



21 February 2011

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 2010.

The Company’s profit guidance announcement dated 18 January 2011 provided estimated and unaudited revenue and profit before tax results of \$75.380 million and \$30.229 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	\$77.626 million
Profit before income tax	\$31.785 million
Net profit after income tax	\$22.627 million

Interim Dividend

The directors hereby announce that a fully franked dividend of 4 cents will be paid to shareholders on 18 March 2011. The record date of the dividend will be 9 March 2011.

CHRISTOPHER BONWICK
Managing Director

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES
ABN 46 092 786 304

HALF-YEAR INFORMATION – 1 JULY 2010 TO 31 DECEMBER 2010

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 2010 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 2010 TO 31 DECEMBER 2010
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	77,626	42.9
Profit after tax attributable to members	22,627	78.5
Net profit attributable to members	22,627	78.5

The previous corresponding period is the half-year ended 31 December 2009.

	2010	2009
Basic earnings per share (cents)	19.03	11.15
Diluted earnings per share (cents)	18.99	11.14
Net tangible assets per share (cents)	235.91	129.93

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

- Spot nickel prices during the 2010 half year period were approximately 17% higher than in the previous corresponding period, resulting in higher revenue per tonne of nickel produced.
- The production of nickel was approximately 21% higher than in the previous corresponding period, which contributed to significantly higher revenue than in the previous corresponding period.

The Company paid a final 2009/10 fully franked dividend of 3 cents per share in September 2010. The Company will pay an interim dividend of 4 cents per share on 18 March 2011. The record date of the dividend will be 9 March 2011.

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 2010.

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

O Aamodt (Chairman)
 C M Bonwick (Managing Director)
 K A Ross
 J A Christie
 R J Marston
 P Bilbe

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	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
Long nickel mine	76,077	53,953	36,563	23,685
Tropicana gold project	-	-	-	-
Other regional exploration	-	-	(2,324)	(2,583)
Unallocated revenue	1,549	384	--	-
	<u>77,626</u>	<u>54,337</u>	<u>34,239</u>	21,102
Unallocated revenue less unallocated expenses			(2,454)	(3,427)
Profit before income tax expense			31,785	17,675
Income tax expense			(9,158)	(5,000)
Profit after income tax expense			22,627	12,675
Net profit attributable to members of Independence Group NL			22,627	12,675

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

- a) Long nickel mine
 This division consists of Lightning Nickel Pty Ltd's Kambalda operation, the Long Nickel Mine.
- b) Tropicana gold project
 This division consists of the Group's expenditure on the Tropicana Joint Venture. Development and construction of a gold mine and processing plant has been approved for the project. The project is managed by AngloGold Ashanti Australia Limited (70%) and the Company has a 30% interest in the project.
- c) 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 \$14,110 thousand (80%) to \$31,785 thousand.

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

- Spot nickel prices during the 2010 half-year period were approximately 17% higher than in the previous corresponding period, resulting in higher revenue per tonne of nickel produced.
- The production of nickel was approximately 21% higher than in the previous corresponding period, which contributed to significantly higher revenue than in the previous corresponding period.

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 4 cents for every ordinary share held (see note 4(b) for details).

Since the end of the reporting period, the Company announced a takeover bid for Jabiru Metals Limited, a copper, zinc and silver producer listed on the ASX (code JML). The takeover offer is 1 share in Independence Group NL for every 8 JML shares held. Prior to announcing the bid, the Company acquired 10.1% of JML's issued shares via a pre-bid agreement with Metals X Limited, a substantial shareholder. The pre-bid shares were acquired off market at a total cost of \$48.1 million and Metals X Limited also agreed to accept the Company's takeover offer for a further 52.5 million shares. Once these shares have been acquired via the takeover bid, the Company will hold 19.9% of JML's issued shares.

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 2010.

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
21 February 2011

21 February 2011

The Directors
Independence Group NL
PO Box 893
SOUTH PERTH WA 6951

Dear Sirs,

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 2010, 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.



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 2010

	31 December 2010 \$'000	31 December 2009 \$'000
Revenue from continuing operations	73,176	52,021
Other income	4,450	2,316
Raw materials and consumables used	(9,862)	(9,055)
Employee benefits expense	(11,777)	(9,638)
Share-based payment expense	(10)	(43)
Fair value movement of listed investments	1,104	(761)
Depreciation and amortisation expenses	(9,939)	(5,669)
Exploration costs expensed	(1,185)	(849)
Capitalised exploration costs impaired	(1,848)	(2,258)
Provision for mine rehabilitation	(30)	(14)
Ore tolling costs	(4,014)	(3,590)
Royalty expense	(4,042)	(2,565)
Other expenses	(4,238)	(2,220)
	<hr/>	<hr/>
Profit before income tax expense	31,785	17,675
Income tax expense	(9,158)	(5,000)
	<hr/>	<hr/>
Profit for the period	22,627	12,675
Other Comprehensive Income		
Effective portion of changes in fair value of cash flow hedges, net of tax	593	(5,243)
	<hr/>	<hr/>
Other comprehensive income for the half year, net of tax	593	(5,243)
Total comprehensive income for the period	23,220	7,432
	<hr/>	<hr/>
Profit attributable to the members of Independence Group NL	22,627	12,675
Total comprehensive income for the period attributable to the members of Independence Group NL	23,220	7,432
	<hr/>	<hr/>
	Cents	Cents
Basic earnings per share	19.03	11.15
Diluted earnings per share	18.99	11.14

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 2010

	Notes	31 December 2010 \$'000	30 June 2010 \$'000
Current assets			
Cash and cash equivalents		300,187	143,957
Current tax receivable		-	-
Trade and other receivables		29,401	21,565
Inventories		412	257
Other financial assets	4	10,908	3,453
Total current assets		340,908	169,232
Non-current assets			
Trade and other receivables		6	6
Deferred tax assets		16,252	7,267
Other financial assets	4	6,849	3,756
Property, plant and equipment		10,662	5,070
Exploration, evaluation and development expenditure		100,765	86,366
Investments accounted for using the equity method		-	117
Mine acquisition and pre-production costs		436	726
Intangible assets		868	1,006
Total non-current assets		135,838	104,314
Total assets		476,746	273,546
Current liabilities			
Trade and other payables		18,332	17,107
Current tax payable		4,728	2,299
Borrowings		480	-
Other financial liabilities	4	18,689	13,922
Total current liabilities		42,229	33,328
Non-current liabilities			
Deferred tax liabilities		29,165	20,335
Borrowings		937	-
Other financial liabilities	4	7,718	3,696
Provisions		1,459	1,407
Total non-current liabilities		39,279	25,438
Total liabilities		81,508	58,766
Net assets		395,238	214,780
Equity			
Contributed equity		190,194	29,552
Reserves	4	(1,138)	(1,741)
Retained earnings		206,182	186,969
Total equity		395,238	214,780

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 2010

	Half Year	
	31 Dec 2010	31 Dec 2009
	'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	67,590	61,059
Payments to suppliers and employees (inclusive of goods and services tax)	(33,599)	(27,105)
	<u>33,991</u>	<u>33,954</u>
Borrowing costs	-	-
Income taxes paid	(5,074)	(3,518)
Other income	10	8
Net cash provided by/(used in) operating activities	<u>28,927</u>	<u>30,444</u>
Cash flows from investing activities		
Proceeds – sale of property, plant and equipment	11	-
Purchase of property, plant and equipment	(7,240)	(380)
Payments for exploration and development expenditure	(24,110)	(18,717)
Interest received	3,877	1,896
Payments for investments	(398)	-
Net cash used in investing activities	<u>(27,860)</u>	<u>(17,201)</u>
Cash flows from financing activities		
Proceeds from issues of share capital, net of costs	158,577	43
Dividends paid	(3,414)	(3,409)
Net cash provided by/(used in) financing activities	<u>155,163</u>	<u>(3,366)</u>
Net increase/(decrease) in cash and cash equivalents held	156,230	9,877
Cash and cash equivalents at the beginning of the reporting period	<u>143,957</u>	<u>127,238</u>
Cash and cash equivalents at the end of the reporting period	<u><u>300,187</u></u>	<u><u>137,115</u></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 2010

	Contributed Equity	Retained Earnings	Share Based Payment Reserve	Hedging Reserve	Total Equity
	\$'000	\$'000		\$'000	\$'000
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
At 1 July 2010	29,552	186,969	4,040	(5,781)	214,780
Total comprehensive income for the period					
Profit for the period	-	22,627	-	-	22,627
Other comprehensive income					
Profit on cash flow hedges, net of tax	-	-	-	593	593
Total comprehensive income for the period	-	22,627	-	593	23,220
Contributions by and distributions to owners					
Cost of share-based payment	-	-	10	-	10
Exercise of options	1,110	-	-	-	1,110
Other issues of shares during the period, net of costs	159,532	-	-	-	159,532
Dividends to equity holders	-	(3,414)	-	-	(3,414)
At 31 December 2010	190,194	206,182	4,050	(5,188)	395,238

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 2010

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* 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 2010, 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.

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. Construction and development of a gold mine and processing plant has been approved on the joint venture tenure. It is therefore allocated its own segment.

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.

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES
ABN 46 092 786 304

Notes to the Consolidated Financial Statements
For the six months ended 31 December 2010

Note 2. Segment information (continued)

(b) Segment information provided to the board

Half-year 2010	Nickel mining \$'000	Tropicana project \$'000	Regional exploration activities \$'000	Total \$'000
External revenue	76,077	-	-	76,077
Inter-segment revenue	-	-	-	-
Reportable segment profit before income tax expense	36,563	-	(2,324)	34,239
Reportable segment assets	229,896	40,666	18,370	288,932

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

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

	Consolidated	
	31 Dec 2010	31 Dec 2009
	'000	\$'000
Total profit or loss for reportable segments	34,239	21,102
Intersegment eliminations	-	-
Interest revenue not allocated to reportable segments	1,549	384
Unrealised financial instrument gains/(losses)	1,104	(761)
Share based payment expense	(10)	(43)
Other corporate costs	(5,097)	(3,007)
Profit before income tax from continuing operations	31,785	17,675

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 2010

Note 3. Equity securities issued

	Half-year		Half-year	
	2010	2009	2010	2009
	No. of Shares	No. of Shares	\$'000	\$'000
Issues of ordinary shares during the half-year	'000	'000	\$'000	\$'000
Issue of shares under placement & rights issue	24,714	-	164,347	-
Less: Costs	-	-	(4,815)	-
Exercise of options issued under the Independence Group NL Employee Option Plan	250	37	1,110	44

Note 4. Other information

(a) Reconciliation of retained profits

Balance at the beginning of the half-year	186,969	163,912
Net profit attributable to members of Independence Group NL	22,627	12,675
Total available for appropriation	209,596	176,587
Dividends paid during the half-year	(3,414)	(3,409)
Balance at the end of the half-year	206,182	173,178

(b) Dividends paid on ordinary shares

(i) Dividends paid during the half-year (3 cents (2009: 3 cents) per share fully franked)	3,414	3,409
---	-------	-------

(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 4 cents per share. The amount of the proposed dividend expected to be paid on 18 March 2011 out of retained profits at 31 December 2010, but not recognised as a liability at the end of the half year, is \$5,551 thousand.

	31 December	30 June
	2010	2010
	\$'000	\$'000

(c) Other financial assets

Current

Forward foreign exchange contracts	8,669	2,832
Investment in unlisted entities	514	-
Investment in listed entities at fair value	1,725	621
	10,908	3,453

Non-current

Forward foreign exchange contracts	6,849	-
Commodity hedging gain	-	3,756
	6,849	3,756

(d) Other financial liabilities

Current

Commodity hedging loss	18,689	13,922
------------------------	--------	--------

Non-current

Forward foreign exchange contracts	7,718	3,696
------------------------------------	-------	-------

(e) Reserves

Share-based payment reserve	4,050	4,040
Hedged instruments reserve	(5,188)	(5,781)
	(1,138)	(1,741)

INDEPENDENCE GROUP NL AND CONTROLLED ENTITIES

ABN 46 092 786 304

Notes to the Consolidated Financial Statements
For the six months ended 31 December 2010

Note 4. Other information (continued)

(f) Property, plant and equipment

During the period the Company purchased mining machinery costing \$7,240 thousand (2009: \$380 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 \$1,848 thousand has been written off during the 2010 half year period (2009: \$2,258 thousand).

Note 5. Contingent assets and liabilities

(a) Contingent assets

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

(b) Contingent liabilities

Guarantees relating to environmental and rehabilitation bonds have increased to \$1,769 thousand (June 2010: \$1,607 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 21 February 2011 the board of directors resolved to pay fully franked dividends of 4 cents for every ordinary share held (see note 4(b) for details).

Since the end of the reporting period, the Company announced a takeover bid for Jabiru Metals Limited, a copper, zinc and silver producer listed on the ASX (code JML). The takeover offer is 1 share in Independence Group NL for every 8 JML shares held. Prior to announcing the bid, the Company acquired 10.1% of JML's issued shares via a pre-bid agreement with Metals X Limited, a substantial shareholder. The pre-bid shares were acquired off market at a total cost of \$48.1 million and Metals X Limited also agreed to accept the Company's takeover offer for a further 52.5 million shares. Once these shares have been acquired via the takeover bid, the Company will hold 19.9% of JML's issued shares.

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 2010 and of its performance 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
21 February 2011



Tel: +8 6382 4600
Fax: +8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

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

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 2010, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year's 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 of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a 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 consolidated entity's financial position as at 31 December 2010 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*, which has been given to the directors of Independence Group NL, would be in the same terms if given to the directors as at the time of this auditor's report.



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 2010 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. The signature consists of the letters 'BDO' in a large, bold, sans-serif font, followed by a stylized signature that appears to be 'Glyn O'Brien'.

Glyn O'Brien
Director

Perth, Western Australia.
Dated this 21st day of February 2011