



INDEPENDENCE GROUP NL
ABN 46 092 786 304

28 February 2008

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

NO. OF PAGES : (20)

- **HALF YEAR REPORT**
- **DIVIDENDS**

1. NET PROFIT UPGRADE AND HALF YEAR REPORT

Following receipt of the average January LME nickel price and resulting adjustment to sales and receivables, Independence Group NL is pleased to advise the final **net profit after tax for the December 2007 half year has increased to \$37.8 million, an upgrade of \$2.2 million***.

The December 2007 Half Year Report is attached.

2. DIVIDENDS

IGO will pay an **interim dividend of 5 cents** per share to shareholders.

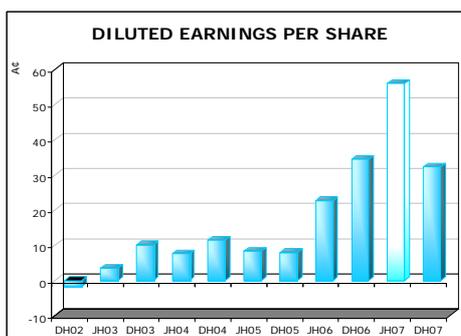
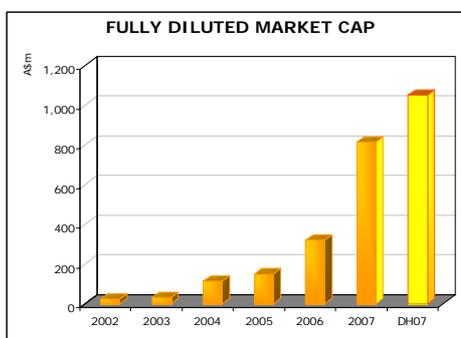
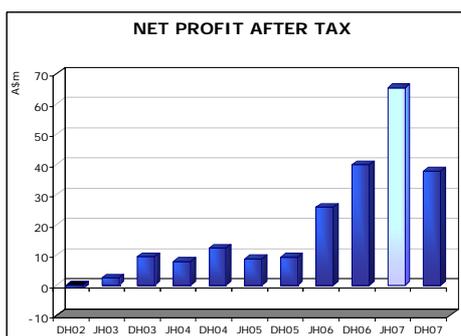
The dividend payment will be made on 19 March 2008 with a record date of 5 March 2008.

CHRISTOPHER BONWICK
Managing Director

**(IGO released an estimated unaudited net profit after tax of \$35.6 million for the half year in the Company's December 2007 Quarterly Report. Due to the off-take agreement the Company has with BHP Billiton Nickel West Pty Ltd, nickel sales for any given month are required to be estimated. This estimate is required due to the lag-time between delivery of ore and setting of the price to be received, which is based on the average LME price prevailing in the third month after the month of delivery. The Half Year Report which has been subjected to audit review uses more recent nickel prices than those available at time of release of the Quarterly Report.)*

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HIGHLIGHTS - HALF YEAR ENDED 31 DECEMBER 2007



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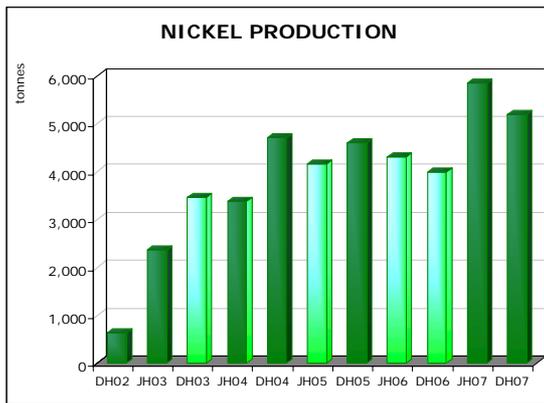
W: www.igo.com.au

- Half-year profit after tax of \$37.8 million (DH'06: \$39.9 million) despite 16% decline in spot nickel prices
- Total revenue of \$89.8 million (DH'06: \$91.3 million)
- Interim dividend announced of 5 cents per share fully franked to be paid in March 2008 (DH'06: 3cps + special 3cps)
- Strong financial position with cash and net receivables of \$156.6 million (DH'06: \$83.3 million)
- Nickel production increased by 30% to 5,181 tonnes (DH'06: 3,987 tonnes), mainly due to the milling of additional tonnes at a higher average head grade. Low cash costs per payable pound of nickel A\$3.75/lb (DH'06: A\$4.90/lb)
- Robust cash flow generated from operations of \$52.1 million before tax payments (DH'06: \$55.2 million)
- Initial indicated and inferred JORC-resource for the Tropicana Joint Venture of 62.8Mt @ 2.01g/t Au for 4.05Moz gold (at a cut-off grade of 0.6g/t Au)
- Tropicana Pre-Feasibility Study on-schedule for completion mid-2008
- Discovery of a new nickel shoot at Long, the Long North 07 Shoot, representing the first material extension to the Long orebody in the last 15 years

Half Year Ended December 31	2007	2006	Inc/(Dec)
Total Revenue	\$89.8m	\$91.3m	(2%)
EBITDA	\$54.1m	\$60.7m	(11%)
Profit Before Tax	\$53.9m	\$57.4m	(6%)
Net Profit After Tax	\$37.8m	\$39.9m	(5%)
Cash Flow From Operating Activities Before Tax	\$52.1m	\$55.2m	(6%)
Total Assets	\$249.4m	\$183.0 m	+36%
Total Liabilities	\$85.3m	\$138.7m	(39%)
Shareholder's Equity	\$164.1m	\$44.3m	+271%
Return on Equity	23%	90%	(74%)
Diluted Earnings Per Share	32.18¢	34.45¢	(7%)
Dividend Per Share Paid ^Ω *	12¢	7¢	+71%

^Ω Includes one-off special dividend of 5cps paid in September 2007

* 5cps interim dividend to be paid in March 2008



OPERATIONS

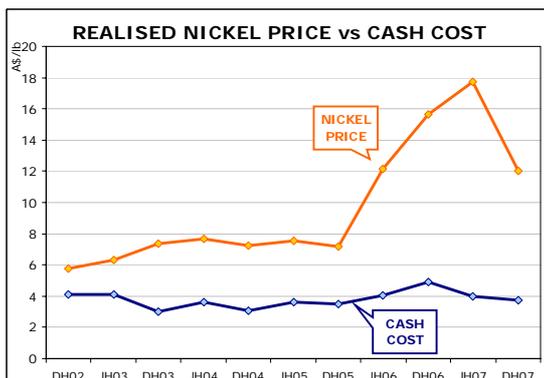
Total ore production for the six months ended December 2007 was 135,440 tonnes (DH'06: 115,421 tonnes) at an average head grade of 3.83% (DH'06: 3.45%) for 5,181 tonnes of nickel metal delivered. Nickel production increased by 30% over the previous corresponding period primarily due to the increase in tonnes milled and higher average head grade for the period.

Cash costs per payable pound were below budget at A\$3.75/lb (DH'06: A\$4.90/lb), mainly due to lower mining costs, lower royalty payments and higher production rates. Cash costs per tonne of ore mined are below budget despite the continued rise in capital and operating costs experienced by the mining industry.

An increase in ore sourced from the high-grade McLeay deposit also contributed to the improvement in production statistics during the period.

INCOME STATEMENT

Total revenues for the half year decreased by 2% to \$89.8 million (DH'06: \$91.3 million). The 5% decrease in net profit for the half to \$37.8 million (DH'06: \$39.9 million) was attributable to lower revenue per tonne of nickel produced due to spot nickel prices being 16% lower, together with an additional 300 tonnes of nickel sold into lower-priced hedge contracts. EBITDA decreased to \$54.1 million from \$60.7 million in the corresponding half year period.

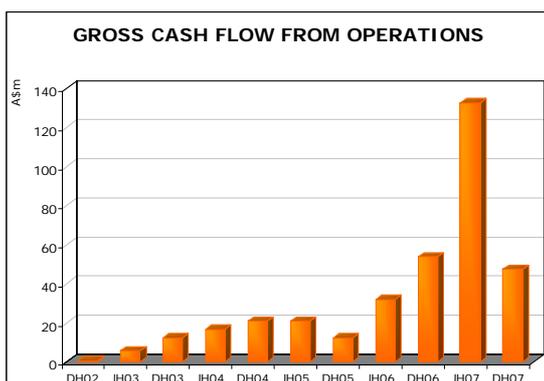


The average realised nickel price decreased to A\$12.00/lb in the December half from A\$15.62/lb in the previous half year. The gain on sale of non-current assets related to the value of shares received in Atlas Iron Ltd in exchange for various rights to explore the Goldsworthy project. Past exploration expenditure incurred for Goldsworthy had previously been written off.

The investment in Southstar Diamonds Limited (A\$0.6 million) was written off during the period and a provision against the loan of A\$1.1 million to this company was also brought to account.

Fully diluted earnings per share decreased to 32 cents from 34 cents in the previous corresponding period.

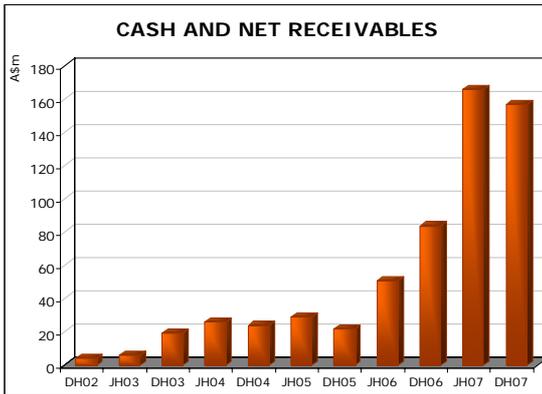
CASH FLOW STATEMENT



Strong cash flow generation from operating activities of \$52.1 million before tax payments represented a decrease over the previous corresponding period (DH'06: \$55.2 million), due mainly to higher consumables and labour costs. From the operating cash flow generated during the period, Independence also funded:

- dividend distributions of \$13.8 million (DH'06: \$7.9 million);
- regional and Long exploration of \$4.2 million (DH'06: \$5.5 million);
- payment of income tax of \$38.4 million (DH'06: \$12.3 million).

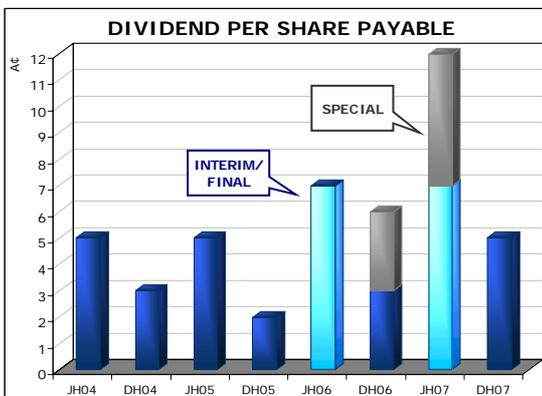
BALANCE SHEET



Cash and cash equivalents totalled \$147.8 million at 31 December, with an additional \$8.8 million in net receivables. Cash and cash equivalents exceeded total debt by \$146.6 million (DH'06: \$45.2 million). Total debt was \$1.3 million at 31 December (DH'06 \$2.5 million), relating to mining equipment financing.

Total assets increased by 36% to \$249.4 million as at 31 December 2007 (\$183 million at end of DHY'06).

DIVIDENDS



The Company paid a final 2006/7 fully franked dividend of 7 cents per share and a one-off special dividend of 5 cents per share for a total 12 cents per share in September 2007. A fully franked interim dividend of 5 cents per share will be paid for the December half year in March 2008.

EXPLORATION

An updated JORC-compliant resource/reserve estimate for the Long Mine as at 30 June 2007 was released during the December half, as follows:

Resources: 1,552,000t @ 5.1% Ni (79,300 Ni t)
Reserves: 1,101,000t @ 3.6% Ni (39,600 Ni t)

The increase in resources of 14% over the previous estimate was achieved despite record production levels in 2006/7.

Infill drilling to upgrade resources at McLeay successfully extended McLeay Shoots 1 and 2 to the south and increased the overall McLeay resource to 28,600 nickel tonnes.

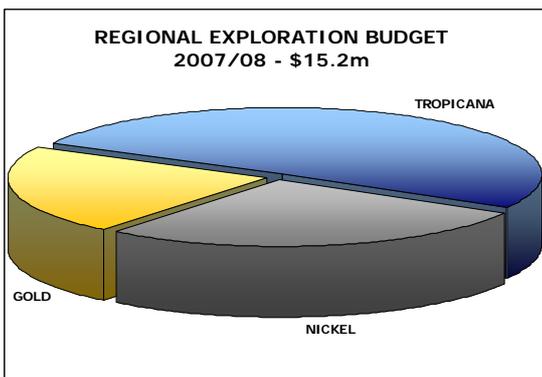
Drilling outside resource/reserve boundaries in McLeay Shoots 1 and 3 identified additional high-grade nickel mineralisation. All 4 McLeay ore shoots remain open. McLeay Shoot 3 has not been included in any resource/reserve estimates to date.

The discovery of the Long North 07 Shoot was made during the half, representing a potential new ore surface close to existing underground infrastructure. The discovery is the first significant extension to the Long ore-body in the last 15 years.

Long South definition and step-out drilling was also conducted during the half, with several conductors south of the decline yet to be tested.

Significant progress was made on the Tropicana Project during the December half. Tropicana is a Joint Venture between Independence Group (30%) and AngloGold Ashanti Australia Ltd ("AGA"), comprising 13,000 square kilometres of largely unexplored tenure along the Yilgarn Craton/Fraser Range Mobile Belt collision zone.

An **initial JORC-code compliant resource** (at a cut-off grade of 0.6g/t Au) for the open pittable gold mineralisation was released in December, as follows:



Indicated: 31.1Mt @ 2.09 g/t Au for 2.09Moz Au
Inferred: 31.7Mt @ 1.93 g/t Au for 1.96Moz Au
Total: 62.8Mt @ 2.01 g/t Au for 4.05Moz Au

This initial resource does not include recent encouraging intersections outside the initial resource area, or gold mineralisation intercepted at depth.

Infill drilling was undertaken during the December half at Havana and Tropicana as part of the **Pre-Feasibility Study** ("PFS"), which is on-schedule for **completion by mid-2008**. Some of the better intersections returned included:

Tropicana Zone

21m @ 5.2g/t Au from 44m in TFRC091
18m @ 7.5g/t Au from 33m in TFRC095
16m @ 9.3g/t Au from 32m in TFRC102
26m @ 5.3g/t Au from 42m in TFRC104
31m @ 4.7g/t Au from 60m in TPD352

Havana Zone

30m @ 5.3g/t Au from 349m in TPD305
44m @ 5.3g/t Au from 12m in TPRC744
28m @ 6.8g/t Au from 61m in TPRC320
39m @ 4.6g/t Au from 141m in TPRC353D
32m @ 4.5g/t Au from 79m in TPRC820
21m @ 8.4g/t Au from 109m in TPRC822

Mining leases were granted. Based on current information, it is expected that cash costs at Tropicana will be at the lower end of the cash cost curve for Australian gold producers.

A number of other projects where early stage work has returned encouraging exploration results will also be advanced in the second half of the financial year, including nickel projects at Duketon, Lefroy, Musgrave, Ravensthorpe, Riverina and Wiluna, and gold projects at Coomberdale, Holleton and the newly acquired, highly prospective Karlawinda tenements.

OUTLOOK

Long nickel production for 2007/8 is now expected to be in the range of 9,000 – 9,300 Ni t. Production for the June half is expected to be lower than the December half of 5,121 t in accordance with the 2007/8 mining schedule.

At the Long operation June half exploration/development activities will focus on infill and extension drilling at the McLeay deposit together with resource definition at Long North 07 and exploration drilling at Long South.

At the Tropicana project, AGA will continue work towards completing the Pre-Feasibility Study by mid-2008. The focus of the drilling program will be to convert existing resources into reserves whilst assessing regional targets.

Drilling to follow-up recent significant intersections at Tropicana's Beachcomber Prospect and other regional targets will also continue.

Exploration on numerous other regional projects is ongoing.

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES
ABN 46 092 786 304

HALF-YEAR INFORMATION – 1 JULY 2007 TO 31 DECEMBER 2007

LODGED WITH THE ASX UNDER LISTING RULE 4.2A

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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 2007 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 2007 TO 31 DECEMBER 2007 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	89,813	(1.6)
Profit after tax attributable to members	37,770	(5.4)
Net profit attributable to members	37,770	(5.4)

The previous corresponding period is the half-year ended 31 December 2006.

	2007	2006
Basic earnings per share (cents)	32.86	35.39
Diluted earnings per share (cents)	32.18	34.45
Net tangible assets per share (cents)	130.12	23.73

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

- Spot nickel prices during the 2007 half year period were significantly lower (16%) than in the previous corresponding period, resulting in lower revenue per tonne of nickel produced.
- More nickel was sold into hedge contracts (300 tonnes) during the 2007 half year period than in the previous corresponding period which resulted in lower revenue per tonne of nickel produced.
- More nickel was produced (30%) during the 2007 half year period than in the previous corresponding period which resulted in more nickel tonnes being sold and higher treatment costs.

The Company paid a final 2006/7 fully franked dividend of 7 cents as well as a one-off special dividend of 5 cents for a total 12 cents per share in September 2007. The Company will pay an interim dividend of 5 cents per share on 19 March 2008.

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 and the accounts are not subject to dispute or qualification.

Directors' Report

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 2007.

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:

<u>Name</u>	<u>Director Since</u>
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	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Nickel mining	84,080	85,390	57,703	57,375
Exploration activities	-	-	(115)	(2,375)
Intersegment eliminations	-	-	-	-
Unallocated revenue	5,733	5,863	-	-
	<u>89,813</u>	<u>91,253</u>	<u>57,588</u>	<u>55,000</u>
Unallocated revenue less unallocated expenses			(3,676)	2,350
Profit before income tax expense			53,912	57,350
Income tax expense			(16,142)	(17,410)
Profit after income tax expense			37,770	39,940
Net profit attributable to members of Independence Group NL			37,770	39,940

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 \$3.4 million (6%) to \$53.9 million.

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

- Spot nickel prices during the 2007 half year period were significantly lower (16%) than in the previous corresponding period, resulting in lower revenue per tonne of nickel produced.
- More nickel was sold into hedge contracts (300 tonnes) during the 2007 half year period than in the previous corresponding period which resulted in lower revenue per tonne of nickel produced.
- More nickel was produced (30%) during the 2007 half year period than in the previous corresponding period which resulted in more nickel tonnes being sold however this was offset by higher treatment costs.

Events Subsequent to Balance Date

Since the end of the reporting period the Company purchased the Karlawinda Gold Project for \$4 million.

Since the end of the reporting period the value of the investment in Matrix Metals Limited has decreased. As at 27 February 2008 the value of the investment had decreased by \$1.7 million.

Directors' Report (continued)

Since the end of the reporting period the Company has made a commitment to contribute to the cost of various feasibility activities at the Tropicana Project.

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

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 2007.

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
27 February 2008



BDO Kendalls

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27 February 2008

The Directors
Independence Group NL
PO Box 893
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 2007, 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
- no contraventions of 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.

BG McVeigh
Director

BDO Kendalls Audit & Assurance (WA) Pty Ltd
Perth, Western Australia

Condensed Income Statement
For the six months ended 31 December 2007

	Half Year	
	2007	2006
	\$'000	\$'000
Revenue from continuing operations	84,080	85,390
Other income	5,733	5,863
Total revenue	89,813	91,253
Raw materials and consumables used	(9,911)	(8,311)
Employee benefits expense	(9,559)	(8,844)
Share-based payment expense	(465)	(668)
Devaluation of listed investments	(620)	-
Unlisted investments written off	(564)	-
Provision for diminution on loan to associated company	(1,100)	-
Depreciation and amortisation expenses	(4,651)	(4,165)
Borrowing costs expense	(66)	(124)
Exploration costs expensed	(501)	(30)
Gain on sale of non-current asset	1,428	-
Capitalised exploration costs written off	(1,282)	(2,424)
Provision for mine rehabilitation	(119)	-
Ore tolling costs	(4,684)	(3,839)
Royalty expense	(2,429)	(2,835)
Other expenses	(1,378)	(2,663)
Profit before income tax expense	53,912	57,350
Income tax expense	(16,142)	(17,410)
Net profit	37,770	39,940
	Cents	Cents
Basic earnings per share	32.86	35.39
Diluted earnings per share	32.18	34.45

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

Condensed Balance Sheet
As at 31 December 2007

	Notes	31 December 2007 \$'000	30 June 2007 \$'000
Current assets			
Cash and cash equivalents		147,843	151,986
Trade and other receivables		23,937	28,130
Inventories		329	302
Financial assets	4	22,938	25,456
Total current assets		195,047	205,874
Non-current assets			
Trade and other receivables		25	925
Deferred tax assets		19,233	38,243
Investments in equity accounted investees		-	564
Property, plant and equipment		7,076	8,525
Exploration and development expenditure		26,256	19,584
Mine acquisition and pre-production costs		1,769	1,896
Total non-current assets		54,359	69,737
Total assets		249,406	275,611
Current liabilities			
Trade and other payables		15,197	15,598
Borrowings		1,285	1,390
Current tax payable		4,513	31,067
Financial liabilities	5	51,634	112,646
Total current liabilities		72,629	160,701
Non-current liabilities			
Borrowings		-	521
Deferred tax liabilities		10,719	9,786
Provisions		1,963	1,722
Total non-current liabilities		12,682	12,029
Total liabilities		85,311	172,730
Net assets		164,095	102,881
Equity			
Share capital		27,457	26,621
Reserves	5	(21,053)	(57,452)
Retained earnings	5	157,691	133,712
Total equity		164,095	102,881

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

Condensed Cash Flow Statement
For the six months ended 31 December 2007

	Half Year	
	31 Dec 2007	31 Dec 2006
	'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	80,452	80,144
Payments to suppliers and employees (inclusive of goods and services tax)	<u>(32,971)</u>	<u>(26,350)</u>
	47,481	53,794
Interest received	4,576	934
Income tax payment	(38,372)	(12,300)
Other income	25	499
Net cash inflow from operating activities	<u>13,710</u>	<u>42,927</u>
Cash flows from investing activities		
Payments for listed investments	(500)	(855)
Payments for property, plant and equipment	(922)	(5,855)
Payments for exploration and development expenditure	(6,340)	(7,036)
Proceeds – sale of listed investments	3,690	-
Loans to associated company	(200)	(75)
Net cash (outflow) from investing activities	<u>(4,272)</u>	<u>(13,821)</u>
Cash flows from financing activities		
Proceeds from issues of share capital	836	1,054
Repayment of borrowings	(626)	(694)
Payment of dividends	(13,791)	(7,918)
Net cash (outflow) from financing activities	<u>(13,581)</u>	<u>(7,558)</u>
Net (decrease) in cash held	(4,143)	21,548
Cash and cash equivalents at the beginning of the reporting period	<u>151,986</u>	26,130
Cash and cash equivalents at the end of the reporting period	<u>147,843</u>	47,678

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

Condensed Statement of Changes in Equity
For the six months ended 31 December 2007

CONSOLIDATED	Issued Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	Total Equity \$'000
At 1 July 2006	23,076	43,144	(18,291)	47,929
Loss on cash flow hedges, net of tax	-	-	(37,400)	(37,400)
Total income and expense for the period recognised directly in equity	-	-	(37,400)	(37,400)
Profit for the period	-	39,940	-	39,940
Total recognised income/expense for the period	-	39,940	(37,400)	2,540
Cost of share-based payment	-	-	668	668
Exercise of options	1,054	-	-	1,054
Equity dividends	-	(7,918)	-	(7,918)
At 31 December 2006	24,130	75,166	(55,023)	44,273
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

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

Notes to the Consolidated Financial Statements
For the six months ended 31 December 2007

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 2007 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 2007, 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 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

Half-year 2006	Nickel mining \$'000	Exploration activities \$'000	Inter-segment eliminations/ unallocated \$'000	Consolidated \$'000
Total segment revenue	85,390	-	-	85,390
Unallocated revenue				5,863
Total revenue				91,253
Segment result	57,375	(2,375)	-	55,000
Unallocated revenue less unallocated expenses				2,350
Profit before income tax expense				57,350

Notes to the Consolidated Financial Statements
For the six months ended 31 December 2007

Note 3. Equity securities issued

	Half-year		Half-year	
	2007	2006	2007	2006
No. of Shares	No. of Shares	No. of Shares	\$'000	\$'000
Issues of ordinary shares during the half-year	'000	'000	\$'000	\$'000
Exercise of options issued under the Independence Group NL Employee Option Plan	505	336	795	338
Unlisted options exercised at \$1.16 each	35	188	41	217
Unlisted options exercised at \$1.33 each	-	375	-	499
	540	899	836	1,054

Note 4. Other financial assets

CURRENT

Forward foreign exchange contracts	9,404	6,365
Investment in listed entities at fair value	13,534	12,949
	22,938	19,314

Note 5. Other information

(a) Reconciliation of retained profits

Balance at the beginning of the half-year	133,712	43,144
Net profit attributable to members of Independence Group NL	37,770	39,940
Total available for appropriation	171,482	83,084
Dividends paid during the half-year	(13,791)	(7,918)
Balance at the end of the half-year	157,691	75,166

(b) Dividends paid on ordinary shares

(i) Dividends paid during the half-year (12 cents per share fully franked)	13,791	7,918
(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 5 cents per share. The amount of the proposed dividend expected to be paid on 19 March 2008 out of retained profits at 31 December 2007, but not recognised as a liability at the end of the half year, is \$5,826 thousand.		

(c) Other financial liabilities (current)

Futures commodity contracts	51,634	99,892
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(d) Reserves

Share-based payment reserve	3,300	2,167
Hedged instruments reserve	(24,353)	(57,190)
	(21,053)	(55,023)

(e) Property, plant and equipment

During the period the Company purchased mining machinery costing \$374 thousand and sold mining machinery including 2 loaders for proceeds of \$340 thousand.

Note 6. Contingent liabilities

There have been no changes in contingent liabilities since the last annual reporting date.

Notes to the Consolidated Financial Statements
For the six months ended 31 December 2007

Note 7. Events subsequent to balance date

Since the end of the reporting period the Company purchased the Karlawinda Gold Project for \$4 million. The payment was made in January 2008 and has not been reflected in this financial report as the transaction was not completed at balance date.

The value of the investment in Matrix Metals Limited has decreased significantly since balance date. As at 27 February 2008 the value of the Company's investment had decreased by \$1.68 million.

Since the end of the reporting period the Company entered an agreement with Tropicana Joint Venture partner AngloGold Ashanti Australia Limited whereby the Company has committed to pay its 30% share of the cost of various feasibility activities.

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

Note 8. Capital commitments

During the reporting period the Company made a commitment to purchase mining plant costing \$964 thousand. The plant is expected to be delivered and paid for in March 2008.

Directors' Declaration

The directors declare that the financial statements and notes set out on pages 6 to 12:

- (a) comply with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
- (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001; and
- (b) 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
27 February 2008



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 condensed balance sheet as at 31 December 2007, and the condensed income statement, condensed statement of changes in equity and condensed 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 in order for the disclosing entity to lodge the half-year financial report with the Australian Securities and Investments Commission.

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 designing, implementing 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 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 disclosing entity's financial position as at 31 December 2007 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 2007 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 Veigh

BG McVeigh

Director

Perth, Western Australia

Dated this 27th day of February 2008