



media release

15 October 2001

First Day of ASX Trading For The New James Hardie

James Hardie began trading on the Australian Stock Exchange today under its new corporate structure and a new ASX code, JHX.

The company's new structure will allow James Hardie to generate higher returns for shareholders as the group continues to expand internationally, than were possible under its old structure.

Shareholders overwhelmingly approved the restructuring at a meeting in late September, with 98% of votes cast in favour.

The new parent company, James Hardie Industries NV, which will be commonly known as James Hardie, replaces James Hardie Industries Limited, which has traded on the ASX since 1951 with the ASX ticker symbol HAH.

James Hardie's primary listing will be on the ASX where the stock will continue to trade in Australian dollars. Most of the trading in James Hardie is expected to continue to occur on the ASX and the group has retained its ASX/S&P index weighting on the ASX at 100%.

The introduction of the new structure involves very few practical changes for shareholders and virtually no changes for employees and customers.

The group will retain its operational headquarters in California, its corporate and Asia Pacific regional management office in Sydney and has established a new registered office in Amsterdam.

A secondary listing of American Depositary Receipts (ADRs) on the New York Stock Exchange (NYSE) is expected to occur next Monday, October 22, 2001. The NYSE listing is aimed at improving James Hardie's access to international capital markets and to provide greater flexibility for financing growth in the future.

James Hardie's Chief Executive Officer, Mr Peter Macdonald said the new structure achieves a range of key strategic objectives for the group and its shareholders.

"For some years now James Hardie has been searching for a way to ensure that our predominantly Australian shareholders will receive the highest possible returns from the international success of our fibre cement business," said Mr Macdonald.

“Our new structure will achieve this, ensuring that we can sustain a global tax rate of 25-30% over the long term, similar to that of the companies with whom we compete in both the product and capital markets.

“Our lower tax rate will increase after-tax returns to shareholders. This means we will have additional funds available for dividends or for reinvestment in the growth of our fibre cement business.

“Australian ownership remains a key part of the James Hardie story. Almost 90% of our shares are owned by Australians and our primary stock exchange listing remains in Australia.

“The international growth of our fibre cement business is also heavily dependent on Australia.

“Our Global Research & Development Centre is in Sydney and it is at this facility that the next generations of our unique technology will be developed for application around the world.

“Over the next 5 years we will invest more than \$75 million at the Sydney-based R&D Centre to create a continuous pipeline of innovation and scientific breakthroughs that we believe will have significant commercial potential in the world’s major building products markets.

“The global market potential for our products, using our Australian-developed fibre cement technology, is many times larger than our current worldwide sales,” said Mr Macdonald.

The financial benefits arising from the new structure will more than offset the implementation costs within the first year.

“James Hardie will be essentially the same company with the same assets, board, management and organisational structure. We will be pursuing the same growth strategy,” Mr Macdonald said.

“Our strategy is focussed entirely on becoming the global leader in fibre cement, using our proprietary, Australian technology.

“Fibre-cement is enabling James Hardie to become an Australian success story in major international markets. This new structure will ensure that our Australian shareholders share to the greatest possible extent in that success,” Mr Macdonald said.

End.

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