
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
of the Securities Exchange Act of 1934**

December 2, 2005

1-15240
(Commission File Number)

JAMES HARDIE INDUSTRIES N.V.

(Exact name of Registrant as specified in its charter)

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

Yes No

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

TABLE OF CONTENTS

Safe Harbor Statement	3
Exhibit Index	4
Signatures	5
EXHIBIT 99.1	

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 our annual reports to shareholders, in offering circulars and prospectuses, in media releases and other written materials and in oral statements made by our officers, directors or employees to analysts, institutional investors, representatives of the media and others. Examples of such forward-looking statements include:

- projections of our operating results or financial condition;
- statements regarding our plans, objectives or goals, including those relating to competition, acquisitions, dispositions and our products;
- statements about our future economic performance;
- statements about product or environmental liabilities; and
- expectations about payments to a special purpose fund for the compensation of proven asbestos-related personal injury and death claims.

Words such as “believe,” “anticipate,” “plan,” “expect,” “intend,” “target,” “estimate,” “project,” “predict,” “forecast,” “guideline,” “should,” “aim” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors, some of which are discussed under “Risk Factors” in our Form 20-F, 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 Group subsidiaries; compliance with and changes in tax laws and treatments; competition and product pricing in the markets in which we operate; the consequences of product failures or defects; exposure to environmental, asbestos or other legal proceedings; general economic and market conditions; the supply and cost of raw materials; the success of our research and development efforts; our reliance on a small number of product distributors; compliance with and changes in environmental and health and safety laws; risks of conducting business internationally; compliance with and changes in laws and regulations; foreign exchange risks; the successful implementation of new software systems; and the successful transition of our new senior management. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements. Forward-looking statements speak only as of the date they are made.

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Board Approves Final Funding Agreement/To Be Signed Today — Filed with the Australian Stock Exchange on December 1, 2005.

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: December 2, 2005

By: /s/ Benjamin Butterfield

Benjamin Butterfield
Secretary

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Board Approves Final Funding Agreement/To Be Signed Today — Filed with the Australian Stock Exchange on December 1, 2005.



1 December 2005

For media enquiries please contact James Rickards on Tel: 61 2 8274 5304 or Mob: 0419 731 371. For analyst enquiries please contact Steve Ashe on Tel: 61 2 8274 5246. Mob: 0408 164 011.

JAMES HARDIE BOARD APPROVES FINAL FUNDING AGREEMENT — AGREEMENT TO BE SIGNED TODAY

James Hardie Industries NV (JHINV) today announced that its Board has approved the Principal Deed (Final Funding Agreement) to provide long term funding for Australian asbestos-related personal injury claims that result from exposure to products made by former James Hardie Group subsidiaries.

Representatives of JHINV and the New South Wales Government are expected to sign the Final Funding Agreement today in Sydney.

The Final Funding Agreement was negotiated having regard to the terms of the Heads of Agreement signed on 21 December 2004 by the ACTU, NSW Government, Unions NSW, Asbestos support groups and James Hardie.

The Final Funding Agreement is a legally binding agreement and sets out the basis on which James Hardie will provide funding to the SPF. The arrangements include:

- the establishment of the SPF to compensate asbestos sufferers with claims against the former James Hardie Group subsidiaries, Amaca Pty Ltd, Amaba Pty Ltd or ABN 60 Pty Ltd;
- initial funding of the SPF by James Hardie of approximately A\$154 million;
- a two year rolling cash 'buffer' in the SPF and an annual contribution in advance, based on actuarial assessments of expected claims for the following three years, revised annually;
- a cap on the annual James Hardie payments to the SPF in all years, except the first year, initially set at 35% of annual net operating cash flow of the JHINV Group for the immediately preceding financial year, with provision for the percentage to decline over time, depending on James Hardie's financial performance and the claims outlook;
- no cap on individual payments to proven claimants; and
- special compensation arrangements for members of the Baryulgil community for asbestos-related claims arising from the activities of Marlew Mining Pty Ltd.

The Final Funding Agreement is subject to a number of conditions precedent, including James Hardie being satisfied with the tax treatment of the proposed funding arrangements and receiving the approval of its lenders and shareholders.

KPMG Actuaries has updated its actuarial report in relation to the expected liabilities of the SPF as at 30 June 2005. The KPMG Actuaries' central estimate of the net liabilities is A\$1,568 million. This figure is discounted and net of insurance recoveries and NSW cost savings following recent reforms by the NSW Government. The undiscounted value of the central estimate (net of NSW cost savings) of the liabilities is A\$3,131 million.

The arrangements are designed to provide funding for Australian proven personal injury claims whilst preserving the financial health and growth prospects of James Hardie. However, it should be recognised that because the number of claimants and the amounts that the courts may award is uncertain and James Hardie's financial performance is uncertain over the 40+ year term of the SPF, no absolute assurance as to sufficiency of funds can be given. No member of the JHINV Group has or shall have any liability for a shortfall in the SPF.

JHINV Chairman Meredith Hellicar said: "The signing of the Final Funding Agreement is another important step towards implementing the voluntary public commitment James Hardie made in July 2004 to establish a funding mechanism to meet the needs of current and future Australian claimants.

"While both parties to the Deed acknowledge that negotiations took longer than we or our stakeholders initially expected, it was necessary to take the time to achieve a sustainable and robust agreement in the interests of claimants and, the future financial viability of the fund and James Hardie.

"Today is not the end of the process. Our next steps include obtaining satisfactory tax treatment of the proposed funding arrangements from the Federal Government, then seeking approval for the funding arrangements from James Hardie's lenders and shareholders. These are our priorities.

"The Deed is in the interests of claimants, shareholders, employees and all other stakeholders.

"All parties involved in the negotiations have agreed it is in the interests of asbestos claimants that James Hardie is, and remains, financially strong and able to continue to fund its business growth. We expect the proposed funding arrangements will allow this as well as fulfil James Hardie's funding commitment.

"Throughout the negotiations, claimants continued to receive their compensation payments from the Medical Research and Compensation Foundation (MRCF) established by James Hardie in February 2001 and we have been told by asbestos support groups and the MRCF that no proven claim has gone unpaid."

Since the late 1980s, James Hardie has funded over \$400 million in asbestos claims. James Hardie understands the MRCF has funds available to meet proven claims well into 2006, by when it is hoped this long-term funding arrangement will have come into effect.

END

FINAL FUNDING AGREEMENT — BRIEFING NOTE

This document provides key facts about the Final Funding Agreement entered into between James Hardie Industries NV (JHINV) and the New South Wales Government for the provision of long term funding to meet expected Australian asbestos-related personal injury claims that result from exposure to products made by former James Hardie Group subsidiaries.

The Final Funding Agreement is consistent in all material respects with the terms of the Heads of Agreement signed on 21 December 2004 by the ACTU, NSW Government, UnionsNSW, asbestos support groups and James Hardie.

KEY PRINCIPLES

The two key principles underlying the Final Funding Agreement are:

1. The funding arrangement is intended to allow James Hardie to remain profitable, financially strong and to fund growth; and
2. The funding arrangement is intended to allow payments to be made by a Special Purpose Fund to all existing and future proven claimants, however no absolute assurance can be given that funding is sufficient.

The Final Funding Agreement includes the following key financial terms:

Special Purpose Fund

A Special Purpose Fund (SPF) will be created to compensate proven Australian asbestos claimants. A majority of directors of the SPF will be appointed by James Hardie.

Annual Actuarial Assessment

There will be an annual actuarial assessment of the liabilities of the SPF in order to take into account the uncertainties associated with actuaries' projections. This will enable the projections to be regularly updated in line with the actual claims experience and the claims outlook.

Subject to the Annual Cash Flow Cap described below, James Hardie will make payments to the SPF based on these annual actuarial assessments.

Buffer

Subject to the Annual Cash Flow Cap described below, close to the start of each year James Hardie will ensure that the SPF has a two-year rolling cash "buffer" and one year's payment based on the annual actuarial assessment of expected claims for the next three years. James Hardie will also provide for the expected operating expenses of the SPF for the next year.

Subject to the Annual Cash Flow Cap, there should be a maximum of approximately three years' funding available in the SPF close to the start of each year which, during the course of the year, should reduce to approximately two years of funding as claims are recognised and paid out. The funding will then be topped up by James Hardie (subject to the operation of the Annual Cash Flow Cap) close to the start of the next year so that it again represents approximately three years of projected claims based on the then current annual actuarial assessment. This dynamic structure should provide greater security to present and future claimants as the SPF should be better able to reflect changes in the incidence of claims and/or changes in the financial performance of James Hardie.

Annual Cash Flow Cap

There will be a Cash Flow Percentage Cap ("CFPC") on the annual James Hardie payments to the SPF in all years except the first year. It is not intended that there will be any caps on payments by the SPF to individual claimants. The CFPC will be initially set at 35% of James Hardie's net operating cash flow for the immediate preceding financial year. Net operating cash flow for the purposes of the cap will be equivalent to James Hardie's cash flow provided by operating activities and will be after taxes, interest, changes in working capital and asbestos payments by James Hardie to the SPF.

The 35% level is designed to ensure that all proven claimants can be paid whilst preserving the financial health and growth prospects of James Hardie. All parties recognise that James Hardie's continuing success is crucial to the long term security of the future payments. However, because the number of claimants and the amounts that the courts may award is uncertain and James Hardie's financial performance is uncertain over the 40+ year term of the SPF, no absolute assurance on this can be given. No member of the JHINV Group has or shall have any liability for a shortfall in the SPF.

Changes in the level of Cash Flow Percentage Cap

After the year ending 31 March 2011, the Final Funding Agreement provides that the CFPC may reduce in increments of 5% (to a floor of 10%), provided that the annual contributions are, on average, lower than the reduced CFPC level for the four years preceding the reduction, and that the CFPC cannot reduce by more than 5% in any four year period. There is also provision for the CFPC to increase in certain circumstances, although never above 35% and never by more than one increase of 5% above a previously reduced cap level.

The practical impact of the above cap, and conditions for changes in the level of the cap, is that the earliest that the CFPC could step down would be to 30% in the year ending 31 March 2012, to 25% for 2016, to 20% for 2020, to 15% for 2024 and to 10% for 2028 depending on the claims experience, anticipated claims payments and the financial performance of James Hardie.

Tax

James Hardie's payment obligations to the SPF (other than in respect of the initial funding) are conditional upon binding legislation or a binding private ruling which confirms the tax deductibility of the payments by James Hardie to the SPF and the exemption of the SPF from Australian income tax and thereafter not being subject to a change of tax law which results in, or which will result in, the taxation treatment ceasing.

Initial Funding

- James Hardie will provide initial funding to the SPF on commencement of the Final Funding Agreement. The basis upon which the initial funding has been calculated is set out below:

	A\$ MILLION
Discounted Central Estimate Valuation for two years nine months to 31/3/2008 (Gross claims)	219
<i>Buffer</i>	<i>135</i>
<i>Year 3 discounted payment</i>	<i>84</i>
Estimated SPF operating expenses in 9 months to 31 March 2006	7
Estimated assets to be contributed by the MRCF as at 30 June 2005	(94)
Part prepayment of payments for Financial Years FY07 and FY08	22
Initial Funding	154

Notes:

1. The Discounted Central Estimate Valuation is based on the actuarial assessment of expected claims for the two years nine months ending 31 March 2008 contained in the KPMG Actuarial Report as at 30 June 2005.

Conditions Precedent

The implementation of the Final Funding Agreement is subject to a number of conditions precedent, including:

- legislative change by NSW Government to facilitate implementation of the agreement;
- James Hardie being satisfied that payments by JHINV to the SPF will be fully tax deductible expenses of James Hardie in the years in which they are incurred and the SPF will be exempt from tax in respect of its income;
- approval by James Hardie's lenders;
- receipt of an independent expert's report confirming the Final Funding Agreement is in the best interests of JHINV;
- JHINV Board determination that the Final Funding Agreement is in JHINV's interests; and
- approval by James Hardie's shareholders.

Timetable

James Hardie continues to have discussions with the Australian Taxation Office and Federal Treasury in relation to satisfying the tax condition precedent.

After the tax condition precedent is satisfied, James Hardie will complete an Explanatory Memorandum in respect of the Final Funding Agreement (including the full details of the Final Funding Agreement and the Independent Experts Report) and convene a shareholder meeting to consider the Final Funding Agreement.

END

Media Enquiries:

James Rickards
Telephone: 61 2 8274 5304
Mobile: 0419 731 371
Email: media@jameshardie.com.au
Facsimile: 61 2 8274 5218

Analyst Enquiries:

Steve Ashe
Telephone: 61 2 8274 5246
Mobile: 0408 164 011
Email: steve.ashe@jameshardie.com.au
Facsimile: 61 2 8274 5218

www.jameshardie.com

Disclaimer

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

- *projections of our operating results or financial condition;*
- *statements regarding our plans, objectives or goals, including those relating to competition, acquisitions, dispositions and our products;*
- *statements about our future economic performance;*
- *statements about product or environmental liabilities; and*
- *expectations about payments to a special purpose fund for the compensation of proven asbestos-related personal injury and death claims.*

Words such as "believe," "anticipate," "plan," "expect," "intend," "target," "estimate," "project," "predict," "forecast," "guideline," "should," "aim" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors, some of which are discussed under "Risk Factors" in our Form 20-F, 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 Group subsidiaries; compliance with and changes in tax laws and treatments; competition and product pricing in the markets in which we operate; the consequences of product failures or defects; exposure to environmental, asbestos or other legal proceedings; general economic and market conditions; the supply and cost of raw materials; the success of our research and development efforts; our reliance on a small number of product distributors; compliance with and changes in environmental and health and safety laws; risks of conducting business internationally; compliance with and changes in laws and regulations; foreign exchange risks; the successful implementation of new software systems; and the successful transition of our new senior management. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements. Forward-looking statements speak only as of the date they are made.