



24 February 2010

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

NO. OF PAGES : (17)

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 2009.

The Company’s profit guidance announcement dated 29 January 2010 provided estimated and unaudited revenue and profit before tax results of \$52.963 million and \$16.301 million respectively. An estimate of net profit after tax was not provided.

The final half year statements have now been subject to an audit review and nickel price and foreign exchange rates have been updated to reflect more recent market prices.

The final half year results are as follows:-

Revenue and other income	\$54.337 million
Profit before income tax	\$17.675 million
Net profit after income tax	\$12.675 million

Interim Dividend

The directors hereby announce that a fully franked dividend of 2 cents will be paid to shareholders on 18 March 2010. The record date of the dividend will be 2 March 2010.

CHRISTOPHER BONWICK
Managing Director

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES
ABN 46 092 786 304

HALF-YEAR INFORMATION – 1 JULY 2009 TO 31 DECEMBER 2009

LODGED WITH THE ASX UNDER LISTING RULE 4.2A

CONTENTS	PAGE
Key Information – Results for Announcement to the Market	2
Half-year Report	
Directors' Report	3
Auditor's Independence Declaration	5
Consolidated Statement of Comprehensive Income	6
Consolidated Statement of Financial Position	7
Consolidated Statement of Cash Flows	8
Consolidated Statement of Changes in Equity	9
Notes to the Financial Statements	10
Directors' Declaration	14
Independent Review Report to the Members	15

The interim financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 30 June 2009 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 2009 TO 31 DECEMBER 2009 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	54,337	23.4
Profit after tax attributable to members	12,675	10,204.9
Net profit attributable to members	12,675	10,204.9

The previous corresponding period is the half-year ended 31 December 2008.

	2009	2008
Basic earnings per share (cents)	11.15	0.11
Diluted earnings per share (cents)	11.14	0.11
Net tangible assets per share (cents)	129.93	124.57

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

- Spot nickel prices during the 2009 half year period were 6% higher than in the previous corresponding period, resulting in higher revenue per tonne of nickel produced.
- The value of listed investments decreased significantly in the 2008 half year period due to the effect of falling commodity prices, resulting in an expense of \$9,149 thousand in the 2008 half year period. The decrease in value of listed investments in the 2009 half year period was considerably less (\$761 thousand) which contributed to a significantly higher profit when compared to the previous corresponding period.

The Company paid a final 2008/9 fully franked dividend of 3 cents per share in September 2009. The Company will pay an interim dividend of 2 cents per share on 18 March 2010. The record date of the dividend will be 4 March 2010.

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

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

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES

ABN 46 092 786 304

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 2009.

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>
O Aamodt (Chairman)	2005
C M Bonwick (Managing Director)	2000
K A Ross	2002
J A Christie	2002
R J Marston	2001
P Bilbe	2009

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	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Long nickel mine	53,953	43,656	23,685	16,107
Tropicana gold project	-	-	-	-
Other regional exploration	-	45	(2,583)	(2,160)
Unallocated revenue	384	344	--	-
	<u>54,337</u>	<u>44,045</u>	<u>21,102</u>	<u>13,947</u>
Unallocated revenue less unallocated expenses			(3,427)	(11,974)
Profit before income tax expense			17,675	1,973
Income tax expense			(5,000)	(1,850)
Profit after income tax expense			<u>12,675</u>	<u>123</u>
Net profit attributable to members of Independence Group NL			<u>12,675</u>	<u>123</u>

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

- Long nickel mine
This division consists of Lightning Nickel Pty Ltd's Kambalda operation, the Long Nickel Mine.
- Tropicana gold project
This division consists of the Group's expenditure on the Tropicana Joint Venture. The project is currently the subject of a feasibility study into the development and construction of a gold mine. The project is managed by AngloGold Ashanti Australia Limited (70%) and the Company has a 30% interest in the project.
- Other regional exploration
Exploration expenditure is incurred throughout Australia. The exploration activities reflected in this segment relate to exploration expenditure incurred on projects excluding Tropicana and expenditure at the Long Nickel Mine.

Profit before related income tax expense increased by \$15,702 thousand (796%) to \$17,675 thousand.

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

- Spot nickel prices during the 2009 half year period were 6% higher than in the previous corresponding period, resulting in higher revenue per tonne of nickel produced.
- The value of listed investments decreased significantly due to the effect of falling commodity prices, resulting in an expense of \$9,149 thousand in the 2008 half year period, whereas the expense in the 2009 half year period was significantly less (\$761 thousand).

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES

ABN 46 092 786 304

Directors' Report (continued)

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 4(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 2009.

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 statements. Amounts in the directors' report and financial statements 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
24 February 2010

24 February 2010

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

**DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF
INDEPENDENCE GROUP NL**

As lead auditor for the review of Independence Group NL for the half-year ended 31 December 2009, 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 Independence Group NL and the entities it controlled during the period.



Glyn O'Brien

Director



BDO Audit (WA) Pty Ltd

Perth, Western Australia

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES
ABN 46 092 786 304

Consolidated Statement of Comprehensive Income
For the six months ended 31 December 2009

	31 December 2009 \$'000	31 December 2008 \$'000
Revenue from continuing operations	52,021	39,906
Other income	2,316	4,139
Total revenue	54,337	44,045
Raw materials and consumables used	(9,055)	(8,192)
Employee benefits expense	(9,638)	(9,355)
Share-based payment expense	(43)	(94)
Impairment of listed investments	(761)	(9,149)
Provision for diminution on loan to associated company	-	(63)
Depreciation and amortisation expenses	(5,669)	(5,413)
Finance costs	-	(13)
Exploration costs expensed	(849)	(812)
Gain on sale of non-current asset	-	-
Capitalised exploration costs written off	(2,258)	(3,068)
Provision for mine rehabilitation	(14)	-
Reversal of mine rehabilitation provision	-	1,321
Ore tolling costs	(3,590)	(4,500)
Royalty expense	(2,565)	(1,039)
Other expenses	(2,220)	(1,695)
Profit before income tax expense	17,675	1,973
Income tax expense	(5,000)	(1,850)
Profit for the period	12,675	123
Other Comprehensive Income		
Effective portion of changes in fair value of cash flow hedges	(5,243)	6,370
Other comprehensive income for the half year, net of tax	(5,243)	6,370
Total comprehensive income for the period	7,432	6,493
Profit attributable to the members of Independence Group NL	12,675	123
Total comprehensive income for the period attributable to the members of Independence Group NL	7,432	6,493
	Cents	Cents
Basic earnings per share	11.15	0.11
Diluted earnings per share	11.14	0.11

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

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES
ABN 46 092 786 304

Consolidated Statement of Financial Position
As at 31 December 2009

	Notes	31 December 2009 \$'000	30 June 2009 \$'000
Current assets			
Cash and cash equivalents		137,115	127,238
Current tax receivable		2,604	1,393
Trade and other receivables		18,919	25,646
Inventories		274	310
Other financial assets	4	5,465	2,445
Total current assets		<u>164,377</u>	<u>157,032</u>
Non-current assets			
Trade and other receivables		29	30
Deferred tax assets		10,604	6,367
Other financial assets	4	2,066	20
Property, plant and equipment		4,734	6,108
Exploration, evaluation and development expenditure		71,577	58,791
Mine acquisition and pre-production costs		1,289	1,394
Intangible assets		1,144	1,281
Total non-current assets		<u>91,443</u>	<u>73,991</u>
Total assets		<u>255,820</u>	<u>231,023</u>
Current liabilities			
Trade and other payables		14,725	13,338
Other financial liabilities	4	11,063	392
Total current liabilities		<u>25,788</u>	<u>13,730</u>
Non-current liabilities			
Deferred tax liabilities		22,120	17,438
Other financial liabilities	4	7,182	3,214
Provisions		1,184	1,205
Total non-current liabilities		<u>30,486</u>	<u>21,857</u>
Total liabilities		<u>56,274</u>	<u>35,587</u>
Net assets		<u>199,546</u>	<u>195,436</u>
Equity			
Contributed equity		29,122	29,078
Reserves	4	(2,754)	2,446
Retained earnings		173,178	163,912
Total equity		<u>199,546</u>	<u>195,436</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES
ABN 46 092 786 304

Consolidated Statement of Cash Flows
For the six months ended 31 December 2009

	Half Year	
	31 Dec 2009	31 Dec 2008
	'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	61,059	36,022
Payments to suppliers and employees (inclusive of goods and services tax)	(27,105)	(28,562)
	<u>33,954</u>	<u>7,460</u>
Borrowing costs	-	(13)
Income taxes paid	(3,518)	(10,859)
Other income	8	51
Net cash provided by/(used in) operating activities	<u>30,444</u>	<u>(3,361)</u>
Cash flows from investing activities		
Proceeds – sale of property, plant and equipment	-	190
Purchase of property, plant and equipment	(380)	(1,368)
Payments for exploration and development expenditure	(18,717)	(14,785)
Interest received	1,896	4,072
Loans to associated company	-	(62)
Net cash used in investing activities	<u>(17,201)</u>	<u>(11,953)</u>
Cash flows from financing activities		
Proceeds from issues of share capital	43	62
Payments to buy-back shares	-	(10,697)
Repayment of borrowings	-	(604)
Dividends paid	(3,409)	(5,825)
Net cash used in financing activities	<u>(3,366)</u>	<u>(17,064)</u>
Net increase/(decrease) in cash and cash equivalents held	9,877	(32,378)
Cash and cash equivalents at the beginning of the reporting period	127,238	145,384
Cash and cash equivalents at the end of the reporting period	<u>137,115</u>	<u>113,006</u>

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

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES
ABN 46 092 786 304

Consolidated Statement of Changes in Equity
For the six months ended 31 December 2009

CONSOLIDATED	Contributed Equity	Retained Earnings	Share Based Payment Reserve	Hedging Reserve	Total Equity
	\$'000	\$'000		\$'000	\$'000
At 1 July 2008	29,481	165,632	3,766	(5,922)	192,957
Total comprehensive income for the period					
Profit for the period	-	123	-	-	123
Other comprehensive income					
Profit on cash flow hedges, net of tax	-	-	-	6,370	6,370
Total comprehensive income for the period	-	123	-	6,370	6,493
Contributions by and distributions to owners					
Cost of share-based payment	-	-	94	-	94
Exercise of options	63	-	-	-	63
Cost of share buy-back	(948)	(9,749)	-	-	(10,697)
Dividends to equity holders	-	(5,825)	-	-	(5,825)
At 31 December 2008	28,596	150,181	3,860	448	183,085
At 1 July 2009	29,078	163,912	3,954	(1,508)	195,436
Total comprehensive income for the period					
Profit for the period	-	12,675	-	-	12,675
Other comprehensive income					
Profit on cash flow hedges, net of tax	-	-	-	(5,243)	(5,243)
Total comprehensive income for the period	-	12,675	-	(5,243)	7,432
Contributions by and distributions to owners					
Cost of share-based payment	-	-	43	-	43
Exercise of options	44	-	-	-	44
Dividends to equity holders	-	(3,409)	-	-	(3,409)
At 31 December 2009	29,122	173,178	3,997	(6,751)	199,546

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

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES

ABN 46 092 786 304

Notes to the Consolidated Financial Statements
For the six months ended 31 December 2009

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

These consolidated half year financial statements have 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*.

These half year financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2009, which were prepared based on Australian equivalents to International Financial Reporting Standards ('AIFRS') and any public announcements made by Independence Group NL during the half year 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 half year reporting period with the exception of the application of AASB 8 Operating Segments. The Group has applied AASB 8 Operating Segments from 1 July 2009. AASB 8 requires a "management approach" under which segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are now reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker, which has been identified as the board of Independence Group NL. This has resulted in a change in the operating segment information presented, in that exploration expenditure incurred at the Long Nickel Mine is now incorporated in the Nickel mining segment, whereas it was previously included in the Exploration segment. Expenditure on the Tropicana Gold Project has also been presented in a separate segment due to the project being the subject of a Feasibility Study. Comparative information has also been re-presented in conformity with the transitional requirements of AASB 8. Since the change in accounting policy only impacts presentation and disclosure aspects, there is no impact on earnings per share.

The Group applies revised AASB 101 Presentation of Financial Statements (2007) which became effective as of 1 January 2009. As a result, the Group presents in the consolidated statement of changes in equity all owner changes in equity, whereas all non-owner changes in equity are presented in the consolidated statement of comprehensive income. This presentation has been applied in these half year financial statements as of and for the half year period ending 31 December 2009. Comparative information has also been re-presented so that it is in conformity with the revised standard. There is no impact on earnings per share for the current or the previous half year period.

Note 2. Segment information

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the board that are used to make strategic decisions. The Group operates in only one geographic segment (ie. Australia) and has identified three operating segments, being the Long Nickel Mine which is disclosed under the Nickel mining segment, the Tropicana Project, and "other exploration" which is disclosed under Regional exploration activities.

The Long Nickel Mine produces nickel and copper from which its revenue is derived. All revenue derived by the Long Nickel Mine is received from one customer being BHP Billiton Nickel West Pty Ltd. The General Manager of the Long Nickel Mine is responsible for the budgets and expenditure of the mine, which includes exploration activities on the mine's tenure. The Long Nickel Mine and exploration properties are owned by the Group's subsidiary Lightning Nickel Pty Ltd.

The Tropicana Project represents the Group's 30% joint venture interest in the Tropicana Gold Project. AngloGold Ashanti Australia is the manager of the project and holds the remaining 70% interest. Programs and budgets are provided by AngloGold Ashanti Australia and are considered for approval by the Independence Group NL board. The project is currently the subject of a feasibility study to consider the construction and development of a gold mine on the joint venture tenure. It is therefore allocated its own segment.

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES

ABN 46 092 786 304

Notes to the Consolidated Financial Statements
For the six months ended 31 December 2009

Note 2. Segment information (continued)

The Group's Exploration Manager is responsible for budgets and expenditure by the Group's regional exploration team. The Regional exploration division does not normally derive any income. Should a project generated by the Regional exploration division commence generating income or lead to the construction or acquisition of a mining operation, that operation would then be disaggregated from Regional exploration and become reportable as a separate segment.

2008 comparative information has been reclassified to be comparable with the current half year segment information.

(b) Segment information provided to the board

Half-year 2009	Nickel mining \$'000	Tropicana project \$'000	Regional exploration activities \$'000	Total \$'000
External revenue	53,953	-	-	53,953
Inter-segment revenue	-	-	-	-
Reportable segment profit before income tax expense	23,685	-	(2,583)	21,102
Reportable segment assets	186,404	28,711	13,865	228,980

Half-year 2008	Nickel mining \$'000	Tropicana project \$'000	Regional exploration activities \$'000	Total \$'000
External revenue	43,656	-	45	43,701
Inter-segment revenue	-	-	-	-
Reportable segment profit before income tax expense	16,107	-	(2,160)	13,947
Reportable segment assets	165,682	17,448	10,498	193,628

A reconciliation of reportable segment profit or loss to operating profit before income tax is provided as follows:

	Consolidated	
	31 Dec 2009	31 Dec 2008
	'000	\$'000
Total profit or loss for reportable segments	21,102	13,947
Intersegment eliminations	-	-
Interest revenue	384	336
Unrealised financial instrument gains/(losses)	(761)	(9,149)
Share based payment expense	(43)	(94)
Other corporate costs	(3,007)	(3,067)
Profit before income tax from continuing operations	17,675	1,973

The amounts provided to the board with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES

ABN 46 092 786 304

Notes to the Consolidated Financial Statements

For the six months ended 31 December 2009

Note 3. Equity securities issued

	Half-year		Half-year	
	2009	2008	2009	2008
	No. of Shares	No. of Shares	\$'000	\$'000
Issues of ordinary shares during the half-year				
Exercise of options issued under the Independence Group NL Employee Option Plan	37	65	44	62

Note 4. Other information

(a) Reconciliation of retained profits

Balance at the beginning of the half-year	163,912	165,632
On-market share buy-back	-	(9,749)
Net profit attributable to members of Independence Group NL	12,675	123
Total available for appropriation	176,587	156,006
Dividends paid during the half-year	(3,409)	(5,825)
Balance at the end of the half-year	173,178	150,181

(b) Dividends paid on ordinary shares

(i) Dividends paid during the half-year (3 cents per share fully franked)	3,409	5,825
---	-------	-------

(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 18 March 2010 out of retained profits at 31 December 2009, but not recognised as a liability at the end of the half year, is \$2,273 thousand.

31 December	30 June
2009	2009
\$'000	\$'000

(c) Other financial assets

Current

Forward foreign exchange contracts	5,051	1,270
Investment in listed entities at fair value	414	1,175
	5,465	2,445

Non-current

Forward foreign exchange contracts	2,066	20
------------------------------------	-------	----

(d) Other financial liabilities

Current

Forward foreign exchange contracts	-	392
Futures commodity contracts	11,063	-
	11,063	392

Non-current

Futures commodity contracts	7,182	3,214
-----------------------------	-------	-------

(e) Reserves

Share-based payment reserve	3,997	3,954
Hedged instruments reserve	(6,751)	(1,508)
	(2,754)	2,446

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES

ABN 46 092 786 304

Notes to the Consolidated Financial Statements
For the six months ended 31 December 2009

Note 4. Other information (continued)

(f) Property, plant and equipment

During the period the Company purchased mining machinery costing \$194 thousand. The Company sold no mining machinery during the period.

(g) 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 \$2,258 thousand has been written off during the 2009 half year period.

Note 5. Contingent assets and liabilities

(a) Contingent assets

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

(b) Contingent liabilities

Guarantees relating to environmental and rehabilitation bonds have increased to \$1,389 thousand (June 2009: \$768 thousand). There have been no other changes in contingent liabilities since the last annual reporting date.

Note 6. Events subsequent to balance date

After the end of the reporting period, on 24 February 2010 the board of directors resolved to pay fully franked dividends of 2 cents for every ordinary share held (see note 4(b) for details).

Note 7. Capital commitments

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

Note 8. Rounding of amounts

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 statements. Amounts in the directors' report and financial statements have been rounded off to the nearest thousand dollars in accordance with that Class Order.

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES

ABN 46 092 786 304

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 13:
 - (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 2009 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
24 February 2010

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

Matters Relating to the Electronic Presentation of the Half-Year Financial Report

This auditor's report relates to the half-year financial report of Independence Group NL for the period ended 31 December 2009 included on Independence Group NL's web site. The disclosing entity's directors are responsible for the integrity of Independence Group NL's web site. We have not been engaged to report on the integrity of Independence Group NL's web site. The auditor's review report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this half-year report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information included in the reviewed half-year financial report presented on this web site.

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Independence Group NL, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 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 controls 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 2009 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 2009 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 Audit (WA) Pty Ltd

A handwritten signature in blue ink, appearing to read 'Glyn O'Brien', with the letters 'BDO' written above it.

Glyn O'Brien

Director

Perth, Western Australia

Dated 24th Day of February 2010