



James Hardie

High Growth From Unique Technology

August 2003

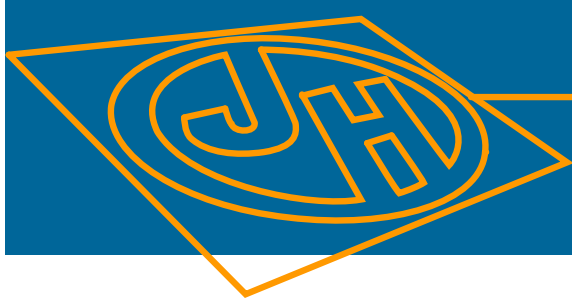


Focussed on Fibre Cement

Attractive Investment Attributes

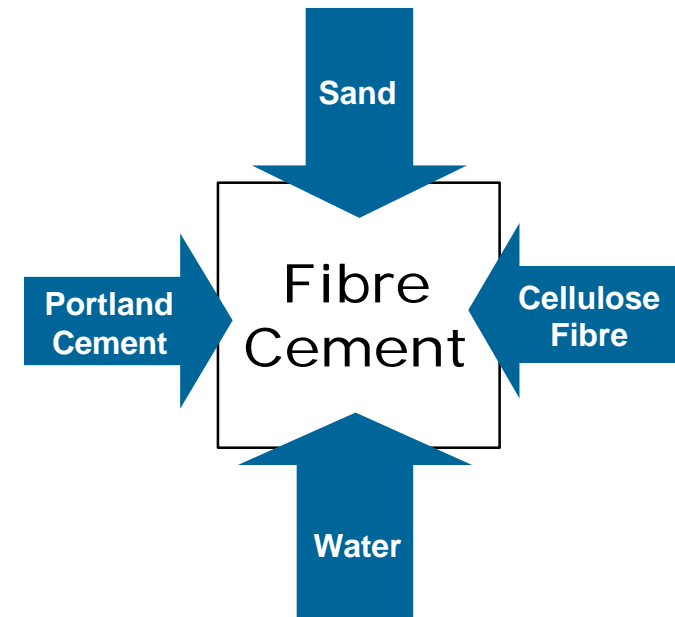


- High growth
- Unique proprietary technology
- Sustainable competitive advantage
- Strong cashflows and balance sheet
- Low cyclical risk
- Relentless will to win



First to Develop Fibre Cement

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





Many Product Applications

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





Unique Technology and Scale

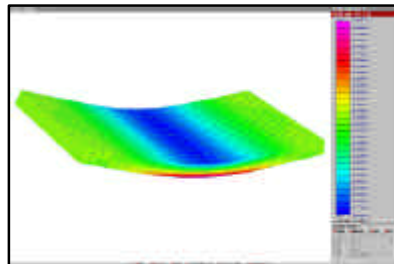
Sustainable Competitive Advantage

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



Creating the Future

R&D is a Key Driver of Growth



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

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



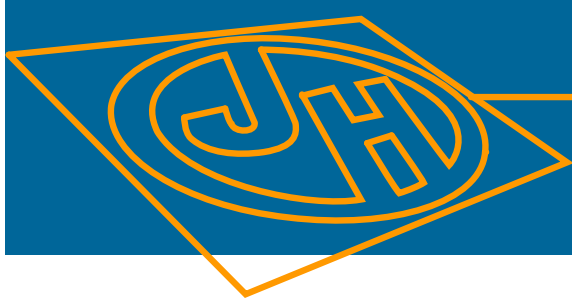


Vision and Strategy

Industry Leadership and Profitable Growth

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





Balanced Growth Portfolio

James Hardie Business Portfolio – FY 03

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