

FORM 6-K
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer

**Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934**

August 8, 2003

JAMES HARDIE INDUSTRIES N.V.

(Exact name of Registrant as specified in its charter)

4th Level, Atrium, unit 04-07
Strawinskylaan 3077
1077 ZX Amsterdam, The Netherlands
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover
Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted
by Regulation S-T Rule 101(b)(1): Not Applicable

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted
by Regulation S-T Rule 101(b)(7): Not Applicable

Indicate by check mark whether by furnishing the information contained in this Form, the
registrant is also thereby furnishing the information to the Commission pursuant to Rule
12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

(If "Yes" is marked, indicate below the file number assigned to the registrant in
connection with Rule 12g3-2(b): Not Applicable

TABLE OF CONTENTS

[Safe Harbor Statement](#)

[EXHIBIT INDEX](#)

[SIGNATURES](#)

[EXHIBIT 99.1](#)

[EXHIBIT 99.2](#)

[EXHIBIT 99.3](#)

[EXHIBIT 99.4](#)

[EXHIBIT 99.5](#)

TABLE OF CONTENTS

| | |
|-----------------------|---|
| Safe Harbor Statement | 3 |
| Exhibit Index | 4 |
| Signatures | 5 |

Safe Harbor Statement

The exhibits attached to this Form 6-K contain forward-looking statements. Words such as “believe,” “anticipate,” “plan,” “expect,” “intend,” “target,” “estimate,” “project,” “predict,” “forecast,” “guideline,” “should,” “aim” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors, which are further discussed in our reports submitted to the Securities and Exchange Commission on Forms 20-F and 6-K and in our other filings, include but are not limited to: competition and product pricing in the markets in which we operate; general economic and market conditions; compliance with, and possible changes in, environmental and health and safety laws; dependence on cyclical construction markets; the supply and cost of raw materials; our reliance on a small number of product distributors; the consequences of product failures or defects; exposure to environmental or other legal proceedings; and risks of conducting business internationally. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those contained in forward-looking statements. Forward-looking statements speak only as of the date they are made.

EXHIBIT INDEX

| Exhibit No. | Description |
|--------------------|----------------------------------------------------------|
| 99.1 | Management Briefing — High Growth from Unique Technology |
| 99.2 | Regulation G Reconciliation |
| 99.3 | High Growth from Unique Technology — Presented May 2003 |
| 99.4 | Unique Technology from High Growth — June 2003 |
| 99.5 | High Growth from Unique Technology — August 2003 |

4

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James Hardie

High Growth from Unique Technology
May 2003



Today's Program:

- Peter Macdonald - Introduction
- Don Merkley – R&D
- Tour R&D Centre

Break

- Don Merkley – Manufacturing
- Tour Plant

Lunch Break

- Louis Gries – Global FC Operations
- Don Merkley – Pipes and Roofing
- Peter Macdonald – Wrap Up



To relentlessly pursue profitable fibre cement growth in a repositioned, differentiated fibre cement industry

- The decisions we make will be driven by three fundamental principles:
 - World's Best Manufacturing
 - Profitable Growth
 - Winners

- All principles must work together to produce focus and drive



Fundamental Principles

World's Best Manufacturers

- We are the best in world at making fibre cement
- We build plants faster at a lower cost
- We achieve higher throughputs
- We are the cost and quality leader
- We invest in product innovation and production technology

In short

- We make fibre cement better than competitors
 - bigger, faster, stronger
 - lowest cost
- We make fibre cement products competitors can't



Fundamental Principles

Profitable Growth

- We deliver consistent growth (volume/revenue)
- Growth is delivered through:
 - market penetration
 - geographic expansion
 - product innovation

In short

- We are top line growth driven



Fundamental Principles

Winners

- We are passionate about winning with fibre cement
- Our drive is to beat the competition in:
 - manufacturing
 - product offering
 - sales efforts
 - all other fields we decide to pursue

In short

- We do everything we can to beat the competition



Values

- A high performance meritocracy
- High performance hurdles
- Continuous step changes required
- Our people need to
 - Relish competition and love winning
 - Be willing to learn and innovate
 - Challenge themselves and each other
- Rewards are material if value is created



High Growth from Unique Technology

Performance

FY 03 - strong growth in revenues and earnings

Strong cash generation and returns to shareholders

Strategic position enhanced

- Competitive position in all markets
- Technology advances and products in the pipeline



High Growth from Unique Technology

Unique technology – drives growth

- Existing products enhanced and more differentiated against competition
- New products to access new markets
- New production processes commercialised
- Intellectual property protection enhanced

Continuing to extend our lead in fibre cement technology



High Growth from Unique Technology

- Business portfolio balanced to achieve short and long term growth
 - USA expected to double between 2002 - 2007
 - Growth and attractive returns from ANZ
 - Numerous opportunities for growth > 5 years
 - Asset mix reflects this



High Growth from Unique Technology

James Hardie Business Portfolio – FY 03

| | <u>GCE</u> | <u>Sales</u> | <u>EBIT</u> |
|-------------------------------------------------------------|------------|--------------|-------------|
| USA | | | |
| – Established high growth/high return | 70% | 75% | 89% |
| Asia Pacific | | | |
| – Established high return | 21% | 24% | 17% |
| Other | | | |
| – Emerging opportunities (Pipes, Roofing, Europe, Chile) | 9% | 1% | (6%) |
| Total | 100% | 100% | 100% |



Unique Technology

Sustainable Competitive Advantage

- Unique plant engineering and proprietary process technology and product formulations
- Superior capital cost efficiency – plant capital cost ½ that of competitors
- Largest, lowest cost manufacturer – plant operating cost 20-30% lower than competitors
- Superior economies of scale – plants 2-3 times larger than competitors
- Unique differentiated products, widest range and strongest brand



QUESTIONS?



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James Hardie

High Growth from Unique Technology
May 2003



James Hardie

*Research and Development
Technology Review*

May 2003



JH State of Technology

- Industry leading investment in fibre cement technology continues to widen the gap from competition
- Product development pipeline is full
- Next generation platforms are beginning to be commercialised



Technology Organization

- A Technology Management Team (TMT)
 - Direction for JH Technology

- Core Research Group (Core R&D)
 - Providing sustainable, leading edge technologies to the Product Development Groups

- Product Development (PD) Groups
 - Delivering products and systems that support each BU's objectives

- Engineering Group
 - Next Generation Process
 - Process Development
 - Construction



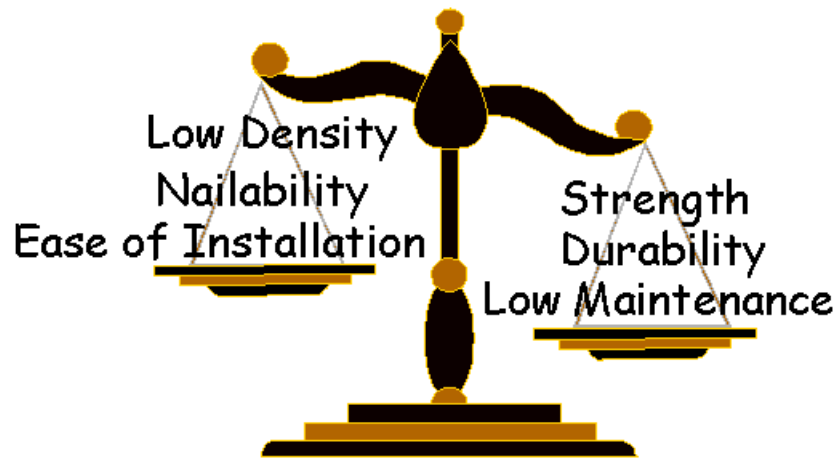
Performance Requirements





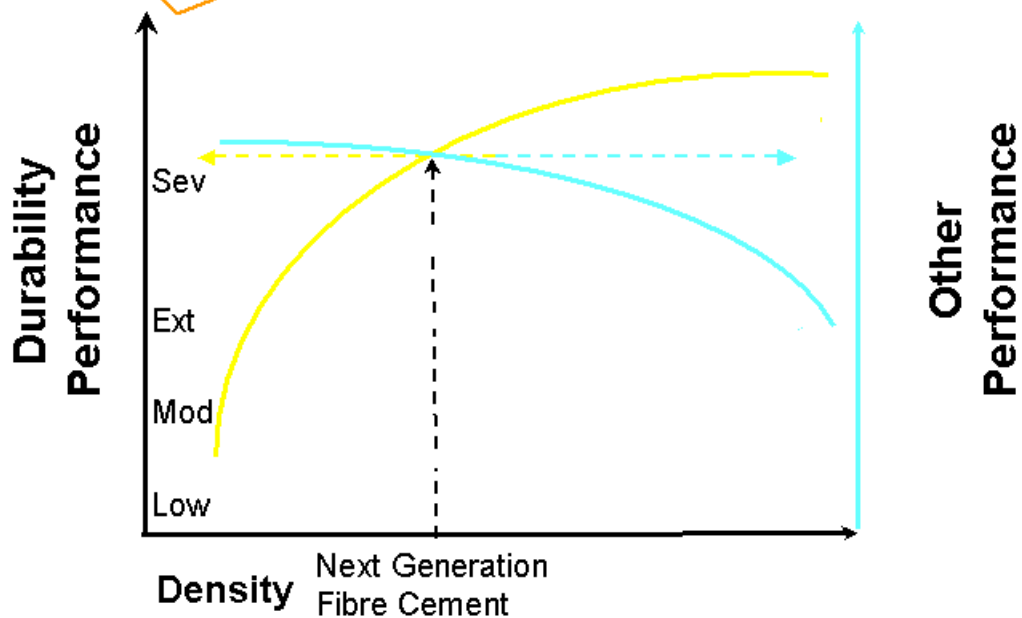
Performance Characteristics

Balancing key attributes within classes, is like walking a tightrope





Performance Characteristics





Vision

- Increased performance at lower densities
 - Durability
 - Ease of use



Resources - People

- Diverse workforce of over 100 technologists
 - mixture of science and engineering
 - 45% with greater than 5yrs service
 - +50% with advanced degrees
- Focused on analytical and computational approaches to process development and product prototyping



Capabilities

The JH approach is “hands on”, including the development of many proprietary processes, methods and procedures





Product Development

- Formulation
 - Fit for use
- Design
 - Shape
 - Texture
- Finish
 - Sealer
 - Primer
 - Topcoat
- Installation
 - Systems
 - Components
 - Tools
- Risk Assessment
 - Durability
- Process Design



Beaded Lap





Shingle Panel





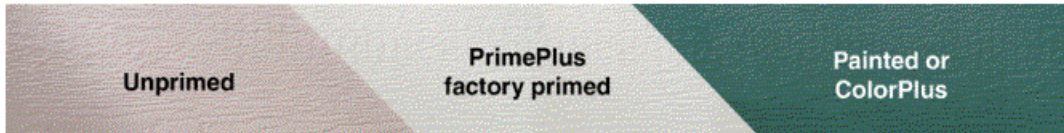
Vented Soffit





Product Innovation

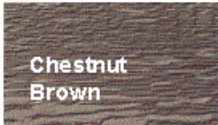
Prime Plus





Product Innovation

ColorPlus





Product Innovation

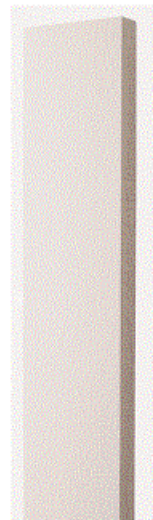
HardiTrim w/HLD



Rustic Grain



Smooth





HardiBacker with G2 Technology





EZ Grid

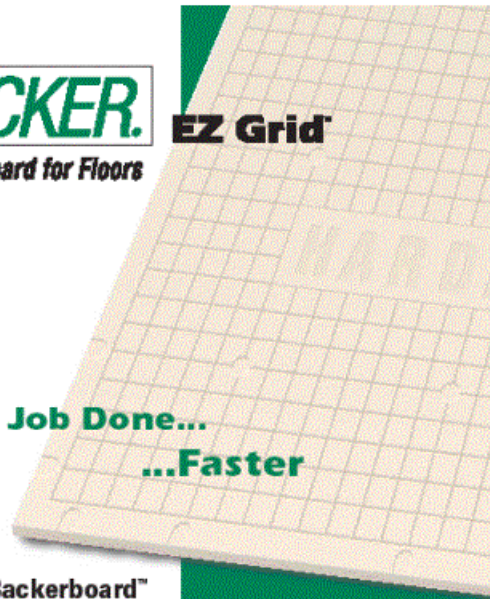
HARDIBACKER.

1/4" Ceramic Tile Backerboard for Floors

- **EZ to Layout**
- **EZ to Score**
- **EZ to Fasten**
- **EZ to Get the Job Done...**

...Faster

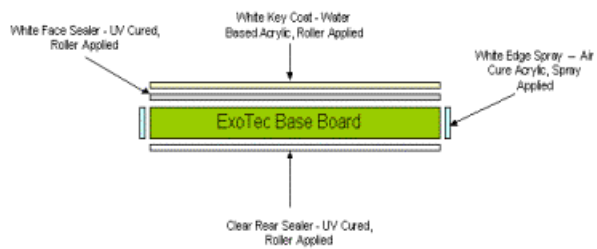
The Ultimate Cement Backerboard™





ExoTec Facade Panel

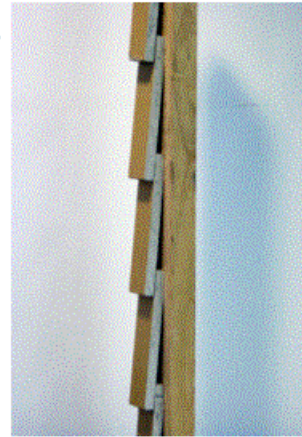
- **Six Sided Sealed**
 - Enhanced performance
 - Improved stability for a wide range of finishes
 - Improved moisture resistance
- **Higher Impact Resistance**
- **Faster Installation**





Linea Weatherboards with CLD Technology

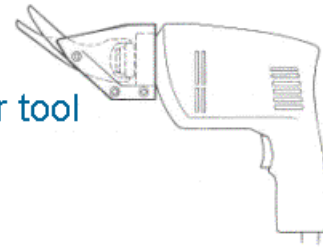
- 16 mm thickness – deep shadowline
- Fire rating, low thermal movement, tongue & groove joins
- JH proprietary Ceramic Low Density technology





HardiShear®

- Developed in co-operation with power tool industry partners



HardiBlade

- Up to 5x longer cutting life than other carbide tipped blades



Focused on:

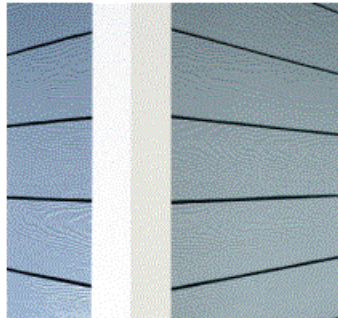
- New raw materials
 - light and durable
- New formulation development
 - away from Hatschek norm
- New process development
 - other fibre cement technologies
- Understanding durability in all climates



Next Generation Platforms

HardiTrim w/XLD

- Thickness and shape
- JH proprietary low density technology
- Advantaged fibre cement process

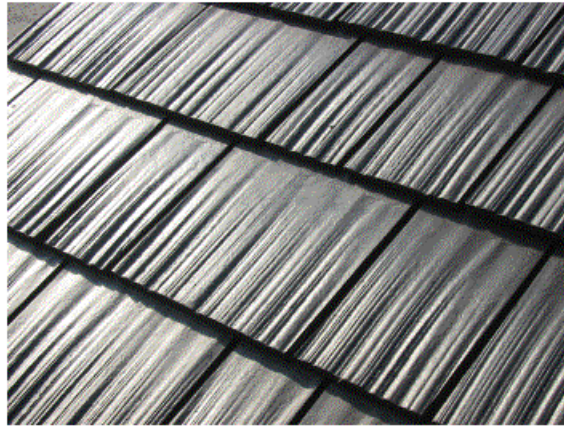




Next Generation Platforms

Roofing

- Durability and performance
- Proprietary process, formula and materials





Strategy and Integration

$$\text{Value} = \text{ER}^2\text{P}$$

Strategy:

- Ensure O2P and O2E for all JH innovations
- Maximize value/\$ for James Hardie's IP portfolio

Integration:

- IP Development and Analysis capabilities are integrated into all R & PD projects



Advantage

- Technology Drivers ~ Positioning of Product
 - Density
 - Performance
 - Ease of Use
- Granted Patents ~ Competitive Advantage
 - Patent applications quadrupled in 5 years
- Risk ~ Managing Escalating Costs
 - Strategic filing across geographies

FY03 Goals

10 New Provisional Applications
40 Pending Patent Applications
5 New Patents Granted

FY03 Results

8 New Provisional Applications
42 Pending Patent Applications
4 New Patents Granted (Total = 10)

FY04 Goals

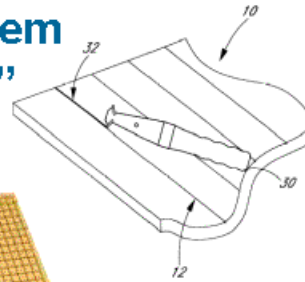
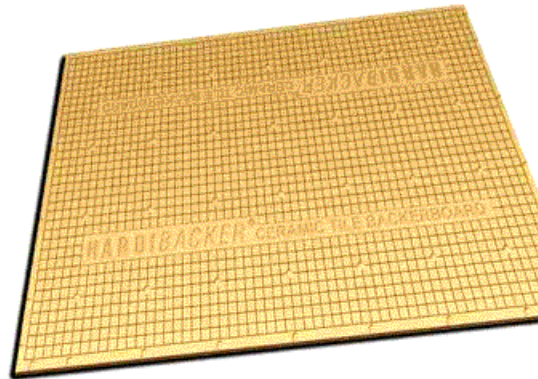
10 New Provisional Applications
55 Pending Patent Applications
6 New Patents Granted (Total = 16)

Based on US filings



Key Granted Patent for FY 2003: US 6539643

“Surface Groove System for Building Sheets”



Hardibacker® EZ Grid™



Intellectual Property

Key Allowed Patent for FY 2003: US 20010047741

“Fibre cement building materials with low density additives”

- Improved durability and performance
- Reduced Weight
- Improved workability





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James Hardie

*Research and Development
Technology Review*

May 2003



James Hardie

Global Manufacturing
May 2003

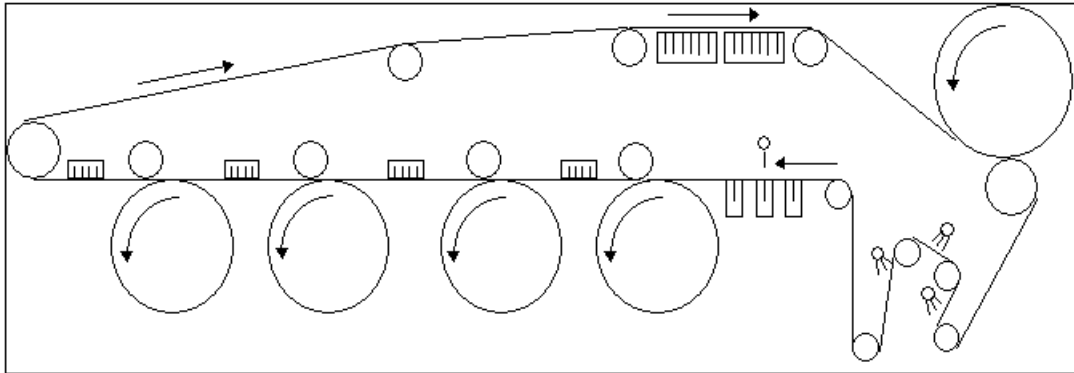


Manufacturing Advantage

- Capital Efficiency(\$/sf)
- Manning(sf/man)
- Unit cost of production(\$/sf)
- Ability to deliver differentiated products
 - Aligned
 - Patterned
 - Thick
- Scale to build purpose built machines
- Culture focused on operational and engineering step change



Hatschek Forming Machine





James Hardie's Manufacturing Vision is driven by:

- Unique proprietary technology
- Manufacturing excellence
- Engineering innovation
- Capacity construction



Manufacturing Excellence

- Safety
- Quality
- People
- Costs
- Output



Safety

- Striving for accident free culture
- Company incident rate = 5.0
- YEM 06 goal of 2.0 incident rate
 - Foundation programs in place
 - Achievable with current effort
- US incident rate improved by 40% in YEM 02



Quality

- Traditionally, JH quality programs focused on product integrity
- In 2000, JH redesigned the US quality system to achieve world class results in not only product integrity, but also aesthetics
- Step change results achieved due to program
- Program currently being rolled out in all Asia Pacific plants and will be part of all expansions



Manufacturing Excellence

People

- Continue to build a true performance based culture
 - Performance driven
 - Results Oriented
 - Lean
- Performance based culture being implemented in Asia Pacific operations in support of our global business realignment
- HR organisation is being upgraded and refocused to deliver world class results in:
 - Recruiting
 - Training
 - Development
 - Performance Management



Costs

- Operations run cost programs consisting of:
 - Product inefficiency
 - Process inefficiency
 - Zero-based manning
 - Overtime management spending
 - Yield
 - Maintenance
 - Compressible

- Cost programs supported by global purchasing manager



Manufacturing Excellence

Output

- Actively managing to compress gap between plant rated designs and actual output created by process inefficiencies and product inefficiencies
- Program goal to eliminate gaps over next three years
- New plants to close all gaps within 24 months of startup
- Program produced 6% increase in capacity over all fully ramped up plants in the last 6 months



Engineering Innovations

- Created centralised process engineering to support:
 - New product development and launch
 - Efficiency gap closure
 - Design change projects
 - Implement next generation ideas into the business units

- Created next generation engineering to work on step-change forming platforms and operational philosophies

- JH has gone from 1 to 3 major forming platforms over the last 3 years.



Capacity Construction

- US growth requires addition of at least one major forming line per annum
- Business scale allows for specialty forming lines as appropriate
- Three major capacity addition projects have been completed in the last 6 months. Peru II, Waxahachie II, and Blandon II upgrade
- Waxahachie II commissioning is under way
- Blandon II commissioning June



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James Hardie

Global Manufacturing
May 2003



James Hardie

*USA Fibre Cement
May 2003*



A Quick History: 1991 - 1995

- Commenced operations in 1990, with primary focus on roofing.
 - A one plant, one line business in 1991.
 - Shifted our focus from Roofing to Siding in 1992.
 - Moved to a high throughput, low unit cost manufacturing.
 - Strictly a sell and make approach.
 - Revenue growth led to investments in new capacity
-



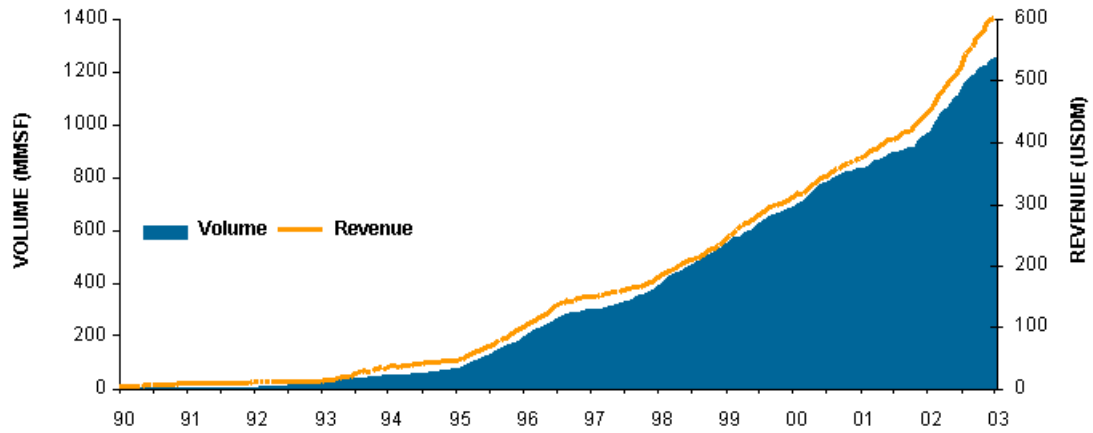
A Quick History: 1995 - 2000

- Direct competition entered the market ...
 - Etex (Cemplank) - 1989
 - ABTco - 1997
 - Temple Inland - 1998
 - CertainTeed - 2000
 - After realizing significant gains in process technology, we began to make advancements in product technology.
 - Selected "Product Leadership" as our go-forward strategic driver.
 - Started building significant marketing and product development capabilities onto our strong manufacturing and sales base capabilities.
-



A Quick History: Growth

Revenue growth continuing to outstrip volume growth





Organization: Approach

- Alignment around aggressive business goals
 - Emphasis on growth
 - Constantly changing game
 - Step change vs. incremental improvements
 - Capability (and cost) ahead of revenue
 - Key leadership positions
 - Marketing and Segment managers
 - Regional Sales Managers
 - Plant Managers
 - Project Managers
-



Organization: Development

- Initially built superior organizational capabilities in manufacturing and sales
 - Then focused on building similar capabilities in marketing and R&D
 - Recruit from a wide range of related industries
 - Recruit at all levels of the organization.
 - Regularly fast-track high potential people
 - Multi-tiered management development program in place
 - Scaling-up sales and manufacturing capability for future growth
-



Overview: Strategy

- Aggressively grow the market for Fibre Cement
 - Secure our desired overall market position while defending our share in existing market segments
 - Leverage our superior technology to offer differentiated products and systems of superior value to those of competitors, to reduce direct price competition
-



Overview: Top-Line Growth

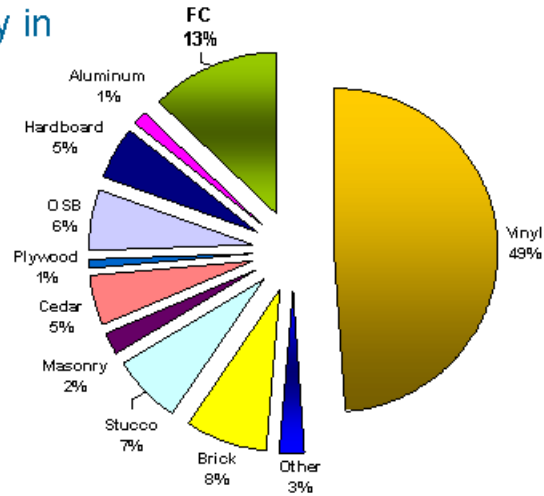
- Primary Demand
 - Create awareness at the consumer level
 - Target the builder and contractor (decision maker)
 - Access the market thru traditional channels
 - Category Share
 - Brand program
 - Differentiated product offering
 - Long term price positioning
 - Performance Indicators (Measurements)
 - Revenue Growth
 - EBIT Margin
 - Manufacturing Capabilities
-



Overview: US Siding Market

- 13% of siding market vs. long term target of 35-40%
- Significant growth opportunity in vinyl category

- Initially took share from wood
- Now taking share from vinyl
- Cedar, stucco and masonry remain static
- Engineered wood category continues to decline

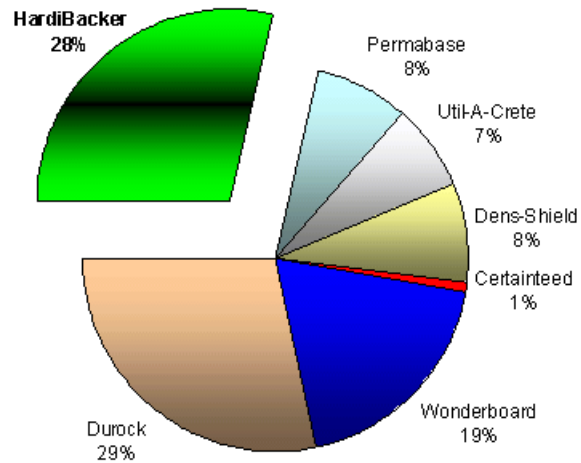




Overview: US Backer Market

US Backer Market

- FC currently has 28% of the US backer board market
- JH has the leading position in the FC category





Overview: Products/ Segments

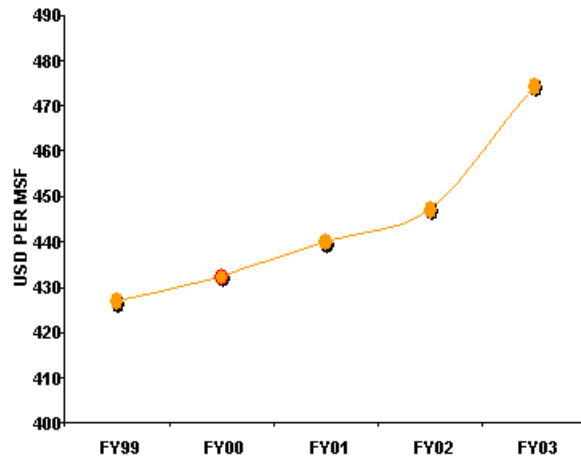
- Initially focused on new construction / planks
 - Our exterior product portfolio now includes:
 - A full wrap exterior bundle
 - Siding, Trim and Soffits
 - Repair & Remodel
 - Big Boxes
 - One Steppers
 - Manufactured Housing
 - Hardboard substitute
 - Vinyl upgrade
-



Overview: Selling Price

- Managed average selling price up 11% in past five years
- Expanded our product lines
 - Direct competition can't match
- Value price new products
 - Not influenced by direct competition
- Price "base products" to hit target share
 - Manage the price gap

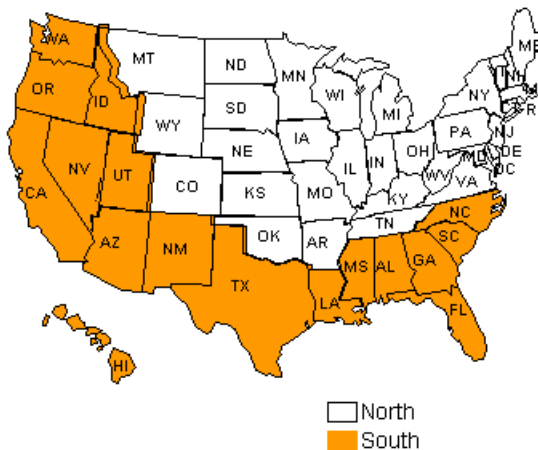
Average Selling Price \$/msf





Overview: Markets

- Exteriors: Siding, Trim & Soffit
 - New Construction, R&R, MH
 - Established Markets: South
 - Emerging Markets: North
- Interiors: Backer board
 - Floors (1/4" market)
 - Walls (1/2" market)

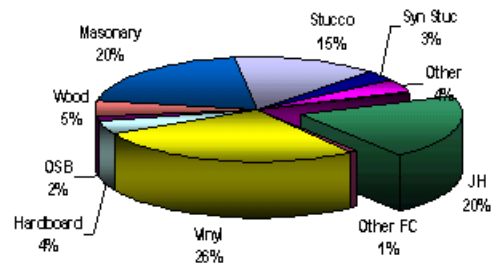




Segments: New Construction

- We continue to increase our penetration in the new construction segment.
- We expect our share in this segment to continue to grow rapidly over the next 3 years

US Newconstruction Siding Market





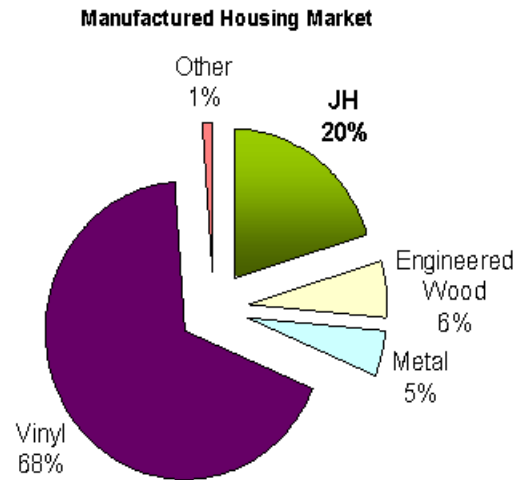
Segments: Repair & Remodel

- Significant opportunity for growth in the R&R segment
 - Our penetration in this segment is increasing but is still quite low
 - Big Boxes
 - Home Depot
 - Lowers
 - One steppers
 - Traditionally a vinyl channel
-



Segments: Factory Built

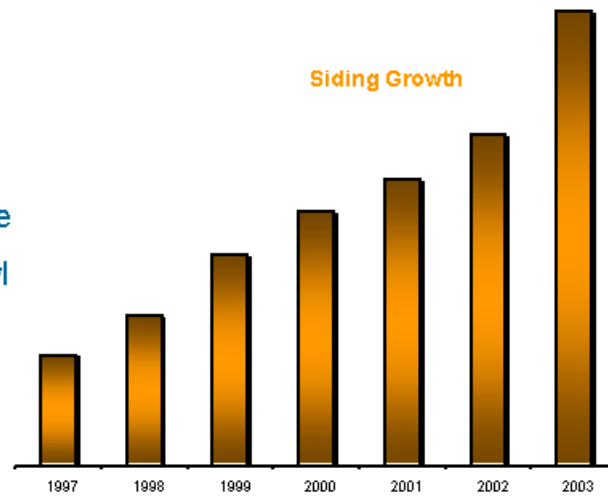
- Factory built homes account for 10% of new construction starts
- Positioning
 - Wood substitute
 - Vinyl Upgrade
- Approach
 - Dedicated sales/marketing
 - Program sell
- Continued growth despite depressed MH market





Exterior Products: Siding

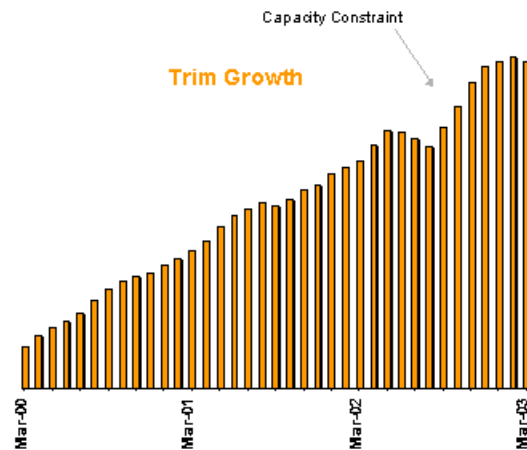
- Siding is the largest part of our business
- Our siding products continue to grow in all markets
 - Expanding product range
 - Penetration against Vinyl
 - Repair and remodelling segment





Exterior Products: Harditrim

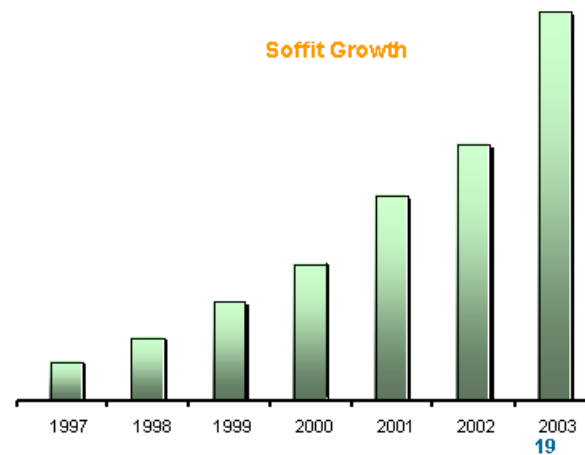
- Launched Harditrim in Nov 98
- Positioning
 - Durability and wood-like appearance
 - Priced at a premium to other manufactured trims
- Allows increased thickness
 - Timber like thickness now possible
- IP protection in place
- Demand ramping up faster than capacity
- Additional capacity planned for FY05





Exterior Products: Soffits

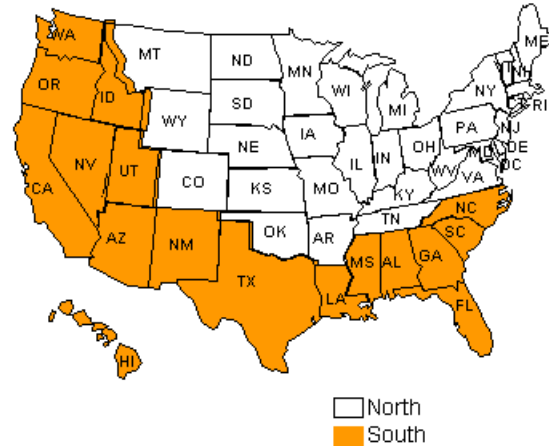
- Includes soffit panels, planks and premium vented soffit
- Launched vented soffit in 1999
- Key markets:
 - Pacific Northwest
 - Texas
 - Southeast
- High throughput JH automated manufacturing capacity now in place





Current State: South

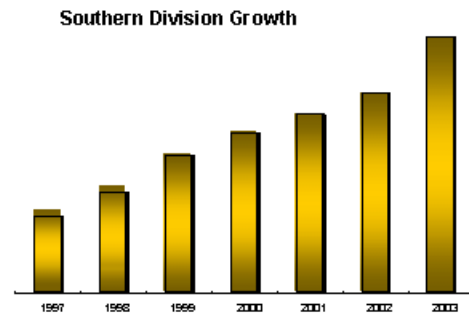
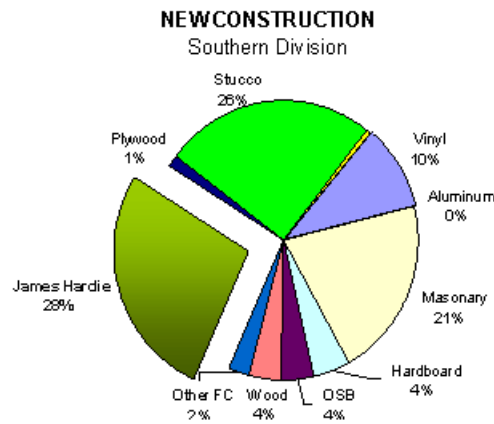
- High share position in most markets
 - Major builders and dealers
- High awareness of the JH brand
 - Trade and consumers
- Continued growth
 - Smaller builders
 - More products per house
 - Rural markets





Current State: South

- FC accounts for 1/3 of siding sales in the sunbelt.
- The Southern division currently accounts for over 80% of our exterior products sales.
- We are targeting a 7% - 15% growth band in the South.

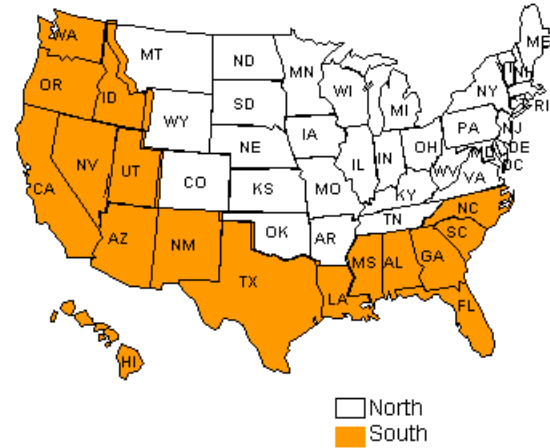




Current State: North

Emerging market opportunity

- Vinyl belt
- High population
- 30% of housing starts
- 40% of existing housing stock
- 4 billion sq. feet siding market





Current State: North

Strategy:

- Segment the single family construction based on house value
- Target move-up and luxury homes
- Position Hardiplank as a viable upgrade to vinyl

Tactics:

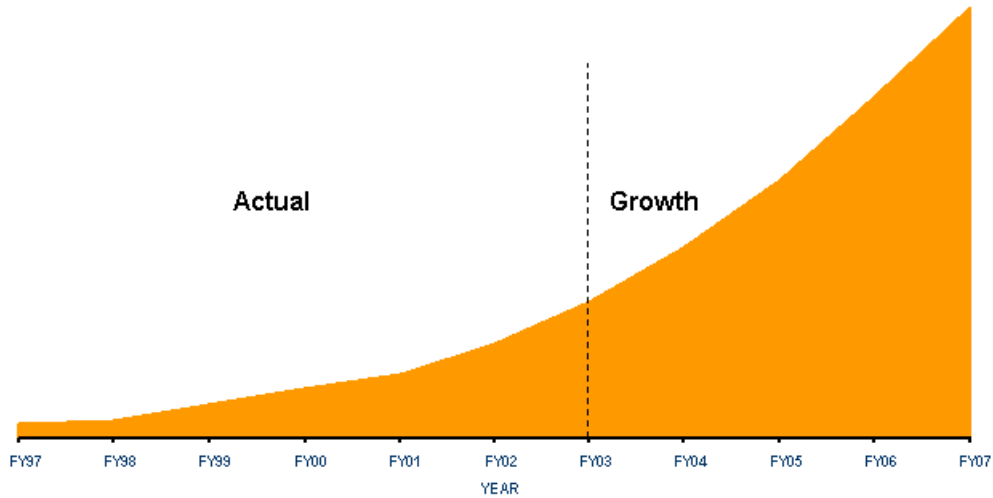
- Accelerate awareness at the consumer level (marketing)
 - Align channel: actively manage “on the wall” cost (field sales)
 - Leverage the early conversions thru partnering programs with the builders (sales/marketing)
-



Current State: North

Results to Date... *moving along the S - Curve*

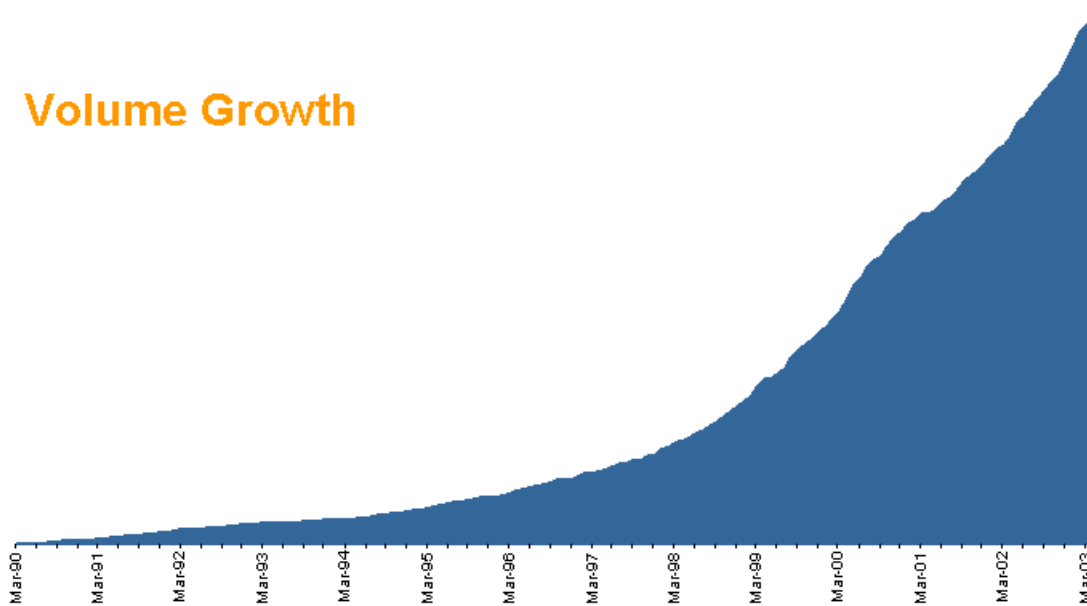
- We are targeting a 35% - 50% growth band in the North





Interior Products: Backer

Volume Growth





Hardibacker: Floors

Existing Growth – Hardibacker® 250

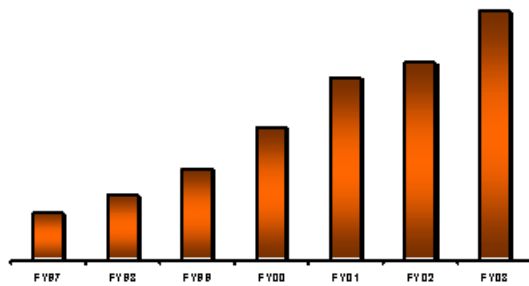
- Existing Hardibacker® launched 1990
 - Used as substrate for ceramic tiles
 - Mostly used on wet area floors e.g. bathrooms
 - Limited use on wall applications
 - Initially strong in R&R applications, now growing in new construction
 - Broad distribution in Pro Tile and Retail channels
-



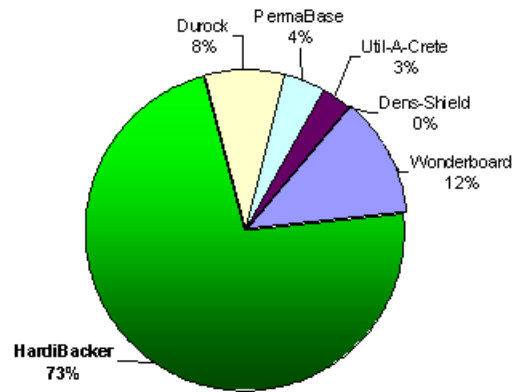
Hardibacker: Opportunity

- We currently have the leading position in the 1/4" market

1/4" HARDIBACKER GROWTH
Volume (m m sf)



1/4" Backer Market



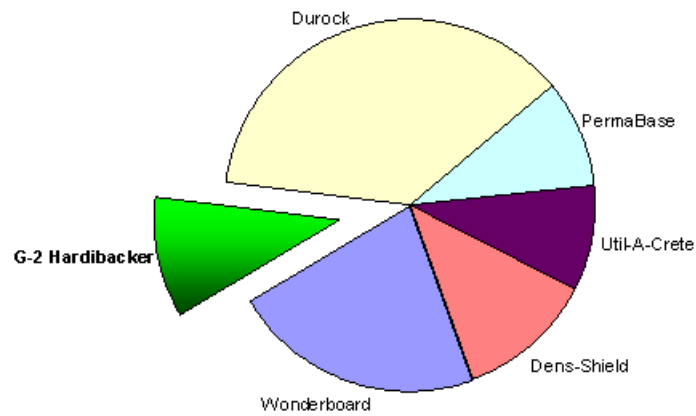


Hardibacker: Future Growth

Future Growth

- We have 10% of the 1/2" backer market Vs. target of > 40%

1/2" Backer Market



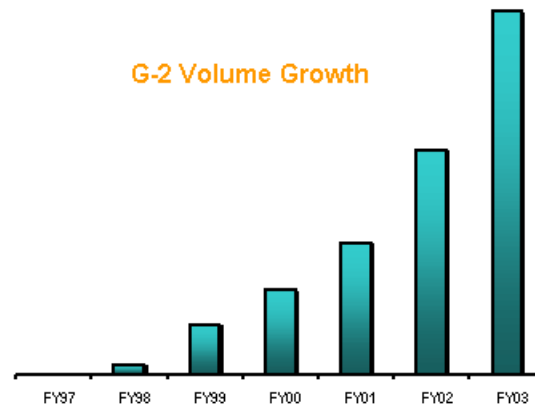


Hardibacker: Walls

Future Growth – Hardibacker® 500

“G2” technology is:

- 35% easier to cut using score and snap method
- 35% easier to nail
- 15% lighter
- therefore much easier to handle and work with
- ideal for walls
- opens up the Gypsum and lumber channels
- and is exclusive to JH
- Roll out is going well





Channels: Big Boxes

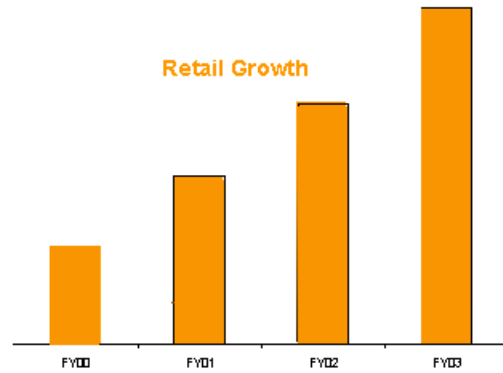
- We continue to grow rapidly in the retail channel
 - Backer - 2350/2350 Stores – 100%
 - Siding - 1273/2350 Stores – 54%



- Backer – 100% of 1500 Stores
- Siding - 48% or 720/1500 Stores



- Backer - 100% of 850 Stores
- Siding – 65% or 553/850 Stores





Channels: Traditional Lumber

- Primarily Pro-dealers
 - Retail outlet for builders, contractor and remodelers
 - Specialise on medium to large tract builders
 - Also provide service to small custom builders
 - We use this channel as an extension of our field sales to reach tract and custom builders
 - Build awareness
 - Sell to medium size builders
 - South:
 - Traditional channel for siding in wood markets
 - Continued hardboard conversion
 - Access to rural markets
 - North:
 - Access to rural vinyl markets
 - Focus on key regional pockets to get conversions
-



Traditionally a Vinyl Channel

- Buys directly from manufacturer and sells directly to end users
 - The largest piece of the vinyl pie
 - Early stages of a roll out with both national and regional participants
 - Focus on selling in the living room



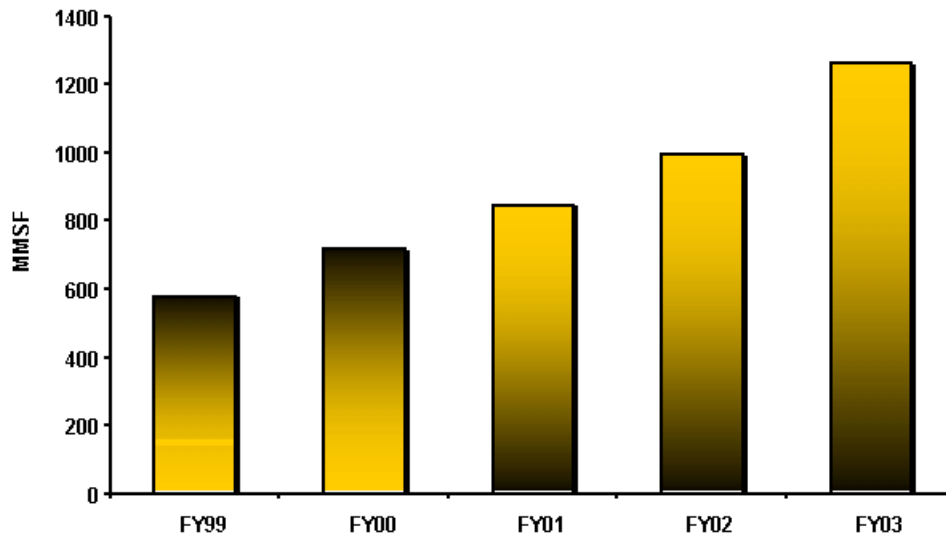
Targets

- 20% Revenue Growth
 - 20% EBIT/Revenue Ratio
-



Business Overview

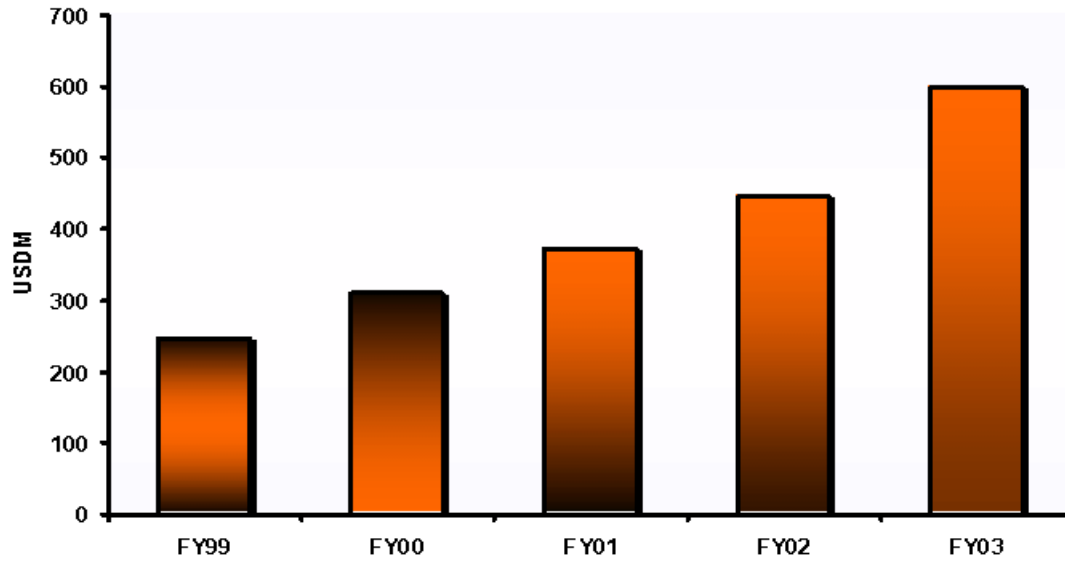
Volume – 22% CAGR in Last 5 years.





Business Overview

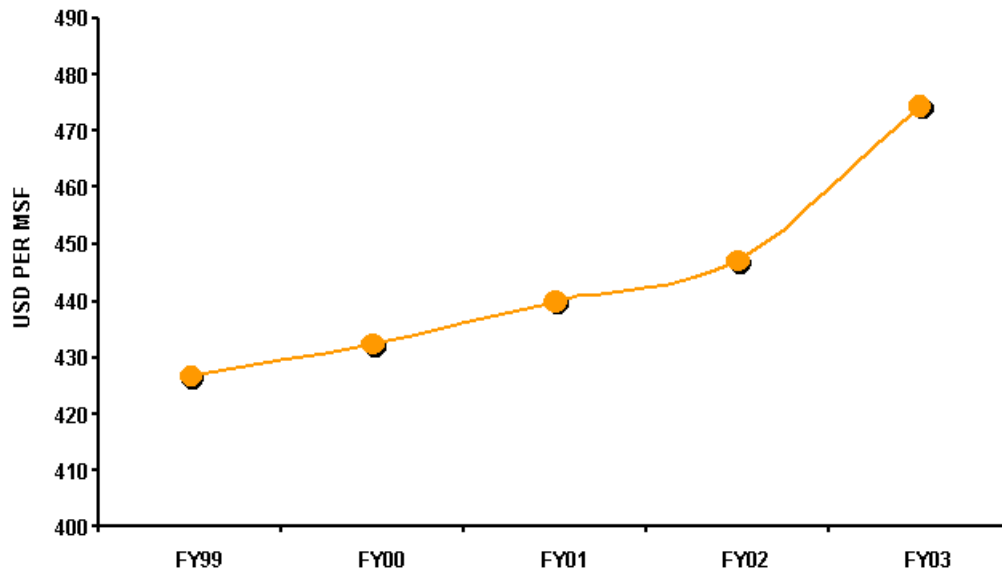
Revenue – 25% CAGR in Last 5 years





Business Overview

Price – Last 5 years





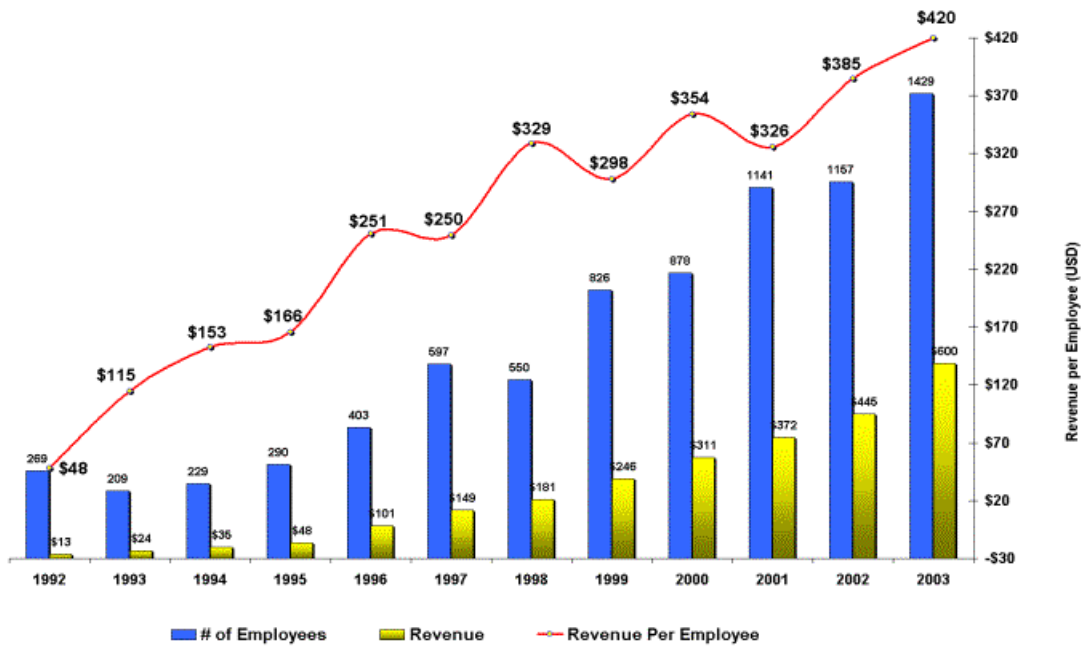
Business Overview

Cost

- Normalised like for like factory costs continue to decline
 - Brought on new capacity
 - Waxahachie, Cleburne XLD, Summerville and Peru
 - Funding several key growth initiatives
 - Market Development – R&R, Retail etc
 - Product Development – Roofing, Fencing, Harditex, etc
-



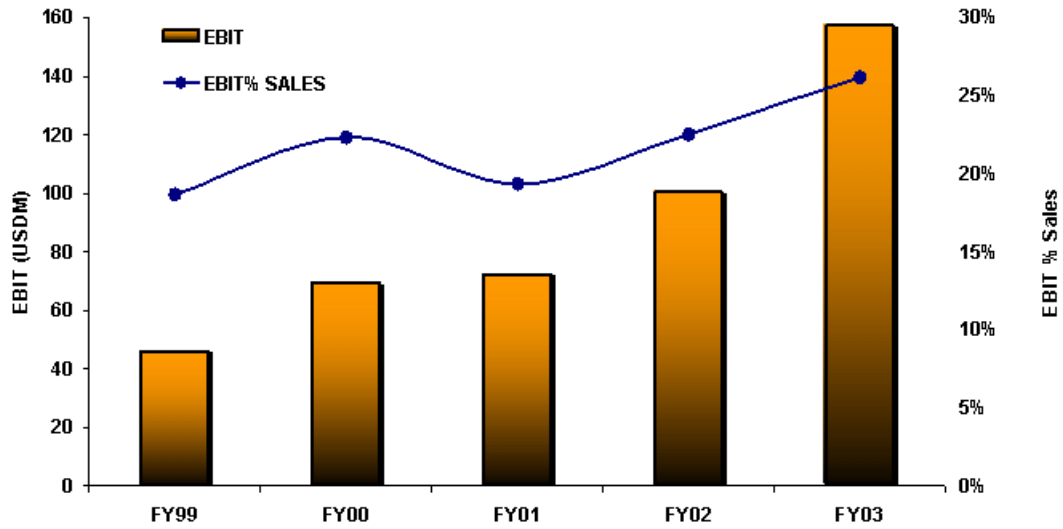
Revenue Per Employee





Business Overview

Margins – Last 5 years EBIT – CAGR 33%





Going Forward

- Continue to substitute FC for existing materials in exterior & interior construction applications.
 - Use our superior FC technology & manufacturing capability to develop new products in a high throughput/low unit cost environment.
 - Increase and upgrade our manufacturing capability.
 - Manage distribution to have efficient access to all customer segments.
 - Continue to reduce our delivered cost to market.
-



Sustainable Growth Model

- Based on:
 - Large market opportunity
 - Superior value proposition for target customers
 - Proprietary and/or protected technology
 - Current R&D investments point to large upsides
 - Significant organisational advantages
 - Focused strategy and organisational effort
 - Installed capacity and market position
-



QUESTIONS?



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James Hardie

*USA Fibre Cement
May 2003*



James Hardie

ANZ Fibre Cement

May 2003



ANZ FC History: 1900 - 2003

- Commenced operations in early 1900's
 - Entered NZ market in 1940's
 - Commercialised non-asbestos platform in mid-1980's
 - Entered the US market in 1990
 - Direct Competition entered the market in 1995
 - Factory Australia investments in 1999
 - Closed high cost Perth facility in 2001
-



Current Situation: 2003

- A differentiated business making good returns
 - Clear market leader
 - Differentiated product offering
 - Superior manufacturing capabilities
 - Well positioned for growth through product leadership
 - Increasing business capabilities through implementation of programs and technology developed for, and proven in, the US business.
-



ANZ FC Financials

| | <u>FY01</u> | <u>FY02</u> | <u>FY03</u> |
|--------------------------|-------------|-------------|-------------|
| Volume - mmsf | 239.3 | 239.6 | 270.5 |
| Revenue – A\$M's | \$230.7 | \$226.9 | \$259.8 |
| EBIT – A\$M's | \$38.7 | \$44.3 | \$48.3 |
| EP – A\$M's | \$12.4 | \$15.4 | \$24.8 |
| Av Price – A\$ per 000sf | \$964.3 | \$947.0 | \$960.4 |



Organization: Approach

- Restructured around growth initiatives
 - Flattened structure
 - Greater market focus
 - BAU separate from growth initiatives
 - Aligned globally
 - Shifting more emphasis to step change opportunities
 - Single business approach
 - Utilising a few key US trained managers in the ANZ organization to accelerate the transfer of capabilities developed for the US business
-



Business Strategy

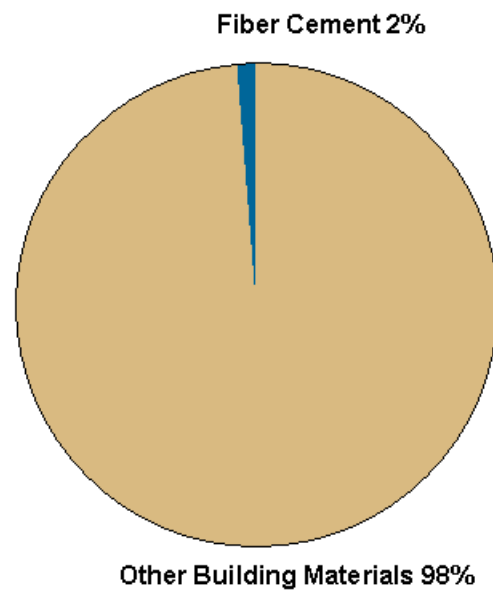
- Grow the market for Fibre Cement
 - Secure our desired overall market position while defending our share in existing market segments
 - Leverage our superior technology to offer differentiated products and systems of superior value to those of competitors
-



- Primary Demand
 - Increase consumer awareness and perception of JH
 - Upgrade our capability to target builder needs
 - Continue to access the market thru traditional channels
 - Category Share
 - Brand program
 - Differentiated product offering
 - Long term price positioning
 - Performance Indicators (Measurements)
 - Revenue Growth
 - Brand Preference
 - EBIT Margin
-

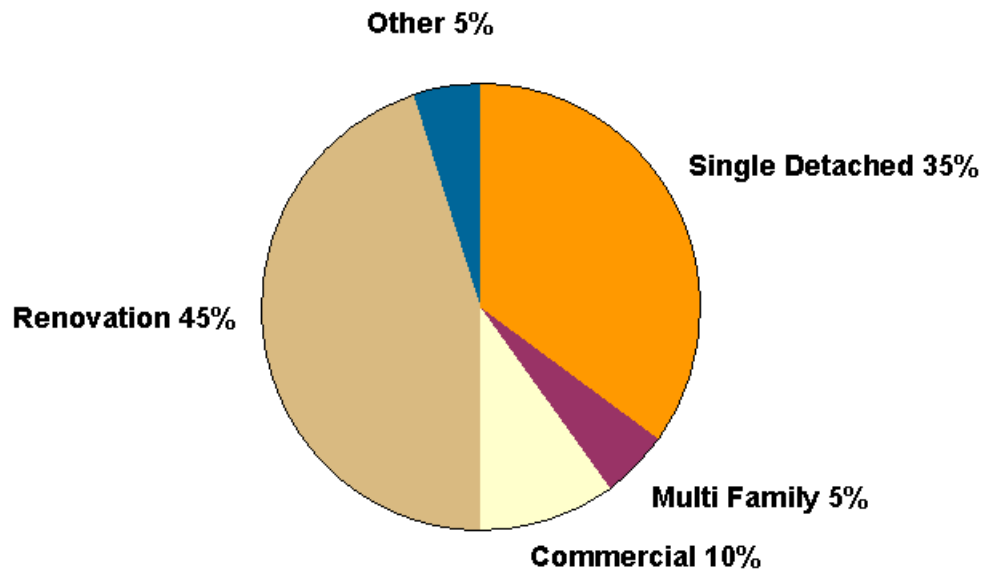


ANZ Building Materials Market





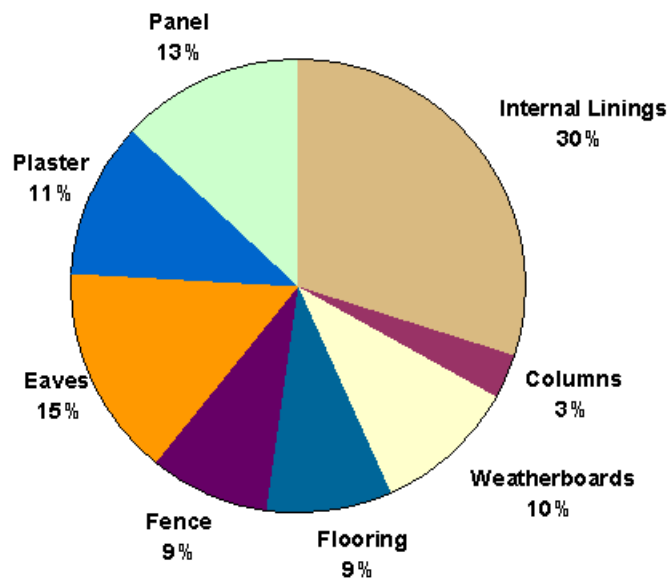
ANZ Segments





ANZ Product Mix

Product Split - based on volume





ANZ Going Forward

- Shift to a growth model
 - Leverage capabilities and technologies developed for the US business to deliver increased customer value
 - Upgrade organisational capabilities
 - Increase the emphasis on performance (winning)
 - Continue to reduce our delivered cost to market
-



ANZ Growth Model

- Based on:
 - Strong market position with growth upside
 - Superior value proposition for target customers
 - Proprietary and/or protected technology
 - Current R&D investments point to large upsides
 - Significant organisational opportunities
 - Focused strategy and organisational effort
 - Installed low cost capacity
-



James Hardie

Philippines and Asia

May 2003



Philippines and Asia

- Manufacturing plant commissioned 1999
- FY03 sales US\$18 million, EBIT slightly positive
- Fibre cement as substitute for plywood
- 25% market share domestically
- Established low cost regional manufacturing hub
- Low GDP per capita is an obstacle for developing a differentiated JH business model.





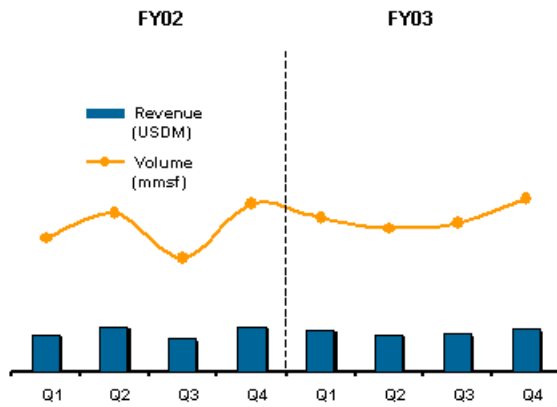
Philippines and Asia

- Other regional industry participants run commodity FC strategies utilising very basic technology
- Future JH investment would target higher GDP markets, with more highly differentiated product offerings

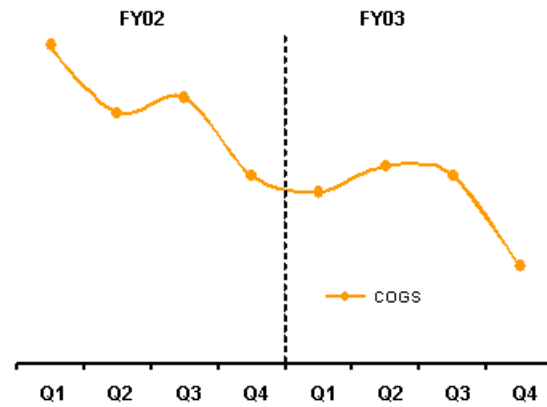


Philippines and Asia

Volume & Revenue



Cost of Goods Sold \$/msf





James Hardie

Chile and South America

May 2003



Chile and South America

- Manufacturing plant commissioned 2001
- Low cost manufacturing, rapid market penetration
- 23% share of flat sheet market already achieved
- Currently operating at EBIT breakeven
- Plant has been certified to import US products





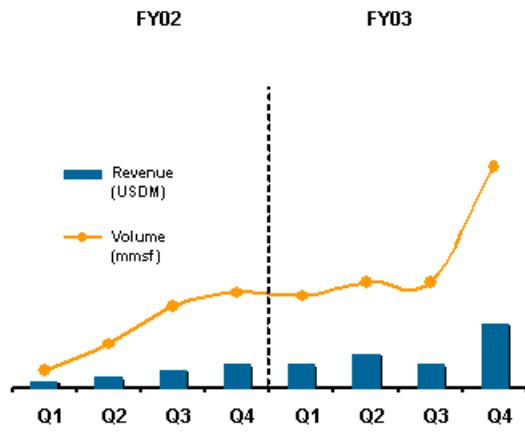
Chile and South America

- The current market share leader has not provided appropriate industry leadership since the JH entry.
- Small FC industry participants with substandard capabilities are limiting the category's potential.
- Markets outside of Chile are less attractive due to economic uncertainties and the continued use of asbestos.
- Future JH investments would be based on the need to develop the market position necessary to shift the industry to a profitable model.

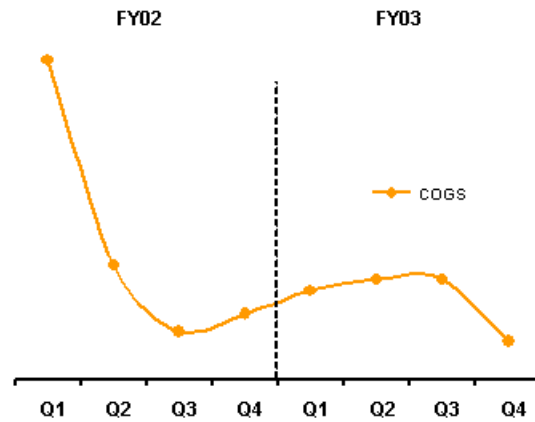


Chile and South America

Volume & Revenue



Cost of Goods Sold \$/msf





James Hardie

Europe

May 2003



European Market Entry

- Develop a volume flat sheet business in Europe
 - Existing products redesigned for the local markets
 - New products and/or applications

- Pan European approach
 - Focused market development in the UK and France

- Phased Investment
 - Regional manufacturing capability

- Develop and leverage “Newco” organizational capabilities



European Market Entry

- The investment is in developing a JH business model, rather than participating in the marginally profitable existing FC industry
- Differentiated products
 - Hardibacker G2
 - XLD Trim
 - ColorPlus Siding
- Business and organisational capabilities are in place and we are currently selling small quantities of product in target markets



QUESTIONS?



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James Hardie

ANZ Fibre Cement

May 2003



James Hardie

Hardie®Pipe

May 2003



Business Case

- Position as an RCP equivalent
- \$2 billion US industry and A\$ 160 million Aus. industry
- Provide the superior pipe products in mid-diameter range, between plastic & RCP
 - (Light, Long, Strong – lower installed cost)
- High throughput/high yield manufacturing
- National Business



Current Situation

- Market recognizes the superior value of Hardie Pipe versus RCP
- Product mix meets market needs
 - 15% share of target Florida market
 - 15% share of target Australian market
- US Plant capacity is greater than design, but the process learning curve was underestimated
- Standards approvals are much more political than anticipated, slowing move towards consistent global and national standards
 - Compounded by questionable tactics of competitors

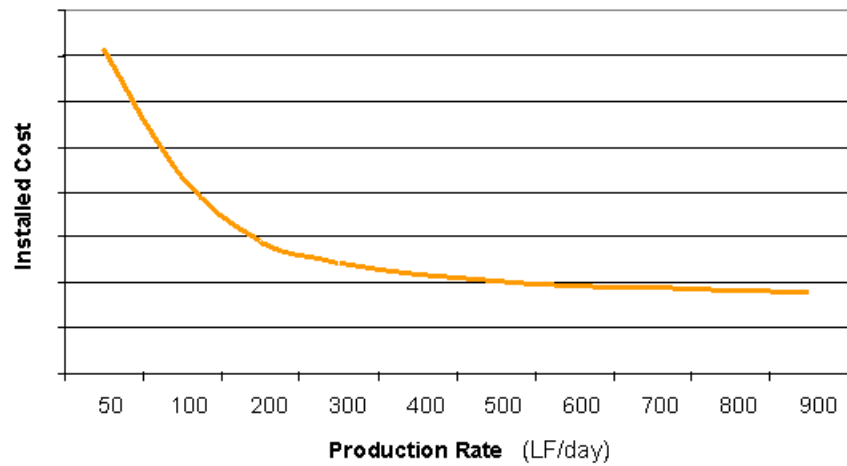


- We don't believe that current market prices are sustainable by the competition
- RCP industry currently achieves 10% EBIT/Revenue
 - At 10% EBIT/Rev, RCP, could not profitably sustain current market pricing
 - FL avg. price = \$255/ton
 - USA national avg. RCP price = \$350/ton



Installed Cost of Hardie Pipe

- Longer lengths allow higher production rates; average increase is from 200 lf/day to 400 lf/day
- a saving of 25%





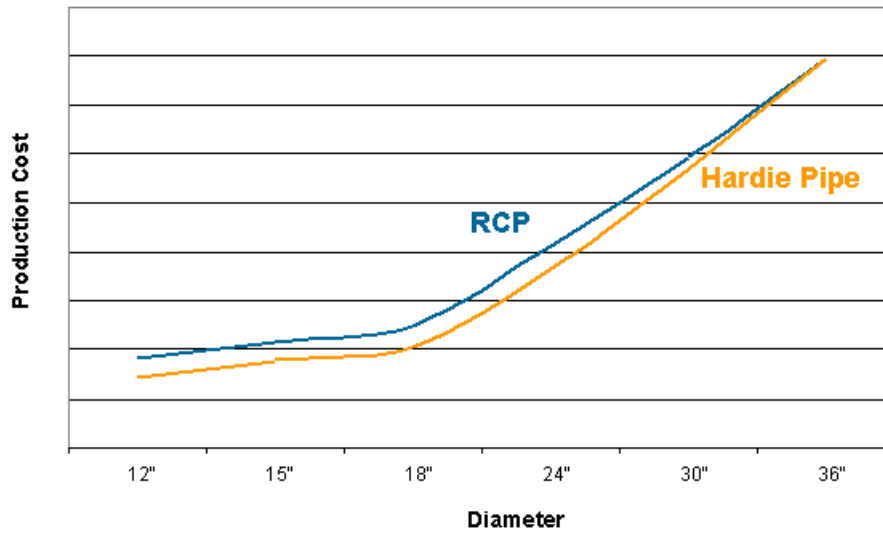
Manufacturing

- Currently working on next generation design
- Mini-mill
- Significant improvement in capital efficiency
- Significant improvement in manning requirements



Manufacturing Cost

- Hardie Pipe's superior product is cost advantaged up to 36" diameter





Approvals

- ASTM C 1450 – Recent revisions aimed at improving quality standards passed in spite of the objection of the ACPA
- FDOT – Remain fully behind the product, and are working to further recognize the unique characteristics of Hardie®Pipe
- AS 4139 – Revised standard recognising the superior in ground strength and performance of Hardie®Pipe has met committee approval with the lone dissenting vote coming from the CPAA
- AASHTO – Preparing standard proposal that recognises Hardie Pipe's superior in ground strength and performance over competitive materials



QUESTIONS?



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James Hardie

Hardie®Pipe

May 2003



artisan

ROOFING PRODUCTS

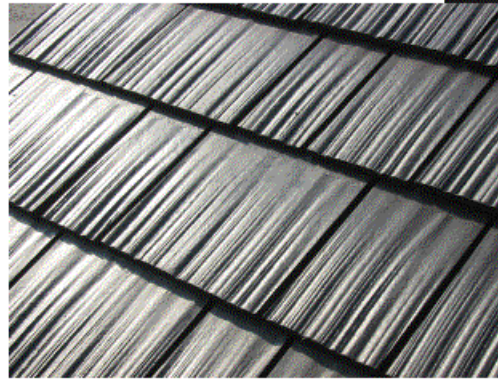
Artisan Roofing

May 2003

- \$12.5M CER approved in 02
 - Pilot plant
 - Fontana, CA
 - 25mmsf

- Prove scalability of roofing technology
 - Manufacturing
 - Durability

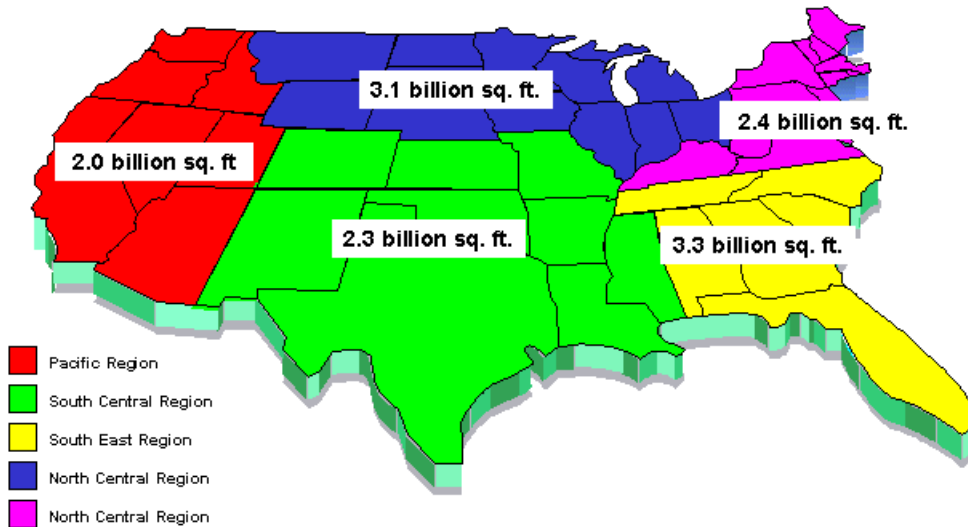
- Product
 - 5/16" to 5/8" taper
- Positioning
 - Wood shake and natural slate substitute
 - 25 year warranty



- Price
 - Equivalent to concrete tile

- Place (Distribution)
 - One step roofing distribution
 - Southern California only

- Over 13 billion square feet of residential roofing systems were installed in 2000



Source: NAHB 1 000, 00, 01, Freedonia 2001

- 2.1 billion sq.ft. of opportunity (coverage)
- Target wood shake and products that compete for wood shake re-roof market share
- Key attributes
 - Nailable
 - Walkable
 - Fire resistant
 - Durable

Update

- Construction completed on schedule
- Commissioning began early March
- Production trials mid April
- Saleable product in June

- Flexible Ridge
- Slate
 - Initial trials look promising



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artisan

ROOFING PRODUCTS

Artisan Roofing

May 2003

Economic Profit for Australia and New Zealand Fibre Cement (EP ANZ)¹

| | For the Year Ended March 31, | | |
|--------------------------------------------------------|------------------------------|-----------|-----------|
| | 2001 | 2002 | 2003 |
| | (Millions of US Dollars) | | |
| Asia Pacific Fibre Cement Operating Profit | \$ 4.4 | \$ 22.4 | \$ 30.1 |
| Add back/(subtract): | | | |
| Other Asia Pacific Fibre Cement operating loss(profit) | 5.4 | 0.9 | (0.6) |
| Restructuring charge | 15.5 | — | — |
| Intercompany expenses net | (1.3) | — | — |
| Amortization expense of assets not used | (1.3) | — | — |
| Shadow stock compensation expense | (0.4) | (1.5) | (0.6) |
| Withholding tax expense | — | — | 0.5 |
| Employee redundancy costs | — | — | 2.3 |
| Other | — | (0.1) | — |
| | 22.3 | 21.7 | 31.7 |
| Income tax charge ² | (7.5) | (6.6) | (9.7) |
| Capital charge ³ | (7.0) | (7.2) | (8.5) |
| Miscellaneous other (charges)/credits | (0.9) | — | 0.4 |
| EP ANZ | \$ 6.9 | \$ 7.9 | \$ 13.9 |
| Currency translation rate (1US\$=AUS\$) | 1.7990 | 1.9483 | 1.7809 |
| EP ANZ (Millions of Australian Dollars) | AU \$12.4 | AU \$15.4 | AU \$24.8 |

¹ Economic Profit is not a measure of financial performance under US GAAP and should not be considered as an alternative to, or more meaningful than, operating income as defined by US GAAP or as a measure of our profitability or liquidity. All companies do not calculate Economic Profit in the same manner and, accordingly, Economic Profit may not be comparable with other companies. We have included information concerning Economic Profit because we believe that Economic Profit is commonly used by investors to measure changes in shareholder value.

² Based on the weighted average income and tax rate for each country.

³ Based on the Company's internal Economic Profit calculation. Cost of capital rate used is 8.9%, 9.5% and 10.2% for 2001, 2002 and 2003, respectively.



James Hardie

High Growth From Unique Technology

May 2003



Focused on Fibre Cement

Attractive Investment Attributes

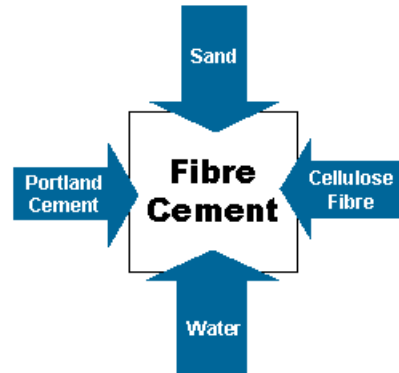


- High growth
- Unique proprietary technology
- Sustainable competitive advantage
- Strong cashflows and balance sheet
- Low cyclical risk
- Relentless will to win



First to Develop Fibre Cement

James Hardie pioneered the development of fibre cement technology in the 1980s





Many Product Applications

- External siding/soffit lining
- Internal wall/floor wet area lining
- Trim and fascia
- Ceiling lining and flooring
- External/internal wall systems
- Partitioning
- Commercial facades
- Decorative columns
- Fencing
- Drainage pipes





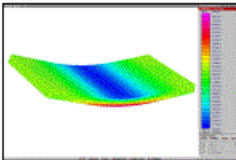
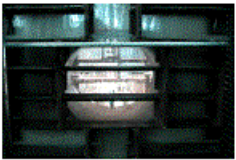
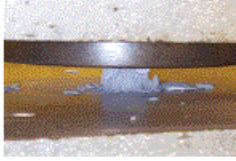
Unique Technology and Scale

Sustainable Competitive Advantage

- Unique plant engineering and proprietary process technology and product formulations
- Superior capital cost efficiency – plant capital cost ½ that of competitors
- Largest, lowest cost manufacturer – plant operating cost 20-30% lower than competitors
- Only national producer in each market
- Superior economies of scale – plants 2-3 times larger than competitors
- Unique differentiated products, widest range and strongest brand



R&D is a Key Driver of Growth



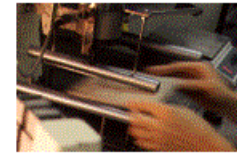
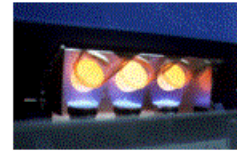
▪ Capabilities and resources

- 120 scientists, engineers and technicians
- 30% increase in spend to US\$21 million in FY03 – 3% of sales



▪ Core projects

- new proprietary engineered raw materials
- new proprietary product formulations
- new engineering and proprietary process technologies
- lightweight and durable products for all climates





Vision and Strategy

Industry Leadership and Profitable Growth

- Aggressively grow the market for fibre cement
- Secure differentiated positions by leveraging:
 - technology
 - products
 - scale
 - cost
 - market position
 - brand recognition
- Strong top line growth
- High shares of large market segments
- Attractive margins





Balanced Growth Portfolio

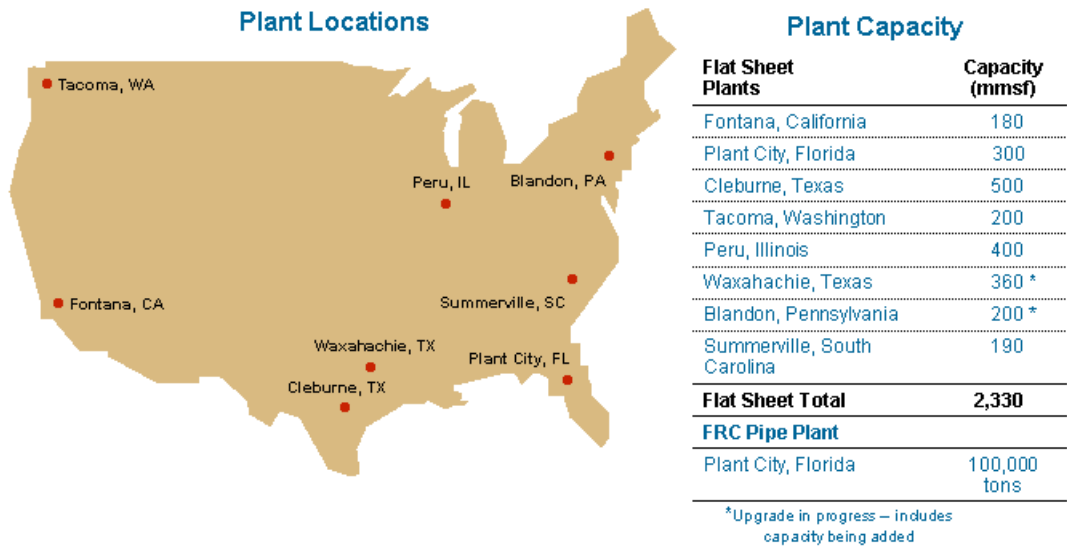
James Hardie Business Portfolio – FY 03

| | <u>GCE</u> | <u>Sales</u> | <u>EBIT</u> |
|-------------------------------------------------------------|------------|--------------|-------------|
| USA | | | |
| – Established high growth/high return | 70% | 75% | 89% |
| Asia Pacific | | | |
| – Established high return | 21% | 24% | 17% |
| Other | | | |
| – Emerging opportunities (Pipes, Roofing, Europe, Chile) | 9% | 1% | (6%) |
| Total | 100% | 100% | 100% |



USA Fibre Cement

James Hardie is the largest lowest cost producer of fibre cement in the USA





USA Fibre Cement

- Primary Demand
 - Create awareness at the consumer level
 - Target the builder and contractor (decision maker)
 - Access the market thru traditional channels
 - Category Share
 - Brand program
 - Differentiated product offering
 - Long term price positioning
 - Performance Indicators (Measurements)
 - Revenue Growth
 - EBIT Margin
 - Manufacturing Capabilities
-

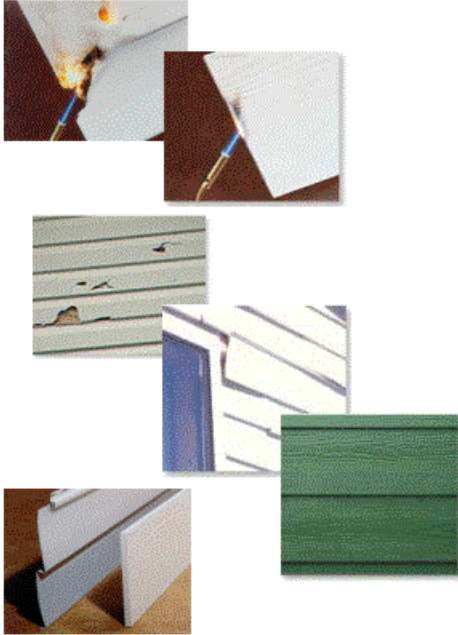
Fibre Cement is more durable than wood and engineered wood

| Fibre Cement | Superior Durability | Engineered Wood |
|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
|  | <ul style="list-style-type: none"> Moisture Resistant Fire Resistant Weather Resistant Termite Proof Won't Warp Won't Crack Won't Rot Holds Paint Longer Won't Delaminate |  |



Superior Product Performance

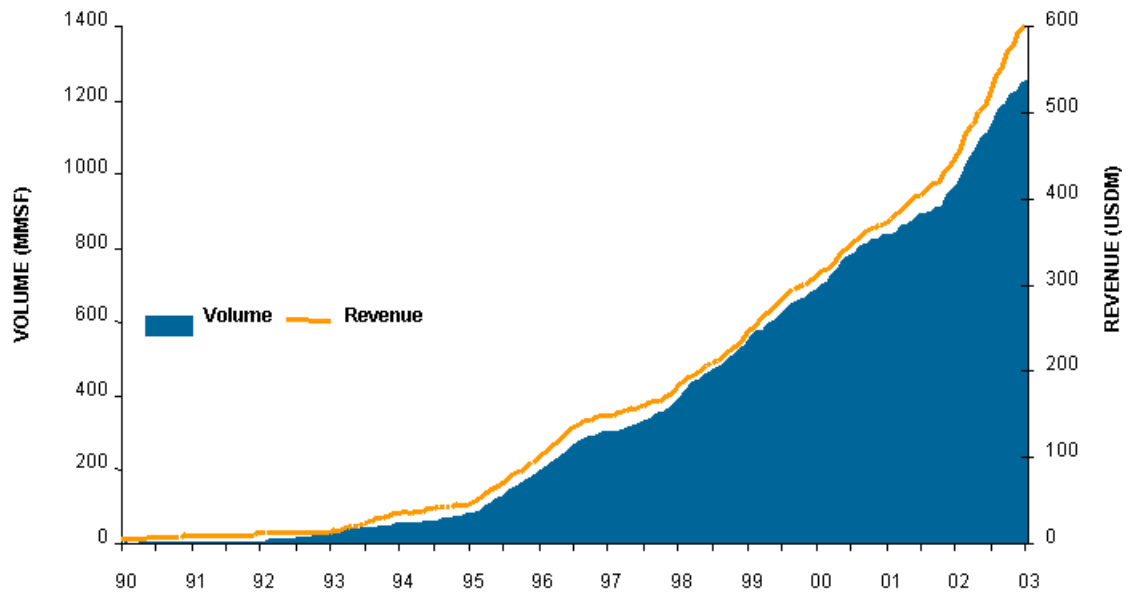
Fibre Cement looks and performs better than vinyl



| Fibre Cement | | Vinyl |
|-----------------------------------------------------------------------------------|-----------------------|-------|
|  | Fire Resistant | ? |
|  | Hail Resistant | ? |
|  | Wind Resistant | ? |
|  | Won't Warp | ? |
|  | Won't Buckle | ? |
|  | Colour Lasts Longer | ? |
|  | Strong and Rigid | ? |
|  | Expands/Contracts | ? |
|  | Withstands Impact | ? |
|  | Dimensional Stability | ? |
|  | Won't Blister | ? |
|  | Won't Crack | ? |

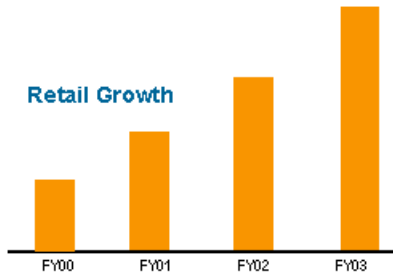
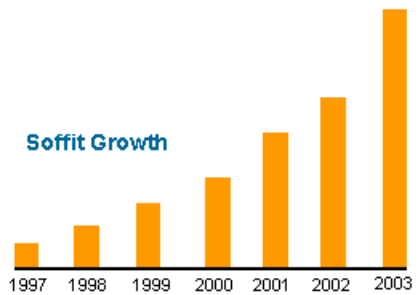
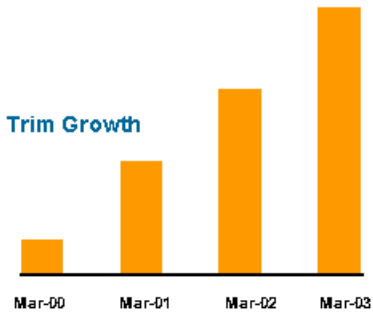


Strong Top Line Growth





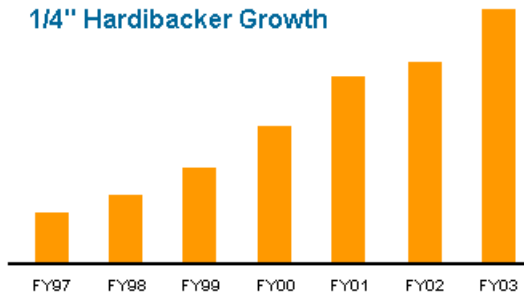
Numerous Growth Dimensions



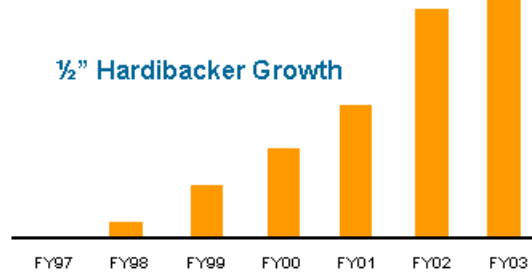


Numerous Growth Dimensions

1/4" Hardibacker Growth

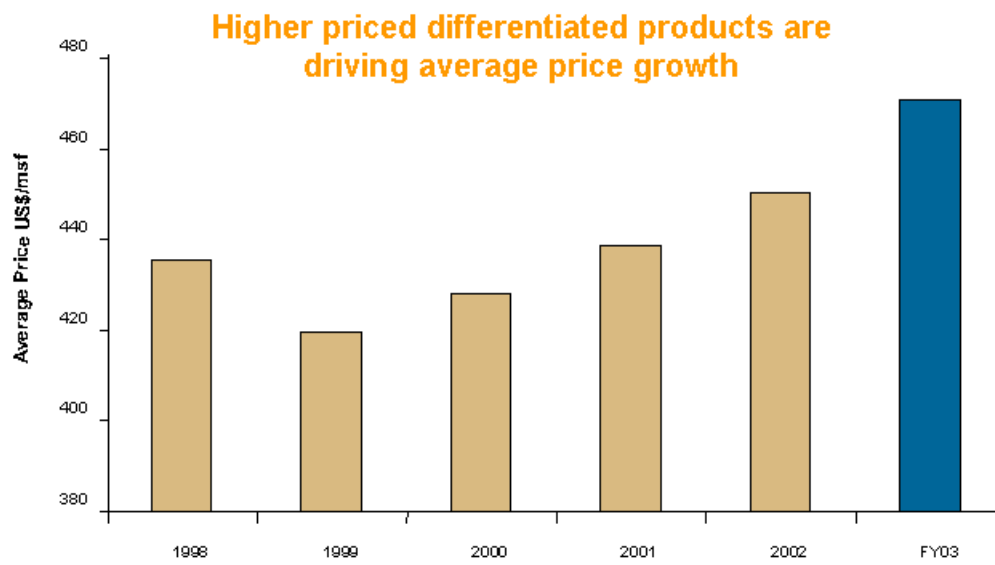


1/2" Hardibacker Growth





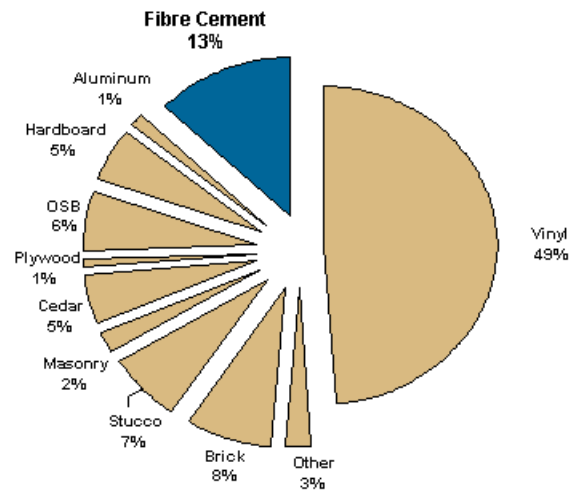
Mix Is Driving Price





Growing Share - Siding

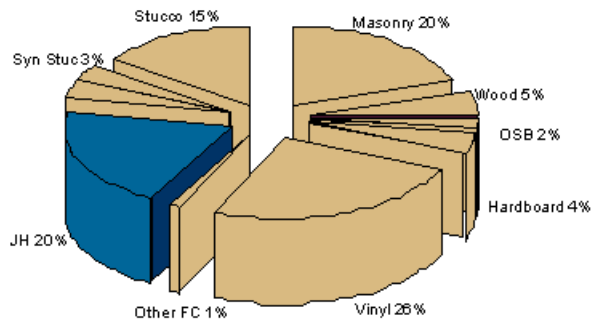
13% of siding market vs long term target of 35-40%



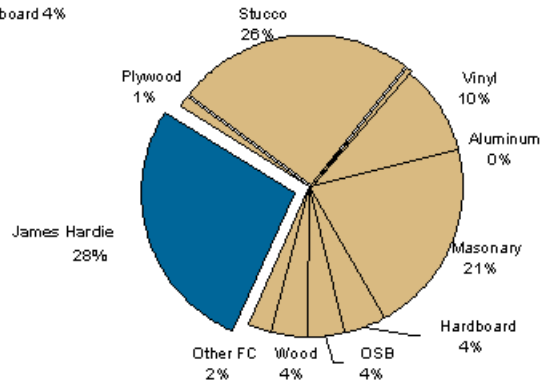


Growing Share - Siding

US New Construction Siding Market

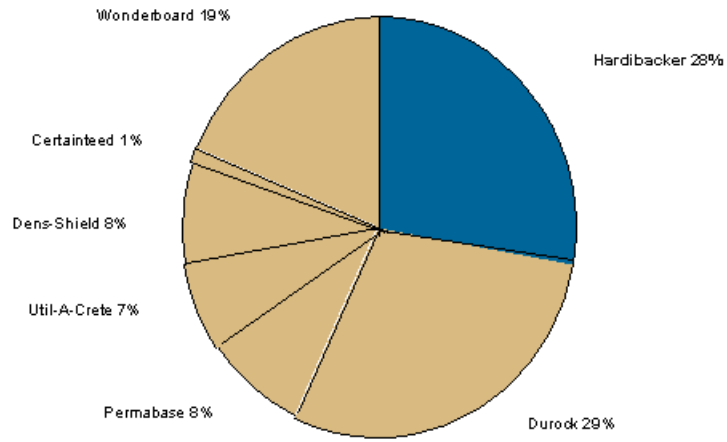


New Construction Southern Division





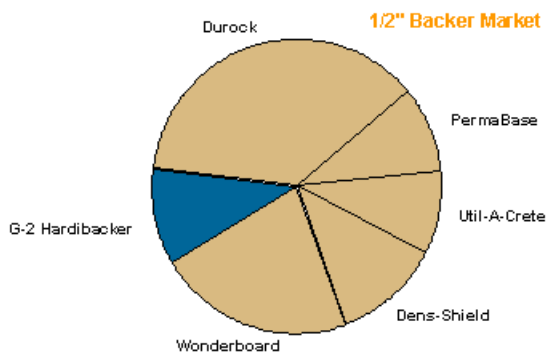
Growing Share - Backer



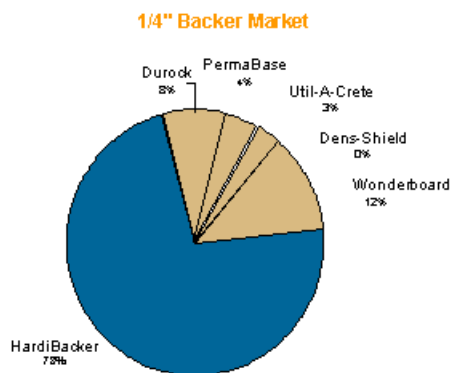


Growing Share - Backer

10% of 1/2" segment – target > 40 %



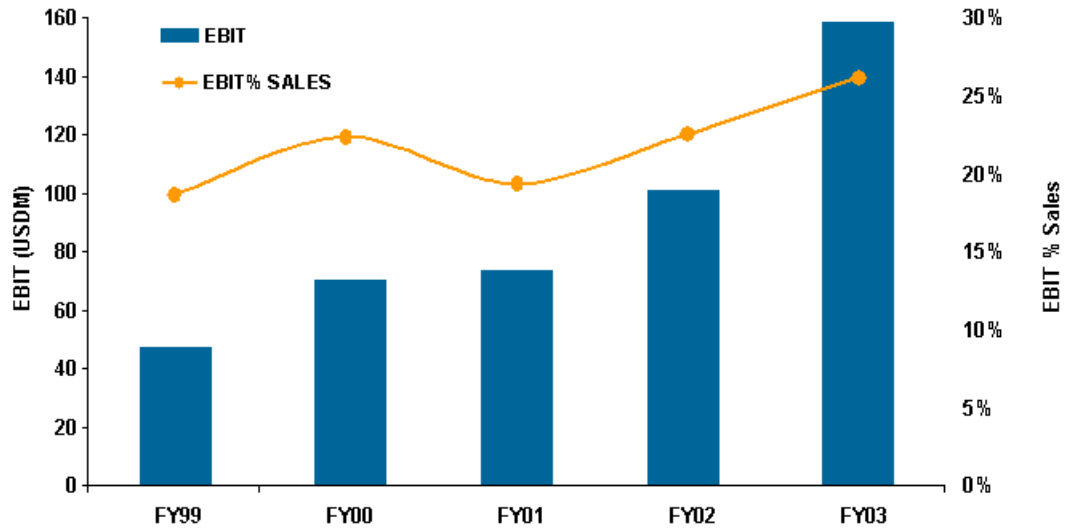
Very strong in 1/4" segment





Growth is Profitable

EBIT and Margins – Last 5 years – CAGR 33%





Long Term Growth

Targets

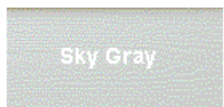
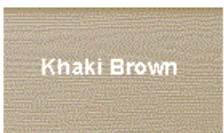
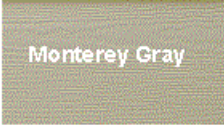
- 20% Revenue Growth
 - 20% EBIT/Revenue Ratio
-

Superior Product Performance



ColorPlus™ pre-painted siding

- Helps take share from vinyl
- Lifts selling prices
- Lifts margins





Low Shares of Large Markets

| Product Category | Market Size (bsf) |
|-----------------------------|-------------------|
| New Construction | |
| - Siding, Fascia & Soffits | 3.5 |
| - Trim | 1.3 |
| Total New | 4.8 |
| Repair & Remodel | |
| - Siding, Fascia & Soffits | 3.9 |
| - Trim | 1.6 |
| Total R&R | 5.4 |
| Grand Total | 10.2 bsf |

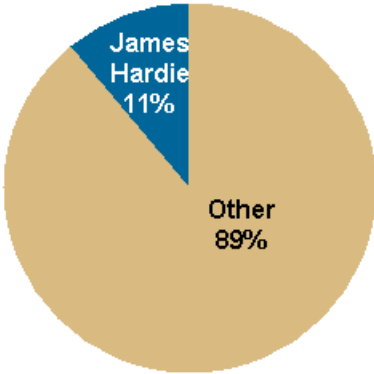


bsf = JH standard feet in billion square feet

Overall Share Could Double in 5 Years

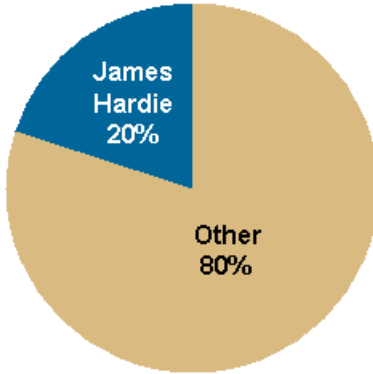
2002

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10.2 bsf



2007

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11.0 bsf





Australia/New Zealand



- Grow the market
- Increase category share
- Higher value differentiated products
- Flatten the structure
- Simplify the business
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Philippines and Asia

- Manufacturing plant commissioned 1999
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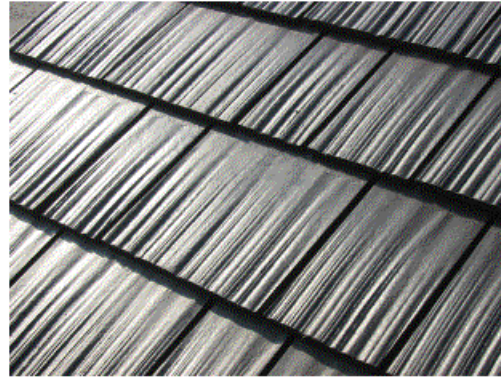


- USA manufacturing plant commissioned 2001
- Product has advantages over reinforced steel concrete pipes
- Lower cost to make and install
- Long term targets
 - national business
 - 4-5 manufacturing plants
 - large share of US\$2 billion market





- USA market entry
- Development of fibre cement roofing technology
- US roofing market 13 bsf (US siding market 10.2 bsf)
- Initial target market 2.1 bsf
 - to compete with wood shake
 - superior durability and fire performance
- US\$12m pilot plant being commissioned





- Initially pursuing a low cost, low risk strategy
- Differentiated products imported from US
 - G2 Backer
 - XLD Trim
 - ColorPlus Siding
- Focussed market development UK and France
- JH business model differentiated from current industry approach



Long Term Financial Targets

High Growth and Attractive Returns Targeted

| | |
|-----------------------|----------------------|
| Revenue growth | > 15% p.a. |
| EBIT Margins | > 15% |
| ROA | > 15% |





Disclaimer

This presentation contains forward-looking statements. Words such as "believe," "anticipate," "plan," "expect," "intend," "target," "estimate," "project," "predict," "forecast," "guideline," "should," "aim" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors, which are further discussed in our reports submitted to the Securities and Exchange Commission on Forms 20-F and 6-K and in our other filings, include but are not limited to: competition and product pricing in the markets in which we operate; general economic and market conditions; compliance with, and possible changes in, environmental and health and safety laws; dependence on cyclical construction markets; the supply and cost of raw materials; our reliance on a small number of product distributors; the consequences of product failures or defects; exposure to environmental or other legal proceedings; and risks of conducting business internationally. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those contained in forward-looking statements. Forward-looking statements speak only as of the date they are made.



James Hardie

High Growth From Unique Technology

May 2003



James Hardie

High Growth From Unique Technology

June 2003



Focused on Fibre Cement

Attractive Investment Attributes

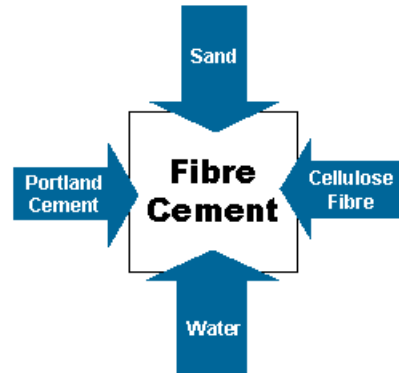


- High growth
- Unique proprietary technology
- Sustainable competitive advantage
- Strong cashflows and balance sheet
- Low cyclical risk
- Relentless will to win



First to Develop Fibre Cement

James Hardie pioneered the development of fibre cement technology in the 1980s





Many Product Applications

- External siding/soffit lining
- Internal wall/floor wet area lining
- Trim and fascia
- Ceiling lining and flooring
- External/internal wall systems
- Partitioning
- Commercial facades
- Decorative columns
- Fencing
- Drainage pipes





Unique Technology and Scale

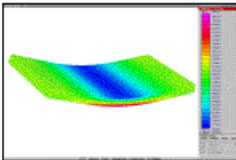
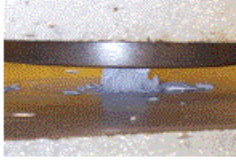
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Creating the Future

R&D is a Key Driver of Growth



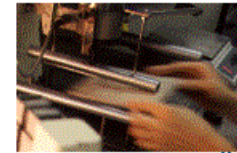
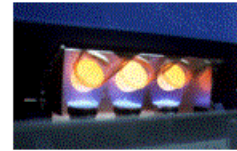
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Vision and Strategy

Industry Leadership and Profitable Growth

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 - market position
 - brand recognition
- Strong top line growth
- High shares of large market segments
- Attractive margins





Balanced Growth Portfolio

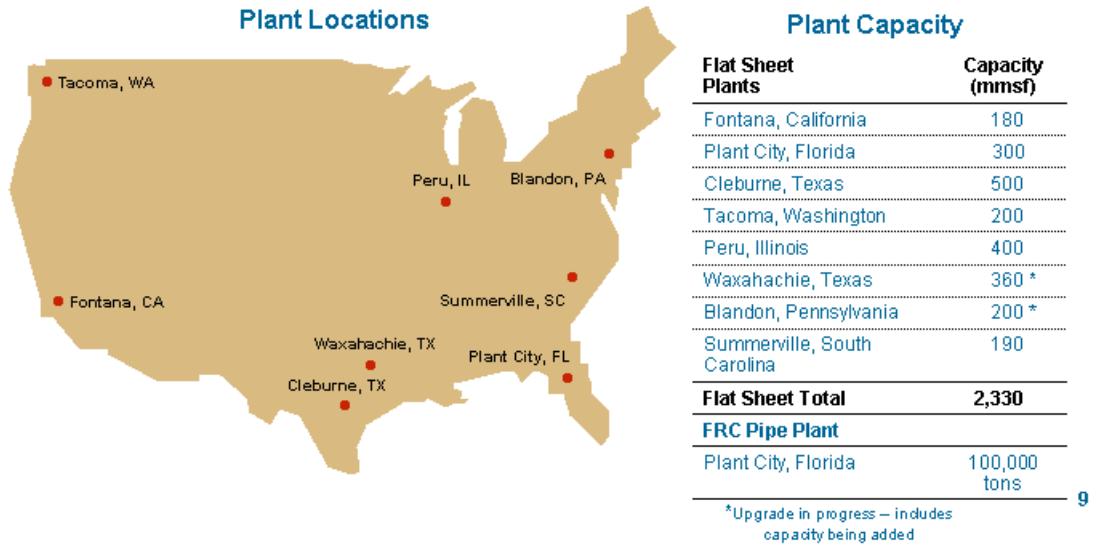
James Hardie Business Portfolio – FY 03

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|-------------------------------------------------------------|------------|--------------|-------------|
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USA Fibre Cement

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 - Target the builder and contractor (decision maker)
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- Category Share
 - Brand program
 - Differentiated product offering
 - Long term price positioning
- Performance Indicators (Measurements)
 - Revenue Growth
 - EBIT Margin
 - Manufacturing Capabilities

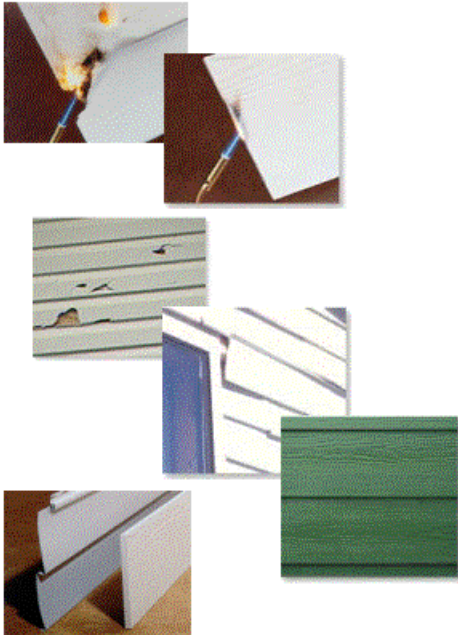
Fibre Cement is more durable than wood and engineered wood

| Fibre Cement | Superior Durability | Engineered Wood |
|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
|  | <ul style="list-style-type: none"> Moisture Resistant Fire Resistant Weather Resistant Termite Proof Won't Warp Won't Crack Won't Rot Holds Paint Longer Won't Delaminate |  |



Superior Product Performance

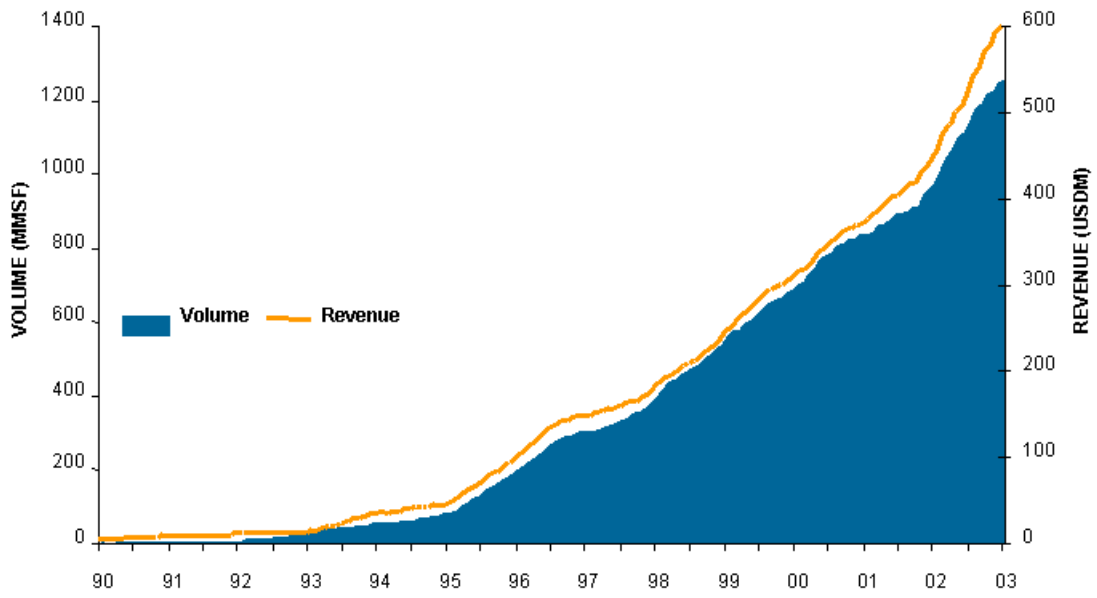
Fibre Cement looks and performs better than vinyl



| Fibre Cement | | Vinyl |
|-----------------------------------------------------------------------------------|-----------------------|-------|
|  | Fire Resistant | ? |
|  | Hail Resistant | ? |
|  | Wind Resistant | ? |
|  | Won't Warp | ? |
|  | Won't Buckle | ? |
|  | Colour Lasts Longer | ? |
|  | Strong and Rigid | ? |
|  | Expands/Contracts | ? |
|  | Withstands Impact | ? |
|  | Dimensional Stability | ? |
|  | Won't Blister | ? |
|  | Won't Crack | ? |

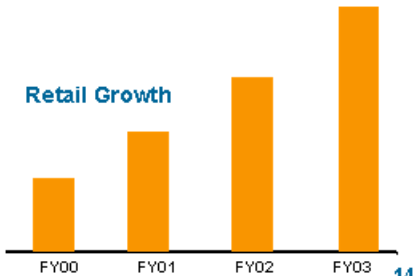
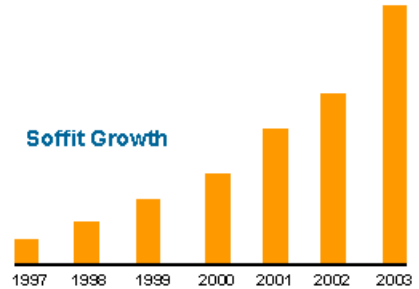
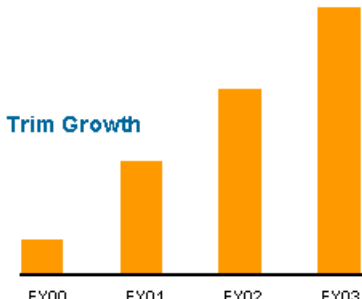


Strong Top Line Growth





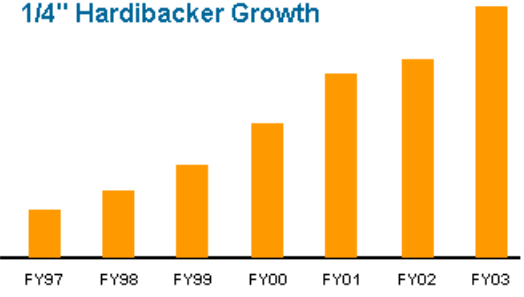
Numerous Growth Dimensions



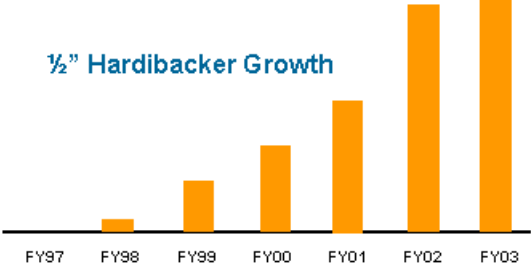


Numerous Growth Dimensions

1/4" Hardibacker Growth

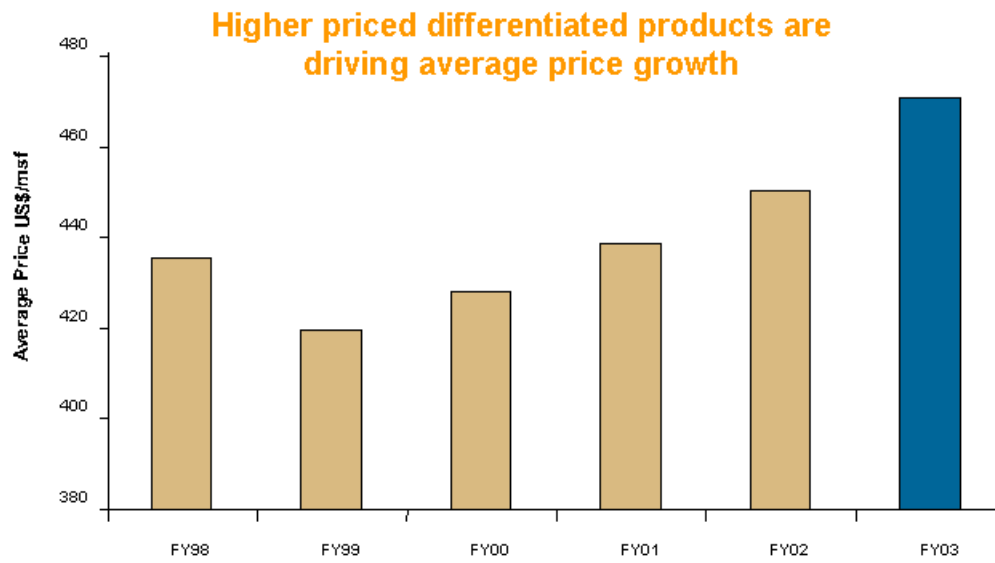


1/2" Hardibacker Growth





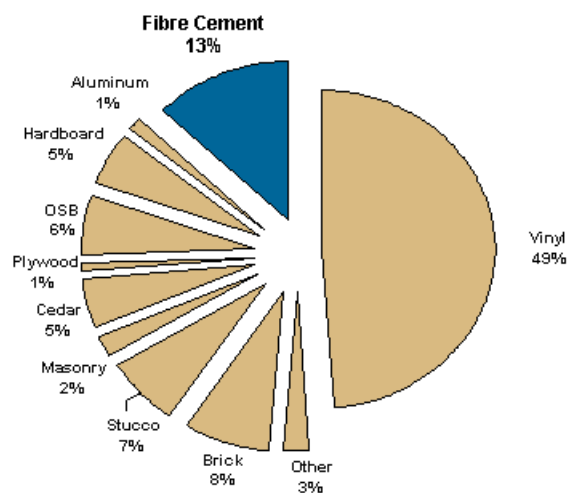
Mix Is Driving Price





Growing Share - Siding

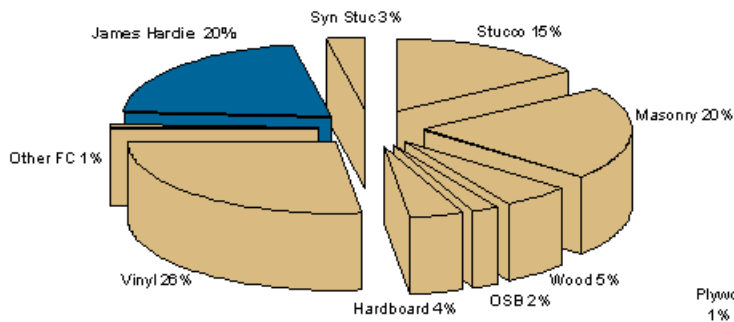
13% of siding market vs long term target of 35-40%



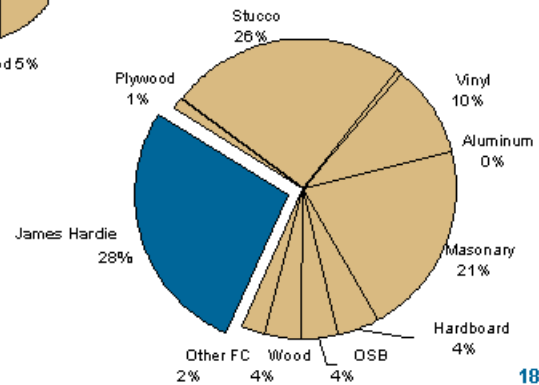


Growing Share - Siding

US New Construction Siding Market



New Construction Southern Division





Growing Share - Siding

Chestnut
Brown

Oak Brown

Pewter Gray

Natural Cedar

Sandstone



ColorPlus™ pre-painted siding

- Helps take share from vinyl
- Lifts selling prices
- Lifts margins

Seclusion

Navajo White

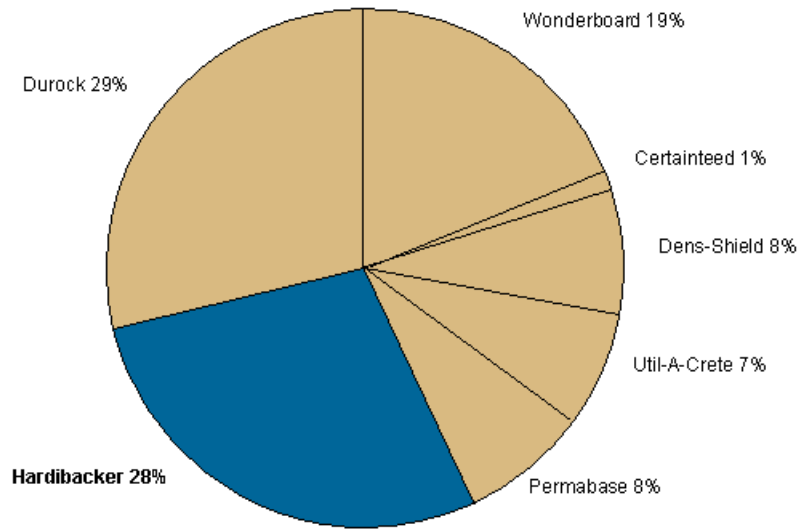
Monterey Gray

Khaki Brown

Sky Gray



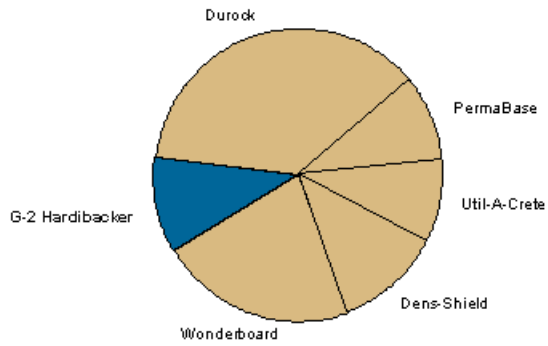
Growing Share - Backer





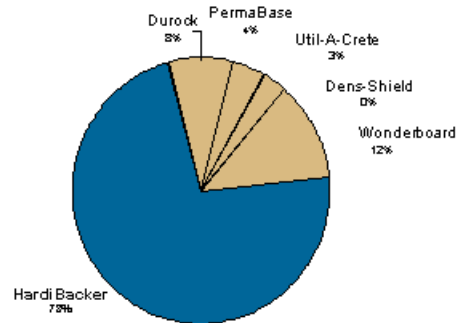
Growing Share - Backer

10% of 1/2" segment – target > 40 %



Very strong in 1/4" segment

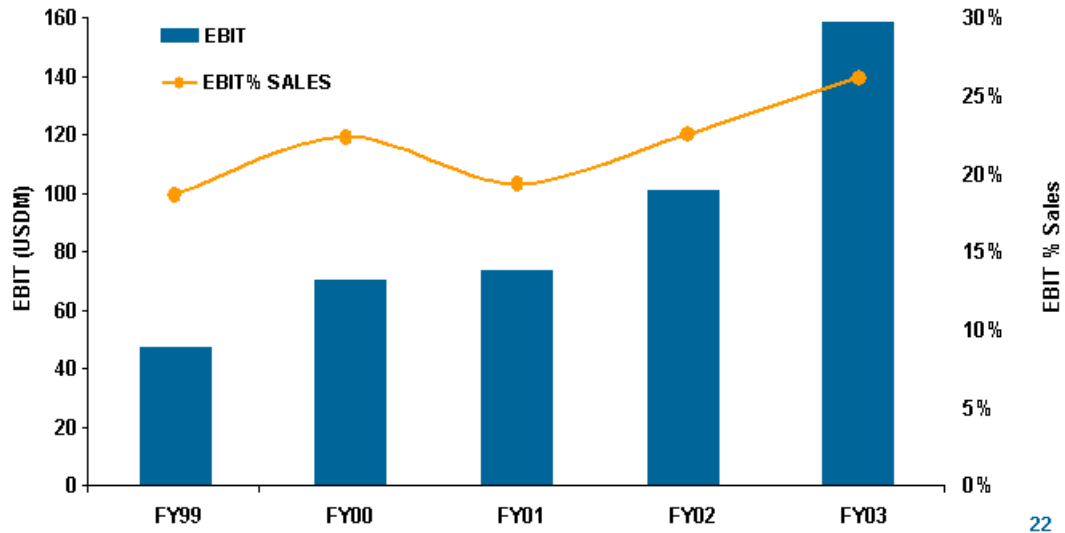
1/4" Backer Market





Growth is Profitable

EBIT and Margins – Last 5 years – CAGR 33%





USA Fibre Cement Targets

- 20% Revenue Growth
- 20% EBIT/Revenue Ratio



Low Shares of Large Markets

| Product Category | Market Size (bsf) |
|-----------------------------|-------------------|
| New Construction | |
| - Siding, Fascia & Soffits | 3.5 |
| - Trim | 1.3 |
| Total New | 4.8 |
| Repair & Remodel | |
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| Total R&R | 5.4 |
| Grand Total | 10.2 bsf |

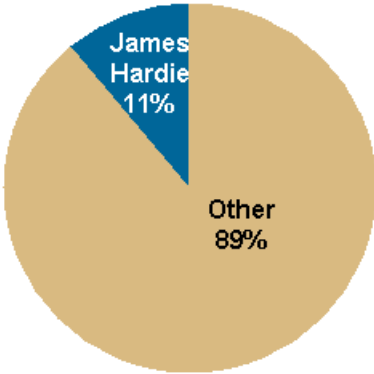


bsf= JH standard feet in billion square feet

Overall Share Could Double in 5 Years

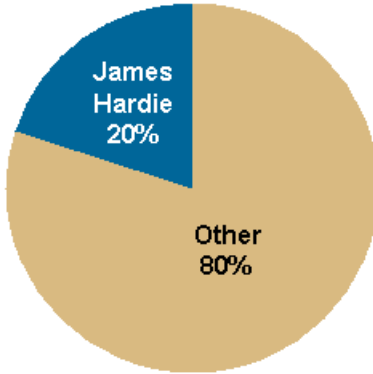
2002

James Hardie Share
USA Exterior Products Market
10.2 bsf



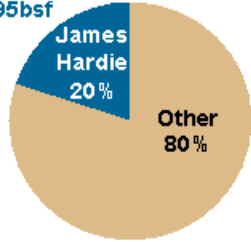
2007

James Hardie Share
USA Exterior Products Market
11.0 bsf

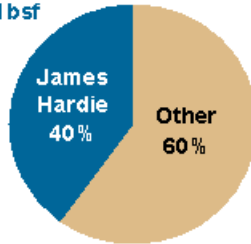


Backer Could Grow Even Faster

2002
USA Interior Cement Board Market
0.95bsf



2007
USA Interior Cement Board Market
1.1bsf





Australia/New Zealand



- Grow the market
- Increase category share
- Higher value differentiated products
- Flatten the structure
- Simplify the business
- Lower delivered cost
- Lower SG&A
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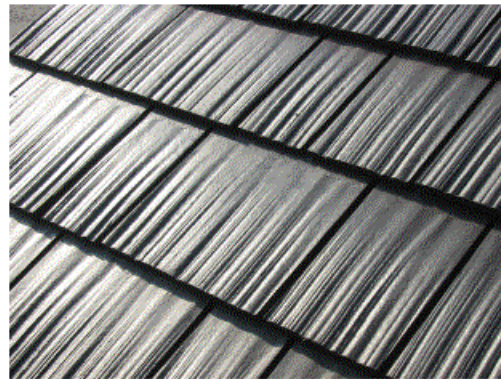
Pipes

- USA manufacturing plant commissioned 2001
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- Lower cost to make and install
- Long term targets
 - national business
 - 4-5 manufacturing plants
 - large share of US\$2 billion market





- USA market entry
- Development of fibre cement roofing technology
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- Initial target market 2.1 bsf
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 - superior durability and fire performance
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- Initially pursuing a low cost, low risk strategy
- Differentiated products imported from US
 - G2 Backer
 - XLD Trim
 - ColorPlus Siding
- Focussed market development UK and France
- JH business model differentiated from current industry approach



Long Term Financial Targets

High Growth and Attractive Returns Targeted

| | |
|-----------------------|----------------------|
| Revenue growth | > 15% p.a. |
| EBIT Margins | > 15% |
| ROA | > 15% |





Disclaimer

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James Hardie

High Growth From Unique Technology

June 2003



James Hardie

High Growth From Unique Technology

August 2003



Focused on Fibre Cement

Attractive Investment Attributes

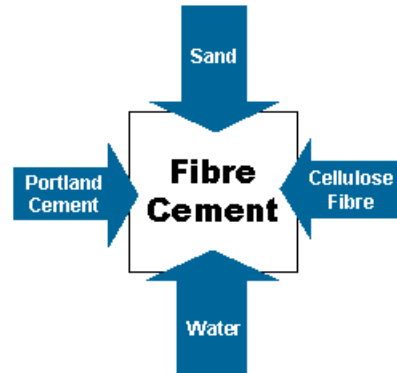


- High growth
- Unique proprietary technology
- Sustainable competitive advantage
- Strong cashflows and balance sheet
- Low cyclical risk
- Relentless will to win



First to Develop Fibre Cement

James Hardie pioneered the development of fibre cement technology in the 1980s





Many Product Applications

- External siding/soffit lining
- Internal wall/floor wet area lining
- Trim and fascia
- Ceiling lining and flooring
- External/internal wall systems
- Partitioning
- Commercial facades
- Decorative columns
- Fencing
- Drainage pipes





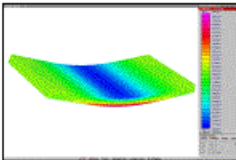
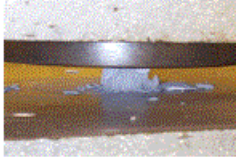
Unique Technology and Scale

Sustainable Competitive Advantage

- Unique plant engineering and proprietary process technology and product formulations
- Superior capital cost efficiency – plant capital cost ½ that of competitors
- Largest, lowest cost manufacturer – plant operating cost 20-30% lower than competitors
- Only national producer in each market
- Superior economies of scale – plants 2-3 times larger than competitors
- Unique differentiated products, widest range and strongest brand



R&D is a Key Driver of Growth



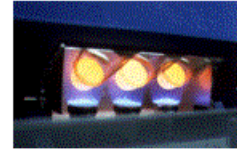
▪ Capabilities and resources

- 120 scientists, engineers and technicians
- 30% increase in spend to US\$21 million in FY03 – 3% of sales



▪ Core projects

- new proprietary engineered raw materials
- new proprietary product formulations
- new engineering and proprietary process technologies
- lightweight and durable products for all climates





Vision and Strategy

Industry Leadership and Profitable Growth

- Aggressively grow the market for fibre cement
- Secure differentiated positions by leveraging:
 - technology
 - products
 - scale
 - cost
 - market position
 - brand recognition
- Strong top line growth
- High shares of large market segments
- Attractive margins





Balanced Growth Portfolio

James Hardie Business Portfolio – FY 03

| | <u>GCE</u> | <u>Sales</u> | <u>EBIT</u> |
|-------------------------------------------------------------|------------|--------------|-------------|
| USA | | | |
| – Established high growth/high return | 70% | 75% | 89% |
| Asia Pacific | | | |
| – Established high return | 21% | 24% | 17% |
| Other | | | |
| – Emerging opportunities (Pipes, Roofing, Europe, Chile) | 9% | 1% | (6%) |
| Total | 100% | 100% | 100% |



USA Fibre Cement

- Primary Demand
 - Create awareness at the consumer level
 - Target the builder and contractor (decision maker)
 - Access the market thru traditional channels
- Category Share
 - Brand program
 - Differentiated product offering
 - Long term price positioning
- Performance Indicators (Measurements)
 - Revenue Growth
 - EBIT Margin
 - Manufacturing Capabilities



USA Fibre Cement

James Hardie is the largest lowest cost producer of fibre cement in the USA

Plant Locations






Plant Capacity

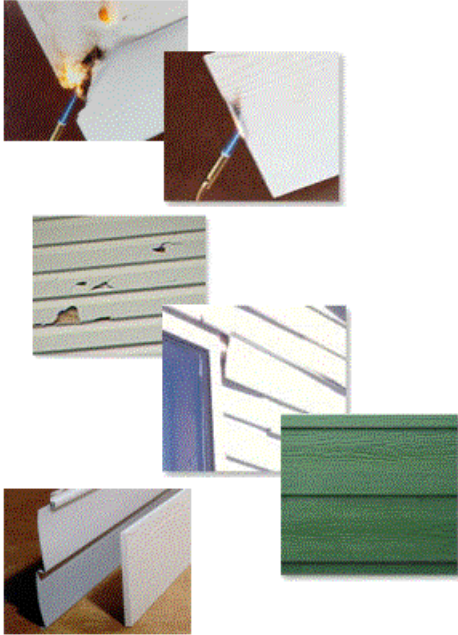
| Flat Sheet Plants | Capacity (mmsf) |
|-----------------------------|-----------------|
| Fontana, California | 180 |
| Plant City, Florida | 300 |
| Cleburne, Texas | 500 |
| Tacoma, Washington | 200 |
| Peru, Illinois | 560* |
| Waxahachie, Texas | 360 |
| Blandon, Pennsylvania | 200 |
| Summerville, South Carolina | 190 |
| Sacramento, California | 300* |
| Flat Sheet Total | 2,790 |
| FRC Pipe Plant | |
| Plant City, Florida | 100,000 tons |

*Upgrade in progress – includes capacity being added

Fibre Cement is more durable than wood and engineered wood

| Fibre Cement | Superior Durability | Engineered Wood |
|-----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
|  | <ul style="list-style-type: none"> Moisture Resistant Fire Resistant Weather Resistant Termite Proof Won't Warp Won't Crack Won't Rot Holds Paint Longer Won't Delaminate |  |

Fibre Cement looks and performs better than vinyl

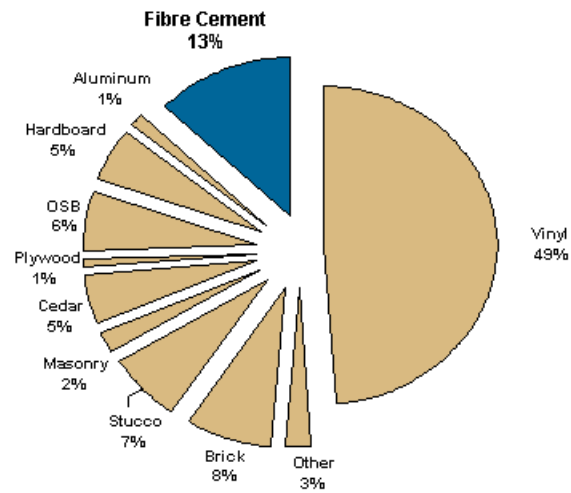


| Fibre Cement | | Vinyl |
|-----------------------------------------------------------------------------------|-----------------------|-------|
|  | Fire Resistant | ? |
|  | Hail Resistant | ? |
|  | Wind Resistant | ? |
|  | Won't Warp | ? |
|  | Won't Buckle | ? |
|  | Colour Lasts Longer | ? |
|  | Strong and Rigid | ? |
|  | Expands/Contracts | ? |
|  | Withstands Impact | ? |
|  | Dimensional Stability | ? |
|  | Won't Blister | ? |
|  | Won't Crack | ? |



Growing Share - Siding

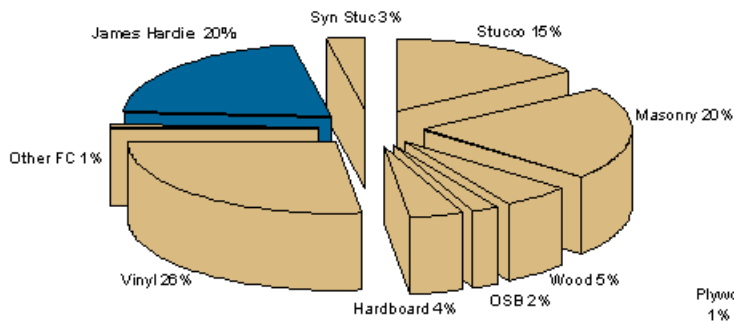
13% of siding market vs long term target of 35-40%



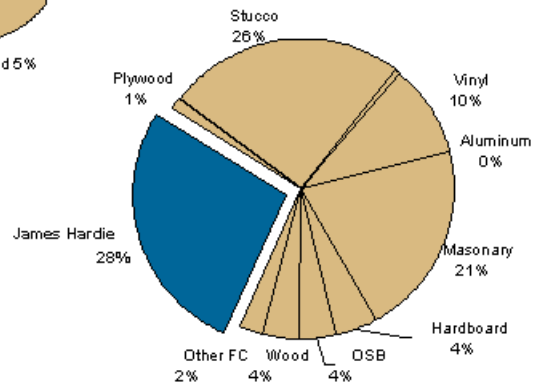


Growing Share - Siding

US New Construction Siding Market



New Construction Southern Division





Growing Share - Siding

Chestnut
Brown

Oak Brown

Pewter Gray

Natural Cedar

Sandstone



ColorPlus™ pre-painted siding

- Helps take share from vinyl
- Lifts selling prices
- Lifts margins

Seclusion

Navajo White

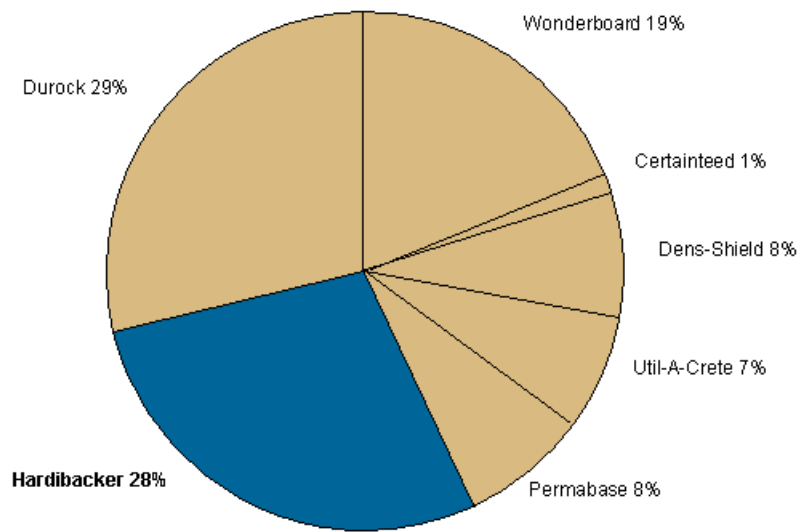
Monterey Gray

Khaki Brown

Sky Gray



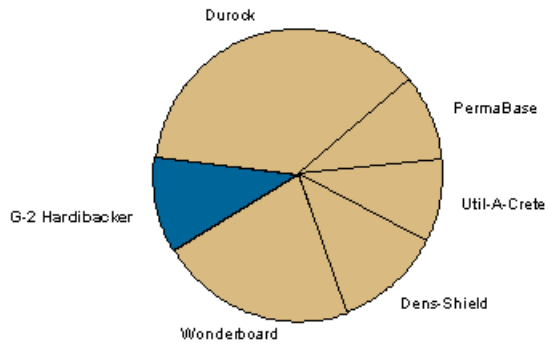
Growing Share - Backer





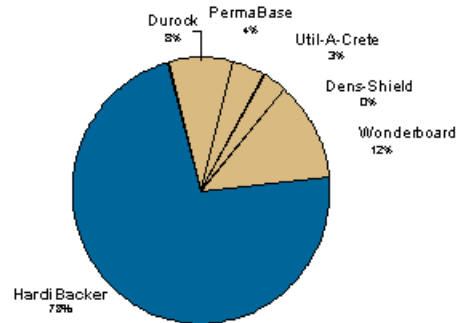
Growing Share - Backer

10% of 1/2" segment – target > 40 %



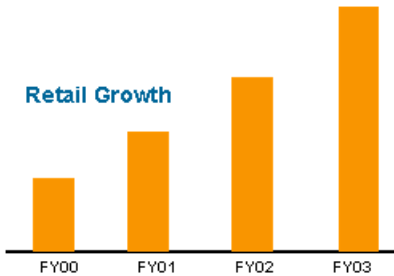
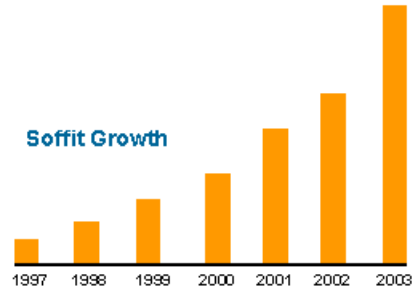
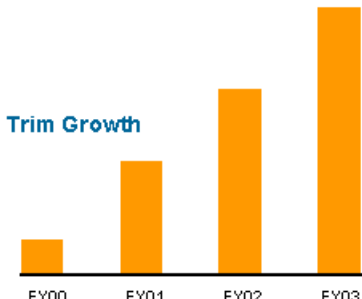
Very strong in 1/4" segment

1/4" Backer Market





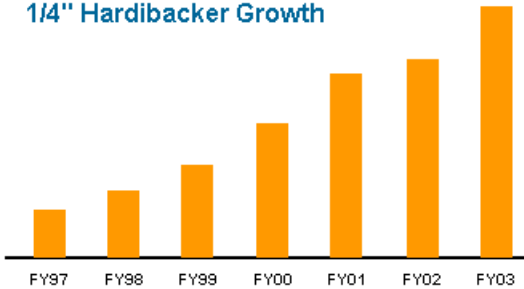
Numerous Growth Dimensions



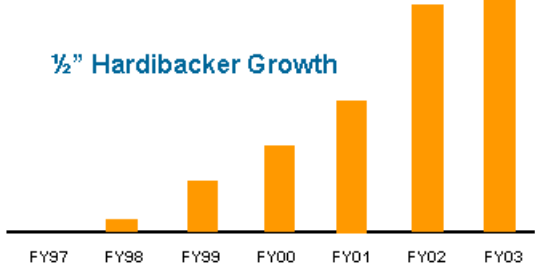


Numerous Growth Dimensions

1/4" Hardibacker Growth

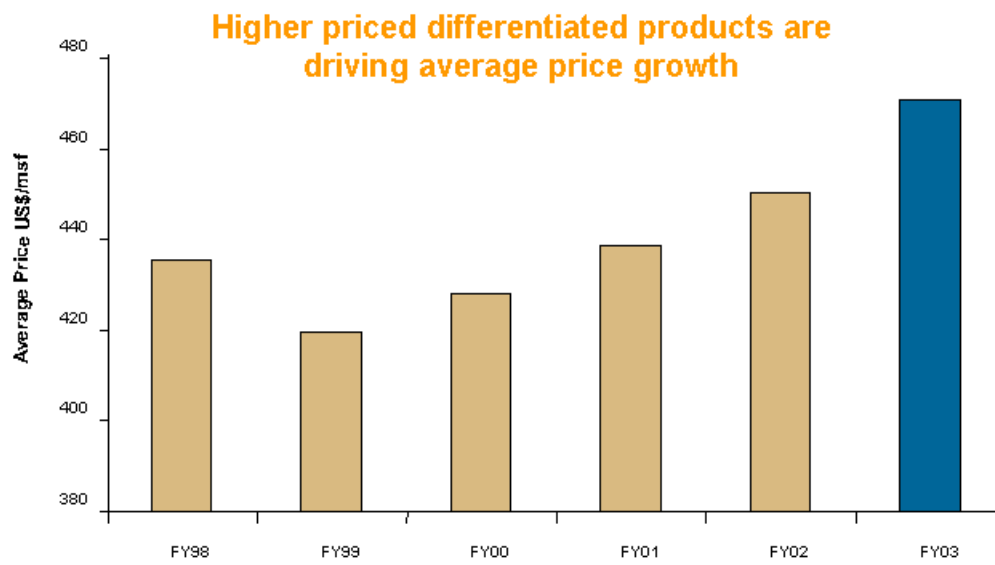


1/2" Hardibacker Growth





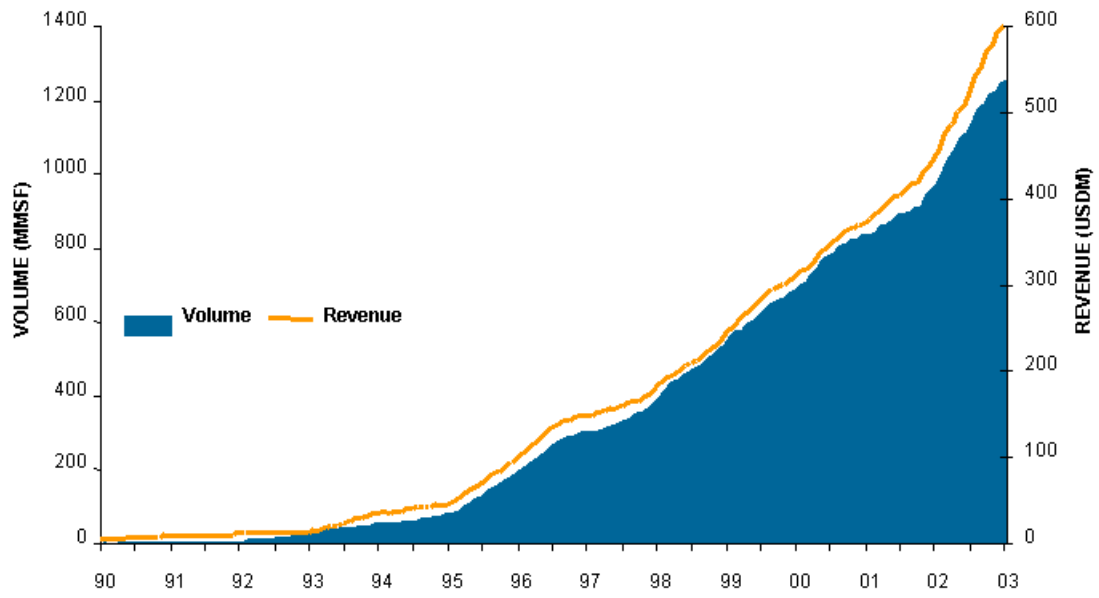
Mix Is Driving Price



²⁰
* Before restructuring and other operating expenses



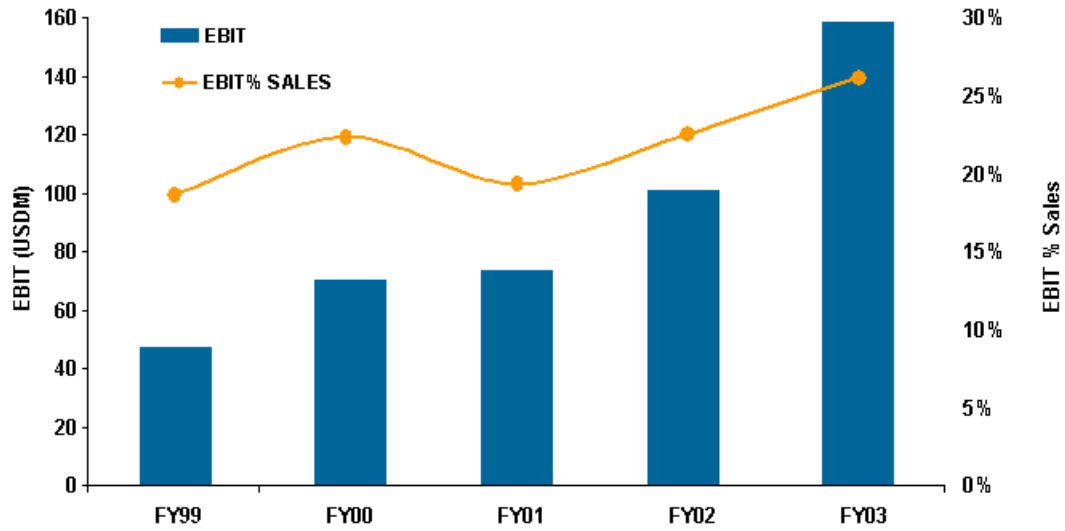
Strong Top Line Growth





Growth is Profitable

EBIT and Margins – Last 5 years – CAGR 33%





USA Fibre Cement Targets

- 20% Revenue Growth
- 20% EBIT/Revenue Ratio



Low Shares of Large Markets

| Product Category | Market Size (bsf) |
|-----------------------------|-------------------|
| New Construction | |
| - Siding, Fascia & Soffits | 3.5 |
| - Trim | 1.3 |
| Total New | 4.8 |
| Repair & Remodel | |
| - Siding, Fascia & Soffits | 3.9 |
| - Trim | 1.6 |
| Total R&R | 5.4 |
| Grand Total | 10.2 bsf |

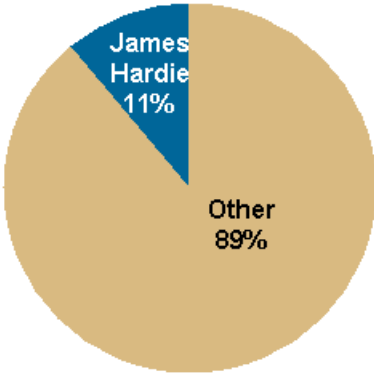


bsf = JH standard feet in billion square feet

Overall Share Could Double in 5 Years

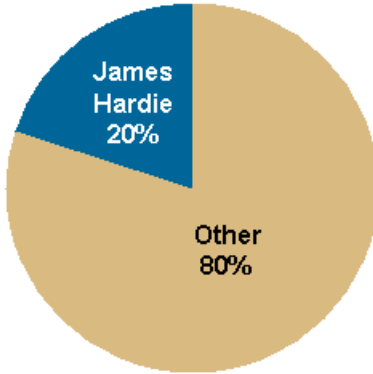
2002

James Hardie Share
USA Exterior Products Market
10.2 bsf



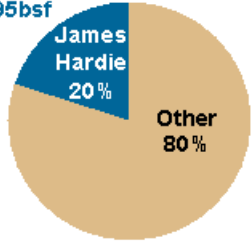
2007

James Hardie Share
USA Exterior Products Market
11.0 bsf

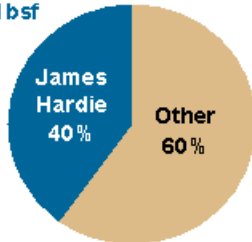


Backer Could Grow Even Faster

2002
USA Interior Cement Board Market
0.95bsf



2007
USA Interior Cement Board Market
1.1bsf





Australia/New Zealand



- Grow the market
- Increase category share
- Higher value differentiated products
- Flatten the structure
- Simplify the business
- Lower delivered cost
- Lower SG&A
- Emphasise step change
- High performance culture
- Increase revenue and margins



Philippines and Asia

- Manufacturing plant commissioned 1999
- FY03 sales US\$18 million, EBIT slightly positive
- Fibre cement as substitute for plywood
- 25% market share domestically
- Established low cost regional manufacturing hub
- Low GDP per capita is an obstacle for developing a differentiated JH business model.





Chile and South America

- Manufacturing plant commissioned 2001
- Low cost manufacturing, rapid market penetration
- 23% share of flat sheet market already achieved
- Currently operating at EBIT breakeven
- Plant has been certified to import US products



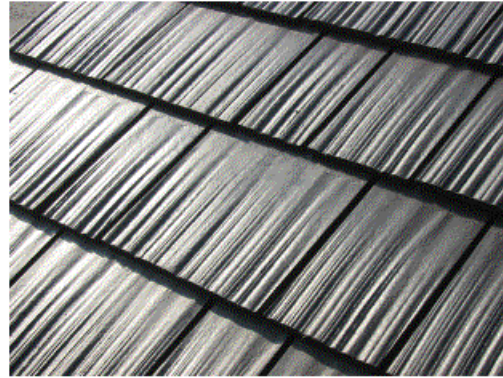


- USA manufacturing plant commissioned 2001
- Product has advantages over reinforced steel concrete pipes
- Lower cost to make and install
- Long term targets
 - national business
 - 4-5 manufacturing plants
 - large share of US\$2 billion market





- USA market entry
- Development of fibre cement roofing technology
- US roofing market 13 bsf (US siding market 10.2 bsf)
- Initial target market 2.1 bsf
 - to compete with wood shake
 - superior durability and fire performance
- US\$12m pilot plant being commissioned





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