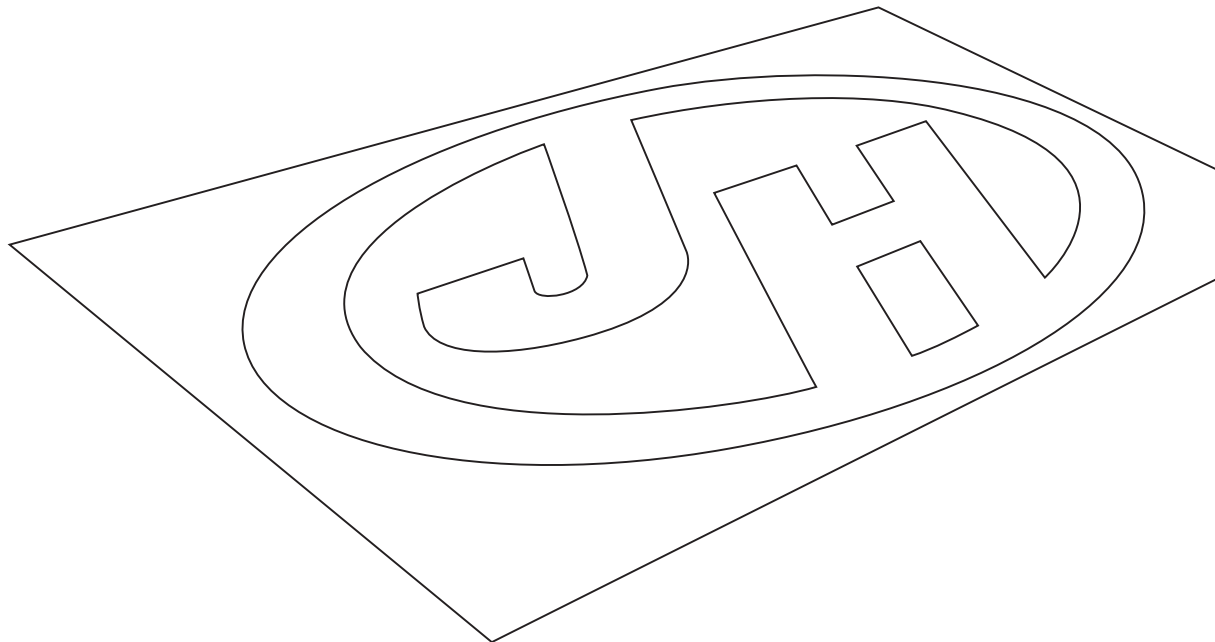


Appendix IV



Adjustments to JHIL US GAAP historic accounts to establish JHIL Normalised financial information



APPENDIX IV – ADJUSTMENTS TO JHIL US GAAP HISTORIC ACCOUNTS TO ESTABLISH JHIL NORMALISED FINANCIAL INFORMATION

In A\$ million	JHIL US GAAP actual	Abnormal & extraordinary items	MRCF rent and interest	WHT on internal dividends	Proposal costs expensed	Temporary financing measures	JHIL US GAAP normalised
		Note 1	Note 2	Note 3	Note 4	Note 5	
Profit and loss statement for the year ended 31 March 2001							
Sales	1,557.4	-	-	-	-	-	1,557.4
EBIT	177.3	-	(3.0)	-	5.8	-	180.1
Interest	(23.8)	-	(5.0)	-	-	-	(28.8)
EBT	153.5	-	(8.0)	-	5.8	-	151.3
Tax	(38.3)	-	2.7	(13.9)	(1.0)	(21.6)	(72.1)
NPAT pre-abnormals	115.2	-	(5.3)	(13.9)	4.8	(21.6)	79.2
Abnormals, net of tax	(47.9)	47.9	-	-	-	-	-
Extraordinary items, net of tax	1.8	(1.8)	-	-	-	-	-
NPAT	69.1	46.1	(5.3)	(13.9)	4.8	(21.6)	79.2

Note 1

Items reported as abnormal or extraordinary items in the financial statements of JHIL for the year ended 31 March 2001 principally comprise one-off costs and provisions, which are not expected to recur.

Note 2

Rental expense on properties occupied by certain of James Hardie's Australian manufacturing facilities and interest on a A\$70 million term loan will continue to be paid to two former subsidiaries of James Hardie, which are now controlled by the Medical Research and Compensation Foundation (MRCF). These rent and interest costs were eliminated as intercompany items in the James Hardie consolidated accounts before the creation of the MRCF, but in future will be reported as external costs.

Note 3

Assumes that dividends of 19¢ per share were paid to Shareholders out of US-sourced profits. This would have necessitated an internal dividend of A\$93 million from the US businesses to the listed Australian parent, on which a withholding tax (WHT) expense of A\$13.9 million at an assumed 15% rate would have been incurred.

Note 4

Costs of A\$5.8 million associated with developing the Proposal were expensed in the year to 31 March 2001, and will not be incurred in a normal year.

Note 5

Represents the temporary measures put in place following the unsuccessful 1998 restructuring which will not be available in future.