

# Viento Group Limited (VIE)

## AGM Presentation

11 November 2011

# Overview

- Share register stabilised by placement to Hanscon and acquisition of shares by John Silverthorne (one of the founders and major shareholder of NRW Holdings Ltd)
- Distraction to management involving Takeovers Panel, requisitioned shareholder meeting and Takeover response resolved
- Decision to re-align business direction
- Diversification into mining services sector planned
- Assessment of opportunities commenced
- Non-core assets under review
- Dividend planned by distributing Constance Range shares
- Existing subdivision business to be maintained to provide a \$3 million annualised revenue base over the next three years

# Corporate Summary

Shares	
Current share price	12.5 cents
Number of shares	54.40 million
Market capitalisation	\$6.8 million

Directors	
Robert Nichevich	Executive Chairman
Shane Heffernan	Non-Executive Director
Ray King	Non-Executive Director
John Farrell	Non-Executive Director

Significant Shareholders	No of Shares	%
<b>Directors</b>		
Robert Nichevich <sup>1</sup>	10,860,000	20%
John Farrell <sup>2</sup>	6,500,000	12%
<b>Non-Directors</b>		
John Silverthorne <sup>3</sup>	9,464,914	17%
Mariner Corporation Pty Ltd	4,839,615	9%
Vernon Finance Ltd	3,511,250	6%

Distribution of Shareholders			
Range	No of Investors	No of Shares	% of Issued Capital
1 – 1,000	275	81,785	0.15
1,001 – 5,000	230	560,699	1.03
5,001 – 10,000	86	617,793	1.14
10,001 – 100,000	136	4,575,648	8.41
100,001 +	35	48,568,647	89.27
	<b>762</b>	<b>54,404,572</b>	<b>100.00</b>

<sup>1</sup> Held by Deluge Pty Ltd and others

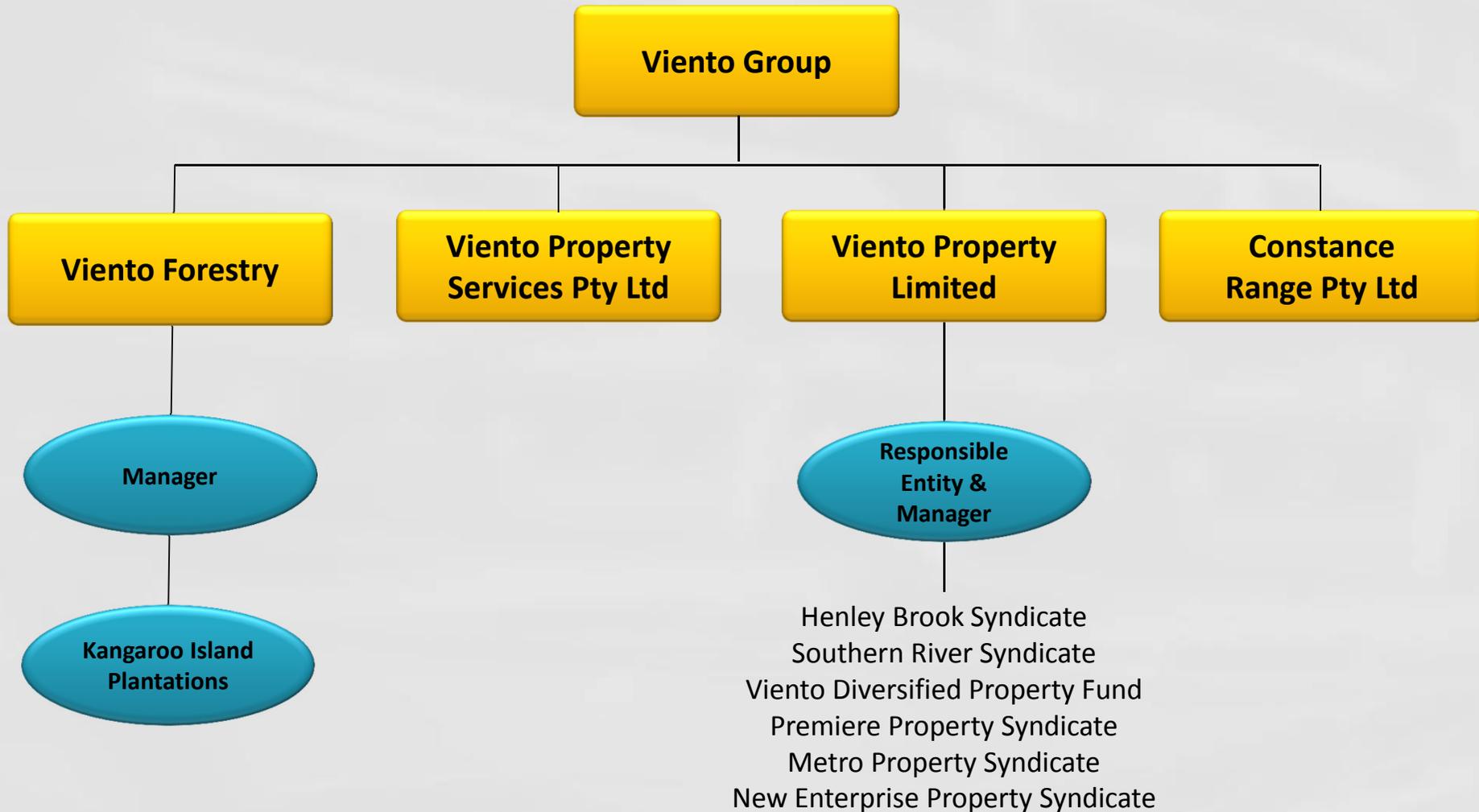
<sup>2</sup> An associate of Hanscon Pty Ltd Hanscon is owned by Hans Versteeg a successful civil contractor

<sup>3</sup> Being acquired from Caratti Group

# Top 20 Shareholders after November 2011

Shareholders Number of Fully Paid Shares % of Issued Capital	Shares	%
Koy Pty Ltd/Deluge Holdings Pty Ltd	10,860,000	19.96
John Silverthorne Family	9,638,410	17.72
Hanscon Holdings Pty Ltd	6,500,000	11.95
Mariner Corp Ltd	4,839,615	8.90
Vernon Finance Ltd	3,511,250	6.45
Moat Investments Pty Ltd	2,987,568	5.49
JP Morgan Nominees Australia Ltd	2,136,170	3.93
McMullin Nominees Pty Ltd	1,066,447	1.96
Ihop Pty Ltd	844,115	1.55
Castle Partners Pty Ltd	790,755	1.45
Gresham Partners Capital Ltd	500,000	0.92
Owen Stuart Lennie	360,000	0.66
John E Gill Trading Pty Ltd	343,250	0.63
Liliana Teofilova	340,467	0.63
HSBC Custody Nominees	339,711	0.62
Qld Technology Innovation Fund Pty Ltd	319,566	0.59
Atheling Pty Ltd	310,400	0.57
Mr Malcolm Brian Kemp & Mrs Suzanne Marie Kemp	300,426	0.55
Dene Brentnall	280,000	0.51
Alessandro T Gambotto	252,624	0.46
<b>Top 20 holders of fully paid shares (grouped)</b>	<b>46,520,774</b>	<b>85.51</b>

# Corporate Structure



# Prospects from Existing Businesses

- The commercial property syndicates provide income to meet most of the operating costs of the business
- The residential subdivision syndicates provide profit
- The fixed-term commercial property syndicates are being wound up. Final termination will depend on the ability to sell the properties in the syndicates
- Commercial property syndication business may be sold as part of the recapitalisation of the Diversified Property Fund
- Other investments are passive

# Financial Position Summary

	\$000
<b>Current Assets</b>	
Cash and cash equivalents <sup>1</sup>	2,731
Cash and other receivables	3,120
Financial assets <sup>2</sup>	1,865
Other	221
<b>Total current assets <sup>3</sup></b>	<b>7,937</b>
<b>Non-Current Assets</b>	
Trade and other receivables	1,370
Financial assets	569
Plant and equipment	122
Biological assets <sup>4</sup>	1,952
Deferred tax assets	3,056
<b>Total non-current assets</b>	<b>7,083</b>
<b>Total assets <sup>5</sup></b>	<b>15,020</b>

	\$000
<b>Current Liabilities</b>	
Trade and other payables	696
Short-term provisions	58
Other current liabilities	25
<b>Total current liabilities</b>	<b>779</b>
<b>Non-Current Liabilities</b>	
Deferred tax liabilities	674
Long-term provisions	6
<b>Total non-current liabilities</b>	<b>680</b>
<b>Total liabilities <sup>6</sup></b>	<b>1,459</b>
<b>Net assets <sup>7</sup></b>	<b>13,501</b>

<sup>1</sup> Equivalent to 5 cents per shares

<sup>2</sup> Includes \$1.72m Constance Range

<sup>3</sup> Equivalent to 15 cents per share

<sup>4</sup> Kangaroo Island Forestry interests

<sup>5</sup> Equivalent to 27 cents per share

<sup>6</sup> Equivalent to 3 cents per share

<sup>7</sup> Equivalent to 24 cents per share

# Cash Flow Summary

	\$000
<b>Cash Flow from Operating Activities</b>	
Receipts from customers	3,705
Payments to suppliers and employees	(3,530)
Interest received	66
Finance expenses paid	(30)
Net cash flow from operating entities	<b>191</b>
<b>Cash Flow from Investing Activities</b>	
Purchase:	
• Plant and equipment	(7)
• Forestry plantations	(171)
Other loans repaid	22
Net cash used in investing activities	<b>(156)</b>

	\$000
<b>Cash Flows from Financing Activities</b>	
Net proceeds from shares:	
• Share issue *	953
• Exercise of options	9
Loans to related entities	(364)
Net cash provided by financing activities	<b>598</b>
Increase in cash held	633
Cash at beginning of the year	2,098
<b>Cash at end of the year</b>	<b>2,731</b>

\* Shares placed to Hanscon Pty Ltd in May 2011 at 15 cents per share.

# Results Summary

<b>FY11</b>	<b>\$000</b>
Revenue	3,129
Earnings before depreciation and impairment	(212)
Depreciation	(58)
Valuation impairment reversal	43
Earnings and other depreciation and impairment	<b>(197)</b>
Forestry plantation revaluation	(204)
Revaluation of Constance Range *	1,720
Reported profit before tax	<b>1,319</b>

\* Supported by independent valuation. Shares in Constance Range proposed to be distributed to Viento shareholders as an unfranked dividend of 3 cents per share.

## Future Revenue

Revenue from Southern River and Henley Brook residential subdivisions expected to be between \$9–10 million over the next three years.

# The Future

- **Objective** to restore and increase shareholder value
- **Realignment** of business direction
- **Strategic plan:**
  - Recapitalise the Diversified Property Fund involving sale of the commercial funds management business
  - Maintain subdivision business and seek out new opportunities
  - Diversify into other areas:
    - mining industry services sector identified as a target
    - framework for identifying and assessing opportunities established
    - assessment of opportunities commenced
  - Growth by acquisition rather than organic growth
  - Distribute Constance Range to shareholders and establish as a stand-alone iron ore exploration/mining company
- **New major shareholders** supportive of strategic plan and realignment of business direction

# Disclaimer

- This document has been prepared by Viento Group to provide existing and prospective investors in Viento Group with an update.
- Any statements, opinions or other material contained in this document do not constitute any commitments, representations or warranties by Viento Group or/and associated entities or its directors, agents and employees. Except as required by law and only to the extent so required, directors, agents and employees of Viento Group shall in no way be liable to any person or body for any loss, claim, demand, damages, costs or expenses of whatsoever nature arising in any way out of , or in connection with, the information contained in this document.
- This document includes certain information which reflects various assumptions. The assumptions may or may not prove to be correct. Recipients of the document must make their own independent investigations, consideration and evaluations prior to making any decisions to invest in the Company, or alternatively consult with their stockbroker, accountant or other professional advisor.