

2 January 2014

ASX ANNOUNCEMENT

Viento Acquires Leading Transportable Switchroom Manufacturer

Viento Group Limited (ASX: VIE) ("Viento") is pleased to announce that it has entered into an agreement to acquire HVLV Pty Ltd ("HVLV").

HVLV 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.

HVLV's purpose-built leased premises are located on 4.5 hectares of land in Hazelmere, Western Australia that includes 8,000m² of undercover workshop facilities, giving the company the capability to construct switchrooms completely under cover.

Highlights

- Successful, highly regarded business with a strong order book and pipeline opportunities.
- Attractive growth opportunities by expanding services offered to customers.
- Blue chip client list.
- Immediately EPS share accretive for Viento.
- For the 2013 financial year, HVLV achieved revenue of \$44 million.
- Revenue contribution to Viento for six-months to 30 June 2014 expected to be in excess of \$35 million.
- Provides a new business stream for Viento by broadening its activity base.

Viento will purchase all of the issued securities of HVLV based on an enterprise value of \$21.3 million, with the consideration paid by Viento comprising:

- \$3 million cash
- 23,631,914 Viento convertible notes, converting into Viento shares
- 7,966,667 Viento ordinary fully paid shares; and
- The assumption of the core bank facilities of HVLV

The payment of the \$3 million cash consideration is deferred until 31 March 2015 and the shares on issue in HVLV are acquired on an 'Ex-dividend' basis following a \$7 million dividend being declared pre-acquisition.

Included in the above consideration, Viento will become a guarantor of HVLV's \$8 million bank loan facility. As the new holding company of HVLV, Viento is required under the financial assistance provision of S260B(2) of the Corporations Act to seek shareholders approval for this arrangement.

The convertible notes are to be issued in three tranches:

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| Tranche 1 | 11,839,936 exercisable at 30 cents prior to 31 December 2015 and bearing interest at 5% per annum |
| Tranche 2 | 6,236,422 exercisable at 33 cents prior to 31 December 2015 and bearing interest at 5% per annum |
| Tranche 3 | 5,555,556 exercisable at 36 cents prior to 31 December 2017 and bearing interest at 5% per annum. |

The Tranche 1 notes are issued under VGL's existing 15% capacity under Listing Rule 7.1. The Viento shares are issued under the authority granted by Viento shareholders at Viento's last annual general meeting pursuant to Listing Rule 7.1A.

Tranche 2 and Tranche 3 notes will be issued following the approval of VGL shareholders at a meeting to be convened. The terms and conditions of the convertible notes are summarised in more detail in the separate 3B announcement to ASX.

Steve De Mol, the founder and controlling shareholding of HVLV, has agreed to join the Board of Directors of Viento with immediate effect.

Viento Executive Chairman, Ray Munro, said: "HVLV represents a fantastic opportunity to enter this specialised market via a proven performer and market leader. My vision is to build HVLV into a company which offers an increased level of construction and electrical solutions to its existing customer base."

HVLV controlling shareholder, Steve De Mol, said: "I look forward to becoming part of the group of Viento companies which has a very impressive team of skilled and experienced managers and directors. I see numerous opportunities for HVLV to secure additional work and extend our capabilities with the support of Viento."

Included with the separate 3B announcement is an independent valuation of the non-cash consideration for the issue price of the Viento shares as required by ASX Listing Rule 7.1A(3).

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About Viento Group Limited (ASX: VIE)

Viento Group is a growing business specialising in equipment and labour hire to established mining and earthworks projects, construction contracting and utility services to the civil and mining industry. Viento continues to manage two residential land subdivisions.

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