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 May, 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 exhibit 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 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 our officers, directors or employees to analysts, institutional investors, existing 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:

- statements about our future performance;
- projections of our results of operations or financial condition;
- statements regarding our plans, objectives or goals, including those relating to our strategies, initiatives, competition, acquisitions, dispositions and/or our products;
- 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;
- statements concerning our corporate and tax domiciles and potential changes to them;
- 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 & Investments Commission;
- expectations about the timing and amount of contributions to the Asbestos Injuries Compensation Fund, a special purpose fund for the compensation of proven Australian asbestos-related personal injury and death claims;
- expectations concerning indemnification obligations; and
- statements about product or environmental liabilities.

Words such as “believe,” “anticipate,” “plan,” “expect,” “intend,” “target,” “estimate,” “project,” “predict,” “forecast,” “guideline,” “aim,” “will,” “should,” “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 results, 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 by these 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 US 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 currency exchange rate movements 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 research and development efforts; reliance on a small number of 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; currency exchange risks; the concentration of our customer base on large format retail customers, distributors and dealers; the effect of natural disasters; changes in our key management personnel; and all other risks identified in our reports filed with Australian, Dutch and US securities agencies and exchanges (as appropriate). We caution you that the foregoing list of factors is not exhaustive 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, events and conditions.

EXHIBIT INDEX

Exhibit No.	Description
99.1	Q4 FY09 Media Release
99.2	Q4 FY09 Management's Analysis
99.3	Q4 FY09 Result Presentation
99.4	Q4 FY09 Consolidated Financial Report

The information set forth in Exhibit 99.1, 99.2, 99.3, 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: Thursday, 21 May 2009

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

EXHIBIT INDEX

Exhibit No.	Description
99.1	Q4 FY09 Media Release
99.2	Q4 FY09 Management's Analysis
99.3	Q4 FY09 Result Presentation
99.4	Q4 FY09 Consolidated Financial Report

Exhibit 99.1

James Hardie

MEDIA RELEASE

For analyst and media enquiries please
call Sean O' Sullivan on: +61 2 8274 5239

20 May 2009

4th quarter net operating profit US$7.2m
Full year net operating profit US$96.9m
(Both excluding asbestos, ASIC expenses and tax adjustments)

James Hardie today announced a US$7.2 million net operating profit, excluding asbestos, ASIC expenses, asset impairments and tax adjustments, for the quarter ended 31 March 2009, a decrease of 57% compared to the same period last year.

For the quarter, net operating loss including asbestos, ASIC expenses, asset impairments and tax adjustments was US$129.6 million (mainly due to the change in the actuarial estimate of the company's asbestos liability), compared to US$146.9 million for the same quarter last year.

Full year net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments, decreased 44% to US$96.9 million from US$173.8 million. Including asbestos, ASIC expenses, asset impairments and tax adjustments, net operating profit increased from a loss of US$71.6 million to a profit of US$136.3 million.

Operating results were significantly affected by further declines in the USA Fibre Cement business, where sales declined compared to sales in the corresponding quarter of the previous year, for the seventh consecutive quarter.

The National Association of Home Builders (NAHB) reported US housing starts of a seasonally-adjusted annual rate of 510,000 units in March 2009, down 77% from the January 2006 peak of 2.265 million starts. The NAHB also reported US housing starts of a seasonally-adjusted annual rate for the quarter ended 31 March 2009 of 523,000 units, down 50% from the 1.053 million units for the corresponding quarter in the previous year. For the year ended 31 March 2009, the NAHB reported US housing starts of 787,400 units, down 38% from 1,262.6 million units for the year ended 31 March 2008.

Dividend

The company announced on 17 November 2008 that the Board had decided to omit the interim dividend for the current fiscal year and that the company would continue to review its dividend policy, but that it was likely dividends would be suspended until conditions improved significantly. Having undertaken a further review of the company's dividend policy, the Board has decided to omit the year-end dividend to conserve capital. Until such time as market and global economic conditions improve significantly and the level of uncertainty surrounding future industry trends as well as company specific contingencies dissipates, it is anticipated the company will continue to omit dividends in order to conserve capital.

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 asset impairments", "Effective tax rate excluding asbestos, asset impairments and tax adjustments", EBITDA and "Net cash (used in) provided by operating activities excluding payments to the AICF and ATO settlement payment"). Unless otherwise stated, results and comparisons are of the 4th quarter and the full year of FY09 versus the 4th quarter and the full year of the prior fiscal year.

Operating Performance

Fourth quarter net sales decreased 23% to US$241.3 million, gross profit was down 35% to US$69.2 million and EBIT excluding asbestos, ASIC expenses and asset impairments was 61% lower at US$17.1 million, compared to the same period last year. Fourth quarter EBIT loss including asbestos, ASIC expenses and asset impairments decreased from US$181.5 million to US$160.4 million.

Full year net sales decreased 18% to US$1,202.6 million, gross profit was down 27% to US$388.8 million and EBIT excluding asbestos, ASIC expenses and asset impairments decreased 40% to US$170.9 million, compared to last year. EBIT including asbestos, ASIC expenses and asset impairments improved from a loss of US$36.6 million to a profit of US$173.6 million.

Net sales of the USA and Europe Fibre Cement business decreased 21% for both the quarter and the full year. USA and Europe Fibre Cement EBIT was down 32% to US$32.3 million and 35% to US$199.3 million for the quarter and full year, respectively, as a result of lower sales volumes and higher costs.

Asia Pacific Fibre Cement net sales were down 28% and 8% for the quarter and full year, respectively. Asia Pacific EBIT decreased 37% and 6% to US$6.7 million and US$47.1 million for the quarter and the full year, respectively, primarily due to unfavourable currency exchange rate movements of the Asia Pacific business' currencies compared to the US dollar.

Diluted loss per share for the quarter decreased from US33.8 cents per share to US30.0 cents per share. For the full year, diluted earnings per share improved from a loss of US15.7 cents per share to earnings of US31.4 cents per share.

Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments decreased from US3.8 cents to US1.7 cents for the quarter and decreased by 42% from US38.1 cents to US22.3 cents for the full year.

4th Quarter and Full Year at a Glance

US $ Millions	Q4 FY 2009	Q4 FY 2008	% Change	FY 2009	FY 2008	% Change
Net sales	$ 241.3	$ 312.9	(23)	$1,202.6	$1,468.8	(18)
Gross profit	69.2	107.2	(35)	388.8	530.0	(27)
EBIT excluding asbestos, ASIC expenses and asset impairments	**17.1**	**44.3**	**(61)**	**170.9**	**287.2**	**(40)**
Asbestos adjustments	(176.5)	(182.3)	3	17.4	(240.1)	—
ASIC expenses	(1.7)	(1.1)	(55)	(14.0)	(5.5)	—
Asset impairments	—	(38.6)	—	—	(71.0)	—
EBIT	(160.4)	(181.5)	12	173.6	(36.6)	—
Net interest (expense) income	(1.1)	(2.2)	50	(3.0)	1.1	—
Other expense	(14.8)	—	—	(14.8)	—	—
Income tax benefit (expense)	46.7	36.8	27	(19.5)	(36.1)	46
Net operating (loss) profit	(129.6)	(146.9)	12	136.3	(71.6)	—
Diluted (loss) earnings per share (US cents)	(30.0)	(33.8)	11	31.4	(15.7)	—

Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments decreased 57% for the quarter to US$7.2 million and was 44% lower for the full year at US$96.9 million, as shown in the following table:

US$ Millions	Q4 FY 2009	Q4 FY 2008	% Change	FY 2009	FY 2008	% Change
Net operating (loss) profit	$(129.6)	$(146.9)	(12)	$136.3	$ (71.6)	—
Excluding:						
Asbestos:						
Asbestos adjustments	176.5	182.3	(3)	(17.4)	240.1	—
AICF SG&A expenses	(0.7)	1.3	—	0.7	4.0	(83)
AICF interest income	(1.6)	(2.4)	33	(6.4)	(9.4)	32
Impairment of AICF investments	14.8	—	—	14.8	—	—
Tax benefit related to asbestos adjustments	(48.7)	(46.2)	5	(48.7)	(45.8)	6
ASIC expenses (net of tax)	1.2	0.7	71	10.4	4.1	—
Asset impairments:						
Impairment charges (net of tax)	—	24.6	—	—	44.6	—
Impairment related costs (net of tax)	—	1.6	—	—	2.0	—
Tax adjustments	(4.7)	1.6	—	7.2	5.8	24
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	**$ 7.2**	**$ 16.6**	**(57)**	**$ 96.9**	**$173.8**	**(44)**
Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments (US cents)	1.7	3.8	(55)	22.3	38.1	(41)

CEO Commentary

The company's results continue to be significantly affected by the on-going deterioration of its major market, the US residential construction market, where housing starts for March 2009 reached a seasonally-adjusted annual rate of 510,000 units, down approximately 75% from the January 2006 peak of over two million starts.

"In a challenging environment, we continue to pursue our strategy of generating primary demand growth for fibre cement and leveraging our technology to offer differentiated products with superior value," said James Hardie CEO Louis Gries. "Our ColorPlus range of products, which accounts for an increasing share of our exterior sales, is a good example of the on-going success of this strategy."

Mr Gries added, "We are adjusting and managing our production schedules in an on-going effort to match output with demand to optimise our inventory and service position in the downturn."

USA and Europe Fibre Cement

Fourth quarter net sales were down 21% compared to the same quarter last year, to US$188.7 million. Sales volume decreased 23% to 308.3 million square feet, and the average net sales price increased 3% from US$597 to US$612 per thousand square feet.

For the full year, net sales were down 21% compared to last year, to US$929.3 million. Sales volume decreased 22% to 1,526.6 million square feet, and the average net sales price was 2% higher at US$609 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 seventh consecutive quarter. This was primarily as 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 continued to deteriorate.

Sales volumes decreased 23% in the quarter compared to the same period last year, reflecting a 25% decline in exterior products and a 16% decline in interior products. Product demand was lower across all regions. Our ColorPlus® range of products has again contributed to primary demand growth, achieving a 5% increase in sales volume as a percentage of total exterior sales volume in the northern region of the US.

EBIT for the quarter was 32% lower at US$32.3 million, primarily due to reduced gross profit performance, 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 significantly reduced volume. The EBIT margin was 17.1% for the quarter compared to 19.8% for the corresponding period last year. For the full year, EBIT was 35% lower at US$199.3 million and the EBIT margin was 21.4% compared to 26.2% for last year.

Asia Pacific Fibre Cement

Net sales decreased 28% to US$52.6 million for the quarter. In Australian dollars, net sales decreased 2% due to a 6% decrease in sales volume, partially offset by a 4% increase in the average Australian dollar net sales price.

For the full year, net sales decreased 8% to US$273.3 million. In Australian dollars, net sales were flat, due to a 2% increase in average Australian dollar net sales price, offset by a 2% decrease in sales volume.

Despite the overall market downturn, the Australian business improved its sales result in the fourth quarter. The Australian Bureau of Statistics (ABS) data shows seasonally-adjusted total dwelling unit approvals were down 23% to 29,856 for the March quarter compared to the same period last year. For the year ended 31 March 2009, the ABS reported total dwelling unit approvals of 134,499 units, down 14% from 156,697 unit approvals for the year ended 31 March 2008.

In New Zealand, construction continued to decline, with total residential approvals for the year ended 31 March 2009 down 34% to 16,200 units compared to the prior year. The Philippines business reported lower sales volume and revenue as a result of a softening domestic market.

Asia Pacific EBIT was 37% lower for the quarter at US$6.7 million, primarily due to unfavourable currency exchange rate movements in the Asia Pacific business' currencies compared to the US dollar. In Australian dollars, Asia Pacific Fibre Cement EBIT decreased 4% for the quarter due to lower gross margin performance, partially offset by lower SG&A expenses.

For the full year, Asia Pacific EBIT was 6% lower at US$47.1 million. In Australian dollars, EBIT increased 4% for the full year mainly due to decreased SG&A expenses, partially offset by lower gross margin performance. The EBIT margin was 12.7% and 17.2% for the quarter and full year, respectively, compared with 14.6% and 16.9% for the same periods last year.

Cash Flow

Net operating cash flow for the full year ended 31 March 2009 moved from cash provided of US$319.3 million in the prior year to cash used of US$45.2 million. The decrease was driven primarily by the ATO settlement payment of US$101.6 million, quarterly instalment payments to the AICF totaling US$110.0 million and the reduced contribution from the USA and Europe Fibre Cement business. Net cash provided from operating activities excluding contributions to the AICF and the ATO settlement payment was US$166.4 million for the full year ended 31 March 2009 compared with US$319.3 million for the full year ended 31 March 2008.

Capital expenditures for the purchase of property, plant and equipment for the full year ended 31 March 2009 decreased to US$26.1 million, from US$38.5 million in the prior year.

Asbestos Adjustments

The effects of asbestos adjustments on EBIT for the quarter and full year ended 31 March 2009 are as follows:

US$ Millions	Q4 FY 2009	Q4 FY 2008	FY 2009	FY 2008
Change in estimates	$ (162.3)	$ (154.1)	$(162.3)	$(152.9)
Effect of foreign exchange movements	$ (14.2)	$ (28.2)	$ 179.7	$ (87.2)
Asbestos adjustments	$ (176.5)	$ (182.3)	$ 17.4	$(240.1)

Readers are referred to Note 11 of the company's 31 March 2009 Consolidated Financial Statements for further information on the asbestos adjustments.

Asbestos Injuries Compensation Fund (AICF) Funding

As announced on 23 April 2009 the company was advised by the AICF that the AICF Board of Directors has determined that it is reasonably foreseeable that, within two years, the available assets of the AICF are likely to be insufficient to fund the payment of all reasonably foreseeable liabilities. Under the terms of the Amended and Restated Final Funding Agreement (AFFA) the company is not required to make a contribution to the AICF in fiscal year 2010. In addition, the company disclosed that it is not in a position to make contributions to the AICF beyond the obligations set out under the terms of the AFFA.

Readers are referred to the Company Statement released on 23 April 2009 for further information on AICF funding.

ASIC Proceedings

For the three months and full year ended 31 March 2009, the company has incurred legal costs related to the ASIC proceedings, noted as ASIC expenses, of US$1.7 million and US$14.0 million, respectively. For the three months and full year ended 31 March 2008, the company incurred ASIC expenses of US$1.1 million and US$5.5 million, respectively. ASIC expenses are included in SG&A expenses.

The company's net costs in relation to the ASIC proceedings from February 2007 to 31 March 2009 total US$19.7 million.

Readers are referred to Note 13 of the company's 31 March 2009 Consolidated Financial Statements for further information on the ASIC Proceedings.

Chile Litigation

On 24 April 2009 a trial court in Santiago, Chile awarded damages in the equivalent of US$13.4 million against Fibrocementos Volcan Limitada (FC Volcan, the former James Hardie Chilean entity), in civil litigation brought by Industria Cementa Limitada (Cementa) in 2007. FC Volcan is appealing the decision to the Santiago Court of Appeal.

The company denied and continues to deny allegations of predatory pricing in Chile. The company retained conduct of the appeal of this civil damages matter. The company intends to vigorously pursue all appellate and other alternatives as it does not concur with the decision of the trial court. The company also intends to exercise its rights under indemnification provisions, including applicable conditions and limitations.

As at 31 March 2009 management has adequately provided for this contingency as required under US GAAP Statement of Financial Accounting Standards No. 5 (SFAS 5) *"Accounting for Contingencies".*

Readers are referred to Management's Analysis of Results and Note 13 of the company's 31 March 2009 Consolidated Financial Statements for further information on the Chile Litigation.

Income Tax

Income Tax Benefit (Expense)

Income tax benefit for the quarter increased from US$36.8 million to US$46.7 million. For the full year, income tax expense decreased from US$36.1 million to US$19.5 million. The company's effective tax rate on earnings excluding asbestos, asset impairments and tax adjustments was 52.8% and 41.4% for the quarter and full year, respectively, compared to 58.8% and 37.9% for the same quarter and full year of the prior period. The change in effective tax rates compared with last year is attributable to changes in the geographic mix of earnings and expenses.

Australian Taxation Office (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 (Objection Decision). 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.

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 accordingly it has not recorded any liability at 31 March 2009 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 March 2009 as a deposit and it is the company's intention to treat any payments to be made at a later date as a deposit. As at 31 March 2009 and 2008, this deposit totalled US$173.5 million and US$205.8 million, respectively.

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 settled 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 concluded 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.

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

On 23 June 2008, the IRS issued the company with a NOPA that concluded that the company did not qualify for the United States — Netherlands Treaty Limitations on Benefits (LOB) provision of the US-Netherlands Treaty applying from early 2006 and that accordingly it was not entitled to beneficial withholding tax rates on payments from the company's United States subsidiaries to its Netherlands companies for the calendar years 2006 and 2007.

On 15 April 2009, the company announced that the Appeals Division of the IRS had entered into a settlement agreement with the company's subsidiaries in which the IRS conceded its position in full with regard to its assertion in the NOPA. The IRS has concluded that, for those years, the company is entitled to reduced withholding tax rates under the LOB for certain payments from the company's United States subsidiaries to its Netherlands companies. This settlement outcome has had no impact on the company's results. This agreement applies only to the 2006 and 2007 calendar years and does not affect or limit the IRS' ability to challenge the company's qualification for benefits in later years.

Outlook

In its January 2009 issue of The National Outlook, The US National Association of Home Builders' (NAHB) baseline housing forecast shows large declines for new-home sales and housing starts for 2009 as a whole, with production coming in at the lowest level of the entire post-World War II period. However, the NAHB expects housing activity to stabilise around the middle of the calendar year, at least in the single-family sector, followed by a relatively slow recovery process later this year and in 2010 as remaining supply overhang and serious constraints on credit for housing production draw out the long climb back to demographically-based trend levels of housing starts.

The outlook for the US residential repair and remodel market is also unclear, but is expected to weaken, affected by a fall in house values and subsequent reduction in owners' equity. The repair and remodel sector is now estimated to represent more than 50% of our US business.

Housing starts in Australia are expected to continue to fall in 2009-2010. Activity in medium density dwellings and renovations may provide some growth and may partially offset the overall housing market decline.

Residential housing consents in New Zealand are at a 25 year low and the commercial market, while more buoyant, is showing signs of weakening, although we are achieving good penetration with differentiated products. Housing affordability is expected to remain under pressure with increased building costs. Fiscal year 2010 is expected to see sales demand continue below last year's levels, although this may be partially offset by the release of new products.

The Philippines economy is expected to slow and the currency to weaken in the face of global economic conditions. Strong competition is expected to continue in the domestic market place and competitive pricing practices will continue to challenge our existing export markets.

Changes in the company's asbestos liability (to reflect changes in foreign exchange rates or updates of the actuarial estimate), ASIC proceedings, 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 11, 13 and 14 of the company's 31 March 2009 Consolidated Financial Statements for more information about the company's asbestos liability, ASIC proceedings and income tax related issues.

END

Media/Analyst Enquiries:

Sean O' Sullivan
Vice President Investor and Media Relations

Telephone:	+61 2 8274 5239
Email:	media@jameshardie.com.au
Facsimile:	+61 2 8274 5218

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 Consolidated Financial Statements.

These documents, along with a webcast of the management presentation on 20 May 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	Q4 FY 2009	Q4 FY 2008	FY 2009	FY 2008
EBIT	$(160.4)	$(181.5)	$ 173.6	$ (36.6)
Asbestos:				
Asbestos adjustments	176.5	182.3	(17.4)	240.1
AICF SG&A expenses	(0.7)	1.3	0.7	4.0
ASIC expenses	1.7	1.1	14.0	5.5
Asset impairments:				
Impairment charges	—	38.6	—	71.0
Impairment related costs	—	2.5	—	3.2
EBIT excluding asbestos, ASIC expenses and asset impairments	17.1	44.3	170.9	287.2
Net Sales	$ 241.3	$ 312.9	$1,202.6	$1,468.8
EBIT margin excluding asbestos, ASIC expenses and asset impairments	7.1%	14.2%	14.2%	19.6%

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	Q4 FY 2009	Q4 FY 2008	FY 2009	FY 2008
Net operating (loss) profit	$(129.6)	$(146.9)	$136.3	$ (71.6)
Asbestos:				
Asbestos adjustments	176.5	182.3	(17.4)	240.1
AICF SG&A expenses	(0.7)	1.3	0.7	4.0
AICF interest income	(1.6)	(2.4)	(6.4)	(9.4)
Impairment of AICF investments	14.8	—	14.8	—
Tax benefit related to asbestos adjustments	(48.7)	(46.2)	(48.7)	(45.8)
ASIC expenses (net of tax)	1.2	0.7	10.4	4.1
Asset impairments:				
Impairment charges (net of tax)	—	24.6	—	44.6
Impairment related costs (net of tax)	—	1.6	—	2.0
Tax adjustments	(4.7)	1.6	7.2	5.8
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	$ 7.2	$ 16.6	$ 96.9	$173.8

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	Q4 FY 2009	Q4 FY 2008	FY 2009	FY 2008
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	$ 7.2	$ 16.6	$ 96.9	$173.8
Weighted average common shares outstanding - Diluted (millions)	435.6	434.6	434.5	456.1
Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments (US cents)	1.7	3.8	22.3	38.1

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	Q4 FY 2009	Q4 FY 2008	FY 2009	FY 2008
Operating (loss) profit before income taxes	$(176.3)	$(183.7)	$155.8	$ (35.5)
Asbestos:				
Asbestos adjustments	176.5	182.3	(17.4)	240.1
AICF SG&A expenses	(0.7)	1.3	0.7	4.0
AICF interest income	(1.6)	(2.4)	(6.4)	(9.4)
Impairment of AICF investments	14.8	—	14.8	—
Asset impairments:				
Impairment charges	—	38.6	—	71.0
Impairment related costs	—	2.5	—	3.2
Operating profit before income taxes excluding asbestos and asset impairments	$ 12.7	$ 38.6	$147.5	$ 273.4
Income tax benefit (expense)	46.7	36.8	(19.5)	(36.1)
Tax benefit related to asbestos adjustments	(48.7)	(46.2)	(48.7)	(45.8)
Tax benefit related to asset impairments	—	(14.9)	—	(27.6)
Tax adjustments	(4.7)	1.6	7.2	5.8
Income tax expense excluding asbestos, asset impairments and tax adjustments	(6.7)	(22.7)	(61.0)	(103.7)
Effective tax rate excluding asbestos, asset impairments and tax adjustments	52.8%	58.8%	41.4%	37.9%

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	Q4 FY 2009	Q4 FY 2008	FY 2009	FY 2008
EBIT	$(160.4)	$(181.5)	$173.6	$(36.6)
Depreciation and amortisation	14.8	14.4	56.4	56.5
EBITDA	$(145.6)	$(167.1)	$230.0	$ 19.9

Net cash (used in) provided by operating activities excluding payments to the AICF and ATO settlement payment — Net cash (used in) provided by operating activities excluding payments to the AICF and ATO settlement payment is not a measure of financial performance under US GAAP and should not be considered an alternative to, or more meaningful than cash flows as defined by US GAAP. The company has included this financial measure to provide investors with an alternative method for assessing its operating results in a manner that is focused on the performance of its ongoing operations. The company's management uses this non-US GAAP measure for the same purpose.

US$ Millions	FY 2009	FY 2008
Net cash (used in) provided by operating activities	$ (45.2)	$319.3
Payment to the AICF	110.0	—
ATO settlement payment	101.6	—
Net cash provided from operating activities excluding payment to the AICF and ATO settlement payment	$166.4	$319.3

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 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 our officers, directors or employees to analysts, institutional investors, existing 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:

- statements about our future performance;
- projections of our results of operations or financial condition;
- statements regarding our plans, objectives or goals, including those relating to our strategies, initiatives, competition, acquisitions, dispositions and/or our products;
- 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;
- statements concerning our corporate and tax domiciles and potential changes to them;
- 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 & Investments Commission;
- expectations about the timing and amount of contributions to the Asbestos Injuries Compensation Fund, a special purpose fund for the compensation of proven Australian asbestos-related personal injury and death claims;
- expectations concerning indemnification obligations; and
- statements about product or environmental liabilities.

Words such as “believe,” “anticipate,” “plan,” “expect,” “intend,” “target,” “estimate,” “project,” “predict,” “forecast,” “guideline,” “aim,” “will,” “should,” “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 results, 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 by these 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 US 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 currency exchange rate movements 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 research and development efforts; reliance on a small number of 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; currency exchange risks; the concentration of our customer base on large format retail customers, distributors and dealers; the effect of natural disasters; changes in our key management personnel; and all other risks identified in our reports filed with Australian, Dutch and US securities agencies and exchanges (as appropriate). We caution you that the foregoing list of factors is not exhaustive 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, events and conditions.

Exhibit 99.2

James Hardie

MANAGEMENT'S ANALYSIS OF RESULTS

20 May 2009

James Hardie Industries N.V.

Results for the 4th Quarter and Full Year Ended 31 March 2009

US GAAP - US$ Millions	Three Months and Full Year Ended 31 March Q4 FY09	Q4 FY08	% Change	FY09	FY08	% Change
Net Sales						
USA and Europe Fibre Cement	$ 188.7	$ 239.4	(21)	$ 929.3	$1,170.5	(21)
Asia Pacific Fibre Cement	52.6	73.5	(28)	273.3	298.3	(8)
Total Net Sales	$ 241.3	$ 312.9	(23)	$1,202.6	$1,468.8	(18)
Cost of goods sold	(172.1)	(205.7)	16	(813.8)	(938.8)	13
Gross profit	69.2	107.2	(35)	388.8	530.0	(27)
Selling, general and administrative expenses	(47.1)	(60.3)	22	(208.8)	(228.2)	9
Research & development expenses	(6.0)	(7.5)	20	(23.8)	(27.3)	13
Impairment charges	—	(38.6)	—	—	(71.0)	—
Asbestos adjustments	(176.5)	(182.3)	3	17.4	(240.1)	—
EBIT	(160.4)	(181.5)	12	173.6	(36.6)	—
Net interest (expense) income	(1.1)	(2.2)	50	(3.0)	1.1	—
Other expense	(14.8)	—	—	(14.8)	—	—
Operating (loss) profit before income taxes	(176.3)	(183.7)	4	155.8	(35.5)	—
Income tax benefit (expense)	46.7	36.8	27	(19.5)	(36.1)	46
Net operating (loss) profit	$(129.6)	$(146.9)	12	$ 136.3	$ (71.6)	—
(Loss) earnings per share - diluted (US cents)	(30.0)	(33.8)	11	31.4	(15.7)	—
Volume (mmsf)						
USA and Europe Fibre Cement	308.3	401.3	(23)	1,526.6	1,951.2	(22)
Asia Pacific Fibre Cement	89.2	95.3	(6)	390.6	398.2	(2)
Average net sales price per unit (per mmsf)						
USA and Europe Fibre Cement	US$ 612	US$ 597	3	US$ 609	US$ 600	2
Asia Pacific Fibre Cement	A$883	A$848	4	A$879	A$862	2

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 14. 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 asset impairments ", "Effective tax rate excluding asbestos, asset impairments and tax adjustments", EBITDA and "Net cash (used in) provided by operating activities excluding payments to the AICF and ATO settlement payment"). Unless otherwise stated, results and comparisons are of the 4th quarter and full year FY09 versus the 4 th quarter and full year of the prior fiscal year.

Total Net Sales

Total net sales for the quarter decreased 23% compared to the same quarter of the previous year, from US$312.9 million to US$241.3 million. For the full year, total net sales decreased 18% from US$1,468.8 million to US$1,202.6 million.

Net sales from USA and Europe Fibre Cement for the quarter decreased 21% from US$239.4 million to US$188.7 million, due to a reduction in sales volume, partially offset by a higher average net sales price. For the full year, net sales from USA and Europe Fibre Cement decreased 21% from US$1,170.5 million to US$929.3 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 28% from US$73.5 million to US$52.6 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 full year, net sales from Asia Pacific Fibre Cement decreased 8% from US$298.3 million to US$273.3 million due to unfavourable currency exchange rate movements.

USA and Europe Fibre Cement

Quarter

Net sales decreased 21% from US$239.4 million in the fourth quarter of the prior fiscal year to US$188.7 million due to decreased sales volume partially offset by a higher average net sales price.

Sales volume decreased 23% from 401.3 million square feet to 308.3 million square feet, primarily due to lower demand for the company's products in the US as a result of continuing weakness in housing construction activity and deteriorating economic conditions.

The average net sales price increased 3% from US$597 per thousand square feet to US$612 per thousand square feet.

Full year

Net sales decreased 21% from US$1,170.5 million to US$929.3 million due to decreased sales volume, slightly offset by a higher average net sales price.

Sales volume decreased 22% from 1,951.2 million square feet to 1,526.6 million square feet, primarily due to weaker demand for the company's products in the US as a result of continuing weakness in housing construction activity and deteriorating economic conditions. Although housing affordability has increased, demand is being restricted by limited availability of mortgage credit for prospective home buyers and lack of consumer confidence.

The average net sales price increased 2% from US$600 per thousand square feet to US$609 per thousand square feet.

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 full year.

Discussion

The USA and Europe Fibre Cement business recorded its seventh consecutive quarter where sales declined compared to the corresponding quarter in the previous year, reflecting the on-going deterioration in US housing starts. The National Association of Home Builders (NAHB) reported housing starts of a seasonally-adjusted annual rate for the quarter ended 31 March 2009 of 523,000 units, down 50% from the 1.053 million units for the corresponding quarter in the previous year.

The decline in top-line performance was due to reduced exterior and interior product volumes, as product demand was lower in all regions. Sales volumes decreased 23% in the fourth quarter, reflecting a 25% decrease in exterior products and a 16% decrease in interior products.

Lower SG&A costs and a higher average selling price partially offset lower volumes and the higher unit cost of sales due to product mix and material costs.

The business continues to focus on its three main strategic initiatives of primary demand growth, product mix shift and Zero to Landfill, and progress is being made on these initiatives despite softening market demand.

Our differentiated ColorPlus® range of products again contributed to primary demand growth, achieving a 5% increase in sales volume as a percentage of total exterior sales in the northern region of the United States for the fourth quarter of fiscal year 2009, compared to the prior year period. Our initial focus on the ColorPlus range of products against vinyl siding manufacturers in the northern region of the United States has now been expanded to the western and southern regions of the United States, with both areas posting moderate gains in ColorPlus penetration rate compared to the same period last year.

Our growth strategy is complemented by accessories (particularly XLD ™ trim, HLD™ trim and soffit) which provide a suite of exterior products for a "full wrap" solution to builders and remodelers.

The strategy is further supported by positioning our interior backer products as a wet area wall solution, including G2 1/2" backer as the pre-eminent wet area solution and featuring Moldblock™ protection on both 1/4" and 1/2" products.

HardieZone™ exterior products are currently being launched in the US. These products are engineered for specific climate conditions using our seventh generation product technology.

Asia Pacific Fibre Cement

Quarter

Net sales for the quarter decreased 28% from US$73.5 million to US$52.6 million. Unfavourable currency exchange rate movements in the Asia Pacific business' currencies compared to the US dollar accounted for 26% of this decrease, while the underlying Australian dollar business results accounted for the remaining 2% decrease. In Australian dollars, net sales decreased 2% due to a 6% decrease in sales volume, partially offset by a 4% increase in average net sales price.

Full year

Net sales for the full year decreased 8% from US$298.3 million to US$273.3 million. The decrease is due to unfavourable currency exchange rate movements in the Asia Pacific business' currencies compared to the US dollar. In Australian dollars, net sales were flat due to a 2% increase in average net sales price, offset by a 2% decrease in sales volume.

Discussion

Despite the overall market downturn, the Australian business improved its sales result in the fourth quarter of fiscal year 2009.

The Scyon™ product range continues to build momentum with full year sales volumes up 47% on the prior year. Scyon differentiated products now represent 10.7% of sales, up from 7.5% in the prior year. Growth has been particularly strong for Scyon Stria™ cladding and Scyon Secura™ external flooring released during fiscal year 2009.

An increased share of the residential market was achieved by increasing the volume of differentiated James Hardie products used in individual homes. Core products also regained volume in the face of increased competition, although revenue was affected by low-priced imports.

Australian Bureau of Statistics data shows residential housing approvals were down 23% to 29,856 for the March quarter compared to the same period last year. For the year ended 31 March 2009, the ABS reported total dwelling unit approvals of 134,499 units, down 14% from 156,697 unit approvals for the year ended 31 March 2008. Sales in the multi-unit sector also remained depressed as the lack of available credit and general economic uncertainty led to a reduction in investment through the second half of calendar year 2008.

While some cost improvements have been achieved, these have been largely offset by increases in some input costs resulting from a depreciating Australian dollar and from lower production volumes and higher utility costs.

In New Zealand, construction continued to decline, with total residential approvals for the year ended 31 March 2009 down 34% to 16,200 units compared to the prior year. The New Zealand business continued to out-perform the market by growing sales of its differentiated range of products, including Linea™ weatherboards, Horizon™ wall lining and HomeRAB™ preclad lining which was launched during fiscal year 2009. Sales of these differentiated products now account for almost half of sales volume.

The Philippines business reported lower sales volumes and revenue as a result of a softening domestic market, and export volumes affected by the global slow down and pricing pressures stemming from Asian currencies' depreciation against the US dollar. The Philippines business continues to seek avenues for volume growth and to establish a lower cost base.

Gross Profit

Quarter

Gross profit decreased 35% from US$107.2 million to US$69.2 million. The gross profit margin decreased 5.6 percentage points from 34.3% to 28.7%.

USA and Europe Fibre Cement gross profit decreased 32% compared to the same quarter last year due to lower sales volume and higher average unit manufacturing costs, partially offset by a higher average net sales price. The gross profit margin of the USA and Europe Fibre Cement business decreased by 4.9 percentage points.

Asia Pacific Fibre Cement gross profit decreased 46% 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 21% of this decrease, while the underlying Australian dollar business results accounted for the remaining 25% decrease. In Australian dollars, gross profit decreased 25% primarily due to reduced gross profit performance in the New Zealand business driven by lower sales volumes. The gross profit margin of the Asia Pacific Fibre Cement business decreased by 8.1 percentage points.

Full year

Gross profit decreased 27% from US$530.0 million to US$388.8 million. The gross profit margin decreased 3.9 percentage points from 36.2% to 32.3%.

USA and Europe Fibre Cement gross profit decreased 29% compared to the same period last year due to lower sales volume and higher average unit costs. The gross profit margin of the USA and Europe Fibre Cement business decreased by 4.1 percentage points.

Asia Pacific Fibre Cement gross profit decreased 15% 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 8% of this decrease, while the underlying Australian dollar business results accounted for the remaining 7% decrease. The gross profit margin of the Asia Pacific Fibre Cement business decreased by 2.0 percentage points. In Australian dollars, gross profit decreased 7% primarily due to reduced gross profit performance in the New Zealand business driven by lower sales volumes.

Selling, General and Administrative (SG&A) Expenses

SG&A expenses decreased 22% for the quarter, from US$60.3 million to US$47.1 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 0.2 of percentage point to 19.5%.

For the full year, SG&A expenses decreased 9% from US$228.2 million to US$208.8 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 1.9 percentage points to 17.4%.

SG&A expenses for the full year include non-claims handling related operating expenses of the Asbestos Injuries Compensation Fund (AICF) of US$0.7 million. For the three months ended 31 March 2009, AICF recorded SG&A net income of US$0.7 million due to a legal settlement in the fourth quarter.

ASIC Proceedings

On 23 April 2009, Justice Gzell delivered judgment in the civil proceedings commenced by the Australian Securities & Investments Commission (ASIC) in February 2007 in the Supreme Court of New South Wales against the company, a former related entity James Hardie Industries Limited (JHIL), now ABN 60 (ABN 60), and ten former directors and officers. The trial of the proceedings concluded in early March 2009.

Against the company, Justice Gzell found that:

- the company breached section 1041E of Australia's Corporations Act 2001 (Cth) (Act) (false or misleading statements) and section 1041H of the Act (misleading or deceptive conduct) by delivering a set of slides to the Australian Securities Exchange (ASX) in June 2002 that referred to the creation and funding of the Medical Research and Compensation Fund by ABN 60 in February 2001, and

- the company breached section 674(2) of the Act (continuous disclosure) in the period 25 March to 30 June 2003 in not disclosing the transfer of JHIL out of the James Hardie Group.

However, Justice Gzell dismissed the remaining allegations made by ASIC against the company in relation to statements made by its former CEO, Peter Macdonald, in Edinburgh and London in June 2002.

Justice Gzell also made breach findings against ABN 60 and each of the former directors and officers (details of which may be obtained from ASIC's website), but also dismissed several allegations made by ASIC against these parties.

There will be a further hearing in relation to exoneration and penalties. This will commence on 24 July 2009 and run through until 4 August 2009 and is expected to involve further evidence. Orders as to costs are expected to be entered after this.

For the three months and full year ended 31 March 2009, the company incurred legal costs related to the ASIC proceedings, noted as ASIC expenses, of US$1.7 million and US$14.0 million, respectively. For the three months and full year ended 31 March 2008, the company incurred ASIC expenses of US$1.1 million and US$5.5 million, respectively. ASIC expenses are included in SG&A expenses.

The company's net costs in relation to the ASIC proceedings from February 2007 to 31 March 2009 total US$19.7 million.

Chile Litigation

On 24 April 2009 a trial court in Santiago, Chile awarded damages in the equivalent of US$13.4 million against Fibrocementos Volcan Limitada (FC Volcan, the former James Hardie Chilean entity), in civil litigation brought by Industria Cementa Limitada (Cementa) in 2007. FC Volcan is appealing the decision to the Santiago Court of Appeal.

Cementa, a fibre cement manufacturer in Chile, commenced anti-trust proceedings in 2003 against the former James Hardie Chilean entity alleging that it had engaged in predatory pricing, by selling products below cost when it entered the Chilean market, in breach of the relevant anti-trust laws in Chile. Another fibre cement manufacturer in Chile Producción Química y Electrónica Quimel S.A. (Quimel) also joined the proceedings.

As these actions existed prior to James Hardie's sale of its Chilean business in July 2005, the company had agreed to indemnify the buyer subject to certain conditions and limitations, for damages or penalties awarded against FC Volcan in relation to such proceedings, and the company retained conduct of the defence of the matters.

After the anti-trust proceedings concluded in 2006, Cementa, in 2007, brought a separate civil action against FC Volcan claiming that Cementa had suffered damages, allegedly as a result of predatory pricing. This action resulted in the US$13.4 million damages award which is now the subject of the appeal by FC Volcan.

Quimel also filed a separate civil action against FC Volcan in 2007 claiming that it had suffered damages, allegedly as a result of predatory pricing. A court decision in that action is anticipated during the current quarter.

The company denied and continues to deny the allegations of predatory pricing in Chile. The company retained conduct of the appeal of the two civil damages matters. The company intends to vigorously pursue all appellate and other alternatives as it does not concur with the decision of the trial court. The company also intends to exercise its rights under the indemnification provisions, including applicable conditions and limitations.

As at 31 March 2009 management has adequately provided for this contingency as required under US GAAP Statement of Financial Accounting Standards No.5 (SFAS 5) *"Accounting for Contingencies"*.

Readers are referred to Note 13 of the company's 31 March 2009 Consolidated Financial Statements for further information on the ASIC Proceedings and Chile Litigation.

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 41% and 20% lower for the quarter and full year at US$3.3 million and US$14.4 million, respectively, compared to the corresponding periods of 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 42% higher for the quarter at US$2.7 million and 1% higher for the full year at US$9.4 million.

Asbestos Adjustments

The company's asbestos adjustments are derived from an estimate of future Australian asbestos-related liabilities in accordance with the Amended and Restated Final Funding Agreement (Amended FFA) that was signed with the New South Wales 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 at 31 March each year. The last actuarial assessment was performed as at 31 March 2009.

The asbestos adjustments for the full year ended 31 March 2009 are as follows:

US$ Millions	Q4 FY09	Q4 FY08	FY09	FY08
Change in estimates	$(162.3)	$(154.1)	$(162.3)	$(152.9)
Effect of foreign exchange movements	(14.2)	(28.2)	$ 179.7	$ (87.2)
Asbestos adjustments	$(176.5)	$(182.3)	$ 17.4	$(240.1)

Readers are referred to Note 11 of the company's 31 March 2009 Consolidated Financial Statements for further information on asbestos adjustments.

EBIT

EBIT loss for the quarter decreased 12% from US$181.5 million to US$160.4 million. EBIT loss for the quarter includes net unfavourable asbestos adjustments of US$176.5 million and AICF SG&A income of US$0.7 million. For the same period in the prior year, EBIT included net unfavourable asbestos adjustments of US$182.3 million and AICF SG&A expenses of US$1.3 million, as shown in the table below.

EBIT for the full year improved from a loss of US$36.6 million for last year to EBIT of US$173.6 million for the current year. EBIT for the full year includes net favourable asbestos adjustments of US$17.4 million and AICF SG&A expenses of US$0.7 million. For the prior year, EBIT included net unfavourable asbestos adjustments of US$240.1 million and AICF SG&A expenses of US$4.0 million, as shown in the table below.

EBIT - US$ Millions	Q4 FY09	Q4 FY08	% Change	FY09	FY08	% Change
	Three Months and Full Year Ended 31 March					
USA and Europe Fibre Cement	$ 32.3	$ 47.5	(32)	$ 199.3	$ 306.3	(35)
Asia Pacific Fibre Cement	6.7	10.7	(37)	47.1	50.3	(6)
Research & Development	(4.2)	(5.0)	16	(18.9)	(18.1)	(4)
General Corporate	(19.4)	(12.5)	(55)	(70.6)	(60.0)	(18)
Impairment charges	—	(38.6)	—	—	(71.0)	—
Asbestos adjustments	(176.5)	(182.3)	3	17.4	(240.1)	—
AICF SG&A expenses	0.7	(1.3)	—	(0.7)	(4.0)	83
EBIT	(160.4)	(181.5)	12	173.6	(36.6)	—
Excluding:						
Asbestos:						
Asbestos adjustments	176.5	182.3	(3)	(17.4)	240.1	—
AICF SG&A expenses	(0.7)	1.3	—	0.7	4.0	(83)
ASIC expenses	1.7	1.1	55	14.0	5.5	—
Asset impairments:						
Impairment charges	—	38.6	—	—	71.0	—
Impairment related costs	—	2.5	—	—	3.2	—
EBIT excluding asbestos, ASIC expenses and asset impairments	**$ 17.1**	**$ 44.3**	**(61)**	**$ 170.9**	**$ 287.2**	**(40)**
Net sales	$ 241.3	$ 312.9	(23)	$1,202.6	$1,468.8	(18)
EBIT margin excluding asbestos, ASIC expenses and asset impairments	7.1%	14.2%		14.2%	19.6%	

USA and Europe Fibre Cement EBIT

USA and Europe Fibre Cement EBIT decreased 32% from US$47.5 million to US$32.3 million for the quarter, and decreased 35% from US$306.3 million to US$199.3 million for the full year. 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 2.7 percentage points lower at 17.1% for the quarter and was 4.8 percentage points lower at 21.4% for the full year.

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 fiscal year 2009.

Asia Pacific Fibre Cement EBIT

Asia Pacific Fibre Cement EBIT for the quarter decreased 37% from US$10.7 million to US$6.7 million. Unfavourable currency exchange rate movements in the Asia Pacific business' currencies compared to the US dollar accounted for 33% of this decrease, while the underlying Australian dollar business results accounted for the remaining 4% decrease. In Australian dollars, Asia Pacific Fibre Cement EBIT for the quarter decreased 4% due to a lower gross margin performance partially offset by lower SG&A expenses. The EBIT margin was 1.9 percentage points lower at 12.7%.

Asia Pacific Fibre Cement EBIT for the full year decreased 6% from US$50.3 million to US$47.1 million. The unfavourable currency exchange rate movements in the Asia Pacific business' currencies compared to the US dollar accounted for a 10% decrease, partially offset by a 4% increase in the underlying Australian dollar business results. In Australian dollars, Asia Pacific Fibre Cement EBIT for the full year increased 4% due to decreased SG&A expenses, partially offset by lower gross margin performance. The EBIT margin was 0.3 percentage points higher at 17.2%.

General Corporate Costs

General corporate costs for the quarter increased by US$6.9 million from US$12.5 million to US$19.4 million, primarily due to increased costs associated with the ASIC proceedings and additional legal provisions.

For the full year, general corporate costs increased by US$10.6 million from US$60.0 million to US$70.6 million, primarily due to higher costs associated with the ASIC proceedings and additional legal provisions, partially offset by reduced general corporate cost spending as management continued to focus on cost reductions.

Net Interest (Expense) Income

Net interest expense for the quarter decreased from US$2.2 million in the prior corresponding quarter to US$1.1 million this quarter. The decrease was mainly due to lower interest expense as a result of significantly lower interest rates.

For the full year, net interest moved from income of US$1.1 million in the prior year to an expense of US$3.0 million. The movement was primarily due to higher interest expense due to higher average debt and reduced interest income earned by AICF due to lower average investment and cash balances held.

Other Expense

Asbestos Injuries Compensation Fund (AICF) Investments

As disclosed in Note 2 of our Consolidated Financial Statements the company is required to consolidate the AICF and to present the AICF's results in compliance with US GAAP. Specifically as it relates to the treatment of unrealised losses on investments, the company must assess whether an investment is other-than-temporarily impaired.

The AICF invested a portion of the initial funding contribution from James Hardie in February 2007, by acquiring units in managed funds.

During the year ended 31 March 2009 and 2008, the units decreased in value by A$13.1 million (US$10.4 million) and A$5.1 million (US$4.4 million), respectively. None of the units have been sold, and thus from a commercial perspective the impairment in value remains unrealised.

At 31 March 2008, the company recorded the A$5.1 million (US$4.4 million) decrease in investment value as unrealised under US GAAP and thus did not take a charge to the Consolidated Statement of Operations, but rather recorded the loss in equity as a component of other comprehensive income. At 31 March 2008, the company did not consider the investments to be other-than-temporarily impaired.

However, at 31 March 2009, the company determined that the decrease in the investment value totalling A$18.2 million (US$14.8 million) was other-than-temporary and, as prescribed by US GAAP, recorded this decrease in investment value as a charge to the Consolidated Statement of Operations in the line item *Other Expense*.

Income Tax

Income Tax Benefit (Expense)

Income tax benefit for the quarter increased from US$36.8 million to US$46.7 million. For the full year, income tax expense decreased from US$36.1 million to US$19.5 million. The company's effective tax rate on earnings excluding asbestos, asset impairments and tax adjustments was 52.8% and 41.4% for the quarter and full year, respectively, compared to 58.8% and 37.9% for the same quarter and full year of the prior period. The change in effective tax rates compared with last year is attributable to changes in the geographic mix of earnings and expenses.

Tax adjustments

The company recorded favourable tax adjustments of US$4.7 million for the quarter and unfavourable tax adjustments of US$7.2 million for the full year, compared to unfavourable tax adjustments of US$1.6 million and US$5.8 million for the quarter and full year in the prior fiscal year, respectively. The tax adjustments made in both fiscal years 2009 and 2008 relate to Financial Accounting Standards Board (FASB) Interpretation No. 48 (FIN 48) adjustments.

Australian Taxation Office (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 (Objection Decision). 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 in 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 accordingly it has not recorded any liability at 31 March 2009 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 March 2009 as a deposit and it is the company's intention to treat any payments to be made at a later date as a deposit. As at 31 March 2009 and 2008, this deposit totalled US$173.5 million and US$205.8 million, respectively.

ATO Settlement

As announced on 12 December 2008, the company and the ATO reached an agreement that finalised 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 settled 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 concluded 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.

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

On 23 June 2008, the IRS issued the company with a NOPA that concluded that the company did not qualify for the United States – Netherlands Treaty Limitations on Benefits (LOB) provision of the US-Netherlands Treaty applying from early 2006 and that accordingly it was not entitled to beneficial withholding tax rates on payments from the company's United States subsidiaries to its Netherlands companies for the calendar years 2006 and 2007.

On 15 April 2009, the company announced that the Appeals Division of the IRS had entered into a settlement agreement with the company's subsidiaries in which the IRS conceded its position in full with regard to its assertion in the NOPA. The IRS has concluded that, for those years, the company is entitled to reduced withholding tax rates under the LOB for certain payments from the company's United States subsidiaries to its Netherlands companies. This settlement outcome has had no impact on the company's results. This agreement applies only to the 2006 and 2007 calendar years and does not affect or limit the IRS' ability to challenge the company's qualification for benefits in later years.

Net Operating (Loss) Profit

Net operating loss for the quarter decreased from US$146.9 million to US$129.6 million. Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments decreased 57% from US$16.6 million to US$7.2 million as shown in the table below.

For the full year, net operating (loss) profit moved from a loss of US$71.6 million to a profit of US$136.3 million. Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments decreased 44% from US$173.8 million to US$96.9 million as shown in the table below.

	Three Months and Full Year Ended 31 March					
Net Operating Profit - US$ millions	Q4 FY09	Q4 FY08	% Change	FY09	FY08	% Change
Net operating (loss) profit	$(129.6)	$(146.9)	12	$136.3	$ (71.6)	—
Excluding:						
Asbestos:						
Asbestos adjustments	176.5	182.3	(3)	(17.4)	240.1	—
AICF SG&A expenses	(0.7)	1.3	—	0.7	4.0	(83)
AICF interest income	(1.6)	(2.4)	33	(6.4)	(9.4)	32
Impairment of AICF investments	14.8	—	—	14.8	—	—
Tax benefit related to asbestos adjustments	(48.7)	(46.2)	(5)	(48.7)	(45.8)	(6)
ASIC expenses (net of tax)	1.2	0.7	71	10.4	4.1	—
Asset impairments:						
Impairment charges (net of tax)	—	24.6	—	—	44.6	—
Impairment related costs (net of tax)	—	1.6	—		2.0	—
Tax adjustments	(4.7)	1.6	—	7.2	5.8	—
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	**$ 7.2**	**$ 16.6**	**(57)**	$ **96.9**	$**173.8**	**(44)**

Liquidity and Capital Resources

The company has historically met its working capital needs and capital expenditure requirements from 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 cash 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$42.4 million as of 31 March 2009. At that date, it also had credit facilities totalling US$498.3 million, of which US$324.0 million was drawn. The credit facilities are all uncollateralised and consist of the following:

	At 31 March 2009		
Description	**Effective Interest Rate**	**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	1.43%	$ 68.3	$ 43.3
364-day facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until November 2009	1.85%	50.0	50.0
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until June 2010	1.37%	245.0	205.7
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until February 2011	1.78%	45.0	25.0
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until February 2013	—	90.0	—
Total		**$498.3**	**$ 324.0**

Our credit facilities as of 31 March 2009 consisted of 364-day facilities in the amount of US$68.3 million which, as of 31 March 2009, mature in June 2009. We are aware that US$51.6 million of these facilities will not be extended. We have requested extensions of the maturity date of the remaining US$16.7 million of these credit facilities.

At 31 March 2009, the company had net debt of US$281.6 million, an increase of US$52.5 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 March 2009, was 1.6 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$126.4 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 make 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, continue to suspend dividend payments or take other measures to conserve cash in order to meet its future cash flow requirements.

Share Repurchase Program

On 15 August 2007, the company announced a share repurchase program of up to 10% of the company's issued capital, approximately 46.8 million shares. The company repurchased nil and 35.7 million shares of common stock during the years ended 31 March 2009 and 2008, respectively. The shares repurchased during the year ended 31 March 2008 had an aggregate cost of A$236.4 million (US$208.0 million) and the average price paid per share of common stock was A$6.62 (US$5.83). The US dollar amounts were determined using the weighted average spot rates for the days on which shares were purchased. The company officially cancelled 35.0 million shares on 31 March 2008. On 27 March 2009, the company cancelled the remaining 0.7 million shares held in treasury. The company ceased the share repurchase program on 20 August 2008.

Cash Flow

Net operating cash flow for the full year ended 31 March 2009 moved from cash provided of US$319.3 million in the prior year to cash used of US$45.2 million. The decrease was driven primarily by the ATO settlement payment, described above, of US$101.6 million, quarterly instalment payments to the AICF totaling US$110.0 million and the reduced contribution from the USA and Europe Fibre Cement business. Net cash provided from operating activities excluding contributions to the AICF and the ATO settlement payment was US$166.4 million for the full year ended 31 March 2009 compared with US$319.3 million for the full year ended 31 March 2008.

Capital expenditures for the purchase of property, plant and equipment for the full year ended 31 March 2009 decreased to US$26.1 million, from US$38.5 million in the prior year.

END

Media/Analyst Enquiries:

Sean O' Sullivan
Vice President Investor and Media Relations

Telephone: +61 2 8274 5239

Email: media@jameshardie.com.au

Facsimile: +61 2 8274 5218

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 Consolidated Financial Statements.

These documents, along with a webcast of the presentation on 20 May 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

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	Q4 FY 2009	Q4 FY 2008	FY 2009	FY 2008
EBIT	$(160.4)	$(181.5)	$ 173.6	$ (36.6)
Asbestos:				
Asbestos adjustments	176.5	182.3	(17.4)	240.1
AICF SG&A expenses	(0.7)	1.3	0.7	4.0
ASIC expenses	1.7	1.1	14.0	5.5
Asset impairments:				
Impairment charges	—	38.6	—	71.0
Impairment related costs	—	2.5	—	3.2
EBIT excluding asbestos, ASIC expenses and asset impairments	17.1	44.3	170.9	287.2
Net Sales	$ 241.3	$ 312.9	$1,202.6	$1,468.8
EBIT margin excluding asbestos, ASIC expenses and asset impairments	7.1%	14.2%	14.2%	19.6%

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	Q4 FY 2009	Q4 FY 2008	FY 2009	FY 2008
Net operating (loss) profit	$(129.6)	$(146.9)	$136.3	$ (71.6)
Asbestos:				
Asbestos adjustments	176.5	182.3	(17.4)	240.1
AICF SG&A expenses	(0.7)	1.3	0.7	4.0
AICF interest income	(1.6)	(2.4)	(6.4)	(9.4)
Impairment of AICF investments	14.8	—	14.8	—
Tax benefit related to asbestos adjustments	(48.7)	(46.2)	(48.7)	(45.8)
ASIC expenses (net of tax)	1.2	0.7	10.4	4.1
Asset impairments:				
Impairment charges (net of tax)	—	24.6	—	44.6
Impairment related costs (net of tax)	—	1.6	—	2.0
Tax adjustments	(4.7)	1.6	7.2	5.8
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	$ 7.2	$ 16.6	$ 96.9	$173.8

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	Q4 FY 2009	Q4 FY 2008	FY 2009	FY 2008
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	$ 7.2	$ 16.6	$ 96.9	$173.8
Weighted average common shares outstanding - Diluted (millions)	435.6	434.6	434.4	456.1
Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments (US cents)	1.7	3.8	22.3	38.1

Effective tax rate excluding asbestos, asset impairments and tax adjustments — Effective tax rate excluding asbestos, 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 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	Q4 FY 2009	Q4 FY 2008	FY 2009	FY 2008
Operating (loss) profit before income taxes	$(176.3)	$(183.7)	$155.8	$ (35.5)
Asbestos:				
Asbestos adjustments	176.5	182.3	(17.4)	240.1
AICF SG&A expenses	(0.7)	1.3	0.7	4.0
AICF interest income	(1.6)	(2.4)	(6.4)	(9.4)
Impairment of AICF investments	14.8	—	14.8	—
Asset impairments:				
Impairment charges	—	38.6	—	71.0
Impairment related costs	—	2.5	—	3.2
Operating profit before income taxes excluding asbestos and asset impairments	$ 12.7	$ 38.6	$147.5	$ 273.4
Income tax benefit (expense)	46.7	36.8	(19.5)	(36.1)
Tax benefit related to asbestos adjustments	(48.7)	(46.2)	(48.7)	(45.8)
Tax benefit related to asset impairments	—	(14.9)	—	(27.6)
Tax adjustments	(4.7)	1.6	7.2	5.8
Income tax expense excluding asbestos, asset impairments and tax adjustments	(6.7)	(22.7)	(61.0)	(103.7)
Effective tax rate excluding asbestos, asset impairments and tax adjustments	52.8%	58.8%	41.4%	37.9%

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	Q4 FY 2009	Q4 FY 2008	FY 2009	FY 2008
EBIT	$(160.4)	$(181.5)	$173.6	$ (36.6)
Depreciation and amortisation	14.8	14.4	56.4	56.5
EBITDA	$(145.6)	$(167.1)	$230.0	$ 19.9

Net cash (used in) provided by operating activities excluding payments to the AICF and ATO settlement payment – Net cash (used in) provided by operating activities excluding payments to the AICF and ATO settlement payment is not a measure of financial performance under US GAAP and should not be considered an alternative to, or more meaningful than cash flows as defined by US GAAP. The company has included this financial measure to provide investors with an alternative method for assessing its operating results in a manner that is focused on the performance of its ongoing operations. The company's management uses this non-US GAAP measure for the same purpose.

US$ Millions	FY 2009	FY 2008
Net cash (used in) provided by operating activities	$ (45.2)	$319.3
Payment to the AICF	110.0	—
ATO settlement payment	101.6	—
Net cash provided from operating activities excluding payment to the AICF and ATO settlement payment	$166.4	$319.3

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 11 of the 31 March 2009 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 March 2009 Consolidated Financial Statements.

James Hardie Industries N.V.
Consolidated Balance Sheet
31 March 2009
(unaudited)

US$ Millions	Total Fibre Cement Operations- excluding Asbestos Compensation	Asbestos Compensation	As Reported
ASSETS			
Current assets			
Cash and cash equivalents	$ 302.1	$ (259.7)	$ 42.4
Restricted cash and cash equivalents	5.3	—	5.3
Restricted cash and cash equivalents — Asbestos	—	45.4	45.4
Restricted short-term investments — Asbestos	—	52.9	52.9
Accounts and notes receivable, net of allowance for doubtful accounts of $1.4 million	111.3	0.1	111.4
Inventories	128.9	—	128.9
Prepaid expenses and other current assets	20.1	0.3	20.4
Insurance receivable — Asbestos	—	12.6	12.6
Workers' compensation — Asbestos	—	0.6	0.6
Deferred income taxes	32.5	—	32.5
Deferred income taxes — Asbestos	—	12.3	12.3
Total current assets	**600.2**	**(135.5)**	**464.7**
Property, plant and equipment, net	700.0	0.8	700.8
Insurance receivable — Asbestos	—	149.0	149.0
Workers' compensation — Asbestos	—	73.8	73.8
Deferred income taxes	2.1	—	2.1
Deferred income taxes — Asbestos	—	333.2	333.2
Deposit with Australian Taxation Office	173.5	—	173.5
Other assets	1.6	—	1.6
Total assets	**$ 1,477.4**	**$ 421.3**	**$ 1,898.7**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	$ 88.3	$ 0.8	$ 89.1
Short-term debt	93.3	—	93.3
Accrued payroll and employee benefits	35.3	0.2	35.5
Accrued product warranties	7.4	—	7.4
Income taxes payable	24.2	(22.8)	1.4
Asbestos liability	—	78.2	78.2
Workers' compensation — Asbestos	—	0.6	0.6
Other liabilities	9.5	—	9.5
Total current liabilities	**258.0**	**57.0**	**315.0**
Long-term debt	230.7	—	230.7
Deferred income taxes	100.8	—	100.8
Accrued product warranties	17.5	—	17.5
Asbestos liability	—	1,206.3	1,206.3
Workers' compensation — Asbestos	—	73.8	73.8
Other liabilities	61.1	2.2	63.3
Total liabilities	**668.1**	**1,339.3**	**2,007.4**
Commitments and contingencies			
Shareholders' equity (deficit)			
Common stock	219.2	—	219.2
Additional paid-in capital	22.7	—	22.7
Retained earnings (accumulated deficit)	565.2	(918.0)	(352.8)
Accumulated other comprehensive loss	2.2	—	2.2
Total shareholders' equity (deficit)	809.3	(918.0)	(108.7)
Total liabilities and shareholders' equity (deficit)	**$ 1,477.4**	**$ 421.3**	**$ 1,898.7**

James Hardie Industries N.V.
Consolidated Statement of Operations
For the year ended 31 March 2009
(unaudited)

US$ Millions	Total Fibre Cement Operations- excluding Asbestos Compensation	Asbestos Compensation	As Reported
Net Sales	1,202.6	—	1,202.6
Cost of goods sold	(813.8)	—	(813.8)
Gross profit	388.8	—	388.8
Selling, general and administrative expenses	(208.1)	(0.7)	(208.8)
Research and development expenses	(23.8)	—	(23.8)
Asbestos adjustments	—	17.4	17.4
EBIT	156.9	16.7	173.6
Net Interest (expense) income	(9.4)	6.4	(3.0)
Other expense	—	(14.8)	(14.8)
Operating profit before income taxes	147.5	8.3	155.8
Income tax (expense) benefit	(68.2)	48.7	(19.5)
Net Operating Profit	**$ 79.3**	**$ 57.0**	**$ 136.3**

James Hardie Industries N.V.
Consolidated Statement of Cash Flows
For the year ended 31 March 2009
(unaudited)

US$ Millions	Total Fibre Cement Operations-excluding Asbestos Compensation	Asbestos Compensation	As Reported
Cash Flows from Operating Activities			
Net income	$ 79.3	$ 57.0	$ 136.3
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortisation	56.4	—	56.4
Deferred income taxes	(9.5)	(48.7)	(58.2)
Prepaid pension cost	0.7	—	0.7
Stock-based compensation	7.2	—	7.2
Asbestos adjustments	—	(17.4)	(17.4)
Other-than-temporary impairment on investments	14.8	—	14.8
Changes in operating assets and liabilities:			
Restricted cash and cash equivalents	(15.1)	84.1	69.0
Payment to the AICF	—	(110.0)	(110.0)
Accounts and notes receivable	6.8	(0.2)	6.6
Inventories	40.3	—	40.3
Prepaid expenses and other current assets	5.7	—	5.7
Insurance receivable — Asbestos	—	16.5	16.5
Accounts payable and accrued liabilities	(11.2)	(0.2)	(11.4)
Asbestos liability	—	(91.1)	(91.1)
Deposit with Australian Taxation Office	(9.9)	—	(9.9)
ATO settlement payment	(101.6)	—	(101.6)
Other accrued liabilities and other liabilities	0.9	—	0.9
Net cash provided by (used in) operating activities	**$ 64.8**	**$ (110.0)**	**$ (45.2)**
Cash Flows From Investing Activities			
Purchases of property, plant and equipment	(26.1)	—	(26.1)
Net cash used in investing activities	$ (26.1)	$ —	$ (26.1)
Cash Flows from Financing Activities			
Proceeds from short-term borrowings	3.3	—	3.3
Proceeds from long-term borrowings	56.2	—	56.2
Proceeds from issuance of shares	0.1	—	0.1
Dividends paid	(34.6)	—	(34.6)
Net cash provided by financing activities	$ 25.0	$ —	$ 25.0
Effect of exchange rate changes on cash	53.3	—	53.3
Net increase (decrease) in cash and cash equivalents	117.0	(110.0)	7.0
Cash and cash equivalents at beginning of period	35.4	—	35.4
Cash and cash equivalents at end of period	$ 152.4	$ (110.0)	$ 42.4
Components of Cash and Cash Equivalents			
Cash at bank and on hand	118.9	(110.0)	8.9
Short-term deposits	33.5	—	33.5
Cash and cash equivalents at end of period	$ 152.4	$ (110.0)	$ 42.4

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 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 our officers, directors or employees to analysts, institutional investors, existing 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:

- statements about our future performance;
- projections of our results of operations or financial condition;
- statements regarding our plans, objectives or goals, including those relating to our strategies, initiatives, competition, acquisitions, dispositions and/or our products;
- 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;
- statements concerning our corporate and tax domiciles and potential changes to them;
- 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 ASIC;
- expectations about the timing and amount of contributions to the AICF, a special purpose fund for the compensation of proven Australian asbestos-related personal injury and death claims;
- expectations concerning indemnification obligations; and
- statements about product or environmental liabilities.

Words such as "believe," "anticipate," "plan," "expect," "intend," "target," "estimate," "project," "predict," "forecast," "guideline," "aim," "will," "should," "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 results, 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 by these 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 US 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 currency exchange rate movements 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 research and development efforts; reliance on a small number of 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; currency exchange risks; the concentration of our customer base on large format retail customers, distributors and dealers; the effect of natural disasters; changes in our key management personnel; and all other risks identified in our reports filed with Australian, Dutch and US securities agencies and exchanges (as appropriate). We caution you that the foregoing list of factors is not exhaustive 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, events and conditions.

Exhibit 99.3


James Hardie
James Hardie Q4 FY09 Results
Management Presentation – 20 May 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 60. 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 asset impairments", "Effective tax rate excluding asbestos, asset impairments and tax adjustments", "EBITDA" and "Net cash (used in) provided by operating activities excluding payments to the AICF and ATO settlement payment"). Unless otherwise stated, results and comparisons are of the 4th quarter and current fiscal year versus the 4th quarter and full year 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 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 our officers, directors or employees to analysts, institutional investors, existing 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:

- statements about our future performance;
- projections of our results of operations or financial condition;
- statements regarding our plans, objectives or goals, including those relating to our strategies, initiatives, competition, acquisitions, dispositions and/or our products;
- 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;
- statements concerning our corporate and tax domiciles and potential changes to them;
- 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 & Investments Commission;
- expectations about the timing and amount of contributions to the Asbestos Injuries Compensation Fund, a special purpose fund for the compensation of proven Australian asbestos-related personal injury and death claims;
- expectations concerning indemnification obligations; and
- statements about product or environmental liabilities.

Words such as "believe," "anticipate," "plan," "expect," "intend," "target," "estimate," "project," "predict," "forecast," "guideline," "aim," "will," "should," "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 results, 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 by these 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 US 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 currency exchange rate movements 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 research and development efforts; reliance on a small number of 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; currency exchange risks; the concentration of our customer base on large format retail customers, distributors and dealers; the effect of natural disasters; changes in our key management personnel; and all other risks identified in our reports filed with Australian, Dutch and US securities agencies and exchanges (as appropriate). We caution you that the foregoing list of factors is not exhaustive 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, events and conditions.

Agenda

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

James Hardie

Overview

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

US$ Millions	Q4 FY09	Q4 FY08	% Change	FY 2009	FY 2008	% Change
Net operating (loss) profit	(129.6)	(146.9)	12	136.3	(71.6)	-
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	**7.2**	**16.6**	**(57)**	**96.9**	**173.8**	**(44)**
Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments (US cents)	1.7	3.8	(55)	22.3	38.1	(41)

James Hardie
Operating Review
Louis Gries, CEO

Global Strategy

James Hardie

- 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

James Hardie

USA Fibre Cement

4th Quarter Result *

Net Sales	down	20% to US$185.0 million
Sales Volume	down	23% to 305.1 mmsf
Average Price	up	3% to US$606 per msf
EBIT	down	35% to US$32.6 million
EBIT Margin	down	3.8 pts to 17.8%

*Comparison is of the 4th quarter of the current fiscal year versus the 4th quarter of the prior fiscal year

USA Fibre Cement

Full Year Result *

Net Sales	down	20% to US$910.9 million
Sales Volume	down	21% to 1,508.9 mmsf
Average Price	up	1% to US$604 per msf
EBIT	down	36% to US$200.8 million
EBIT Margin	down	5.4 pts to 22.0%

*Comparison is of the current full year versus the prior full year

James Hardie

USA Fibre Cement

4th Quarter Market Conditions

- Ongoing deterioration in the US housing market - both new construction and repair and remodel continue to weaken
  - March 2009 housing starts of 510,000* down 77% from January 2006 peak of 2.265 million*
  - Q4 FY09 housing starts down 50% to 523,000* compared to Q4 FY08
  - FY09 housing starts down 38% to 787,400 compared to FY08
  - Repair & Remodel down, but to a lesser extent

*NAHB seasonally-adjusted annual rate

USA Fibre Cement

James Hardie

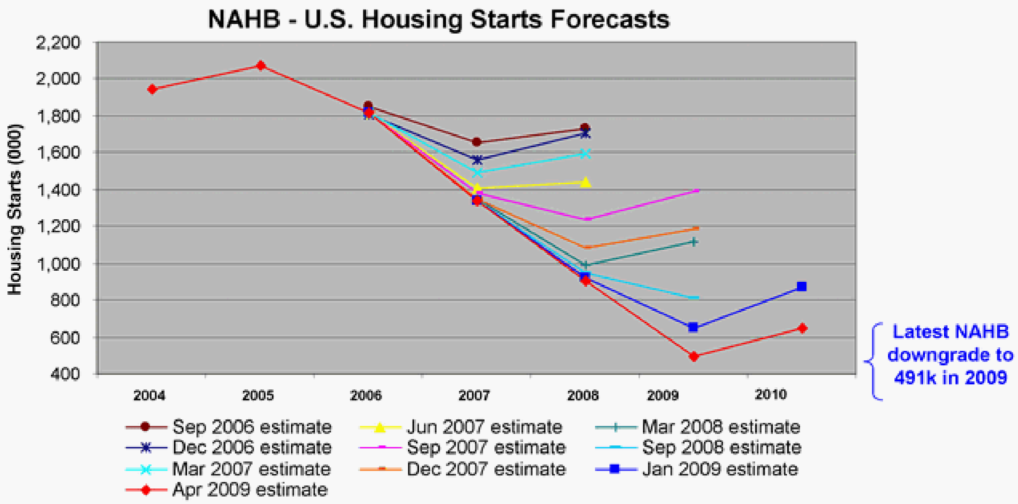
4th Quarter Key Points

- Sales down due to declining market
- Sales volumes were lower across all regions
- ColorPlus® again increased as a percentage of our product mix
- Lower SG&A costs and higher average selling price partially offset lower volumes and higher unit costs

James Hardie

Total Housing Starts – NAHB

- NAHB forecast of 2009 Housing Starts is down 46% to 491k (including MF-high)



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

The HardieZone™ System

James Hardie

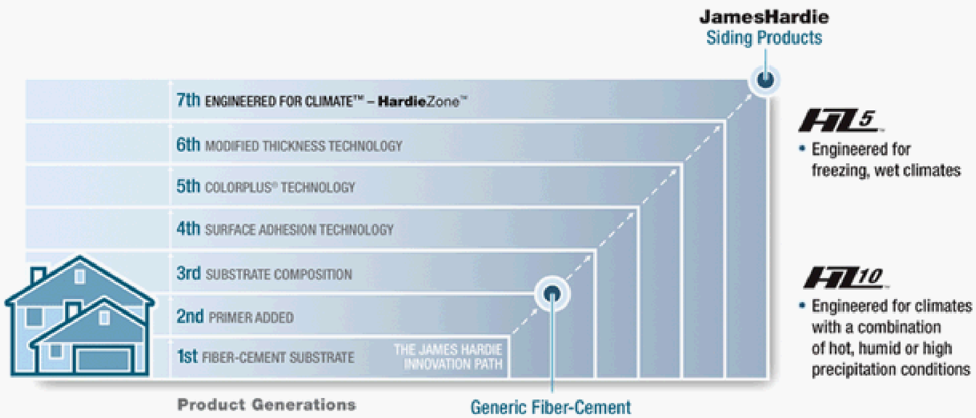
James Hardie is currently undertaking a major product launch in the United States. The HardieZone™ System:

- provides specific product performance attributes relative to the climate where the product is used
- across full range of engineered products – Plank, Panel, Trim, Fascia and Soffit, HardieWrap weather barrier
- clearly articulates why James Hardie is superior to generic fibre cements

The HardieZone™ System

7th Generation versus 2nd Generation generic fibre cement

- The HardieZone™ System represents a logical extension of Hardie technology



The HardieZone™ System

The Right Exterior – Every Time

Geographic zones based on 8 climatic variables:

- Temperature range
- UV
- Humidity
- Rainfall
- Snow
- Hail
- Hurricane (high wind load)
- Topographical factors

The HardieZone™ System

James Hardie

Two product lines emerged:

The HardieZone™ System

HZ5

HZ5 Climates:

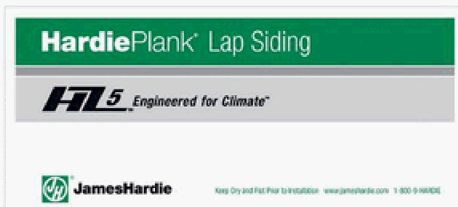
- Extreme seasonal temperature variation
- Freezing temperatures
- Snow and ice

Substrate engineered for performance:

- Resists damage from snow and ice
- Resists damage from excessive moisture
- Resists damage from freezing temperatures
- Maintains dimensional stability
- Non combustible

Paintable surface engineered for performance:

- Super paint adhesion
- Moisture resistant surface



The HardieZone™ System

James Hardie

HZ10

HZ10 Climates:

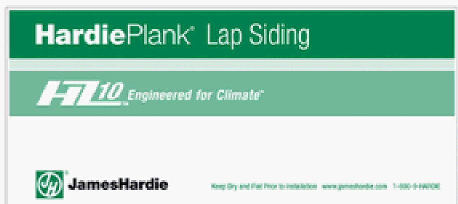
- High humidity
- Dry heat
- High precipitation

Substrate engineered for performance:

- Resists damage from moisture
- Resistant to cracking, splitting, rotting and swelling
- Dimensional stability
- Broadest industry coverage in high wind and hurricane areas
- Non combustible
- Termite resistant

Paintable surface engineered for performance:

- Adhesion
- Moisture resistant



James Hardie

The HardieZone™ System

ColorPlus Technology™ plus HZ5™

- Factory controlled finish for maximum consistency and durability
- Resistant to cracking, fading and chipping
- Reduces costly weather delays

ColorPlus Technology™ plus HZ10™

- Factory-controlled finish for maximum consistency and durability
- Resists peeling, chipping, cracking or marring
- Colour retention and fade resistance with high levels of UV exposure experienced in zones 6-10

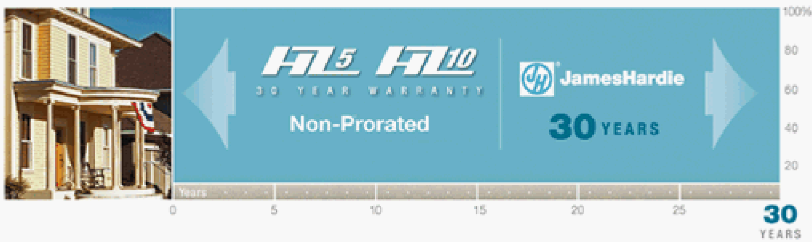
James Hardie

The HardieZone™ System

Our finest siding ever

- Engineered for Climate™
- Highest protection from the elements
- Sustained beauty with less maintenance
- Higher customer satisfaction
- Differentiation from generic fiber cement
- Seven strategically located manufacturing facilities
- The warranty homebuyers have been asking for

Our best warranty



USA Fibre Cement

Outlook

- Business has been set to optimise our results in a market that we think is close to bottoming out:
  - Set for < 500,000 new construction starts
  - Anticipate a reduction of > 15% in the Repair & Remodel opportunity
- The HardiZone™ System launch is planned to be completed in FY 2010
- We expect the US business will continue to perform well in a difficult market

James Hardie

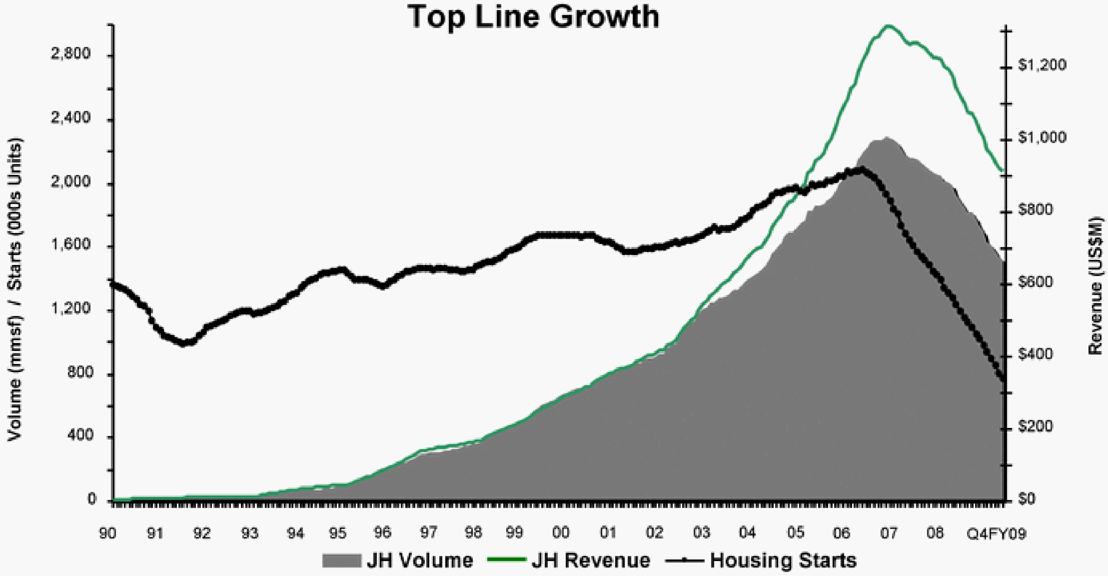
USA Fibre Cement

Outlook – continued

- At current low level of housing starts, market is nearing the bottom
- Affordability has improved as housing prices and mortgages have both declined
- Inventory level of new homes remains high
- Credit availability remains tight
- Consumer confidence has improved – but from very low levels

USA Fibre Cement

Top Line Growth

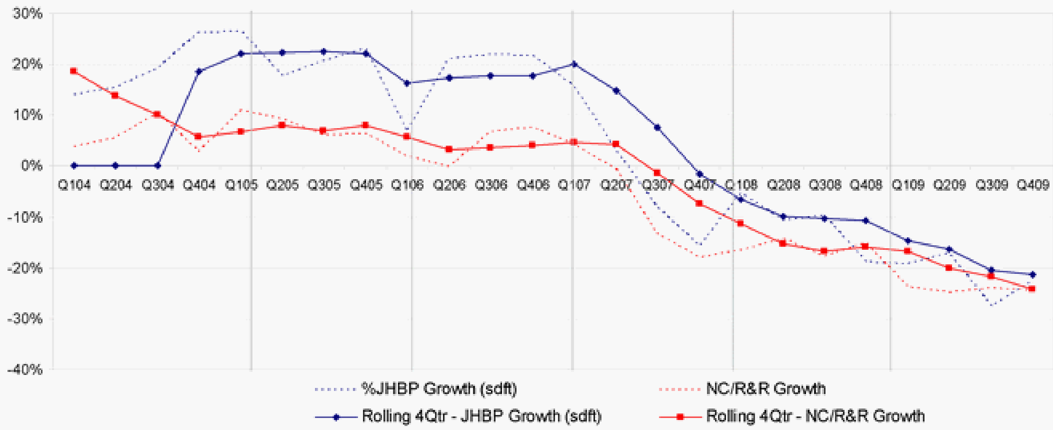


Rolling 12 month average of seasonally adjusted estimate of housing starts by US Census Bureau

James Hardie

USA Fibre Cement

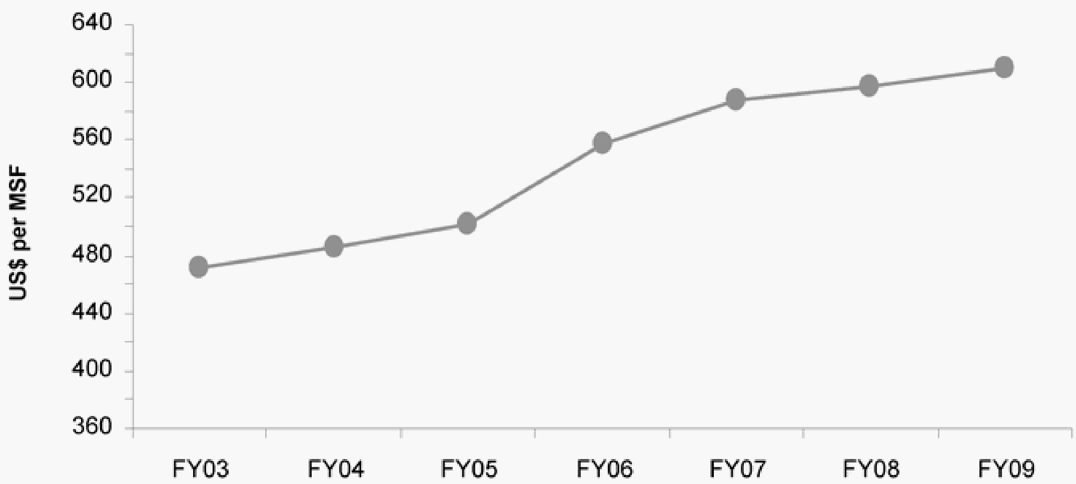
Primary Growth Performance



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

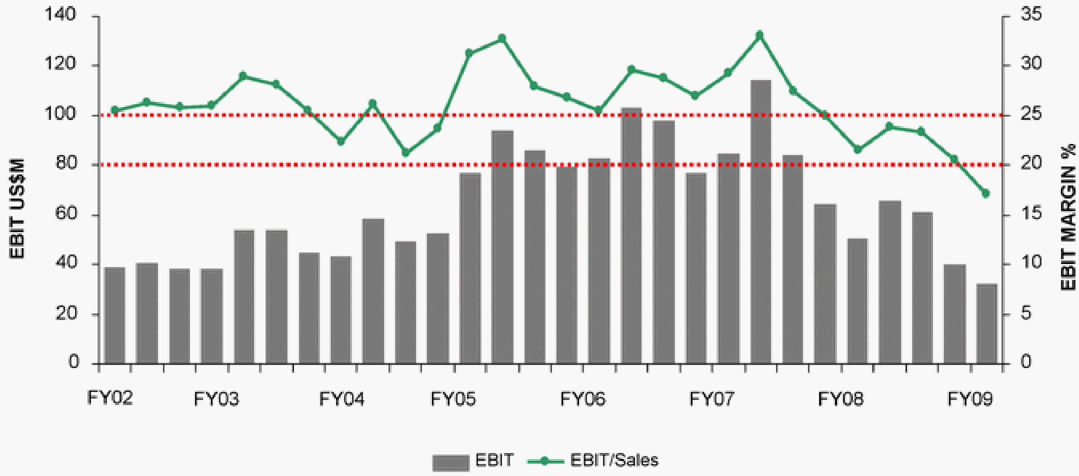
Average Net Selling Price



USA Fibre Cement

James Hardie

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

4th Quarter Result *

Net Sales	down	28% to US$52.6 million
Sales Volume	down	6% to 89.2 mmsf
Average Price	up	4% to A$883 per msf
EBIT	down	37% to US$6.7 million
EBIT Margin	down	1.9 pts to 12.7%

*Comparison is of the 4th quarter of the current fiscal year versus the 4th quarter of the prior fiscal year

Asia Pacific Fibre Cement

James Hardie

Full Year Result *

Net Sales	down	8% to US$273.3 million
Sales Volume	down	2% to 390.6 mmsf
Average Price	up	2% to A$879 per msf
EBIT	down	6% to US$47.1 million
EBIT Margin	up	0.3 pts to 17.2%

*Comparison is of the current full year versus the prior full year

Asia Pacific Fibre Cement

James Hardie

Key Points

Fourth Quarter

- Australia improved sales result despite overall market downturn
- NZ and Philippines performance affected by continuing decline in domestic economies
- US$ financial results affected negatively by depreciation of Asia Pacific currencies
- Sales of differentiated products continued to grow in Australia and New Zealand

Full Year

- In A$, Asia Pacific net sales remained flat at A$343.2 million
- EBIT performance in A$ increased by 4% due to lower SG&A expenses, partially offset by lower gross margin performance

Asia Pacific Fibre Cement

James Hardie

Outlook

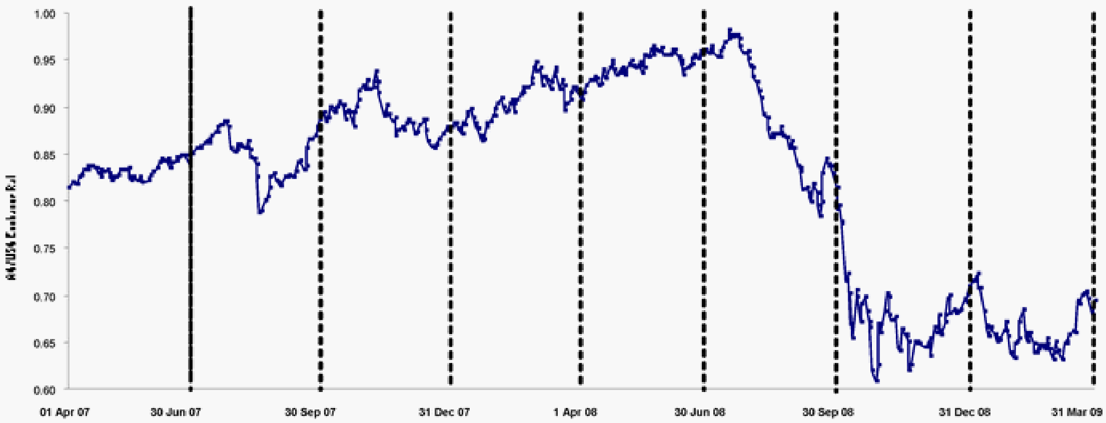
- Building approvals expected to continue to fall in Australia, partially offset by increased activity in medium density dwellings, and renovations
- New Zealand housing approvals to remain at current levels
- Non-differentiated products in Australia are expected to remain subject to strong competition
- Continued growth in sales of differentiated products to help offset challenging operating environment


James Hardie
Financial Review
Russell Chenu, CFO

Overview

- Result affected by further decline in housing construction activity in all markets
- Net operating profit affected by asbestos, ASIC expenses and tax adjustments
- Third and fourth FY09 instalment payments to AICF during Q4
- Reduced cash flow as a result of ATO settlement payment, quarterly instalment payments to AICF and reduced earnings contribution from US business
  - Excluding ATO settlement payment and payments to AICF, cash flow from operations continues to be strong at US$166.4m
- Continuing low levels of capital expenditure
- Significant depreciation of A$: US$ exchange rate affecting results

Consequences of depreciating A$ versus US$



- 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

James Hardie

Results – Q4

US$ Millions	Q4'09	Q4'08	% Change
Net sales	241.3	312.9	(23)
Gross profit	69.2	107.2	(35)
SG&A expenses	(47.1)	(60.3)	22
Research & development expenses	(6.0)	(7.5)	20
Asset impairments	-	(38.6)	-
Asbestos adjustments	(176.5)	(182.3)	3
EBIT	**(160.4)**	**(181.5)**	**12**
Net interest expense	(1.1)	(2.2)	50
Other expense	(14.8)	-	-
Income tax benefit	46.7	36.8	27
Net operating loss	**(129.6)**	**(146.9)**	**12**

James Hardie

Results – Q4 (continued)

US$ Millions	Q4'09	Q4'08	% Change
Net operating loss	(129.6)	(146.9)	12
Asbestos:			
Asbestos adjustments	176.5	182.3	(3)
AICF SG&A (income) expenses	(0.7)	1.3	-
AICF interest income	(1.6)	(2.4)	33
Impairment of AICF investments	14.8	-	-
Tax benefit related to asbestos adjustments	(48.7)	(46.2)	(5)
ASIC expenses (net of tax)	1.2	0.7	71
Asset impairments:			
Impairment charges/related costs (net of tax)	-	24.6	-
Impairment related costs (net of tax)	-	1.6	-
Tax adjustments	(4.7)	1.6	-
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	**7.2**	**16.6**	**(57)**

James Hardie

Results – Full Year

US$ Millions	FY 2009	FY 2008	% Change
Net sales	1,202.6	1,468.8	(18)
Gross profit	388.8	530.0	(27)
SG&A expenses	(208.8)	(228.2)	9
Research & development expenses	(23.8)	(27.3)	13
Asset impairments	-	(71.0)	-
Asbestos adjustments	17.4	(240.1)	-
EBIT	**173.6**	**(36.6)**	**-**
Net interest (expense) income	(3.0)	1.1	-
Other expense	(14.8)	-	-
Income tax expense	(19.5)	(36.1)	46
Net operating profit	**136.3**	**(71.6)**	**-**

James Hardie

Results – Full Year (continued)

US$ Millions	FY 2009	FY 2008	% Change
Net operating profit (loss)	136.3	(71.6)	-
Asbestos:			
Asbestos adjustments	(17.4)	240.1	-
AICF SG&A expenses	0.7	4.0	(83)
AICF interest income	(6.4)	(9.4)	32
Impairment of AICF investments	14.8	-	-
Tax benefit related to asbestos adjustments	(48.7)	(45.8)	(6)
ASIC expenses (net of tax)	10.4	4.1	-
Asset impairments:			
Impairment charges (net of tax)	-	44.6	-
Impairment related costs (net of tax)	-	2.0	-
Tax adjustments	7.2	5.8	-
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	**96.9**	**173.8**	**(44)**

Segment Net Sales – Q4

US$ Millions	Q4'09	Q4'08	% Change
USA and Europe Fibre Cement	188.7	239.4	(21)
Asia Pacific Fibre Cement	52.6	73.5	(28)
Total	**241.3**	**312.9**	**(23)**

Segment Net Sales – Full Year

US$ Millions	FY 2009	FY 2008	% Change
USA and Europe Fibre Cement	929.3	1,170.5	(21)
Asia Pacific Fibre Cement	273.3	298.3	(8)
Total	**1,202.6**	**1,468.8**	**(18)**

James Hardie

Segment EBIT – Q4

US$ Millions	Q4'09	Q4'08	% Change
USA and Europe Fibre Cement	32.3	47.5	(32)
Asia Pacific Fibre Cement	6.7	10.7	(37)
Research & development[1]	(4.2)	(5.0)	16
Total segment EBIT	34.8	53.2	(34)
General Corporate excluding ASIC expenses and impairment related charges	(17.7)	(8.9)	(99)
Total EBIT excluding asbestos, ASIC expenses and asset impairments	**17.1**	**44.3**	**(61)**
Asbestos adjustments	(176.5)	(182.3)	3
AICF SG&A income (expenses)	0.7	(1.3)	-
ASIC expenses	(1.7)	(1.1)	55
Asset impairments	-	(41.1)	-
Total EBIT	(160.4)	(181.5)	12

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

Segment EBIT – Full Year

US$ Millions	FY 2009	FY 2008	% Change
USA and Europe Fibre Cement	199.3	306.3	(35)
Asia Pacific Fibre Cement	47.1	50.3	(6)
Research & development[1]	(18.9)	(18.1)	(4)
Total segment EBIT	227.5	338.5	(33)
General Corporate excluding ASIC expenses and impairment related charges	(56.6)	(51.3)	(10)
Total EBIT excluding asbestos, ASIC expenses and asset impairments	**170.9**	**287.2**	**(40)**
Asbestos adjustments	17.4	(240.1)	-
AICF SG&A expenses	(0.7)	(4.0)	(83)
ASIC expenses	(14.0)	(5.5)	-
Asset impairments	-	(74.2)	-
Total EBIT	173.6	(36.6)	-

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

Corporate Costs – Q4

US$ Millions	Q4'09	Q4'08	% Change
Stock compensation expense	2.1	2.7	22
Earnings-related bonus	0.9	1.2	25
ASIC expenses	1.7	1.1	(55)
SFAS 5 legal provisions	9.4	-	-
Other costs	5.3	7.5	29
Total	19.4	12.5	(55)

James Hardie

Corporate Costs – Full Year

US$ Millions	FY 2009	FY 2008	% Change
Stock compensation expense	7.2	7.7	6
Earnings-related bonus	2.2	3.2	31
ASIC expenses	14.0	5.5	-
SFAS 5 legal provisions	9.4	4.0	-
Other costs	37.8	39.6	4
Total	70.6	60.0	(18)

James Hardie

Net Interest (Expense) Income

US$ Millions	Q4'09	Q4'08	FY 2009	FY 2008
Gross interest expense	(3.9)	(4.6)	(11.2)	(11.1)
Interest income	1.2	-	1.8	2.8
Net interest expense excluding AICF net interest income	**(2.7)**	**(4.6)**	**(9.4)**	**(8.3)**
AICF net interest income	1.6	2.4	6.4	9.4
Net interest (expense) income	(1.1)	(2.2)	(3.0)	1.1

Income Tax Expense – Q4

US$ Millions	Q4'09	Q4'08
Operating (loss) profit before income taxes	(176.3)	(183.7)
Asbestos:		
Asbestos adjustments	176.5	182.3
AICF SG&A (income) expenses	(0.7)	1.3
AICF interest income	(1.6)	(2.4)
Loss on AICF investments	14.8	-
Asset impairments:		
Impairment charges	-	38.6
Impairment related costs	-	2.5
Operating profit before income taxes excluding asbestos and asset impairments	12.7	38.6
Income tax benefit	46.7	36.8
Tax benefit related to asbestos adjustments	(48.7)	(46.2)
Tax benefit related to asset impairments	-	(14.9)
Tax adjustments	(4.7)	1.6
Income tax expense excluding asbestos, asset impairments and tax adjustments	(6.7)	(22.7)
Effective tax rate excluding asbestos, asset impairments and tax adjustments	**52.8%**	**58.8%**

James Hardie

Income Tax Expense – Full Year

US$ Millions	FY 2009	FY 2008
Operating profit (loss) before income taxes	155.8	(35.5)
Asbestos:		
Asbestos adjustments	(17.4)	240.1
AICF SG&A expenses	0.7	4.0
AICF interest income	(6.4)	(9.4)
Loss on AICF investments	14.8	-
Asset impairments:		
Impairment charges	-	71.0
Impairment related costs	-	3.2
Operating profit before income taxes excluding asbestos and asset impairments	147.5	273.4
Income tax expense	(19.5)	(36.1)
Tax benefit related to asbestos adjustments	(48.7)	(45.8)
Tax benefit related to asset impairments	-	(27.6)
Tax adjustments	7.2	5.8
Income tax expense excluding asbestos, asset impairments and tax adjustments	(61.0)	(103.7)
Effective tax rate excluding asbestos, asset impairments and tax adjustments	**41.4%**	**37.9%**

EBITDA – Q4

US$ Millions	Q4'09	Q4'08	% Change
EBIT			
USA and Europe Fibre Cement	32.3	47.5	(32)
Asia Pacific Fibre Cement	6.7	10.7	(37)
Research & development	(4.2)	(5.0)	16
General Corporate excluding ASIC expenses and impairment related charges	(17.7)	(8.9)	(99)
Depreciation and Amortisation			
USA and Europe Fibre Cement	12.7	10.5	21
Asia Pacific Fibre Cement	2.1	3.9	(46)
Total EBITDA excluding asbestos, ASIC expenses and asset impairments	**31.9**	**58.7**	**(46)**
Asbestos adjustments	(176.5)	(182.3)	3
AICF SG&A expenses	0.7	(1.3)	-
ASIC expenses	(1.7)	(1.1)	(55)
Asset impairments	-	(41.1)	-
Total EBITDA	**(145.6)**	**(167.1)**	**13**

EBITDA – Full Year

US$ Millions	FY 2009	FY 2008	% Change
EBIT			
USA and Europe Fibre Cement	199.3	306.3	(35)
Asia Pacific Fibre Cement	47.1	50.3	(6)
Research & development	(18.9)	(18.1)	(4)
General Corporate excluding ASIC expenses and impairment related charges	(56.6)	(51.3)	(10)
Depreciation and Amortisation			
USA and Europe Fibre Cement	46.5	46.2	1
Asia Pacific Fibre Cement	9.9	10.3	(4)
Total EBITDA excluding asbestos, ASIC expenses and asset impairments	**227.3**	**343.7**	**(34)**
Asbestos adjustments	17.4	(240.1)	-
AICF SG&A expenses	(0.7)	(4.0)	-
ASIC expenses	(14.0)	(5.5)	-
Asset impairments	-	(74.2)	-
Total EBITDA	**230.0**	**19.9**	**-**

James Hardie

Cash Flow

US$ Millions	FY 2009	FY 2008	% Change
EBIT	**173.6**	**(36.6)**	**-**
Non-cash items			
- Asbestos adjustments	(17.4)	240.1	-
- Other non-cash items	6.1	7.8	(22)
- Change in restricted cash – asbestos	69.0	44.7	54
- Asset impairments	-	71.0	-
Net working capital movements	(24.0)	70.3	-
Cash generated by trading activities	**207.3**	**397.3**	**(48)**
Tax payments	(23.2)	(55.5)	(58)
Payment to the AICF	(110.0)	-	-
ATO Settlement	(101.6)	-	-
Deposit with ATO	(9.9)	(9.7)	2
Interest paid (net)	(7.8)	(12.8)	(39)
Net Operating Cash Flow	**(45.2)**	**319.3**	**-**
Purchases of property, plant & equipment	(26.1)	(38.5)	(32)
Dividends paid	(34.6)	(126.2)	(73)
Equity issued	0.1	3.3	(97)
Treasury Stock purchased	-	(208.0)	-
Other	53.3	(25.1)	-
Movement in Net Debt	**(52.5)**	**(75.2)**	**(30)**
Net Debt – 31 March 2008	(229.1)	(153.9)	(49)
Net Debt – 31 March 2009	**281.6**	**229.1**	**23**

James Hardie

Capital Expenditure

US$ Millions	FY 2009	FY 2008	% Change
USA and Europe Fibre Cement	21.2	32.9	36
Asia Pacific Fibre Cement	4.9	5.6	12
Total	**26.1**	**38.5**	**32**

Debt

- Debt facilities at 31 March 2009

US$ Millions		
Total facilities		498.3
Gross Debt	324.0	
Cash	42.4	
Net debt		281.6
Unutilised facilities and cash		**216.7**

- Weighted average remaining term of the total facilities was 1.6 years at 31 March 2009
- US$51.6 million of the total facilities maturing in June 2009 will not be extended
- James Hardie remains well within its financial debt covenants

Key Ratios

James Hardie

	FY09	FY08	FY07
EPS (Diluted)[1]	22.3c	36.9c	49.3c
Dividend Paid per share	8.0c	27.0c	9.0c
Return on Shareholders' Funds[1]	11.2%	17.7%	24.0%
Return on Capital Employed[2]	16.7%	24.2%	27.7%
EBIT/ Sales (EBIT margin)[2]	14.2%	19.2%	21.6%
Gearing Ratio[1]	24.0%	21.5%	12.5%
Net Interest Expense Cover[2]	18.2x	33.9x	51.2x
Net Interest Paid Cover[2]	21.9x	22.0x	65.2x
Net Debt Payback[3]	4.3yrs	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

Summary

- EBIT affected by reduced contribution from US and Asia Pacific businesses due to declines in overall housing market activity
- Corporate costs continuing to be inflated by remaining legacy issues
- Net operating profit affected by favourable asbestos adjustments, unfavourable ASIC expenses, unfavourable tax adjustments, litigation provisions and legacy costs
- Net cash flow from operations remains strong
- Results remain subject to fluctuation in A$: US$ exchange rate

James Hardie

Legacy Issues Update

ASIC Proceedings

- Further hearing in relation to exoneration and penalties pending

ATO tax assessments

- Settled FY 2002-2006 audits
- Court hearing for FY1999 amended assessment scheduled for September 2009

Domicile

- Review continuing
- Complexity driven by Dutch corporate law, Australian and US securities law and tax law in all these jurisdictions

Asbestos Compensation Funding Arrangements

- Updated actuarial report completed as at 31 March 2009
- Discounted central estimate increased to A$1,781.6 million from A$1,446.6 million
- As per AFFA, no contribution will be made to AICF in FY 2010

Updated Actuarial Estimate

A$ Millions	
KPMG Actuaries expected estimate for 31 March 2009, based on 31 March 2008 estimate	A$1,446.6
Increased by:	
Increase in numbers of claims	236.3
Lower discount rate	188.2
Reduced by:	
Reduction in average claims cost and legal costs	(72.6)
Claims inflation	(16.5)
Other	(0.4)
Actuarial estimate at 31 March 2009	A$1,781.6

Source: KPMG Actuaries

James Hardie

Updated Actuarial Estimate

Net accounting liability under Amended FFA

A$ millions (except where stated)	31-Mar-09	31-Mar-08
Central Estimate – Discounted	1,781.6	1,426.3
Discounting and inflation allowance	(257.3)	(40.1)
Provision for claims handling costs of AICF	72.0	73.5
Other US GAAP adjustments	37.7	32.0
Net (assets) liabilities of AICF (excl funding payment)	(0.4)	0.1
Contributions due to asbestos research and education	3.3	3.5
Effect of tax	(535.9)	(465.1)
Net post-tax liability	1,101.0	1,030.2
Exchange rate A$ to US$	*1.4552*	*1.0903*
Net post-tax liability in US$ millions	756.6	944.9

Updated Actuarial Estimate

Comparison*

A$ Billions	30-Jun-04	31-Mar-05	30-Jun-05	31-Mar-06	30-Sep-06	31-Mar-07	31-Mar-08	31-Mar-09
Central Estimate – Discounted	1.536	1.685	1.568	1.517	1.555	1.355	1.426	1.782
Central Estimate – Undiscounted	3.586	3.604	3.131	3.079	3.169	2.811	3.027	3.124
Range – Undiscounted	2.0-5.7	2.0-5.9	1.5-5.5	1.7-5.3	1.8-5.7	1.6-5.1	1.9-5.4	1.9-5.5

* Source: KPMG Actuaries

James Hardie

Asbestos Fund Update

- AICF holdings at 31 March 2009
  - A$143.1m – cash and short-term investments
- Net claims paid FY09:

A$ millions	AICF FY09*	KPMG Actuarial Estimate FY09	AICF FY08*
Claims Paid	101.9	81.3	67.2
Legal Costs	9.6	4.1	7.1
Insurance and cross claim recoveries	(20.8)	(14.2)	(19.2)
Total net claims costs	90.7	71.2	55.1

* Source: Amaca Claims Service and AICF management reports


James Hardie
Questions & Answers

Endnotes

James Hardie

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

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	Q4 FY 2009	Q4 FY 2008	FY 2009	FY 2008
EBIT	$ (160.4)	$ (181.5)	$ 173.6	$ (36.6)
Asbestos:				
Asbestos adjustments	176.5	182.3	(17.4)	240.1
AICF SG&A expenses	(0.7)	1.3	0.7	4.0
ASIC expenses	1.7	1.1	14.0	5.5
Asset impairments:				
Impairment charges	-	38.6	-	71.0
Impairment related costs	-	2.5	-	3.2
EBIT excluding asbestos, ASIC expenses and asset impairments	17.1	44.3	170.9	287.2
Net Sales	$ 241.3	$ 312.9	$ 1,202.6	$ 1,468.8
EBIT margin excluding asbestos, ASIC expenses and asset impairments	7.1%	14.2%	14.2%	19.6%

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	Q4 FY 2009	Q4 FY 2008	FY 2009	FY 2008
Net operating (loss) profit	$ (129.6)	$ (146.9)	$ 136.3	$ (71.6)
Asbestos:				
Asbestos adjustments	176.5	182.3	(17.4)	240.1
AICF SG&A expenses	(0.7)	1.3	0.7	4.0
AICF interest income	(1.6)	(2.4)	(6.4)	(9.4)
Loss on AICF investments	14.8	-	14.8	-
Tax benefit related to asbestos adjustments	(48.7)	(46.2)	(48.7)	(45.8)
ASIC expenses (net of tax)	1.2	0.7	10.4	4.1
Asset impairments:				
Impairment charges (net of tax)	-	24.6	-	44.6
Impairment related costs (net of tax)	-	1.6	-	2.0
Tax adjustments	(4.7)	1.6	7.2	5.8
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	$ 7.2	$ 16.6	$ 96.9	$ 173.8

James Hardie

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	Q4 FY 2009	Q4 FY 2008	FY 2009	FY 2008
Net operating profit excluding asbestos, ASIC expenses, asset impairments and tax adjustments	$ 7.2	$ 16.6	$ 96.9	$ 173.8
Weighted average common shares outstanding - Diluted (millions)	435.6	434.6	434.4	456.1
Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments (US cents)	1.7	3.8	22.3	38.1

Non-US GAAP Financial Measures (continued)

<u>Effective tax rate excluding asbestos and tax adjustments</u> – 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.

James Hardie

Non-US GAAP Financial Measures (continued)

US$ Millions	Q4 FY 2009	Q4 FY 2008	FY 2009	FY 2008
Operating (loss) profit before income taxes	$ (176.3)	$ (183.7)	$ 155.8	$ (35.5)
Asbestos:				
Asbestos adjustments	176.5	182.3	(17.4)	240.1
AICF SG&A expenses	(0.7)	1.3	0.7	4.0
AICF interest income	(1.6)	(2.4)	(6.4)	(9.4)
Loss on AICF investments	14.8	-	14.8	-
Asset impairments:				
Impairment charges	-	38.6	-	71.0
Impairment related costs	-	2.5	-	3.2
Operating profit before income taxes excluding asbestos and asset impairments	$ 12.7	$ 38.6	$ 147.5	$ 273.4
Income tax benefit (expense)	46.7	36.8	(19.5)	(36.1)
Tax benefit related to asbestos adjustments	(48.7)	(46.2)	(48.7)	(45.8)
Tax benefit related to asset impairments	-	(14.9)	-	(27.6)
Tax adjustments	(4.7)	1.6	7.2	5.8
Income tax expense excluding asbestos, asset impairments and tax adjustments	(6.7)	(22.7)	(61.0)	(103.7)
Effective tax rate excluding asbestos, asset impairments and tax adjustments	52.8%	58.8%	41.4%	37.9%

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	Q4 FY 2009	Q4 FY 2008	FY 2009	FY 2008
EBIT	$ (160.4)	$ (181.5)	$ 173.6	$ (36.6)
Depreciation and amortisation	14.8	14.4	56.4	56.5
EBITDA	$ (145.6)	$ (167.1)	$ 230.0	$ 19.9

Non-US GAAP Financial Measures (continued)

Net cash (used in) provided by operating activities excluding payments to the AICF and ATO settlement payment – Net cash (used in) provided by operating activities excluding payments to the AICF and ATO Settlement payment is not a measure of financial performance under US GAAP and should not be considered an alternative to, or more meaningful than cash flows as defined by US GAAP. The company has included this financial measure to provide investors with an alternative method for assessing its operating results in a manner that is focused on the performance of its ongoing operations. The company's management uses this non-US GAAP measure for the same purpose.

US$ Millions	FY 2009	FY 2008
Net cash (used in) provided by operating activities	$ (45.2)	$ 319.3
Payments to the AICF	110.0	-
ATO settlement payment	101.6	-
Net cash provided from operating activities excluding payments to the AICF and ATO settlement payment	$ 166.4	$ 319.3

James Hardie

James Hardie Q4 FY09 Results

Management Presentation – 20 May 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 60. 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", "Effective tax rate excluding asbestos and tax adjustments", "EBITDA" and "Net cash (used in) provided by operating activities excluding payments to the AICF and ATO settlement payment"). Unless otherwise stated, results and comparisons are of the 4th quarter and current full fiscal year versus the 4th quarter and full year of the prior fiscal year.

Exhibit 99.4

James Hardie Industries N.V.
and Subsidiaries
Consolidated Financial Statements
as of and for the Period Ended 31 March 2009

James Hardie industries N.V. and Subsidiaries
Index

Item 1. Financial Statements

Report of Ernst & Young LLP, Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of
James Hardie Industries N.V.:

We have audited the consolidated balance sheet of James Hardie Industries N.V. and subsidiaries as of March 31, 2009, and the related consolidated statement of operations, shareholders' deficit, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of James Hardie Industries N.V. and subsidiaries for the years ended March 31, 2008 and 2007, were audited by other auditors whose report dated May 19, 2008, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of James Hardie Industries N.V. and subsidiaries at March 31, 2009, and the consolidated results of their operations and their cash flows for the year ended March 31, 2009, in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

Orange County, California
May 18, 2009

Item 1. Financial Statements

James Hardie Industries N.V. and Subsidiaries
Consolidated Balance Sheets

	(Millions of US dollars)		(Millions of Australian dollars)	
	31 March 2009	31 March 2008	**31 March 2009**	31 March 2008
			(Unaudited)	**(Unaudited)**
Assets				
Current assets:				
Cash and cash equivalents	**$ 42.4**	$ 35.4	**A$ 61.7**	A$ 38.6
Restricted cash and cash equivalents	**5.3**	5.0	**7.7**	5.5
Restricted cash and cash equivalents — Asbestos	**45.4**	37.4	**66.1**	40.8
Restricted short-term investments — Asbestos	**52.9**	77.7	**77.0**	84.7
Accounts and notes receivable, net of allow ance for doubtful accounts of $1.4 million (A$2.0 million) and $2.0 million (A$2.2 million) as of 31 March 2009 and 31 March 2008, respectively	**111.4**	131.4	**162.1**	143.3
Inventories	**128.9**	179.7	**187.6**	195.9
Prepaid expenses and other current assets	**20.4**	28.0	**29.7**	30.5
Insurance receivable — Asbestos	**12.6**	14.1	**18.3**	15.4
Workers' compensation — Asbestos	**0.6**	6.9	**0.9**	7.5
Deferred income taxes	**32.5**	8.2	**47.3**	8.9
Deferred income taxes — Asbestos	**12.3**	9.1	**17.9**	9.9
Total current assets	**464.7**	532.9	**676.3**	581.0
Property, plant and equipment, net	**700.8**	756.4	**1,019.8**	824.7
Insurance receivable — Asbestos	**149.0**	194.3	**216.9**	211.8
Workers' compensation — Asbestos	**73.8**	78.5	**107.4**	85.6
Deferred income taxes	**2.1**	13.2	**3.1**	14.4
Deferred income taxes — Asbestos	**333.2**	397.1	**484.8**	433.0
Deposit with Australian Taxation Office	**173.5**	205.8	**252.5**	224.4
Other assets	**1.6**	1.7	**2.3**	1.9
Total assets	**$ 1,898.7**	$ 2,179.9	**A$ 2,763.1**	A$ 2,376.8
Liabilities and Shareholders' Deficit				
Current liabilities:				
Accounts payable and accrued liabilities	**$ 89.1**	$ 107.6	**A$ 129.7**	A$ 117.3
Short-term debt	**93.3**	90.0	**135.8**	98.1
Accrued payroll and employee benefits	**35.5**	37.0	**51.7**	40.3
Accrued product warranties	**7.4**	6.9	**10.8**	7.5
Income taxes payable	**1.4**	13.0	**2.0**	14.2
Asbestos liability	**78.2**	78.7	**113.8**	85.8
Workers' compensation — Asbestos	**0.6**	6.9	**0.9**	7.5
Other liabilities	**9.5**	9.1	**13.8**	9.9
Total current liabilities	**315.0**	349.2	**458.5**	380.6
Long-term debt	**230.7**	174.5	**335.7**	190.3
Deferred income taxes	**100.8**	84.2	**146.7**	91.8
Accrued product warranties	**17.5**	10.8	**25.5**	11.8
Asbestos liability	**1,206.3**	1,497.8	**1,755.4**	1,633.1
Workers' compensation — Asbestos	**73.8**	78.5	**107.4**	85.6
Other liabilities	**63.3**	187.5	**92.1**	204.4
Total liabilities	**2,007.4**	2,382.5	**A$ 2,921.3**	A$ 2,597.6
Commitments and contingencies (Note 13)				
Shareholders' deficit:				
Common stock, Euro 0.59 par value, 2.0 billion shares authorised; 432,263,720 shares issued at 31 March 2009 and 432,214,668 issued at 31 March 2008	**219.2**	219.7		
Additional paid-in capital	**22.7**	19.3		
Accumulated deficit	**(352.8)**	(454.5)		
Common stock in treasury, at cost, nil shares and 708,695 shares at 31 March 2009 and 31 March 2008, respectively	**—**	(4.0)		
Accumulated other comprehensive (loss) income	**2.2**	16.9		
Total shareholders' deficit	**(108.7)**	(202.6)		
Total liabilities and shareholders' deficit	**$ 1,898.7**	$ 2,179.9		

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

James Hardie Industries N.V. and Subsidiaries
Consolidated Statements of Operations

(Millions of US dollars, except per share data)	Years Ended 31 March 2009	2008	2007
Net sales	**$ 1,202.6**	$ 1,468.8	$ 1,542.9
Cost of goods sold	**(813.8)**	(938.8)	(969.9)
Gross profit	**388.8**	530.0	573.0
Selling, general and administrative expenses	**(208.8)**	(228.2)	(214.6)
Research and development expenses	**(23.8)**	(27.3)	(25.9)
Impairment charges	**—**	(71.0)	—
SCI and other related expenses	**—**	—	(13.6)
Asbestos adjustments	**17.4**	(240.1)	(405.5)
Operating income (loss)	**173.6**	(36.6)	(86.6)
Interest expense	**(11.2)**	(11.1)	(12.0)
Interest income	**8.2**	12.2	5.5
Other expense	**(14.8)**	—	—
Income (loss) before income taxes	**155.8**	(35.5)	(93.1)
Income tax (expense) benefit	**(19.5)**	(36.1)	243.9
Income (loss) before cumulative effect of change in accounting principle	**136.3**	(71.6)	150.8
Cumulative effect of change in accounting principle for stock-based compensation, net of income tax expense of nil, nil and $0.4 million, respectively	**—**	—	0.9
Net income (loss)	**$ 136.3**	$ (71.6)	$ 151.7
Net income (loss) per share — basic	**$ 0.32**	$ (0.16)	$ 0.33
Net income (loss) per share — diluted	**$ 0.31**	$ (0.16)	$ 0.33
Weighted average common shares outstanding (Millions):			
Basic	**432.3**	455.0	464.6
Diluted	**434.5**	455.0	466.4

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

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

(Millions of Australian dollars, except per share data)	Years Ended 31 March 2009	2008	2007
Net sales	**A$ 1,515.3**	A$ 1,689.6	A$ 2,016.0
Cost of goods sold	**(1,025.4)**	(1,079.9)	(1,267.3)
Gross profit	**489.9**	609.7	748.7
Selling, general and administrative expenses	**(263.1)**	(262.5)	(280.4)
Research and development expenses	**(30.0)**	(31.4)	(33.8)
Impairment charges	**—**	(81.7)	—
SCI and other related expenses	**—**	—	(17.8)
Asbestos adjustments	**21.9**	(276.2)	(529.8)
Operating income (loss)	**218.7**	(42.1)	(113.1)
Interest expense	**(14.1)**	(12.8)	(15.7)
Interest income	**10.3**	14.0	7.2
Other expense	**(18.6)**	—	—
Income (loss) before income taxes	**196.3**	(40.9)	(121.6)
Income tax (expense) benefit	**(24.6)**	(41.5)	318.7
Income (loss) before cumulative effect of change in accounting principle	**171.7**	(82.4)	197.1
Cumulative effect of change in accounting principle for stock-based compensation, net of income tax expense of nil, nil and A$0.5 million, respectively	**—**	—	1.2
Net income (loss)	**A$ 171.7**	A$ (82.4)	A$ 198.3
Net income (loss) per share — basic	**A$ 0.40**	A$ (0.18)	A$ 0.43
Net income (loss) per share — diluted	**A$ 0.40**	A$ (0.18)	A$ 0.43
Weighted average common shares outstanding (Millions):			
Basic	**432.3**	455.0	464.6
Diluted	**434.5**	455.0	466.4

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

James Hardie Industries N.V. and Subsidiaries
Consolidated Statements of Cash Flows

(Millions of US dollars)	Years Ended 31 March 2009	2008	2007
Cash Flows From Operating Activities			
Net income (loss)	**$ 136.3**	$ (71.6)	$ 151.7
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:			
Depreciation and amortisation	**56.4**	56.5	50.7
Deferred income taxes	**(58.2)**	(54.0)	(310.4)
Prepaid pension cost	**0.7**	1.0	(0.4)
Stock-based compensation	**7.2**	7.7	4.5
Asbestos adjustments	**(17.4)**	240.1	405.5
Cumulative effect of change in accounting principle	**—**	—	(0.9)
Other-than-temporary impairment on investments	**14.8**	—	—
Impairment charges	**—**	71.0	—
Other	**—**	(3.4)	1.3
Changes in operating assets and liabilities:			
Restricted cash and cash equivalents	**69.0**	44.7	(5.0)
Payment to the AICF	**(110.0)**	—	(146.9)
Accounts and notes receivable	**6.6**	39.6	(4.8)
Inventories	**40.3**	(26.6)	(19.5)
Prepaid expenses and other current assets	**5.7**	4.9	(0.1)
Insurance receivable — Asbestos	**16.5**	16.7	—
Accounts payable and accrued liabilities	**(11.4)**	2.6	(18.4)
Asbestos liability	**(91.1)**	(67.0)	—
Deposit with Australian Taxation Office	**(9.9)**	(9.7)	(154.8)
ATO settlement payment	**(101.6)**	—	—
Other accrued liabilities and other liabilities	**0.9**	66.8	(19.6)
Net cash (used in) provided by operating activities	**(45.2)**	319.3	(67.1)
Cash Flows From Investing Activities			
Purchases of property, plant and equipment	**(26.1)**	(38.5)	(92.6)
Net cash used in investing activities	**(26.1)**	(38.5)	(92.6)
Cash Flows From Financing Activities			
Proceeds from short-term borrowings	**128.8**	291.0	—
Repayments of short-term borrowings	**(125.5)**	(284.0)	(98.0)
Proceeds from long-term borrowings	**431.6**	333.5	105.0
Repayments of long-term borrowings	**(375.4)**	(264.0)	(121.7)
Proceeds from issuance of shares	**0.1**	3.3	18.5
Tax benefit from stock options exercised	**—**	—	1.8
Treasury stock purchased	**—**	(208.0)	—
Dividends paid	**(34.6)**	(126.2)	(42.1)
Collections on loans receivable	**—**	—	0.1
Net cash provided by (used in) financing activities	**25.0**	(254.4)	(136.4)
Effects of exchange rate changes on cash	**53.3**	(25.1)	15.1
Net increase (decrease) in cash and cash equivalents	**7.0**	1.3	(281.0)
Cash and cash equivalents at beginning of period	**35.4**	34.1	315.1
Cash and cash equivalents at end of period	**$ 42.4**	$ 35.4	$ 34.1
Components of Cash and Cash Equivalents			
Cash at bank and on hand	**$ 8.9**	$ 21.6	$ 26.1
Short-term deposits	**33.5**	13.8	8.0
Cash and cash equivalents at end of period	**$ 42.4**	$ 35.4	$ 34.1
Supplemental Disclosure of Cash Flow Activities			
Cash paid during the year for interest, net of amounts capitalised	**$ 7.8**	$ 12.8	$ 3.9
Cash paid during the year for income taxes, net	**$ 23.2**	$ 70.4	$ 80.8

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

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

(Millions of Australian dollars)	Years Ended 31 March 2009	2008	2007
Cash Flow s From Operating Activities			
Net income (loss)	**A$ 171.7**	A$ (82.4)	A$ 198.3
Adjustments to reconcile net income (loss) to net cash (used in) provided by operating activities:			
Depreciation and amortisation	**71.1**	65.0	66.2
Deferred income taxes	**(73.3)**	(62.1)	(405.6)
Prepaid pension cost	**0.9**	1.2	(0.5)
Stock-based compensation	**9.1**	8.9	5.9
Asbestos adjustments	**(21.9)**	276.2	529.8
Cumulative effect of change in accounting principle	**—**	—	(1.2)
Other-than-temporary impairment on investments	**18.6**	—	—
Impairment charges	**—**	81.7	—
Other	**—**	(3.9)	1.7
Changes in operating assets and liabilities:			
Restricted cash and cash equivalents	**86.9**	51.4	(6.4)
Payment to the AICF	**(138.6)**	—	(192.1)
Accounts and notes receivable	**8.3**	45.6	(6.3)
Inventories	**50.8**	(30.6)	(25.5)
Prepaid expenses and other current assets	**7.2**	5.6	(0.1)
Insurance receivable — Asbestos	**20.8**	19.2	—
Accounts payable and accrued liabilities	**(14.4)**	3.0	(24.0)
Asbestos liability	**(114.8)**	(77.1)	—
Deposit with Australian Taxation Office	**(12.5)**	(11.2)	(202.3)
ATO settlement payment	**(128.0)**	—	—
Other accrued liabilities and other liabilities	**1.1**	76.8	(25.6)
Net cash (used in) provided by operating activities	**(57.0)**	367.3	(87.7)
Cash Flow s From Investing Activities			
Purchases of property, plant and equipment	**(32.9)**	(44.3)	(121.0)
Net cash used in investing activities	**(32.9)**	(44.3)	(121.0)
Cash Flow s From Financing Activities			
Proceeds from short-term borrowings	**162.3**	334.8	—
Repayments of short-term borrowings	**(158.1)**	(326.7)	(128.0)
Proceeds from long-term borrowings	**543.8**	383.6	137.2
Repayments of long-term borrowings	**(473.0)**	(303.7)	(159.0)
Proceeds from issuance of shares	**0.1**	3.8	24.2
Tax benefit from stock options exercised	**—**	—	2.4
Treasury stock purchased	**—**	(239.3)	—
Dividends paid	**(43.6)**	(145.2)	(55.0)
Collections on loans receivable	**—**	—	0.1
Net cash provided by (used in) financing activities	**31.5**	(292.7)	(178.1)
Effects of exchange rate changes on cash	**81.5**	(34.0)	(11.3)
Net increase (decrease) in cash and cash equivalents	**23.1**	(3.7)	(398.1)
Cash and cash equivalents at beginning of period	**38.6**	42.3	440.4
Cash and cash equivalents at end of period	**A$ 61.7**	A$ 38.6	A$ 42.3
Components of Cash and Cash Equivalents			
Cash at bank and on hand	**A$ 13.0**	A$ 23.6	A$ 32.4
Short-term deposits	**48.7**	15.0	9.9
Cash and cash equivalents at end of period	**A$ 61.7**	A$ 38.6	A$ 42.3
Supplemental Disclosure of Cash Flow Activities			
Cash paid during the year for interest, net of amounts capitalised	**A$ 9.8**	A$ 14.7	A$ 4.8
Cash paid during the year for income taxes, net	**A$ 29.2**	A$ 81.0	A$ 100.2

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

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

(Millions of US dollars)	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive (Loss) Income	Total
Balances as of 31 March 2006	**$ 253.2**	**$ 158.4**	**$ (288.3)**	**$ —**	**$ (28.4)**	**$ 94.9**
Comprehensive income:						
Net income	—	—	151.7	—	—	151.7
Foreign currency translation gain	—	—	—	—	36.5	36.5
Other comprehensive income	—	—	—	—	36.5	36.5
Total comprehensive income						188.2
Adoption of FAS 158, net of tax	—	—	—	—	(2.7)	(2.7)
Stock-based compensation	—	4.5	—	—	—	4.5
Tax benefit from stock options exercised	—	1.8	—	—	—	1.8
Employee loans repaid	—	0.1	—	—	—	0.1
Stock options exercised	3.1	15.4	—	—	—	18.5
Dividends paid	—	—	(42.1)	—	—	(42.1)
Other	(4.5)	—	—	—	—	(4.5)
Balances as of 31 March 2007	**$ 251.8**	**$ 180.2**	**$ (178.7)**	**$ —**	**$ 5.4**	**$ 258.7**
Comprehensive loss:						
Net loss	—	—	(71.6)	—	—	(71.6)
Pension and post-retirement benefit adjustments	—	—	—	—	0.6	0.6
Unrealised loss on investments	—	—	—	—	(4.4)	(4.4)
Foreign currency translation gain	—	—	—	—	15.3	15.3
Other comprehensive income	—	—	—	—	11.5	11.5
Total comprehensive loss						(60.1)
Adoption of FIN 48	—	—	(78.0)	—	—	(78.0)
Stock-based compensation	—	7.7	—	—	—	7.7
Stock options exercised	0.5	2.8	—	—	—	3.3
Dividends paid	—	—	(126.2)	—	—	(126.2)
Treasury stock purchased	—	—	—	(208.0)	—	(208.0)
Treasury stock retired	(32.6)	(171.4)	—	204.0	—	—
Balances as of 31 March 2008	**$ 219.7**	**$ 19.3**	**$ (454.5)**	**$ (4.0)**	**$ 16.9**	**$ (202.6)**
Comprehensive income:						
Net income	—	—	136.3	—	—	136.3
Pension and post-retirement benefit adjustments	—	—	—	—	0.7	0.7
Unrealised loss on investments	—	—	—	—	4.4	4.4
Foreign currency translation loss	—	—	—	—	(19.8)	(19.8)
Other comprehensive loss	—	—	—	—	(14.7)	(14.7)
Total comprehensive income						121.6
Stock-based compensation	—	7.2	—	—	—	7.2
Tax benefit from stock options exercised	—	(0.4)	—	—	—	(0.4)
Stock options exercised	—	0.1	—	—	—	0.1
Dividends paid	—	—	(34.6)	—	—	(34.6)
Treasury stock retired	(0.5)	(3.5)	—	4.0	—	—
Balances as of 31 March 2009	**$ 219.2**	**$ 22.7**	**$ (352.8)**	**$ —**	**$ 2.2**	**$ (108.7)**

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.

Background

On 2 July 1998, ABN 60 000 009 263 Pty Ltd, formerly James Hardie Industries Limited ("JHIL"), then a public company organised under the laws of Australia and listed on the Australian Stock Exchange, announced a plan of reorganisation and capital restructuring (the "1998 Reorganisation"). James Hardie N.V. ("JHNV") was incorporated in August 1998, as an intermediary holding company, with all of its common stock owned by indirect subsidiaries of JHIL. On 16 October 1998, JHIL's shareholders approved the 1998 Reorganisation. Effective as of 1 November 1998, JHIL contributed its fibre cement businesses, its US gypsum wallboard business, its Australian and New Zealand building systems businesses and its Australian windows business (collectively, the "Transferred Businesses") to JHNV and its subsidiaries. In connection with the 1998 Reorganisation, JHIL and its non-transferring subsidiaries retained certain unrelated assets and liabilities.

On 24 July 2001, JHIL announced a further plan of reorganisation and capital restructuring (the "2001 Reorganisation"). Completion of the 2001 Reorganisation occurred on 19 October 2001. In connection with the 2001 Reorganisation, James Hardie Industries N.V. ("JHI NV"), formerly RCI Netherlands Holdings B.V., issued common shares represented by CHESS Units of Foreign Securities ("CUFS") on a one for one basis to existing JHIL shareholders in exchange for their shares in JHIL such that JHI NV became the new ultimate holding company for JHIL and JHNV.

Following the 2001 Reorganisation, JHI NV controls the same assets and liabilities as JHIL controlled immediately prior to the 2001 Reorganisation.

Previously deconsolidated entities have been consolidated beginning 31 March 2007 as part of the process of accounting for certain asbestos liabilities. Upon shareholder approval of the Amended and Restated Final Funding Agreement on 7 February 2007 (the "Amended FFA"), the Asbestos Injuries Compensation Fund (the "AICF") was deemed a special purpose entity and, as such, it was consolidated with the results for JHI NV. See Note 2 and Note 11 for additional information.

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.

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:

	31 March		
(US$1 = A$)	**2009**	2008	2007
Assets and liabilities	**1.4552**	1.0903	1.2395
Statements of operations	**1.2600**	1.1503	1.3066
Cash flows — beginning cash	**1.0903**	1.2395	1.3975
Cash flows — ending cash	**1.4552**	1.0903	1.2395
Cash flows — current period movements	**1.2600**	1.1503	1.3066

2. Summary of Significant Accounting Policies

Accounting Principles

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The US dollar is used as the reporting currency. All subsidiaries and special purpose entities are consolidated and all significant intercompany transactions and balances are eliminated.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Reclassifications

Certain prior year balances have been reclassified to conform to the current year presentation. The reclassifications do not impact shareholders' deficit.

Foreign Currency Translation

All assets and liabilities are translated into US dollars at current exchange rates while revenues and expenses are translated at average exchange rates in effect for the period. The effects of foreign currency translation adjustments are included directly in other comprehensive income in shareholders' equity. Gains and losses arising from foreign currency transactions are recognised in income currently.

Cash and Cash Equivalents

Cash and cash equivalents include amounts on deposit in banks and cash invested temporarily in various highly liquid financial instruments with original maturities of three months or less when acquired.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents include amounts on deposit with insurance companies.

Accounts Receivable

The Company periodically reviews trade receivables and estimates of the allowance for doubtful accounts. The allowance is determined by analysing specific customer accounts and assessing the risk of uncollectability based on insolvency, disputes or other collection issues.

Inventories

Inventories are valued at the lower of cost or market. Cost is generally determined under the first-in, first-out method, except that the cost of raw materials and supplies is determined using actual or average costs. Cost includes the costs of materials, labour and applied factory overhead. On a regular basis, the Company evaluates its inventory balances for excess quantities and obsolescence by analysing demand, inventory on hand, sales levels and other information. Based on these evaluations, inventory costs are written down, if necessary.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Property, plant and equipment of businesses acquired are recorded at their estimated cost based on fair value at the date of acquisition. Depreciation of property, plant and equipment is computed using the straight-line method over the following estimated useful lives:

	Years
Buildings	40
Building improvements	5 to 10
Manufacturing machinery	20
General equipment	5 to 10
Computer equipment, software and software development	3 to 7
Office furniture and equipment	3 to 10

The costs of additions and improvements are capitalised, while maintenance and repair costs are expensed as incurred. Interest is capitalised in connection with the construction of major facilities. Capitalised interest is recorded as part of the asset to which it relates and is amortised over the asset's estimated useful life. Retirements, sales and disposals of assets are recorded by removing the cost and accumulated depreciation amounts with any resulting gain or loss reflected in the consolidated statements of operations.

In accordance with Statement of Financial Accounting Standards ("SFAS") No. 143, "Accounting for Asset Retirement Obligations", the Company accrues for all asset retirement obligations in the period in which the liability is incurred. The initial measurement of an asset retirement obligation is based upon the present value of estimated cost and a related long-lived asset retirement cost is capitalised as part of the asset's carrying value and allocated to expense over the asset's useful life.

Impairment of Long-Lived Assets

In accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," long-lived assets, such as property, plant and equipment, and purchased intangibles subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of the asset exceeds its estimated future cash flows, an impairment charge is recognised by the amount by which the carrying amount of the asset exceeds the fair value of the assets.

Environmental Remediation Expenditures

Environmental remediation expenditures that relate to current operations are expensed or capitalised, as appropriate. Expenditures that relate to an existing condition caused by past operations, and which do not contribute to current or future revenue generation, are expensed. Liabilities are recorded when environmental assessments and/or remedial efforts are probable and the costs can be reasonably estimated. Estimated liabilities are not discounted to present value. Generally, the timing of these accruals coincides with completion of a feasibility study or the Company's commitment to a formal plan of action.

Revenue Recognition

The Company recognises revenue when the risks and obligations of ownership have been transferred to the customer, which generally occurs at the time of delivery to the customer. The Company records estimated reductions to sales for customer rebates and discounts including volume, promotional, cash and other discounts. Rebates and discounts are recorded based on management's best estimate when products are sold. The estimates are based on historical experience for similar programs and products. Management reviews these rebates and discounts on an ongoing basis and the related accruals are adjusted, if necessary, as additional information becomes available.

Cost of Goods Sold

Cost of goods sold is primarily comprised of cost of materials, labour and manufacturing. Cost of goods sold also includes the cost of inbound freight charges, purchasing and receiving costs, inspection costs, warehousing costs, internal transfer costs and shipping and handling costs.

Shipping and Handling

Shipping and handling costs are charged to cost of goods sold as incurred. Recovery of these costs is incorporated in the Company's sales price per unit and is therefore classified as part of net sales.

Selling, General and Administrative

Selling, general and administrative expenses primarily include costs related to advertising, marketing, selling, information technology and other general corporate functions. Selling, general and administrative expenses also include certain transportation and logistics expenses associated with the Company's distribution network.

Advertising

The Company expenses the production costs of advertising the first time the advertising takes place. Advertising expense was US$9.9 million, US$11.9 million and US$17.0 million during the years ended 31 March 2009, 2008 and 2007, respectively.

Research and Development

Research and development costs are charged to expense when incurred.

Accrued Product Warranties

An accrual for estimated future warranty costs is recorded based on an analysis by the Company, which includes the historical relationship of warranty costs to installed product.

Income Taxes

The Company accounts for income taxes under the asset and liability method. Under this method, deferred income taxes are recognised by applying enacted statutory rates applicable to future years to differences between the tax bases and financial reporting amounts of existing assets and liabilities. The effect on deferred taxes of a change in tax rates is recognised in income in the period that includes the enactment date. A valuation allowance is provided when it is more likely than not that all or some portion of deferred tax assets will not be realised. Interest and penalties related to uncertain tax positions are recognised in income tax expense.

Financial Instruments

To meet the reporting requirements of SFAS No. 107, "Disclosures About Fair Value of Financial Instruments", the Company calculates the fair value of financial instruments and includes this additional information in the notes to the consolidated financial statements when the fair value is different than the carrying value of those financial instruments. When the fair value reasonably approximates the carrying value, no additional disclosure is made. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realise in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Periodically, interest rate swaps, commodity swaps and forward exchange contracts are used to manage market risks and reduce exposure resulting from fluctuations in interest rates, commodity prices and foreign currency exchange rates. Where such contracts are designated as, and are effective as, a hedge, gains and losses arising on such contracts are accounted for in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities," as amended. Specifically, changes in the fair value of derivative instruments designated as cash flow hedges are deferred and recorded in other comprehensive income. These deferred gains or losses are recognised in income when the transactions being hedged are recognised. The ineffective portion of these hedges is recognised in income currently. Changes in the fair value of derivative instruments designated as fair value hedges are recognised in income, as are changes in the fair value of the hedged item. Changes in the fair value of derivative instruments that are not designated as hedges for accounting purposes are recognised in income. The Company does not use derivatives for trading purposes.

Stock-based Compensation

The Company recognised stock-based compensation expense (included in selling, general and administrative expense) of US$7.2 million, US$7.7 million and US$5.8 million for the years ended 31 March 2009, 2008 and 2007, respectively.

Upon adoption of SFAS No. 123R, "Accounting for Stock-Based Compensation", at the beginning of fiscal year 2007, the Company analysed forfeiture rates on all of its 2001 Stock Option Plan grants for which vesting was complete, resulting in an estimated weighted average forfeiture rate of 30.7%. Based on this estimated rate, a cumulative adjustment to stock-based compensation expense of US$1.3 million net of an income tax benefit of US$0.4 million was recorded effective 1 April 2006. The adjustment is presented on the consolidation statements of operations as a cumulative effect of change in accounting principle (net of income tax). The portion of the cumulative adjustment that relates to US-based employees caused a reduction in the deferred tax asset previously recorded. For the twelve months ended 31 March 2007, the amount of the cumulative adjustment related to US-based employees was US$1.0 million for which the related USA income tax adjustment was US$0.4 million.

Employee Benefit Plans

The Company sponsors both defined benefit and defined contribution retirement plans for its employees. Employer contributions to the defined contribution plans are recognised as periodic pension expense in the period that the employees' salaries or wages are earned. The defined benefit plan covers all eligible employees and takes into consideration the following components to calculate net periodic pension expense: (a) service cost; (b) interest cost; (c) expected return on plan assets; (d) amortisation of unrecognised prior service cost; (e) recognition of net actuarial gains or losses; and (f) amortisation of any unrecognised net transition asset. If the amount of the Company's total contribution to its pension plan for the period is not equal to the amount of net periodic pension cost, the Company recognises the difference either as a prepaid or accrued pension cost.

Dividends

Dividends are recorded as a liability on the date the Board of Directors formally declares the dividend.

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 shares issued pursuant to exercise of options granted under share option plans, had been issued. Accordingly, basic and dilutive common shares outstanding used in determining net income per share are as follows:

	Years Ended 31 March		
(Millions of shares)	**2009**	2008	2007
Basic common shares outstanding	**432.3**	455.0	464.6
Dilutive effect of stock awards	**2.2**	—	1.8
Diluted common shares outstanding	**434.5**	455.0	466.4

(US dollars)	**2009**	2008	2007
Net income (loss) per share — basic	**$0.32**	$(0.16)	$0.33
Net income (loss) per share — diluted	**$0.31**	$(0.16)	$0.33

Potential common shares of 19.0 million, 10.4 million and 7.7 million for the years ended 31 March 2009, 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.

Repurchased Common Stock

The Company accounts for repurchased common stock under the cost method and includes such treasury stock as a component of shareholders' equity. Retirement of treasury stock is recorded as a reduction of common stock and additional paid-in capital, as applicable.

Accumulated Other Comprehensive Income

Accumulated other comprehensive income includes foreign currency translation gains and losses, unrealised losses on investments and unrecognised pension costs, and is presented as a separate component of shareholders' deficit.

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 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 "Former James Hardie Companies")) 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, James Hardie 117 Pty Ltd (the "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 (expense) benefit* 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 Former James Hardie Companies 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 Former James Hardie Companies, and makes compensation payments in respect of those proven claims.

AICF

Under the terms of the Amended FFA, 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 Former James Hardie Companies. 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:

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 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$10.0 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 Former James Hardie Companies. 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 Former James Hardie Companies.

The portion of the KPMG Actuaries estimate that is expected to be met by the Former James Hardie Companies 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 Former James Hardie Companies 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.

<u>Asbestos-Related Research and Education Contributions</u>

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.

<u>Restricted Cash and Cash Equivalents</u>

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.

<u>Restricted Short-Term Investments</u>

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.

<u>AICF — Other Assets and Liabilities</u>

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.

<u>Deferred Income Taxes</u>

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. The current portion of the Asbestos deferred tax asset represents Australian tax benefits that will be available to the Company during the subsequent fiscal year.

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 will not have a material impact on the Company’s financial statements unless acquisitions are made.

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. Cash and Cash Equivalents

Cash and cash equivalents include amounts on deposit in banks and cash invested temporarily in various highly liquid financial instruments with original maturities of three months or less.

Cash and cash equivalents consist of the following components:

(Millions of US dollars)	31 March 2009	31 March 2008
Cash at bank and on hand	**$ 8.9**	$ 21.6
Short-term deposits	**33.5**	13.8
Total cash and cash equivalents	**$ 42.4**	$ 35.4

Short-term deposits are placed at floating interest rates varying between 0.18% to 5.00% and 2.14% to 2.93% as of 31 March 2009 and 2008, respectively.

4. Restricted Cash and Cash Equivalents

Included in restricted cash and cash equivalents is US$5.3 million and US$5.0 million related to an insurance policy as of 31 March 2009 and 2008, respectively.

5. Accounts and Notes Receivable

Accounts and notes receivable consist of the following components:

(Millions of US dollars)	31 March 2009	31 March 2008
Trade receivables	**$ 96.6**	$ 122.7
Other receivables and advances	**16.2**	10.7
Allowance for doubtful accounts	**(1.4)**	(2.0)
Total accounts and notes receivable	**$ 111.4**	$ 131.4

The collectability of accounts receivable, consisting mainly of trade receivables, is reviewed on an ongoing basis and an allowance for doubtful accounts is provided for known and estimated bad debts. The following are changes in the allowance for doubtful accounts:

(Millions of US dollars)	31 March 2009	31 March 2008
Balance at beginning of period	**$ 2.0**	$ 1.5
Charged to expense	**0.4**	0.6
Costs and deductions	**(1.0)**	(0.1)
Balance at end of period	**$ 1.4**	$ 2.0

6. Inventories

Inventories consist of the following components:

(Millions of US dollars)	31 March 2009	2008
Finished goods	**$ 82.5**	$ 127.4
Work-in-process	**4.7**	8.4
Raw materials and supplies	**48.9**	51.0
Provision for obsolete finished goods and raw materials	**(7.2)**	(7.1)
Total inventories	**$ 128.9**	$ 179.7

7. 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 31 March 2007:					
Cost	$ 16.9	$ 218.3	$ 811.3	$ 117.3	**$ 1,163.8**
Accumulated depreciation	—	(40.0)	(296.1)	—	**(336.1)**
Net book value	16.9	178.3	515.2	117.3	**827.7**
Changes in net book value:					
Capital expenditures	0.3	7.3	65.8	(34.9)	**38.5**
Retirements and sales	—	—	(1.2)	—	**(1.2)**
Depreciation	—	(12.0)	(44.5)	—	**(56.5)**
Impairment	—	(16.7)	(54.3)	—	**(71.0)**
Other movements	—	—	5.2	—	**5.2**
Foreign currency translation adjustments	—	—	13.7	—	**13.7**
Total changes	0.3	(21.4)	(15.3)	(34.9)	**(71.3)**
Balance at 31 March 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	3.4	52.7	(30.8)	**26.1**
Depreciation	—	(9.4)	(47.0)	—	**(56.4)**
Other movements	—	—	(0.2)	—	**(0.2)**
Foreign currency translation adjustments	—	—	(25.1)	—	**(25.1)**
Total changes	0.8	(6.0)	(19.6)	(30.8)	**(55.6)**
Balance at 31 March 2009:					
Cost	18.0	212.3	867.9	51.6	**1,149.8**
Accumulated depreciation	—	(61.4)	(387.6)	—	**(449.0)**
Net book value	$ 18.0	$ 150.9	$ 480.3	$ 51.6	**$ 700.8**

Construction in progress consists of plant expansions and upgrades.

Interest related to the construction of major facilities is capitalised and included in the cost of the asset to which it relates. Interest capitalised was US$0.1 million, US$0.6 million and US$5.3 million for the years ended 31 March 2009, 2008 and 2007, respectively. Depreciation expense for continuing operations was

US$56.4 million, US$56.5 million and US$50.7 million for the years ended 31 March 2009, 2008 and 2007, respectively.

Included in property, plant and equipment are restricted assets of the AICF with a net book value of US$0.8 million and US$0.6 million as of 31 March 2009 and 2008, respectively.

Asset Impairments

The Company recorded an asset impairment charge of US$32.4 million in the year ended 31 March 2008 in its USA and Europe Fibre Cement segment related to the suspension of production at its Blandon, Pennsylvania plant in the United States. The impaired assets include buildings and machinery, which were reduced to their estimated fair value based on valuation methods including quoted market prices and discounted future cash flows. These assets are being held for use by the Company.

The Company recorded an asset impairment charge of US$25.4 million in the year ended 31 March 2008 in its USA and Europe Fibre Cement segment, related to the closure of its Plant City, Florida Hardie Pipe plant. The impaired assets include buildings and machinery, which were reduced to their estimated fair value based on valuation methods including quoted market prices and discounted future cash flows. These assets are being held for use by the Company.

The Company recorded an asset impairment charge of US$13.2 million in the year ended 31 March 2008 related to buildings and machinery utilised to produce materials for the Company's products. This asset impairment was recorded in its USA and Europe Fibre Cement segment. The impaired assets were reduced to their estimated fair value based on valuation methods including quoted market prices and discounted future cash flows. These assets are being held for use by the Company.

8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following components:

	31 March	
(Millions of US dollars)	**2009**	2008
Trade creditors	**$ 44.4**	$ 73.7
Other creditors and accruals	**44.7**	33.9
Total accounts payable and accrued liabilities	**$ 89.1**	$ 107.6

9. Short and Long-Term Debt

Debt consists of the following components:

	31 March	
(Millions of US dollars)	**2009**	2008
Short-term debt	**$ 93.3**	$ 90.0
Long-term debt	**230.7**	174.5
Total debt[1]	**$ 324.0**	$ 264.5

1 Total debt at 1.48% and 3.63% weighted average interest rates at 31 March 2009 and 2008, respectively.

At 31 March 2009, the Company's credit facilities consisted of :

Description	Effective Interest Rate	Total Facility	Principal Drawn
(US$ millions)			
364-day facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until June 2009	1.43%	68.3	43.3
364-day facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until November 2009	1.85%	50.0	50.0
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until June 2010	1.37%	245.0	205.7
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until February 2011	1.78%	45.0	25.0
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		**$498.3**	**$ 324.0**

Credit facilities as of 31 March 2009 consist of 364-day facilities in the amount of US$68.3 million, which as of 31 March 2009, mature in June 2009. The Company is aware that US$51.6 million of this amount will not be extended. The Company has requested extensions of the maturity date of the remaining US$16.7 million of such credit facilities.

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. At 31 March 2009, there was US$324.0 million drawn under the combined facilities and US$174.3 million was available.

At 31 March 2009, 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, Amaca, ABN 60 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; for these purposes "net worth" means the sum of the par value (or value stated in the books of the James Hardie Group) of the capital stock (but excluding treasury stock and capital stock subscribed or unissued) of the James Hardie Group, the paid in capital and retained earnings of the James Hardie Group and the aggregate amount of provisions made by the James Hardie Group for asbestos related liabilities, in each case, as such amounts would be shown in the consolidated balance sheet of the James Hardie Group if Amaba, Amaca, ABN 60 and Marlew Mining Pty Limited were not accounted for as subsidiaries of the Company, (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, Amaca, ABN 60 and Marlew Mining Pty Limited and (iv) must ensure that no more than 35% of its Free Cash Flow (as defined in the Amended

FFA) in any given Financial Year is contributed to the AICF on the payment dates under the Final Funding Agreement in the next following Financial Year. The limit does not apply to payments of interest to the AICF. Such limits are consistent with the contractual liabilities of the Performing Subsidiary and the Company under the Amended FFA.

10. Product Warranties

The Company offers various warranties on its products, including a 50-year limited warranty on certain of its fibre cement siding products in the United States. A typical warranty program requires the Company to replace defective products within a specified time period from the date of sale. The Company records an estimate for future warranty related costs based on an analysis of actual historical warranty costs as they relate to sales. Based on this analysis and other factors, the adequacy of the Company's warranty provisions is adjusted as necessary. While the Company's warranty costs have historically been within its calculated estimates, it is possible that future warranty costs could differ from those estimates.

Additionally, the Company includes in its accrual for product warranties amounts for a Class Action Settlement Agreement (the "Settlement Agreement") related to its previous roofing products, which are no longer manufactured in the United States. On 14 February 2002, the Company signed the Settlement Agreement for all product, warranty and property related liability claims associated with these previously manufactured roofing products. These products were removed from the marketplace between 1995 and 1998 in areas where there had been any alleged problems. The total amount included in the product warranty provision relating to the Settlement Agreement is US$1.9 million and US$2.7 million as of 31 March 2009 and 2008, respectively.

The following are the changes in the product warranty provision:

(Millions of US dollars)	Years Ended 31 March 2009	2008
Balance at beginning of period	**$ 17.7**	$ 15.2
Accruals for product warranties	**14.6**	10.2
Settlements made in cash or in kind	**(7.1)**	(7.9)
Foreign currency translation adjustments	**(0.3)**	0.2
Balance at end of period	**$ 24.9**	$ 17.7

11. 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:

(Millions of US dollars)	Years Ended 31 March 2009	2008	2007
Change in estimates:			
Change in actuarial estimate — asbestos liability	**$ (180.9)**	$ (175.0)	$ 50.3
Change in actuarial estimate — insurance receivable	**19.8**	27.4	(22.6)
Change in estimate — AICF claims-handling costs	**(1.2)**	(6.5)	0.8
Change in estimate — other	**—**	1.2	—
Subtotal — Change in estimates	**(162.3)**	(152.9)	28.5
Gain (loss) on foreign currency exchange	**179.7**	(87.2)	(94.5)
Tax impact related to the implementation of the Amended FFA	—	—	(335.0)
Other adjustments	—	—	(4.5)
Total Asbestos Adjustments	**$ 17.4**	$ (240.1)	$ (405.5)

James Hardie Industries N.V. and Subsidiaries

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".

	31 March	
(Millions of US dollars)	**2009**	2008
Asbestos liability — current	**$ (78.2)**	$ (78.7)
Asbestos liability — non-current	**(1,206.3)**	(1,497.8)
Asbestos liability — Total	**(1,284.5)**	(1,576.5)
Insurance receivable — current	**12.6**	14.1
Insurance receivable — non-current	**149.0**	194.3
Insurance receivable — Total	**161.6**	208.4
Workers' compensation asset — current	**0.6**	6.9
Workers' compensation asset — non-current	**73.8**	78.5
Workers' compensation liability — current	**(0.6)**	(6.9)
Workers' compensation liability — non-current	**(73.8)**	(78.5)
Workers' compensation — Total	**—**	—
Deferred income taxes — current	**12.3**	9.1
Deferred income taxes — non-current	**333.2**	397.1
Deferred income taxes — Total	**345.5**	406.2
Income tax payable (reduction in income tax payable)	**22.8**	20.4
Other net liabilities	**(2.0)**	(3.4)
Net Amended FFA liability	**(756.6)**	(944.9)
Restricted cash and cash equivalents and restricted short-term investment assets of the AICF	**98.3**	115.1
Unfunded Net Amended FFA liability	**$ (658.3)**	$ (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 2009.

The changes in the asbestos liability for the year ended 31 March 2009 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]	111.5	1.2600	88.5
AICF claims-handling costs incurred[1]	3.3	1.2600	2.6
Change in actuarial estimate[2]	(263.3)	1.4552	(180.9)
Change in estimate of AICF claims-handling costs[2]	(1.8)	1.4552	(1.2)
Gain on foreign currency exchange			383.0
Asbestos liability — 31 March 2009	**A$ (1,869.2)**	1.4552	**$ (1,284.5)**

Insurance Receivable — Asbestos

The changes in the insurance receivable for the year ended 31 March 2009 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]	(20.8)	1.2600	(16.5)
Change in actuarial estimate[2]	28.8	1.4552	19.8
Loss on foreign currency exchange			(50.1)
Insurance receivable — 31 March 2009	**A$ 235.2**	1.4552	**$ 161.6**

Deferred Income Taxes — Asbestos

The changes in the deferred income taxes — asbestos for the year ended 31 March 2009 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]	(11.1)	1.2600	(8.8)
Impact of change in actuarial estimates[2]	70.9	1.4552	48.7
Loss on foreign currency exchange			(100.6)
Deferred tax assets — 31 March 2009	**A$ 502.7**	1.4552	**$ 345.5**

Income Tax Payable

A portion of the deferred income tax asset is applied against the Company's income tax payable. At 31 March 2009 and 31 March 2008, this amount was US$22.8 million and US$20.4 million, respectively. During the year ended 31 March 2009, there was a US$6.3 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$2.2 million and US$3.3 million at 31 March 2009 and 2008, respectively. 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$0.2 million at 31 March 2009 and a net liability of US$0.1 million at 31 March 2008. During the year ended 31 March 2009, there was a US$0.8 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 year ended 31 March 2009, no short-term investments were purchased or sold.

The changes in the restricted cash and short-term investments of the AICF for the year ended 31 March 2009 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]	(111.5)	1.2600	(88.5)
Payments received in accordance with AFFA[3]	114.7	1.0648	107.7
Interest payments received in accordance with AFFA[3]	3.3	1.4368	2.3
AICF operating costs paid — claims-handling[1]	(3.3)	1.2600	(2.6)
AICF operating costs paid — non claims-handling[1]	(0.9)	1.2600	(0.7)
Insurance recoveries[1]	20.8	1.2600	16.5
Interest and investment income[1]	8.1	1.2600	6.4
Loss on investments[1]	(13.1)	1.2600	(10.4)
Other[1]	(0.5)	1.2600	(0.4)
Loss on foreign currency exchange			(47.1)
Restricted cash and cash equivalents and restricted short-term investments — 31 March 2009	**A$ 143.1**	1.4552	**$ 98.3**

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 31 March 2009 is used to convert the Australian dollar amount to US dollars as the adjustment to the estimate was made on that date.

3 The weighted average exchange rate for the actual exchange rates received on payment are used to convert the Australian dollar amount to US dollars.

Actuarial Study; Claims Estimate

The AICF commissioned an updated actuarial study of potential asbestos-related liabilities as of 31 March 2009. 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. Based on the results of these studies, it is estimated that the discounted (but inflated) value of the central estimate for claims against the Former James Hardie Companies was approximately A$1.8 billion (US$1.2 billion). The undiscounted (but inflated) value of the central estimate of the asbestos-related liabilities of Amaca and Amaba as determined by KPMG Actuaries was approximately A$3.1 billion (US$2.1 billion). Actual liabilities of those companies for such claims could vary, perhaps materially, from the central estimate described above. The asbestos liability includes projected future 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.

The asbestos liability has been revised to reflect the most recent actuarial estimate prepared by KPMG Actuaries as of 31 March 2009 and to adjust for payments made to claimants during the year then ended.

In estimating the potential financial exposure, KPMG Actuaries made assumptions related to the total number of claims which were reasonably estimated to be asserted through 2071, the typical cost of settlement (which is sensitive to, among other factors, the industry in which a plaintiff claims exposure, the alleged disease type and the jurisdiction in which the action is brought), the legal costs incurred in the litigation of such claims, the rate of receipt of claims, the settlement strategy in dealing with outstanding claims and the timing of settlements.

Due to inherent uncertainties in the legal and medical environment, the number and timing of future claim notifications and settlements, the recoverability of claims against insurance contracts, and estimates of future trends in average claim awards, as well as the extent to which the above named entities will contribute to the overall settlements, the actual amount of liability could differ materially from that which is currently projected.

The potential range of costs as estimated by KPMG Actuaries is affected by a number of variables such as nil settlement rates (where no settlement is payable by the Former James Hardie Companies because the claim settlement is borne by other asbestos defendants (other than the former James Hardie subsidiaries) which are held liable), peak year of claims, past history of claims numbers, average settlement rates, past history of Australian asbestos-related medical injuries, current number of claims, average defence and plaintiff legal costs, base wage inflation and superimposed inflation. The potential range of losses disclosed includes both asserted and unasserted claims. While no assurances can be provided, the Company believes that it is likely to be able to partially recover losses from various insurance carriers. As of 31 March 2009, KPMG Actuaries' undiscounted central estimate of asbestos-related liabilities was A$3.1 billion (US$2.1 billion). This undiscounted (but inflated) central estimate is net of expected insurance recoveries of A$462.3 million (US$317.7 million) after making a general credit risk allowance for bad debt insurance carriers and an allowance for A$83.5 million (US$57.4 million) of "by claim" or subrogation recoveries from other third parties. In accordance with FIN 39, the Company has not netted the insurance receivable against the asbestos liability on its consolidated balance sheets.

A sensitivity analysis has been performed to determine how the actuarial estimates would change if certain assumptions (i.e., the rate of inflation and superimposed inflation, the average costs of claims and legal fees, and the projected numbers of claims) were different from the assumptions used to determine the central estimates. This analysis shows that the discounted (but inflated) central estimates could be in a range of A$1.2 billion (US$0.8 billion) to A$2.6 billion (US$1.8 billion) (undiscounted, but inflated, estimates of A$1.9 billion (US$1.3 billion) to A$5.5 billion (US$3.8 billion)), as of 31 March 2009. It should be noted that the actual cost of the liabilities could be outside of that range depending on the results of actual experience relative to the assumptions made. One of the critical assumptions is the estimated peak year of mesothelioma disease claims which is targeted for 2010/2011. Potential variation in this estimate has an impact much greater than the other sensitivities. If the peak year occurs five years later, in 2015/2016, the discounted central estimate could increase by approximately 50%.

Claims Data

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

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:

	For the Years Ended 31 March				
	2009	2008	2007	2006[1]	2005
Number of open claims at beginning of period	**523**	490	564	712	687
Number of new claims	**607**	552	463	346	489
Number of closed claims	**596**	519	537	502	464
Number of open claims at end of period	**534**	523	490	556	712
Average settlement amount per settled claim	**A$ 190,638**	A$ 147,349	A$ 166,164	A$ 151,883	A$ 157,594
Average settlement amount per case closed	**A$ 168,248**	A$ 126,340	A$ 128,723	A$ 122,535	A$ 136,536
Average settlement amount per settled claim	**US$ 151,300**	US$ 128,096	US$ 127,163	US$ 114,318	US$ 116,572
Average settlement amount per case closed	**US$ 133,530**	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.

12. 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 March 2009 according to the valuation techniques the Company used to determine their fair values.

(Millions of US Dollars)	Fair Value at 31 March 2009	Fair Value Measurements Using Inputs Considered as Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	$ 42.4	$ 42.4	$ —	$ —
Restricted cash and cash equivalents	50.7	50.7	—	—
Restricted short-term investments	52.9	52.9	—	—
Total Assets	$ 146.0	$ 146.0	$ —	$ —
Liabilities				
Accounts Payable	1.9	—	1.9	—
Total Liabilities	$ 1.9	$ —	$ 1.9	$ —

Restricted short-term investments are held and managed by the AICF and are reported at their fair value. The fair value of these investments decreased US$10.4 million and US$4.4 million in the years ended 31 March 2009 and 2008, respectively. At 31 March 2008, the Company had recorded the US$4.4 million loss as unrealised and as a separate component of accumulated other comprehensive income. However, at 31 March 2009, the Company determined these investments were other than temporarily impaired due to the current economic environment, the length of time the fair value of the assets were less than cost and the deepness of the discount of the fair value compared to the assets cost. The Company realised the entire US$14.8 million change in fair value as a loss on the Consolidated Statement of Operations within the line item *Other Expense*.

At 31 March 2009, the Company had four interest rate swap contracts with a fair value of US$1.9 million, which are included in *Accounts Payable*. Movements in the fair value of these interest rate swaps are recorded in the statement of operations in *Interest Expense* and Interest Income. For all of these interest rate swap contracts, the Company has agreed to pay fixed interest rates while receiving a floating interest rate. These contracts were entered into to protect against upward movements in US$ LIBOR and the associated interest the Company pays on its external debt.

13. Commitment and Contingencies

ASIC Proceedings

Judgment

On 23 April 2009, Justice Gzell delivered judgment in the civil proceedings commenced by the Australian Securities & Investments Commission ("ASIC") in February 2007 in the Supreme Court of New South Wales against the Company, a former related entity JHIL (now ABN 60), and ten former directors and officers. The trial of the proceedings concluded in early March 2009.

As against the Company, Justice Gzell found that:

- the Company breached section 1041E of Australia's Corporations Act 2001 (Cth) ("Act") (false or misleading statements) and section 1041H of the Act (misleading or deceptive conduct) by delivering a set of slides to the Australian Securities Exchange ("ASX") in June 2002 that referred to the creation and funding of the Medical Research and Compensation Fund by ABN 60 in February 2001, and
- the Company breached section 674(2) of the Act (continuous disclosure) in the period 25 March to 30 June 2003 in not disclosing the transfer of JHIL out of the James Hardie Group.

However, Justice Gzell dismissed the remaining allegations made by ASIC against the Company in relation to statements made by its former CEO, Peter Macdonald, in Edinburgh and London in June 2002.

Justice Gzell also made breach findings against ABN 60 and each of the former directors and officers (details of which may be obtained from ASIC's website), but also dismissed several allegations made by ASIC against these parties.

There will be a further hearing in relation to exoneration and penalties. This is expected to occur in June or possibly as late as July 2009, and may involve further evidence. Orders as to costs and penalties are expected to be entered after this, but at present, there is no agreed timetable.

Appeal

The Company is considering its position regarding an appeal as are the other parties, as the Company understands it.

Indemnities

As noted previously, 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 ASIC proceedings. The Company has and may continue to incur costs under these indemnities which may be significant. In this respect, the Company has obligations, or has offered, to advance funds in respect of defence costs and such advances have been and may 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 arrangement to continue. The Company notes that other recoveries may be available, including 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. The Company may also incur a liability to meet a proportion of ASIC's costs of the ASIC proceedings to the extent it was successful against the Company and individual defendant who are indemnified by the Company, the Court makes a cost order to this effect, and the costs payable are not offset by any costs claims the Company or indemnified defendants may have against ASIC in relation to an interlocutory appeal or which it is not reasonable for ASIC to claim.

There remains uncertainty surrounding the likely outcome of the ASIC proceedings and any potential appeals. There is a possibility that the Company could become responsible for other amounts in addition to the defence costs, such as a proportion of ASIC's costs, as noted above. However, at this stage, the Company believes that although such amounts are reasonably possible, the amount or range of such amounts is not estimable.

Chile Litigation

On 24 April 2009, a trial court in Santiago, Chile awarded the equivalent of US$13.4 million in damages against Fibrocementos Volcan Limitada ("FC Volcan", the former James Hardie Chilean entity), in civil litigation brought by Industria Cementa Limitada ("Cementa") in 2007. FC Volcan is appealing the decision to the Santiago Court of Appeal.

Cementa, a fibre cement manufacturer in Chile, commenced anti-trust proceedings in 2003 against the former James Hardie Chilean entity alleging that it had engaged in predatory pricing, by selling products below cost when it entered the Chilean market, in breach of the relevant anti-trust laws in Chile. Another fibre cement manufacturer in Chile Producción Química y Electrónica Quimel S.A. ("Quimel") also joined the proceedings.

As these actions existed prior to James Hardie's sale of its Chilean business in July 2005, the Company had agreed to indemnify the buyer subject to certain conditions and limitations, for damages or penalties awarded against FC Volcan in relation to such proceedings, and the Company retained conduct of the defence of the matters.

After the anti-trust proceedings concluded in 2006, Cementa, in 2007, brought a separate civil action against FC Volcan claiming that Cementa had suffered damages, allegedly as a result of predatory pricing. This action resulted in the US$13.4 million damages award which is now the subject of the appeal by FC Volcan.

Quimel also filed a separate civil action against FC Volcan in 2007 claiming that it had suffered damages, allegedly as a result of predatory pricing. A court decision in that action is anticipated during the currentthis quarter.

The Company denied and continues to deny the allegations of predatory pricing in Chile. The Company retained conduct of the appeal of the two civil damages matters. The Company intends to vigorously pursue all appellate and other alternatives as it does not concur with the decision of the trial court. The Company also intends to exercise its rights under the indemnification provisions, including applicable conditions and limitations.

As at 31 March 2009 management believes it has adequately provided for this contingency as required under SFAS No. 5.

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 is not expected to 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, the Chile litigation 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.

Operating Leases

As the lessee, the Company principally enters into property, building and equipment leases. The following are future minimum lease payments for non-cancellable operating leases having a remaining term in excess of one year at 31 March 2009:

Years ending 31 March:	(Millions of US dollars)
2010	$ 14.0
2011	12.2
2012	11.0
2013	10.4
2014	10.3
Thereafter	38.9
Total	$ 96.8

Rental expense amounted to US$14.5 million, US$10.2 million and US$12.1 million for the years ended 31 March 2009, 2008 and 2007, respectively.

Capital Commitments

Commitments for the acquisition of plant and equipment and other purchase obligations, primarily in the United States, contracted for but not recognised as liabilities and generally payable within one year, were US$0.6 million at 31 March 2009.

Note 11 *Asbestos* and Note 14 *Income Taxes* contain certain additional disclosures relating to commitments and contingencies.

14. Income Taxes

Income tax expense includes income taxes currently payable and those deferred because of temporary differences between the financial statement and tax bases of assets and liabilities. Income tax (expense) benefit for continuing operations consists of the following components:

(Millions of US dollars)	Years Ended 31 March 2009	2008	2007
(Loss) income from continuing operations before income taxes:			
Domestic[1]	**$ 24.6**	$ 80.1	$ 110.9
Foreign	**131.2**	(115.6)	(204.0)
(Loss) income from continuing operations before income taxes	**$ 155.8**	$ (35.5)	$ (93.1)
Income tax (expense) benefit:			
Current:			
Domestic[1]	**$ (0.1)**	$ (7.1)	$ 0.4
Foreign	**37.4**	(102.1)	(63.7)
Current income tax (expense) benefit	**37.3**	(109.2)	(63.3)
Deferred:			
Domestic[1]	**(0.1)**	(0.2)	0.1
Foreign	**(56.7)**	73.3	307.1
Deferred income tax (expense) benefit	**(56.8)**	73.1	307.2
Total income tax (expense) benefit for continuing operations	**$ (19.5)**	$ (36.1)	$ 243.9

1 Since JHI NV is the Dutch parent holding company, domestic represents The Netherlands.

Income tax (expense) benefit computed at the statutory rates represents taxes on income applicable to all jurisdictions in which the Company conducts business, calculated as the statutory income tax rate in each jurisdiction multiplied by the pre-tax income attributable to that jurisdiction. Income tax benefit (expense) from continuing operations is reconciled to the tax at the statutory rates as follows:

(Millions of US dollars)	Years Ended 31 March 2009	2008	2007
Income tax benefit (expense) computed at statutory tax rates	**$ (47.0)**	$ 7.8	$ 16.2
US state income taxes, net of the federal benefit	**(2.9)**	(1.9)	(6.5)
Asbestos provision	**—**	—	242.0
Asbestos — effect of foreign exchange	**51.2**	(27.5)	(24.1)
Benefit from Dutch financial risk reserve regime	**1.8**	7.3	8.1
Expenses not deductible	**(7.8)**	(3.2)	(1.7)
Non-assessable items	**1.6**	2.7	1.8
Losses not available for carryforward	**(4.1)**	(1.4)	(3.2)
Change in reserves	**(13.4)**	(18.5)	10.4
Taxes on foreign income	**(2.7)**	(2.1)	(1.9)
State amended returns and audit	**3.0**	—	—
Change in tax law	**—**	—	3.0
Other items	**0.8**	0.7	(0.2)
Total income tax (expense) benefit	**$ (19.5)**	$ (36.1)	$ 243.9
Effective tax rate	**12.5%**	101.7%	262.0%

Deferred tax balances consist of the following components:

(Millions of US dollars)	31 March 2009	31 March 2008
Deferred tax assets:		
Asbestos liability	**$ 345.5**	$ 406.2
Other provisions and accruals	**28.5**	27.0
Net operating loss carryforwards	**1.9**	6.3
Capital loss carryforwards	**22.8**	40.0
Taxes on intellectual property transfer	**3.6**	6.5
Prepayments	**4.2**	2.9
Foreign currency movements	**6.6**	—
Other	**2.1**	0.8
Total deferred tax assets	**415.2**	489.7
Valuation allowance	**(22.8)**	(45.1)
Total deferred tax assets, net of valuation allowance	**392.4**	444.6
Deferred tax liabilities:		
Property, plant and equipment	**(105.7)**	(93.4)
Accrued interest income	**(7.5)**	—
Foreign currency movements	—	(15.2)
Total deferred tax liabilities	**(113.2)**	(108.6)
Net deferred tax assets	**$ 279.2**	$ 336.0

Under SFAS No. 109, “Accounting for Income Taxes”, the Company establishes a valuation allowance against a deferred tax asset if it is more likely than not that some portion or all of the deferred tax asset will not be realised. The Company has established a valuation allowance pertaining to all of its Australian capital loss carryforwards. The valuation allowance decreased by US$22.3 million during the fiscal year 2009 due to foreign currency movements and write-offs of certain losses as part of the ATO settlement.

At 31 March 2009, the Company had Australian tax loss carryforwards of approximately US$1.9 million that will never expire.

At 31 March 2009, the Company had US$76.0 million in Australian capital loss carryforwards which will never expire. At 31 March 2009, the Company had a 100% valuation allowance against the Australian capital loss carryforwards.

At 31 March 2009, the undistributed earnings of non-Dutch subsidiaries approximated US$724.9 million. The Company intends to indefinitely reinvest these earnings, and accordingly, has not provided for taxes that would be payable upon remittance of those earnings. The amount of the potential deferred tax liability related to undistributed earnings is impracticable to determine at this time.

The Company is subject to ongoing reviews by taxing jurisdictions on various tax matters, including challenges to various positions the Company asserts on its income tax returns. The Company accrues for tax contingencies based upon its best estimate of the taxes ultimately expected to be paid, which it updates over time as more information becomes available. Such amounts are included in taxes payable or other non-current liabilities, as appropriate. If the Company ultimately determines that payment of these amounts is unnecessary, the Company reverses the liability and recognises a tax benefit during the period in which the Company determines that the liability is no longer necessary. The Company records additional tax expense in the period in which it determines that the recorded tax liability is less than the ultimate assessment it expects.

In fiscal years 2009, 2008 and 2007, the Company recorded income tax benefit of US$ **3.0**, nil and US$10.4 million, respectively, as a result of the finalisation of certain tax audits (whereby certain matters were settled), the expiration of the statute of limitations related to certain tax positions and adjustments to income tax balances based on the filing of amended income tax returns, which give rise to the benefit recorded by the Company.

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 tax year 2007. 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 currently derives significant tax benefits under the US-Netherlands tax treaty. The treaty was amended during fiscal year 2005 and became effective for the Company on 1 February 2006. The amended treaty provides, among other things, requirements that the Company must meet for the Company to continue to qualify for treaty benefits and its effective income tax rate. During fiscal year 2006, the Company made changes to its organisational and operational structure to satisfy the requirements of the amended treaty and believes that it is in compliance and should continue qualifying for treaty benefits. However, if during a subsequent tax audit or related process, the Internal Revenue Service ("IRS") determines that these changes do not meet the requirements, the Company may not qualify for treaty benefits and its effective income tax rate could significantly increase beginning in the fiscal year that such determination is made and it could be liable for taxes owed for calendar year 2008 and subsequent periods.

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.

As of 31 March 2009 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 a benefit of US$12.3 million and an expense of US$16.0 million, respectively

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	1.7	—
Additions for tax positions of prior year	37.3	(14.3)
Settlements paid during the current period	(72.0)	(39.6)
Foreign currency translation adjustment	(16.6)	(9.1)
Balance at 31 March 2009	**$ 12.3**	**$ (16.0)**

The Company recognises penalties and interest accrued related to unrecognised tax benefits in income tax expense. During the years ended 31 March 2009 and 2008, the total amount of interest and penalties recognised in tax expense/(benefit) was a benefit of US$14.3 million and an expense of US$1.8 million, respectively.

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.

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 ("Objection Decision"). 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 March 2009 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 March 2009 as a deposit and it is the Company's intention to treat any payments to be made at a later date as a deposit. As at 31 March 2009 and 2008, this deposit totaled US$173.5 million and US$205.8 million, respectively.

ATO Settlement

As announced on 12 December 2008, the Company and the ATO reached an agreement that finalised 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 settled 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 concluded 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.

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

On 23 June 2008, the IRS had issued the Company with a NOPA that concluded that the Company did not qualify for the United States — Netherlands Treaty Limitations on Benefits ("LOB") provision of the US-Netherlands Treaty applying from early 2006 and that accordingly it was not entitled to beneficial withholding tax rates on payments from the Company's United States subsidiaries to its Netherlands companies for the calendar years 2006 and 2007.

On 15 April 2009 the Company announced that the Appeals Division of the IRS had entered into a settlement agreement with the Company's subsidiaries in which the IRS conceded its position in full with regard to its assertion in the NOPA. The IRS has concluded that, for those years, the Company is entitled to reduced withholding tax rates under the LOB for certain payments from the Company's United States subsidiaries to its Netherlands companies. There is no impact on the Company's fiscal year 2009 results. This agreement applies only to the 2006 and 2007 calendar years and does not affect or limit the IRS' ability to challenge the Company's qualification for benefits in later years.

15. Stock-Based Compensation

At 31 March 2009, the Company had the following equity award plans: the Executive Share Purchase Plan; the JHI NV 2001 Equity Incentive Plan; the 2005 Managing Board Transitional Stock Option Plan; the Long-Term Incentive Plan 2006 as amended in 2008 and the Supervisory Board Share Plan 2006.

Compensation expense arising from equity award grants as estimated using pricing models was US$7.2 million, US$7.7 million and US$5.8 million for the years ended 31 March 2009, 2008 and 2007, respectively. As of 31 March 2009, the unrecorded deferred stock-based compensation balance related to equity awards was US$9.9 million after estimated forfeitures and will be recognised over an estimated weighted average amortisation period of 2.5 years.

JHI NV 2001 Equity Incentive Plan

Under the JHI NV 2001 Equity Incentive Plan (the "2001 Equity Incentive Plan"), the Company can grant equity awards in the form of nonqualified stock options, performance awards, restricted stock grants, stock appreciation rights, dividend equivalent rights, phantom stock or other stock-based benefits such as restricted stock units. The 2001 Equity Incentive Plan was approved by our shareholders and the Joint Board subject to implementation of the consummation of the 2001 Reorganisation. The Company is authorised to issue 45,077,100 shares under the 2001 Equity Incentive Plan.

On 19 October 2001 (the grant date), JHI NV granted options to purchase 5,468,829 shares of the Company's common stock under the 2001 Equity Incentive Plan to key US executives in exchange for their previously granted Key Management Equity Incentive Plan ("KMEIP") shadow shares that were originally granted in November 2000 and 1999 by JHIL. These options may be exercised in five equal tranches (20% each year) starting with the first anniversary of the original shadow share grant.

Original Shadow Share Grant Date	Original Exercise Price	October 2001 Number of Options Granted	Option Expiration Date
November 1999	A$3.82	1,968,544	November 2009
November 2000	A$3.78	3,500,285	November 2010

As set out in the plan rules, the exercise prices and the number of shares available on exercise are adjusted on the occurrence of certain events, including new issues, share splits, rights issues and capital reconstructions. Consequently, the exercise prices were reduced by A$0.21, A$0.38 and A$0.10 for the November 2003, November 2002 and December 2001 returns of capital, respectively.

Under the 2001 Equity Incentive Plan, additional grants have been made at fair market value to management and other employees of the Company. Each option confers the right to subscribe for one ordinary share in the capital of JHI NV. The options may be exercised as follows: 25% after the first year; 25% after the second year; and 50% after the third year. All unexercised options expire 10 years from the date of issue or 90 days after the employee ceases to be employed by the Company.

The following table summarises the additional option grants:

Share Grant Date	Original Exercise Price	Number of Options Granted	Option Expiration Date
December 2001	A$5.65	4,248,417	December 2011
December 2002	A$6.66	4,037,000	December 2012
December 2003	A$7.05	6,179,583	December 2013
December 2004	A$5.99	5,391,100	December 2014
February 2005	A$6.30	273,000	February 2015
December 2005	A$8.90	5,224,100	December 2015
March 2006	A$9.50	40,200	March 2016
November 2006	A$8.40	3,499,490	November 2016
March 2007	A$8.90	179,500	March 2017
March 2007	A$8.35	151,400	March 2017
December 2007	A$6.38	5,031,310	December 2017

As set out in the plan rules, the exercise prices and the number of shares available on exercise may be adjusted on the occurrence of certain events, including new issues, share splits, rights issues and capital reconstructions. Consequently, the exercise prices on the December 2002 and December 2001 option grants were reduced by A$0.21 for the November 2003 return of capital and the December 2001 option grant was reduced by A$0.38 for the November 2002 return of capital.

Under the 2001 Equity Incentive Plan, the Company granted 1,690,711 and nil restricted shares of common stock to its employees in the years ended 31 March 2009 and 2008, respectively. These restricted shares may not be sold, transferred, assigned, pledged or otherwise encumbered so long as such shares remain restricted. The Company determines the conditions or restrictions of any restricted stock awards, which may include requirements of continued employment, individual performance or the Company's financial performance or other criteria.

Managing Board Transitional Stock Option Plan

The Managing Board Transitional Stock Option Plan provides an incentive to the members of the Managing Board. The maximum number of shares that may be issued and outstanding or subject to outstanding options under this plan without further shareholder approval is 1,320,000 shares. At 31 March 2009 and 2008, there were 1,320,000 options outstanding under this plan.

On 22 November 2005, the Company granted options to purchase 1,320,000 shares of the Company's common stock at an exercise price per share equal to A$8.53 to the Managing Directors under the Managing Board Transitional Stock Option Plan. As set out in the plan rules, the exercise price and the number of shares available on exercise may be adjusted on the occurrence of certain events, including new issues, share splits, rights issues and capital reconstructions. 50% of these options become exercisable on the first business day on or after 22 November 2008 if the total shareholder returns ("TSR") (essentially its dividend yield and common stock performance) from 22 November 2005 to that date were at least equal to the median TSR for the companies comprising the Company's peer group, as set out in the plan. In addition, for each 1% increment that the Company's TSR is above the median TSR, an additional 2% of the options become exercisable. If any options remain unvested on the last business day of each six month period following 22 November 2008 and 22 November 2010, the Company will reapply the vesting criteria to those options on that business day.

Long-Term Incentive Plan

At the 2006 Annual General Meeting, the Company's shareholders approved the establishment of a Long-Term Incentive Plan ("LTIP") to provide incentives to members of the Company's Managing Board and to certain members of its management ("Executives"). The shareholders also approved, in accordance with certain LTIP rules, the issue of options in the Company to members of the Company's Managing Board and to Executives. In November 2006, 1,132,000 options were granted under the LTIP to the Managing Board. In August 2007 an additional 1,016,000 options were granted to the Managing Board under the LTIP. The vesting of these options are subject to 'performance hurdles' as outlined in the LTIP rules. Unexercised options expire 10 years from the date of issue. At 31 March 2009, there were 2,148,000 options outstanding under this plan.

Under the LTIP, the Company granted 1,569,622 and nil restricted shares of common stock to its employees in the years ended 31 March 2009 and 2008, respectively. These restricted shares may not be sold, transferred, assigned, pledged or otherwise encumbered so long as such shares remain restricted. The Company determines the conditions or restrictions of any restricted stock awards, which may include requirements of continued employment, individual performance or the Company's financial performance or other criteria.

Supervisory Board Share Plan 2006

At the 2006 Annual General Meeting, the Company's shareholders approved the replacement of its Supervisory Board Share Plan with a new plan called the Supervisory Board Share Plan 2006 ("SBSP 2006"). Participation by members of the Supervisory Board in the SBSP 2006 is not mandatory. The SBSP 2006 allows the Company to issue new shares or acquire shares on the market on behalf of the participant. The total remuneration of a Supervisory Board member will take into account any participation in the SBSP 2006 and shares under the SBSP 2006. At 31 March 2009, 79,342 shares had been acquired under this plan.

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 31 March 2007	19,420,793	18,939,817	A$7.52
Granted	(6,047,310)	6,047,310	A$6.62
Exercised	—	(606,079)	A$6.33
Forfeited	2,190,811	(2,190,811)	A$7.79
Balance at 31 March 2008	**15,564,294**	**22,190,237**	**A$7.29**
Newly Authorised	4,291,230	—	
Granted	—	—	
Exercised	—	(25,000)	A$5.99
Forfeited	3,892,309	(3,892,309)	A$7.34
Balance at 31 March 2009	**23,747,833**	**18,272,928**	**A$7.28**

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 binomial lattice model that incorporates a Monte Carlo Simulation (the “Monte Carlo method”).

There were no stock options granted during the year ended 31 March 2009. For the years ended 31 March 2008 and 2007, the Company granted 5,031,310 and 3,830,390 stock options under the 2001 Equity Incentive Plan, respectively. For the years ended 31 March 2008 and 2007, the Company granted 1,016,000 and 1,132,000 stock options under the LTIP, respectively.

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 years ended 31 March:

	2008	2007
Dividend yield	5.0%	1.5%
Expected volatility	30.0%	28.1%
Risk free interest rate	3.4%	4.6%
Expected life in years	4.4	5.1
Weighted average fair value at grant date	A$ 1.13	A$ 2.40
Number of stock options	5,031,310	3,830,390

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 the Monte Carlo method during the years ended 31 March:

	2008	2007
Dividend yield	5.0%	1.6%
Expected volatility	32.1%	28.1%
Risk free interest rate	4.2%	4.6%
Weighted average fair value at grant date	A$ 3.14	A$ 3.30
Number of stock options	1,016,000	1,132,000

The total intrinsic value of stock options exercised was nil, A$1.2 million and A$10.3 million for the years ended 31 March 2009, 2008 and 2007, respectively.

The weighted average grant-date fair value of stock options granted was A$1.47 and A$2.61 during the years ended 31 March 2008 and 2007, respectively.

Windfall tax benefits realised in the United States from stock options exercised and included in cash flows from financing activities in the consolidated statements of cash flows were nil, nil and US$1.8 million for the years ended 31 March 2009, 2008 and 2007, respectively.

The following table summarises outstanding and exercisable options as of 31 March 2009:

(In Australian dollars)

Exercise Price	Options Outstanding: Number	Options Outstanding: Weighted Average Remaining Life (in Years)	Options Outstanding: Weighted Average Exercise Price	Options Outstanding: Aggregate Intrinsic Value	Options Exercisable: Number	Options Exercisable: Weighted Average Exercise Price	Options Exercisable: Aggregate Intrinsic Value
A$ 3.09	409,907	1.6	A$ 3.09	454,997	409,907	A$ 3.09	A$ 454,997
3.13	100,435	0.6	3.13	107,465	100,435	3.13	107,465
5.06	617,592	2.7	5.06	—	617,592	5.06	—
5.99	2,226,125	5.7	5.99	—	2,226,125	5.99	—
6.30	93,000	5.9	6.30	—	93,000	6.30	—
6.38	3,408,084	8.7	6.38	—	1,010,930	6.38	—
6.45	851,000	3.6	6.45	—	851,000	6.45	—
7.05	2,019,250	4.7	7.05	—	2,019,250	7.05	—
7.83	1,016,000	8.4	7.83	—	—	—	—
8.35	151,400	8.0	8.35	—	75,700	8.35	—
8.40	3,143,835	7.6	8.40	—	1,124,656	8.40	—
8.53	1,320,000	6.7	8.53	—	1,320,000	8.53	—
8.90	2,876,100	6.7	8.90	—	2,867,550	8.90	—
9.50	40,200	6.9	9.50	—	40,200	9.50	—
Total	18,272,928	6.6	A$ 7.27	A$ 562,462	12,756,345	A$ 6.83	A$ 562,462

The aggregate intrinsic value in the preceding table represents the total pre-tax intrinsic value based on stock options with an exercise price less than the Company's closing stock price of A$4.20 as of 31 March 2009, which would have been received by the option holders had those option holders exercised their options as of that date.

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
Vested	(24,052)	A$ 3.85
Forfeited	(245,220)	A$ 4.40
Nonvested at 31 March 2009	**2,991,061**	**A$ 3.95**

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 Septem ber 2008	Long-Term Incentive Plan	201,324
17 Decem ber 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 Company's 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 year ended 31 March 2009. There were no restricted stock units granted during the years ended 31 March 2008 and 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 LTIP, valued during the year ended 31 March 2009. There were no restricted stock units granted during the years ended 31 March 2008 and 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**

16. Share Repurchase Program

On 15 August 2007, the Company announced a share repurchase program of up to 10% of the Company's issued capital, approximately 46.8 million shares. The Company repurchased nil and 35.7 million shares of common stock during the years ended 31 March 2009 and 2008, respectively. The shares repurchased during the year ended 31 March 2008 had an aggregate cost of A$236.4 million (US$208.0 million) and the average price paid per share of common stock was A$6.62 (US$5.83). The US dollar amounts were determined using the weighted average spot rates for the days on which shares were purchased. The Company officially cancelled 35.0 million shares on 31 March 2008. On 27 March 2009, the Company cancelled the remaining 0.7 million shares held in treasury. The Company ceased the share repurchase program on 20 August 2008.

17. 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:

	Net Sales to Customers [1] Years Ended 31 March		
(Millions of US dollars)	**2009**	2008	2007
USA & Europe Fibre Cement	**$ 929.3**	$ 1,170.5	$ 1,291.2
Asia Pacific Fibre Cement	**273.3**	298.3	251.7
Worldwide total	**$ 1,202.6**	$ 1,468.8	$ 1,542.9

	Income (Loss) Before Income Taxes Years Ended 31 March		
(Millions of US dollars)	**2009**	2008	2007
USA & Europe Fibre Cement [2,3]	**$ 199.3**	$ 235.2	$ 353.1
Asia Pacific Fibre Cement [2]	**47.1**	50.3	39.4
Research and Development [2]	**(18.9)**	(18.1)	(17.1)
Segments total	**227.5**	267.4	375.4
General Corporate [4,5]	**(53.9)**	(304.0)	(462.0)
Total operating income (loss)	**173.6**	(36.6)	(86.6)
Net interest (expense) income [6]	**(3.0)**	1.1	(6.5)
Other expense	**(14.8)**	—	—
Worldwide total	**$ 155.8**	$ (35.5)	$ (93.1)

(Millions of US dollars)	Total Identifiable Assets 31 March 2009	2008
USA & Europe Fibre Cement	**$ 772.6**	$ 846.4
Asia Pacific Fibre Cement	**167.9**	218.3
Research and Development	**12.2**	13.9
Segments total	**952.7**	1,078.6
General Corporate[7,8]	**946.0**	1,101.3
Worldwide total	**$ 1,898.7**	$ 2,179.9

Geographic Areas

(Millions of US dollars)	Net Sales to Customers[1] Years Ended 31 March 2009	2008	2007
USA	**$ 912.2**	$ 1,153.1	$ 1,279.4
Australia	**193.2**	198.6	169.0
New Zealand	**50.0**	67.3	54.4
Other Countries	**47.2**	49.8	40.1
Worldwide total	**$ 1,202.6**	$ 1,468.8	$ 1,542.9

(Millions of US dollars)	Total Identifiable Assets 93.3 2009	2008
USA	**$ 774.4**	$ 846.6
Australia	**99.8**	139.0
New Zealand	**27.1**	26.1
Other Countries	**51.4**	66.9
Segments total	**952.7**	1,078.6
General Corporate[7,8]	**946.0**	1,101.3
Worldwide total	**$ 1,898.7**	$ 2,179.9

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

2 Research and development costs of US$8.0 million, US$7.7 million and US$11.1 million in fiscal years 2009, 2008 and 2007, respectively, were expensed in the USA and Europe Fibre Cement segment. Research and development costs of US$1.2 million, US$1.6 million and US$1.8 million in fiscal years 2009, 2008 and 2007, respectively, were expensed in the Asia Pacific Fibre Cement segment. Research and development costs of US$14.4 million, US$18.0 million and US$13.0 million in fiscal years 2009, 2008 and 2007, respectively, were expensed in the Research and Development segment. The Research and Development segment also included selling, general and administrative expenses of US$4.5 million, US$0.1 million and US$4.1 million in fiscal years 2009, 2008 and 2007, respectively.

Research and development expenditures are expensed as incurred and in total amounted to US$23.8 million, US$27.3 million and US$25.9 million for the years ended 31 March 2009, 2008 and 2007, respectively.

3 Included in USA and Europe Fibre Cement for the year ended 31 March 2008 are asset impairment charges of US$71.0 million.

4 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 year ended 31 March 2009 are favourable asbestos adjustments of US$17.4million, AICF SG&A expenses of US$0.7 million and ASIC expenses of US$15.0 million. Included in General Corporate for the year ended 31 March 2008 are unfavourable asbestos adjustments of US$240.1 million, AICF SG&A expenses of US$4.0 million and ASIC expenses of US$5.5 million. Included in General Corporate for the year ended 31 March 2007 are unfavourable asbestos adjustments of US$405.5 million and ASIC expenses of US$0.2 million

5 Includes costs of nil, nil, and US$13.6 million for SCI and other related expenses in fiscal years 2009, 2008 and 2007, respectively.

6 The Company does not report net interest expense for each operating segment as operating segments are not held directly accountable for interest expense. Included in net interest income (expense) is AICF interest income of US$6.4 million, US$9.4 and nil in fiscal years 2009, 2008 and 2007, respectively. See Note 11.

7 The Company does not report deferred tax assets and liabilities for each operating segment as operating segments are not held directly accountable for deferred income taxes. All deferred income taxes are included in General Corporate.

8 Asbestos-related assets at 31 March 2009 and 2008 are US$681.0 million and US$817.1 million, respectively, and are included in the General Corporate segment. See Note 11.

Concentrations of Risk

The distribution channels for the Company's fibre cement products are concentrated. If the Company were to lose one or more of its major customers, there can be no assurance that the Company will be able to find a replacement. Therefore, the loss of one or more customers could have a material adverse effect on the Company's consolidated financial position, results of operations and cash flows. The Company has three major customers that individually account for over 10% of the Company's net sales in one or all of the past three fiscal years.

These three customers' accounts receivable represented 35% and 42% of the Company's trade accounts receivable at 31 March 2009 and 2008, respectively. The following are gross sales generated by these three customers, which are all from the USA and Europe Fibre Cement segment:

	Years Ended 31 March					
(Millions of US dollars)	**2009**		2008		2007	
		%		%		%
Customer A	**$ 277.1**	23.0	$ 431.3	27.9	$ 446.3	26.7
Customer B	**149.6**	12.4	167.3	10.8	168.9	10.3
Customer C	**46.8**	3.9	108.2	7.0	172.3	10.1
	$ 473.5		$ 706.8		$ 787.5	

Approximately 24% of the Company's fiscal year 2009 net sales were derived from outside the United States. Consequently, changes in the value of foreign currencies could significantly affect the consolidated financial position, results of operations and cash flows of the Company's non-US operations on translation into US dollars.

18. Accumulated Other Comprehensive (Loss) Income

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

(Millions of US dollars)	31 March **2009**	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	**—**	(4.4)
Foreign currency translation adjustments	**3.6**	23.4
Total accumulated other comprehensive (loss) income	**$ 2.2**	$ 16.9

James Hardie Industries N.V. and Subsidiaries

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, existing 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:

- statements about the Company's future performance;
- projections of the Company's results of operations or financial condition;
- statements regarding the Company's plans, objectives or goals, including those relating to its strategies, initiatives, competition, acquisitions, dispositions and/or its products;
- 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;
- statements concerning the Company's corporate and tax domiciles and potential changes to them;
- 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 ASIC;
- expectations about the timing and amount of contributions to the AICF, a special purpose fund for the compensation of proven Australian asbestos-related personal injury and death claims;
- expectations concerning indemnification obligations; and
- statements about product or environmental liabilities.

Words such as "believe," "anticipate," "plan," "expect," "intend," "target," "estimate," "project," "predict," "forecast," "guideline," "aim," "will," "should," "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 results, 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 by these 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 US 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 currency exchange rate movements 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; reliance on a small number of 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; currency exchange risks; the concentration of the Company's customer base on large format retail customers, distributors and dealers; the effect of natural disasters; changes in key management personnel; and all other risks identified in the Company's reports filed with Australian, Dutch and US securities agencies and exchanges (as appropriate). The Company cautions that the foregoing list of factors is not exhaustive 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, events and conditions.