

5 March 1999

JAMES HARDIE WITHDRAWS U.S. IPO

SYDNEY, Australia, March 5, 1999 – James Hardie Industries Limited (JHIL) (ASX: HAH) announced today that it has withdrawn its planned initial public offering (IPO) of 15 percent of James Hardie NV in the United States.

The decision to withdraw the IPO was based upon the current state of capital market conditions in the U.S., specifically the deteriorating interest in small- to mid-cap U.S. building materials stocks. The operational performance of the Company remains strong.

"It was the view of our Board of Directors that the discount required to sell the IPO in the current climate was not in the best interests of our shareholders," said Dr. Keith Barton, Chief Executive of James Hardie. "Our primary objective remains to improve James Hardie's organizational and capital structure so as to enable the Company to fully capitalize on its growth opportunities and optimize the value it can create for shareholders.

"As a result of this decision, there will not be a capital return to shareholders at this time.

Dr. Barton continued: "We remain confident of the strength of our operations, in particular the continued growth of the U.S. fibre cement business, and the overall outlook for James Hardie."

James Hardie offers a wide range of fibre cement products for use in residential and commercial building and construction. These are used in both interior and exterior applications such as siding/cladding, roofing, internal lining, floor and tile underlayments and decorative uses. The company believes its fibre cement products provide distinctive performance, design and cost advantages when compared to wood, engineered wood, brick, stucco and vinyl.

Ends.

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This announcement contains forward-looking statements. Forward-looking statements are subject to risks and uncertainties and, as a result, readers should not place undue reliance on such statements. The inclusion of these forward-looking statements should not be regarded as a representation that the objectives or plans described herein will be realized.