INDEPENDENCE GROUP NL
ABN 46 092 786 304

24 February 2009

Australian Stock Exchange Limited
Company Announcements
Level 10, 20 Bond Street
SYDNEY NSW 2000

NO. OF PAGES : (16)

HALF YEAR REPORT AND INTERIM DIVIDEND

Half Year Report

Independence Group NL ("IGO") presents the Company's financial results for the half year ended 31 December 2008.

As advised in the profit guidance announcement dated 29 January, the half year result reflects the adverse impact on revenue of pre-period provisional payments which is a result of falling nickel prices since 30 June 2008.

The half year result also reflects a write down ($9.1 million) of the value of listed investments which have decreased in value due to current depressed commodity prices and share market conditions.

The Long Nickel Mine is both profitable and cash flow positive at current nickel prices. The Company expects the second half of the year to produce a significantly improved profit result, as the mine continues to produce profits which will not be eroded by the write down of listed investments.

Interim Dividend

The Company produced a small profit in the half year to 31 December 2008 which would not normally support the payment of a dividend. However, as IGO has significant cash reserves and accumulated profits, the directors announce that a fully franked dividend of 2 cents will be paid to shareholders on 12 March 2009. The record date of the dividend will be 2 March 2009.

CHRISTOPHER BONWICK
Managing Director

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INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES
ABN 46 092 786 304

HALF-YEAR INFORMATION – 1 JULY 2008 TO 31 DECEMBER 2008

LODGED WITH THE ASX UNDER LISTING RULE 4.2A

CONTENTS **PAGE**

The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008 and any public announcements made by Independence Group NL during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES
ABN 46 092 786 304

HALF-YEAR INFORMATION – 1 JULY 2008 TO 31 DECEMBER 2008
LODGED WITH THE ASX UNDER LISTING RULE 4.2A

Key Information – Results for Announcement to the Market

	$'000	% Increase/(Decrease) over Previous Corresponding Period
Revenue from ordinary activities	**44,045**	**(50.1)**
Profit after tax attributable to members	**123**	**(99.7)**
Net profit attributable to members	**123**	**(99.7)**

The previous corresponding period is the half-year ended 31 December 2007.

	2008	2007
Basic earnings per share (cents)	**0.11**	**32.86**
Diluted earnings per share (cents)	**0.11**	**32.18**
Net tangible assets per share (cents)	**124.57**	**130.12**

The major factors contributing to the above variances are as follows:-

- **Spot nickel prices during the 2008 half year period were significantly lower (49.8%) than in the previous corresponding period, resulting in lower revenue per tonne of nickel produced.**

- **The value of listed investments has decreased significantly due to the effect of falling commodity prices, resulting in an expense of $9,149 thousand in the 2008 half year period.**

The Company paid a final 2007/8 fully franked dividend of 5 cents per share in September 2008. The Company will pay an interim dividend of 2 cents per share on 12 March 2009. The record date of the dividend will be 2 March 2009.

The Company has a 50% interest in associated company Southstar Diamonds Limited.

The Company did not gain or lose control over any entity during the period.

The accounts have been subject to review by BDO Kendalls Audit & Assurance (WA) Pty Ltd and the accounts are not subject to dispute or qualification.

Your directors present their report on the consolidated entity consisting of Independence Group NL and the entities it controlled at the end of, or during, the half-year ended 31 December 2008.

Directors

The following persons were directors of Independence Group NL during the whole of the interim period and up to the date of this report unless otherwise noted:

Name	Director Since
R J Marston (Chairman)	2001
C M Bonwick (Managing Director)	2000
K A Ross	2002
J A Christie	2002
O Aamodt	2005

Review of Operations

A summary of consolidated revenues and results for the half-year by significant industry segments is set out below:

	Segment revenues		Segment results	
	2008	2007	**2008**	2007
	$'000	$'000	**$'000**	$'000
Nickel mining	**39,906**	84,080	**16,107**	57,703
Exploration activities	**-**	-	**(2,205)**	(115)
Intersegment eliminations	**-**	-	**-**	-
Unallocated revenue	**4,139**	5,733	**-**	-
	44,045	89,813	**13,902**	57,588
Unallocated revenue less unallocated expenses			**(11,929)**	(3,676)
Profit before income tax expense			**1,973**	53,912
Income tax expense			**(1,850)**	(16,142)
Profit after income tax expense			**123**	37,770
Net profit attributable to members of Independence Group NL			**123**	37,770

Comments on the operations and the results of those operations are set out below:

a) Nickel mining
This division consists of Lightning Nickel Pty Ltd's Kambalda operation, the Long Nickel Mine.

b) Exploration activities
Exploration expenditure is incurred throughout Australia. The exploration activities in the above segment relate to that portion of exploration expenditure incurred on projects for which the Company believes no future income is likely to be generated. Expenditure on projects still in the assessment and evaluation stage are capitalised and are not included in this segment.

Profit from ordinary activities before related income tax expense decreased by $51,939 thousand (96.3%) to $1,973 thousand.

The major factors contributing to the decrease are as follows:-

- Spot nickel prices during the 2008 half year period were significantly lower (49.8%) than in the previous corresponding period, resulting in lower revenue per tonne of nickel produced.

- The value of listed investments has decreased significantly due to the effect of falling commodity prices, resulting in an expense of $9,149 thousand in the 2008 half year period.

Events Subsequent to Balance Date

Since the end of the reporting period, the board of directors has resolved to pay fully franked dividends of 2 cents for every ordinary share held (see note 5(b) for details).

The Company has signed an agreement to pay $1,500 thousand to acquire a significant geological data base and soil samples taken throughout Australia to assist in future exploration targeting. The transaction has not yet been completed.

Auditor independence declaration

The Auditor’s Independence Declaration on page 5 required under S307C of the Corporations Act 2001 forms part of the Director’s Report for the six months ended 31 December 2008.

Rounding of amounts to nearest thousand dollars

The Company is of a kind referred to in Class Order 98/100 issued by the Australian Securities & Investments Commission, relating to the “rounding off” of amounts in the directors’ report and financial report. Amounts in the directors’ report and financial report have been rounded off to the nearest thousand dollars in accordance with that Class Order.

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

C M Bonwick
Director

Perth
23 February 2009

BDO Kendalls

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23rd February 2009

The Directors
Independence Group NL
PO Box 496
SOUTH PERTH WA 6951

Dear Sirs,

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF INDEPENDENCE GROUP NL

As lead auditor for the review of Independence Group NL for the half-year ended 31 December 2008, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- any applicable code of professional conduct in relation to the review.

This declaration is in respect of Independence Group NL and the entities it controlled during the period.

B. McVeigh

Brad McVeigh
Director

BDO Kendalls

BDO Kendalls Audit & Assurance (WA) Pty Ltd
Dated this 23rd day of February 2009
Perth, Western Australia

Consolidated Income Statement
For the six months ended 31 December 2008

	31 December 2008 $'000	31 December 2007 $'000
Revenue from continuing operations	**39,906**	84,080
Other income	**4,139**	5,733
Total revenue	**44,045**	89,813
Raw materials and consumables used	**(8,192)**	(9,911)
Employee benefits expense	**(9,355)**	(9,559)
Share-based payment expense	**(94)**	(465)
Impairment of listed investments	**(9,149)**	(620)
Unlisted investments written off	**-**	(564)
Provision for diminution on loan to associated company	**(63)**	(1,100)
Depreciation and amortisation expenses	**(5,413)**	(4,651)
Borrowing costs expense	**(13)**	(66)
Exploration costs expensed	**(812)**	(501)
Gain on sale of non-current asset	**-**	1,428
Capitalised exploration costs written off	**(3,068)**	(1,282)
Provision for mine rehabilitation	**-**	(119)
Reversal of mine rehabilitation provision	**1,321**	-
Ore tolling costs	**(4,500)**	(4,684)
Royalty expense	**(1,039)**	(2,429)
Other expenses	**(1,695)**	(1,378)
Profit before income tax expense	**1,973**	53,912
Income tax expense	**(1,850)**	(16,142)
Net profit	**123**	37,770
	Cents	Cents
Basic earnings per share	**0.11**	32.86
Diluted earnings per share	**0.11**	32.18

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated Balance Sheet
As at 31 December 2008

	Notes	**31 December 2008 $'000**	30 June 2008 $'000
Current assets			
Cash and cash equivalents		**113,006**	145,384
Current tax receivable		**20,708**	8,721
Trade and other receivables		**12,423**	13,485
Inventories		**378**	369
Other financial assets	**4**	**3,415**	18,913
Total current assets		**149,930**	186,872
Non-current assets			
Trade and other receivables		**25**	25
Deferred tax assets		**3,567**	9,558
Property, plant and equipment		**5,163**	6,108
Exploration, evaluation and development expenditure		**53,718**	45,293
Mine acquisition and pre-production costs		**1,729**	1,751
Total non-current assets		**64,202**	62,735
Total assets		**214,132**	249,607
Current liabilities			
Trade and other payables		**12,414**	16,906
Borrowings		**29**	632
Other financial liabilities	**5**	**1,392**	20,722
Total current liabilities		**13,835**	38,260
Non-current liabilities			
Deferred tax liabilities		**16,094**	16,043
Provisions	**5**	**1,118**	2,347
Total non-current liabilities		**17,212**	18,390
Total liabilities		**31,047**	56,650
Net assets		**183,085**	192,957
Equity			
Share capital		**28,596**	29,481
Reserves	**5**	**4,308**	(2,156)
Retained earnings	**5**	**150,181**	165,632
Total equity		**183,085**	192,957

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

	Half Year	
	31 Dec 2008	31 Dec 2007
	'000	$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	**36,022**	80,452
Payments to suppliers and employees (inclusive of goods and services tax)	**(28,562)**	(32,905)
	7,460	47,547
Borrowing costs	**(13)**	(66)
Income tax payments	**(10,859)**	(38,372)
Other income	**51**	25
Net cash inflow from operating activities	**(3,361)**	9,134
Cash flows from investing activities		
Payments for listed investments	**-**	(500)
Proceeds – sale of property, plant and equipment	**190**	-
Payments for property, plant and equipment	**(1,368)**	(922)
Payments for exploration and development expenditure	**(14,785)**	(6,340)
Proceeds – sale of listed investments	**-**	3,690
Interest received	**4,072**	4,576
Loans to associated company	**(62)**	(200)
Net cash (outflow) from investing activities	**(11,953)**	304
Cash flows from financing activities		
Proceeds from issues of share capital	**62**	836
Payments to buy-back shares	**(10,697)**	-
Repayment of borrowings	**(604)**	(626)
Payment of dividends	**(5,825)**	(13,791)
Net cash (outflow) from financing activities	**(17,064)**	(13,581)
Net (decrease) in cash and cash equivalents held	**(32,378)**	(4,143)
Cash and cash equivalents at the beginning of the reporting period	**145,384**	151,986
Cash and cash equivalents at the end of the reporting period	**113,006**	147,843

The above consolidated cash flow statement should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the six months ended 31 December 2008

CONSOLIDATED	Issued Capital	Retained Earnings	Other Reserves	Total Equity
	$'000	$'000	$'000	$'000
At 1 July 2007	26,621	133,712	(57,452)	102,881
Profit on cash flow hedges, net of tax	-	-	35,934	35,934
Total income and expense for the period recognised directly in equity	-	-	35,934	35,934
Profit for the period	-	37,770	-	37,770
Total recognised income/expense for the period	**-**	**37,770**	**35,934**	**73,704**
Cost of share-based payment	-	-	465	465
Exercise of options	836	-	-	836
Equity dividends	-	(13,791)	-	(13,791)
At 31 December 2007	**27,457**	**157,691**	**(21,053)**	**164,095**
At 1 July 2008	**29,481**	**165,632**	**(2,156)**	**192,957**
Profit on cash flow hedges, net of tax	**-**	**-**	**6,370**	**6,370**
Total income and expense for the period recognised directly in equity	**-**	**-**	**6,370**	**6,370**
Profit for the period	**-**	**123**	**-**	**123**
Total recognised income/expense for the period	**-**	**123**	**6,370**	**6,493**
Cost of share-based payment	**-**	**-**	**94**	**94**
Exercise of options	**63**	**-**	**-**	**63**
Cost of share buy-back	**(948)**	**(9,749)**	**-**	**(10,697)**
Equity dividends	**-**	**(5,825)**	**-**	**(5,825)**
At 31 December 2008	**28,596**	**150,181**	**4,308**	**183,085**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Note 1. Basis of preparation of half-year financial report

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting,* other mandatory professional reporting requirements (Australian Accounting Consensus Views), other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2008, which was prepared based on Australian equivalents to International Financial Reporting Standards ('AIFRS') and any public announcements made by Independence Group NL during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

Note 2. Segment information

Primary reporting – business segments

Half-year 2008	Nickel mining $’000	Exploration activities $’000	Inter-segment eliminations/ unallocated $’000	Consolidated $’000
Total segment revenue	39,906	-	-	39,906
Unallocated revenue				4,139
Total revenue				44,045
Segment result	16,107	(2,205)	-	13,902
Unallocated revenue less unallocated expenses				(11,929)
Profit before income tax expense				1,973

Half-year 2007	Nickel mining $’000	Exploration activities $’000	Inter-segment eliminations/ unallocated $’000	Consolidated $’000
Total segment revenue	84,080	-	-	84,080
Unallocated revenue				5,733
Total revenue				89,813
Segment result	57,703	(115)	-	57,588
Unallocated revenue less unallocated expenses				(3,676)
Profit before income tax expense				53,912

Note 3. Equity securities issued

	Half-year		Half-year	
	2008	2007	**2008**	2007
	No. of Shares	No. of Shares		
Issues of ordinary shares during the half-year	**'000**	'000	**$'000**	$'000
Exercise of options issued under the Independence Group NL Employee Option Plan	**65**	505	**62**	795
Unlisted options exercised at $1.16 each	**-**	35	**-**	41
	65	540	**62**	836

See note 5(f) for the effect of shares bought back during the period.

Note 4. Other financial assets

CURRENT		
Futures commodity contracts (a)	**3,095**	-
Forward foreign exchange contracts	**-**	9,404
Investment in listed entities at fair value	**320**	13,534
	3,415	22,938

(a) The prior period amount is shown in note 5(c).

Note 5. Other information

(a) Reconciliation of retained profits		
Balance at the beginning of the half-year	**165,632**	133,712
On-market share buy-back	**(9,749)**	-
Net profit attributable to members of Independence Group NL	**123**	37,770
Total available for appropriation	**156,006**	171,482
Dividends paid during the half-year	**(5,825)**	(13,791)
Balance at the end of the half-year	**150,181**	157,691

(b) Dividends paid on ordinary shares

(i) Dividends paid during the half-year (5 cents per share fully franked)	**5,825**	13,791

(ii) In addition to the above dividends, since the end of the half year the directors have recommended the payment of a fully franked interim dividend of 2 cents per share. The amount of the proposed dividend expected to be paid on 12 March 2009 out of retained profits at 31 December 2008, but not recognised as a liability at the end of the half year, is $2,272 thousand.

(c) Other financial liabilities (current)		
Forward foreign exchange contracts (i)	**1,392**	-
Futures commodity contracts	**-**	51,634
	1,392	51,634

(i) The prior period amount is shown in note 4.

(d) Reserves		
Share-based payment reserve	**3,860**	3,300
Hedged instruments reserve	**448**	(24,353)
	4,308	(21,053)

(e) Property, plant and equipment

During the period the Company purchased mining machinery costing $458 thousand and sold mining machinery for proceeds of $190 thousand.

(f) On-market share buy-back

During the period the Company purchased 3,792 thousand shares on-market. The shares were then cancelled. The cost of the buy-back ($10,697 thousand) has resulted in a reduction of issued capital and retained earnings of $948 thousand and $9,749 thousand respectively.

Note 5. Other information (continued)

(g) Reversal of rehabilitation provision
A report was commissioned by the Company and as a result of the findings, the rehabilitation provision has been amended to reflect the latest estimate of the cost to rehabilitate the mine. This has resulted in the provision being recorded at $270 thousand (June 2008: $1,591 thousand).

(h) Impairment of investments in listed entities
The value of listed investments has decreased significantly due to the effect of falling commodity prices, resulting in an impairment of $9,149 thousand in the 2008 half year period.

(i) Impairment of exploration, evaluation and development expenditure
An assessment is made of the carrying value of capitalised exploration, evaluation and development expenditure. This assessment is done on a quarterly basis and as a result $3,068 thousand has been written off during the 2008 half year period.

Note 6. Contingent assets and liabilities

(a) Contingent assets
The Company has a claim against its former landlord for breaching the lease to the Company of its former office premises. The parties must be referred to an arbitration and the parties are in the process of appointing an arbitrator for that purpose. The Company's claim for damages will be for an amount of approximately $1 million. The likely success of this claim is unknown and has not been accounted for in the financial statements.

(b) Contingent liabilities
Guarantees relating to environmental and rehabilitation bonds have increased to $675 thousand (June 2008: $301 thousand). There have been no other changes in contingent liabilities since the last annual reporting date.

Note 7. Events subsequent to balance date

The board of directors have resolved to pay fully franked dividends of 2 cents for every ordinary share held (see note 5(b) for details).

The Company has signed an agreement to pay $1,500 thousand to acquire a significant geological data base and soil samples taken throughout Australia to assist in future exploration targeting. The transaction has not yet been completed.

Note 8. Capital commitments

There have been no capital commitments since the end of the reporting period.

Directors' Declaration

1. In the opinion of the directors of Independence Group NL, the financial statements and notes as set out on pages 6 to 12:

   (a) comply with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001, and

   (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

2. In the opinion of the directors, there are reasonable grounds to believe that Independence Group NL 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.

C M Bonwick
Director

Perth
23 February 2009

BDO Kendalls

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF INDEPENDENCE GROUP NL

We have reviewed the accompanying half-year financial report of Independence Group NL, which comprises the balance sheet as at 31 December 2008, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 Interim and Other Financial Reports 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 disclosing entity's financial position as at 31 December 2008 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 Independence Group NL, 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 other 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*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Independence Group NL is not in accordance with the *Corporations Act 2001* including:

(a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and

(b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

BDO Kendalls Audit & Assurance (WA) Pty Ltd

BDO Kendalls

BM'Vn

BG McVeigh
Director

Dated this 23rd February 2009
Perth, Western Australia