UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer Pursuant to Rule 13a-16 or 15d-16
under the Securities Exchange Act of 1934

For the Month of February, 2009

1-15240
(Commission File Number)

JAMES HARDIE INDUSTRIES N.V.

(Translation of registrant's name into English)

Atrium, 8th floor
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 the registrant by furnishing the information contained in this Form 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

The exhibits attached to this Form 6-K contains forward-looking statements. We may from time to time make forward-looking statements in our periodic reports filed with or furnished to the United States Securities and Exchange Commission on Forms 20-F and 6-K, in our annual reports to shareholders, in offering circulars, invitation memoranda and prospectuses, in media releases and other written materials and in oral statements made by our officers, directors or employees to analysts, institutional investors, lenders and potential lenders, representatives of the media and others. Statements that are not historical facts are forward-looking statements and for US purposes such forward-looking statements are statements made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include:

- expectations about the timing and amount of payments to the Asbestos Injuries Compensation Fund (AICF), a special purpose fund for the compensation of proven Australian asbestos-related personal injury and death claims;
- statements regarding tax liabilities and related audits and proceedings;
- statements as to the possible consequences of proceedings brought against us and certain of our former directors and officers by the Australian Securities and Investments Commission;
- expectations concerning indemnification obligations;
- expectations concerning the costs associated with the suspension or closure of operations at any of our plants and future plans with respect to any such plants;
- expectations that our credit facilities will be extended or renewed;
- expectations concerning dividend payments;
- projections of our results of operations or financial condition;
- statements concerning our corporate and tax domiciles and potential changes to them;
- statements regarding our plans, objectives or goals, including those relating to strategies, initiatives, competition, acquisitions, dispositions and our products;
- statements about our future performance; and
- statements about product or environmental liabilities.

Words such as “believe,” “anticipate,” “plan,” “expect,” “intend,” “target,” “estimate,” “project,” “predict,” “forecast,” “guideline,” “should,” “aim,” “will,” “continue” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Readers are cautioned not to place undue reliance on these forward-looking statements and all such forward-looking statements are qualified in their entirety by reference to the following cautionary statements.

Forward-looking statements are based on our estimates and assumptions and because forward-looking statements address future events and conditions, they, by their very nature, involve inherent risks and uncertainties. Such known and unknown risks, uncertainties and other factors may cause our actual results, performance or other achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied be these forward-looking statements. 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, some of which are discussed under “Key Information — Risk Factors” beginning on page 6 of our Form 20-F filed on 8 July 2008 with the Securities and Exchange Commission, include, but are not limited to: all matters relating to or arising out of the prior manufacture of products that contained asbestos by current and former James Hardie subsidiaries; required contributions to the AICF and the effect of foreign exchange rates on the amount recorded in our financial statements as an asbestos liability; compliance with and changes in tax laws and treatments; competition and product pricing in the markets in which we operate; the consequences of product failures or defects; exposure to environmental, asbestos or other legal proceedings; general economic and market conditions; the supply and cost of raw materials; the success of our research and development efforts; the concentration of James Hardie’s customer base on large format retail customers, distributors and dealers; compliance with and changes in environmental and health and safety laws; risks of conducting business internationally; compliance with and changes in laws and regulations; foreign exchange risks; the effect of natural disasters; changes in our key management personnel; and all other risks identified in our reports filed or furnished with Australian, Dutch and US securities agencies and exchanges (as appropriate). 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 in forward-looking statements. Forward-looking statements speak only as of the date they are made and are statements of our current expectations concerning future results and events.

EXHIBIT INDEX

Exhibit No.	Description
Exhibit 99.1	Q3 FY09 Media Release
Exhibit 99.2	Q3 FY09 Management's Analysis of Results
Exhibit 99.3	Q3 FY09 Management's Presentation
Exhibit 99.4	Q3 FY09 Consolidated Financial Report

The information set forth in Exhibits 99.2 and 99.4 of this Report on Form 6-K is hereby Incorporated by reference in to the Registrant's Registration Statements on Forms S-8, Registration Nos. 333-14036 and 333-153446.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

James Hardie Industries N.V.

Date: February 16, 2009

By: /s/ Russell Chenu
Russell Chenu
Chief Financial Officer

Table of Contents

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Exhibit 99.1

James Hardie

MEDIA RELEASE

12 February 2009

For analyst and media enquiries please call
Sean O' Sullivan on: Tel: (02) 8274 5246

3rd quarter net operating profit US$16.5m
Nine months net operating profit US$89.7m
(both excluding asbestos, ASIC expenses and tax adjustments)

James Hardie today announced a US$16.5 million net operating profit, excluding asbestos, ASIC expenses, asset impairments and tax adjustments, for the quarter ended 31 December 2008, a decrease of 56% compared to the same period last year.

For the quarter, net operating profit including asbestos, ASIC expenses, asset impairments and tax adjustments was US$111.0 million (mainly due to the effect of foreign exchange adjustments on our asbestos liability which has been favourably affected by the recent depreciation of the Australian dollar as compared to the United States dollar), compared to US$17.1 million for the same quarter last year.

For the nine months, net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments, decreased 43% to US$89.7 million from US$156.8 million. Including asbestos, ASIC expenses, asset impairments and tax adjustments, net operating profit increased from US$75.3 million to US$265.9 million.

Operating results were significantly affected by further declines in the US housing market, where, according to the National Association of Home Builders, housing starts fell 43% in the company's third quarter and 35% for the nine months ended 31 December 2008, respectively, compared to the same periods last year.

Operating Performance

Third quarter net sales decreased 25% to US$254.4 million, gross profit was down 30% to US$82.4 million and EBIT excluding asbestos, ASIC expenses and asset impairments was 46% lower at US$31.6 million, compared to the same period last year. EBIT including asbestos, ASIC expenses and asset impairments increased from US$25.2 million to US$118.9 million.

In this Media Release, James Hardie may present financial measures, sales volume terms, financial ratios, and Non-US GAAP financial measures included in the Definitions section of this document starting on page 9. The company presents financial measures that it believes are customarily used by its Australian investors. Specifically, these financial measures, which are equivalent or derived from certain GAAP measures as explained in the definitions, include "EBIT", "EBIT margin", "Operating profit" and "Net operating profit". The company may also present other terms for measuring its sales volumes ("million square feet" or "mmsf" and "thousand square feet" or "msf"); financial ratios ("Gearing ratio", "Net interest expense cover", "Net interest paid cover", "Net debt payback", "Net debt (cash)"; and Non-US GAAP financial measures ("EBIT excluding asbestos, ASIC expenses and asset impairments", "EBIT margin excluding asbestos, ASIC expenses and asset impairments", "Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments", "Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments", "Operating profit before income taxes excluding asbestos" and "Effective tax rate excluding asbestos and tax adjustments" and EBITDA). Unless otherwise stated, results and comparisons are of the 3rd quarter and the nine months of the current fiscal year versus the 3rd quarter and the nine months of the prior fiscal year.

For the nine months, net sales decreased 17% to US$961.3 million, gross profit was down 24% to US$319.6 million and EBIT excluding asbestos, ASIC expenses and asset impairments decreased 37% to US$153.8 million, compared to the same period last year. EBIT including asbestos, ASIC expenses and asset impairments increased from US$144.9 million to US$334.0 million.

Net sales of the USA and Europe Fibre Cement business decreased 26% for the quarter and 20% for the nine months. USA and Europe Fibre Cement EBIT was down 36% to US$40.3 million and 35% to US$167.0 million for the quarter and nine months, respectively, as a result of lower sales volumes and higher costs.

Asia Pacific Fibre Cement net sales were down 25% and 2% for the quarter and nine months, respectively. Asia Pacific EBIT decreased 29% to US$10.5 million for the quarter primarily due to unfavourable currency exchange rate movements of the Asia Pacific business' currencies compared to the US dollar. Asia Pacific EBIT increased 2% to US$40.4 million for the nine months.

Diluted earnings per share for the quarter and nine months increased to US25.6 cents and US61.3 cents per share, respectively, from US3.9 cents and US16.3 cents per share in the same periods last year.

Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments decreased from US8.4 cents to US3.8 cents for the quarter and decreased by 39% from US33.9 cents to US20.7 cents for the nine months.

3rd Quarter and Nine Months at a Glance

US$ Millions	Q3 FY 2009	Q3 FY 2008	% Change	9 Months FY 2009	9 Months FY 2008	% Change
Net sales	$254.4	$341.4	(25)	$ 961.3	$1,155.9	(17)
Gross profit	82.4	117.1	(30)	319.6	422.8	(24)
EBIT excluding asbestos, ASIC expenses and asset impairments	**31.6**	**58.9**	**(46)**	**153.8**	**242.4**	**(37)**
Asbestos adjustments	93.6	1.2	—	193.9	(57.8)	—
ASIC expenses	(5.8)	(1.5)	—	(12.3)	(4.6)	—
Asset impairments	—	(32.4)	—	—	(32.4)	—
EBIT	118.9	25.2	—	334.0	144.9	—
Net interest (expense) income	(1.1)	0.8	—	(1.9)	3.3	—
Income tax expense	(6.8)	(8.9)	24	(66.2)	(72.9)	9
Net operating profit	111.0	17.1	—	265.9	75.3	—
Diluted earnings per share (US cents)	25.6	3.9	—	61.3	16.3	—

Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments decreased 56% for the quarter to US$16.5 million and was 43% lower for the nine months at US$89.7 million, as shown in the following table:

US$ Millions	Q3 FY 2009	Q3 FY 2008	% Change	9 Months FY 2009	9 Months FY 2008	% Change
Net operating profit	$111.0	$ 17.1	—	$ 265.9	$ 75.3	—
Excluding:						
Asbestos:						
Asbestos adjustments	(93.6)	(1.2)	—	(193.9)	57.8	—
AICF SG&A expenses	0.5	1.0	(50)	1.4	2.7	(48)
AICF interest income	(1.6)	(2.8)	43	(4.8)	(7.0)	31
Tax expense related to asbestos adjustments	—	—	—	—	0.4	—
ASIC expenses (net of tax)	4.3	1.1	—	9.2	3.4	—
Asset impairments (net of tax)	—	20.0	—	—	20.0	—
Tax adjustments	(4.1)	2.6	—	11.9	4.2	—
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	**$ 16.5**	**$ 37.8**	**(56)**	**$ 89.7**	**$ 156.8**	**(43)**
Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments (US cents)	3.8	8.4	(55)	20.7	33.9	(39)

CEO Commentary

US housing declined further in the December 2008 quarter with housing starts reaching a seasonally adjusted annual rate of 550,000 in December 2008, down 45% on December 2007.

To mitigate the severe downturn, James Hardie continues to focus on growing primary demand through initiatives such as the rollout of its unique ColorPlus® products across the US, and leveraging its proprietary technology to offer differentiated products with superior value.

“We expect market demand will continue to be significantly down, and remain focused on staying ahead of any future declines by actively managing inventory and adjusting output to demand,” said James Hardie CEO, Louis Gries. “Similarly, we continue to work towards delivering our planned reduction in SG&A expenses.

“Despite the difficult operating environment we are also continuing to fund key market and product initiatives which we believe will strengthen the company in both the short and long term,” said Mr Gries.

USA and Europe Fibre Cement

Third quarter net sales were down 26% compared to the same quarter last year, to US$195.9 million. Sales volume decreased 28% to 319.9 million square feet, and the average net sales price increased 3% from US$593 to US$612 per thousand square feet.

For the nine months, net sales were down 20% compared to the same period last year, to US$740.6 million. Sales volume decreased 21% to 1,218.3 million square feet, and the average net sales price was 1% higher at US$608 per thousand square feet.

Sales in our USA Fibre Cement business declined compared to sales in the corresponding quarter in the previous year, for the sixth consecutive quarter. This was primarily as a result of the ongoing weakness in the US housing market, where both the new construction and the repair and remodel segments of the market have deteriorated severely.

Sales volumes decreased 28% in the quarter compared to the same period last year, reflecting a 28% decline in exteriors products and a 21% decline in interiors products. Product demand was lower across all regions except Canada. Primary demand has benefitted as our ColorPlus® range of products has increased its penetration in the northern region of the US and as the product’s availability has been extended into other regions. The increased penetration of complementary products such as Trim and Soffit is also helping to mitigate the impact of the severe downturn in the housing market.

EBIT for the quarter was 36% lower at US$40.3 million, primarily due to reduced gross profit performance in the US, which resulted from lower sales volume and higher average unit manufacturing costs. The higher average unit manufacturing costs were a result of fixed costs being absorbed over lower volumes. The EBIT margin was 20.6% for the quarter compared to 24.0% for the same period last year. For the nine months, EBIT was 35% lower at US$167.0 million and the EBIT margin was 22.5% compared to 27.8% for the same period last year.

Asia Pacific Fibre Cement

Net sales decreased 25% to US$58.5 million for the quarter. In Australian dollars, net sales increased 1% due to a 4% increase in the average Australian dollar net sales price, partially offset by a 3% decrease in sales volume.

For the nine months net sales decreased 2% to US$220.7 million. In Australian dollars, net sales increased 1% due to a 1% increase in average Australian dollar net sales price and flat sales volume.

The Australian business delivered a solid performance this quarter. The Australian Bureau of Statistics data shows total new residential building approvals are down 30% for the three months ended December 2008 (housing approvals down 24% and residential apartment building down 43%), compared to the corresponding period of the prior year. Sales improved, driven by increased focus on the small builder and renovations segments. The Scyon™ range of products continues to build momentum with volumes up 47% compared to the same period in the prior year. In New Zealand, construction continued to decline rapidly, with total residential approvals at a 25-year low. In the Philippines, sales volume and net sales increased in local currency compared to the same quarter last year as a result of improved domestic volumes resulting from increased marketing activity.

Asia Pacific EBIT was 29% lower for the quarter at US$10.5 million, primarily due to unfavourable currency exchange rate movements in the Asia Pacific business’ currencies compared to the US dollar. For the nine months Asia Pacific EBIT was up 2% at US$40.4 million. In Australian dollars, Asia Pacific Fibre Cement EBIT decreased 1% for the quarter due to lower gross margin performance, partially offset by lower SG&A expenses. For the nine months, EBIT increased 6% due to decreased SG&A expenses. The EBIT margin was 17.9% and 18.3% for the quarter and nine months, respectively, compared with 19.1% and 17.6% for the same periods last year.

Asbestos Adjustments

The effects of asbestos adjustments on EBIT for the quarter and nine months ended 31 December 2008 are as follows:

US$ Millions	Q3 FY 2009	Q3 FY 2008	9 Months FY 2009	9 Months FY 2008
Effect of foreign exchange movements	$ 93.6	$ 1.2	$ 193.9	$ (59.0)
Other adjustments	—	—	—	1.2
Asbestos adjustments	$ 93.6	$ 1.2	$ 193.9	$ (57.8)

Readers are referred to Note 8 of the company's 31 December 2008 Condensed Consolidated Financial Statements for further information on the asbestos adjustments.

Cash Flow

Operating cash flow for the nine months ended 31 December 2008 decreased from US$279.4 million in the corresponding period to US$25.2 million. The decrease was driven primarily by the Australian Taxation Office (ATO) settlement payment, described below, of US$101.6 million, the quarterly installment payments to the AICF totaling US$50.7 million and the reduced contribution from the USA and Europe Fibre Cement business. Excluding the ATO settlement payment of US$101.6 million and the payments to the AICF totaling US$50.7 million, operating cash flows were US$177.6 million for the nine months ended 31 December 2008.

Capital expenditures for the purchase of property, plant and equipment for the nine months ended 31 December 2008 decreased from US$28.7 million to US$16.8 million. The company anticipates capital expenditures throughout fiscal year 2009 to be lower compared to the previous fiscal year.

ASIC Proceedings

In February 2007, the Australian Securities and Investments Commission (ASIC) commenced civil proceedings against the company, a former subsidiary and ten then-present or former officers and directors of the James Hardie group. The civil proceedings concern alleged contraventions of certain provisions of Australian Corporations Law and/or the Corporations Act connected with the affairs of the company and certain subsidiaries during the period February 2001 to June 2003.

The hearing of the proceedings in the Supreme Court of New South Wales commenced on 29 September 2008 before Justice Gzell. The company presently estimates that the hearing will be completed by the end of the fiscal year 2009 and that Justice Gzell will deliver his judgment in the first quarter of fiscal year 2010.

For the three and nine months ended 31 December 2008, the company has incurred legal costs related to the defence costs, noted as ASIC expenses, of US$5.8 million and US$12.3 million, respectively. For the three and nine months ended 31 December 2007, the company incurred ASIC expenses of US$1.5 million and US$4.6 million, respectively.

Readers are referred to Note 9 of the company's 31 December 2008 Condensed Consolidated Financial Statements for further information on the ASIC Proceedings.

Income Tax

Income Tax Expense

Income tax expense for the quarter decreased from US$8.9 million to US$6.8 million. For the nine months, income tax expense decreased from US$72.9 million to US$66.2 million.

The company's effective tax rate on earnings excluding asbestos and tax adjustments was 47.2% and 40.3% for the quarter and nine months, respectively, compared to 27.4% and 33.9%, respectively, for the same quarter and nine months of the prior year. The increase in effective tax rates over last year is attributable to changes in the geographic mix of earnings and expenses.

Tax adjustments

The company recorded favourable tax adjustments of US$4.1 million for the quarter and unfavourable tax adjustments of US$11.9 million for the nine months, compared to unfavourable tax adjustments of US$2.6 million and US$4.2 million for the quarter and nine months in the prior fiscal year, respectively. The tax adjustments made in both fiscal year 2009 and 2008 relate to adjustments made in accordance with Financial Accounting Standards Board (FASB) Interpretation No. 48 (FIN 48) under US Generally Accepted Accounting Principles (US GAAP).

ATO — 1999 Disputed Amended Assessment

As announced on 22 March 2006, RCI Pty Ltd (RCI), a wholly owned subsidiary of the company, received an amended assessment from the ATO in respect of RCI's income tax return for the year ended 31 March 1999. The amended assessment relates to the amount of net capital gains arising as a result of an internal corporate restructure carried out in 1998 and has been issued pursuant to the discretion granted to the Commissioner of Taxation under Part IVA of the Income Tax Assessment Act 1936.

On 30 May 2007, the ATO issued a Notice of Decision disallowing the company's objection to the amended assessment. On 11 July 2007, the company filed an application appealing the Objection Decision with the Federal Court of Australia. The hearing is scheduled to take place no later than September 2009.

ATO Settlement

As announced on 12 December 2008, the company and the ATO reached an agreement that finalises tax audits being conducted by the ATO on the company's Australian income tax returns for the years ended 31 March 2002 and 31 March 2004 through 31 March 2006 and settles all outstanding issues arising from these tax audits. With the exception of the assessment in respect of RCI for the 1999 financial year, the settlement concludes ATO audit activities for all years prior to the year ended 31 March 2007.

The agreed settlement, made without concessions or admissions of liability by either the company or the ATO, required the company to pay an amount of A$153.0 million (US$101.6 million) in December 2008. Prior to the third quarter the company had provided for the entire A$153.0 million settlement as an uncertain tax provision. As a result, the agreed settlement and subsequent payment of the settlement amount resulted in no income tax expense or benefit in the third quarter of fiscal year 2009.

Internal Revenue Service (IRS) — Notice of Proposed Adjustment (NOPA)

On 23 June 2008, the company announced that the IRS had issued it with a NOPA that concludes that the company does not satisfy the United States-Netherlands Treaty Limitations on Benefits (LOB) provision of the New United States-Netherlands Treaty applicable from early 2006 and that accordingly it is not entitled to beneficial withholding tax rates on payments from the company's United States subsidiaries to its Netherlands companies. The company does not agree with the conclusions reached by the IRS, and the company intends to contest the IRS' findings through the continuing audit process and, if necessary, through subsequent administrative appeals and possibly litigation. If the IRS position ultimately was to prevail, the company would be liable for a 30% withholding tax on dividend, interest and royalty payments made any time on or after 1 February 2006 by the company's US subsidiaries to JHI NV or the company's Dutch finance subsidiary.

On 16 July 2008 the company issued a rebuttal response to the IRS NOPA. On 18 July 2008 the IRS issued a 30 Day Letter that concludes that the company is not in compliance with the LOB provision for calendar years 2006 and 2007 and that it is not entitled to reduced withholding tax rates on payments from the United States to the Netherlands. The 30 Day Letter notice is a formal IRS examination report that requires the company to either agree in full and pay the tax or file a formal, written protest within 30 days of the 30 Day Letter to request consideration of the issues with the Appeals Division of the IRS.

The company filed a formal protest on 18 August 2008 to exercise its rights to an impartial hearing before the Appeals Division of the IRS.

Readers are referred to Note 11 of the company's 31 December 2008 Condensed Consolidated Financial Statements for further information on income taxes and income tax related issues.

Outlook

The US economy has now been in recession since December 2007 and entered 2009 on a sharp downward trajectory. The downturn in activity that began in the housing construction industry in 2006 and moved to credit and financial markets has now broadened throughout the economy and is starkly evident in the labour market where unemployment reached 7.2% in December 2008.

Previously some industry commentators had expected a 'tepid' improvement in new US residential construction in late 2009. The National Association of Home Builders now expects 2009 to be a transitional period for the US economy, paving the way for a potential recovery in 2010. We believe we are well positioned to flex operational activity up or down as market conditions require.

In the Asia Pacific region, Australian total new residential building approvals are down 30% for the three months ended December 2008 compared to the prior year period. The sought-after boost to activity from the increased First Home Owners Grant and interest rate reductions has not been realised to date. In New Zealand, residential consents are at a 25 year low.

The company's continuing focus on primary demand growth has mitigated the impact of the global downturn and James Hardie has continued to increase its market penetration across all the areas in which it operates. James Hardie expects its investment in delivering superior value-adding and differentiated products will enable it to outperform the overall market.

The company notes analysts' range for operating profit from continuing operations, excluding asbestos, for the year ending 31 March 2009 is between US$91 million and US$110 million. In our Management's Analysis of Results we have noted that defence costs related to the ASIC proceedings have increased significantly during the fiscal year 2009 and we have had significant tax adjustments related to uncertain tax positions. As a result of these items, we have presented net operating profit excluding asbestos adjustments, ASIC expenses and tax adjustments in our Management's Analysis of Results and within this Media Release. On this basis, excluding asbestos, ASIC expenses and tax adjustments from net operating profit, management is comfortable with the middle of the range noted above.

Changes in the company's asbestos liability to reflect changes in foreign exchange rates or updates of the actuarial estimate, ASIC proceeding matters, income tax related issues and other matters referred to in the disclaimer at the end of this document may have a material impact on the company's consolidated financial statements. Readers are referred to Notes 8, 9 and 10 of the company's 31 December 2008 Condensed Consolidated Financial Statements for more information about the company's asbestos liability, ASIC proceedings and income tax related issues.

END

Media/Analyst Enquiries:

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This Media Release forms part of a package of information about the company's results. It should be read in conjunction with the other parts of the package, including the Management's Analysis of Results, the Management Presentation and the Condensed Consolidated Financial Statements.

These documents, along with a webcast of the management presentation on 12 February 2009, are available from the Investor Relations area of James Hardie's website at: www.jameshardie.com

The company routinely posts information that may be of importance to investors in the Investor Relations section of its website, including press releases, financial results and other information. The company encourages investors to consult this section of its website regularly.

The company lodged its annual filing for the year ended 31 March 2008 with the SEC on 8 July 2008.

All holders of the company's securities may receive, on request, a hard copy of our complete audited financial statements, free of charge. Requests can be made via the company website or by contacting one of the company's corporate offices. Contact details are available on the company's website.

Definitions

Financial Measures — US GAAP equivalents

EBIT and EBIT margin — EBIT, as used in this document, is equivalent to the US GAAP measure of operating income. EBIT margin is defined as EBIT as a percentage of net sales. James Hardie believes EBIT and EBIT margin to be relevant and useful information as these are the primary measures used by management to measure the operating profit or loss of its business. EBIT is one of several metrics used by management to measure the earnings generated by the company's operations, excluding interest and income tax expenses. Additionally, EBIT is believed to be a primary measure and terminology used by its Australian investors. EBIT and EBIT margin should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with accounting principles generally accepted in the United States of America. EBIT and EBIT margin, as the company has defined them, may not be comparable to similarly titled measures reported by other companies.

Operating profit — is equivalent to the US GAAP measure of income.

Net operating profit — is equivalent to the US GAAP measure of net income.

Sales Volumes

mmsf — million square feet, where a square foot is defined as a standard square foot of 5/16" thickness.

msf — thousand square feet, where a square foot is defined as a standard square foot of 5/16" thickness.

Financial Ratios

Gearing Ratio — Net debt (cash) divided by net debt (cash) plus shareholders' equity.

Net interest expense cover — EBIT divided by net interest expense.

Net interest paid cover — EBIT divided by cash paid during the period for interest, net of amounts capitalised.

Net debt payback — Net debt (cash) divided by cash flow from operations.

Net debt (cash) — short-term and long-term debt less cash and cash equivalents.

Non-US GAAP Financial Measures

EBIT and EBIT margin excluding asbestos, ASIC expenses and asset impairments — EBIT and EBIT margin excluding asbestos, ASIC expenses and asset impairments are not measures of financial performance under US GAAP and should not be considered to be more meaningful than EBIT and EBIT margin. James Hardie has included these financial measures to provide investors with an alternative method for assessing its operating results in a manner that is focussed on the performance of its ongoing operations and provides useful information regarding its financial condition and results of operations. The company uses these non-US GAAP measures for the same purposes.

US$ Millions	Q3 FY 2009	Q3 FY 2008	9 Months FY 2009	9 Months FY 2008
EBIT	$118.9	$ 25.2	$ 334.0	$ 144.9
Asbestos:				
Asbestos adjustments	(93.6)	(1.2)	(193.9)	57.8
AICF SG&A expenses	0.5	1.0	1.4	2.7
ASIC expenses	5.8	1.5	12.3	4.6
Asset impairments	—	32.4	—	32.4
EBIT excluding asbestos, ASIC expenses and asset impairments	31.6	58.9	153.8	242.4
Net Sales	$254.4	$341.4	$ 961.3	$1,155.9
EBIT margin excluding asbestos, ASIC expenses and asset impairments	12.4%	17.3%	16.0%	21.0%

Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments — Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than net income. The company has included this financial measure to provide investors with an alternative method for assessing its operating results in a manner that is focussed on the performance of its ongoing operations. The company uses this non-US GAAP measure for the same purposes.

US$ Millions	Q3 FY 2009	Q3 FY 2008	9 Months FY 2009	9 Months FY 2008
Net operating profit	$111.0	$ 17.1	$ 265.9	$ 75.3
Asbestos:				
Asbestos adjustments	(93.6)	(1.2)	(193.9)	57.8
AICF SG&A expenses	0.5	1.0	1.4	2.7
AICF interest income	(1.6)	(2.8)	(4.8)	(7.0)
Tax expense related to asbestos adjustments	—	—	—	0.4
ASIC expenses (net of tax)	4.3	1.1	9.2	3.4
Asset impairments (net of tax)	—	20.0	—	20.0
Tax adjustments	(4.1)	2.6	11.9	4.2
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	$ 16.5	$ 37.8	$ 89.7	$ 156.8

Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments — Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than diluted earnings per share. The company has included this financial measure to provide investors with an alternative method for assessing its operating results in a manner that is focussed on the performance of its ongoing operations. The company's management uses this non-US GAAP measure for the same purposes.

US$ Millions	Q3 FY 2009	Q3 FY 2008	9 Months FY 2009	9 Months FY 2008
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	$ 16.5	$ 37.8	$ 89.7	$ 156.8
Weighted average common shares outstanding — Diluted (millions)	433.5	451.8	433.5	462.8
Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments (US cents)	3.8	8.4	20.7	33.9

Effective tax rate excluding asbestos and tax adjustments — Effective tax rate excluding asbestos and tax adjustments is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than effective tax rate. The company has included this financial measure to provide investors with an alternative method for assessing its operating results in a manner that is focussed on the performance of its ongoing operations. The company's management uses this non-US GAAP measure for the same purposes.

US$ Millions	Q3 FY 2009	Q3 FY 2008	9 Months FY 2009	9 Months FY 2008
Operating profit before income taxes	$117.8	$26.0	$ 332.1	$148.2
Asbestos:				
Asbestos adjustments	(93.6)	(1.2)	(193.9)	57.8
AICF SG&A expenses	0.5	1.0	1.4	2.7
AICF interest income	(1.6)	(2.8)	(4.8)	(7.0)
Operating profit before income taxes excluding asbestos	$ 23.1	$23.0	$ 134.8	$201.7
Income tax expense	(6.8)	(8.9)	(66.2)	(72.9)
Tax expense related to asbestos adjustments	—	—	—	0.4
Tax adjustments	(4.1)	2.6	11.9	4.2
Income tax expense excluding asbestos and tax adjustments	(10.9)	(6.3)	(54.3)	(68.3)
Effective tax rate excluding asbestos and tax adjustments	47.2%	27.4%	40.3%	33.9%

EBITDA — is not a measure of financial performance under US GAAP and should not be considered an alternative to, or more meaningful than, income from operations, net income or cash flows as defined by US GAAP or as a measure of profitability or liquidity. Not all companies calculate EBITDA in the same manner as James Hardie has and, accordingly, EBITDA may not be comparable with other companies. The company has included information concerning EBITDA because it believes that this data is commonly used by investors to evaluate the ability of a company's earnings from its core business operations to satisfy its debt, capital expenditure and working capital requirements.

US$ Millions	Q3 FY 2009	Q3 FY 2008	9 Months FY 2009	9 Months FY 2008
EBIT	$118.9	$ 25.2	$ 334.0	$ 144.9
Depreciation and amortisation	13.0	14.4	41.6	42.1
EBITDA	$131.9	$ 39.6	$ 375.6	$ 187.0

Disclaimer

This Media Release contains forward-looking statements. We may from time to time make forward-looking statements in our periodic reports filed with or furnished to the United States Securities and Exchange Commission on Forms 20-F and 6-K, in our annual reports to shareholders, in offering circulars, invitation memoranda and prospectuses, in media releases and other written materials and in oral statements made by our officers, directors or employees to analysts, institutional investors, lenders and potential lenders, representatives of the media and others. Statements that are not historical facts are forward-looking statements and for US purposes such forward-looking statements are statements made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include:

- expectations about the timing and amount of payments to the Asbestos Injuries Compensation Fund (AICF), a special purpose fund for the compensation of proven Australian asbestos-related personal injury and death claims;
- statements regarding tax liabilities and related audits and proceedings;
- statements as to the possible consequences of proceedings brought against us and certain of our former directors and officers by the Australian Securities and Investments Commission;
- expectations concerning indemnification obligations;
- expectations concerning the costs associated with the suspension or closure of operations at any of our plants and future plans with respect to any such plants;
- expectations that our credit facilities will be extended or renewed;
- expectations concerning dividend payments;
- projections of our results of operations or financial condition;
- statements concerning our corporate and tax domiciles and potential changes to them;
- statements regarding our plans, objectives or goals, including those relating to strategies, initiatives, competition, acquisitions, dispositions and our products;
- statements about our future performance; and
- statements about product or environmental liabilities.

Words such as “believe,” “anticipate,” “plan,” “expect,” “intend,” “target,” “estimate,” “project,” “predict,” “forecast,” “guideline,” “should,” “aim,” “will,” “continue” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Readers are cautioned not to place undue reliance on these forward-looking statements and all such forward-looking statements are qualified in their entirety by reference to the following cautionary statements.

Forward-looking statements are based on our estimates and assumptions and because forward-looking statements address future events and conditions, they, by their very nature, involve inherent risks and uncertainties. Such known and unknown risks, uncertainties and other factors may cause our actual results, performance or other achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied be these forward-looking statements. 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, some of which are discussed under “Key Information — Risk Factors” beginning on page 6 of our Form 20-F filed on 8 July 2008 with the Securities and Exchange Commission, include, but are not limited to: all matters relating to or arising out of the prior manufacture of products that contained asbestos by current and former James Hardie subsidiaries; required contributions to the AICF and the effect of foreign exchange rates on the amount recorded in our financial statements as an asbestos liability; compliance with and changes in tax laws and treatments; competition and product pricing in the markets in which we operate; the consequences of product failures or defects; exposure to environmental, asbestos or other legal proceedings; general economic and market conditions; the supply and cost of raw materials; the success of our research and development efforts; the concentration of James Hardie’s customer base on large format retail customers, distributors and dealers; compliance with and changes in environmental and health and safety laws; risks of conducting business internationally; compliance with and changes in laws and regulations; foreign exchange risks; the effect of natural disasters; changes in our key management personnel; and all other risks identified in our reports filed or furnished with Australian, Dutch and US securities agencies and exchanges (as appropriate). 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 in forward-looking statements. Forward-looking statements speak only as of the date they are made and are statements of our current expectations concerning future results and events.

12 February 2009

James Hardie Industries N.V.

Results for the 3rd Quarter and Nine Months Ended 31 December 2008

US GAAP — US$ Millions	Q3 FY09	Q3 FY08	% Change	9 Months FY09	9 Months FY08	% Change
	Three Months and Nine Months Ended 31 December					
Net Sales						
USA and Europe Fibre Cement	$ 195.9	$ 263.9	(26)	$ 740.6	$ 931.1	(20)
Asia Pacific Fibre Cement	58.5	77.5	(25)	220.7	224.8	(2)
Total Net Sales	$ 254.4	$ 341.4	(25)	$ 961.3	$1,155.9	(17)
Cost of goods sold	(172.0)	(224.3)	23	(641.7)	(733.1)	12
Gross profit	82.4	117.1	(30)	319.6	422.8	(24)
Selling, general and administrative expenses	(50.8)	(54.3)	6	(158.8)	(167.9)	5
Research & development expenses	(6.3)	(6.4)	2	(20.7)	(19.8)	(5)
Asset impairments	—	(32.4)	—	—	(32.4)	—
Asbestos adjustments	93.6	1.2	—	193.9	(57.8)	—
EBIT	118.9	25.2	—	334.0	144.9	—
Net interest (expense) income	(1.1)	0.8	—	(1.9)	3.3	—
Operating profit before income taxes	117.8	26.0	—	332.1	148.2	—
Income tax expense	(6.8)	(8.9)	24	(66.2)	(72.9)	9
Net operating profit	$ 111.0	$ 17.1	—	$ 265.9	$ 75.3	—
Earnings per share — diluted (US cents)	25.6	3.9	—	61.3	16.3	—
Volume (mmsf)						
USA and Europe Fibre Cement	319.9	445.3	(28)	1,218.3	1,550.0	(21)
Asia Pacific Fibre Cement	97.5	100.4	(3)	301.4	302.9	—
Average net sales price per unit (per mmsf)						
USA and Europe Fibre Cement	US$ 612	US$ 593	3	US$ 608	US$ 601	1
Asia Pacific Fibre Cement	A$ 897	A$ 866	4	A$ 877	A$ 866	1

In this Management's Analysis of Results, James Hardie may present financial measures, sales volume terms, financial ratios, and Non-US GAAP financial measures included in the Definitions section of this document starting on page 13. The company presents financial measures that it believes are customarily used by its Australian investors. Specifically, these financial measures, which are equivalent or derived from certain GAAP measures as explained in the definitions, include "EBIT", "EBIT margin", "Operating profit" and "Net operating profit". The company may also present other terms for measuring its sales volumes ("million square feet" or "mmsf" and "thousand square feet" or "msf"); financial ratios ("Gearing ratio", "Net interest expense cover", "Net interest paid cover", "Net debt payback", "Net debt (cash)"; and Non-US GAAP financial measures ("EBIT excluding asbestos, ASIC expenses and asset impairments", "EBIT margin excluding asbestos, ASIC expenses and asset impairments", "Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments", "Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments", "Operating profit before income taxes excluding asbestos " and "Effective tax rate excluding asbestos and tax adjustments" and EBITDA). Unless otherwise stated, results and comparisons are of the 3rd quarter and the nine months of the current fiscal year versus the 3 rd quarter and the nine months of the prior fiscal year.

Total Net Sales

Total net sales for the quarter decreased 25% compared to the same quarter of the previous year, from US$341.4 million to US$254.4 million. For the nine months, total net sales decreased 17% from US$1,155.9 million to US$961.3 million.

Net sales from USA and Europe Fibre Cement for the quarter decreased 26% from US$263.9 million to US$195.9 million due to a reduction in sales volume, partially offset by a higher average net sales price. For the nine months, net sales from USA and Europe Fibre Cement decreased 20% from US$931.1 million to US$740.6 million due to decreased sales volume, slightly offset by a higher average net sales price.

Net sales from Asia Pacific Fibre Cement for the quarter decreased 25% from US$77.5 million to US$58.5 million due to unfavourable currency exchange rate movements and a reduction in sales volume, partially offset by a higher average net sales price. For the nine months, net sales from Asia Pacific Fibre Cement decreased 2% from US$224.8 million to US$220.7 million due to unfavourable currency exchange rate movements, slightly offset by a higher average net sales price.

USA and Europe Fibre Cement

Quarter

Net sales decreased 26% from US$263.9 million in the third quarter of the prior fiscal year to US$195.9 million due to decreased sales volume partially offset by a higher average net sales price.

Sales volume decreased 28% from 445.3 million square feet to 319.9 million square feet, primarily due to weaker demand for the company's products in the US caused by continuing weakness in housing construction activity and deteriorating economic conditions.

The average net sales price increased 3% from US$593 per thousand square feet to US$612 per thousand square feet due to realisation of price increases over the prior period, favourable product mix shift and favourable geographic mix shift.

As announced on 22 May 2008, the company has closed the USA Hardie Pipe business. An insignificant amount of sales related to this business were recorded in the quarter.

Nine Months

Net sales decreased 20% from US$931.1 million to US$740.6 million due to decreased sales volume, slightly offset by a higher average net sales price.

Sales volume decreased 21% from 1,550.0 million square feet to 1,218.3 million square feet, primarily due to weaker demand for the company's products in the US caused by continuing weakness in housing construction activity and deteriorating economic conditions. Although indicators are suggesting improvements in housing affordability, limited availability of mortgage credit for prospective home buyers and lack of consumer confidence is restricting demand.

The average net sales price increased 1% from US$601 per thousand square feet to US$608 per thousand square feet.

Discussion

Sales in our USA Fibre Cement business declined compared to sales in the corresponding quarter in the previous year, for the sixth consecutive quarter. This was primarily a result of the ongoing weakness in the US housing market, where both new construction and the repair and remodel segments of the market have deteriorated severely.

The US recession that officially began in December 2007 has gathered negative momentum since the middle of 2008 and entered 2009 on a sharp downward trajectory.

According to the National Association of Home Builders (NAHB) housing starts in December 2008 were at a seasonally adjusted annual rate of 550,000, 16% below its revised November 2008 estimate of 651,000 and 45% below December 2007.

Repair and remodelling activity has also declined, although not to the extent of new construction.

Sales volumes decreased 28% in the quarter compared to the same period last year, reflecting a 28% decline in exteriors products and a 21% decline in interiors products. Product demand was lower across all regions except Canada.

Primary demand growth, product mix shift, and optimisation of material usage remain the three main strategic initiatives and progress has been made on all three this year. Primary demand has benefitted as our ColorPlus® range of products has increased its penetration in the northern region of the US and as the product's availability has been extended into other markets. The increased penetration of complementary products such as Trim, Soffit, and Wrap are also helping to mitigate the impact of the severe downturn in the housing market.

Asia Pacific Fibre Cement

Quarter

Net sales for the quarter decreased 25% from US$77.5 million to US$58.5 million. Unfavourable currency exchange rate movements in the Asia Pacific business' currencies compared to the US dollar accounted for a 26% decrease in US dollar net sales, partially offset by a 1% increase in the underlying Australian dollar business results. In Australian dollars, net sales increased 1% due to a 4% increase in average net sales price, partially offset by a 3% decrease in sales volume.

Nine Months

Net sales for the nine months decreased 2% from US$224.8 million to US$220.7 million. Unfavourable currency exchange rate movements in the Asia Pacific business' currencies compared to the US dollar accounted for a 3% decrease in US dollar net sales, partially offset by a 1% increase in the underlying Australian dollar business results. In Australian dollars, net sales increased 1% due to a 1% increase in average net sales price and flat sales volume.

Discussion

The Australian Bureau of Statistics data shows total new residential building approvals are down 30% for the three months ended December 2008, compared to the same period of the prior year, as the anticipated boost in activity from the increased First Home Owners Grant and the reduction in interest rates has yet to be realised. A decline in the availability of credit and a heightened level of general economic uncertainty continue to dampen activity.

Within this context, the Australian business delivered a solid performance this quarter. Sales improved, driven by increased focus on the small builder and renovations segments. The Scyon™ range of products continues to build momentum with volumes up 47% compared to the same period in the prior year, and particularly strong volumes in the recently-released Scyon™ Stria™ and Scyon™ Secura™ external flooring products. Sales of core products have also increased.

New Zealand construction continued to decline rapidly, with total residential approvals at a 25-year low. The New Zealand business outperformed the market, assisted by market penetration of its differentiated product range.

In the Philippines, sales volume and net sales increased in local currency compared to the same quarter last year as a result of improved domestic volumes resulting from increased marketing activity. However, the business continued to face challenges as export volumes fell due to the global slowdown, and as regional competitors adopted aggressive pricing strategies.

Gross Profit

Quarter

Gross profit decreased 30% from US$117.1 million to US$82.4 million. The gross profit margin decreased 1.9 percentage points from 34.3% to 32.4%.

USA and Europe Fibre Cement gross profit decreased 29% compared to the same quarter last year due to lower sales volume and higher average unit costs, partially offset by a higher average net sales price. The gross profit margin of the USA and Europe Fibre Cement business decreased by 1.5 percentage points.

Asia Pacific Fibre Cement gross profit decreased 32% compared to the same period last year. Unfavourable currency exchange rate movements in the Asia Pacific business' currencies compared to the US dollar accounted for 23% of this decrease, while the underlying Australian dollar business results accounted for the remaining 9% decrease. The gross profit margin of the Asia Pacific Fibre Cement business decreased by 3.2 percentage points. In Australian dollars, gross profit decreased 9% primarily due to reduced gross profit performance in the New Zealand business driven by lower sales volumes.

Nine Months

Gross profit decreased 24% from US$422.8 million to US$319.6 million. The gross profit margin decreased 3.4 percentage points from 36.6% to 33.2%.

USA and Europe Fibre Cement gross profit decreased 28% compared to the same period last year due to lower sales volume, higher freight costs and higher average unit costs. The gross profit margin of the USA and Europe Fibre Cement business decreased by 3.9 percentage points.

Asia Pacific Fibre Cement gross profit decreased 3% compared to the same period last year. Unfavourable currency exchange rate movements in the Asia Pacific business' currencies compared to the US dollar accounted for 2% of this decrease, while the underlying Australian dollar business results accounted for the remaining 1% decrease. The gross profit margin of the Asia Pacific Fibre Cement business decreased by 0.4 percentage points. In Australian dollars, gross profit decreased 1% as a result of higher average unit costs.

Selling, General and Administrative (SG&A) Expenses

SG&A expenses decreased 6% for the quarter, from US$54.3 million to US$50.8 million. The decrease was primarily due to lower SG&A spending in the USA and Europe Fibre Cement and Asia Pacific Fibre Cement segments, partially offset by higher general corporate costs. However, as a percentage of sales, SG&A expenses increased 4.1 percentage points to 20.0%, due to lower net sales.

For the nine months, SG&A expenses decreased 5% from US$167.9 million to US$158.8 million. The decrease was primarily due to lower SG&A spending in the USA and Europe Fibre Cement and Asia Pacific Fibre Cement segments, partially offset by higher general corporate costs. However, as a percentage of sales, SG&A expenses increased 2.0 percentage points to 16.5%, due to lower net sales.

SG&A expenses for the quarter and nine months include non-claims handling related operating expenses of the Asbestos Injuries Compensation Fund (AICF) of US$0.5 million and US$1.4 million, respectively.

ASIC Proceedings

In February 2007, the Australian Securities and Investments Commission (ASIC) commenced civil proceedings against JHI NV, a former subsidiary and ten then-present or former officers and directors of the James Hardie group. The civil proceedings concern alleged contraventions of certain provisions of the Corporations Act/Law connected with the affairs of the company and certain subsidiaries during the period February 2001 to June 2003.

As disclosed by the company on 4 September 2008, ASIC has withdrawn its claim against the company for an order that the company execute a deed of indemnity in favour of ABN 60 providing that the company indemnify ABN 60 for an amount up to a maximum of A$1.9 billion, for such amount as ABN 60, or its directors, considered, after giving careful consideration, was necessary to ensure that ABN 60 was able to pay its debts, as and when they fell due, and for such amount as ABN 60, or its directors, reasonably believed was necessary to ensure that ABN 60 remained solvent.

ASIC had previously indicated that its investigations into other related matters continued and may result in further actions, both civil and criminal. However, on 5 September 2008 ASIC stated that ASIC's investigations and the Commonwealth Director of Public Prosecution's consideration were complete and that no criminal proceedings were proposed.

The hearing of the proceedings in the Supreme Court of New South Wales commenced on 29 September 2008 before his Honour Justice Gzell. The company presently estimates that the hearing will be completed by the end of the fiscal year 2009 and that Justice Gzell will deliver his judgment in the first quarter of fiscal year 2010.

For the three and nine months ended 31 December 2008, the company has incurred legal costs related to the defence costs, noted as ASIC expenses, of US$5.8 million and US$12.3 million, respectively. For the three and nine months ended 31 December 2007, the company incurred ASIC expenses of US$1.5 million and US$4.6 million, respectively. ASIC expenses are included in SG&A expenses.

There remains considerable uncertainty surrounding the likely outcome of the ASIC proceedings in the longer term and there is a possibility that the company could become responsible for other amounts in addition to the defence costs. However, at this stage, the company believes that although such amounts are reasonably possible, the amounts, or range of such amounts, are not estimable and, accordingly, as of 31 December 2008, the company has not recorded any related reserves.

Readers are referred to Note 9 of the company's 31 December 2008 Condensed Consolidated Financial Statements for further information on the ASIC Proceedings.

Research and Development Expenses

Research and development expenses include costs associated with "core" research projects that are designed to benefit all business units. These costs are recorded in the Research and Development segment rather than being attributed to individual business units. These costs were 13% higher for the quarter at US$4.4 million and 13% higher for the nine months at US$14.0 million, compared to the corresponding period in the prior year.

Other research and development costs associated with commercialisation projects in business units are included in the business unit segment results. In total, these costs were 24% lower for the quarter at US$1.9 million and 9% lower for the nine months at US$6.7 million, compared to the corresponding period in the prior year.

Asbestos Adjustments

The asbestos adjustments are derived from an estimate of future Australian asbestos-related liabilities in accordance with the Amended Final Funding Agreement (Amended FFA) that was signed with the NSW Government on 21 November 2006 and approved by the company's security holders on 7 February 2007.

The asbestos-related assets and liabilities are denominated in Australian dollars. Therefore the reported value of these asbestos-related assets and liabilities in the company's consolidated balance sheets in US dollars is subject to adjustment, with a corresponding effect on the company's consolidated statement of operations, depending on the closing exchange rate between the two currencies at the balance sheet date. The company receives an updated actuarial estimate as of 31 March each year. The last actuarial assessment was performed as of 31 March 2008.

The asbestos adjustments for the quarter and nine months ended 31 December 2008 are as follows:

US$ Millions	Q3 FY09	Q3 FY08	9 Months FY09	9 Months FY08
Effect of foreign exchange movements	93.6	1.2	$ 193.9	$ (59.0)
Other adjustments	—	—	—	1.2
Asbestos adjustments	$ 93.6	$ 1.2	$ 193.9	$ (57.8)

Readers are referred to Note 8 of the company's 31 December 2008 Condensed Consolidated Financial Statements for further information on the asbestos adjustments.

EBIT

EBIT for the quarter increased from US$25.2 million to US$118.9 million. EBIT for the quarter includes net favourable asbestos adjustments of US$93.6 million and AICF SG&A expenses of US$0.5 million. For the same period in the prior year, EBIT included net favourable asbestos adjustments of US$1.2 million and AICF SG&A expenses of US$1.0 million, as shown in the table below.

EBIT for the nine months increased from US$144.9 million for the same period last year to US$334.0 million for the current period. EBIT for the nine months includes net favourable asbestos adjustments of US$193.9 million and AICF SG&A expenses of US$1.4 million. For the same period in the prior year, EBIT included net unfavourable asbestos adjustments of US$57.8 million and AICF SG&A expenses of US$2.7 million, as shown in the table below.

EBIT — US$ Millions	Q3 FY09	Q3 FY08	% Change	9 Months FY09	9 Months FY08	% Change
	Three Months and Nine Months Ended 31 December					
USA and Europe Fibre Cement	$ 40.3	$ 63.3	(36)	$ 167.0	$ 258.8	(35)
Asia Pacific Fibre Cement	10.5	14.8	(29)	40.4	39.6	2
Research & Development	(4.7)	(4.2)	(12)	(14.7)	(13.1)	(12)
General Corporate	(20.3)	(16.5)	(23)	(51.2)	(47.5)	(8)
Asset Impairments	—	(32.4)	—	—	(32.4)	—
Asbestos adjustments	93.6	1.2	—	193.9	(57.8)	—
AICF SG&A expenses	(0.5)	(1.0)	50	(1.4)	(2.7)	48
EBIT	118.9	25.2	—	334.0	144.9	—
Excluding:						
Asbestos:						
Asbestos adjustments	(93.6)	(1.2)	—	(193.9)	57.8	—
AICF SG&A expenses	0.5	1.0	(50)	1.4	2.7	(48)
ASIC expenses	5.8	1.5	—	12.3	4.6	—
Asset impairments	—	32.4	—	—	32.4	—
EBIT excluding asbestos, ASIC expenses and asset impairments	**$ 31.6**	**$ 58.9**	**(46)**	**$ 153.8**	**$ 242.4**	**(37)**
Net sales	$254.4	$341.4	(25)	$ 961.3	$1,155.9	(17)
EBIT margin excluding asbestos, ASIC expenses and asset impairments	12.4%	17.3%		16.0%	21.0%	

USA and Europe Fibre Cement EBIT

USA and Europe Fibre Cement EBIT decreased 36% from US$63.3 million to US$40.3 million for the quarter, and decreased 35% from US$258.8 million to US$167.0 million for the nine months. These decreases were primarily due to reduced gross profit performance in the US, which resulted from lower sales volume and higher average unit manufacturing costs. The higher average unit manufacturing costs were the result of fixed costs being absorbed over significantly reduced volumes. The USA and Europe Fibre Cement EBIT margin was 3.4 percentage points lower at 20.6% for the quarter and was 5.3 percentage points lower at 22.5% for the nine months.

As announced on 22 May 2008, the company has closed the USA Hardie Pipe business. A small EBIT loss related to that business was recorded in the quarter.

Asia Pacific Fibre Cement EBIT

Asia Pacific Fibre Cement EBIT for the quarter decreased 29% from US$14.8 million to US$10.5 million. Unfavourable currency exchange rate movements in the Asia Pacific business' currencies compared to the US dollar accounted for 28% of this decrease, while the underlying Australian dollar business results accounted for the remaining 1% decrease. In Australian dollars, Asia Pacific Fibre Cement EBIT for the quarter decreased 1% due to a lower gross margin performance partially offset by lower SG&A expenses. The EBIT margin was 1.2 percentage points lower at 17.9%.

Asia Pacific Fibre Cement EBIT for the nine months increased 2% from US$39.6 million to US$40.4 million. The underlying Australian dollar business results accounted for a 6% increase, partially offset by 4% unfavourable currency exchange rate movements in the Asia Pacific business' currencies compared to the US dollar. In Australian dollars, Asia Pacific Fibre Cement EBIT for the nine months increased 6% due to decreased SG&A expenses. The EBIT margin was 0.7 percentage points higher at 18.3%.

General Corporate Costs

General corporate costs for the quarter increased by US$3.8 million from US$16.5 million to US$20.3 million, primarily due to increased costs associated with the ASIC Proceedings.

For the nine months, general corporate costs increased by US$3.7 million from US$47.5 million to US$51.2 million. For the nine months, the increase was due to higher costs associated with the ASIC Proceedings, which was partially offset by the decrease due to warranty provisions relating to non-US activities of nil compared to US$4.0 million for the same period last year.

Net Interest Income (Expense)

Net interest for the quarter moved from an income of US$0.8 million in the prior corresponding quarter to an expense of US$1.1 million this quarter. The movement was due to interest expense remaining relatively flat while interest income earned by the AICF decreased due to lower average investment and cash balances held.

For the nine months, net interest moved from income of US$3.3 million in the prior year to an expense of US$1.9 million. The movement was primarily due to the higher level of net debt during the nine months compared to the same period in the prior fiscal year and a reduction in the amount of interest income earned by the AICF due to lower average investment and cash balances held.

Income Tax

Income Tax Expense

Income tax expense for the quarter decreased from US$8.9 million to US$6.8 million. For the nine months, income tax expense decreased from US$72.9 million to US$66.2 million. The company's effective tax rate on earnings excluding asbestos and tax adjustments was 47.2% and 40.3% for the quarter and nine months, respectively, compared to 27.4% and 33.9% for the same quarter and nine months of the prior year. The increase in effective tax rates over last year is attributable to changes in the geographic mix of earnings and expenses.

Tax adjustments

The company recorded favourable tax adjustments of US$4.1 million for the quarter and unfavourable tax adjustments of US$11.9 million for the nine months, compared to unfavourable tax adjustments of US$2.6 million and US$4.2 million for the quarter and nine months in the prior fiscal year, respectively. The tax adjustments made in both fiscal year 2009 and 2008 relate to Financial Accounting Standards Board (FASB) Interpretation No. 48 (FIN 48) adjustments.

Australian Taxation Office (ATO) — 1999 Disputed Amended Assessment

As announced on 22 March 2006, RCI Pty Ltd (RCI), a wholly owned subsidiary of the company, received an amended assessment from the ATO in respect of RCI's income tax return for the year ended 31 March 1999. The amended assessment relates to the amount of net capital gains arising as a result of an internal corporate restructure carried out in 1998 and has been issued pursuant to the discretion granted to the Commissioner of Taxation under Part IVA of the Income Tax Assessment Act 1936.

On 30 May 2007, the ATO issued a Notice of Decision disallowing the company's objection to the amended assessment. On 11 July 2007, the company filed an application appealing the Objection Decision with the Federal Court of Australia. The hearing is scheduled to take place no later than September 2009.

ATO Settlement

As announced on 12 December 2008, the company and the ATO reached an agreement that finalises tax audits being conducted by the ATO on the company's Australian income tax returns for the years ended 31 March 2002 and 31 March 2004 through 31 March 2006 and settles all outstanding issues arising from these tax audits. With the exception of the assessment in respect of RCI for the 1999 financial year, the settlement concludes ATO audit activities for all years prior to the year ended 31 March 2007.

The agreed settlement, made without concessions or admissions of liability by either the company or the ATO, required the company to pay an amount of A$153.0 million (US$101.6 million) in December 2008. Prior to the third quarter the company had provided for the entire A$153.0 million settlement as an uncertain tax provision. As a result, the agreed settlement and subsequent payment of the settlement amount resulted in no income tax expense or benefit in the third quarter of fiscal year 2009.

Internal Revenue Service (IRS) — Notice of Proposed Adjustment (NOPA)

On 23 June 2008, the company announced that the IRS had issued it with a NOPA that concludes that the company does not satisfy the United States-Netherlands Treaty Limitations on Benefits (LOB) provision of the New United States-Netherlands Treaty applicable from early 2006 and that accordingly it is not entitled to beneficial withholding tax rates on payments from the company's United States subsidiaries to its Netherlands companies. The company does not agree with the conclusions reached by the IRS, and the company intends to contest the IRS' findings through the continuing audit process and, if necessary, through subsequent administrative appeals and possibly litigation. If the IRS position ultimately were to prevail, the company would be liable for a 30% withholding tax on dividend, interest and royalty payments made any time on or after 1 February 2006 by the company's US subsidiaries to JHI NV or the company's Dutch finance subsidiary.

On 16 July 2008 the company issued a rebuttal response to the IRS NOPA. On 18 July 2008 the IRS issued a 30 Day Letter that concludes that the company is not in compliance with the LOB provision for calendar years 2006 and 2007 and that it is not entitled to reduced withholding tax rates on payments from the United States to the Netherlands. The 30 Day Letter notice is a formal IRS examination report that requires the company to either agree in full and pay the tax or file a formal, written protest within 30 days of the 30 Day Letter to request consideration of the issues with the Appeals Division of the IRS.

The company filed a formal protest on 18 August 2008 to exercise its rights to an impartial hearing before the Appeals Division of the IRS.

Readers are referred to Note 11 of the company's 31 December 2008 Condensed Consolidated Financial Statements for further information on income taxes and income tax related issues.

Net Operating Profit

Net operating profit for the quarter increased from US$17.1 million to US$111.0 million. Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments decreased 56% from US$37.8 million to US$16.5 million as shown in the table below.

For the nine months, net operating profit increased from US$75.3 million to US$265.9 million. Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments decreased 43% from US$156.8 million to US$89.7 million as shown in the table below.

Net Operating Profit — US$ millions	Q3 FY09	Q3 FY08	% Change	9 Months FY09	9 Months FY08	% Change
	Three Months and Nine Months Ended 31 December					
Net operating profit	$111.0	$ 17.1	—	$ 265.9	$ 75.3	—
Excluding:						
Asbestos:						
Asbestos adjustments	(93.6)	(1.2)	—	(193.9)	57.8	—
Tax expense related to asbestos adjustments	—	—	—	—	0.4	—
AICF SG&A expenses	0.5	1.0	(50)	1.4	2.7	(48)
AICF interest income	(1.6)	(2.8)	43	(4.8)	(7.0)	31
ASIC expenses (net of tax)	4.3	1.1	—	9.2	3.4	—
Asset impairments (net of tax)	—	20.0	—	—	20.0	—
Tax adjustments	(4.1)	2.6	—	11.9	4.2	—
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	**$ 16.5**	**$ 37.8**	**(56)**	**$ 89.7**	**$ 156.8**	**(43)**

Liquidity and Capital Resources

The company has historically met its working capital needs and capital expenditure requirements through a combination of cash flow from operations, proceeds from the divestiture of businesses, credit facilities and other borrowings, proceeds from the sale of property, plant and equipment, and proceeds from the redemption of investments. Seasonal fluctuations in working capital generally have not had a significant impact on its short-term or long-term liquidity. The company anticipates it will have sufficient funds to meet its planned working capital and other expected cash requirements for the next 12 months based on its existing cash balances and anticipated operating cash flows arising during the year. The company anticipates that any additional requirements will be met from existing cash, unutilised committed facilities, anticipated future net operating cash flows and proposed new facilities.

Excluding restricted cash, the company had cash and cash equivalents of US$58.4 million as of 31 December 2008. At that date, it also had credit facilities totalling US$498.3 million, of which US$298.2 million was drawn. The credit facilities are all uncollateralised and consist of the following:

Description	Effective Interest Rate	At 31 December 2008 Total Facility	Principal Drawn
(US$ millions)			
364-day facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until June 2009	2.95%	$ 68.3	$ 47.2
364-day facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until November 2009	1.78%	50.0	50.0
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until June 2010	2.40%	245.0	201.0
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until February 2011	—	45.0	—
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until February 2013	—	90.0	—
Total		**$498.3**	**$ 298.2**

Our credit facilities as of 31 December 2008 consisted of 364-day facilities in the amount of US$68.3 million which as of 31 December 2008, mature in June 2009. We are aware that US$13.3 million of these facilities will not be extended. We have requested extensions of the maturity date of the remaining US$55.0 million of these credit facilities to December 2009.

In November 2008, we agreed to terms on a new 364-day facility for US$50.0 million. This facility became available to us in November 2008 and matures in November 2009.

At 31 December 2008, the company had net debt of US$239.8 million, an increase of US$10.7 million from net debt of US$229.1 million at 31 March 2008. The weighted average remaining term of the total credit facilities, US$498.3 million at 31 December 2008, was 1.8 years.

In July 2006, pursuant to an agreement negotiated with the ATO and in accordance with the ATO Receivables Policy, the company made a payment of A$184.0 million (US$127.4 million) along with the provision of a guarantee from JHI NV in favour of the ATO for the unpaid balance of the 1999 amended assessment issued to RCI. The company has also agreed to pay general interest charges (GIC) accruing on the unpaid balance of the assessment in arrears on a quarterly basis. Even if the company is ultimately successful in its appeal and the cash deposit is refunded, the procedural requirement to post a cash deposit and pay ongoing payments of accruing GIC pending the outcome of the appeal could materially and adversely affect the company's financial position and liquidity in the intervening period. See "ATO — 1999 Disputed Amended Assessment" above for further information on the ATO amended assessment.

If the company is unable to extend its credit facilities, or is unable to renew its credit facilities on terms that are substantially similar to the ones it presently has, it may experience liquidity issues and will have to reduce its levels of planned capital expenditures, reduce or eliminate dividend payments or take other measures to conserve cash in order to meet its future cash flow requirements. The company anticipates being able to meet its future payment obligations for the next 12 months from existing cash, unutilised committed facilities, anticipated future net operating cash flows and proposed new facilities.

Cash Flow

Operating cash flow for the nine months ended 31 December 2008 decreased from US$279.4 million in the corresponding period to US$25.3 million. The decrease was driven primarily by the ATO settlement payment, described above, of US$101.6 million, the quarterly installment payments to the AICF totaling US$50.7 million and the reduced contribution from the USA and Europe Fibre Cement business. Excluding the ATO settlement payment, US$101.6 million, and the payments to the AICF, US$50.7 million, operating cash flows were US$177.6 million for the nine months ended 31 December 2008.

Capital expenditures for the purchase of property, plant and equipment for the nine months ended 31 December 2008 decreased from US$28.7 million to US$16.8 million. The company anticipates capital expenditures throughout fiscal year 2009 to be lower compared to the previous fiscal year.

END

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This Management's Analysis of Results forms part of a package of information about James Hardie's results. It should be read in conjunction with the other parts of this package, including the Media Release, the Management Presentation and the Condensed Consolidated Financial Statements.

These documents, along with a webcast of the presentation on 12 February 2009, are available from the Investor Relations area of the James Hardie website at www.jameshardie.com

The company routinely posts information that may be of importance to investors in the Investor Relations section of its website, including press releases, financial results and other information. The company encourages investors to consult this section of its website regularly.

The company lodged its annual filing for the year ended 31 March 2008 with the SEC on 8 July 2008.

All holders of the company's securities may receive, on request, a hard copy of our complete audited financial statements, free of charge. Requests can be made via the Investor Relations area of the company's website or by contacting one of the company's corporate offices. Contact details are available on the company's website.

Definitions

Financial Measures — US GAAP equivalents

EBIT and EBIT margin — EBIT, as used in this document, is equivalent to the US GAAP measure of operating income. EBIT margin is defined as EBIT as a percentage of net sales. James Hardie believes EBIT and EBIT margin to be relevant and useful information as these are the primary measures used by management to measure the operating profit or loss of its business. EBIT is one of several metrics used by management to measure the earnings generated by the company's operations, excluding interest and income tax expenses. Additionally, EBIT is believed to be a primary measure and terminology used by its Australian investors. EBIT and EBIT margin should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with accounting principles generally accepted in the United States of America. EBIT and EBIT margin, as the company has defined them, may not be comparable to similarly titled measures reported by other companies.

Operating profit — is equivalent to the US GAAP measure of income.

Net operating profit — is equivalent to the US GAAP measure of net income.

Sales Volumes

mmsf — million square feet, where a square foot is defined as a standard square foot of 5/16" thickness.

msf — thousand square feet, where a square foot is defined as a standard square foot of 5/16" thickness.

Financial Ratios

Gearing Ratio — Net debt (cash) divided by net debt (cash) plus shareholders' equity.

Net interest expense cover — EBIT divided by net interest expense.

Net interest paid cover — EBIT divided by cash paid during the period for interest, net of amounts capitalised.

Net debt payback — Net debt (cash) divided by cash flow from operations.

Net debt (cash) — short-term and long-term debt less cash and cash equivalents.

Non-US GAAP Financial Measures

<u>EBIT and EBIT margin excluding asbestos, ASIC expenses and asset impairments</u> — EBIT and EBIT margin excluding asbestos, ASIC expenses and asset impairments are not measures of financial performance under US GAAP and should not be considered to be more meaningful than EBIT and EBIT margin. James Hardie has included these financial measures to provide investors with an alternative method for assessing its operating results in a manner that is focussed on the performance of its ongoing operations and provides useful information regarding its financial condition and results of operations. The company uses these non-US GAAP measures for the same purposes.

US$ Millions	Q3 FY 2009	Q3 FY 2008	9 Months FY 2009	9 Months FY 2008
EBIT	$118.9	$ 25.2	$ 334.0	$ 144.9
Asbestos:				
Asbestos adjustments	(93.6)	(1.2)	(193.9)	57.8
AICF SG&A expenses	0.5	1.0	1.4	2.7
ASIC expenses	5.8	1.5	12.3	4.6
Asset impairments	—	32.4	—	32.4
EBIT excluding asbestos, ASIC expenses and asset impairments	31.6	58.9	153.8	242.4
Net Sales	$254.4	$341.4	$ 961.3	$1,155.9
EBIT margin excluding asbestos, ASIC expenses and asset impairments	12.4%	17.3%	16.0%	21.0%

<u>Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments</u> — Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than net income. The company has included this financial measure to provide investors with an alternative method for assessing its operating results in a manner that is focussed on the performance of its ongoing operations. The company uses this non-US GAAP measure for the same purposes.

US$ Millions	Q3 FY 2009	Q3 FY 2008	9 Months FY 2009	9 Months FY 2008
Net operating profit	$111.0	$ 17.1	$ 265.9	$ 75.3
Asbestos:				
Asbestos adjustments	(93.6)	(1.2)	(193.9)	57.8
AICF SG&A expenses	0.5	1.0	1.4	2.7
AICF interest income	(1.6)	(2.8)	(4.8)	(7.0)
Tax expense related to asbestos adjustments	—	—	—	0.4
ASIC expenses (net of tax)	4.3	1.1	9.2	3.4
Asset impairments (net of tax)	—	20.0	—	20.0
Tax adjustments	(4.1)	2.6	11.9	4.2
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	$ 16.5	$ 37.8	$ 89.7	$ 156.8

Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments — Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than diluted earnings per share. The company has included this financial measure to provide investors with an alternative method for assessing its operating results in a manner that is focussed on the performance of its ongoing operations. The company's management uses this non-US GAAP measure for the same purposes.

US$ Millions	Q3 FY 2009	Q3 FY 2008	9 Months FY 2009	9 Months FY 2008
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	$ 16.5	$ 37.8	$ 89.7	$ 156.8
Weighted average common shares outstanding — Diluted (millions)	433.5	451.8	433.5	462.8
Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments (US cents)	3.8	8.4	20.7	33.9

Effective tax rate excluding asbestos and tax adjustments — Effective tax rate excluding asbestos and tax adjustments is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than effective tax rate. The company has included this financial measure to provide investors with an alternative method for assessing its operating results in a manner that is focussed on the performance of its ongoing operations. The company's management uses this non-US GAAP measure for the same purposes.

US$ Millions	Q3 FY 2009	Q3 FY 2008	9 Months FY 2009	9 Months FY 2008
Operating profit before income taxes	$117.8	$26.0	$ 332.1	$148.2
Asbestos:				
Asbestos adjustments	(93.6)	(1.2)	(193.9)	57.8
AICF SG&A expenses	0.5	1.0	1.4	2.7
AICF interest income	(1.6)	(2.8)	(4.8)	(7.0)
Operating profit before income taxes excluding asbestos	$ 23.1	$23.0	$ 134.8	$201.7
Income tax expense	(6.8)	(8.9)	(66.2)	(72.9)
Tax expense related to asbestos adjustments	—	—	—	0.4
Tax adjustments	(4.1)	2.6	11.9	4.2
Income tax expense excluding asbestos and tax adjustments	(10.9)	(6.3)	(54.3)	(68.3)
Effective tax rate excluding asbestos and tax adjustments	47.2%	27.4%	40.3%	33.9%

EBITDA — is not a measure of financial performance under US GAAP and should not be considered an alternative to, or more meaningful than, income from operations, net income or cash flows as defined by US GAAP or as a measure of profitability or liquidity. Not all companies calculate EBITDA in the same manner as James Hardie has and, accordingly, EBITDA may not be comparable with other companies. The company has included information concerning EBITDA because it believes that this data is commonly used by investors to evaluate the ability of a company's earnings from its core business operations to satisfy its debt, capital expenditure and working capital requirements.

US$ Millions	Q3 FY 2009	Q3 FY 2008	9 Months FY 2009	9 Months FY 2008
EBIT	$118.9	$ 25.2	$ 334.0	$ 144.9
Depreciation and am ortisation	13.0	14.4	41.6	42.1
EBITDA	$131.9	$ 39.6	$ 375.6	$ 187.0

Supplemental Financial Information

James Hardie's management measures its operating performance and analyses year-over-year changes in operating results with and without the effect of the net Amended FFA liability recorded in the fourth quarter of fiscal year 2006 and believes that security holders will do the same.

As set forth in Note 8 of the 31 December 2008 Condensed Consolidated Financial Statements, the net Amended FFA liability, while recurring, is based on periodic actuarial determinations, claims experience and currency fluctuations. It has no relation to the results of the company's operations. Accordingly, management believes that the following information is useful to it and investors in evaluating ongoing operating financial performance.

The following tables are considered non-GAAP and are not intended to be used or viewed in any respect as substitutes for the company's GAAP consolidated financial statements. These non-GAAP measures should only be viewed as a supplement to reported GAAP financial statements, and, in all cases, the corresponding GAAP amounts are shown on the same line as the non-GAAP measure, to avoid any possible confusion.

The following tables should be read in conjunction with JHI NV's financial statements and related notes contained in the company's 31 December 2008 Condensed Consolidated Financial Statements.

James Hardie Industries N.V.
Consolidated Balance Sheet
31 December 2008
(unaudited)

US$ Millions	Total Fibre Cement Operations — excluding Asbestos Compensation	Asbestos Compensation	As Reported
ASSETS			
Current assets			
Cash and cash equivalents	$ 258.7	$ (200.3)	$ 58.4
Restricted cash and cash equivalents	5.2	—	5.2
Restricted cash and cash equivalents — Asbestos	—	18.4	18.4
Restricted short-term investments — Asbestos	—	54.7	54.7
Accounts and notes receivable, net of allowance for doubtful accounts of $1.5 million	88.8	0.1	88.9
Inventories	145.2	—	145.2
Prepaid expenses and other current assets	24.9	0.2	25.1
Insurance receivable — Asbestos	—	10.6	10.6
Workers' compensation — Asbestos	—	5.2	5.2
Deferred income taxes	24.3	—	24.3
Deferred income taxes — Asbestos	—	12.4	12.4
Total current assets	**547.1**	**(98.7)**	**448.4**
Property, plant and equipment, net	706.8	0.7	707.5
Insurance receivable — Asbestos	—	133.1	133.1
Workers' compensation — Asbestos	—	59.3	59.3
Deferred income taxes	17.8	—	17.8
Deferred income taxes — Asbestos	—	288.5	288.5
Deposit with Australian Taxation Office	170.7	—	170.7
Other assets	1.7	—	1.7
Total assets	**$ 1,444.1**	**$ 382.9**	**$ 1,827.0**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	$ 105.1	$ 0.8	$ 105.9
Short-term debt	97.2	—	97.2
Accrued payroll and employee benefits	32.8	0.1	32.9
Accrued product warranties	6.3	—	6.3
Income taxes payable	82.3	(21.1)	61.2
Asbestos liability	—	59.4	59.4
Workers' compensation — Asbestos	—	5.2	5.2
Other liabilities	20.1	—	20.1
Total current liabilities	**343.8**	**44.4**	**388.2**
Long-term debt	201.0	—	201.0
Deferred income taxes	88.6	—	88.6
Accrued product warranties	14.7	—	14.7
Asbestos liability	—	1,068.1	1,068.1
Workers' compensation — Asbestos	—	59.3	59.3
Other liabilities	42.1	2.5	44.6
Total liabilities	**690.2**	**1,174.3**	**1,864.5**
Commitments and contingencies			
Shareholders' equity (deficit)			
Common stock	219.7	—	219.7
Additional paid-in capital	24.2	—	24.2
Retained earnings (accumulated deficit)	554.5	(777.7)	(223.2)
Common stock in treasury	(4.0)	—	(4.0)
Accumulated other comprehensive income (loss)	(40.5)	(13.7)	(54.2)
Total shareholders' equity (deficit)	753.9	(791.4)	(37.5)
Total liabilities and shareholders' equity (deficit)	**$ 1,444.1**	**$ 382.9**	**$ 1,827.0**

James Hardie Industries N.V.
Consolidated Statement of Operations
For the nine months ended 31 December 2008
(unaudited)

US$ Millions	Total Fibre Cement Operations- excluding Asbestos Compensation	Asbestos Compensation	As Reported
Net Sales			
USA Fibre Cement	$ 740.6	$ —	$ 740.6
Asia Pacific Fibre Cement	220.7	—	220.7
Other	—	—	—
Net Sales	961.3	—	961.3
Cost of goods sold	(641.7)	—	(641.7)
Gross profit	319.6	—	319.6
Selling, general and administrative expenses	(157.4)	(1.4)	(158.8)
Research and development expenses	(20.7)	—	(20.7)
Asbestos adjustments	—	193.9	193.9
EBIT	141.5	192.5	334.0
Net Interest (expense) income	(6.7)	4.8	(1.9)
Operating profit before income taxes	134.8	197.3	332.1
Income tax expense	(66.2)	—	(66.2)
Net Operating Profit	**$ 68.6**	**$ 197.3**	**$ 265.9**

James Hardie Industries N.V.
Consolidated Statement of Cash Flows
For the nine months ended 31 December 2008
(unaudited)

US$ Millions	Total Fibre Cement Operations-excluding Asbestos Compensation	Asbestos Compensation	As Reported
Cash Flows from Operating Activities			
Net Income	$ 68.6	$ 197.3	$ 265.9
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	41.6	—	41.6
Deferred income taxes	(26.6)	—	(26.6)
Prepaid pension cost	0.7	—	0.7
Stock-based compensation	5.2	—	5.2
Asbestos adjustments	—	(193.9)	(193.9)
Other	0.2	—	0.2
Changes in operating assets and liabilities:			
Restricted cash and cash equivalents	(0.2)	55.9	55.7
Payment to the AICF	—	(50.7)	(50.7)
Accounts and notes receivable	33.9	0.3	34.2
Inventories	28.7	—	28.7
Prepaid expenses and other current assets	1.2	0.2	1.4
Insurance receivable — Asbestos	—	16.5	16.5
Accounts payable and accrued liabilities	3.2	(0.9)	2.3
Asbestos liability	—	(75.4)	(75.4)
Deposit with Australian Taxation Office	(8.5)	—	(8.5)
ATO settlement payment	(101.6)	—	(101.6)
Other accrued liabilities and other liabilities	29.6	—	29.6
Net cash provided by (used in) operating activities	$ 76.0	$ (50.7)	$ 25.3
Cash Flows From Investing Activities			
Purchases of property, plant and equipment	(16.8)	—	(16.8)
Net cash used in investing activities	$ (16.8)	$ —	$ (16.8)
Cash Flows from Financing Activities			
Proceeds from short term borrowings	7.2	—	7.2
Proceeds from long term borrowings	26.5	—	26.5
Proceeds from issuance of shares	0.1	—	0.1
Dividends paid	(34.6)	—	(34.6)
Net cash used in financing activities	$ (0.8)	$ —	$ (0.8)
Effects of exchange rate changes on cash	15.3	—	15.3
Net increase in cash and cash equivalents	73.7	(50.7)	23.0
Cash and cash equivalents at beginning of period	35.4	—	35.4
Cash and cash equivalents at end of period	$ 109.1	$ (50.7)	$ 58.4
Components of Cash and Cash Equivalents			
Cash at bank and on hand	69.5	(50.7)	18.8
Short-term deposits	39.6	—	39.6
Cash and cash equivalents at end of period	$ 109.1	$ (50.7)	$ 58.4

Disclaimer

This Management's Analysis of Results contains forward-looking statements. We may from time to time make forward-looking statements in our periodic reports filed with or furnished to the United States Securities and Exchange Commission on Forms 20-F and 6-K, in our annual reports to shareholders, in offering circulars, invitation memoranda and prospectuses, in media releases and other written materials and in oral statements made by our officers, directors or employees to analysts, institutional investors, lenders and potential lenders, representatives of the media and others. Statements that are not historical facts are forward-looking statements and for US purposes such forward-looking statements are statements made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include:

- expectations about the timing and amount of payments to the Asbestos Injuries Compensation Fund (AICF), a special purpose fund for the compensation of proven Australian asbestos-related personal injury and death claims;
- statements regarding tax liabilities and related audits and proceedings;
- statements as to the possible consequences of proceedings brought against us and certain of our former directors and officers by the Australian Securities and Investments Commission;
- expectations concerning indemnification obligations;
- expectations concerning the costs associated with the suspension or closure of operations at any of our plants and future plans with respect to any such plants;
- expectations that our credit facilities will be extended or renewed;
- expectations concerning dividend payments;
- projections of our results of operations or financial condition;
- statements concerning our corporate and tax domiciles and potential changes to them;
- statements regarding our plans, objectives or goals, including those relating to strategies, initiatives, competition, acquisitions, dispositions and our products;
- statements about our future performance; and
- statements about product or environmental liabilities.

Words such as "believe," "anticipate," "plan," "expect," "intend," "target," "estimate," "project," "predict," "forecast," "guideline," "should," "aim," "will," "continue" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Readers are cautioned not to place undue reliance on these forward-looking statements and all such forward-looking statements are qualified in their entirety by reference to the following cautionary statements.

Forward-looking statements are based on our estimates and assumptions and because forward-looking statements address future events and conditions, they, by their very nature, involve inherent risks and uncertainties. Such known and unknown risks, uncertainties and other factors may cause our actual results, performance or other achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied be these forward-looking statements. 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, some of which are discussed under "Key Information — Risk Factors" beginning on page 6 of our Form 20-F filed on 8 July 2008 with the Securities and Exchange Commission, include, but are not limited to: all matters relating to or arising out of the prior manufacture of products that contained asbestos by current and former James Hardie subsidiaries; required contributions to the AICF and the effect of foreign exchange rates on the amount recorded in our financial statements as an asbestos liability; compliance with and changes in tax laws and treatments; competition and product pricing in the markets in which we operate; the consequences of product failures or defects; exposure to environmental, asbestos or other legal proceedings; general economic and market conditions; the supply and cost of raw materials; the success of our research and development efforts; the concentration of James Hardie's customer base on large format retail customers, distributors and dealers; compliance with and changes in environmental and health and safety laws; risks of conducting business internationally; compliance with and changes in laws and regulations; foreign exchange risks; the effect of natural disasters; changes in our key management personnel; and all other risks identified in our reports filed or furnished with Australian, Dutch and US securities agencies and exchanges (as appropriate). 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 in forward-looking statements. Forward-looking statements speak only as of the date they are made and are statements of our current expectations concerning future results and events.

James Hardie

James Hardie Q3 FY09 Results

Management Presentation – 12 February 2009

In this Management Presentation, James Hardie may present financial measures, sales volume terms, financial ratios, and Non-US GAAP financial measures included in the Definitions section of this document starting on page 45. The company presents financial measures that it believes are customarily used by its Australian investors. Specifically, these financial measures, which are equivalent to or derived from certain US GAAP measures as explained in the definitions, include "EBIT", "EBIT margin", "Operating profit" and "Net operating profit". The company may also present other terms for measuring its sales volumes ("million square feet or mmsf" and "thousand square feet or msf"); financial ratios ("Gearing ratio", "Net interest expense cover", "Net interest paid cover", "Net debt payback", "Net debt (cash)"); and Non-US GAAP financial measures ("EBIT excluding asbestos, ASIC expenses and asset impairments", "EBIT margin excluding asbestos, ASIC expenses and asset impairments", "Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments", "Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments", "Operating profit before income taxes excluding asbestos" and "Effective tax rate excluding asbestos and tax adjustments" and "EBITDA"). Unless otherwise stated, results and comparisons are of the 3rd quarter and the nine months of the current fiscal year versus the 3rd quarter and the nine months of the prior fiscal year.

Disclaimer

This Management Presentation contains forward-looking statements. We may from time to time make forward-looking statements in our periodic reports filed with or furnished to the United States Securities and Exchange Commission on Forms 20-F and 6-K, in our annual reports to shareholders, in offering circulars, invitation memoranda and prospectuses, in media releases and other written materials and in oral statements made by our officers, directors or employees to analysts, institutional investors, lenders and potential lenders, representatives of the media and others. Examples of forward-looking statements include:

- expectations about the timing and amount of payments to the Asbestos Injuries Compensation Fund (AICF), a special purpose fund for the compensation of proven Australian asbestos-related personal injury and death claims;
- statements regarding tax liabilities and related audit and related proceedings;
- statements as to the possible consequences of proceedings brought against us and certain of our former directors and officers by the Australian Securities and Investments Commission;
- expectations concerning indemnification obligations;
- expectations concerning the costs associated with the suspension or closure of operations at any of our plants and future plans with respect to any such plants;
- expectations that our credit facilities will be extended or renewed;
- expectations concerning dividend payments;
- projections of our results of operations or financial condition;
- statements regarding our plans, objectives or goals, including those relating to strategies, initiatives, competition, acquisitions, dispositions and our products;
- statements concerning our corporate domicile and tax residence and potential changes to them;
- statements about our future performance; and
- statements about product or environmental liabilities.

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, some of which are discussed under “Key Information - Risk Factors” beginning on page 6 of our Form 20-F filed on 8 July, 2008 with the Securities and Exchange Commission, include but are not limited to: all matters relating to or arising out of the prior manufacture of products that contained asbestos by current and former James Hardie subsidiaries; required contributions to the AICF and the effect of foreign exchange on the amount recorded in our financial statements as an asbestos liability; compliance with and changes in tax laws and treatments; competition and product pricing in the markets in which we operate; the consequences of product failures or defects; exposure to environmental, asbestos or other legal proceedings; general economic and market conditions; the supply and cost of raw materials; the success of our research and development efforts; the concentration of James Hardie’s customer base on large format retail customers, distributors and dealers; compliance with and changes in environmental and health and safety laws; risks of conducting business internationally; compliance with and changes in laws and regulations; foreign exchange risks; and the effect of natural disasters and changes in our key management personnel. 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 in forward-looking statements. Forward-looking statements speak only as of the date they are made.

Agenda

James Hardie

- Overview and Operating Review – Louis Gries, CEO
- Financial Review – Russell Chenu, CFO
- Questions and Answers

Overview

James Hardie

- Operating results significantly affected by further declines in the US housing market and overall market downturn
- Net operating profit for the quarter and nine months affected by material favourable asbestos adjustments, unfavourable ASIC expenses and unfavourable tax adjustments

US$ Millions	Q3 FY09	Q3 FY08	% Change	9 Months FY09	9 Months FY08	% Change
Net operating profit	111.0	17.1	-	265.9	75.3	-
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	**16.5**	**37.8**	**(56)**	**89.7**	**156.8**	**(43)**
Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments (US cents)	3.8	8.4	(55)	20.7	33.9	(39)


James Hardie
Operating Review
Louis Gries, CEO

Global Strategy

- Aggressively grow demand for our products in targeted market segments
- Grow our overall market position while defending our share in existing market segments
- Offer products with superior value to that of our competitors
- Introduce differentiated products to reduce direct price competition

USA Fibre Cement

3rd Quarter Result *

Net Sales	down	26% to US$192.3 million
Sales Volume	down	28% to 316.6 mmsf
Average Price	up	3% to US$607 per msf
EBIT	down	36% to US$41.1 million
EBIT Margin	down	3.6 pts to 21.4%

* Comparison is of the 3rd quarter of the current fiscal year versus the 3rd quarter of the prior fiscal year

James Hardie

USA Fibre Cement

Nine Months Result *

Net Sales	down	20% to US$725.9 million
Sales Volume	down	21% to 1,203.8 mmsf
Average Price	up	1% to US$603 per msf
EBIT	down	36% to US$168.2 million
EBIT Margin	down	5.7 pts to 23.2%

* Comparison is of the nine months of the current fiscal year versus the nine months of the prior fiscal year

USA Fibre Cement

James Hardie

3rd Quarter Market Conditions

- Ongoing weakness in the US housing market - both new construction and the repair and remodel segments continue to deteriorate
  - Starts down 43% for the quarter, compared to last year
  - Repair & Remodel down to a much lesser extent
- Market demand affected by US recession, increase in unemployment, tighter lending standards and falling house prices
- Inventory level of new homes remains high
- More existing homes for sale due to increase in foreclosures
- Builder confidence levels remain very low

James Hardie

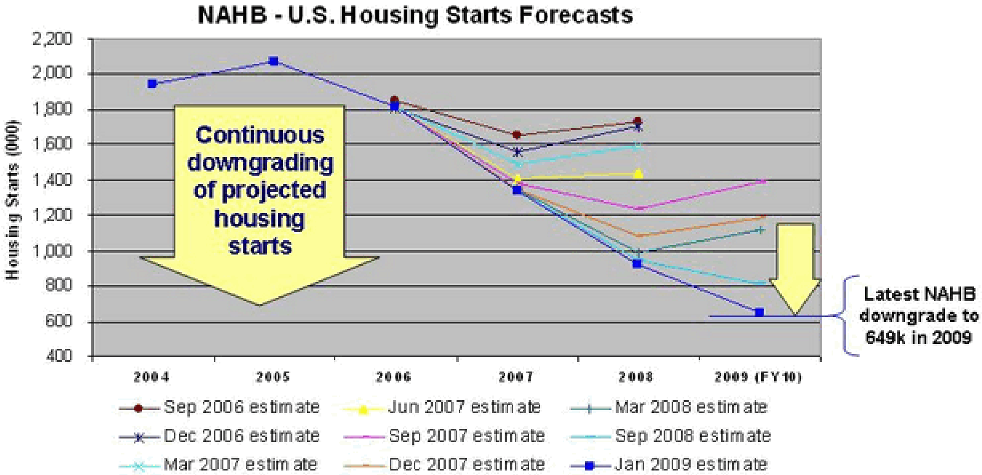
USA Fibre Cement

3rd Quarter Key Points

- Sales down due to declining market
- Sales volumes were lower in each key region, other than Canada
- ColorPlus® again increased as a percentage of our product mix
- Average net sales price increased slightly due to product mix and material costs

Total Housing Starts - NAHB

- NAHB forecast of calendar 2009 Housing Starts is down 29% to 649k (incl. MF-high)



Source: NAHB Executive Level Forecasts - Total US Housing Starts *(incl. SF, MF-low and MF-high)*

USA Fibre Cement

James Hardie

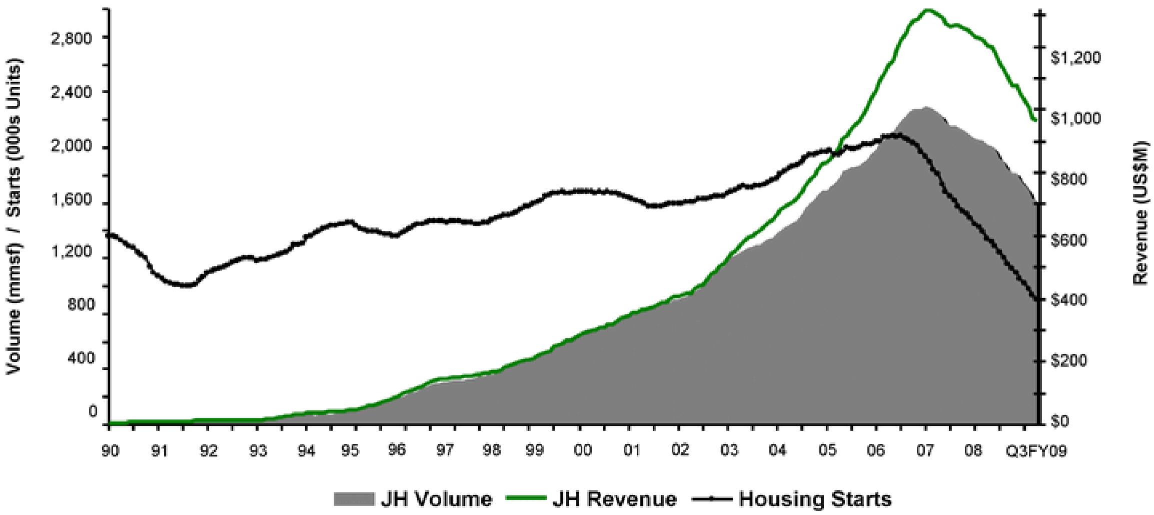
Outlook

- Continued weakness in housing starts
- James Hardie is planning on approximately 550k US housing starts, including multi-family high, for calendar year 2009 (~450k, excluding multi-family high)
- On-going downward pressure on house prices and weaker demand
- Continued deterioration of Repair & Remodelling activity
- James Hardie to maintain or grow market share of fibre cement against alternative materials
- James Hardie to maintain share of fibre cement category

USA Fibre Cement

James Hardie

Top Line Growth



Rolling 12 month average of seasonally adjusted estimate of housing starts by US Census Bureau

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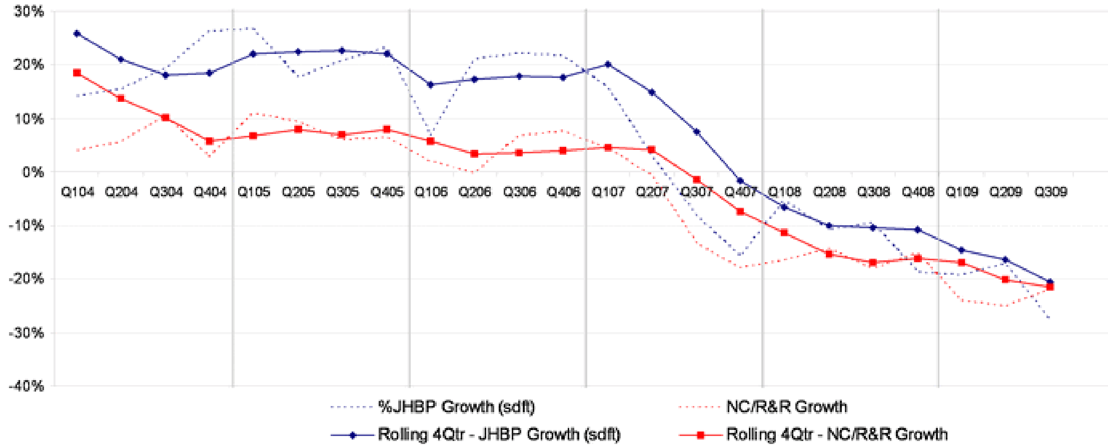
Primary Growth Performance



Sources: *Dodge US addressable starts (SF & MF-low); US Census R&R $ expenditures less CPI*

Note:
- *US Census discontinued their R&R $ expenditures report in 2007*
- *2008 R&R = avg. published Home Depot & Lowe's same store sales less CPI*

USA Fibre Cement

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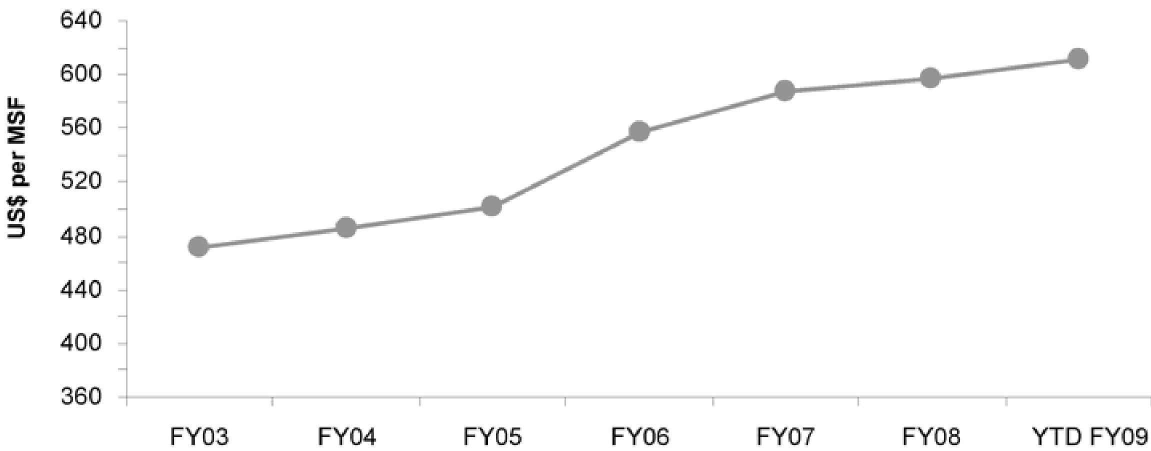
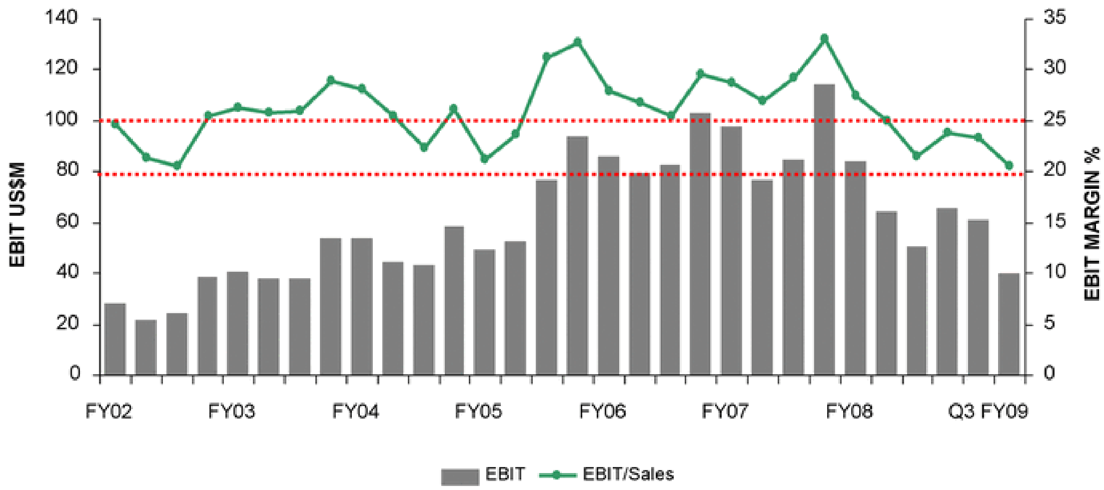
Average Net Selling Price



EBIT and EBIT Margin*



*Excludes restructuring and other operating expenses of US$12.6 million in Q3 FY02 and impairment charges of US$45.6 million in Q4 FY08

Asia Pacific Fibre Cement

James Hardie

3rd Quarter Result *

Net Sales	down	25% to US$58.5 million
Sales Volume	down	3% to 97.5 mmsf
Average Price	up	4% to A$897 per msf
EBIT	down	29% to US$10.5 million
EBIT Margin	down	1.2 pts to 17.9%

* Comparison is of the 3rd quarter of the current fiscal year versus the 3rd quarter of the prior fiscal year

Asia Pacific Fibre Cement

James Hardie

Nine Months Result *

Net Sales	down	2% to US$220.7 million
Sales Volume	down	less than 1% to 301.4 mmsf
Average Price	up	1% to A$877 per msf
EBIT	up	2% to US$40.4 million
EBIT Margin	up	0.7 pts to 18.3%

* Comparison is of the nine months of the current fiscal year versus the nine months of the prior fiscal year

Asia Pacific Fibre Cement

Key Points

- Residential construction declined in both Australia and New Zealand
- US$ financial results affected negatively by depreciation of Asia Pacific currencies
- Q3 net sales up 1% in A$ due to 4% increase in the average Australian dollar net sales price, partially offset by 3% decrease in sales volume
- Sales of differentiated products continued to grow in Australia and New Zealand
- Non-differentiated products remain subject to competitive pricing pressure
- Slightly weaker EBIT performance in A$, down 1% for the quarter due to lower gross margin performance, partially offset by lower SG&A expenses

Asia Pacific Fibre Cement

James Hardie

Outlook

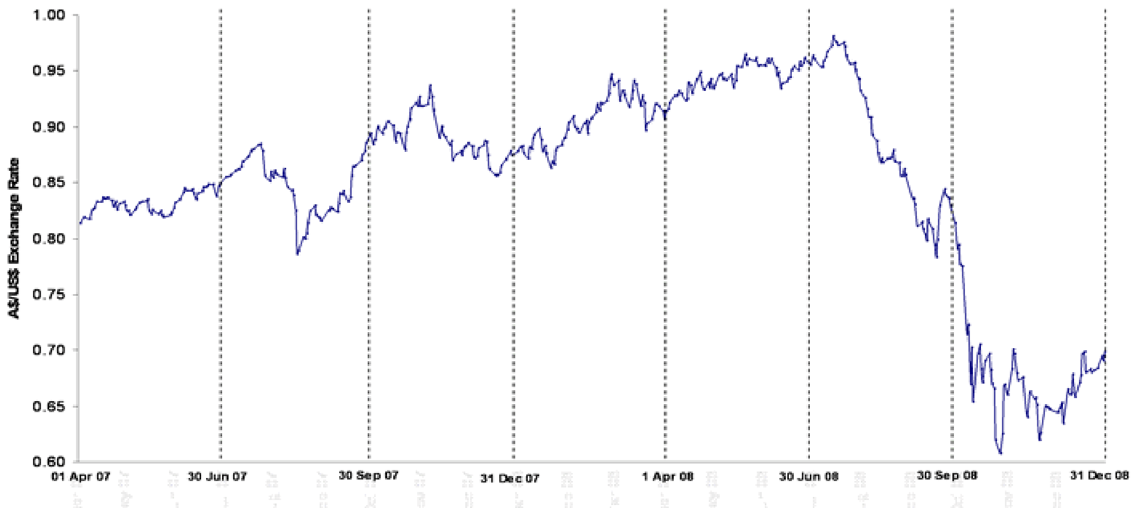
- Building approvals expected to continue to fall in Australia and to remain at current levels in New Zealand
- Housing affordability to remain under pressure in New Zealand with increased building costs
- Continued growth in sales of differentiated products
- Non-differentiated products in Australia are expected to remain subject to strong competition
- In the Philippines, residential construction activity is expected to improve or to be flat


James Hardie
Financial Review
Russell Chenu, CFO

Overview

- Result affected by further decline in US housing construction activity
- Net operating profit affected by asbestos, ASIC expenses and tax adjustments:
  - Asbestos adjustments:
    - US$93.6m in Q3 and US$193.9m for nine months – favourable currency movement on A$ asbestos liability
  - ASIC expenses of US$5.8m in Q3 and US$12.3m for nine months
  - Favourable tax adjustments of US$4.1m in Q3 and unfavourable tax adjustments of US$11.9m in nine months related to FIN 48
- Reduced cash flow as a result of the ATO settlement payment, the quarterly installment payments to the AICF and the reduced earnings contribution from US business
  - Excluding the ATO settlement payment and payments to the AICF, cash flow from operations continues to be strong
- Working capital reductions in Q3 arising from reduced activity levels
- Decrease in capital expenditures
- Second of four FY09 installment payments to the AICF during Q3 – US$23.3m
- Significant deterioration of A$: US$ exchange rate impacting results

A$: US$ Exchange Rate



- Consequences of depreciating Australian dollar versus US dollar
  - Unfavourable impact from translation of Asia Pacific results
  - Favourable impact on corporate costs incurred in Australian dollars
  - Favourable impact from translation of asbestos liability balance
  - Unfavourable impact from translation of Australian dollar deposit with ATO relating to 1999 Amended Assessment

Results – Q3

US$ Millions	Q3'09	Q3'08	% Change
Net sales	254.4	341.4	(25)
Gross profit	82.4	117.1	(30)
SG&A expenses	(50.8)	(54.3)	6
Research & development expenses	(6.3)	(6.4)	2
Asset impairments	-	(32.4)	-
Asbestos adjustments	93.6	1.2	-
EBIT	**118.9**	**25.2**	**-**
Net interest (expense) income	(1.1)	0.8	-
Income tax expense	(6.8)	(8.9)	24
Net operating profit	**111.0**	**17.1**	**-**

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Results – Q3 (continued)

US$ Millions	Q3'09	Q3'08	% Change
Net operating profit	111.0	17.1	-
Asbestos:			
Asbestos adjustments	(93.6)	(1.2)	-
AICF SG&A expenses	0.5	1.0	(50)
AICF interest income	(1.6)	(2.8)	43
ASIC expenses (net of tax)	4.3	1.1	-
Asset impairments (net of tax)	-	20.0	-
Tax adjustments	(4.1)	2.6	-
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	**16.5**	**37.8**	**(56)**

James Hardie

Results – Nine Months

US$ Millions	9 months'09	9 months'08	% Change
Net sales	961.3	1,155.9	(17)
Gross profit	319.6	422.8	(24)
SG&A expenses	(158.8)	(167.9)	5
Research & development expenses	(20.7)	(19.8)	(5)
Asset impairments	-	(32.4)	-
Asbestos adjustments	193.9	(57.8)	-
EBIT	**334.0**	**144.9**	**-**
Net interest (expense) income	(1.9)	3.3	-
Income tax expense	(66.2)	(72.9)	9
Net operating profit	**265.9**	**75.3**	**-**

Results – Nine Months (continued)

US$ Millions	9 months'09	9 months'08	% Change
Net operating profit	265.9	75.3	-
Asbestos:			
Asbestos adjustments	(193.9)	57.8	-
Tax expense related to asbestos adjustments	-	0.4	-
AICF SG&A expenses	1.4	2.7	(48)
AICF interest income	(4.8)	(7.0)	31
ASIC expenses (net of tax)	9.2	3.4	-
Asset impairments (net of tax)	-	20.0	-
Tax adjustments	11.9	4.2	-
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	**89.7**	**156.8**	**(43)**

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Segment Net Sales – Q3

US$ Millions	Q3'09	Q3'08	% Change
USA and Europe Fibre Cement	195.9	263.9	(26)
Asia Pacific Fibre Cement	58.5	77.5	(25)
Total	254.4	341.4	(25)

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Segment Net Sales – Nine Months

US$ Millions	9 Months'09	9 Months'08	% Change
USA and Europe Fibre Cement	740.6	931.1	(20)
Asia Pacific Fibre Cement	220.7	224.8	(2)
Total	961.3	1,155.9	(17)

Segment EBIT – Q3

US$ Millions	Q3'09	Q3'08	% Change
USA and Europe Fibre Cement	40.3	63.3	(36)
Asia Pacific Fibre Cement	10.5	14.8	(29)
Research & development[1]	(4.7)	(4.2)	(12)
Total segment EBIT	46.1	73.9	(38)
General Corporate excluding ASIC expenses	(14.5)	(15.0)	3
Total EBIT excluding asbestos, ASIC expenses and asset impairments	**31.6**	**58.9**	**(46)**
Asbestos adjustments	93.6	1.2	-
AICF SG&A expenses	(0.5)	(1.0)	(50)
ASIC expenses	(5.8)	(1.5)	-
Asset impairments	-	(32.4)	-
Total EBIT	118.9	25.2	-

[1] Research & development includes "core" research & development expenses and administrative expenses, but excludes product development expenses

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Segment EBIT – Nine Months

US$ Millions	9 Months'09	9 Months'08	% Change
USA and Europe Fibre Cement	167.0	258.8	(35)
Asia Pacific Fibre Cement	40.4	39.6	2
Research & development[1]	(14.7)	(13.1)	(12)
Total segment EBIT	192.7	285.3	(32)
General Corporate excluding ASIC expenses	(38.9)	(42.9)	9
Total EBIT excluding asbestos, ASIC expenses and asset impairments	**153.8**	**242.4**	**(37)**
Asbestos adjustments	193.9	(57.8)	-
AICF SG&A expenses	(1.4)	(2.7)	(48)
ASIC expenses	(12.3)	(4.6)	-
Asset impairments	-	(32.4)	-
Total EBIT	334.0	144.9	-

[1] Research & development includes "core" research & development expenses and administrative expenses, but excludes product development expenses

Corporate Costs – Q3

US$ Millions	Q3'09	Q3'08	% Change
Stock compensation expense	1.6	1.9	16
Earnings-related bonus	0.3	0.9	67
ASIC expenses	5.8	1.5	-
Other costs	12.6	12.2	(3)
Total	20.3	16.5	(23)

James Hardie

Corporate Costs – Nine Months

US$ Millions	9 Months'09	9 Months'08	% Change
Stock compensation expense	5.2	5.0	(4)
Earnings-related bonus	1.3	2.0	35
Non-US warranty provision	-	4.0	-
ASIC expenses	12.3	4.6	-
Other costs	32.4	31.9	(2)
Total	51.2	47.5	(12)

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Net Interest (Expense) Income

US$ Millions	Q3'09	Q3'08	9 Months'09	9 Months'08
Gross interest expense	(2.4)	(2.5)	(7.3)	(7.3)
Capitalised interest	-	(0.4)	-	0.6
Interest (expense) income	(0.3)	0.9	0.6	3.0
Net interest expense excluding AICF net interest income	**(2.7)**	**(2.0)**	**(6.7)**	**(3.7)**
AICF net interest income	1.6	2.8	4.8	7.0
Net interest (expense) income	(1.1)	0.8	(1.9)	3.3

James Hardie

Income Tax Expense – Q3

US$ Millions	Q3'09	Q3'08
Operating profit before income taxes	117.8	26.0
Asbestos:		
Asbestos adjustments	(93.6)	(1.2)
AICF SG&A expenses	0.5	1.0
AICF interest income	(1.6)	(2.8)
Operating profit before income taxes excluding asbestos	23.1	23.0
Income tax expense	(6.8)	(8.9)
Tax adjustments	(4.1)	2.6
Income tax expense excluding tax adjustments	(10.9)	(6.3)
Effective tax rate excluding asbestos and tax adjustments	**47.2%**	**27.4%**

Income Tax Expense – Nine Months

US$ Millions	9 Months'09	9 Months'08
Operating profit before income taxes	332.1	148.2
Asbestos:		
Asbestos adjustments	(193.9)	57.8
AICF SG&A expenses	1.4	2.7
AICF interest income	(4.8)	(7.0)
Operating profit before income taxes excluding asbestos	134.8	201.7
Income tax expense	(66.2)	(72.9)
Asbestos:		
Tax expense related to asbestos adjustments	-	0.4
Tax adjustments	11.9	4.2
Income tax expense excluding asbestos and tax adjustments	(54.3)	(68.3)
Effective tax rate excluding asbestos and tax adjustments	**40.3%**	**33.9%**

EBITDA – Q3

US$ Millions	Q3'09	Q3'08	% Change
EBIT			
USA and Europe Fibre Cement	40.3	63.3	(36)
Asia Pacific Fibre Cement	10.5	14.8	(29)
Research & development	(4.7)	(4.2)	(12)
General Corporate excluding ASIC expenses	(14.5)	(15.0)	(3)
Depreciation and Amortisation			
USA and Europe Fibre Cement	10.7	12.6	(15)
Asia Pacific Fibre Cement	2.3	1.8	28
Total EBITDA excluding asbestos, ASIC expenses and asset impairments	**44.6**	**73.3**	**(39)**
Asbestos adjustments	93.6	1.2	-
AICF SG&A expenses	(0.5)	(1.0)	(50)
ASIC expenses	(5.8)	(1.5)	-
Asset impairments	-	(32.4)	-
Total EBITDA	**131.9**	**39.6**	**-**

EBITDA – Nine Months

US$ Millions	9 Months'09	9 Months'08	% Change
EBIT			
USA and Europe Fibre Cement	167.0	258.8	(35)
Asia Pacific Fibre Cement	40.4	39.6	2
Research & development	(14.7)	(13.1)	(12)
General Corporate excluding ASIC expenses	(38.9)	(42.9)	9
Depreciation and Amortisation			
USA and Europe Fibre Cement	33.8	35.7	(5)
Asia Pacific Fibre Cement	7.8	6.4	22
Total EBITDA excluding asbestos, ASIC expenses and asset impairments	**195.4**	**284.5**	**(31)**
Asbestos adjustments	193.9	(57.8)	-
AICF SG&A expenses	(1.4)	(2.7)	48
ASIC expenses	(12.3)	(4.6)	-
Asset impairments	-	(32.4)	-
Total EBITDA	**375.6**	**187.0**	**-**

Cash Flow

US$ Millions	9 Mths'09	9 Mths'08	% Change
EBIT	**334.0**	**144.9**	**-**
Non-cash items			
- Asbestos adjustments	(193.9)	57.8	-
- Other non-cash items	2.8	57.8	-
- Change in restricted cash - asbestos	55.9	37.0	51
- Asset impairments	-	32.4	-
Net working capital movements	25.7	18.4	40
Cash generated by trading activities	**224.5**	**348.3**	**(36)**
Tax payments	(32.0)	(52.8)	(39)
Payment to the AICF	(50.7)	-	-
ATO Settlement	(101.6)	-	-
Deposit with ATO	(8.5)	(6.5)	31
Interest paid (net)	(6.4)	(9.6)	(33)
Net Operating Cash Flow	**25.3**	**279.4**	**(91)**
Purchases of property, plant & equipment	(16.8)	(28.7)	(41)
Dividends paid	(34.6)	(123.1)	(72)
Equity issued	0.1	3.2	(97)
Treasury Stock purchased	-	(196.3)	-
Other	15.3	(13.2)	-
Movement in Net Debt	**(10.7)**	**(78.7)**	**(86)**
Net Debt – 31 March 2008	(229.1)	(153.9)	(49)
Net Debt – 31 December 2008	**239.8**	**232.6**	**3**

Capital Expenditure

US$ Millions	9 Months'09	9 Months'08	% Change
USA and Europe Fibre Cement	13.2	24.6	46
Asia Pacific Fibre Cement	3.6	4.1	12
Total	**16.8**	**28.7**	**41**

James Hardie

Debt

- Debt facilities at 31 December 2008

US$ Millions

Total facilities		498.3
Gross Debt	298.2	
Cash	58.4	
Net debt		239.8
Unutilised facilities and cash		**258.5**

- Weighted average remaining term of the total facilities was 1.8 years at 31 December 2008
- In November 2008 signed new credit facility for US$50.0m with terms consistent with current facilities
- James Hardie remains well within its debt covenants

Key Ratios

	9 mths'09	FY08	FY07
EPS (Diluted)[1]	20.7c	36.9c	49.3c
Dividend Paid per share	8.0c	27.0c	9.0c
Return on Shareholders' Funds[1]	14.3%	17.7%	24.0%
Return on Capital Employed[2]	20.3%	24.2%	27.7%
EBIT/ Sales (EBIT margin)[2]	16.0%	19.2%	21.6%
Gearing Ratio[1]	22.4%	21.5%	12.5%
Net Interest Expense Cover[2]	23.0x	33.9x	51.2x
Net Interest Paid Cover[2]	24.0x	22.0x	65.2x
Net Debt Payback[3]	2.4yrs	0.7yrs	1.9 yrs

[1] Excludes asbestos adjustments, AICF SG&A expenses, AICF interest income, ASIC expenses and tax adjustments
[2] Excludes asbestos adjustments, AICF SG&A expenses and ASIC expenses
[3] Excludes payments under the Amended FFA

James Hardie

Summary

- Net operating profit affected by favourable asbestos adjustments, unfavourable ASIC expenses and unfavourable tax adjustments
- EBIT affected by reduced contribution from US business
- Results significantly affected by further declines in US housing market
- Corporate costs continuing to be affected by ongoing legacy issues
- Net cash flows from operations remain strong
- Results remain subject to fluctuation in A$: US$ exchange rate for foreseeable future


James Hardie
Questions & Answers

Endnotes

This Management Presentation forms part of a package of information about the company's results. It should be read in conjunction with the other parts of this package, including Management's Analysis of Results, a Media Release and a Financial Report.

Definitions

Financial Measures – US GAAP equivalents

EBIT and EBIT Margin - EBIT, as used in this document, is equivalent to the US GAAP measure of operating income. EBIT margin is defined as EBIT as a percentage of net sales. We believe EBIT and EBIT margin to be relevant and useful information as these are the primary measures used by our management to measure the operating profit or loss of our business. EBIT is one of several metrics used by our management to measure the earnings generated from our operations, excluding interest and income tax expenses. Additionally, EBIT is believed to be a primary measure and terminology used by our Australian investors. EBIT and EBIT margin should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with accounting principles generally accepted in the United States of America. EBIT and EBIT margin, as we have defined them, may not be comparable to similarly titled measures reported by other companies.

Operating profit - is equivalent to the US GAAP measure of income.

Net operating profit - is equivalent to the US GAAP measure of net income.

Sales Volumes

mmsf – million square feet, where a square foot is defined as a standard square foot of 5/16" thickness.

msf – thousand square feet, where a square foot is defined as a standard square foot of 5/16" thickness.

Endnotes

Financial Ratios

Gearing Ratio – Net debt (cash) divided by net debt (cash) plus shareholders' equity.

Net interest expense cover – EBIT divided by net interest expense.

Net interest paid cover – EBIT divided by cash paid during the period for interest, net of amounts capitalised.

Net debt payback – Net debt (cash) divided by cash flow from operations.

Net debt (cash) – Short-term and long-term debt less cash and cash equivalents.

Non-US GAAP Financial Measures

<u>EBIT and EBIT margin excluding asbestos, ASIC expenses and asset impairments</u> – EBIT and EBIT margin excluding asbestos, ASIC expenses and asset impairments are not measures of financial performance under US GAAP and should not be considered to be more meaningful than EBIT and EBIT margin. James Hardie has included these financial measures to provide investors with an alternative method for assessing its operating results in a manner that is focussed on the performance of its ongoing operations and provides useful information regarding its financial condition and results of operations. The company uses these non-US GAAP measures for the same purposes.

US$ Millions	Q3 FY 2009	Q3 FY 2008	9 Months FY 2009	9 Months FY 2008
EBIT	$ 118.9	$ 25.2	$ 334.0	$ 144.9
Asbestos:				
Asbestos adjustments	(93.6)	(1.2)	(193.9)	57.8
AICF SG&A expenses	0.5	1.0	1.4	2.7
ASIC expenses	5.8	1.5	12.3	4.6
Asset impairments	-	32.4	-	32.4
EBIT excluding asbestos, ASIC expenses and asset impairments	31.6	58.9	153.8	242.4
Net Sales	$ 254.4	$ 341.4	$ 961.3	$ 1,155.9
EBIT margin excluding asbestos, ASIC expenses and asset impairments	12.4%	17.3%	16.0%	21.0%

Non-US GAAP Financial Measures (continued)

Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments – Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than net income. The company has included this financial measure to provide investors with an alternative method for assessing its operating results in a manner that is focussed on the performance of its ongoing operations. The company uses this non-US GAAP measure for the same purposes.

US$ Millions	Q3 FY 2009	Q3 FY 2008	9 Months FY 2009	9 Months FY 2008
Net operating profit	$ 111.0	$ 17.1	$ 265.9	$ 75.3
Asbestos:				
Asbestos adjustments	(93.6)	(1.2)	(193.9)	57.8
AICF SG&A expenses	0.5	1.0	1.4	2.7
AICF interest income	(1.6)	(2.8)	(4.8)	(7.0)
Tax expense related to asbestos adjustments	-	-	-	0.4
ASIC expenses	4.3	1.1	9.2	3.4
Asset impairments	-	20.0	-	20.0
Tax adjustments	(4.1)	2.6	11.9	4.2
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	$ 16.5	$ 37.8	$ 89.7	$ 156.8

Non-US GAAP Financial Measures (continued)

Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments – Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than diluted earnings per share. The company has included this financial measure to provide investors with an alternative method for assessing its operating results in a manner that is focussed on the performance of its ongoing operations. The company's management uses this non-US GAAP measure for the same purposes.

US$ Millions	Q3 FY 2009	Q3 FY 2008	9 Months FY 2009	9 Months FY 2008
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	$ 16.5	$ 37.8	$ 89.7	$ 156.8
Weighted average common shares outstanding - Diluted (millions)	433.5	451.8	433.5	462.8
Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments (US cents)	3.8	8.4	20.7	33.9

James Hardie

Non-US GAAP Financial Measures (continued)

Effective tax rate excluding asbestos and tax adjustments – Effective tax rate excluding asbestos and tax adjustments is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than effective tax rate. The company has included this financial measure to provide investors with an alternative method for assessing its operating results in a manner that is focussed on the performance of its ongoing operations. The company's management uses this non-US GAAP measure for the same purposes.

US$ Millions	Q3 FY 2009	Q3 FY 2008	9 Months FY 2009	9 Months FY 2008
Operating profit before income taxes	$ 117.8	$ 26.0	$ 332.1	$ 148.2
Asbestos:				
Asbestos adjustments	(93.6)	(1.2)	(193.9)	57.8
AICF SG&A expenses	0.5	1.0	1.4	2.7
AICF interest income	(1.6)	(2.8)	(4.8)	(7.0)
Operating profit before income taxes excluding asbestos	$ 23.1	$ 23.0	$ 134.8	$ 201.7
Income tax expense	(6.8)	(8.9)	(66.2)	(72.9)
Asbestos:				
Tax expense related to asbestos adjustments	-	-	-	0.4
Tax adjustments	(4.1)	2.6	11.9	4.2
Income tax expense excluding asbestos and tax adjustments	(10.9)	(6.3)	(54.3)	(68.3)
Effective tax rate excluding asbestos and tax adjustments	47.2%	27.4%	40.3%	33.9%

Non-US GAAP Financial Measures (continued)

EBITDA – is not a measure of financial performance under US GAAP and should not be considered an alternative to, or more meaningful than, income from operations, net income or cash flows as defined by US GAAP or as a measure of profitability or liquidity. Not all companies calculate EBITDA in the same manner as James Hardie has and, accordingly, EBITDA may not be comparable with other companies. The company has included information concerning EBITDA because it believes that this data is commonly used by investors to evaluate the ability of a company's earnings from its core business operations to satisfy its debt, capital expenditure and working capital requirements.

US$ Millions	Q3 FY 2009	Q3 FY 2008	9 Months FY 2009	9 Months FY 2008
EBIT	$ 118.9	$ 25.2	$ 334.0	$ 144.9
Depreciation and amortisation	13.0	14.4	41.6	42.1
EBITDA	$ 131.9	$ 39.6	$ 375.6	$ 187.0

James Hardie

James Hardie Q3 FY09 Results

Management Presentation – 12 February 2009

In this Management Presentation, James Hardie may present financial measures, sales volume terms, financial ratios, and Non-US GAAP financial measures included in the Definitions section of this document starting on page 45. The company presents financial measures that it believes are customarily used by its Australian investors. Specifically, these financial measures, which are equivalent to or derived from certain US GAAP measures as explained in the definitions, include "EBIT", "EBIT margin", "Operating profit" and "Net operating profit". The company may also present other terms for measuring its sales volumes ("million square feet or mmsf" and "thousand square feet or msf"); financial ratios ("Gearing ratio", "Net interest expense cover", "Net interest paid cover", "Net debt payback", "Net debt (cash)"); and Non-US GAAP financial measures ("EBIT excluding asbestos, ASIC expenses and asset impairments", "EBIT margin excluding asbestos, ASIC expenses and asset impairments", "Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments", "Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments", "Operating profit before income taxes excluding asbestos" and "Effective tax rate excluding asbestos and tax adjustments" and "EBITDA"). Unless otherwise stated, results and comparisons are of the 3rd quarter and the nine months of the current fiscal year versus the 3rd quarter and the nine months of the prior fiscal year.

Exhibit 99.4

James Hardie Industries N.V.
and Subsidiaries

Condensed Consolidated Financial Statements
as of and for the Period Ended 31 December 2008

Item 1. Financial Statements

James Hardie Industries N.V. and Subsidiaries
Condensed Consolidated Balance Sheets
(Unaudited)

	(Millions of US dollars)		(Millions of Australian dollars)	
	31 December 2008	31 March 2008	**31 December 2008**	31 March 2008
Assets				
Current assets:				
Cash and cash equivalents	**$ 58.4**	$ 35.4	**A$ 84.4**	A$ 38.6
Restricted cash and cash equivalents	**5.2**	5.0	**7.5**	5.5
Restricted cash and cash equivalents — Asbestos	**18.4**	37.4	**26.6**	40.8
Restricted short-term investments — Asbestos	**54.7**	77.7	**79.0**	84.7
Accounts and notes receivable, net of allowance for doubtful accounts of $1.5 million (A$2.2 million) and $2.0 million (A$2.2 million) as of 31 December 2008 and 31 March 2008, respectively	**88.9**	131.4	**128.4**	143.3
Inventories	**145.2**	179.7	**209.7**	195.9
Prepaid expenses and other current assets	**25.1**	28.0	**36.3**	30.5
Insurance receivable — Asbestos	**10.6**	14.1	**15.3**	15.4
Workers' compensation — Asbestos	**5.2**	6.9	**7.5**	7.5
Deferred income taxes	**24.3**	8.2	**35.1**	8.9
Deferred income taxes — Asbestos	**12.4**	9.1	**17.9**	9.9
Total current assets	**448.4**	532.9	**647.7**	581.0
Property, plant and equipment, net	**707.5**	756.4	**1,021.9**	824.7
Insurance receivable — Asbestos	**133.1**	194.3	**192.2**	211.8
Workers' compensation — Asbestos	**59.3**	78.5	**85.7**	85.6
Deferred income taxes	**17.8**	13.2	**25.7**	14.4
Deferred income taxes — Asbestos	**288.5**	397.1	**416.7**	433.0
Deposit with Australian Taxation Office	**170.7**	205.8	**246.6**	224.4
Other assets	**1.7**	1.7	**2.5**	1.9
Total assets	**$ 1,827.0**	$ 2,179.9	**A$ 2,639.0**	A$ 2,376.8
Liabilities and Shareholders' Deficit				
Current liabilities:				
Accounts payable and accrued liabilities	**$ 105.9**	$ 107.6	**A$ 153.0**	A$ 117.3
Short-term debt	**97.2**	90.0	**140.4**	98.1
Accrued payroll and employee benefits	**32.9**	37.0	**47.5**	40.3
Accrued product warranties	**6.3**	6.9	**9.1**	7.5
Income taxes payable	**61.2**	13.0	**88.4**	14.2
Asbestos liability	**59.4**	78.7	**85.8**	85.8
Workers' compensation — Asbestos	**5.2**	6.9	**7.5**	7.5
Other liabilities	**20.1**	9.1	**29.0**	9.9
Total current liabilities	**388.2**	349.2	**560.7**	380.6
Long-term debt	**201.0**	174.5	**290.3**	190.3
Deferred income taxes	**88.6**	84.2	**128.0**	91.8
Accrued product warranties	**14.7**	10.8	**21.2**	11.8
Asbestos liability	**1,068.1**	1,497.8	**1,542.8**	1,633.1
Workers' compensation — Asbestos	**59.3**	78.5	**85.7**	85.6
Other liabilities	**44.6**	187.5	**64.4**	204.4
Total liabilities	**1,864.5**	2,382.5	**A$ 2,693.1**	A$ 2,597.6
Commitments and contingencies (Note 9)				
Shareholders' deficit:				
Common stock, Euro 0.59 par value, 2.0 billion shares authorised; 432,239,668 shares issued at 31 December 2008 and 432,214,668 issued at 31 March 2008	**219.7**	219.7		
Additional paid-in capital	**24.2**	19.3		
Accumulated deficit	**(223.2)**	(454.5)		
Common stock in treasury, at cost, 708,695 shares at 31 December 2008 and 31 March 2008	**(4.0)**	(4.0)		
Accumulated other comprehensive (loss) income	**(54.2)**	16.9		
Total shareholders' deficit	**(37.5)**	(202.6)		
Total liabilities and shareholders' deficit	**$ 1,827.0**	$ 2,179.9		

The accompanying notes are an integral part of these consolidated financial statements.

James Hardie Industries N.V. and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)

	Three Months Ended 31 December		Nine Months Ended 31 December	
(Millions of US dollars, except per share data)	**2008**	2007	**2008**	2007
Net sales	**$ 254.4**	$ 341.4	**$ 961.3**	$ 1,155.9
Cost of goods sold	**(172.0)**	(224.3)	**(641.7)**	(733.1)
Gross profit	**82.4**	117.1	**319.6**	422.8
Selling, general and administrative expenses	**(50.8)**	(54.3)	**(158.8)**	(167.9)
Research and development expenses	**(6.3)**	(6.4)	**(20.7)**	(19.8)
Impairment charges	**—**	(32.4)	**—**	(32.4)
Asbestos adjustments	**93.6**	1.2	**193.9**	(57.8)
Operating income	**118.9**	25.2	**334.0**	144.9
Interest expense	**(2.5)**	(2.9)	**(7.4)**	(6.7)
Interest income	**1.4**	3.7	**5.5**	10.0
Income before income taxes	**117.8**	26.0	**332.1**	148.2
Income tax expense	**(6.8)**	(8.9)	**(66.2)**	(72.9)
Net income	**$ 111.0**	$ 17.1	**$ 265.9**	$ 75.3
Net income per share — basic	**$ 0.26**	$ 0.04	**$ 0.62**	$ 0.16
Net income per share — diluted	**$ 0.26**	$ 0.04	**$ 0.61**	$ 0.16
Weighted average common shares outstanding (Millions):				
Basic	**432.2**	451.3	**432.2**	461.9
Diluted	**433.5**	451.8	**433.5**	462.8

The accompanying notes are an integral part of these consolidated financial statements.

James Hardie Industries N.V. and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)

(Millions of Australian dollars, except per share data)	Three Months Ended 31 December 2008	Three Months Ended 31 December 2007	Nine Months Ended 31 December 2008	Nine Months Ended 31 December 2007
Net sales	**A$ 379.8**	A$ 378.6	**A$ 1,151.2**	A$ 1,348.6
Cost of goods sold	**(255.9)**	(249.4)	**(768.4)**	(855.3)
Gross profit	**123.9**	129.2	**382.8**	493.3
Selling, general and administrative expenses	**(72.4)**	(60.6)	**(190.2)**	(195.9)
Research and development expenses	**(9.1)**	(7.1)	**(24.8)**	(23.1)
Impairment charges	**—**	(37.8)	**—**	(37.8)
Asbestos adjustments	**122.8**	2.9	**232.2**	(67.4)
Operating income	**165.2**	26.6	**400.0**	169.1
Interest expense	**(3.6)**	(3.3)	**(8.9)**	(7.8)
Interest income	**2.1**	4.2	**6.6**	11.7
Income before income taxes	**163.7**	27.5	**397.7**	173.0
Income tax expense	**(14.5)**	(8.9)	**(79.3)**	(85.1)
Net income	**A$ 149.2**	A$ 18.6	**A$ 318.4**	A$ 87.9
Net income per share — basic	**A$ 0.35**	A$ 0.04	**A$ 0.74**	A$ 0.19
Net income per share — diluted	**A$ 0.34**	A$ 0.04	**A$ 0.73**	A$ 0.19
Weighted average common shares outstanding (Millions):				
Basic	**432.2**	451.3	**432.2**	461.9
Diluted	**433.5**	451.8	**433.5**	462.8

The accompanying notes are an integral part of these consolidated financial statements.

James Hardie Industries N.V. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(Millions of US dollars)	Nine Months Ended 31 December **2008**	2007
Cash Flows From Operating Activities		
Net income	**$ 265.9**	$ 75.3
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortisation	**41.6**	42.1
Deferred income taxes	**(26.6)**	13.2
Prepaid pension cost	**0.7**	0.9
Stock-based compensation	**5.2**	5.0
Asbestos adjustments	**(193.9)**	57.8
Impairment charges	**—**	32.4
Other	**0.2**	(3.4)
Changes in operating assets and liabilities:		
Restricted cash and cash equivalents	**55.7**	37.0
Payment to the AICF	**(50.7)**	—
Accounts and notes receivable	**34.2**	37.3
Inventories	**28.7**	(4.7)
Prepaid expenses and other current assets	**1.4**	(1.9)
Insurance receivable — Asbestos	**16.5**	12.8
Accounts payable and accrued liabilities	**2.3**	2.6
Asbestos liability	**(75.4)**	(50.6)
Deposit with Australian Taxation Office	**(8.5)**	(6.5)
ATO Settlement payment	**(101.6)**	—
Other accrued liabilities and other liabilities	**29.6**	30.1
Net cash provided by operating activities	**25.3**	279.4
Cash Flows From Investing Activities		
Purchases of property, plant and equipment	**(16.8)**	(28.7)
Net cash used in investing activities	**(16.8)**	(28.7)
Cash Flows From Financing Activities		
Proceeds from short-term borrowings	**7.2**	23.0
Proceeds from long-term borrowings	**26.5**	91.5
Proceeds from issuance of shares	**0.1**	3.1
Tax benefit from stock options exercised	**—**	0.1
Treasury stock purchased	**—**	(196.3)
Dividends paid	**(34.6)**	(123.1)
Net cash used in financing activities	**(0.8)**	(201.7)
Effects of exchange rate changes on cash	**15.3**	(13.2)
Net increase in cash and cash equivalents	**23.0**	35.8
Cash and cash equivalents at beginning of period	**35.4**	34.1
Cash and cash equivalents at end of period	**$ 58.4**	$ 69.9
Components of Cash and Cash Equivalents		
Cash at bank and on hand	**$ 18.8**	$ 35.5
Short-term deposits	**39.6**	34.4
Cash and cash equivalents at end of period	**$ 58.4**	$ 69.9

The accompanying notes are an integral part of these consolidated financial statements.

James Hardie Industries N.V. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(Millions of Australian dollars)	Nine Months Ended 31 December 2008	2007
Cash Flows From Operating Activities		
Net income	**A$ 318.4**	A$ 87.9
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortisation	**49.8**	49.1
Deferred income taxes	**(31.9)**	15.4
Prepaid pension cost	**0.8**	1.1
Stock-based compensation	**6.2**	5.8
Asbestos adjustments	**(232.2)**	67.4
Impairment charges	**—**	37.8
Other	**0.2**	(4.0)
Changes in operating assets and liabilities:		
Restricted cash and cash equivalents	**66.7**	43.2
Payment to the AICF	**(60.7)**	—
Accounts and notes receivable	**41.0**	43.5
Inventories	**34.4**	(5.5)
Prepaid expenses and other current assets	**1.7**	(2.2)
Insurance receivable — Asbestos	**19.8**	14.9
Accounts payable and accrued liabilities	**2.8**	3.0
Asbestos liability	**(90.3)**	(59.0)
Deposit with Australian Taxation Office	**(10.2)**	(7.6)
ATO Settlement payment	**(121.7)**	—
Other accrued liabilities and other liabilities	**35.4**	35.1
Net cash provided by operating activities	**30.2**	325.9
Cash Flows From Investing Activities		
Purchases of property, plant and equipment	**(20.1)**	(33.5)
Net cash used in investing activities	**(20.1)**	(33.5)
Cash Flows From Financing Activities		
Proceeds from short-term borrowings	**8.6**	26.8
Proceeds from long-term borrowings	**31.7**	106.8
Proceeds from issuance of shares	**0.1**	3.6
Tax benefit from stock options exercised	**—**	0.1
Treasury stock purchased	**—**	(229.0)
Dividends paid	**(41.4)**	(143.6)
Net cash used in financing activities	**(1.0)**	(235.3)
Effects of exchange rate changes on cash	**36.7**	(20.1)
Net increase in cash and cash equivalents	**45.8**	37.0
Cash and cash equivalents at beginning of period	**38.6**	42.3
Cash and cash equivalents at end of period	**A$ 84.4**	A$ 79.3
Components of Cash and Cash Equivalents		
Cash at bank and on hand	**A$ 27.2**	A$ 40.3
Short-term deposits	**57.2**	39.0
Cash and cash equivalents at end of period	**A$ 84.4**	A$ 79.3

The accompanying notes are an integral part of these consolidated financial statements.

James Hardie Industries N.V. and Subsidiaries
Condensed Consolidated Statements of Changes in Shareholders' Deficit
(Unaudited)

(Millions of US dollars)	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Income (Loss)	Total
Balances as of 31 March 2008	**$ 219.7**	**$ 19.3**	**$ (454.5)**	**$ (4.0)**	**$ 16.9**	**$ (202.6)**
Comprehensive income						
Net income	—	—	265.9	—	—	265.9
Pension and post-retirement benefit adjustments	—	—	—	—	0.7	0.7
Unrealised loss on investments	—	—	—	—	(9.3)	(9.3)
Foreign currency translation loss	—	—	—	—	(62.5)	(62.5)
Other comprehensive loss	—	—	—	—	(71.1)	(71.1)
Total comprehensive income						194.8
Stock-based compensation	—	5.2	—	—	—	5.2
Tax benefit from stock options exercised	—	(0.4)	—	—	—	(0.4)
Stock options exercised	—	0.1	—	—	—	0.1
Dividends paid	—	—	(34.6)	—	—	(34.6)
Balances as of 31 December 2008	**$ 219.7**	**$ 24.2**	**$ (223.2)**	**$ (4.0)**	**$ (54.2)**	**$ (37.5)**

The accompanying notes are an integral part of these consolidated financial statements.

1. Background and Basis of Presentation

Nature of Operations

The Company manufactures and sells fibre cement building products for interior and exterior building construction applications primarily in the United States, Australia, New Zealand, the Philippines and Europe.

Basis of Presentation

The consolidated financial statements represent the financial position, results of operations and cash flows of JHI NV and its current wholly owned subsidiaries and special purpose entities, collectively referred to as either the “Company” or “James Hardie” and JHI NV, together with its subsidiaries as of the time relevant to the applicable reference, the “James Hardie Group,” unless the context indicates otherwise. These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto, included in the Company’s Annual Report on Form 20-F for the fiscal year ended 31 March 2008.

The condensed consolidated financial statements included herein are unaudited; however, they contain all normal recurring adjustments which, in the opinion of the Company’s management, are necessary to state fairly the consolidated financial position of the Company at 31 December 2008, and the consolidated results of operations for the three months and nine months ended 31 December 2008 and 2007 and consolidated cash flows for the nine months ended 31 December 2008 and 2007. The results of operations for the three months and nine months ended 31 December 2008 are not necessarily indicative of the results to be expected for the full year. The balance sheet at 31 March 2008 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States of America (“US GAAP”) for complete financial statements.

The assets, liabilities, statements of operations and statements of cash flows of the Company have been presented with accompanying Australian dollar (A$) convenience translations as the majority of the Company’s shareholder base is Australian. These A$ convenience translations are not prepared in accordance with US GAAP and have not been audited. The exchange rates used to calculate the convenience translations are as follows:

(US$1 = A$)	31 March 2008	31 December **2008**	31 December 2007
Assets and liabilities	1.0903	**1.4444**	n/a
Statements of operations	n/a	**1.1975**	1.1667
Cash flows — beginning cash	n/a	**1.0903**	1.2395
Cash flows — ending cash	n/a	**1.4444**	1.1341
Cash flows — current period movements	n/a	**1.1975**	1.1667

2. Summary of Significant Accounting Policies

Reclassifications

Certain prior year balances have been reclassified to conform to the current year presentation. The reclassifications do not impact shareholder’s equity.

Earnings Per Share

The Company is required to disclose basic and diluted earnings per share ("EPS"). Basic EPS is calculated using net income divided by the weighted average number of common shares outstanding during the period. Diluted EPS is similar to basic EPS except that the weighted average number of common shares outstanding is increased to include the number of additional common shares calculated using the treasury method that would have been outstanding if the dilutive potential common shares, such as options, had been issued. Accordingly, basic and dilutive common shares outstanding used in determining net income per share are as follows:

	Three Months Ended 31 December		Nine Months Ended 31 December	
(Millions of shares)	**2008**	2007	**2008**	2007
Basic common shares outstanding	**432.2**	451.3	**432.2**	461.9
Dilutive effect of stock awards	**1.3**	0.5	**1.3**	0.9
Diluted common shares outstanding	**433.5**	451.8	**433.5**	462.8

(US dollars)	**2008**	2007	**2008**	2007
Net income per share — basic	**$ 0.26**	$ 0.04	**$ 0.62**	$ 0.16
Net income per share — diluted	**$ 0.26**	$ 0.04	**$ 0.61**	$ 0.16

Potential common shares of 18.5 million and 13.0 million for the three months ended 31 December 2008 and 2007, respectively, and 19.3 million and 10.4 million for the nine months ended 31 December 2008 and 2007, respectively, have been excluded from the calculation of diluted common shares outstanding because the effect of their inclusion would be anti-dilutive.

Advertising

The Company expenses the production costs of advertising the first time the advertising takes place. Advertising expense was US$1.9 million and US$4.1 million during the three months ended 31 December 2008 and 2007, respectively, and US$8.5 million and US$10.0 million for the nine months ended 31 December 2008 and 2007, respectively.

Asbestos

At 31 March 2006, the Company recorded an asbestos provision based on the estimated economic impact of the Original Final Funding Agreement ("Original FFA") entered into on 1 December 2005. The amount of the asbestos provision of US$715.6 million was based on the terms of the Original FFA, which included an actuarial estimate prepared by KPMG Actuaries as of 31 March 2006 of the projected future cash outflows, undiscounted and uninflated, and the anticipated tax deduction arising from Australian legislation which came into force on 6 April 2006. The amount represented the net economic impact that the Company was prepared to assume as a result of its voluntary funding of the asbestos liability which was under negotiation with various parties.

In February 2007, the shareholders approved the Amended FFA entered into on 21 November 2006 to provide long-term funding to the Asbestos Injury Compensation Fund ("AICF"), a special purpose fund that provides compensation for Australian-related personal injuries for which certain former subsidiary companies of James Hardie in Australia (being Amaca Pty Ltd ("Amaca"), Amaba Pty Ltd ("Amaba") and ABN 60 Pty Limited ("ABN 60") (collectively, the "Liable Entities")) are found liable.

Upon shareholder approval of the Amended FFA, in accordance with Financial Accounting Standards Board ("FASB") Interpretation No. 46R, the Company consolidated the AICF with the Company resulting in a separate recognition of the asbestos liability and certain other items including the related Australian income tax benefit. Among other items, the Company recorded a deferred tax asset for the anticipated tax benefit related to asbestos liabilities and a corresponding increase in the asbestos liability. As stated in “Deferred Income Taxes” below, the Company’s Performing Subsidiary will be able to claim a taxable deduction for contributions to the asbestos fund. For the year ended 31 March 2007, the Company classified the expense related to the increase of the asbestos liability as asbestos adjustments and the Company classified the benefit related to the recording of the related deferred tax asset as an income tax benefit (expense) on its consolidated statements of operations.

Amaca and Amaba separated from the James Hardie Group in February 2001. ABN 60 separated from the James Hardie Group in March 2003. Upon shareholder approval of the Amended FFA in February 2007, shares in the Liable Entities were transferred to the AICF. The Company appoints three of the AICF directors and the NSW state government appoints two of the AICF directors. The AICF manages Australian asbestos-related personal injury claims made against the Liable Entities, and makes compensation payments in respect of those proven claims.

AICF

Under the terms of the Amended FFA, James Hardie 117 Pty Ltd (the “Performing Subsidiary”) has a contractual liability to make payments to the AICF. This funding to the AICF results in the Company having a pecuniary interest in the AICF. The interest is considered variable because the potential impact on the Company will vary based upon the annual actuarial assessments obtained by the AICF with respect to asbestos-related personal injury claims against the Liable Entities. Due to the Company’s variable interest in the AICF, it consolidates the AICF in accordance with FASB, Interpretation No. 46R, “Consolidation of Variable Interest Entities”.

The AICF has operating costs that are claims related and non-claims related. Claims related costs incurred by the AICF are treated as reductions to the accrued asbestos liability balances previously reflected in the consolidated balance sheets. Non-claims related operating costs incurred by the AICF are expensed as incurred in the line item *Selling, general and administrative expenses* in the consolidated statements of operations. The AICF earns interest on its cash and cash equivalents and on its short-term investments; these amounts are included in the line item *Interest income* in the consolidated statements of operations.

Asbestos-Related Assets and Liabilities

The Company has recorded on its consolidated balance sheets certain assets and liabilities under the terms of the Amended FFA. These items are Australian dollar-denominated and are subject to translation into US dollars at each reporting date. These assets and liabilities are commonly referred to by the Company as *Asbestos-Related Assets and Liabilities* and include:

<u>Asbestos Liability</u>

The amount of the asbestos liability reflects the terms of the Amended FFA, which has been calculated by reference to (but is not exclusively based upon) the most recent actuarial estimate of projected future cash flows prepared by KPMG Actuaries. Based on KPMG Actuaries’ assumptions, KPMG Actuaries arrived at a range of possible total cash flows and proposed a central estimate which is intended to reflect an expected outcome. The Company views the central estimate as the basis for recording the asbestos liability in the Company’s financial statements, which under US GAAP, it considers the best estimate under SFAS No. 5. The asbestos liability includes these cash flows as undiscounted and uninflated on the basis that it is inappropriate to discount or inflate future cash flows when the timing and amounts of such cash flows is not fixed or readily determinable.

Adjustments in the asbestos liability due to changes in the actuarial estimate of projected future cash flows and changes in the estimate of future operating costs of the AICF are reflected in the consolidated statements of operations during the period in which they occur. Claims paid by the AICF and claims-handling costs incurred by the AICF are treated as reductions in the accrued balances previously reflected in the consolidated balance sheets.

Insurance Receivable

There are various insurance policies and insurance companies with exposure to the asbestos claims. The insurance receivable determined by KPMG Actuaries reflects the recoveries expected from all such policies based on the expected pattern of claims against such policies less an allowance for credit risk based on credit agency ratings. The insurance receivable generally includes these cash flows as undiscounted and uninflated on the basis that it is inappropriate to discount or inflate future cash flows when the timing and amounts of such cash flows are not fixed or readily determinable. The Company only records insurance receivables that it deems to be probable.

Included in insurance receivable is US$10.1 million recorded on a discounted basis because the timing of the recoveries has been agreed with the insurer.

Adjustments in insurance receivable due to changes in the actuarial estimate, or changes in the Company's assessment of recoverability are reflected in the consolidated statements of operations during the period in which they occur. Insurance recoveries are treated as a reduction in the insurance receivable balance.

Workers' Compensation

Workers' compensation claims are claims made by former employees of the Liable Entities. Such past, current and future reported claims were insured with various insurance companies and the various Australian State-based workers' compensation schemes (collectively "workers' compensation schemes or policies"). An estimate of the liability related to workers' compensation claims is prepared by KPMG Actuaries as part of the annual actuarial assessment. This estimate contains two components, amounts that will be met by a workers' compensation scheme or policy, and amounts that will be met by the Liable Entities.

The portion of the KPMG Actuaries estimate that is expected to be met by the Liable Entities is included as part of the *Asbestos Liability*. Adjustments to this estimate are reflected in the consolidated statements of operations during the period in which they occur.

The portion of the KPMG Actuaries estimate that is expected to be met by the workers' compensation schemes or policies of the Liable Entities is recorded by the Company as a workers' compensation liability. Since these amounts are expected to be paid by the workers' compensation schemes or policies, the Company records an equivalent workers' compensation receivable.

Adjustments to the workers' compensation liability result in an equal adjustment in the workers' compensation receivable recorded by the Company and have no effect on the consolidated statements of operations.

Asbestos-Related Research and Education Contributions

The Company agreed to fund asbestos-related research and education initiatives for a period of 10 years, beginning in fiscal year 2007. The liabilities related to these agreements are included in "Other Liabilities" on the consolidated balance sheets.

Restricted Cash and Cash Equivalents

Cash and cash equivalents of the AICF are reflected as restricted assets, as the use of these assets is restricted to the settlement of asbestos claims and payment of the operating costs of the AICF.

Restricted Short-Term Investments

Short-term investments consist of highly liquid investments held in the custody of major financial institutions. All short-term investments are classified as available for sale and are recorded at market value using the specific identification method. Unrealised gains and losses on the market value of these investments are included as a separate component of accumulated other comprehensive income.

AICF — Other Assets and Liabilities

Other assets and liabilities of the AICF, including fixed assets, trade receivables and payables are included on the consolidated balance sheets under the appropriate captions and their use is restricted to the operations of the AICF.

Deferred Income Taxes

The Performing Subsidiary is able to claim a taxation deduction for its contributions to the AICF over a five-year period from the date of contribution. Consequently, a deferred tax asset has been recognised equivalent to the anticipated tax benefit over the life of the Amended FFA.

Adjustments are made to the deferred income tax asset as adjustments to the asbestos-related assets and liabilities are recorded.

Foreign Currency Translation

The asbestos-related assets and liabilities are denominated in Australian dollars and thus the reported values of these asbestos-related assets and liabilities in the Company's consolidated balance sheets in US dollars are subject to adjustment depending on the closing exchange rate between the two currencies at the balance sheet date. The effect of foreign exchange rate movements between these currencies is included in *Asbestos Adjustments* in the consolidated statements of operations.

Recent Accounting Pronouncements

Business Combinations

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations ("SFAS No. 141R")", which replaces SFAS No. 141. The statement establishes principles and requirements for how the acquirer in a business combination recognises and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any controlling interest; recognises and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The provisions of SFAS No. 141R are effective for the Company for business combinations for which the acquisition date is on or after 1 April 2009. The adoption of SFAS No. 141R is not expected to have a material impact on the Company's financial statements.

Noncontrolling Interests in Consolidated Financial Statements — an amendment to ARB No. 51

In December 2007, the FASB approved the issuance of SFAS No. 160 "Noncontrolling Interests in Consolidated Financial Statements — an amendment to ARB No. 51" ("SFAS No. 160"). SFAS No. 160 establishes accounting and reporting standards that require the ownership interest in subsidiaries held by parties other than the entity be clearly identified and presented in the Consolidated Balance Sheets within equity, but separate from the entity's equity; the amount of consolidated net income attributable to the entity and the noncontrolling interest be clearly identified and presented on the face of the Consolidated Statement of Earnings; and changes in the entity's ownership interest while the entity retains its controlling financial interest in its subsidiary be accounted for consistently. The provisions of SFAS No. 160 are effective for the Company on 1 April 2009. The adoption of SFAS No. 160 is not expected to have a material impact on the Company's financial statements.

Disclosures about Derivative Instruments and Hedging Activities

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities" ("SFAS No. 161"). SFAS No. 161 is intended to improve financial reporting of derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. SFAS No. 161 is effective for the Company 1 April 2009. The adoption of SFAS No. 161 is not expected to have a material impact on the Company's financial statements.

Hierarchy of Generally Accepted Accounting Principles

In May 2008, the FASB issued SFAS No. 162 "The Hierarchy of Generally Accepted Accounting Principles" ("SFAS No. 162") . SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements of nongovernmental entities that are presented in conformity with U.S. GAAP. This statement shall be effective 60 days following the Securities Exchange and Commission's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity With Generally Accepted Accounting Principles." The adoption of SFAS No. 162 is not expected to have a material impact on the Company's financial statements.

3. Fair Value Measurements

On 1 April 2008, the Company adopted SFAS No. 157 " Fair Value Measurements" ("SFAS No. 157"). This standard defines fair value, establishes a framework for measuring fair value and expands disclosure requirements about fair value measurements. SFAS No. 157 defines fair value as the prices that would need to be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy prescribed by SFAS No. 157 contains three levels as follows:

Level 1 — Unadjusted quoted prices that are available in active markets for the identical assets or liabilities at the measurement date.

Level 2 — Other observable inputs available at the measurement date, other than the quoted prices included in Level 1, either directly or indirectly, including:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets in non-active markets;
- inputs other than quoted prices that are observable for the asset or liability; and
- inputs derived principally from or corroborated by other observable market data.

Level 3 — Unobservable inputs that cannot be corroborated by observable market data and reflect the use of significant management judgment. These values are generally determined using pricing models for which the assumptions utilise management's estimates of market participant assumptions.

The following table sets forth by level within the fair value hierarchy, the Company's financial assets and liabilities that were accounted for at the fair value on a recurring basis at 31 December 2008 according to the valuation techniques the Company used to determine their fair values.

(Millions of US Dollars)	Fair Value at 31 December 2008	Fair Value Measurements Using Inputs Considered as Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	$ 58.4	$ 58.4	$ —	$ —
Restricted cash and cash equivalents	23.6	23.6	—	—
Restricted short-term investments	54.7	54.7	—	—
Total Assets	$ 136.7	$ 136.7	$ —	$ —
Liabilities				
Accounts Payable	13.8	13.8	—	—
Total Liabilities	$ 13.8	$ 13.8	$ —	$ —

Restricted short-term investments are held and managed by the AICF and are reported at their fair value. The Company recorded unrealised losses on these restricted short-term investments of US$9.3 million and US$1.7 million for the nine months ended 31 December 2008 and 2007, respectively. Unrealised gains and losses on the market value of these investments are included as a separate component of accumulated other comprehensive income.

At 31 December 2008 the Company had two forward exchange contracts with a fair value of US$13.8 million, which are included in Accounts Payable. These forward exchange contracts were entered into to protect against foreign exchange rate movements and will mature in the fourth quarter of fiscal year 2009, when settlement of the underlying trasnsactions is due to occur.

4. Inventories

Inventories consist of the following components:

(Millions of US dollars)	**31 December 2008**	31 March 2008
Finished goods	**$ 95.9**	$ 127.4
Work-in-process	**4.6**	8.4
Raw materials and supplies	**51.3**	51.0
Provision for obsolete finished goods and raw materials	**(6.6)**	(7.1)
Total inventories	**$ 145.2**	$ 179.7

5. Property, Plant and Equipment

Property, plant and equipment consist of the following components:

(Millions of US dollars)	Land	Buildings	Machinery and Equipment	Construction in Progress	**Total**
Balance at 1 April 2008:					
Cost	$ 17.2	$ 208.9	$ 840.5	$ 82.4	**$ 1,149.0**
Accumulated depreciation	—	(52.0)	(340.6)	—	**(392.6)**
Net book value	17.2	156.9	499.9	82.4	**756.4**
Changes in net book value:					
Capital expenditures	0.8	0.4	19.8	(4.2)	**16.8**
Depreciation	—	(7.1)	(34.5)	—	**(41.6)**
Foreign currency translation adjustments	—	—	(24.1)	—	**(24.1)**
Total changes	0.8	(6.7)	(38.8)	(4.2)	**(48.9)**
Balance at 31 December 2008:					
Cost	18.0	209.3	836.2	78.2	**1,141.7**
Accumulated depreciation	—	(59.1)	(375.1)	—	**(434.2)**
Net book value	$ 18.0	$ 150.2	$ 461.1	$ 78.2	**$ 707.5**

Construction in progress consists of plant expansions and upgrades.

6. Operating Segment Information and Concentrations of Risk

The Company has reported its operating segment information in the format that the operating segment information is available to and evaluated by the Managing Board of Directors. USA and Europe Fibre Cement manufactures fibre cement interior linings, exterior siding and related accessories products in the United States; these products are sold in the United States, Canada and Europe. Asia Pacific Fibre Cement includes all fibre cement manufactured in Australia, New Zealand and the Philippines and sold in Australia, New Zealand and Asia. Research and Development represents the cost incurred by the research and development centres. On 1 April 2008, the Company realigned its operating segments by combining the previously reported segments of USA Fibre Cement and Other, into one operating segment, USA and Europe Fibre Cement. On 22 May 2008, the Company ceased the operation of its pipe business in the United States. The Company's operating segments are strategic operating units that are managed separately due to their different products and/or geographical location.

Operating Segments

The following are the Company's operating segments and geographical information:

(Millions of US dollars)	Net Sales to Customers[1] Three Months Ended 31 December 2008	2007	Net Sales to Customers[1] Nine Months Ended 31 December 2008	2007
USA & Europe Fibre Cement	**$ 195.9**	$ 263.9	**$ 740.6**	$ 931.1
Asia Pacific Fibre Cement	**58.5**	77.5	**220.7**	224.8
Worldwide total	**$ 254.4**	$ 341.4	**$ 961.3**	$ 1,155.9

(Millions of US dollars)	Income Before Income Taxes Three Months Ended 31 December 2008	2007	Income Before Income Taxes Nine Months Ended 31 December 2008	2007
USA & Europe Fibre Cement[2]	**$ 40.3**	$ 30.9	**$ 167.0**	$ 226.4
Asia Pacific Fibre Cement	**10.5**	14.8	**40.4**	39.6
Research and Development	**(4.7)**	(4.2)	**(14.7)**	(13.1)
Segments total	**46.1**	41.5	**192.7**	252.9
General Corporate[3]	**72.8**	(16.3)	**141.3**	(108.0)
Total operating income	**118.9**	25.2	**334.0**	144.9
Net interest (expense) income[4]	**(1.1)**	0.8	**(1.9)**	3.3
Worldwide total	**$ 117.8**	$ 26.0	**$ 332.1**	$ 148.2

(Millions of US dollars)	Total Identifiable Assets **31 December 2008**	31 March 2008
USA & Europe Fibre Cement	**$ 770.4**	$ 846.4
Asia Pacific Fibre Cement	**177.9**	218.3
Research and Development	**12.2**	13.9
Segments total	**960.5**	1,078.6
General Corporate[5]	**866.5**	1,101.3
Worldwide total	**$ 1,827.0**	$ 2,179.9

Geographic Areas

(Millions of US dollars)	Net Sales to Customers[1] Three Months Ended 31 December **2008**	2007	Net Sales to Customers[1] Nine Months Ended 31 December **2008**	2007
USA	**$ 192.3**	$ 259.9	**$ 727.2**	$ 919.0
Australia	**39.9**	52.0	**156.5**	150.1
New Zealand	**10.6**	17.7	**41.2**	51.3
Other Countries	**11.6**	11.8	**36.4**	35.5
Worldwide total	**$ 254.4**	$ 341.4	**$ 961.3**	$ 1,155.9

(Millions of US dollars)	Total Identifiable Assets **31 December 2008**	31 March 2008
USA	**$ 771.0**	$ 846.6
Australia	**100.4**	139.0
New Zealand	**27.3**	26.1
Other Countries	**61.8**	66.9
Segments total	**960.5**	1,078.6
General Corporate[5]	**866.5**	1,101.3
Worldwide total	**$ 1,827.0**	$ 2,179.9

1 Export sales and inter-segmental sales are not significant.

2 Included in USA & Europe Fibre Cement for the three and nine months ended 31 December 2007 is the impairment charge of the Blandon facility of US$32.4 million and the related closure costs totalling US$1.7 million.

3 The principal components of General Corporate are officer and employee compensation and related benefits; professional and legal fees; administrative costs; and rental expense, net of rental income, on the Company's corporate offices. Included in General Corporate for the three months ended 31 December 2008 are favourable asbestos adjustments of US$93.6 million, AICF SG&A expenses of US$0.5 million and ASIC expenses of US$5.8 million. Included in General Corporate for the three months ended 31 December 2007 are favourable asbestos adjustments of US$1.2 million, AICF SG&A expenses of US$1.0 million and ASIC expenses of US$1.5 million. Included in General Corporate for the nine months ended 31 December 2008 are favourable asbestos adjustments of US$193.9 million, AICF SG&A expenses of US$1.4 million and ASIC expenses of US$12.3 million. Included in General Corporate for the nine months ended 31 December 2007 are unfavourable asbestos adjustments of US$57.8 million, AICF SG&A expenses of US$2.7 million and ASIC expenses of US$4.6 million.

4 Included in net interest (expense) income for the three and nine months ended 31 December 2008 is AICF interest income of US$1.6 million and US$4.8 million, respectively. Included in net interest (expense) income for the three and nine months ended 31 December 2007 is AICF interest income of US$2.8 million and US$7.0 million, respectively.

5 Asbestos-related assets at 31 December 2008 and 31 March 2008 are US$583.2 million and US$817.1 million, respectively, and are included in the General Corporate segment.

7. Accumulated Other Comprehensive (Loss) Income

Accumulated other comprehensive (loss) income consists of the following components:

(Millions of US dollars)	**31 December 2008**	31 March 2008
Pension and post-retirement benefit adjustments (net of US$1.1 million and US$1.0 million tax benefit, respectively)	**$ (1.4)**	$ (2.1)
Unrealised loss on restricted short-term investments	**(13.7)**	(4.4)
Foreign currency translation adjustments	**(39.1)**	23.4
Total accumulated other comprehensive (loss) income	**$ (54.2)**	$ 16.9

8. Asbestos

The Amended FFA to provide long-term funding to the AICF was approved by shareholders in February 2007. The accounting policies utilised by the Company to account for the Amended FFA are described in Note 2, *Summary of Significant Accounting Policies* .

Asbestos Adjustments

The asbestos adjustments included in the consolidated statements of operations comprise the following:

	Three Months Ended 31 December		Nine Months Ended 31 December	
(Millions of US dollars)	**2008**	2007	**2008**	2007
Gain (loss) on foreign currency exchange	**$ 93.6**	$ 1.2	**$ 193.9**	$ (59.0)
Other adjustments	**—**	—	**—**	1.2
Total Asbestos Adjustments	**$ 93.6**	$ 1.2	**$ 193.9**	$ (57.8)

Asbestos-Related Assets and Liabilities

Under the terms of the Amended FFA, the Company has included on its consolidated balance sheets certain asbestos-related assets and liabilities. These amounts are detailed in the table below, and the net total of these asbestos-related assets and liabilities is commonly referred to by the Company as the "Net Amended FFA Liability".

(Millions of US dollars)	**31 December 2008**	31 March 2008
Asbestos liability — current	**$ (59.4)**	$ (78.7)
Asbestos liability — non-current	**(1,068.1)**	(1,497.8)
Asbestos liability — Total	**(1,127.5)**	(1,576.5)
Insurance receivable — current	**10.6**	14.1
Insurance receivable — non-current	**133.1**	194.3
Insurance receivable — Total	**143.7**	208.4
Workers' compensation asset — current	**5.2**	6.9
Workers' compensation asset — non-current	**59.3**	78.5
Workers' compensation liability — current	**(5.2)**	(6.9)
Workers' compensation liability — non-current	**(59.3)**	(78.5)
Workers' compensation — Total	**—**	—
Deferred income taxes — current	**12.4**	9.1
Deferred income taxes — non-current	**288.5**	397.1
Deferred income taxes — Total	**300.9**	406.2
Income tax payable (reduction in income tax payable)	**21.1**	20.4
Other net liabilities	**(2.4)**	(3.4)
Net Amended FFA liability	**(664.2)**	(944.9)
Restricted cash and cash equivalents and restricted short-term investment assets of the AICF	**73.1**	115.1
Unfunded Net Amended FFA liability	**$ (591.1)**	$ (829.8)

Asbestos Liability

The amount of the asbestos liability reflects the terms of the Amended FFA, which has been calculated by reference to (but is not exclusively based upon) the most recent actuarial estimate of the projected future asbestos-related cash flows prepared by KPMG Actuaries. The asbestos liability also includes an allowance for the future claims-handling costs of the AICF. The Company receives an updated actuarial estimate as of 31 March each year. The last actuarial assessment was performed as of 31 March 2008.

The changes in the asbestos liability for the nine months ended 31 December 2008 are detailed in the table below:

	A$ Millions	A$ to US$ rate	US$ Millions
Asbestos liability — 31 March 2008	A$ (1,718.9)	1.0903	$ (1,576.5)
Asbestos claims paid[1]	87.8	1.1975	73.3
AICF claims-handling costs incurred[1]	2.5	1.1975	2.1
Gain on foreign currency exchange			373.6
Asbestos liability — 31 December 2008	**A$ (1,628.6)**	1.4444	**$ (1,127.5)**

Insurance Receivable — Asbestos

The changes in the insurance receivable for the nine months ended 31 December 2008 are detailed in the table below:

	A$ Millions	A$ to US$ rate	US$ Millions
Insurance receivable — 31 March 2008	A$ 227.2	1.0903	$ 208.4
Insurance recoveries[1]	(19.7)	1.1975	(16.5)
Loss on foreign currency exchange			(48.2)
Insurance receivable — 31 December 2008	**A$ 207.5**	1.4444	**$ 143.7**

Deferred Income Taxes — Asbestos

The changes in the deferred income taxes — asbestos for the nine months ended 31 December 2008 are detailed in the table below:

	A$ Millions	A$ to US$ rate	US$ Millions
Deferred tax assets — 31 March 2008	A$ 442.9	1.0903	$ 406.2
Amounts offset against income tax payable[1]	(8.3)	1.1975	(6.9)
Loss on foreign currency exchange			(98.4)
Deferred tax assets — 31 December 2008	**A$ 434.6**	1.4444	**$ 300.9**

Income Tax Payable

A portion of the deferred income tax asset is applied against the Company's income tax payable. At 31 December 2008 and 31 March 2008, this amount was US$21.1 million and US$20.4 million, respectively. During the nine months ended 31 December 2008, there was a US$6.2 million unfavourable effect of foreign currency exchange.

Other Net Liabilities

Other net liabilities include a provision for asbestos-related education and medical research contributions of US$2.5 million at 31 December 2008. Also included in other net liabilities are the other assets and liabilities of the AICF including trade receivables, prepayments, fixed assets, trade payables and accruals. These other assets and liabilities of the AICF were a net asset of US$0.1 million at 31 December 2008. During the nine months ended 31 December 2008, there was a US$0.7 million favourable effect of foreign currency exchange on the other net liabilities.

Restricted Cash and Short-term Investments of the AICF

Cash and cash equivalents and short-term investments of the AICF are reflected as restricted assets as these assets are restricted for use in the settlement of asbestos claims and payment of the operating costs of the AICF. During the nine months ended 31 December 2008, no short-term investments were purchased or sold.

The changes in the restricted cash and short-term investments of the AICF for the nine months ended 31 December 2008 are detailed in the table below:

	A$ Millions	A$ to US$ rate	US$ Millions
Restricted cash and cash equivalents and restricted short-term investments — 31 March 2008	A$ 125.5	1.0903	$ 115.1
Asbestos claims paid[1]	(87.8)	1.1975	(73.3)
Payment received in accordance with AFFA — on 1 July 2008[2]	28.7	1.0468	27.4
Payment received in accordance with AFFA — on 1 October 2008[3]	28.7	1.2570	22.8
Interest payment received in accordance with AFFA — on 1 October 2008[3]	0.6	1.2570	0.5
AICF operating costs paid — claims-handling[1]	(2.5)	1.1975	(2.1)
AICF operating costs paid — non claims-handling[1]	(1.7)	1.1975	(1.4)
Insurance recoveries[1]	19.7	1.1975	16.5
Interest and investment income[1]	5.8	1.1975	4.8
Unrealised loss on investments[1]	(11.1)	1.1975	(9.3)
Other[1]	(0.3)	1.1975	(0.3)
Loss on foreign currency exchange			(27.6)
Restricted cash and cash equivalents and restricted short-term investments — 31 December 2008	**A$ 105.6**	1.4444	**$ 73.1**

1 The average exchange rate for the period is used to convert the Australian dollar amount to US dollars based on the assumption that these transactions occurred evenly throughout the period.

2 The spot exchange rate at 1 July 2008 is used to convert the Australian dollar amount to US dollars as the payment was made on that date.

3 The spot exchange rate at 1 October 2008 is used to convert the Australian dollar amount to US dollars as the payment was made on that date.

Claims Data

The AICF provides compensation payments for Australian asbestos-related personal injury claims against the Liable Entities. The claims data in this section are only reflective of these Australian asbestos-related personal injury claims against the Liable Entities.

The following table, provided by KPMG Actuaries, shows the activity related to the numbers of open claims, new claims and closed claims during each of the past five years and the average settlement per settled claim and case closed:

	Nine Months Ended 31 December 2008	For the Year Ended 31 March 2008	2007	2006 [1]	2005
Number of open claims at beginning of period	**523**	490	564	712	687
Number of new claims	**462**	552	463	346	489
Number of closed claims	**483**	519	537	502	464
Number of open claims at end of period	**502**	523	490	556	712
Average settlement amount per settled claim	**A$ 188,858**	A$147,349	A$166,164	A$151,883	A$157,594
Average settlement amount per case closed	**A$ 168,525**	A$126,340	A$128,723	A$122,535	A$136,536
Average settlement amount per settled claim	**US$ 157,710**	US$128,096	US$127,163	US$114,318	US$116,572
Average settlement amount per case closed	**US$ 140,731**	US$109,832	US$ 98,510	US$ 92,229	US$100,996

1 Information includes claims data for only 11 months ended 28 February 2006. Claims data for the 12 months ended 31 March 2006 were not available at the time the Company's financial statements were prepared.

Under the terms of the Amended FFA, the Company has obtained rights of access to actuarial information produced for the AICF by the actuary appointed by the AICF (the "Approved Actuary"). The Company's future disclosures with respect to claims statistics are subject to it obtaining such information from the Approved Actuary. The Company has had no general right (and has not obtained any right under the Amended FFA) to audit or otherwise require independent verification of such information or the methodologies to be adopted by the Approved Actuary. As such, the Company will need to rely on the accuracy and completeness of the information and analysis of the Approved Actuary when making future disclosures with respect to claims statistics.

9. Commitment and Contingencies

ASIC Proceedings

In February 2007, the Australian Securities and Investments Commission ("ASIC") commenced civil proceedings in the Supreme Court of New South Wales (the "Court") against the Company, ABN 60 and ten then-present or former officers and directors of the James Hardie Group. While the subject matter of the allegations varies between the individual defendants, the allegations against the Company are confined to alleged contraventions of provisions of the Australian Corporations Act/Law relating to continuous disclosure and engaging in misleading or deceptive conduct in respect of a security.

In the proceedings, ASIC seeks:

- declarations regarding the alleged contraventions;
- orders for pecuniary penalties in such amount as the Court thinks fit up to the limits specified in the Corporations Act;
- orders that former James Hardie group directors or officers Michael Brown, Michael Gillfillan, Meredith Hellicar, Martin Koffel, Peter Macdonald, Philip Morley, Geoffrey O'Brien, Peter Shafron, Gregory Terry and Peter Willcox be prohibited from managing an Australian corporation for such period as the Court thinks fit; and
- its costs of the proceedings.

The Company is defending each of the allegations made by ASIC and the orders sought against it in the proceedings, as are the other former directors and officers.

ASIC had previously sought an order that the Company execute a deed of indemnity in favour of ABN 60 providing that the Company indemnify ABN 60 for an amount up to a maximum of A$1.9 billion, for such amount as ABN 60, or its directors, considered, after giving careful consideration, was necessary to ensure that ABN 60 was able to pay its debts, as and when they fell due, and for such amount as ABN 60, or its directors, reasonably believed was necessary to ensure that ABN 60 remained solvent. As disclosed by the Company on 4 September 2008, ASIC has withdrawn this part of its claim against the Company.

ASIC had previously indicated that its investigations into other related matters continued and may result in further actions, both civil and criminal. However, as previously disclosed, on 5 September 2008 ASIC stated that ASIC's investigations and the Commonwealth Director of Public Prosecution's consideration were complete and that no criminal proceedings were proposed.

The hearing of the proceedings in the Supreme Court of New South Wales commenced on 29 September 2008 before his Honour Justice Gzell. The Company presently estimates that the hearing will be completed before the end of the fiscal year 2009 and that Justice Gzell will deliver his judgment in the first quarter of fiscal year 2010.

The Company has entered into deeds of indemnity with certain of its directors and officers, as is common practice for publicly listed companies. The Company's articles of association also contain an indemnity for directors and officers and the Company has granted indemnities to certain of its former related corporate bodies which may require the Company to indemnify those entities against indemnities they have granted their directors and officers. To date, claims for payments of expenses incurred have been received from certain former directors and officers in relation to the ASIC investigation, the examination of those persons by ASIC delegates and in respect of their defence costs of the proceedings. The Company has and will continue to incur costs under these indemnities which may be significant. Initially, the Company has obligations, or has offered, to advance funds in respect of defence costs and such advances have been and will continue to be made. Currently, a portion of the defence costs of former directors are being advanced by third parties, with the Company paying the balance. Based upon the information available to it presently, the Company expects this to continue absent any finding of dishonesty against any former director or officer. The Company notes that other recoveries may be available, depending on the outcome of the ASIC proceedings, including either as a result of a costs order being made against ASIC or, if ASIC is successful in securing civil penalty declarations, as a result of repayments by former directors and officers in accordance with the terms of their indemnities. It is the Company's policy to expense legal costs as incurred.

There remains considerable uncertainty surrounding the likely outcome of the ASIC proceedings in the longer term and there is a possibility that the Company could become responsible for other amounts in addition to the defence costs. However, at this stage, the Company believes that although such amounts are reasonably possible, the amount or range of such amounts is not estimable.

Environmental and Legal

The operations of the Company, like those of other companies engaged in similar businesses, are subject to a number of federal, state and local laws and regulations on air and water quality, waste handling and disposal. The Company's policy is to accrue for environmental costs when it is determined that it is probable that an obligation exists and the amount can be reasonably estimated. In the opinion of management, based on information presently known except as set forth above, the ultimate liability for such matters should not have a material adverse effect on either the Company's consolidated financial position, results of operations or cash flows.

The Company is involved from time to time in various legal proceedings and administrative actions incidental or related to the normal conduct of its business. Although it is impossible to predict the outcome of any pending legal proceeding, management believes that such proceedings and actions should not, except as it relates to asbestos, ASIC proceedings and income taxes as described in these financial statements, individually or in the aggregate, have a material adverse effect on its consolidated financial position, results of operations or cash flows.

10. Short and Long-Term Debt

Debt consists of the following components:

(Millions of US dollars)	**31 December 2008**	31 March 2008
Short-term debt	**$ 97.2**	$ 90.0
Long-term debt	**201.0**	174.5
Total debt[1]	**$ 298.2**	$ 264.5

1 Total debt at 2.38% and 3.63% weighted average interest rates at 31 December 2008 and 31 March 2008, respectively.

At 31 December 2008, the Company's credit facilities consisted of :

Description	Effective Interest Rate	At 31 December 2008 Total Facility	Principal Drawn
(US$ millions)			
364-day facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until June 2009	2.95%	68.3	47.2
364-day facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until November 2009	1.78%	50.0	50.0
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until June 2010	2.40%	245.0	201.0
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until February 2011	—	45.0	—
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until February 2013	—	90.0	—
Total		**$498.3**	**$ 298.2**

Credit facilities as of 31 December 2008 consist of 364-day facilities in the amount of US$68.3 million, which as of 31 December 2008, mature in June 2009. The Company is aware that US$13.3 million of this amount will not be extended. The Company has requested extensions of the maturity date of the remaining US$55.0 million of such credit facilities to December 2009.

In November 2008, the Company agreed to terms on a new 364-day facility for US$50.0 million. This facility became available to the Company in November 2008 and matures in November 2009.

For all facilities, the interest rate is calculated two business days prior to the commencement of each draw-down period based on the US$ London Interbank Offered Rate ("LIBOR") plus the margins of individual lenders and is payable at the end of each draw-down period. During the three months ended 31 December 2008 and 2007, the Company paid commitment fees in the amount of US$0.1 million, and US$0.5 million and US$0.2 million for the nine months ended 31 December 2008 and 2007, respectively. At 31 December 2008, there was US$298.2 million drawn under the combined facilities and US$200.1 million was available.

At 31 December 2008, management believes that the Company was in compliance with all restrictive covenants contained in its credit facility agreements. Under the most restrictive of these covenants, the Company (i) is required to maintain certain ratios of indebtedness to equity which do not exceed certain maximums, excluding assets, liabilities and other balance sheet items of the AICF, Amaba Pty Limited, Amaca Pty Limited, ABN 60 Pty Limited and Marlew Mining Pty Limited, (ii) must maintain a minimum level of net worth, excluding assets, liabilities and other balance sheet items of the AICF, (iii) must meet or exceed a minimum ratio of earnings before interest and taxes to net interest charges, excluding all income, expense and other profit and loss statement impacts of the AICF, Amaba Pty Limited, Amaca Pty Limited, ABN 60 Pty Limited and Marlew Mining Pty Limited and (iv) has limits on how much it can spend on an annual basis in relation to asbestos payments to the AICF. Such limits are consistent with the contractual liabilities of the Performing Subsidiary and the Company under the Amended FFA.

The Company anticipates being able to meet its future payment obligations for the next 12 months from existing cash, unutilised committed facilities and anticipated future net operating cash flows and proposed new facilities.

11. Income Taxes

FASB Interpretation No. 48

The Company adopted FASB Interpretation No. 48 ("FIN 48"), "Accounting for Uncertainty in Income Taxes, an interpretation of SFAS No. 109 , Accounting for Income Taxes" on 1 April 2007. The adoption of FIN 48 resulted in the reduction of the Company's consolidated beginning retained earnings of US$78.0 million. As of the adoption date, the Company had US$39.0 million of gross unrecognised tax benefits that, if recognised, would affect the effective tax rate. As of the adoption date, the Company's opening accrual for interest and penalties was US$39.7 million.

A reconciliation of the beginning and ending amount of unrecognised tax benefits and interest and penalties are as follows:

(US$ millions)	Unrecognised tax benefits	Interest and Penalties
Balance at 1 April 2007	$ 39.0	$ 39.7
Additions for tax positions of the current year	1.3	—
Additions for tax positions of prior year	16.0	1.8
Foreign currency translation adjustment	5.6	5.5
Balance at 31 March 2008	$ 61.9	$ 47.0
Additions for tax positions of the current year	1.4	—
Additions for tax positions of prior year	39.1	(13.8)
Settlements paid during the current period	(70.1)	(39.7)
Foreign currency translation adjustment	(18.2)	(8.6)
Balance at 31 December 2008	**$ 14.1**	**$ (15.1)**

As of 31 December 2008 the total amount of unrecognised tax benefits and the total amount of interest and penalties accrued related to unrecognised tax benefits that, if recognised, would affect the effective tax rate is US$14.1 million and US$15.1 million, respectively.

The Company recognises penalties and interest accrued related to unrecognised tax benefits in income tax expense. During the three months ended 31 December 2008, the total amount of interest and penalties recognised in tax expense was US$2.6 million. During the nine months ended 31 December 2008, the total amount of interest and penalties recognised in tax expense as a benefit was US$13.8 million.

The liabilities associated with FIN 48 are included in other non-current liabilities on the Company's consolidated balance sheet.

A number of years may lapse before an uncertain tax position is audited and ultimately settled. It is difficult to predict the ultimate outcome or the timing of resolution for uncertain tax positions. It is reasonably possible that the amount of unrecognised tax benefits could significantly increase or decrease within the next twelve months. These changes could result from the settlement of ongoing litigation, the completion of ongoing examinations, the expiration of the statute of limitations, or other circumstances. At this time, an estimate of the range of the reasonably possible change cannot be made.

The Company or one of its subsidiaries files income tax returns in the US federal jurisdiction, and various states and foreign jurisdictions including Australia and The Netherlands. The Company is no longer subject to US federal examinations by US Internal Revenue Service (“IRS”) for tax years prior to and including tax year 2005. The Company is no longer subject to examinations by The Netherlands tax authority, for tax years prior to tax year 2002. The Company is no longer subject to Australian federal examinations by the Australian Taxation Office (“ATO”) for tax years prior to tax year 2007. The Company is currently subject to audit and review in a number of jurisdictions in which it operates and has been advised that further audits will commence in the next 12 months including without limitation the audits described below. It is anticipated that the audits and reviews currently being conducted will be completed within the next 24 months. Of the audits currently being conducted, none have progressed sufficiently to predict their ultimate outcome. The Company accrues income tax liabilities for these audits based upon knowledge of all relevant facts and circumstances, taking into account existing tax laws, its experience with previous audits and settlements, the status of current tax examinations and how the tax authorities view certain issues.

ATO — 1999 Disputed Amended Assessment

In March 2006, RCI Pty Ltd (“RCI”), a wholly owned subsidiary of the Company, received an amended assessment from the ATO in respect of RCI’s income tax return for the year ended 31 March 1999.

On 30 May 2007, the ATO issued a Notice of Decision disallowing the Company’s objection to the amended assessment. On 11 July 2007, the Company filed an application appealing the Objection Decision with the Federal Court of Australia. The hearing for RCI’s trial is scheduled to take place no later than September 2009.

The Company believes that it is more likely than not that the tax position reported in RCI’s tax return for the 1999 fiscal year will be upheld on appeal. Therefore, the Company believes that the requirements under FIN 48 for recording a liability have not been met and therefore it has not recorded any liability at 31 December 2008 for the amended assessment.

The Company expects that amounts paid in respect of the amended assessment will be recovered by RCI (with interest) at the time RCI is successful in its appeal against the amended assessment. As a result, the Company has treated all payments in respect of the amended assessment that have been made up to 31 December 2008 as a deposit and it is the Company’s intention to treat any payments to be made at a later date as a deposit.

ATO Settlement

As announced on 12 December 2008, the Company and the ATO reached an agreement that finalises tax audits being conducted by the ATO on the Company's Australian income tax returns for the years ended 31 March 2002 and 31 March 2004 through 31 March 2006 and settles all outstanding issues arising from these tax audits. With the exception of the assessment in respect of RCI for the 1999 financial year, the settlement concludes ATO audit activities for all years prior to the year ended 31 March 2007.

The agreed settlement, made without concessions or admissions of liability by either the Company or the ATO, required the Company to pay an amount of A$153.0 million (US$101.6 million) in December 2008. Prior to the third quarter the Company had provided for the entire A$153.0 million settlement as an uncertain tax provision. As a result, the agreed settlement and subsequent payment of the settlement amount resulted in no income tax expense or benefit in the third quarter of fiscal year 2009.

Internal Revenue Service (IRS) — Notice of Proposed Adjustment (NOPA)

On 23 June 2008, the Company announced that the IRS had issued it with a NOPA that concludes that the Company does not qualify for the United States — Netherlands Treaty Limitations on Benefits ("LOB") provision of the New US-Netherlands Treaty and that accordingly it is not entitled to beneficial withholding tax rates on payments from the Company's United States subsidiaries to its Netherlands companies. The Company does not agree with the conclusions reached by the IRS, and has contested the IRS' findings by issuing a Protest to the 30 Day Letter on 8 August 2008 to request the Company's administrative appeals rights and, if unable to reach an acceptable settlement, the Company could possibly consider litigation. If the IRS position ultimately were to prevail, the Company would be liable for a 30% withholding tax on dividend, interest and royalty payments made any time on or after 1 February 2006 by the Company's US subsidiaries to JHI NV or the Company's Dutch finance subsidiary. In that event, the Company estimates that it would owe approximately US$37.0 million in additional tax for calendar years 2006 and 2007 plus, as of 31 December 2008, US$3.8 million in interest and US$8.2 million in penalties related to that tax. Interest will continue to accrue and compound daily at the published monthly Federal Funds short term rate plus 3% until the issue is resolved or a deposit of the full amount of the tax, interest and penalties is made with the IRS or a bond for such amounts is posted. Penalties for calendar years 2006 and 2007 will continue to accrue at the rate of one-half percent per month up to a maximum of 25%. The US$8.2 million accrued penalty through 31 December 2008 could continue to accrue to a maximum total of US$13.0 million. Additional tax, interest and penalties would be payable for later calendar years and such amounts could be significantly more per year in later years than the amounts indicated in the 30 Day Letter for calendar years 2006 and 2007.

12. Stock-Based Compensation

At 31 December 2008, the Company had the following equity award plans: the Executive Share Purchase Plan; the Managing Board Transitional Stock Option Plan; the JHI NV 2001 Equity Incentive Plan; the Supervisory Board Share Plan 2006 and the Long-Term Incentive Plan ("LTIP").

Compensation expense arising from equity award grants as estimated using pricing models was US$1.6 million and US$1.9 million for the three months ended 31 December 2008 and 2007, respectively, and US$5.2 million and US$5.0 million for the nine months ended 31 December 2008 and 2007, respectively. As of 31 December 2008, the unrecorded deferred stock-based compensation balance related to equity awards was US$12.0 million after estimated forfeitures and will be recognised over an estimated weighted average amortisation period of 2.0 years.

Stock Options

The following table summarises all of the Company's stock options available for grant and the movement in all of the Company's outstanding options during the noted period:

		Outstanding Options	
	Shares Available for Grant	Number	Weighted Average Exercise Price
Balance at 1 April 2008	15,564,294	22,190,237	A$ 7.29
Exercised	—	(25,000)	A$ 5.99
Forfeited	3,398,644	(3,398,644)	A$ 7.40
Balance at 31 December 2008	**18,962,938**	**18,766,593**	**A$ 7.27**

The Company accounts for stock options in accordance with the fair value provisions of SFAS No. 123R, which requires the Company to estimate the value of stock options issued and recognise this estimated value as compensation expense over the periods in which the stock options vest.

The Company estimates the fair value of each option grant on the date of grant using either the Black-Scholes option-pricing model or a lattice model that incorporates a Monte Carlo Simulation (the "Monte Carlo method").

There were no stock options granted during the nine months ended 31 December 2008. For the nine months ended 31 December 2007, the Company granted 5,031,310 stock options under the JHI NV 2001 Equity Incentive Plan and 1,016,000 stock options under the LTIP.

The following table includes the weighted average assumptions and weighted average fair values used for stock option grants valued using the Black-Scholes option-pricing model during the nine months ended 31 December 2007:

Dividend yield	5.0%
Expected volatility	30.0%
Risk free interest rate	3.4%
Expected life in years	4.3
Weighted average fair value at grant date	A$ 1.13
Number of stock options	5,031,310

The following table includes the weighted average assumptions and weighted average fair values used for stock option grants valued using a binomial lattice model that incorporates a Monte Carlo Simulation (the "Monte Carlo method") during the nine months ended 31 December 2007:

Dividend yield	5.0%
Expected volatility	32.1%
Risk free interest rate	4.2%
Weighted average fair value at grant date	A$ 3.14
Number of stock options	1,016,000

Restricted Stock

The Company accounts for restricted stock in accordance with the fair value provisions of SFAS No. 123R, which requires the Company to estimate the value of restricted stock issued and recognise this estimated value as compensation expense over the periods in which the restricted stock vests.

The following table summarises all of the Company's restricted stock activity during the noted period:

	Shares	Weighted Average Grant Date Fair Value
Nonvested at 1 April 2008	—	—
Granted	3,260,333	A$ 3.98
Forfeited	(46,834)	A$ 4.93
Nonvested at 31 December 2008	**3,213,499**	**A$ 4.26**

Restricted Stock — time vesting

The Company granted restricted stock units to employees as follows:

Grant Date	**Equity Award Plan**	**Restricted Stock Units Granted**
17 June 2008	JHI NV 2001 Equity Incentive Plan	698,440
15 September 2008	Long-Term Incentive Plan	201,324
17 December 2008	JHI NV 2001 Equity Incentive Plan	992,271
		1,892,035

The fair value of each restricted stock unit is equal to the market value of the JHX common stock on the date of grant, adjusted for the fair value of dividends as the restricted stock holder is not entitled to dividends over the vesting period.

The following table includes the assumptions used for restricted stock grants valued during the nine months ended 31 December 2008. There were no restricted stock units granted during the nine months ended 31 December 2007.

	17 June 2008 Grant	15 September 2008 Grant	17 December 2008 Grant
Dividend yield	$0.20 per annum	$0.20 per annum	2.9%
Risk free interest rate	2.9%	1.8%	1.3%
Expected life in years	2.0	2.0	3.0
JHX stock price at grant date	A$ 4.93	A$ 4.98	A$ 3.85
Number of restricted stock units	698,440	201,324	992,271

Restricted Stock — market condition

Under the terms of the Long-Term Incentive Plan (LTIP) the Company granted 1,368,298 restricted stock units to members of executive management. The vesting of these restricted stock units is subject to a market condition as outlined in the LTIP rules.

The fair value of each restricted stock unit, granted under the LTIP, is estimated using the Monte Carlo method.

The following table includes the assumptions used for restricted stock grants, under the Long-Term Incentive Plan, valued during the nine months ended 31 December 2008. There were no restricted stock units granted during the nine months ended 31 December 2007.

	15 September 2008 Grant	17 December 2008 Grant
Dividend yield	3.9%	2.9%
Expected volatility	34.9%	37.6%
Risk free interest rate	2.6%	1.3%
Expected life in years	3.0	3.0
JHX stock price at grant date	A$ 4.98	A$ 3.85
Number of restricted stock units	822,541	545,757

Item 2. Quantitative and Qualitative Disclosures About Market Risk

James Hardie Industries N.V. and Subsidiaries
(Unaudited)

In this report, James Hardie Industries N.V. and its subsidiaries are collectively referred to as "we," "us," or "our," and the terms "US$", "A$", "NZ$", "PHP", refer to United States dollars, Australian dollars, New Zealand dollars and Philippine pesos, respectively.

The Company has operations in foreign countries and, as a result, are exposed to foreign currency exchange rate risk inherent in purchases, sales, assets and liabilities denominated in currencies other than the US dollar. The Company also is exposed to interest rate risk associated with its long-term debt and to changes in prices of commodities the Company uses in production.

The Company's policy is to enter into derivative instruments solely to mitigate risks in its business and not for trading or speculative purposes.

Foreign Currency Exchange Rate Risk

The Company has significant operations outside of the United States and, as a result, are exposed to changes in exchange rates which affect the Company's financial position, results of operations and cash flows. In addition, payments to the AICF are required to be made in Australian dollars which, because the majority of the Company's revenues are produced in US dollars, exposes the Company to risks associated with fluctuations in the US dollar/Australian dollar exchange rate.

For the nine months ended 31 December 2008, the following currencies comprised the following percentages of the Company's net sales, cost of goods sold, expenses and liabilities:

	US$	A$	NZ$	Other(1)
Net sales	75.6%	16.3%	4.3%	3.8%
Cost of goods sold	74.5%	17.1%	4.3%	4.1%
Expenses(2)	70.3%	21.9%	2.5%	5.3%
Liabilities (excluding borrowings)(2)	23.8%	72.8%	1.2%	2.2%

(1) Comprises Philippine pesos and Euros.

(2) Liabilities include A$ denominated asbestos liability, which was initially recorded in the fourth quarter of fiscal year 2006. Expenses include adjustments to the liability. See Note 8 for further information.

The Company purchases raw materials and fixed assets and sell some finished product for amounts denominated in currencies other than the functional currency of the business in which the related transaction is generated. In order to protect against foreign exchange rate movements, the Company may enter into forward exchange contracts timed to mature when settlement of the underlying transaction is due to occur. At 31 December 2008 the Company had two forward exchange contracts outstanding, with a fair value of US$13.8 million.

Interest Rate Risk

The Company has market risk from changes in interest rates, primarily related to its borrowings. At 31 December 2008, all of the Company's borrowings were variable-rate. From time to time, the Company may enter into interest rate swap contracts in an effort to mitigate interest rate risk. As of 31 December 2008, the Company had no interest swap contracts outstanding. As of 31 December 2008, the Company had no forward rate agreements outstanding.

Commodity Price Risk

The Company is exposed to changes in prices of commodities used in its operations, primarily associated with energy, fuel and raw materials such as pulp and cement. Pulp has historically demonstrated more price sensitivity than other raw materials that the Company uses in its manufacturing process. Pulp prices have also been subject to significant price fluctuations in the past. The Company expects that pulp, energy, fuel and cement prices will continue to fluctuate in the near future. To minimise the additional working capital requirements caused by rising prices related to these commodities, the Company may seek to enter into contracts with suppliers for the purchase of these commodities that could fix the Company's prices over the longer-term. However, if the Company enters into such contracts with suppliers and if such commodity prices decrease, the Company's cost of sales may be negatively impacted due to the fixed pricing over the longer-term.

This Financial Report forms part of a package of information about the Company’s results. It should be read in conjunction with the other parts of this package, including the Media Release, Management Presentation and Management’s Analysis of Results.

Disclaimer

This Financial Report of results contains forward-looking statements. James Hardie may from time to time make forward-looking statements in its periodic reports filed with or furnished to the United States Securities and Exchange Commission on Forms 20-F and 6-K, in the annual reports to shareholders, in offering circulars, invitation memoranda and prospectuses, in media releases and other written materials and in oral statements made by the Company’s officers, directors or employees to analysts, institutional investors, lenders and potential lenders, representatives of the media and others. Statements that are not historical facts are forward-looking statements and for US purposes such forward-looking statements are statements made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include:

- expectations about the timing and amount of payments to the Asbestos Injuries Compensation Fund (AICF), a special purpose fund for the compensation of proven Australian asbestos-related personal injury and death claims;
- statements regarding tax liabilities and related audits and proceedings;
- statements as to the possible consequences of proceedings brought against the Company and certain of its former directors and officers by the Australian Securities and Investments Commission;
- expectations concerning indemnification obligations;
- expectations concerning the costs associated with the suspension or closure of operations at any of the Company’s plants and future plans with respect to any such plants;
- expectations that the Company’s credit facilities will be extended or renewed;
- expectations concerning dividend payments;
- projections of the Company’s results of operations or financial condition;
- statements concerning the Company’s corporate and tax domiciles and potential changes to them;
- statements regarding the Company’s plans, objectives or goals, including those relating to strategies, initiatives, competition, acquisitions, dispositions and the Company’s products;
- statements about the Company’s future performance; and
- statements about product or environmental liabilities.

Words such as “believe,” “anticipate,” “plan,” “expect,” “intend,” “target,” “estimate,” “project,” “predict,” “forecast,” “guideline,” “should,” “aim,” “will,” “continue,” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Readers are cautioned not to place undue reliance on these forward-looking statements and all such forward-looking statements are qualified in their entirety by reference to the following cautionary statements.

Forward-looking statements are based on the Company’s estimates and assumptions and because forward-looking statements address future events and conditions, they, by their very nature, involve inherent risks and uncertainties. Such known and unknown risks, uncertainties and other factors may cause the Company’s actual results, performance or other achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied be these forward-looking statements. The Company cautions 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, some of which are discussed under “Key Information — Risk

Factors" beginning on page 6 of the Form 20-F filed on 8 July 2008 with the Securities and Exchange Commission, include but are not limited to: all matters relating to or arising out of the prior manufacture of products that contained asbestos by current and former James Hardie subsidiaries; required contributions to the AICF and the effect of foreign exchange on the amount recorded in the Company's financial statements as an asbestos liability; compliance with and changes in tax laws and treatments; competition and product pricing in the markets in which the Company operates; the consequences of product failures or defects; exposure to environmental, asbestos or other legal proceedings; general economic and market conditions; the supply and cost of raw materials; the success of research and development efforts; the concentration of the Company's customer base on large format retail customers; compliance with and changes in environmental and health and safety laws; risks of conducting business internationally; compliance with and changes in laws and regulations; foreign exchange risks; and the effect of natural disasters; changes in the Company's key management personnel; and all other risks identified in the Company's reports filed or furnished with Australian, Dutch and US securities agencies and exchanges (as appropriate). The Company cautions that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements. Forward-looking statements speak only as of the date they are made and are statements of the Company's current expectations concerning future results and events.