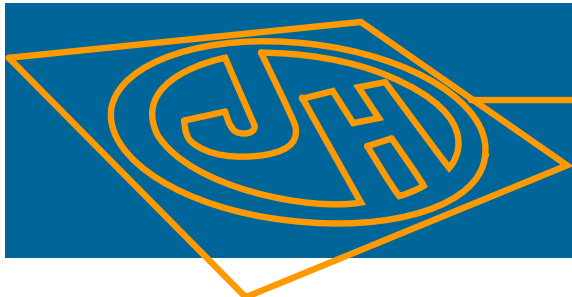




USA Fibre Cement

- **Primary Demand**
 - Create awareness at the consumer level
 - Target the builder and contractor (decision maker)
 - Access the market thru traditional channels
- **Category Share**
 - Brand program
 - Differentiated product offering
 - Long term price positioning
- **Performance Indicators (Measurements)**
 - Revenue Growth
 - EBIT Margin
 - Manufacturing Capabilities



USA Fibre Cement

James Hardie is the largest lowest cost producer of fibre cement in the USA

Plant Locations



Plant Capacity

Flat Sheet Plants	Capacity (mmsf)
Fontana, California	180
Plant City, Florida	300
Cleburne, Texas	500
Tacoma, Washington	200
Peru, Illinois	560*
Waxahachie, Texas	360
Blandon, Pennsylvania	200
Summerville, South Carolina	190
Sacramento, California	300*
Flat Sheet Total	2,790
FRC Pipe Plant	
Plant City, Florida	100,000 tons

*Upgrade in progress – includes capacity being added

Superior Product Performance

Fibre Cement is more durable than wood and engineered wood

Fibre Cement



Superior Durability

- ✓ Moisture Resistant
- ✓ Fire Resistant
- ✓ Weather Resistant
- ✓ Termite Proof
- ✓ Won't Warp
- ✓ Won't Crack
- ✓ Won't Rot
- ✓ Holds Paint Longer
- ✓ Won't Delaminate

Engineered Wood





Superior Product Performance

Fibre Cement looks and performs better than vinyl



Fibre Cement

- ✓ Fire Resistant
- ✓ Hail Resistant
- ✓ Wind Resistant
- ✓ Won't Warp
- ✓ Won't Buckle
- ✓ Colour Lasts Longer
- ✓ Strong and Rigid
- ✓ Expands/Contracts
- ✓ Withstands Impact
- ✓ Dimensional Stability
- ✓ Won't Blister
- ✓ Won't Crack

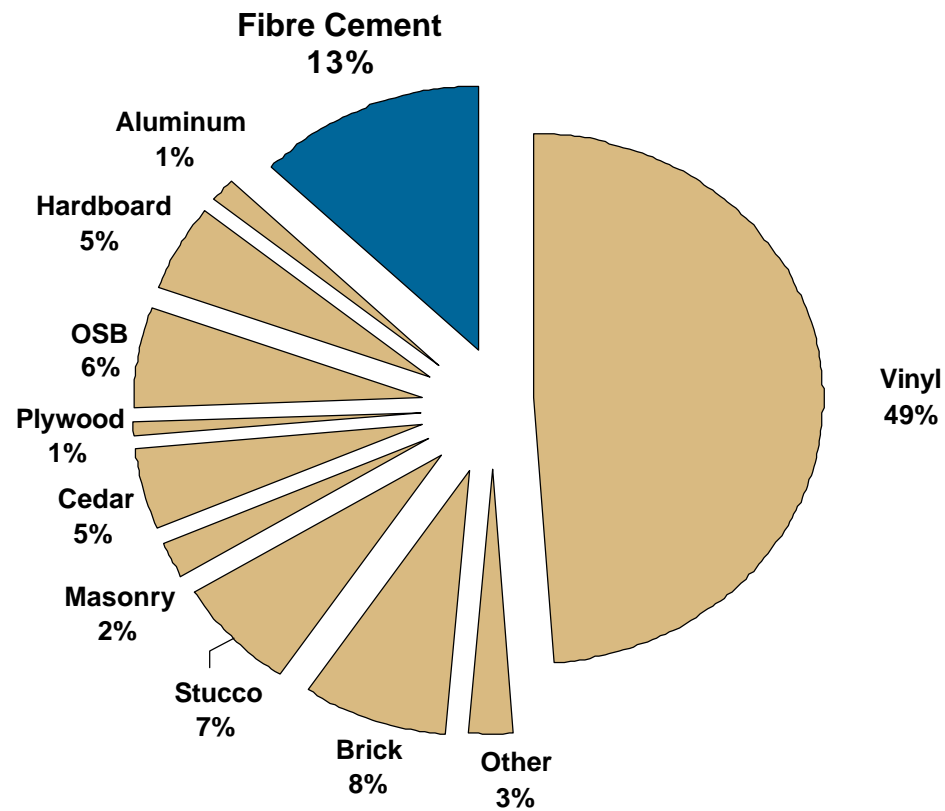
Vinyl

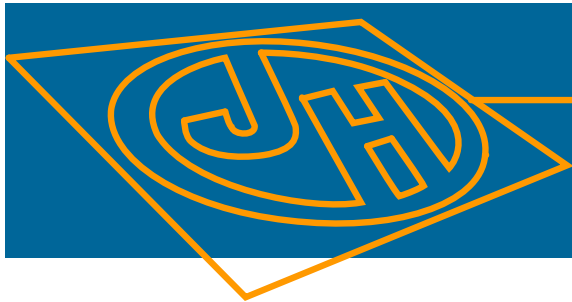
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Growing Share - Siding

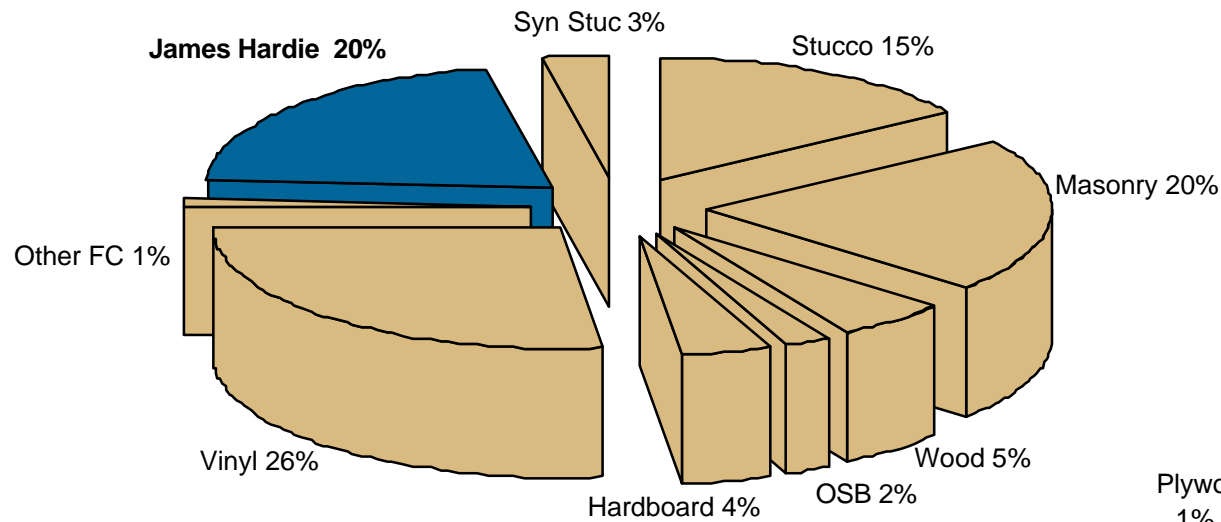
13% of siding market vs long term target of 35-40%



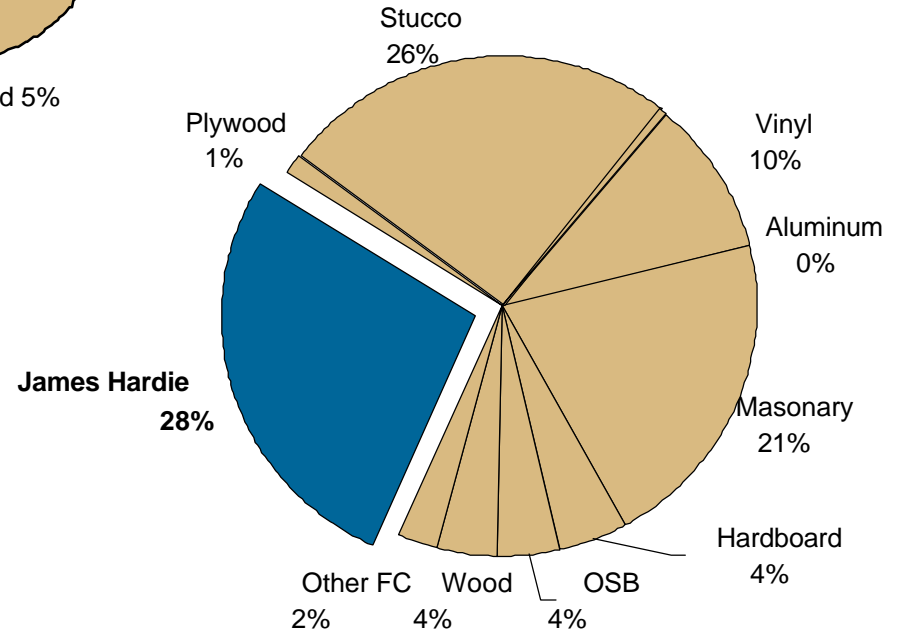


Growing Share - Siding

US New Construction Siding Market



New Construction Southern Division





Growing Share - Siding

Chestnut Brown

Oak Brown

Pewter Gray

Natural Cedar

Sandstone



Seclusion

Navajo White

Monterey Gray

Khaki Brown

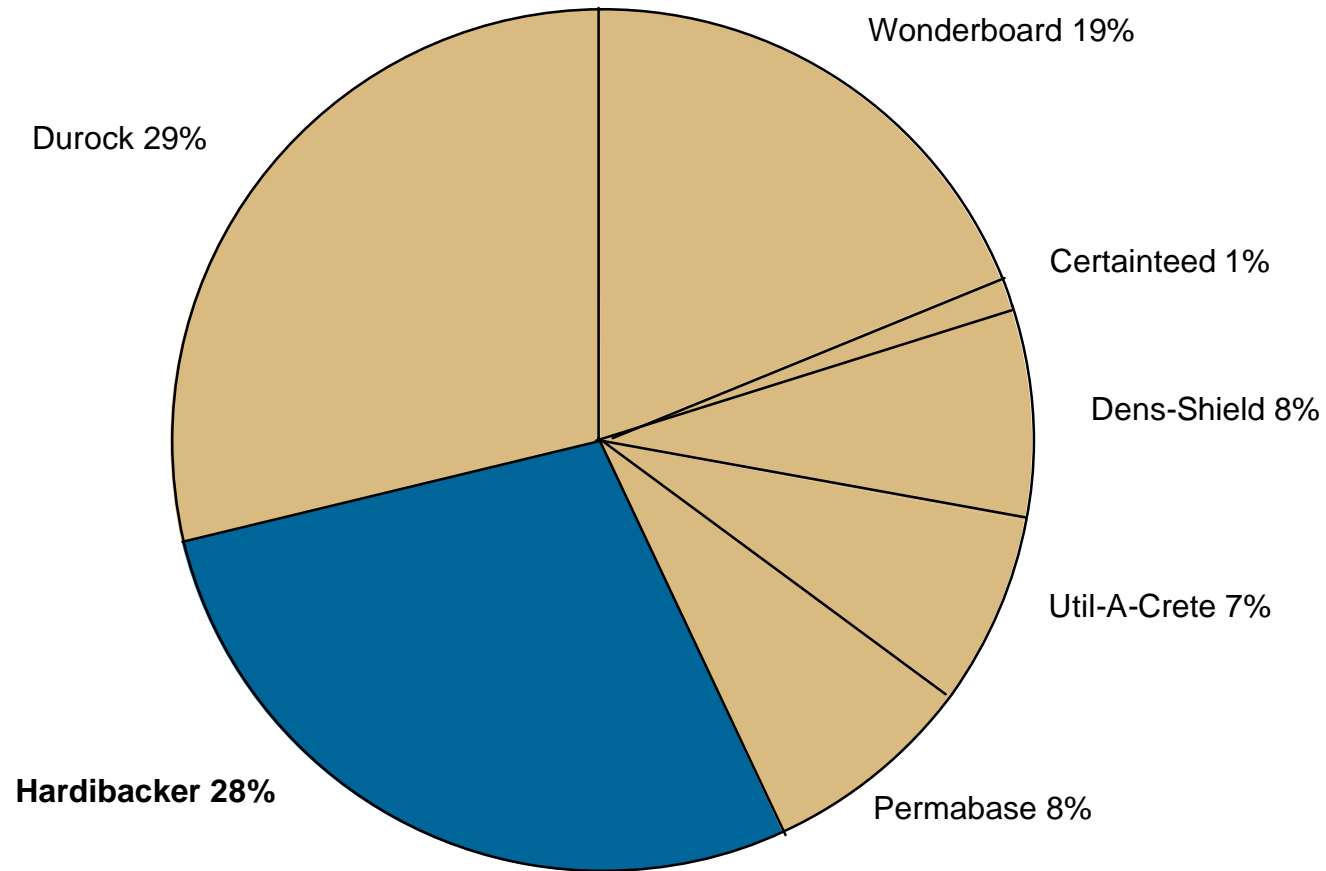
Sky Gray

ColorPlus™ pre-painted siding

- Helps take share from vinyl
- Lifts selling prices
- Lifts margins



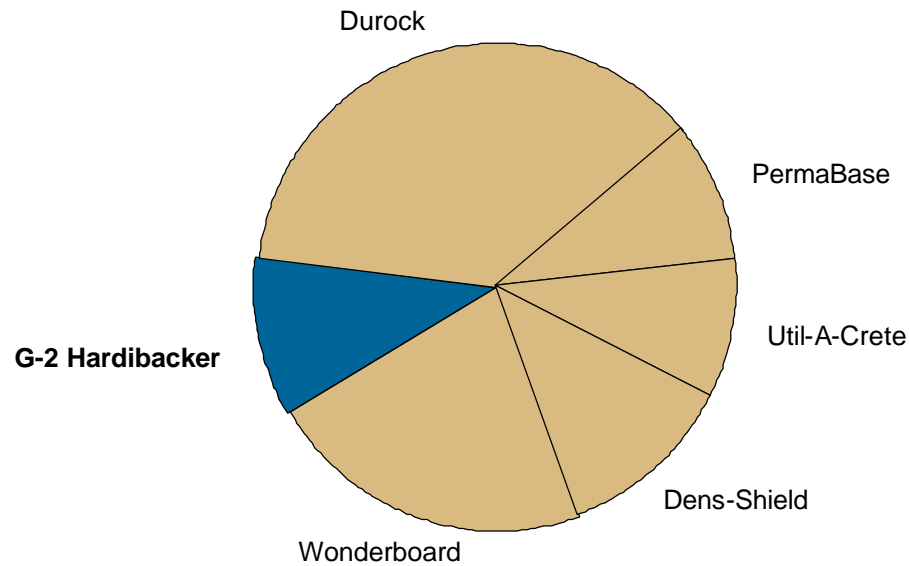
Growing Share - Backer





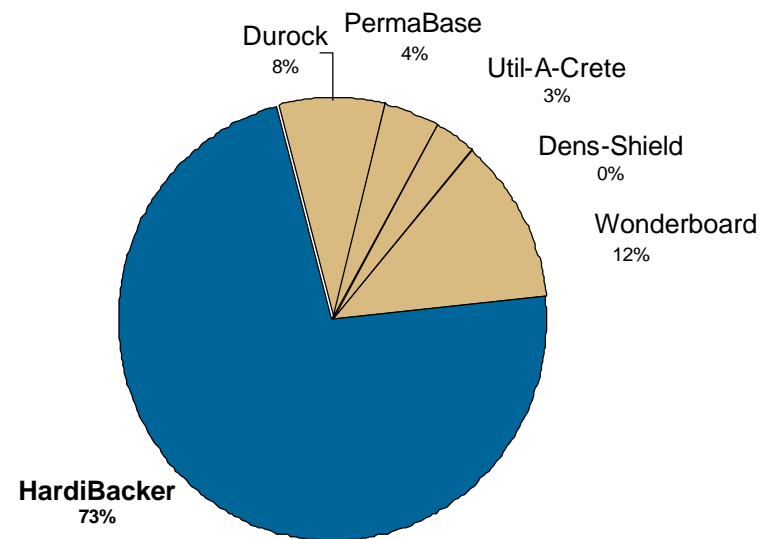
Growing Share - Backer

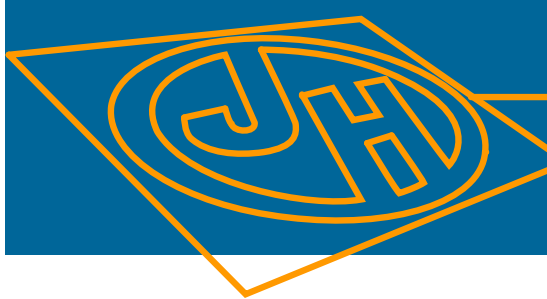
10% of 1/2" segment – target > 40 %



Very strong in 1/4" segment

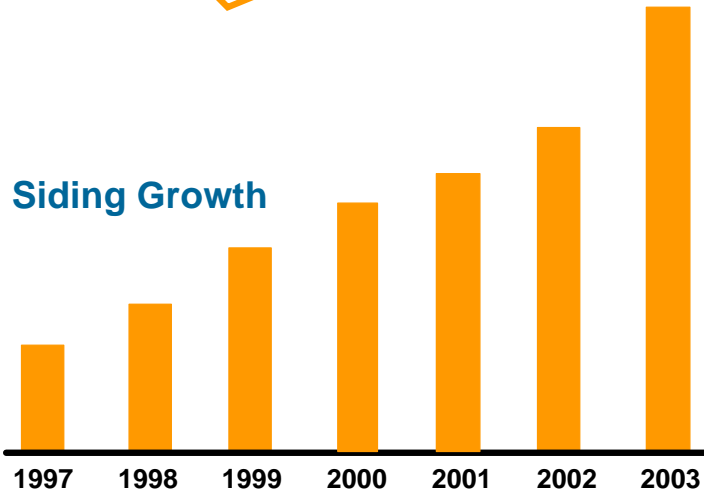
1/4" Backer Market



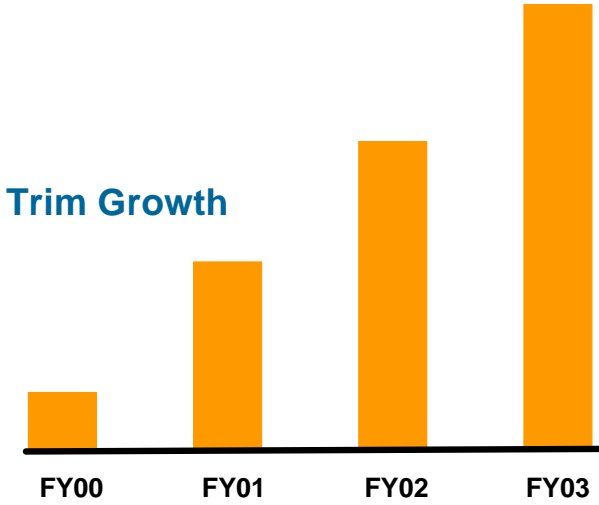


Numerous Growth Dimensions

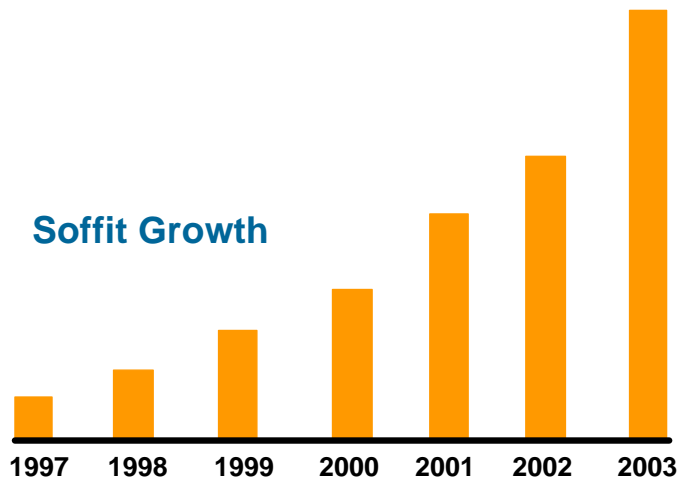
Siding Growth



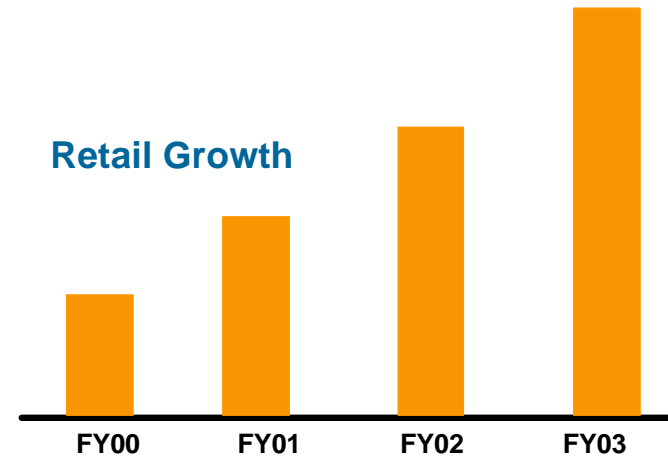
Trim Growth



Soffit Growth



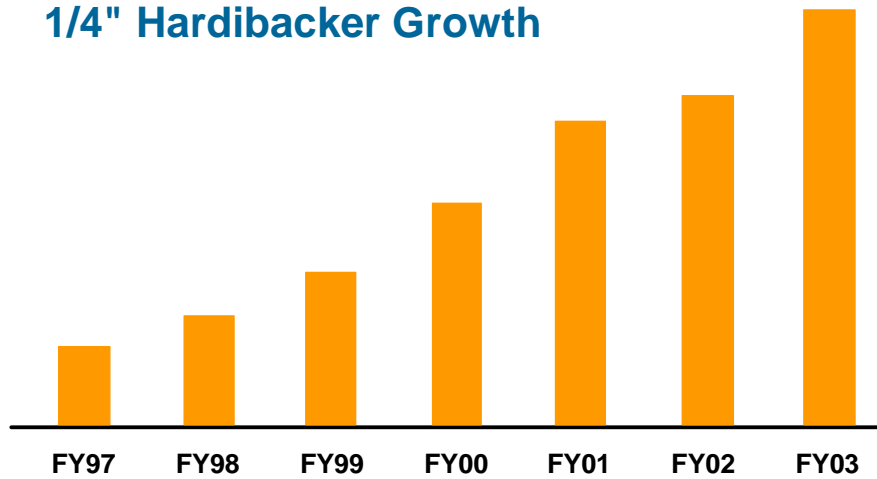
Retail Growth



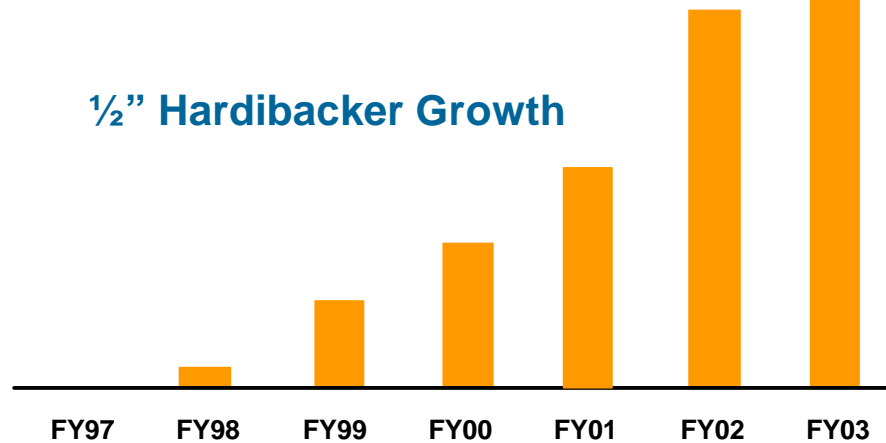


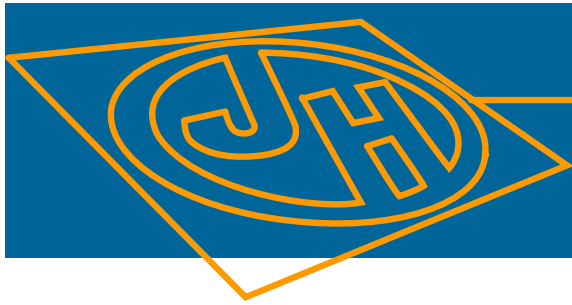
Numerous Growth Dimensions

1/4" Hardibacker Growth



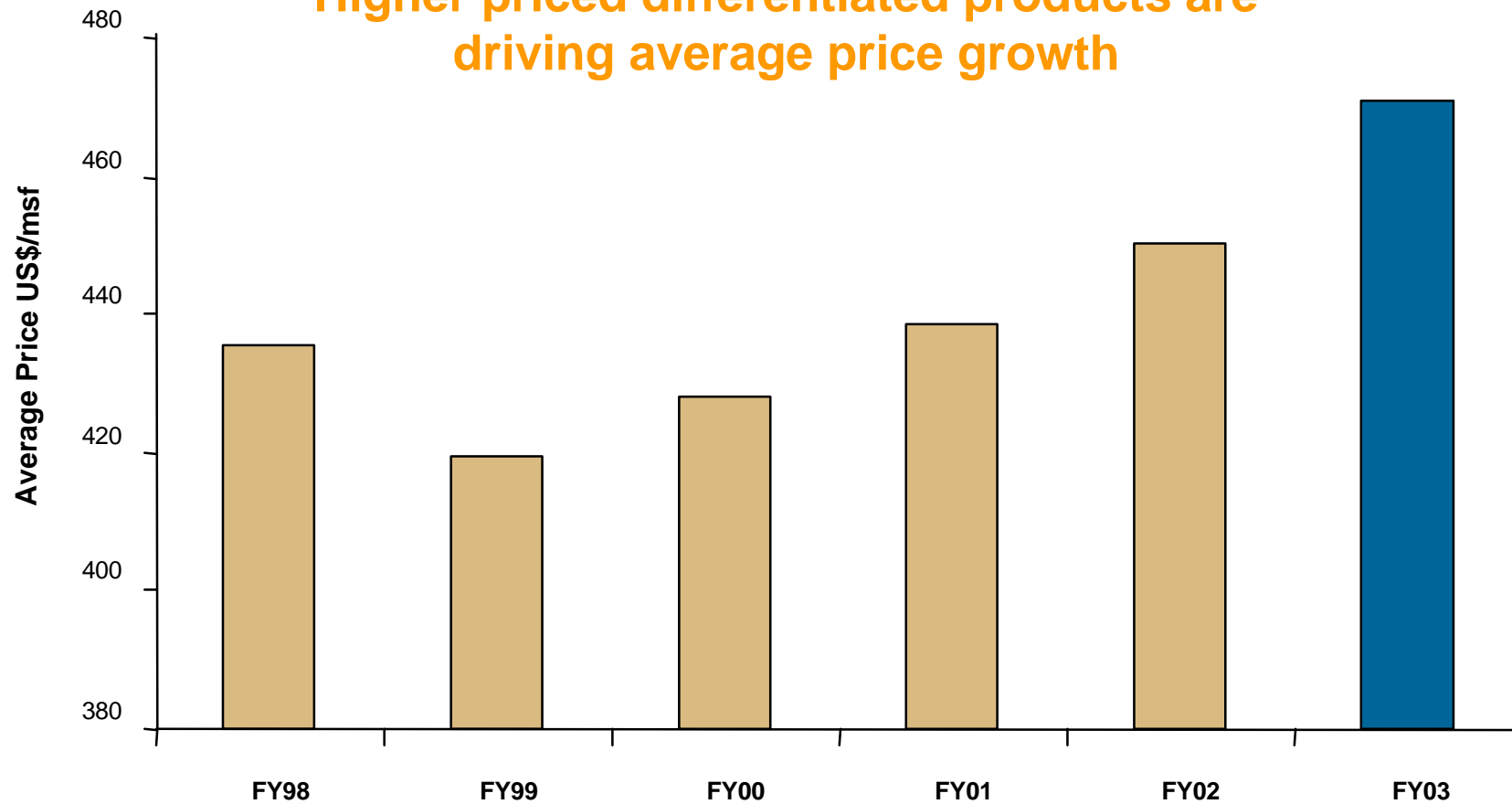
1/2" Hardibacker Growth

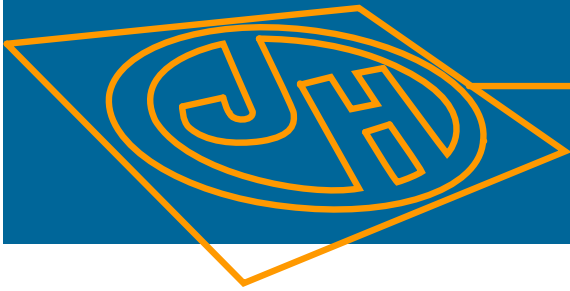




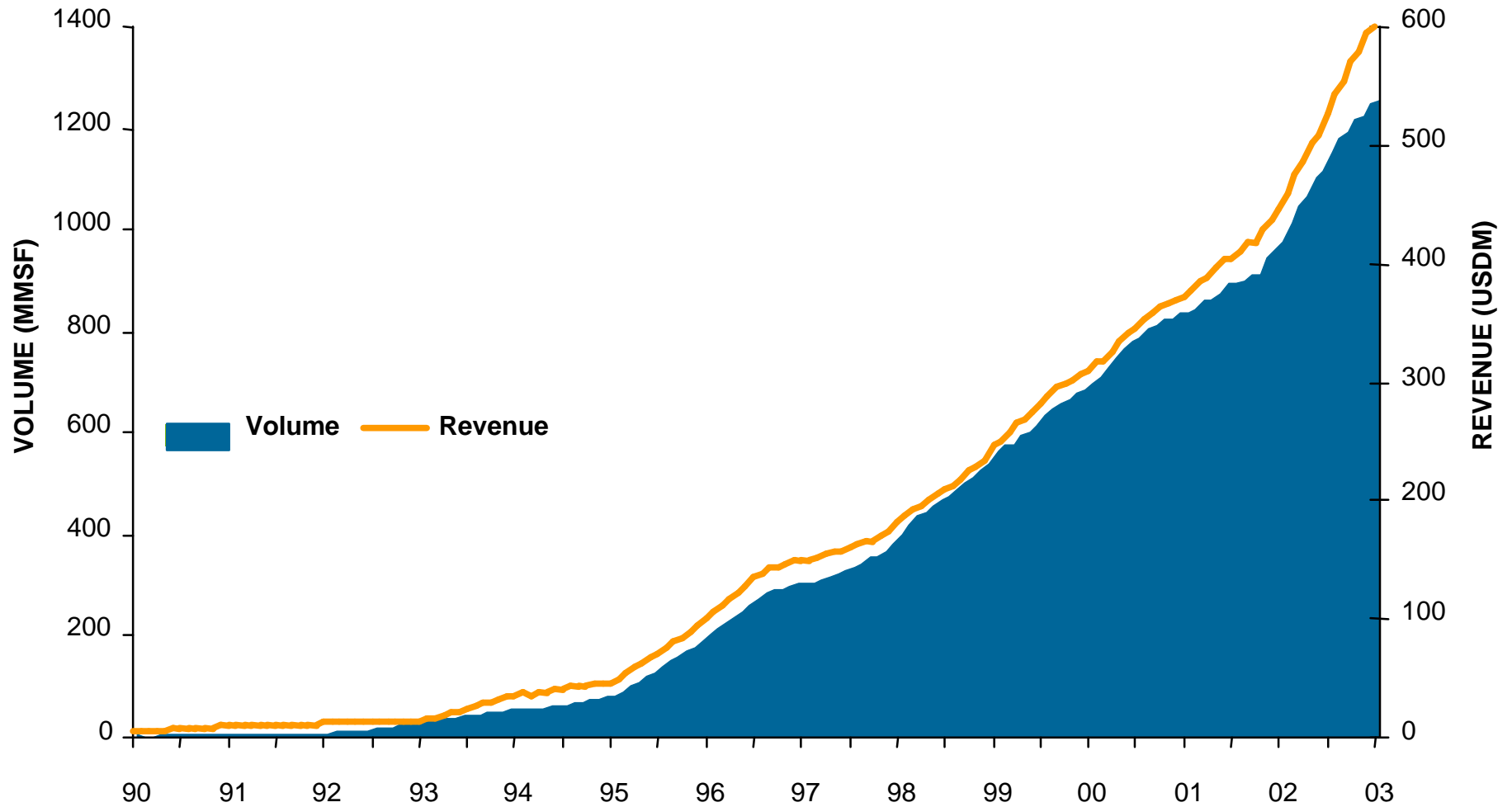
Mix Is Driving Price

Higher priced differentiated products are driving average price growth





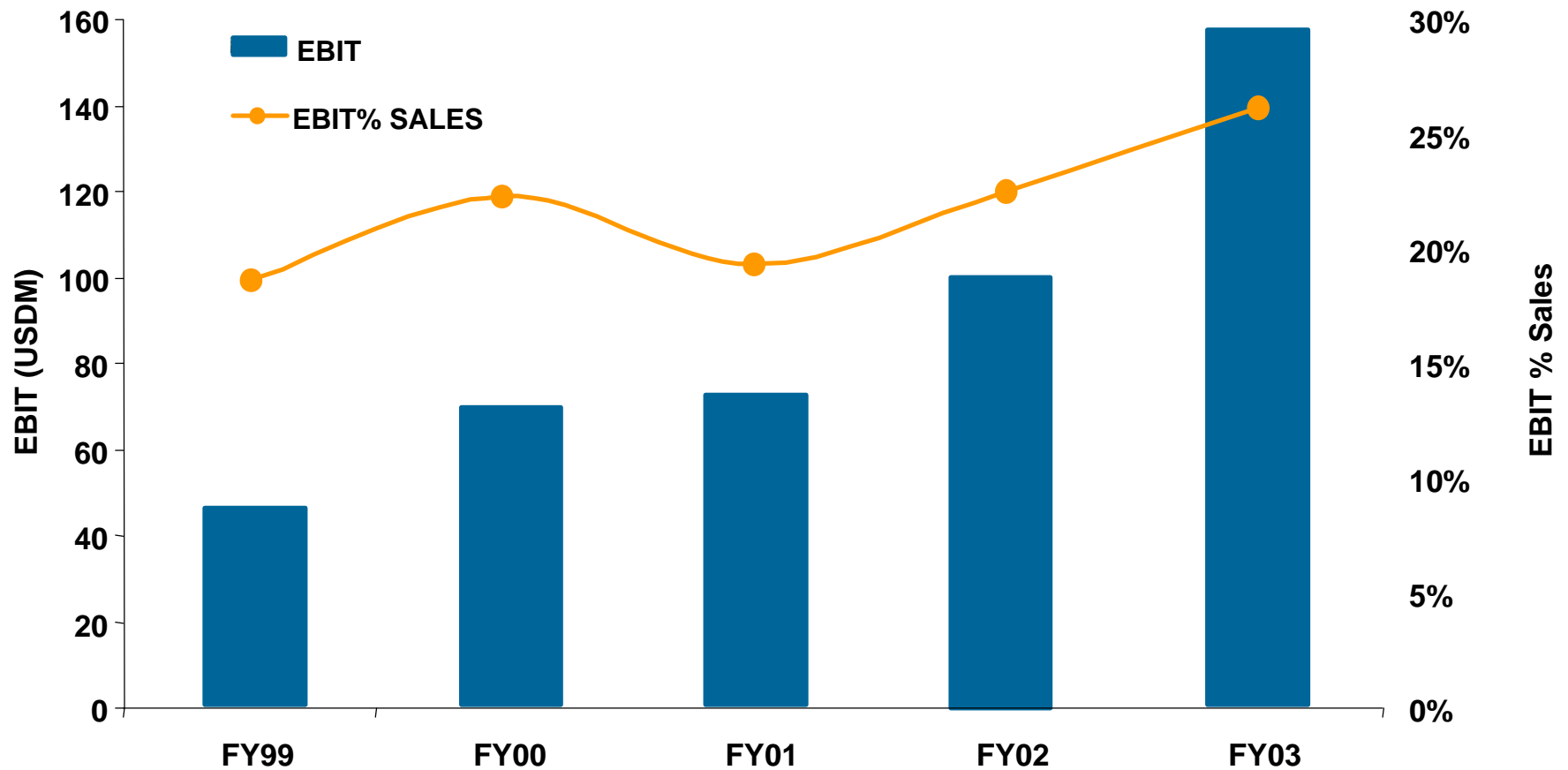
Strong Top Line Growth

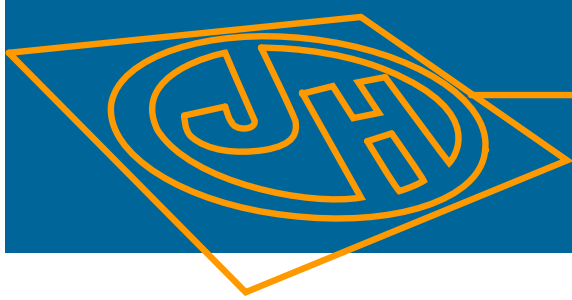




Growth is Profitable

EBIT and Margins – Last 5 years – CAGR 33%





Long Term Growth

USA Fibre Cement Targets

- 20% Revenue Growth
- 20% EBIT/Revenue Ratio



Low Shares of Large Markets

Product Category	Market Size (bsf)
New Construction	
- Siding, Fascia & Soffits	3.5
- Trim	1.3
Total New	4.8
Repair & Remodel	
- Siding, Fascia & Soffits	3.9
- Trim	1.6
Total R&R	5.4
Grand Total	10.2 bsf

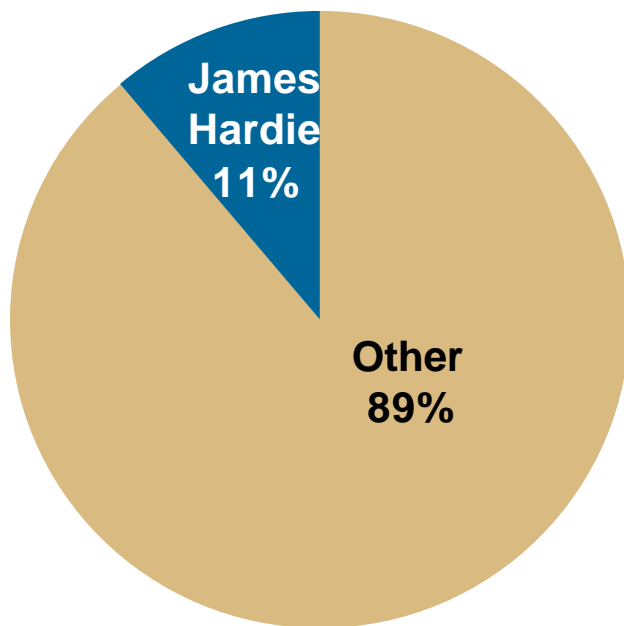


bsf = JH standard feet in billion square feet

Overall Share Could Double in 5 Years

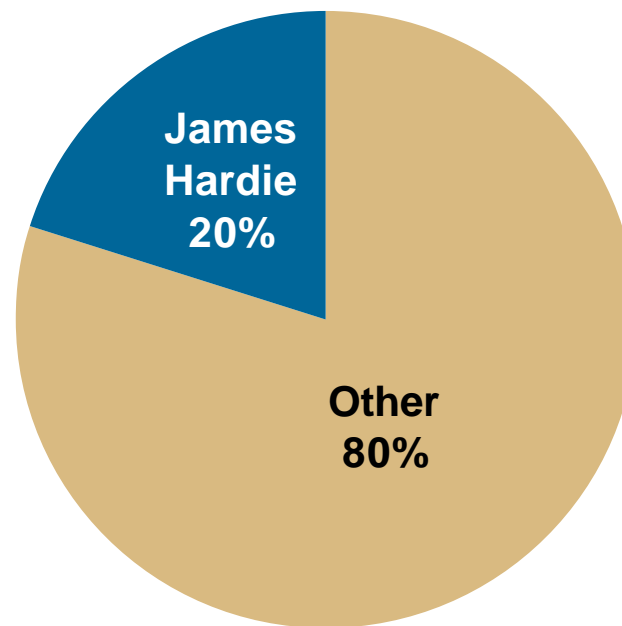
2002

**James Hardie Share
USA Exterior Products Market
10.2 bsf**



2007

**James Hardie Share
USA Exterior Products Market
11.0 bsf**



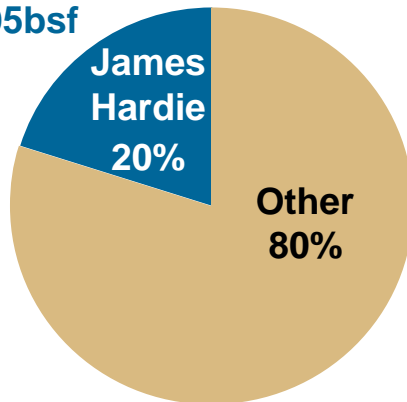


Backer Could Grow Even Faster

2002

USA Interior Cement Board Market

0.95bsf



2007

USA Interior Cement Board Market

1.1bsf

