	(540,000)	-	(50)
Ordinary share at end of period	**63,799,572**	**62,749,572**	**22,516**	**22,256**

NOTE 9: SHARE BASED PAYMENT

In December 2012 a total of 4,533,332 share options were granted to executives for no consideration.

- 400,000 unlisted options (Tranche A) are to be issued with an exercise price of 25 cents each vesting on 1 July 2013 and expiring on 30 June 2015.
- 400,000 unlisted options (Tranche B) are to be issued with an exercise price of 40 cents each vesting on 1 July 2014 and expiring on 30 June 2016.
- 400,000 unlisted options (Tranche C) are to be issued with an exercise price of 60 cents each vesting on 1 July 2015 and expiring on 30 June 2017.
- 3,333,332 unlisted options (Tranche D) are to be issued with an exercise price of 30 cents each vesting on 1 July 2013 and expiring on 30 June 2015.

The Black Scholes option valuation methodology has been used. This option valuation methodology has been used with the expectation that the majority of these Options would be exercised towards the end of the term of the Options.

The contractual life of each option granted is three years. There is no cash settlement of the options. The fair value of options granted during the six months ended 31 December 2012 was estimated on the date of grant using the following assumptions:

Tranche	Exercise Date	Exercise Price $	Expected Volatility %	Risk Free Rate %	Options Issued
A	30 Jun 2015	0.25	76	2.75	400,000
B	30 Jun 2016	0.40	76	2.73	400,000
C	30 Jun 2017	0.60	76	2.69	400,000
D	30 Jun 2015	0.30	76	2.75	3,333,332
					4,533,332

For the six months ended 31 December 2012, the Consolidated Group has recognised $453,000 of share-based payment transactions expense in the income statement (31 December 2011: $27,000).

NOTE 10: DIVIDENDS

No dividend has been provided for or paid during the half-year (2011: nil)

NOTE 11: CONTINGENT LIABILITIES

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

NOTE 12: EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 19 December 2012 the board announced plans to make a placement of up to 16 million shares to raise $4 million. At a General Meeting held on 14 February 2013 shareholders voted in favour of the placement. The placement will be finalised no later than by 14 May 2013.

Other than the above, there have been no material events subsequent to 31 December 2012 that have not been disclosed in these financial statements.

DIRECTORS' DECLARATION

In the directors' opinion:

a. The financial statements and notes, as set out on pages 6 to 16 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 2012 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 2013

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 2012, 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 2012 and 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 audit, 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. 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 $1.2 million (net of deferred tax). This has resulted in the opening balances in relation to the net assets and equity of the consolidated entity at 1 July 2012 being overstated by $1.2 million.

This position remains unchanged since 30 June 2012. As a result, the accounting treatment adopted by the consolidated entity continues to be a departure from Australian Accounting Standards. Therefore, the net assets and equity of the consolidated entity remains overstated by $1.2 million (net of deferred tax) as at 31 December 2012.

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 2012 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

PHILIPPA HOBSON
Partner

Signed at Perth, 28 February 2013