

Appendix 4E

Preliminary final report

1. Details of reporting period

Name of Entity	Viento Group Limited
ABN	79 000 714 054
Financial Year Ended	30 June 2014
Previous Corresponding Period	30 June 2013

2. Results for announcement to the market

				\$'000
Revenues from ordinary activities <i>(continuing operations only)</i>	Up	320%	to	\$102,535
Profit from ordinary activities after tax attributable to members	up	From loss of (\$4,477)	to	\$639
Net Profit for the period attributable to members	up	From loss of (\$4,477)	to	\$639
		Amount Per Security		Franked Amount Per Security
Final Dividend		Nil		Nil
Interim Dividend		Nil		Nil
Previous Corresponding Period		Nil		Nil
Record Date for Determining Entitlements		Not Applicable		

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

The consolidated profit of the Group after providing for income tax amounted to \$1.167 million (2013: loss \$4.461 million). Revenue for the year was \$102.535 million (2013: \$24.415 million) and the profit before tax was \$1.877 million (2013: loss \$5.724 million). EBITDA for the year was \$10.903 million (2013: \$0.8 million excluding change in fair values of financial assets)

This result was impacted by a number of financial adjustments detailed as follows:

Amortisation of Intangible Assets – HVLV acquisition	\$2,194,000
Amortisation of Intangible Assets – Power Infrastructure Services acquisition	\$534,000
Acquisition costs expensed	<u>\$524,000</u>
Total	\$3,252,000

3. Consolidated Statement of Comprehensive Income

See attached.

4. Consolidated Statement of Financial Position

See attached.

5. Consolidated Statement of Cash Flows

See attached.

6. Dividends

The Group obtained shareholder approval under section 256C of the Corporations Act to allow a reduction in the Company's share capital by way of an in specie distribution of Qld Iron Shares held by Viento to the Eligible Viento Shareholders under section 256B of the Corporations Act.

The Capital Reduction was satisfied by a pro rata in specie distribution to each Eligible Viento Shareholder of one Qld Iron Share for every one Viento Share held by that Eligible Viento Shareholder as at the Record Date of 18 September 2013.

From 18 September 2013 the Group no longer had control of Qld Iron Limited.

No further dividend has been declared for the year ended 30 June 2014.

7. Dividend reinvestment plans

There are no dividends reinvestment plans in place.

8. Consolidated retained earnings

See attached Statement of Changes in Equity.

9. Net tangible asset backing

	30 June 2014	30 June 2013
Net tangible backing per ordinary security	8.9 cents	21.5 cents

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

On the 2 January 2014 Viento acquired 100% of the voting shares of HVLV Pty Ltd, an unlisted company based in Australia which is a diverse and experienced specialist manufacturer of transportable switchrooms used for mining, oil and gas, and industrial projects. HVLV has skilled in-house capacity to provide construction services including design fabrication, construction, delivery, installation and commissioning, as well as complete turnkey solutions.

On 1 March 2014 Viento subsidiary, HVLV, acquired a controlling interest in Power Infrastructure Services Pty Ltd, an unlisted company based in Australia with a national presence with offices located in Perth and Brisbane. Power Infrastructure Services is an electrical switchgear and service solution company that provides electrical services to the mining and heavy industry sectors. Power Infrastructure Services' strength is the engineering, design and delivery of innovative low voltage, high voltage and custom switchgear solutions. HVLV controls 65% of the voting shares of Power Infrastructure Services.

11. Details of associate and joint venture entities

Viento Group Limited and Indigenous Construction Resource Group Pty Ltd (ICRG) commenced an unincorporated joint venture during the year. Viento and ICRG were awarded a contract by Rio Tinto worth approximately \$5.7 million to construct and commission the expansion of the Paraburdoo Tailings Storage Facility.

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

See notes.

13. Foreign entities

Not applicable.

14. Commentary on results for period

The consolidated result for the year after providing for income tax was a profit of \$1,167,000 (2013 loss of \$4,461,000). Profit before tax was a profit of \$1,876,000 (2013: loss of \$5,724,000).

This result was impacted by a number of financial adjustments detailed as follows:

Amortisation of Intangible Assets – HVLV acquisition	\$2,194,000
Amortisation of Intangible Assets – Power Infrastructure Services acquisition	\$534,000
Acquisition costs expensed	<u>\$524,000</u>
Total	<u>\$3,252,000</u>

Total Group revenue was \$102,535,000 (2013: \$24,415,000).

Mineworks

Mineworks continues to stay on target and has done very well with plant hire and plant repair work. It has improved its position in the labour hire area, and continues to be a strong contributor to the group.

Viento Contracting Services

This group are kicking many goals with safety, workmanship and client satisfaction. Given all of our sites are in the north west where conditions are not always the easiest this team continues to deliver.

HVLV

HVLV continues to build a quality product and has met all the challenges put before it. This part of the group will go from strength to strength and become the mainstay of the group.

Power Infrastructure Services

Powins is a very impressive business both here in WA and also in Queensland. It continues to improve and add strength to the Viento Group. Both parts of the Powins business are contributing to the ongoing success of Viento.

15. Audit/Review Status

This report is based on accounts to which one of the following applies (tick one):	
The accounts have been audited	The accounts have been subject to review
The accounts are in the process of being audited or subject to review	<input checked="" type="checkbox"/> The accounts have not yet been audited or reviewed
If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification:	
N/a	

16. Details of Annual General Meeting

Date	Thursday, 27 November 2014
Place	160 Lakes Road, Hazelmere, WA 6055
Time	11.30am

Raymond Munro
Director

29 August 2014

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$000	2013 \$000
Revenue	1	102,495	24,313
Other income	1	40	102
Employee benefits expense		(31,242)	(12,852)
Operating expense		(50,149)	(7,549)
Professional services fees		(1,937)	(1,553)
Commission expense		(169)	(168)
Occupancy expense		(2,919)	(919)
Finance expense		(2,036)	(940)
Administration expense		(2,180)	(1,534)
Other expenses		(2,987)	(157)
Depreciation and amortisation expense		(6,990)	(2,202)
Bad & doubtful debts expense		(49)	(483)
Change in fair values of financial assets		-	(1,782)
Profit/(Loss) before income tax expense		<u>1,877</u>	<u>(5,724)</u>
Income tax (expense)/benefit		(710)	1,263
Net Profit/(Loss) for the year		<u><u>1,167</u></u>	<u><u>(4,461)</u></u>
Other comprehensive income			
Net revaluation of listed investments		-	45
Other comprehensive income for the year net of tax		<u>-</u>	<u>45</u>
Total comprehensive income for the year		<u><u>1,167</u></u>	<u><u>(4,416)</u></u>
(Loss)/Profit attributable to:			
Members of the parent entity		639	(4,477)
Non-controlling interest		528	16
		<u>1,167</u>	<u>(4,461)</u>
Total comprehensive income attributable to:			
Members of the parent entity		639	(4,432)
Non-controlling interest		528	16
		<u>1,167</u>	<u>(4,416)</u>
Overall Operations			
Basic earnings per share (cents per share)		1.38	(6.55)
Diluted earnings per share (cents per share)		1.34	(6.55)

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014 \$000	2013 \$000
Current Assets			
Cash and cash equivalents		8,021	1,340
Trade and other receivables		26,438	9,970
Inventories and work in progress		8,400	720
Financial assets		6	1,759
Other current assets		1,791	220
Total Current Assets		44,656	14,009
Non Current Assets			
Trade and other receivables		88	384
Financial assets		2,669	2,635
Plant and equipment	4	17,258	16,121
Deferred tax assets		3,069	3,945
Other assets		111	-
Intangible assets	3	13,072	164
Total Non Current Assets		36,267	23,249
Total Assets		80,923	37,258
Current Liabilities			
Trade and other payables		28,049	7,251
Short-term provisions		1,213	244
Current tax liabilities		1,885	75
Other liabilities		41	-
Loans and borrowings	5	9,137	4,322
Total Current Liabilities		40,325	11,892
Non Current Liabilities			
Loans and borrowings	5	18,807	7,074
Deferred tax liabilities		716	893
Other non current liabilities		57	45
Long-term provisions		5	20
Total Non Current Liabilities		19,585	8,032
Total Liabilities		59,910	19,924
Net Assets		21,013	17,334
Equity			
Issued capital		29,646	26,437
Reserves		3,605	2,996
Accumulated losses		(13,595)	(12,465)
Minority interests		1,357	366
Total Equity		21,013	17,334

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

		\$000	\$000	\$000	\$000	\$000	\$000	\$000
	<i>Note</i>	Share Capital Ordinary	Share Based Payments Reserve	Financial Assets Reserve	Accumulat ed losses	Total	Non- controlling interest	Total
CONSOLIDATED GROUP								
Balance at 30 June 2012		22,256	1,451	114	(7,968)	15,853	-	15,853
Loss attributable to members of the parent entity		-	-	-	(4,477)	(4,477)	16	(4,461)
Total other comprehensive income for the year		-	-	(45)	-	(45)	-	(45)
Exercise of options		8	-	-	-	8	-	8
Options issued as remuneration		-	1,476	-	-	1,476	-	1,476
Non-controlling interests on acquisition of subsidiary		-	-	-	-	-	350	350
Issue of share capital, net of transaction costs and tax		4,173	-	-	-	4,173	-	4,173
Dividends paid or provided for		-	-	-	(20)	(20)	-	(20)
Balance at 30 June 2013		26,437	2,927	69	(12,465)	16,968	366	17,334
Balance at 30 June 2013		26,437	2,927	69	(12,465)	16,968	366	17,334
Profit attributable to members of the parent entity		-	-	-	639	639	528	1,167
Exercise of options		205	-	-	-	205	-	205
Options issued as remuneration		-	609	-	-	609	-	609
Non-controlling interests on acquisition of subsidiary		-	-	-	-	-	478	478
Issue of convertible notes, net of transaction costs and tax		(5)	-	-	-	(5)	-	(5)
Issue of share capital, net of transaction costs and tax		3,009	-	-	-	3,009	-	3,009
Dividends paid or provided for		-	-	-	(1,769)	(1,769)	(15)	(1,784)
Balance at 30 June 2014		29,646	3,536	69	(13,595)	19,656	1,357	21,013

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014**

	CONSOLIDATED GROUP	
	2014	2013
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	110,427	21,458
Payments to suppliers and employees	(93,849)	(21,294)
Interest received	447	185
Finance expenses paid	(2,407)	(921)
Income taxes paid	(1,528)	(152)
Net cash (used in) / provided by operating activities	13,090	(724)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for purchase of:		
– Plant and equipment	(1,145)	(3,027)
– Forestry plantations	-	(67)
Proceeds from sale of plant and equipment	598	505
Loans to:		
– Related parties	(134)	(333)
Net cash inflow from acquisition of subsidiary	9,926	429
Acquisition of subsidiary	(504)	-
Net cash outflow on disposal of subsidiary	(1)	-
Loans repaid by:		
– Related parties	1,234	165
Net cash used in investing activities	9,974	(2,328)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from shares:		
– Issuing shares (net of share issue costs)	-	4,081
– Exercise of options	205	8
Repayment of loans	(893)	32
Repayment of borrowings	(7,354)	(3,889)
Settlement of pre-acquisition transaction	(8,341)	(398)
Net cash (used in)/provided by financing activities	(16,383)	(166)
Net (decrease)/increase in cash held	6,681	(3,218)
Cash at the beginning of the year	1,340	4,558
Cash at the end of the year	8,021	1,340

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

	2014	2013
	\$000	\$000
1. REVENUE		
Sales Revenue		
– Subdivision Settlement Fees	1,256	915
– Management Fees	160	212
– Mining Services income	100,332	23,010
– Interest Received	40	102
– Other Revenue	747	176
Total Revenue	<u>102,535</u>	<u>24,415</u>

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

2. BUSINESS COMBINATIONS

Acquisition of HVLV Pty Ltd

On 2 January 2014 the Group acquired 100% of the voting shares of HVLV Pty Ltd, an unlisted company based in Australia which is a mining services business specialising providing civil contracting, equipment hire, heavy duty mechanical repairs and labour hire to establish mining and civil projects in the mining, oil and gas industries. The Consolidated Group has acquired HVLV Pty Ltd due to its presence in the mining services industry and synergies within the Consolidated Group reflected in the goodwill calculation below. The consolidated financial statements include the results of HVLV Pty Ltd for the six month period from the acquisition date.

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

<i>Fair value of Consideration Transferred</i>	<i>\$'000</i>
Cash Paid	4
Cash - Deferred Consideration (1 March 2015)	3,000
Convertible Notes – Contingent Consideration	7,610
Shares Issued	2,708
	13,322
Current Assets	
Cash and Cash Equivalents	9,523
Trade and Other Receivables	12,989
Inventory and work in progress	2,990
Other current assets	305
	25,807
Non-Current Assets	
Investment in Power Infrastructure Services Pty Ltd	300
Property, Plant and Equipment	1,843
Identifiable Intangible Assets	3,612
Deferred tax assets	364
	6,119
Current Liabilities	
Trade and other payables	9,560
Dividend Payable	7,000
Amount due to related parties	1,298
Loans and borrowings	8,355
Current tax liabilities	2,341
Provision	214
	28,768
Non-current Liabilities	
Interest Bearing Loans	24
Deferred Tax Liability	1,168
	1,192
Net identifiable assets acquired	1,966
Add Goodwill	11,356
	13,322
Consideration transferred settled in cash	(4)
Cash and cash equivalents acquired	9,523
Net Cash Flow inflow on acquisition	9,519
Acquisition costs charged to expenses	(524)
Net cash inflow relating to the acquisition	8,995

In the six months to 30 June 2014 HVLV contributed revenue of \$32,773,000 and profit after tax of \$1,606,000 to the Group's result resulting in consolidated revenue of \$102,535,000. If the acquisition had occurred on 1 July 2013, management estimates that consolidated revenue would have been \$120,216,000 and consolidated profit after tax for the year would have been \$1,242,000.

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

2. BUSINESS COMBINATIONS (cont...)

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 2013.

There are no contingent liabilities associated with the acquisition.

Acquisition of Power Infrastructure Services Pty Ltd

On 1 March 2014 the Group acquired additional 40% of the voting shares of Power Infrastructure Services Pty Ltd, an unlisted company based in Australia specialising in electrical switchgear and service including electrical solutions to fit out and install the switchrooms fabricated and manufactured by HVLV. The consolidated financial statements include the results of Power Infrastructure Services Pty Ltd for the four month period from the acquisition date.

The fair value of the identifiable assets and liabilities of Power Infrastructure Services Pty Ltd as at the date of acquisition was:

<i>Fair value of Consideration Transferred</i>	<i>\$'000</i>
Cash Paid	200
Fair value of existing equity interest (15%)	300
Shares Issued	200
	<u>700</u>
Current Assets	
Cash	403
Trade and Other Receivables	2,981
Inventory and work in progress	1,314
Other current assets	19
	<u>4,717</u>
Non-Current Assets	
Property, Plant and Equipment	230
Deferred Tax Assets	23
Identifiable Intangible Assets	667
	<u>920</u>
Current Liabilities	
Trade and other payables	3,823
Loans and borrowings	55
Provisions	39
	<u>3,917</u>
Non-current Liabilities	
Deferred Tax Liability	203
	<u>203</u>
Net identifiable assets acquired	1,517
Less: Non-controlling interest (45%)	(683)
Less: Gain on Bargain Purchase	(134)
	<u>700</u>
Consideration transferred settled in cash	(200)
Cash and cash equivalents acquired	403
Net Cash Flow inflow on acquisition	203
Acquisition costs charges to expenses	-
Net cash inflow relating to the acquisition	<u>203</u>

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

2. BUSINESS COMBINATIONS (cont...)

In the four months to 30 June 2014 Power Infrastructure Services Pty Ltd contributed revenue of \$9,216,000 and profit after tax of \$159,000 to the Group's result resulting in consolidated revenue of \$102,535,000. If the acquisition had occurred on 1 July 2013, management estimates that consolidated revenue would have been \$111,989,000 and consolidated profit after tax for the year would have been \$1,030,000. 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 2013.

There are no contingent liabilities associated with the acquisition.

Subsequent to the above acquisition, a further 10% of the voting shares of Power Infrastructure Services Pty Ltd was acquired on 13 May 2014.

3. INTANGIBLE ASSETS

	2014	2013
	\$000	\$000
Goodwill		
Goodwill at cost	13,688	2,332
Accumulated impaired losses	(2,182)	(2,182)
Net carrying value	<u>11,506</u>	<u>150</u>
Trademarks		
Trademarks at cost	14	14
Accumulated impaired losses	-	-
Net carrying value	<u>14</u>	<u>14</u>
Identifiable intangible assets		
Customer contracts at cost	4,279	-
Accumulated amortisation	(2,727)	-
Net carrying value	<u>1,552</u>	<u>-</u>
Total Intangibles	<u>13,071</u>	<u>164</u>

Goodwill arose on the acquisition of HVLV. The goodwill is attributable to the workforce and the profitability of the acquired business.

Trademarks have an indefinite life and are being carried at net book value. As the trademark is the name "Viento" it is envisaged it will be used indefinitely in association with the products and services that are offered by the consolidated group.

Identifiable intangible asset, in relation to customer contracts, and goodwill arose on the acquisition of HVLV Pty Ltd on 2 January 2014. See note 2 above for further details.

Identifiable intangible asset, in relation to customer contracts, and goodwill arose on the acquisition of Power Infrastructure Services Pty Ltd on 1 March 2014. See note 2 above for further details.

VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

	2014	2013
	\$000	\$000
4. PLANT AND EQUIPMENT		
Plant and equipment at cost	25,098	19,288
Accumulated depreciation	(7,840)	(3,167)
Total plant and equipment	<u>17,258</u>	<u>16,121</u>

Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year

Balance at the beginning of the year	16,121	5,995
Acquisition of Mineworks plant and equipment	-	2,794
Acquisition of HVLV plant and equipment	1,843	-
Acquisition of Power Infrastructure Services plant and equipment	230	-
Additions	3,973	10,196
Disposals	(648)	(662)
Depreciation expense	(4,261)	(2,202)
Carrying amount at the end of the year	<u>17,258</u>	<u>16,121</u>

5. LOANS AND BORROWINGS

A. BORROWINGS IS COMPRISED OF:

Current

Finance lease liability	6,027	4,322
Insurance premium funding	1,110	-
Borrowings	2,000	-
	<u>9,137</u>	<u>4,322</u>

Non Current

Finance lease liability	3,689	7,074
Borrowings	4,500	-
Convertible notes	7,618	-
Deferred consideration	3,000	-
	<u>18,807</u>	<u>7,074</u>

Group Total

27,944 **11,396**

B. FINANCE FACILITIES

2014

Description	Face Value (Limit) \$'000s	Carrying Amount \$'000s	Unutilised Amount \$'000s
Asset financing	14,706	9,162	3,293
Loans and borrowings	6,500	6,500	-
Overdraft facility	3,000	-	3,000
Bank guarantee facility	5,500	-	48

2013

Description	Face Value \$'000s	Carrying Amount \$'000s	Unutilised Amount \$'000s
Asset Financing	14,706	11,396	3,310

To facilitate the acquisition of its mining fleet, Viento has entered into various equipment finance agreements with financiers. The interest rates on these loan contracts are fixed for 36-60 months at an average rate of 7.36% (2013: 7.56%).

**VIENTO GROUP LIMITED & CONTROLLED ENTITIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

5. LOANS AND BORROWINGS (cont...)

Insurance Premium Funding

During the year Viento Group secured insurance premium funding to cover its annual insurance expenses. The facility is with Macquarie Premium Funding and the interest rate applicable is fixed at 1.28% pa. The total premium financed was \$1,110,000.

C. SECURITY

Security comprises a first ranking combination and general security interest over the assets of the Group and an asset security interest relating to the assets purchased under each agreement.

Viento entered into a new arrangement with the CBA on 20 August 2014 and was compliant with its covenants as at 30 June 2014.

D. ADDITIONAL INFORMATION

On 21 August 2014 the Group announced that it obtained a new \$27.7 million secured finance facility from Commonwealth Bank of Australia.

The new facility includes:

- (i) a multi-option facility of \$15,000,000 comprising:
 - (A) a bank guarantee tranche with a sub-limit of \$15,000,000 for the purpose of issuing bank guarantees; and
 - (B) an overdraft tranche with a sub-limit of \$4,000,000 for general corporate purposes;
- (ii) an amortising term loan facility of \$6,500,000 for the purpose of re-financing existing acquisition debt with the Lender;
- (iii) an equipment finance facility of \$6,000,000 for the purpose of purchasing equipment acceptable to the Lender; and
- (iv) a corporate charge card and transactional banking facility of \$200,000 for general corporate purposes.