



USA Fiber Cement Sales and Marketing

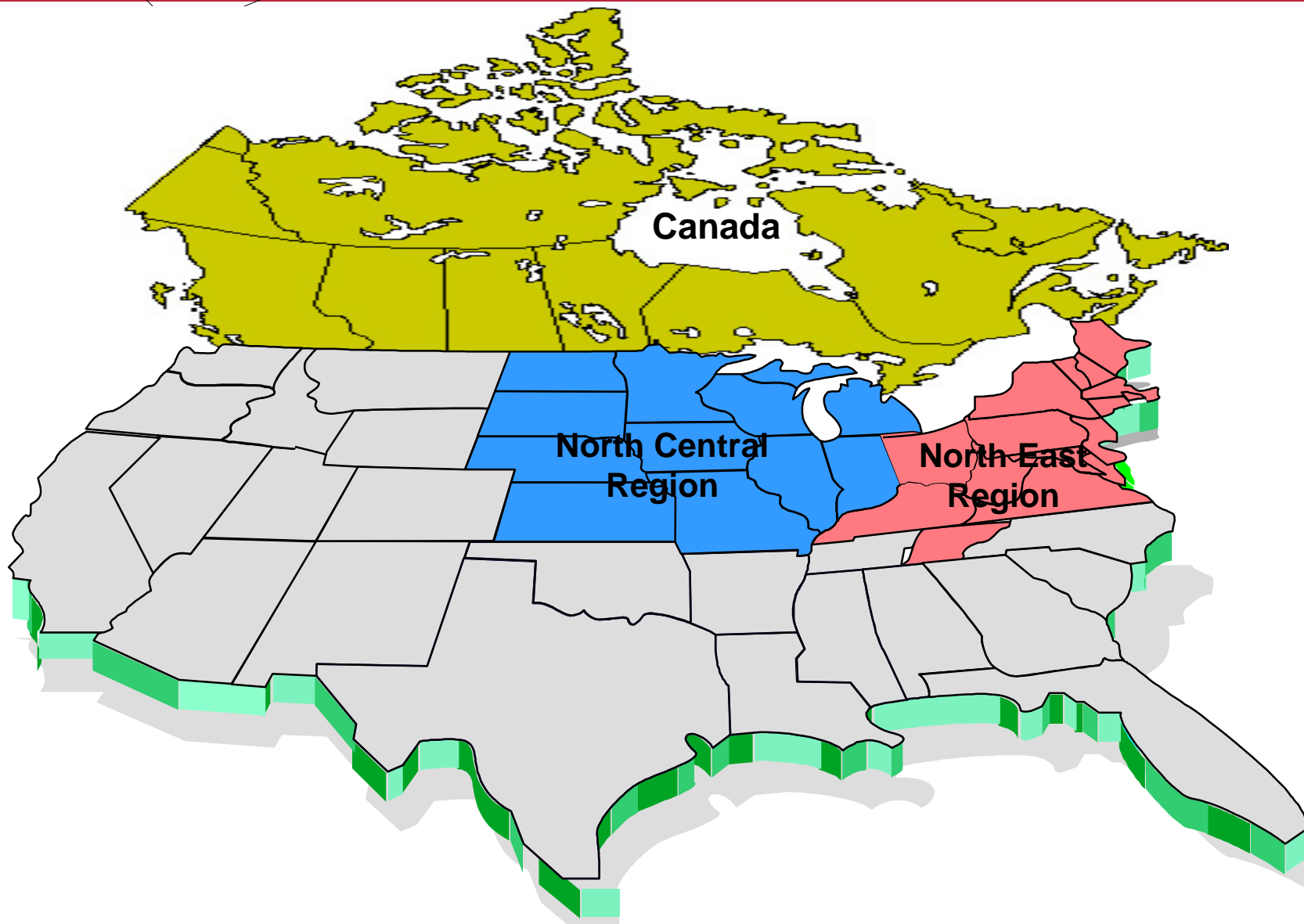
September 2002

Rich Chapman, VP Sales/Marketing, Northern Division

John Dybsky, Marketing Manager, Northern Division



Northern Division





Northern Division

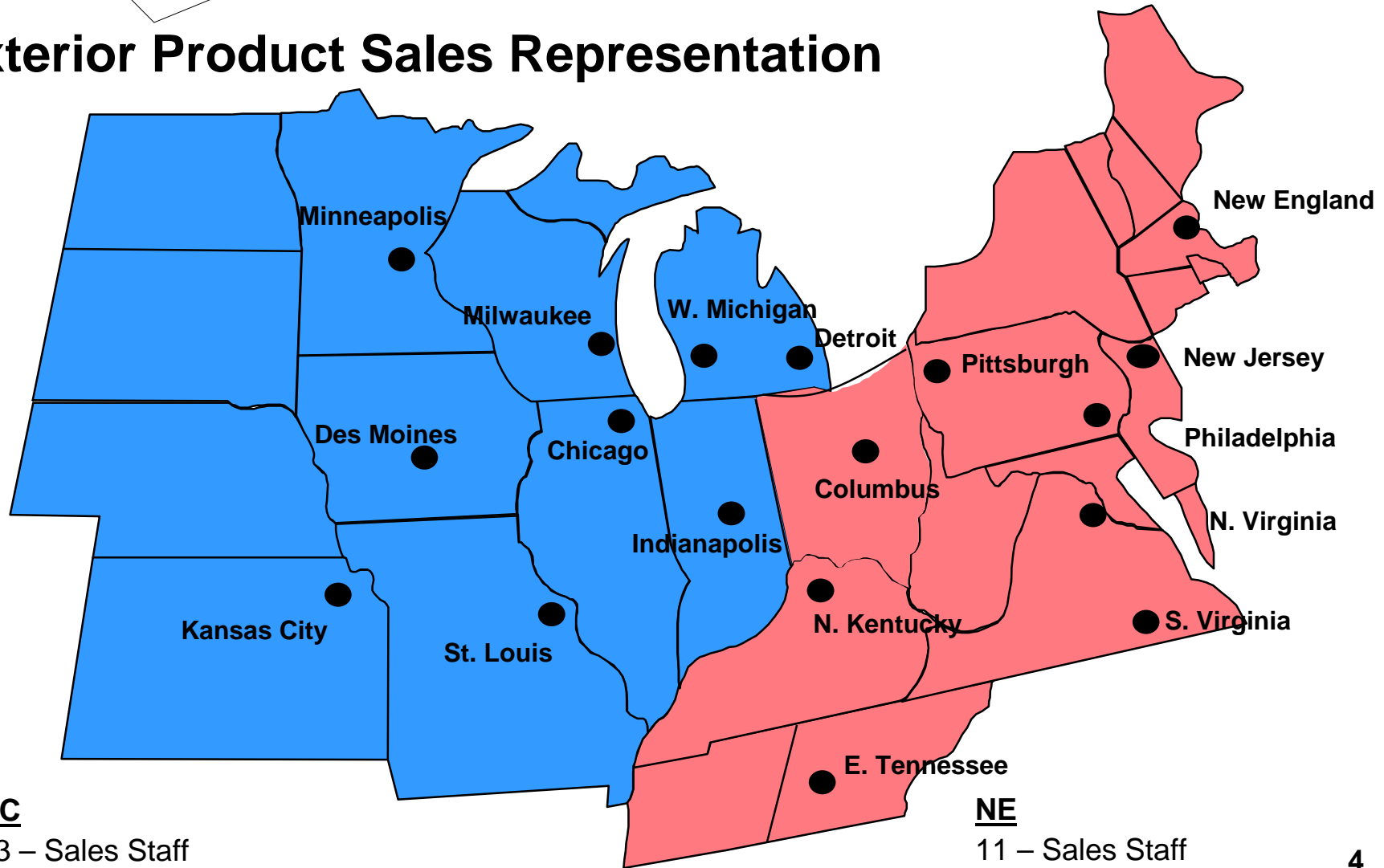
Management Team

Rich Chapman, V.P. Sales/Mrktg	10 yrs
John Dybsky, Marketing Manager	6 yrs
Travis Sims, N.E. RSM	8 yrs
Gary Moss, N.C. RSM	4 yrs
Robert DiMaggio, NSM Canada	2 yrs
Paul Gentzel, Channel Manager	3 yrs



Northern Division

Exterior Product Sales Representation



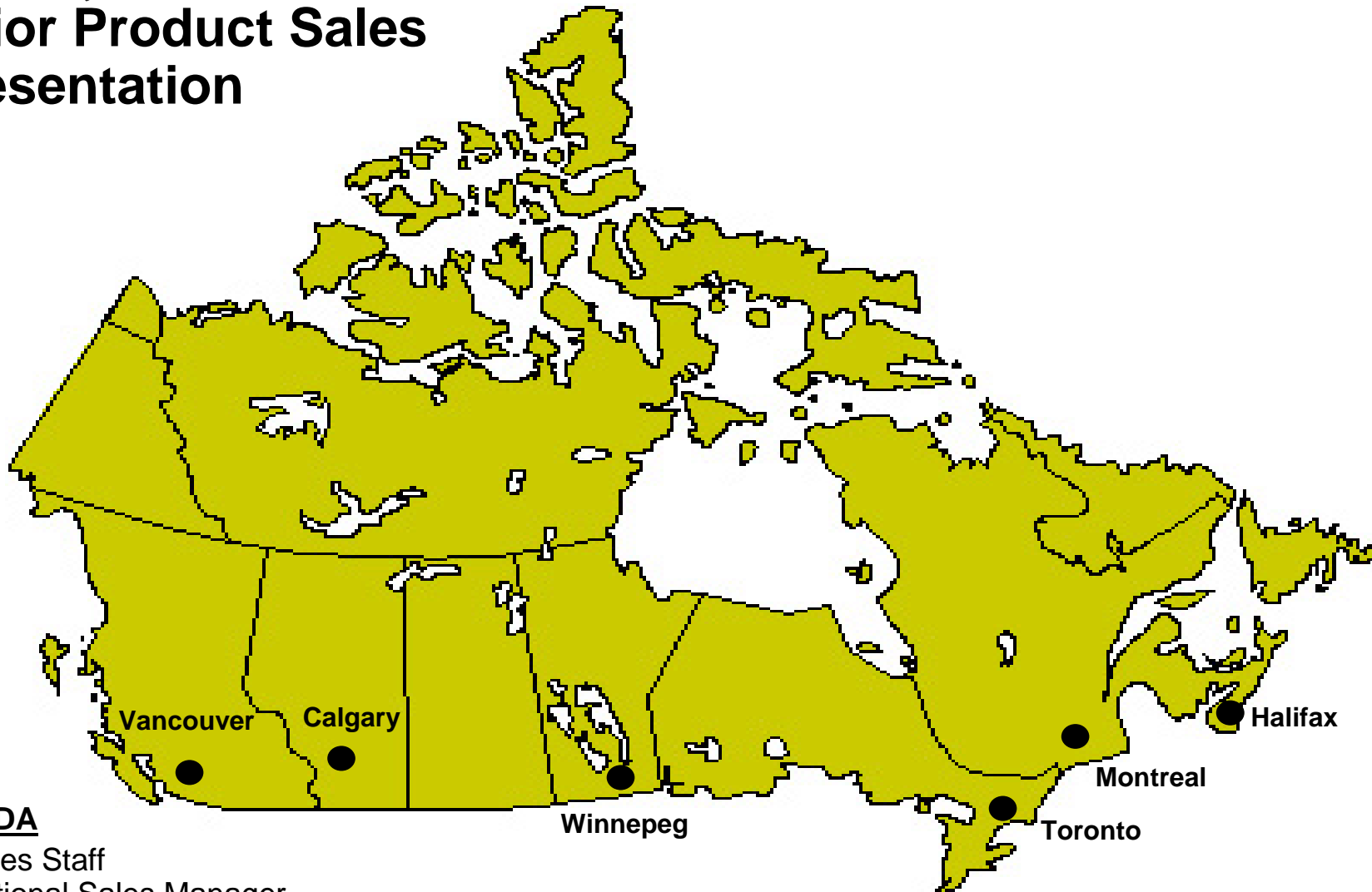
NC
 13 – Sales Staff
 1 – Regional Manager

NE
 11 – Sales Staff
 1 – Regional Manager



Northern Division

Exterior Product Sales Representation



CANADA

8 – Sales Staff

1 – National Sales Manager



Housing Starts

USA Northern Division

	2001 – 2005	2006 - 2010
United States	1546.3	1545.7
North East Region	160.6	170.3
Mid West Region	313.9	313.4
Combined	474.5	483.7
% Total	31%	31%

Housing Starts

Canada - 2001

Atlantic Provinces	10,017
Quebec	27,682
Ontario	73,282
Prairies (Man., Sask.)	11,344
Alberta	29,174
BC	17,234
Total	168,733



Overview of Strategy

Differences Between Northern and Southern Division Strategies

South

Replacement/Wood

Durability

All Price Ranges

North

Alternative/Vinyl

Differentiation

Step Up/Upper End Homes



Overview of Strategy

Similarities Between Northern and Southern Division Strategies

- > Pull through sales strategy by JH sales staff
- > “Follow the Leader” tendencies of Builders allows us to leverage early adopters



Market Dynamics

Challenges Identified Last Year

- > Reducing the “On the Wall” Costs
 - Achieving the targeted cost gap vs. vinyl at the builder level

- > Installation Base
 - Increasing the installer base to the scale required to achieve targeted growth

Market Dynamics

On The Wall Cost Matrix (18 months ago) (USD per sq.)

	Vinyl	JH
Total	120-135	330-355
Premium		210-220



Market Dynamics

On The Wall Cost Matrix (Current) (USD per sq.)

	Vinyl	Current JH	Target JH
Total	120-135	265-290	230-240
Premium		145-155	105-110

Market Dynamics

Challenges Identified Last Year

- > Products:
 - Provide the product offering needed to compete with vinyl
- > Channel:
 - Shift emphasis to the “One Step” vinyl dealer
- > Positioning:
 - Develop a new JH positioning vs. vinyl siding



Market Dynamics

Products

- > Established capability to provide color on the wall
 - Launch of the ColourPlus™ Collection of prefinished siding
 - Increased cooperation with local 3rd party pre-finishers
- > Simplified the SKU offering
 - Market specific product offering
 - Make room for pre-finished products
- > Providing full exterior solution
 - Inclusion of trim, etc.

Background

Channel

- > Shift Emphasis from Lumber Channel to “One Step” Vinyl Dealer
 - Why the “One Step” vinyl dealer?
 - ✓ Sales staffs are more aggressive sellers
 - ✓ They understand the limitations of vinyl siding
 - ✓ Sell fewer things



Vinyl Positioning



Going Forward

Leveraging our Conversions in the Market

- > Growing our Strategic Marketing Partnerships with
 - Builders
 - Developers
- > Builder Model Home
 - Training for sales staff
 - Promotional tools
- > Realtor Initiatives
 - Product knowledge training/awareness
 - Open house luncheons at model homes



Going Forward

Shorter Cycle Sales Opportunity Initiatives

- > Mid Size/Custom Builder
 - Reach through:
 - ✓ Channel Initiatives
 - ✓ Marketing
- > R & R Market



R&R Market

Top Ten Remodeling Markets



Avg. Annual Home Improvement Spending
(Billions of US\$)

Source: Harvard Joint Center Tabulations of American Housing Surveys



A Few Reasons To Be Excited About the Remodeling Market

- > Home ownership is at record levels and climbing
- > Demographics of an aging boomer population - bulk of boomers moving towards peak earning years 50 - 54 years old.
- > 120 million + existing homes are growing older every day
- > Home equity increased avg. of 8.1% in 2000, 27 major metro markets saw double digit increases
- > 21 million 1970's homes will be in peak spending years during the current decade
- > Existing home sales are at an all-time high



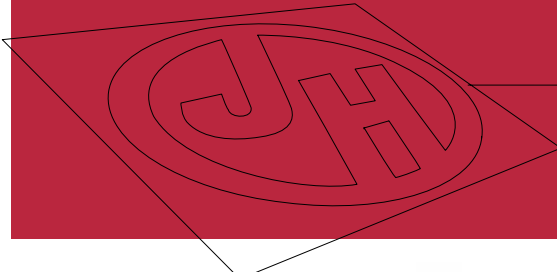
Good Reside Opportunities in the Northern Division

- > Aging Housing Stock
- > Same Channel
- > Shorter Cycle Sales



Going Forward

- > Targeting Specific Developments
- > “Grass Roots” Marketing
- > Increasing Sales Staff



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That's why we make it the way we do.**



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James Hardie Siding is one of the lowest maintenance siding options available. It holds paint three to four times longer than wood, and it's so durable it carries a fifty-year warranty against rotting and cracking. And unlike vinyl siding, it looks like wood, so it won't compromise the beauty and character of your home. If you're remodeling your home, call for a free estimate or visit www.jameshardie.com.

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a James Hardie Preferred Remodeler

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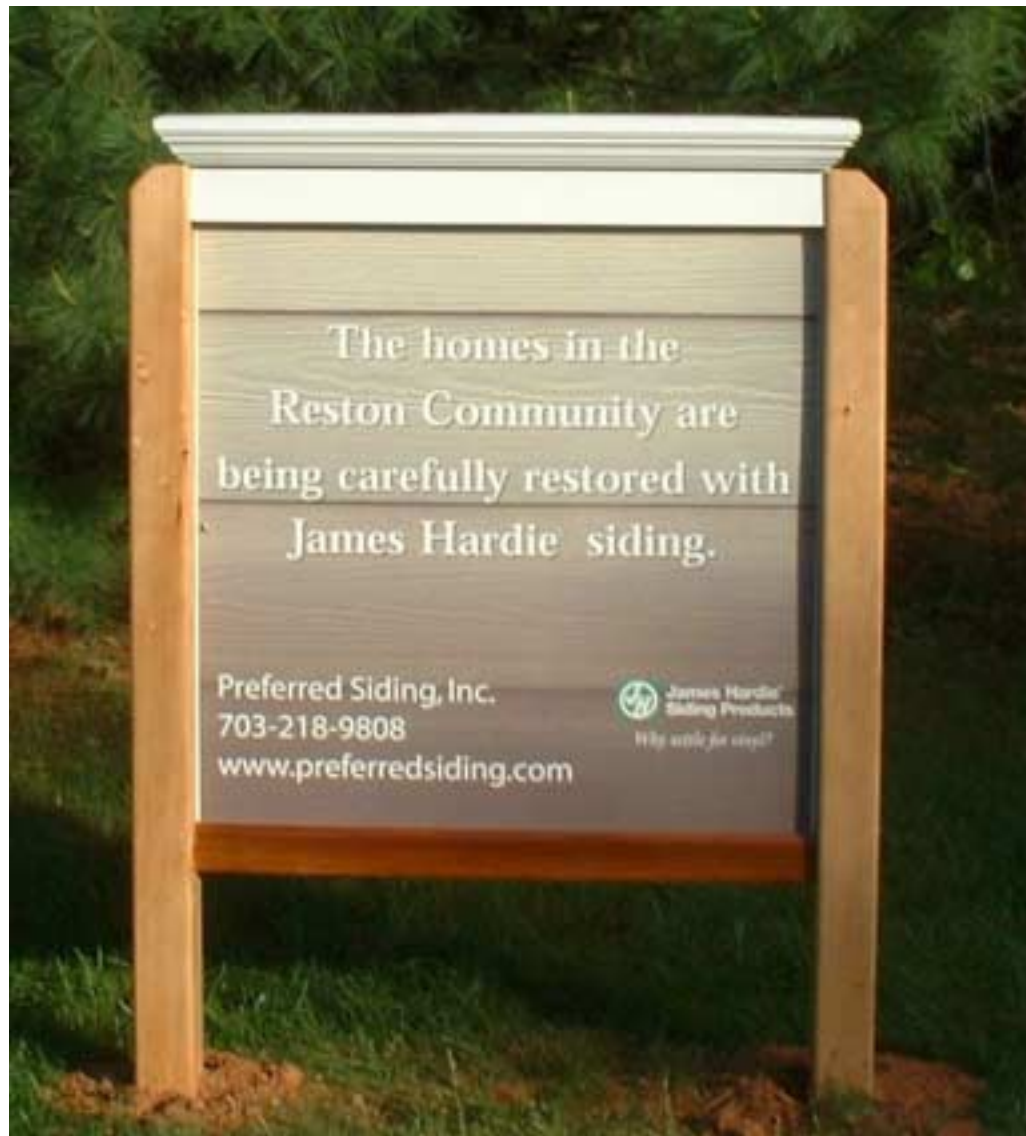
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New Jersey Website

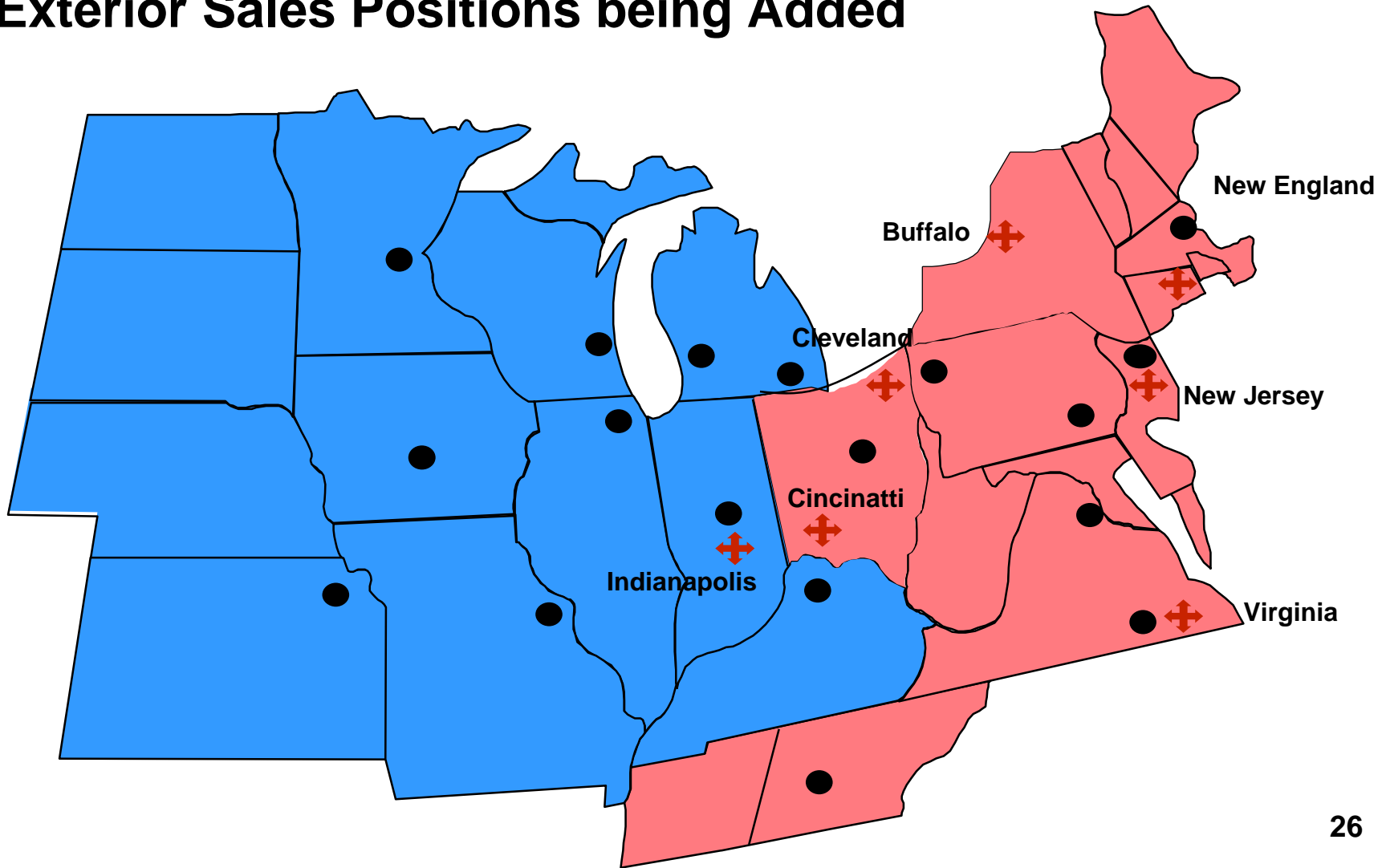
HARDIPLANK® LAP SIDING

A DURABLE, ATTRACTIVE ALTERNATIVE



Northern Division

Exterior Sales Positions being Added





Northern Division

Exterior Sales Positions being Added





Northeast Region

(Q1 results vs. same period of prior year)

<u>District</u>	<u>% Change</u>
Maryland/DC	80
Pittsburgh	72
Philadelphia	56
New England	110
Virginia	37
E. Tennessee	55



Results

North Central Region (Q1 results vs. same period of prior year)

<u>District</u>	<u>% Change</u>
Chicago	107
Omaha	72
Minneapolis	43
Detroit	29
Milwaukee	79
Indianapolis	157
Kansas City	204
St. Louise	144



Results

Canada

(Q1 results vs. same period of prior year)

<u>District</u>	<u>% Change</u>
British Columbia	14
Ontario	68
Alberta	53
Prairies	15
Atlantic	179

Summary

- > Major obstacles removed
- > Establishing our position in all markets
- > Approach and methods are solid
- > Adding market resources based on our successes this past year



Questions?



Disclaimer

This presentation contains forward-looking statements. Words such as “will”, “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, which are further discussed in our periodic reports filed with the Securities and Exchange Commission on Forms 20-F and 6-K and in our other filings, include but are not limited to: competition and product pricing in the markets in which we operate; general economic and market conditions; compliance with, and possible changes in, environmental and health and safety laws; dependence on cyclical construction markets; the supply and cost of raw materials; our reliance on a small number of product distributors; the consequences of product failures or defects; exposure to environmental or other legal proceedings; and risks of conducting business internationally. 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 contained in forward-looking statements. Forward-looking statements speak only as of the date they are made.



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