

Research and Development Technology Review

September 2002

JH State of Technology

- > Industry leading investment in fibre cement technology continues to widen the gap from competition
- > Product development pipeline is full
- > Next generation platforms are filling out

Technology Organisation

- > A Technology Management Team (TMT)
 - direction for JH Technology
- > Core Research Group (Core R&D)
 - providing sustainable, leading edge technologies to the Product Development Groups
- > Product Development (PD) Groups
 - delivering products and systems that support each BU's objectives
- > Engineering Group
 - Next Generation Process
 - Process Development
 - Construction

Durability is the Key



Freeze

Thaw

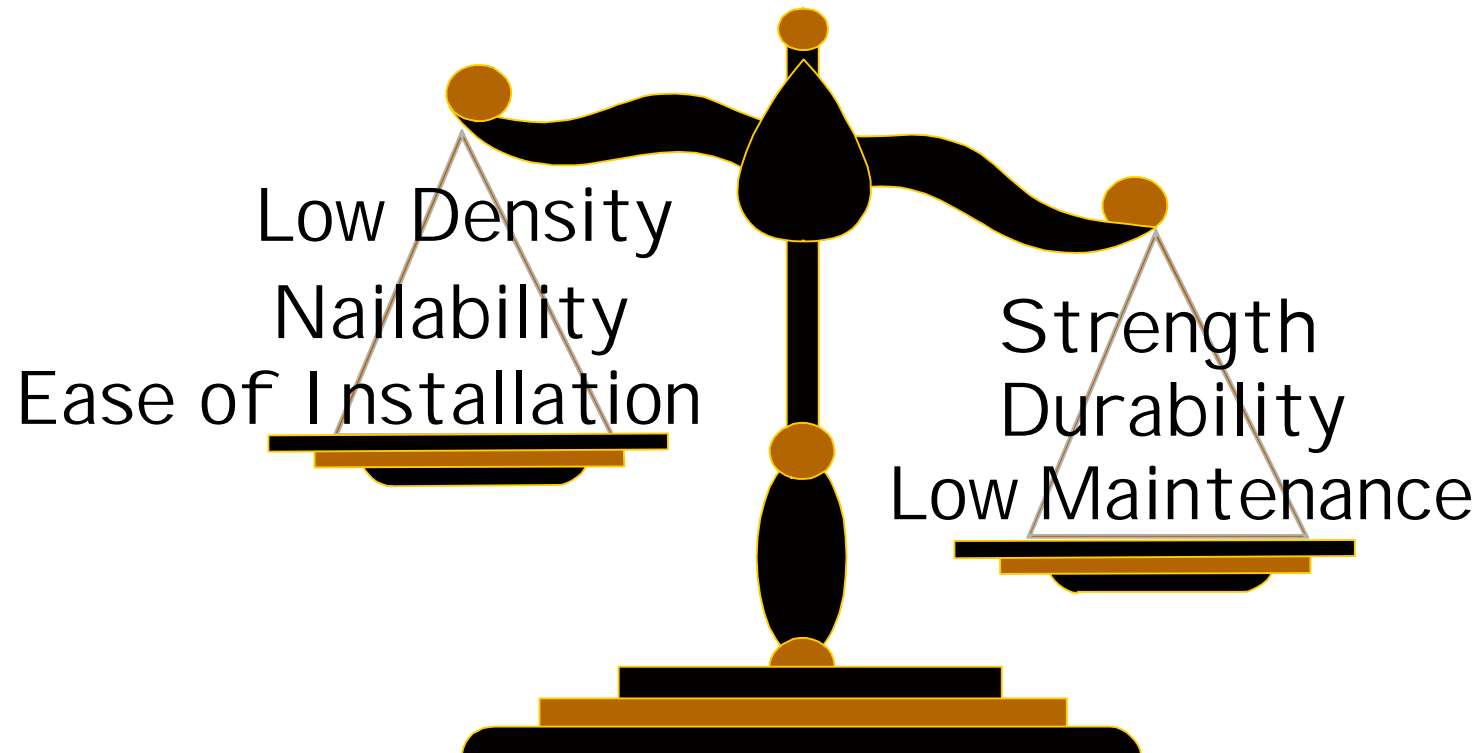
Heat

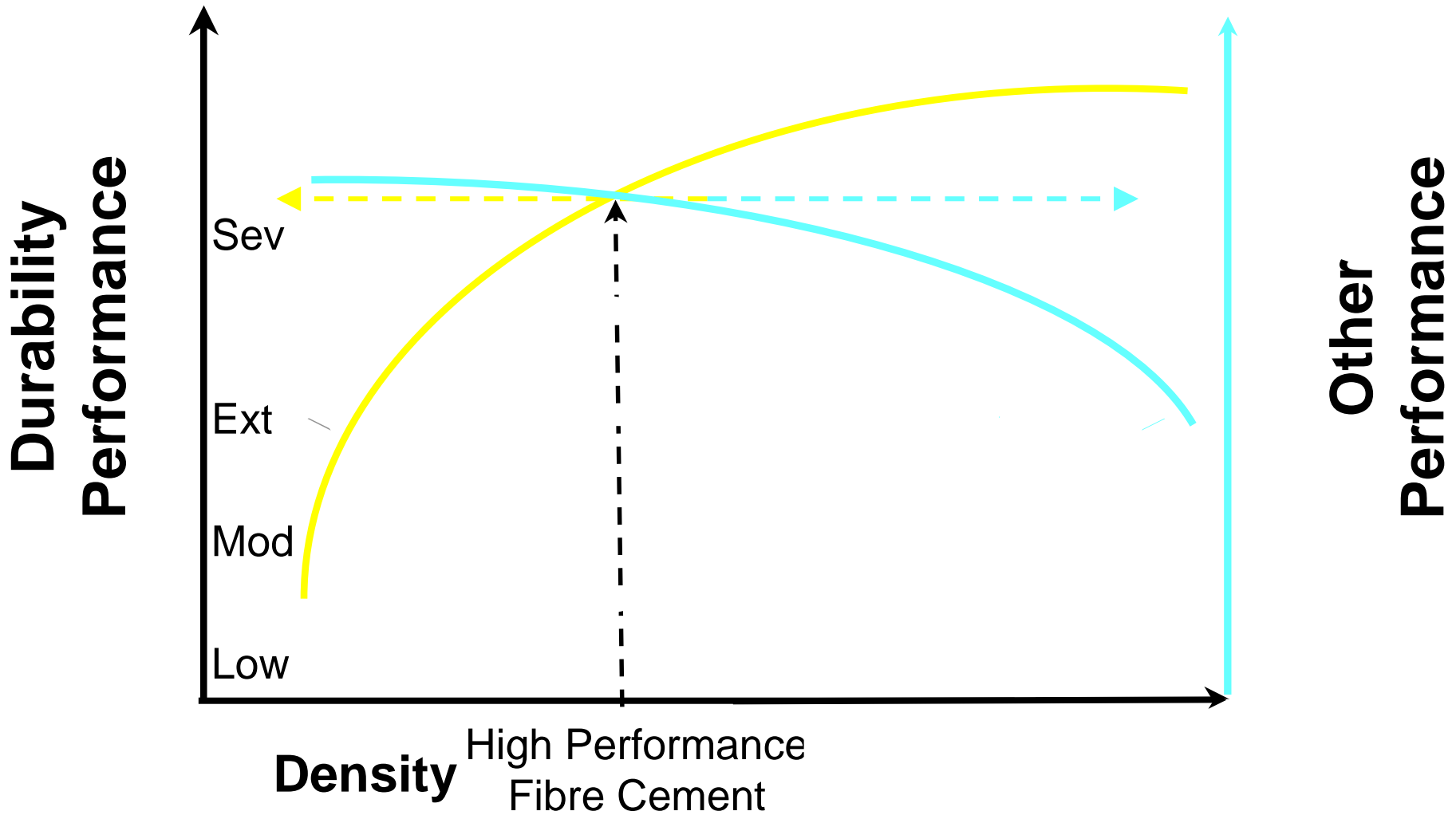
Rain

Hail

Fire

Balancing key attributes is like walking a tightrope





Vision

- > Increased performance at lower densities
 - > Durability
 - > Ease of use

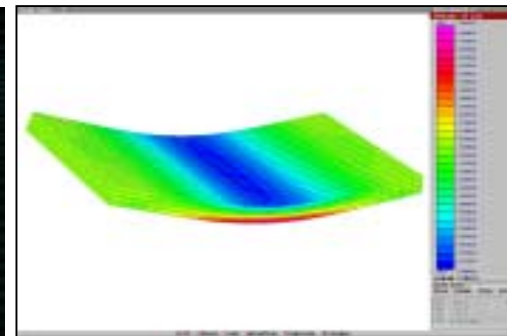
Resources - People

- > Diverse workforce of over 100 technologists
 - mixture of science and engineering
 - 40% with greater than 5yrs service
 - +50% with advanced degrees

- > Focused on analytical and computational approaches to process development and product prototyping

Capabilities

The JH approach is “hands on”, including the development of many proprietary processes, methods and procedures



US Product Development

- > Formulation
 - Fit for use
- > Design
 - Shape
 - Texture
- > Finish
 - Sealer
 - Primer
 - Topcoat
- > Installation
 - Systems
 - Components
 - Tools
- > Risk Assessment
 - Durability
- > Process Design

Beaded Lap



Shingle Panel



Vented Soffit

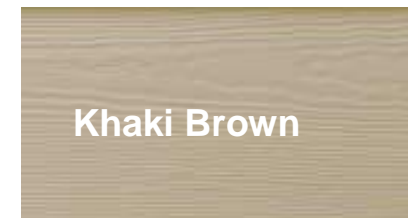
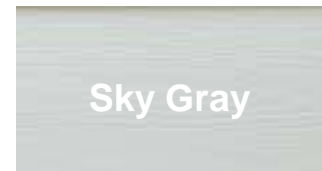
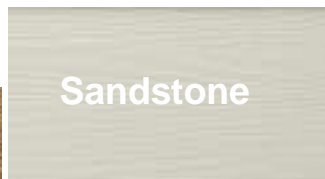
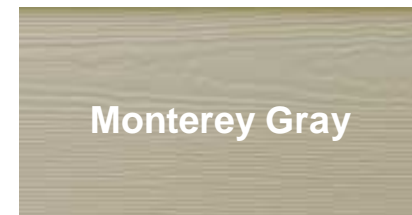
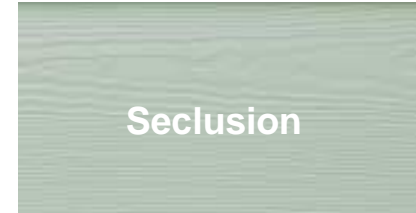
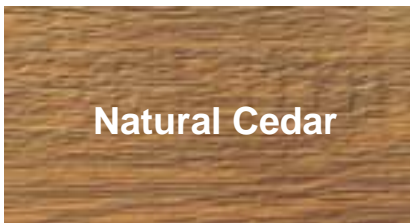
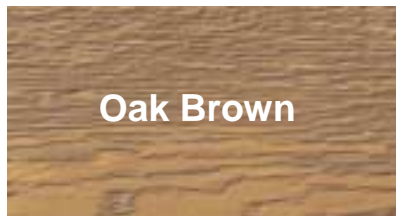
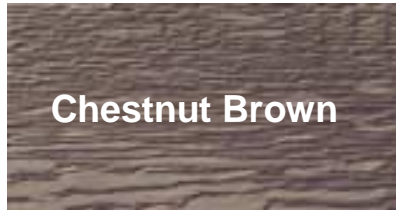


Prime Plus



Product Innovation

ColorPlus



HardiTrim w/HLD

Rustic Grain

Smooth



HardiBacker with G2 Technology



HardiBlade

- Polycrystalline Diamond (PCD) covers the entire tip
- Its self-sharpening properties and strength ensures the longest cutting life available
- Uses a proprietary PCD technology to create a tooth with more durability and
- longer cutting life than other diamond or carbide tipped blades
- Four-tooth configuration allows for fast, clean gang cuts on up to five pieces of Hardiplank® in one pass
- Up to 5x longer cutting life than other carbide tipped blades



Focused Core Research

- > New raw materials
 - light and durable
- > New formulation development
 - away from Hatschek norm
- > New process development
 - other fibre cement technologies
- > Understanding durability in all climates

HardiTrim w/XLD

- > Thickness and shape
- > JH proprietary low density technology
- > Advantaged fibre cement process



Roofing

- > Durability and performance
- > Proprietary process, formula and materials
- > Brownfield pilot line under construction in Fontana
- > Commissioning expected in March of 2003

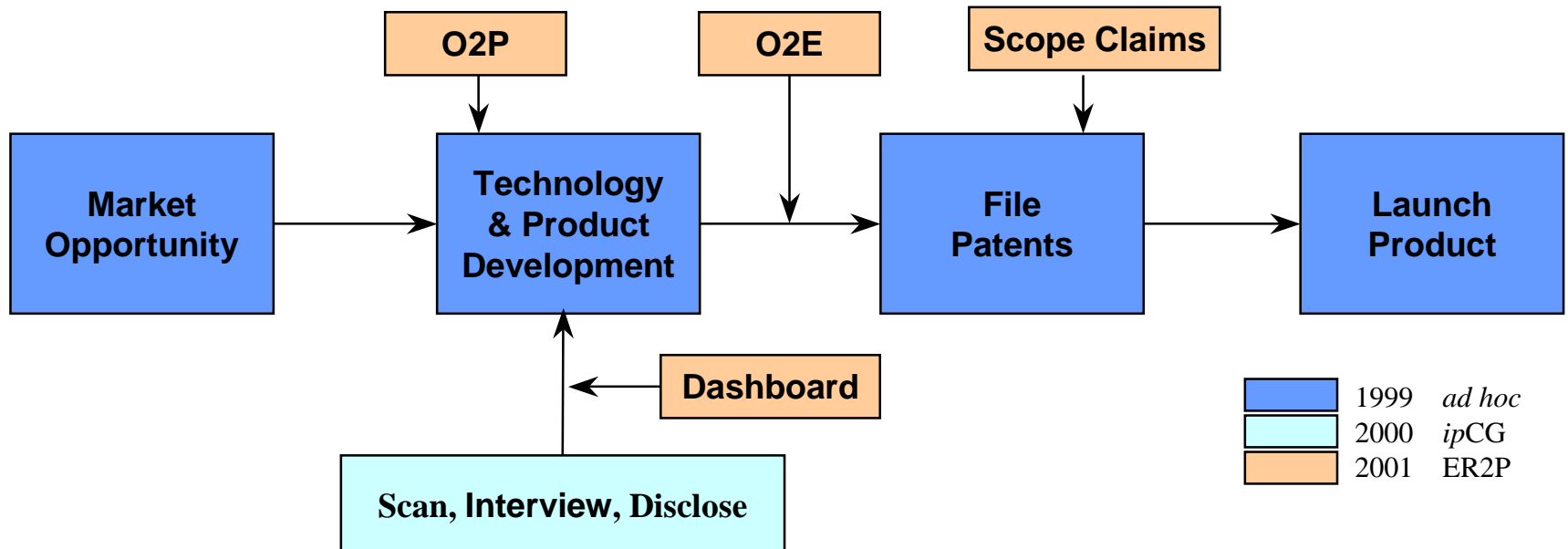


Strategy and Integration

Strategy:

Value = ER2P

Integration:



Advantage

- > Technology Drivers ~ Positioning of Product
 - Density
 - Performance
 - Ease of Use

- > Granted Patents ~ Competitive Advantage
 - Cover key parts of the Supply Chain
 - Raw Materials
 - Product
 - Use of Product
 - Patent applications quadrupled in 5 years

- > Risk ~ Managing Escalating Costs
 - Maximize Value/\$ of the Patent Portfolio

FY02 Results

6 (Distinct) Provisional Applications
20 (Distinct) Patents Applications
2 Patents Granted (Total = 6)

FY03 Goals

10 Provisional Applications
40 Patent Applications
5 Patents Granted (Total = 10)

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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