



INDEPENDENCE GROUP NL
ABN 46 092 786 304

28th August 2008

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

NO. OF PAGES : (15)

FINAL DIVIDEND DISTRIBUTION AND PRELIMINARY FINAL RESULTS

FINAL DIVIDEND 2008

Independence Group NL is pleased to announce that a final dividend of 5 cents per share will be paid to shareholders based upon the financial results for the year ending 30 June 2008.

The dividend will be fully franked.

The dividend will be paid on 18th September 2008.

The record date to determine dividend entitlements is 8th September 2008.

PRELIMINARY FINAL RESULTS

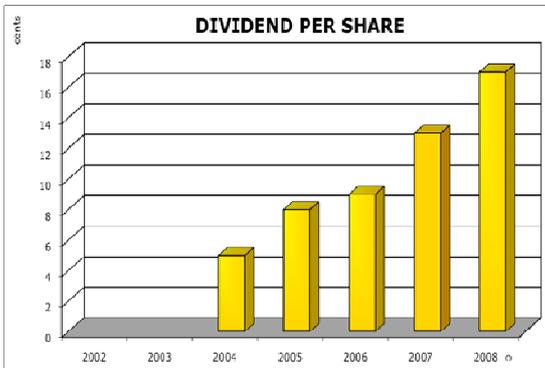
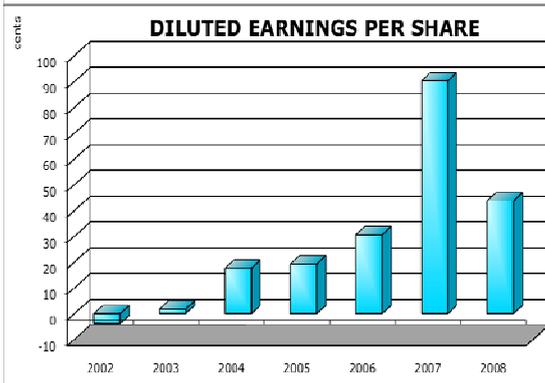
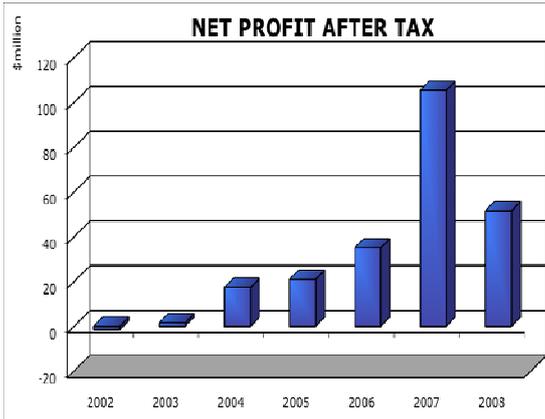
Independence Group NL is pleased to announce a net profit after tax of \$51.5million. An estimated and unaudited profit of \$51.9 million was provided in the June 2008 Quarterly Report.

Preliminary Final Report information is attached to this announcement.

CHRISTOPHER BONWICK
Managing Director

PO Box 893, South Perth
Western Australia 6951
Tel: +61 8 9367 2755
Fax: +61 8 9367 3288
E-mail: contact@independencegroup.com.au
Website: www.independencegroup.com.au

HIGHLIGHTS- FINANCIAL YEAR ENDED JUNE 30 2008



Includes final dividend

- Full-year profit after tax of \$51.5 million despite a 35% reduction in realised nickel price & devaluation of listed investments
- Total revenue of \$149.1 million reflecting a A\$7.61/lb reduction in average spot nickel prices over the year
 - 34% decrease on FY'07 (\$226.5 million)
- Dividends of 17 cents per share paid during the year (FY'07: 13 cents per share)
 - Final '07 fully franked dividend of 7 cents per share
 - One-off '07 special dividend of 5 cents per share fully franked
 - Interim fully franked FY'08 dividend of 5 cents per share
 - Final '08 fully franked dividend of 5 cents per share announced
- Strong financial position with cash of \$145.4 million at year end
 - 4% decrease on FY'07 (\$152.0 million)
- Gross cash flow from operations of \$86.6 million
 - FY'07 (\$186.2 million)
- Annual nickel production of 9,275 tonnes at a lower cash operating cost of A\$4.12 per payable pound
 - FY'07 (9,825 tonnes at A\$4.35 per payable pound)
- Initial Tropicana indicated and inferred resources of 4.1 million ounces of gold, which will be updated to include infill and extensional drilling results received since October 2007

Full Year Ended June 30	2008	2007	Inc/(Dec)
Total Revenue	\$149.1m	\$226.5m	-34%
EBITDA	\$72.9m	\$158.2m	-54%
Profit Before Tax	\$74.2m	\$151.1m	-51%
Net Profit After Tax	\$51.5m	\$105.3m	-51%
Cash Flow From Operating Activities	\$45.8m	\$162.1m	-72%
Total Assets	\$251.8m	\$275.6m	-9%
Total Liabilities	\$58.9m	\$172.7m	-66%
Shareholder's Equity	\$193m	\$102.9m	+88%
Return on Equity	27%	102%	-74%
Diluted Earnings Per Share	43.82¢	90.38¢	-52%
Dividend Per Share Paid	17¢	13¢	+31%

Chris Bonwick
Managing Director
28 August 2008

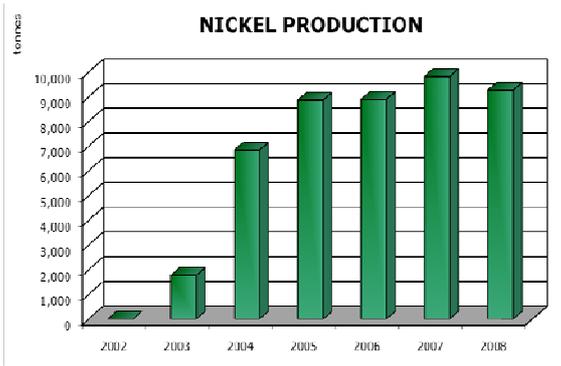
T: +61 8 9367 2755

F: +61 8 9367 3288

E: contact@igo.com.au

W: www.igo.com.au

OPERATIONS

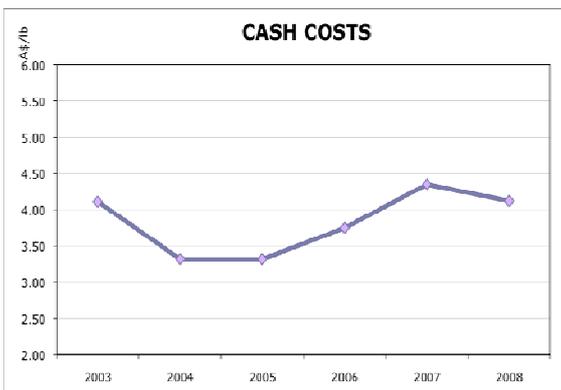


Total production for the year ended June 2008 of 255,988 tonnes (FY'07: 266,442 tonnes) at an average head grade of 3.62% (FY'07: 3.69%) for 9,275 tonnes of nickel metal delivered (FY'07: 9,825 tonnes). Ore was primarily sourced from the Long, McLeay and Victor South orebodies.

Cash costs for the year per payable pound were A\$4.12/lb, representing a 5.3% decrease on the previous financial year (FY'07: A\$4.35). These costs were tightly controlled during the year despite an escalating capital and operating costs environment that continued to adversely affect the mining industry. A reduction in royalties owing to lower nickel prices also contributed to the reduction in unit cash costs.

Production for the year exceeded budget while cash costs were below budget.

The reserve drillout is ongoing with updated reserves/resources expected to be announced in September 2008. Some ore from the newly discovered Long North 07 Shoot and extension of McLeay Shoot 3 is expected to be included in these estimates.



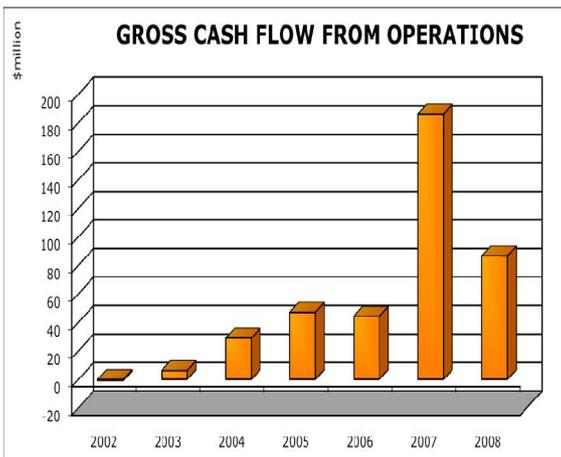
INCOME STATEMENT

Total revenue for the year decreased by 34% to \$149.1 million (FY'07: \$226.5 million) due mainly to lower nickel prices over the period.

The 51% decrease in FY'08 net profit to \$51.5 million was primarily due to lower spot nickel prices than in FY'07 and a devaluation in the carrying value of listed investments by \$5.3 million (FY'07: revaluation of \$6.6 million). EBITDA decreased by 54% to \$72.9 million (FY'07: \$159.5 million).

The average realised nickel price decreased by 35% to A\$11.21/lb in FY'08 from A\$17.32/lb in the 2007 fiscal year. This led to an offsetting benefit with the royalty expense declining by 49% to \$4.7 million (FY'07: \$9.0 million).

Fully diluted earnings per share decreased to 43.8 cents from 90.4 cents in the previous corresponding period.



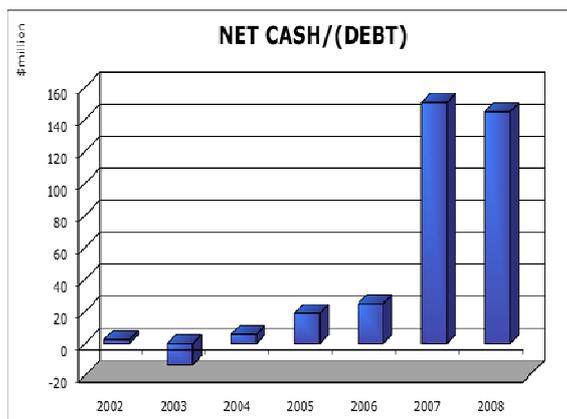
CASH FLOW STATEMENT

Strong gross cash flow generation from operating activities of \$86.6 million prior to interest received and income tax payments, represented a significant decrease over the previous year (FY'07: \$186.2 million) mostly due to lower spot nickel prices.

Independence utilised this cash flow to fund:

- dividend distributions of \$19.6 million (FY'07: \$14.8 million);
- Long and regional exploration of \$26.0 million (FY'07: \$10.3 million);
- new mining equipment and development expenditure totalling \$6.8 million (FY'07: \$11 million);
- income tax payment of \$51.1 million (FY'07: \$27.5 million);
- purchase of mine prospects \$4.0 million (FY'07: nil).

The strong cash flow generation and cash balances during the year enabled Independence to earn \$10.3 million in interest received (FY'07: \$3.1 million).



BALANCE SHEET

Cash and cash equivalents totalled to \$145.4 million (FY'07: \$152 million) at year-end, with an additional \$3.1 million in net receivables, while cash and cash equivalents exceeded interest-bearing debt by \$144.8 million (FY'07: \$150.6 million).

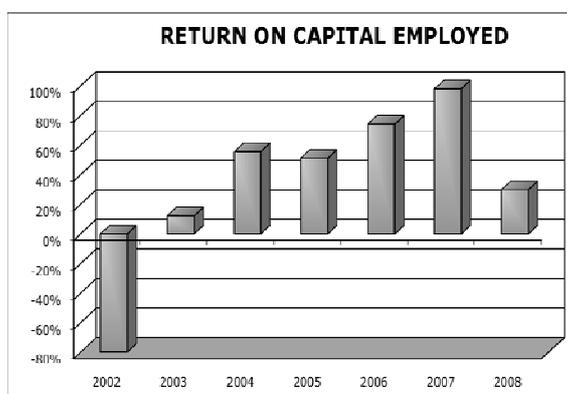
Total interest bearing debt at balance date was \$0.6 million, whilst net assets increased to \$193.0 million at year-end (FY'07: \$102.9 million).

DIVIDEND

During financial year 2008, Independence returned \$19.6 million (FY'07: \$14.8 million) to shareholders in the form of dividends, comprising:

- final FY'07 fully franked dividend of 7 cents per share (paid September '07);
- interim fully franked dividend of 5 cents per share (paid March '08); and
- one-off special dividend of 5 cents per share (paid September '07).

In addition, Independence today announced a final fully franked dividend for the 2007/8 year of 5 cents per share which will be payable on 18 September 2008 with a record date for determining entitlements of 8 September 2008.



EXPLORATION/DEVELOPMENT

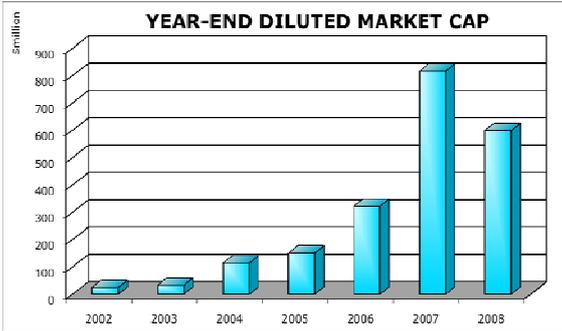
Independence incurred a total of \$26 million on exploration and evaluation expenditure during 2007/8. This is the largest annual outlay in the Company's seven-year history. The majority of this expenditure was directed towards the Long and Tropicana projects.

Ore reserve/resource drilling is continuing at McLeay, Long North and Long, with resource and reserve estimates expected to be released in September 2008.

The discovery during the year of the new Long North 07 Shoot demonstrates the potential of the Long Operation to continue to add to the existing mine life.

The initial open pit mineral resources for the Tropicana Joint Venture (AngloGold Ashanti 70%, IGO 30%) were announced in December 2007 for the Tropicana and Havana zones. Indicated and inferred resources totalled 62.8 million tonnes at 2.01 g/t for 4.1 million ounces of contained gold.

A Pre-feasibility Study is progressing with results anticipated to be announced in the March quarter of 2009 with a base case modelled on a 5.5Mtpa plant for an operation producing in excess of 300,000 ounces of gold per annum over a 9-10 year period.



Ongoing drilling since the resource cut-off date in October 2007 is expected to further increase the project mineral resource base. Numerous other regional targets remain to be tested at the Tropicana project with the aim of defining additional mill feed within an economic trucking distance of the proposed plant site.

A number of other projects where early stage work has returned encouraging exploration results will also be advanced, such as Karlawinda, Holleton, Duketon JV and the Wiluna JV.

OUTLOOK

Independence is focused on continuing to expand the Long nickel mine reserve base and on solid operational performance. Forecast production for financial year 2009 is 230,000 to 250,000 tonnes at 3.8% nickel for production of 8,400 to 8,800 tonnes of contained nickel.

A Pre-feasibility Study at the Tropicana Joint Venture with AngloGold Ashanti Australia Ltd is progressing and is expected to be completed in the March quarter 2009. The Study is focused on open-cut resources at the Tropicana and Havana zones only.

An updated JORC compliant open-cut resource on the Tropicana and Havana Zones is expected to be released with the results of the Pre-feasibility Study. Regional exploration is continuing on the Joint Venture's 12,500 square kilometre tenement holding.

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES
ABN 46 092 786 304

PRELIMINARY FINAL REPORT INFORMATION – 1 JULY 2007 TO 30 JUNE 2008

LODGED WITH THE ASX UNDER LISTING RULE 4.3A

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INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES
ABN 46 092 786 304

PRELIMINARY FINAL REPORT INFORMATION – 1 JULY 2007 TO 30 JUNE 2008
LODGED WITH THE ASX UNDER LISTING RULE 4.3A

Key Information – Results for Announcement to the Market

	\$'000	% Increase/(Decrease) over Previous Corresponding Period
Revenue from ordinary activities	149,145	(34%)
Profit from ordinary activities after tax attributable to members	51,538	(51%)
Net profit attributable to members	51,538	(51%)

The previous corresponding period is the year ended 30 June 2007.

	2008	2007
Basic earnings per share (cents)	44.54	92.80
Diluted earnings per share (cents)	43.82	90.38
Net tangible assets per share (cents)	133.08	78.93

The major factor contributing to the above decreases was that spot nickel prices during the 2008 period were significantly lower (by approximately A\$16,769/tonne) than in the previous corresponding period.

The Company paid a fully franked interim dividend of 5 cents per share from 2007/8 profits. The Company has announced a fully franked 2007/8 final dividend of 5 cents per share will be paid on 18 September 2008. The record date for determining dividend entitlements is 8 September 2008.

On 8 August 2008 the Company announced an on-market buy-back of up to 11,470,000 of its listed shares.

The Company has a 50% interest in associated company Southstar Diamonds Limited. The investment has been written off in the Company's financial accounts.

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

The accounts are currently being audited by BDO Kendalls who have advised that the accounts are not likely to be subject to dispute or qualification.

Review of Operations

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

	Segment revenues		Segment results	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Nickel mining	137,665	222,933	87,423	160,374
Exploration activities	-	-	(13,224)	(9,259)
Intersegment eliminations	-	-	-	-
Unallocated revenue	11,480	3,609	-	-
	<u>149,145</u>	<u>226,542</u>	<u>74,199</u>	<u>151,115</u>
Unallocated revenue less unallocated expenses			-	-
Profit from ordinary activities before income tax expense			74,199	151,115
Income tax expense			(22,661)	(45,768)
Profit from ordinary activities after income tax expense			51,538	105,347
Loss from extraordinary item after income tax			-	-
Net profit attributable to members of Independence Group NL			<u>51,538</u>	<u>105,347</u>

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 \$76.9 million (50.9%) to \$74.2 million.

The major factors contributing to the decrease in profit was that spot nickel prices during the 2008 period were considerably lower (by approximately A\$16,769/tonne) than in 2007.

Rounding of amounts to nearest thousand dollars

The company is of a kind referred to in Class Order 98/0100 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.

Consolidated Income Statement
For the year ended 30 June 2008

	2008	2007
	\$'000	\$'000
Revenue from operating activities	137,665	222,933
Revenue from outside the operating activities	11,480	3,609
Total revenue	149,145	226,542
Mining and development costs	(20,262)	(20,714)
Employee benefits expense	(18,529)	(16,316)
Share-based payment expense	(930)	(1,336)
Revaluation/(devaluation) of listed investments	(5,326)	6,585
Provision for diminution in loan to associated entity	(1,325)	-
Write off investment in associated entity	(564)	-
Depreciation and amortisation expenses	(8,800)	(9,956)
Borrowing costs expense	(106)	(226)
Exploration costs expensed	(1,279)	(57)
Capitalised exploration costs written off	(1,208)	(11,360)
Provision for mine rehabilitation	(417)	-
Ore tolling costs	(8,913)	(8,928)
Royalty expense	(4,651)	(9,040)
Other expenses	(2,636)	(4,079)
Profit before income tax expense	74,199	151,115
Income tax expense	(22,661)	(45,768)
Net profit attributable to members	51,538	105,347
	Cents	Cents
Basic earnings per share	44.54	92.80
Diluted earnings per share	43.82	90.38

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

Consolidated Balance Sheet

As at 30 June 2008

	Notes	30 June 2008 \$'000	30 June 2007 \$'000
Current assets			
Cash and cash equivalents		145,384	151,986
Trade and other receivables		22,206	28,130
Inventories		369	302
Financial assets	3	18,913	25,456
Total current assets		<u>186,872</u>	<u>205,874</u>
Non-current assets			
Trade and other receivables		25	925
Investments in equity accounted investees		-	564
Property, plant and equipment		6,108	8,525
Exploration and development expenditure	4	47,501	19,584
Deferred tax assets		9,558	38,243
Mine acquisition and pre-production costs		1,751	1,896
Total non-current assets		<u>64,943</u>	<u>69,737</u>
Total assets		<u>251,815</u>	<u>275,611</u>
Current liabilities			
Trade and other payables		19,114	15,598
Borrowings		632	1,390
Current tax payable		-	31,067
Financial liabilities		20,722	112,646
Total current liabilities		<u>40,468</u>	<u>160,701</u>
Non-current liabilities			
Borrowings		-	521
Deferred tax liabilities		16,043	9,786
Provisions		2,347	1,722
Total non-current liabilities		<u>18,390</u>	<u>12,029</u>
Total liabilities		<u>58,858</u>	<u>172,730</u>
Net assets		<u>192,957</u>	<u>102,881</u>
Equity			
Share capital	5	29,481	26,621
Reserves	6	(2,156)	(57,452)
Retained earnings	6	165,632	133,712
Total equity		<u>192,957</u>	<u>102,881</u>

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

Consolidated Cash Flow Statement
For the year ended 30 June 2008

	2008 \$'000	2007 \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	137,975	240,242
Payments to suppliers and employees (inclusive of goods and services tax)	(51,348)	(54,035)
	86,627	186,207
Interest received	10,272	3,082
Borrowing costs	(106)	(226)
Income tax payment	(51,087)	(27,468)
Other income	76	527
Net cash inflow from operating activities	45,782	162,122
Cash flows from investing activities		
Payment for purchase of mine prospects	(4,000)	-
Payments for listed investments	(1,140)	(855)
Proceeds from sale of listed investments	3,690	-
Payments for property, plant and equipment	(2,533)	(6,782)
Proceeds from sale property, plant and equipment	580	-
Payments for capitalised development costs	(4,513)	(4,231)
Payments for exploration and evaluation expenditure	(26,007)	(10,348)
Loans to associated company	(425)	(550)
Net cash (outflow) from investing activities	(34,348)	(22,766)
Cash flows from financing activities		
Proceeds from issues of shares	2,860	2,575
Repayment of borrowings	(1,279)	(1,296)
Payment of dividends	(19,617)	(14,779)
Net cash (outflow) from financing activities	(18,036)	(13,500)
Net increase/(decrease) in cash held	(6,602)	125,856
Cash and cash equivalents at the beginning of the reporting period	151,986	26,130
Effects of exchange rate changes on cash	-	-
Cash and cash equivalents at the end of the reporting period	145,384	151,986

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

Consolidated Statement of Changes in Equity
For the year ended 30 June 2008

CONSOLIDATED	Issued Capital	Retained Earnings	Other Reserves	Total Equity
	\$'000	\$'000	\$'000	\$'000
At 1 July 2006	23,076	43,144	(18,291)	47,929
(Loss) on cashflow hedges	-	-	(40,497)	(40,497)
Total income and expense for the year recognised directly in equity	-	-	(40,497)	(40,497)
Profit for the year	-	105,347	-	105,347
Total recognised income/expense for the year	-	105,347	(40,497)	64,850
Cost of share-based payment	-	-	1,336	1,336
Exercise of options	2,575	-	-	2,575
Issue fully paid shares	970	-	-	970
Equity dividends	-	(14,779)	-	(14,779)
At 30 June 2007	26,621	133,712	(57,452)	102,881
 At 1 July 2007	 26,621	 133,712	 (57,452)	 102,881
Profit on cashflow hedges	-	-	54,366	54,366
Total income and expense for the year recognised directly in equity	-	-	54,366	54,366
Profit for the year	-	51,538	-	51,538
Total recognised income/expense for the year	-	51,538	54,366	105,904
Cost of share-based payment	-	-	930	930
Exercise of options	2,860	-	-	2,860
Equity dividends	-	(19,618)	-	(19,618)
At 30 June 2008	29,481	165,632	(2,156)	192,957

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 year ended 30 June 2008

Note 1. Segment information

Primary reporting – business segments

Year	Nickel mining \$'000	Exploration activities \$'000	Inter-segment eliminations/ unallocated \$'000	Consolidated \$'000
2008				
Total segment revenue	137,665	-	-	137,665
Unallocated revenue				11,480
Revenue from ordinary activities				149,145
Segment result	87,423	(13,224)	-	74,199
Unallocated revenue less unallocated expenses				-
Profit before income tax expense				74,199
Year				
2007				
Total segment revenue	222,933	-	-	222,933
Unallocated revenue				3,609
Revenue from ordinary activities				226,542
Segment result	160,374	(9,259)	-	151,115
Unallocated revenue less unallocated expenses				-
Profit before income tax expense				151,115

Note 2. Revenue

	2008 \$'000	2007 \$'000
Revenue from operating activities		
Sale of goods	137,665	222,933
Revenue from outside operating activities		
Interest	10,252	3,082
Other revenue	1,228	527
Total revenue	149,145	226,542

Note 3. Financial assets

Current

Foreign exchange gain	9,444	10,352
Investment in Australian listed entities at market value	9,469	15,104
Total	18,913	25,456

Notes to the Consolidated Financial Statements
For the year ended 30 June 2008

Note 4. Exploration and development expenditure

	2008	2007
	\$'000	\$'000
Exploration and evaluation expenditure:		
Opening balance	12,339	15,753
Current year's expenditure	28,557	11,318
Written off during the year	(1,208)	(11,360)
Amortisation expense	(2,356)	(3,372)
	37,332	12,339
Development expenditure:		
Opening balance	7,245	4,104
Current year's expenditure	4,512	4,231
Amortisation expense	(1,588)	(1,090)
	10,169	7,245
	47,501	19,584

Note 5. Contributed equity

	2008	2007	2008	2007
	No. of Shares	No. of Shares	\$'000	\$'000
	'000	'000	\$'000	\$'000
Issues of ordinary shares during the year				
Exercise of options issued under the Independence Group NL Employee Option Plan	931	766	1,454	838
Fully paid shares issued to Goldsearch Ltd	-	200	-	970
Directors options converted at \$1.03 each	650	475	669	489
Directors options converted at \$1.33 each	375	750	460	997
Unlisted options converted at \$1.16 each	272	250	316	290
	116,940	114,712	29,481	26,583
Partly paid unlisted options	-	375	-	38
			29,481	26,621

Note 6. Other Information

	2008	2007
	\$'000	\$'000
(a) Reconciliation of retained earnings		
Balance at the beginning of the year	133,712	43,144
Net profit attributable to members of Independence Group NL	51,538	105,347
Total available for appropriation	185,250	148,491
Dividends paid during the year	(19,618)	(14,779)
Balance at the end of the year	165,262	133,712
(b) Dividends paid		
Dividends paid during the year (fully franked)	19,618	14,779
(c) Reserves		
Share-based payment reserve	3,765	2,835
Hedge reserve	(5,921)	(60,287)
	(2,156)	(57,452)

Notes to the Consolidated Financial Statements
For the year ended 30 June 2008

Note 7. Subsequent events

On 29 August 2008 the Company announced a final 2007/8 dividend of 5 cents per share. The dividend will be fully franked and is payable on 18 September 2008. The record date for determining dividend entitlements is 8 September 2008.

On 8 August 2008 the Company announced an on-market buy-back of up to 11,470,000 of its listed shares.