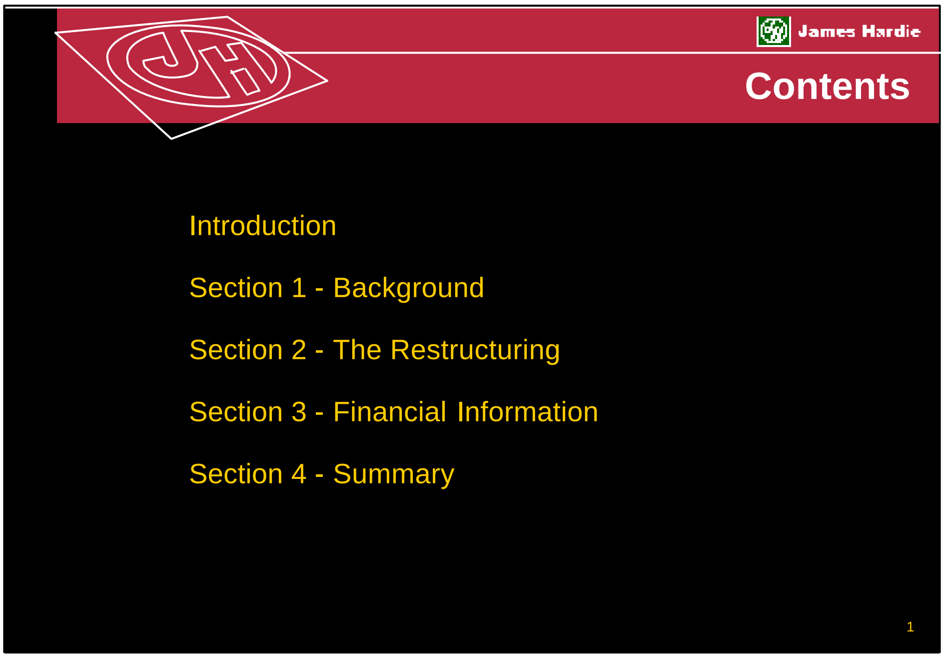
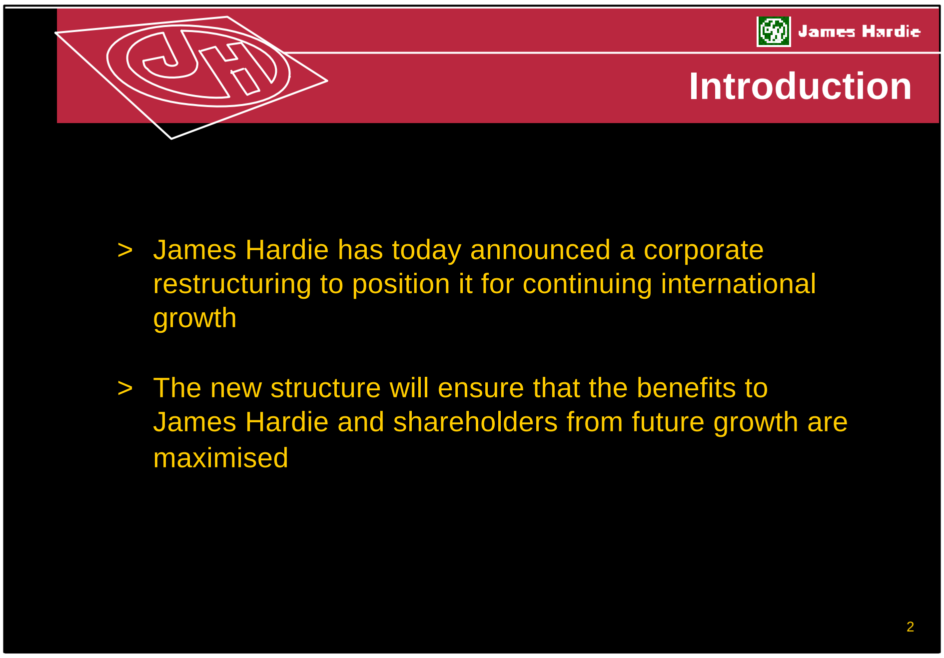
Good afternoon and thank you for attending this presentation on the corporate restructuring James Hardie announced this morning. We will give a presentation first and then provide an opportunity for you to ask questions so it would be appreciated if you could wait until the end of the presentation to ask your questions.

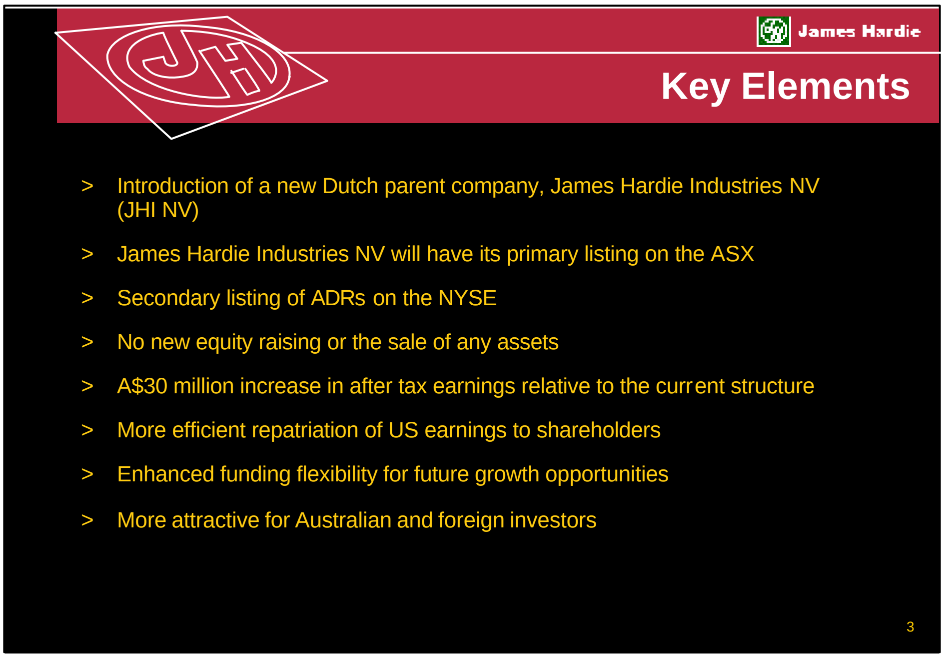


This presentation will outline: the background as to why action is required; provide an overview of the restructuring; and illustrate the pro forma financial impact on James Hardie.



As you are all aware, James Hardie today announced a corporate restructuring to position it for the continuing international growth of its fibre cement operations.

The new structure will ensure that the benefits to James Hardie and its shareholders are maximised as the group pursues international growth in fibre cement.

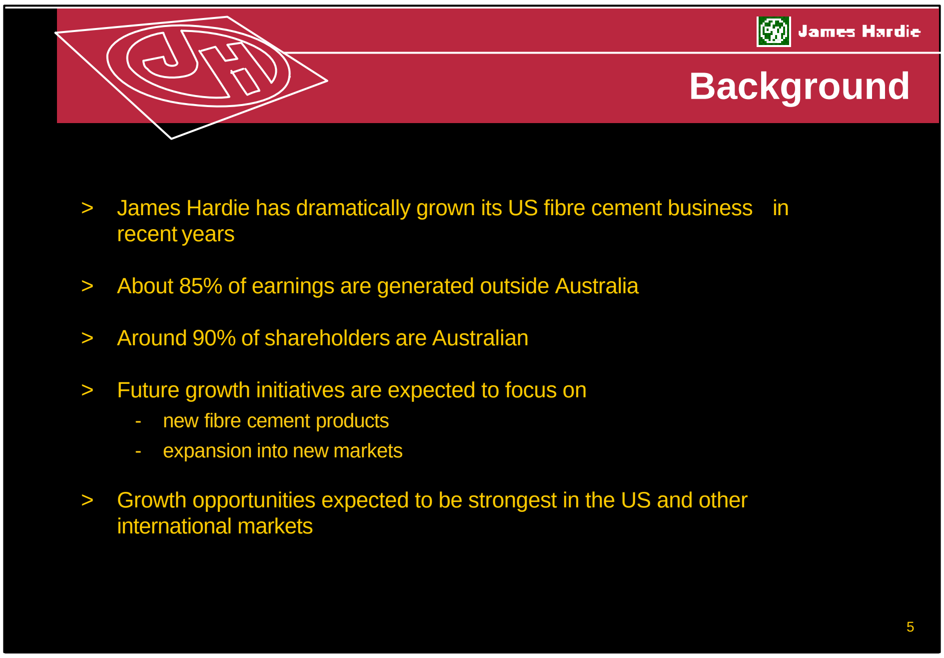


The key elements of the corporate restructuring are:

- The introduction of a new Dutch parent company, James Hardie Industries NV, which will replace James Hardie Industries Limited as the ultimate holding company for the James Hardie group
- James Hardie Industries NV will have its primary listing on the ASX, replacing James Hardie Industries Limited
- James Hardie Industries NV will have a secondary listing of ADRs on the NYSE, replacing the over the counter ADRs that James Hardie Industries Limited currently has in the US
- The restructuring does not involve an IPO or any other form of capital raising
- After tax earnings increase by A$30 million relative to retaining the current structure all other things being equal.
- More efficient repatriation of earnings from our US businesses, which generate the vast majority of James Hardie's profits, to shareholders
- Providing enhanced funding flexibility for future growth opportunities
- Providing a more attractive structure for Australian and foreign investors

James Hardie

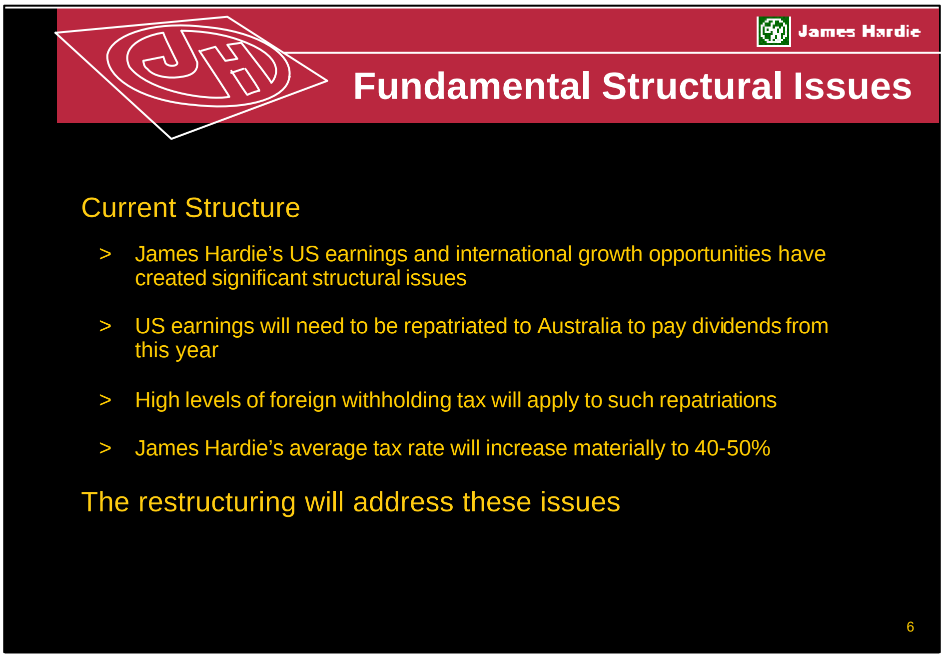
Section 1 - Background



As shareholders and followers of the Company are aware, James Hardie has dramatically grown its US fibre cement business in recent years. As a result, approximately 85% of operating earnings were generated outside Australia in the 2001 financial year.

While the vast majority of earnings are generated outside Australia, around 90% of shareholders are Australian. This is unusual for Australian companies with significant foreign operations.

As disclosed previously, and most recently at the AGM less than two weeks ago, James Hardie's future growth initiatives are expected to focus on the development of new fibre cement products and expansion into new markets. These growth opportunities are expected to be strongest in the US and other international markets rather than Australia.



While the success of James Hardie's US operations are critical to the fortunes of the Company, the increase in US earnings and international growth opportunities have created significant structural issues.

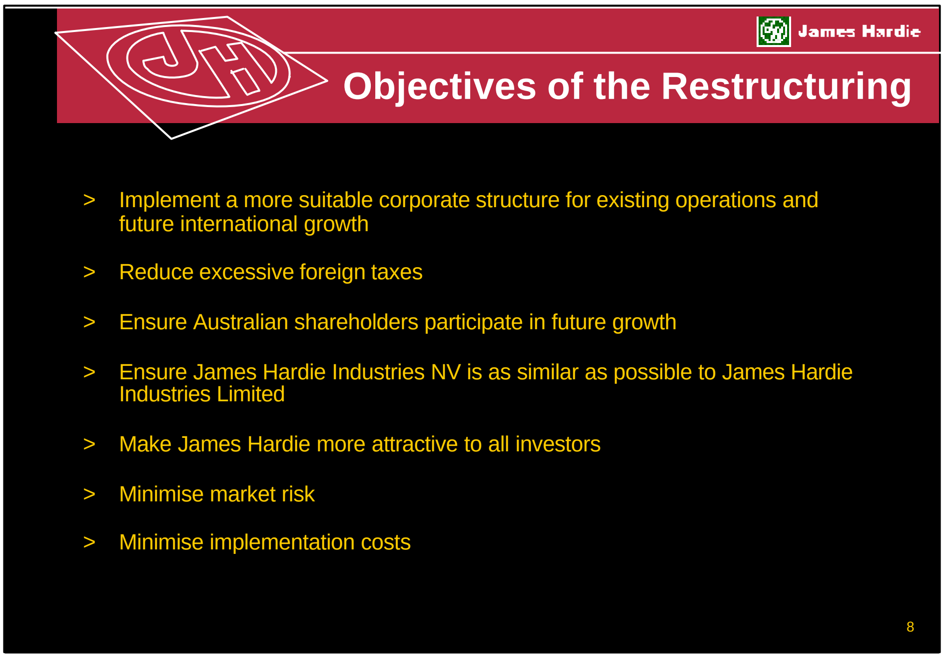
In order for James Hardie Industries Limited to continue paying dividends to shareholders, US earnings will need to be repatriated to Australia from this year. US withholding tax at a rate of 15% will, however, apply to the money repatriated to Australia. For example, if we had faced this situation last year there would be an additional cost of approximately A$13.9 million for James Hardie and an increase its average tax rate to 40-50%.

Given that dividends are also taxed in the hands of shareholders, the Board believes that such rates of tax are excessive and that action is required to address these issues.

The proposal announced today will address these issues.

James Hardie

Section 2 - Corporate Restructuring



When developing a solution to the fundamental structural issues faced by James Hardie, there were a number of key objectives that we believed needed to be satisfied.

Obviously it was necessary to resolve the fundamental structural issues and implement a more suitable corporate structure for future international growth and existing operations. An important part of this objective was to reduce excessive foreign taxes that would otherwise apply to James Hardie and its shareholders.

It was critical, however, that the solution did not disenfranchise existing shareholders or effectively force them to sell their investments in James Hardie. We want our shareholders, most of whom are Australian, to enjoy the benefits of our growth to the fullest possible extent. By achieving this objective, existing shareholders, 90% of which are Australian, will be able to participate over the long term in James Hardie's future growth. We believe that in order to make this possible it was important to ensure that the new holding company, James Hardie Industries NV, is as similar as possible as James Hardie Industries Limited for investors.

While focussed on existing shareholders predominantly, an objective was to develop a structure that would be more attractive to all investors, thereby facilitating potentially increased demand for James Hardie shares over the longer term.

Other key objectives were to minimise the risk of market conditions preventing the implementation of the solution and to minimise implementation costs. As a result, there is no IPO.

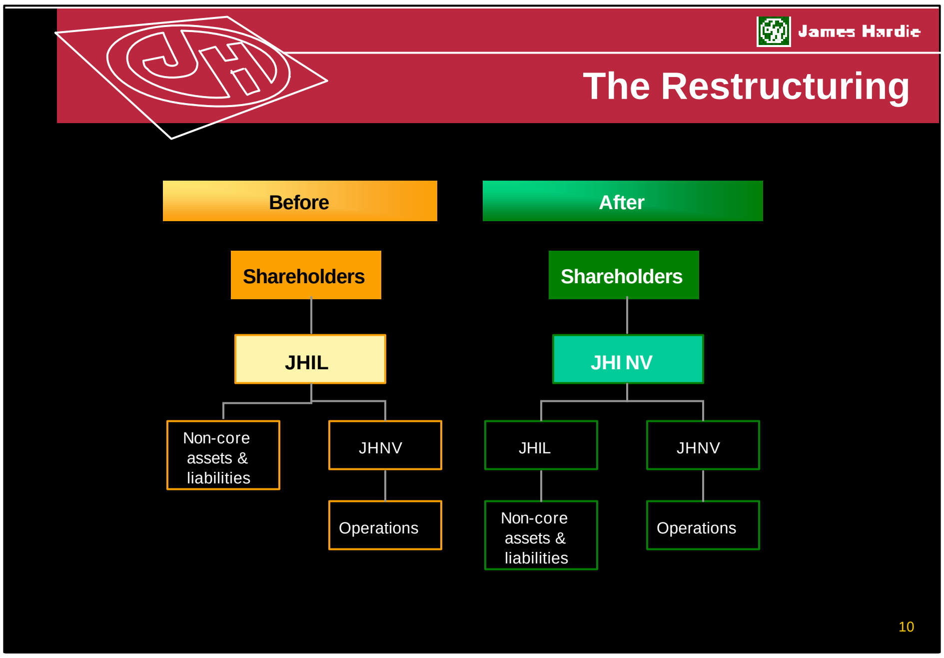
James Hardie believes that the restructuring announced today achieves these objectives.

From a shareholder perspective, the restructuring essentially involves the introduction of a new Dutch incorporated parent company for the James Hardie group, James Hardie Industries NV.

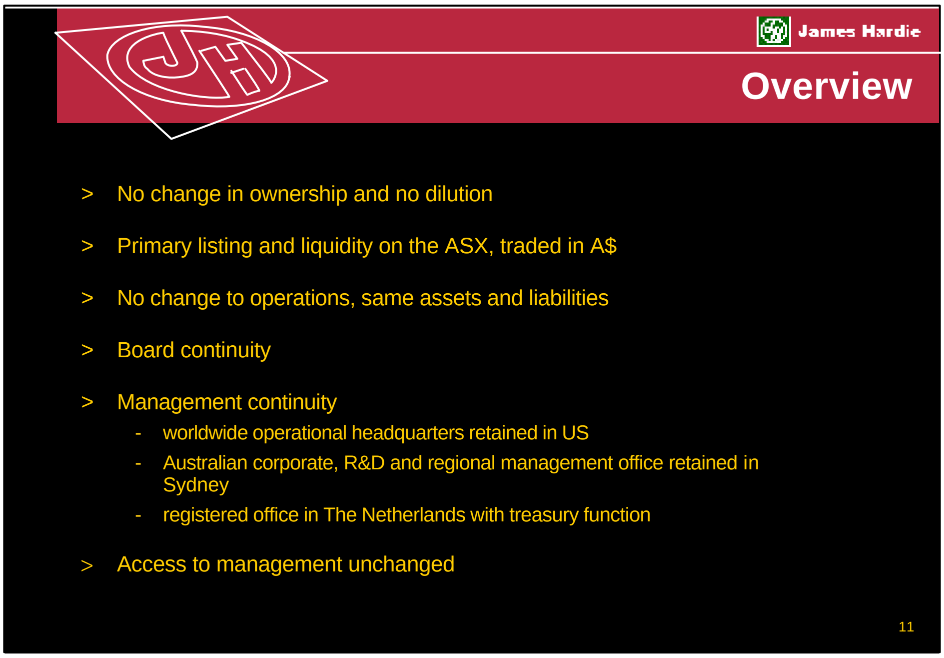
In addition to the primary listing on the ASX, James Hardie Industries NV is also seeking a secondary listing of ADRs on the NYSE. This will enable the existing James Hardie Industries Limited ADRs, which are traded over the counter in the US, to be replaced with listed ADRs. While this may assist in generating additional foreign interest in James Hardie, it is also required to obtain the financial efficiencies of the restructuring as explained later.

The restructuring does not include an IPO or any capital raising or a change to any of James Hardie's operations. The previously announced disposal processes for the gypsum and windows businesses are not affected by the restructuring and are ongoing.

As the restructuring does not involve any change to the assets, operations, primary listing or ownership of James Hardie it is not expected to have any negative index implications. James Hardie's index weighting is expected to be 100% in the relevant S&P/ASX indices, as it is today, although the policies of the relevant index group prevents this being confirmed until after the announcement of the restructuring.



As illustrated by the diagrams on this slide, the restructuring involves interposing James Hardie Industries NV as a new holding company in the James Hardie group. The diagrams also show the transfer of James Hardie NV, the Dutch company established as part of the 1998 restructure to hold the group's operating assets, from James Hardie Industries Limited to James Hardie Industries NV. This is essential to achieve the financial efficiencies provided by the restructuring but does not affect shareholders.



Shareholders will receive the same interest in James Hardie Industries NV as they currently have in James Hardie Industries Limited with no dilution or change in ownership, with the exception of shareholders that are not residents of Australia, New Zealand, the UK or the US. Due to difficulties and the cost of complying with securities laws in different countries, shareholders that are resident outside of these countries, who combined hold less than 1% of James Hardie, will receive cash from the sale of their shares when the restructuring is implemented. Residency for these purposes relates to the legal or registered owner of the shares.

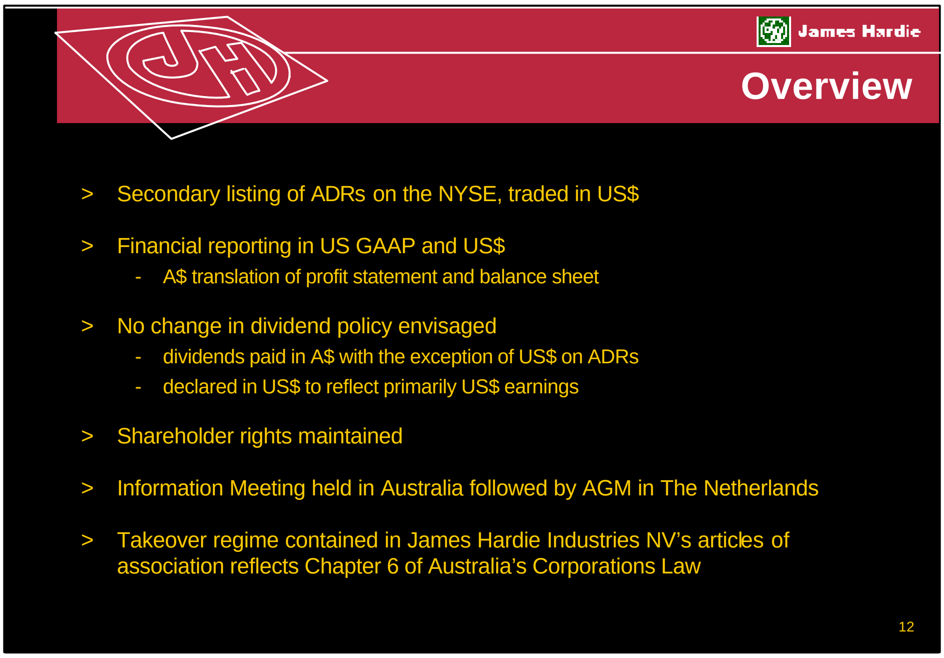
James Hardie Industries NV will have a primary listing on the ASX and will trade in Australian dollars as James Hardie does today. Given that less than 1% of James Hardie Industries Limited, and hence James Hardie Industries NV post the restructuring, is held as ADRs, the vast majority of trading liquidity is expected to be on the ASX as it is today.

There will be no change to the operations of James Hardie as a result of the restructuring and the group will have the same assets and liabilities following the restructuring.

There will be Board continuity through the restructuring. James Hardie Industries NV will have a Supervisory Board comprising only non-executive directors and a Management Board comprising only executives in accordance with Dutch practice. James Hardie Industries NV will also have a Joint Board, comprising all of the Supervisory Board plus the CEO from the Management Board, which will effectively act as the James Hardie Board does today.

There will be no change to management as a result of the restructuring. James Hardie's world-wide operational headquarters will remain in California and the existing corporate and regional management office will be retained in Sydney. A registered office will also be established in The Netherlands which will also contain James Hardie's treasury function.

Shareholder access to management will remain unchanged.



James Hardie Industries NV will primarily report its results in US GAAP and US dollars. An Australian dollar translation of the profit statement and balance sheet will also be provided. We believe that this will provide more meaningful information on the performance of James Hardie's operations, given the location and currency of the majority of James Hardie's operations and earnings.

No change in dividend policy is planned or envisaged as a result of the restructuring. Dividends will continue to be paid in Australian dollars except on ADRs, which will be paid in US dollars as currently occurs. Dividends will, however, be declared in US dollars to reflect primarily US dollar earnings.

Shareholder rights will be maintained under the restructuring although there will be some differences due to differences between Dutch and Australian law.

An Information Meeting will be held in Australia prior to the AGM or any general meeting, which must be held in The Netherlands to comply with Dutch law. Information meetings in Australia, will be enshrined in James Hardie Industries NV's constitution and will be very similar to the current AGM, with a presentation on operations and shareholders having the opportunity to question the Board. While voting on resolutions will not occur at the Information Meeting, shareholders will be able to discuss the resolutions to be put at the AGM and will be able to lodge proxies before or at the Information Meeting that will be voted at the AGM.

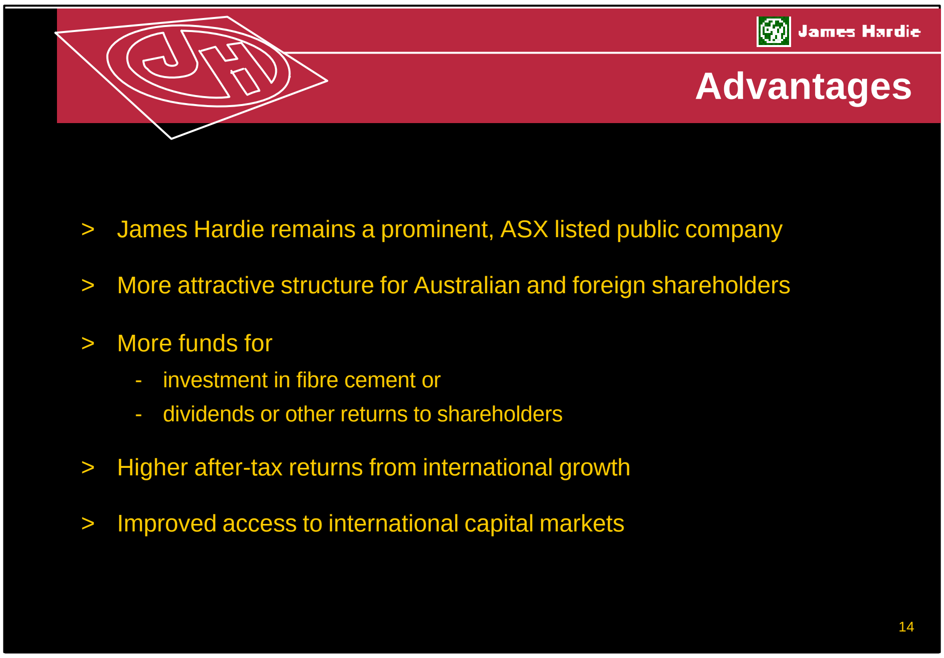
The takeover regime applying to James Hardie Industries NV will be contained in James Hardie Industries NV's articles of association and reflects Chapter 6 of Australia's Corporations Law.

Under the scheme of arrangement to implement the restructuring, James Hardie Industries Limited shares will be exchanged for interests in James Hardie Industries NV shares. These interests will be held in the form of CHESS Units of Foreign Securities or CUFS. CUFS were developed by the ASX to allow CHESS clearing and settlement and will be traded on the ASX in the same way as James Hardie Industries Limited shares are traded today. CUFS provide beneficial ownership of James Hardie Industries NV ordinary shares with legal title being held by CHESS Depository Nominees, a subsidiary of ASX.

For technical tax reasons the use of CUFS is also necessary to allow CGT scrip for scrip rollover relief for a Dutch security that can be cleared and settled through CHESS.

The restructuring and use of CUFS are not expected to create any investment mandate issues for Australian institutions. CUFS should essentially be the same for institutions as owning shares through nominee holding companies.

CUFS are also a common form of holding foreign securities that are traded on the ASX. Examples include Hanson, Anglogold, Coca Cola Hellenic Bottling, Homestake Mining and a number of other smaller companies.



The restructuring will enable James Hardie to remain a prominent, ASX listed public company while providing a more attractive structure for Australian and foreign shareholders that addresses the group's fundamental structural issues.

The financial efficiencies provided by the restructuring will also provide greater funds that may be used for investment in the continued growth of James Hardie's fibre cement businesses or for dividends or other returns to shareholders.

The more efficient financial structure established by the restructuring will also provide higher after tax returns for James Hardie and its shareholders from international growth.

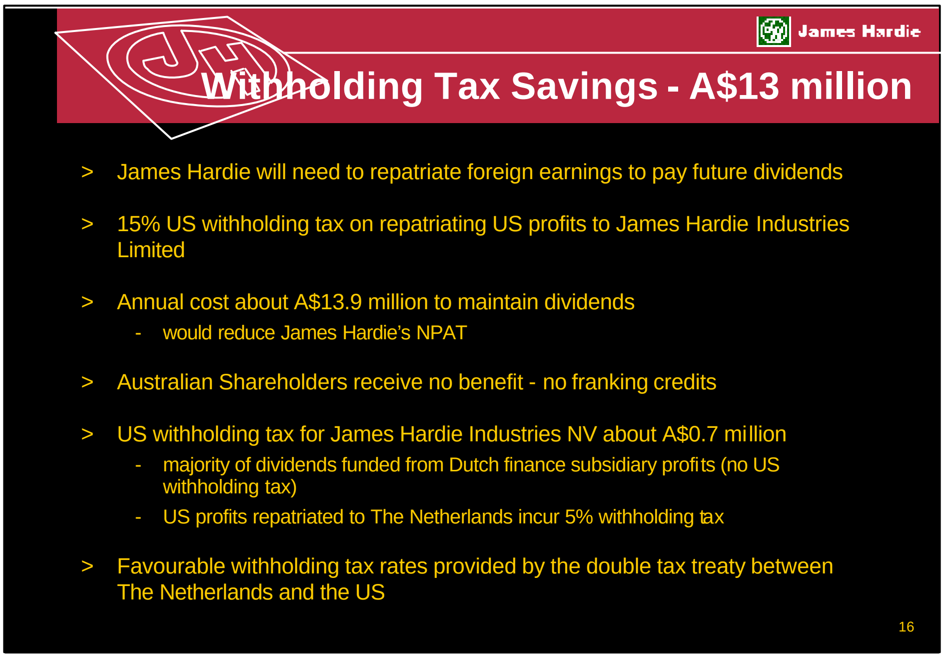
The restructuring is also expected to provide increased access to international capital markets over time. This may be achieved through the more attractive structure for foreign investors and the NYSE listing of ADRs. The NYSE listing of ADRs that will be traded in US dollars may also provide an acceptable scrip acquisition currency for foreign acquisition opportunities should these arise in the future.

The financial efficiencies created by the restructuring primarily relate to reductions in foreign and withholding taxes.

The net benefit is about $30 million a year relative to retaining the current structure all other things being equal. This does not mean that reported profits for the FY01 year would have increased by A$30 million if the structure had been implemented but rather that future profits should be A$30 million higher than if the current structure is retained. The reason that FY01 reported profits would not have been A$30 million higher is that earnings did not need to be repatriated from the US to fund dividends and that the group benefited from temporary financing measures which are no longer available.

The benefits of the new structure are available through the US/Netherlands double tax treaty and a 10 year ruling provided by the Dutch tax authorities.

It is expected that James Hardie's average tax rate should be in the order of 25-30% going forward rather than 40-50% as expected if the restructuring did not proceed.



From this year James Hardie will need to repatriate foreign earnings, from the US, for James Hardie to maintain dividends to shareholders if the restructuring is not implemented. These foreign earnings would incur US withholding tax of 15% at an annual cost of approximately $13.9 million to maintain current dividends. This would reduce James Hardie's net profit after tax by this amount.

In addition to reducing James Hardie's profits, Australian shareholders receive no benefit as the payment of foreign taxes does not generate franking credits.

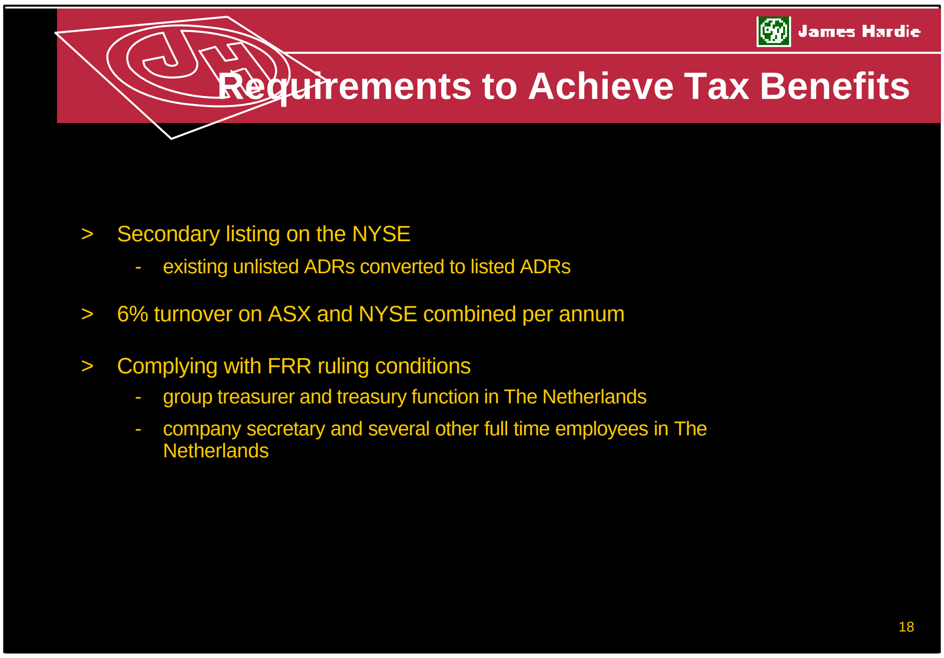
The US withholding tax expense of James Hardie Industries NV maintaining James Hardie Industries Limited's dividends for the 2001 financial year is estimated at approximately A$0.7 million. The majority of James Hardie Industries NV's dividends will be funded from the profits of the group's Dutch finance subsidiary which will not incur US withholding tax. US profits repatriated to The Netherlands to assist funding dividends will only incur 5% US withholding tax. The favourable withholding tax rates are provided by the double tax treaty between The Netherlands and the US.

We are using a Dutch finance subsidiary to fund the operations of the group.

The corporate tax benefits result from the effective tax rate of 15% that will apply to the income of James Hardie's Dutch finance subsidiary following the restructure. The finance subsidiary's income will be generated by financing the group's operating subsidiaries. It will not finance any external parties.

The corporate tax benefits are expected to be approximately US$9.7 million per annum initially, or A$17.4 million at the average exchange rate of A$1.00:US$0.559 during the 2001 financial year. This benefit may increase further over time as James Hardie continues to grow.

These benefits are available as the Dutch finance subsidiary will be operating in the Financial Risk Reserve regime in The Netherlands. Application of this regime has been confirmed by a 10 year ruling from the Dutch tax authorities.



James Hardie Industries NV will need to comply with a number of requirements in order to achieve the tax benefits provided by the restructuring.

For the favourable withholding tax rates provided by the US/Netherlands double tax treaty to apply, James Hardie Industries NV needs to be listed on either a Dutch or US stock exchange. The secondary listing of ADRs on the NYSE satisfies this requirement. An IPO is not required.

At least 6% of the issued capital of James Hardie Industries NV must be traded on the NYSE and ASX combined, with at least a reasonable level of trading in all months. It is expected that these requirements will be satisfied comfortably if current trading levels in James Hardie are maintained.

James Hardie must also comply with the conditions attaching to the ruling allowing it to operate in the Financial Risk Reserve regime. These conditions, which James Hardie intends to meet, include the group treasurer, the treasury function, the company secretary and several other full time employees being located in The Netherlands.

As with any statutory regime there is always the possibility of changes that would reduce or eliminate the tax benefits. The Netherlands is a member of the European Union ("EU") and is bound by treaties that form the "constitution of the of the EU. The EU is reviewing the tax legislation of the EU member states, including the Netherlands, to determine whether any tax legislation includes provisions that grant benefits that constitute "prohibited state aid". In the event that the FRR was found to constitute prohibited state aid, the tax benefits from the FRR could be cancelled retroactively, resulting in additional tax payments. This position of the Dutch government to date has been that the FRR regime does not constitute prohibited state aid.

The EU states are also seeking to eliminate harmful tax competition within the EU. This could result in the amendment or abolishment of the FRR regime in the future such that the effectiveness of the 10 year ruling from the Dutch tax authorities is reduced. The position of the Dutch government to date has been that the FRR regime does not constitute harmful tax competition and James Hardie has no reason to believe that this position will change.

While the restructuring achieves the objectives outlined earlier, there are some disadvantages for existing shareholders.

Shareholders will receive securities of a foreign company for their Australian James Hardie Industries Limited shares. The shift to Dutch incorporation creates differences, as Dutch law is different to Australian law. These differences include:

- general meetings being held in The Netherlands, although there will be prior information meetings held in Australia as outlined earlier;
- shareholders effectively needing to vote by proxy unless they travel to The Netherlands for shareholders meetings;
- shareholders holding CUFS rather than ordinary shares; and
- the takeover regime. Although James Hardie Industries NV has adopted Chapter 6 of Australia's Corporations Law in its articles of association this will have contractual, rather than statutory, effect.

Notwithstanding the benefits of the restructuring, there is always the risk that shareholders may not be able or willing to hold an investment in a Dutch company, even if listed on the ASX.

Pre-capital gains tax or CGT shareholdings in James Hardie Industries Limited will be become post CGT investments in James Hardie Industries NV. While affected shareholders will receive a cost base equivalent to the market value of James Hardie Industries NV shares when the restructuring is implemented, any subsequent gain will be taxable.

The additional cost of maintaining the new structure is expected to be approximately $1 million annually. This is mainly for the new Dutch registered office and associated functions but is a small cost for the benefits that will be realised from the restructuring.

Implementation costs will be approximately A$17-19 million, including approximately A$13 million of Dutch capital duty that will be incurred if the restructuring is completed. These costs do not include A$5.8 million that was incurred and expensed during the 2001 financial year in developing the restructuring.

James Hardie

Resolves Structural Issues

Advantages of restructuring significantly outweigh disadvantages

> Allows James Hardie to pursue global leadership in fibre cement

> Optimise returns to Australian shareholders

> Australian shareholders can participate in future growth

James Hardie

Section 3 - Financial Information

James Hardie

Pro Forma Financial Impact

Pro forma EPS increases 38%

	JHIL normalised A$m	JHI NV pro forma A$m
Profit after corporate tax, but before withholding taxes	93.1	93.1
Less: Withholding taxes on internal dividends	(13.9)	(0.7)
Less: After tax incremental costs of new structure	-	(0.7)
Add: Impact of Dutch finance company on tax expense	-	17.4
Profit after tax	79.2	109.1
Earnings per share	19.3¢	26.6¢
EPS improvement		7.3¢

Notes:
1 JHIL normalised and JHI NV pro forma presented in US GAAP
2 Assumes that dividends are paid to the extent possible out of earnings from the Dutch finance company

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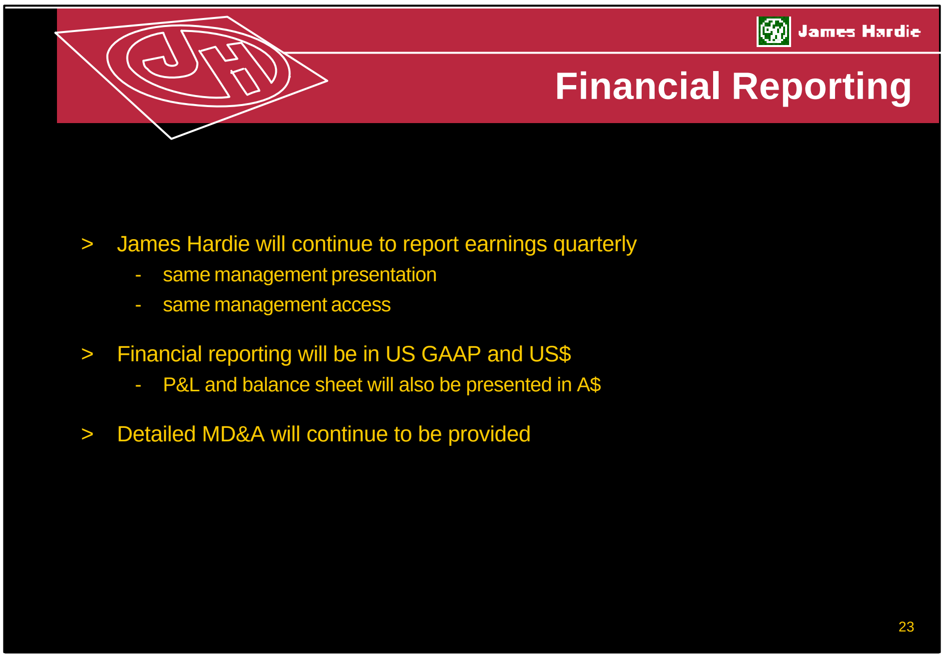
The pro forma financial impact of the restructuring on normalised US GAAP earnings and dividends for the 2001 financial year shows a benefit of approximately A$30 million and an increase in EPS of about 38% from 19.3 cents to 26.6 cents. This is attributable to; the saving on withholding tax on internal dividends to allow James Hardie to pay dividends; the reduction in corporate tax from the use of the Dutch finance company; and the after tax additional cost of maintaining the new structure.

The adjustments from James Hardie Industries Limited's reported 2001 earnings to the James Hardie Industries Limited normalised column are shown in the coming slides with further detail, including abnormal and extraordinary items, in the background information accompanying this announcement.



James Hardie will continue to report earnings quarterly. This will be accompanied by management presentations of the results as currently occurs. Shareholders will also continue to have the same access to management to discuss reported results.

As outlined earlier, financial reporting will primarily be in US GAAP and US dollars, with the profit statement and balance sheet also presented in Australian dollars. Given that the majority of assets and earnings are denominated in US dollars, James Hardie believes that this will facilitate easier analysis of its results, particularly between periods where currency exchange rates can distort the underlying operational performance. The adoption of US GAAP should also enable easier comparison of James Hardie to other companies operating in its primary market, the US.

Detailed management discussion and analysis or MD&A will continue to be provided on James Hardie's reported financial information.

James Hardie

A GAAP & US GAAP

Adjustments between historic James Hardie Industries Limited 2001 profit & loss statement before abnormal and extraordinary items

A$ millions	JHIL A GAAP actual	MRCF creation	Property revaluation	Fixed assets & goodwill life	SAB101 revenue recognition	Other	JHIL US GAAP actuals
Sales	1,548.6	-	-	-	8.8	-	1,557.4
EBIT	142.6	20.6	4.0	4.0	3.7	2.4	177.3
Interest	(23.8)	-	-	-	-	-	(23.8)
EBT	118.8	20.6	4.0	4.0	3.7	2.4	153.5
Tax	(26.8)	(7.0)	(0.9)	(1.6)	(1.4)	(0.6)	(38.3)
NPAT pre-abnormals	92.0	13.6	3.1	2.4	2.3	1.8	115.2

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This slide highlights the differences between Australian GAAP and US GAAP for James Hardie Industries Limited's earnings for the 2001 financial year before abnormal and extraordinary items.

The first column shows the actual 2001 results in Australian GAAP before abnormal and extraordinary items.

The second column adjusts for differences relating to asbestos litigation and the creation of the Medical Research and Compensation Foundation. Obviously this is behind us now.

The third column shows the impact of previous upwards revaluations of James Hardie's properties. US GAAP does not permit upwards revaluations of properties. Therefore, the carrying value of properties is lower in the US GAAP accounts, resulting in a reduced depreciation expense of A$4.0 million in 2001.

The fourth column shows changes to depreciation rates for fixed assets and amortisation rates for goodwill. Under US GAAP, James Hardie Industries Limited uses a 20 year life for plant and a 25 year life for goodwill. Depreciation and amortisation expense is therefore lower under US GAAP, compared to Australian GAAP where economic lives of 15 years are used for certain plant and 20 years for goodwill.

The fifth column shows transitional changes in the recognition of revenue. This adjustment reflects a change to revenue recognition policies brought about by SEC Staff Accounting Bulletin No 101 (SAB101), which applies to the 31 March 2001 financial year. Previously, James Hardie recognised revenue when product was shipped, but under SAB101 it is necessary for risk of ownership to have passed before revenue can be recognised. The revenue recognition policy has been adopted for both US GAAP and Australian GAAP in the year to 31 March 2001. The change in policy to comply with SAB 101 does not impact US GAAP operating profits, given the transitional provisions under SAB 101. However, there are no corresponding transitional provisional provisions under A GAAP. As this is a transitional difference there would be no differences on an ongoing basis.

The "Other" column includes a number of other adjustments which are not individually significant in their impact upon the profit and loss account, comprising:

- accounting for superannuation plans under Financial Accounting Standard 87
- treatment of capitalised start-up costs on new manufacturing facilities
- accounting for available for sale investments
- accounting for employee share plans
- accounting for warranties.

James Hardie

JHIL US GAAP Normalisation Adjustments

Normalised 2001 profit & loss statement

	JHIL US GAAP actual	MRCF rent and interest	WHT on internal dividends	Proposal costs expensed	Temporary financing measures	JHIL US GAAP normalised
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

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This slide highlights the normalisation adjustments to James Hardie Industries Limited's actual results for 2001 presented in US GAAP. The normalised results are intended to eliminate the effects of non-recurring items and to demonstrate the future effect under the current structure of US withholding taxes on internal dividends to enable James Hardie Industries Limited to pay the same dividends as for the 2001 financial year.

The second column normalises for the rental expense on properties occupied by certain of James Hardie's Australian manufacturing facilities and interest on a A$70 million term loan that will continue to be paid to two former subsidiaries of James Hardie, which are now controlled by the Foundation. These rent and interest costs were eliminated as intercompany items in the James Hardie consolidated accounts before the creation of the Foundation, but in future will be reported as external costs.

The third column shows withholding tax on internal dividends to James Hardie Industries Limited to fund dividend payments to shareholders and assumes that the 2001 financial year dividends of 19 cents 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 James Hardie Industries Limited, on which a withholding tax expense of A$13.9 million at an assumed 15% rate would have been incurred.

The fourth column eliminates costs of A$5.8 million associated with developing the restructuring which were expensed in the year to 31 March 2001. These costs will not be incurred in a normal year.

The temporary financing measures column eliminates the benefits realised from temporary measures put in place following the unsuccessful 1998 restructuring which will not be available in future.

James Hardie

US GAAP

Adjustments between James Hardie Industries Limited US GAAP normalised accounts and JHI NV US GAAP pro forma accounts

In A$ million	JHIL US GAAP normalised	WHT saving on internal dividends	Dutch finance company benefits	Operating costs	JHINV US GAAP pro forma
Sales	1,557.4	-	-	-	1,557.4
EBIT	180.1	-	-	(1.0)	179.1
Interest	(28.8)	-	-	-	(28.8)
EBT	151.3	-	-	(1.0)	150.3
Tax	(72.1)	13.2	17.4	0.3	(41.2)
NPAT	79.2	13.2	17.4	(0.7)	109.1

The pro forma financial impact of the restructuring on normalised US GAAP earnings and dividends for the 2001 financial year shows a benefit of approximately A$30 million. This is attributable to; the saving on withholding tax on internal dividends to allow James Hardie to pay dividends; the reduction in corporate tax from the use of the Dutch finance company; and the after tax additional cost of maintaining the new structure.

James Hardie

A GAAP & US GAAP

Adjustments between historic James Hardie Industries Limited Balance sheet as at 31 March 2001

A$ million	JHIL A GAAP actual	Property revaluation	Fixed assets & goodwill life	Other	JHIL US GAAP actuals
Cash	153.2	-	-	-	153.2
Receivables	219.0	-	-	(10.3)	208.7
Inventories	178.9	-	-	-	178.9
Fixed assets	1,171.8	(31.8)	21.9	(17.6)	1,144.3
Investments	20.7	-	-	-	20.7
Intangibles	66.3	-	3.1	-	69.4
Other	120.0	-	-	17.8	137.8
Total assets	1,929.9	(31.8)	25.0	(10.1)	1,913.0
Creditors	168.1	-	-	-	168.1
Borrowings	885.9	-	-	-	885.9
Provisions	298.3	-	-	(12.8)	285.5
Total liabilities	1,352.3	-	-	(12.8)	1,339.5
Net assets	577.6	(31.8)	25.0	2.7	573.5

This slide shows the adjustments between James Hardie Industries Limited's balance sheet in Australian GAAP and US GAAP as at 31 March 2001.

The "Property revaluation" column eliminates the effect of properties previously revalued upwards under Australian that is not allowed under US GAAP.

The "Fixed assets and goodwill life" column adjusts the carrying value of fixed assets and goodwill from the lower depreciation and amortisation rates under US GAAP mentioned earlier.

The "Other" column includes a number of adjustments outlined in the background information to today's announcement.

- *Receivables* – US GAAP requires that loans under the Executive Share Purchase Plan be treated as a reduction of shareholder's equity, rather than as an asset.
- *Fixed Assets* – US GAAP does not permit the capitalisation of start-up costs on new manufacturing facilities.
- *Other* – US GAAP (FAS 87) requires that certain assets in relation to company sponsored superannuation plans be bought onto the balance sheet.
- *Provisions* – this comprises a number of components:
    - reversal of the dividend provision. US GAAP only permits a dividend provision to be booked when formally declared by the Board
    - the inclusion of a general provision for warranties under US GAAP
    - income tax adjustments as a result of GAAP adjustments

Post Restructuring

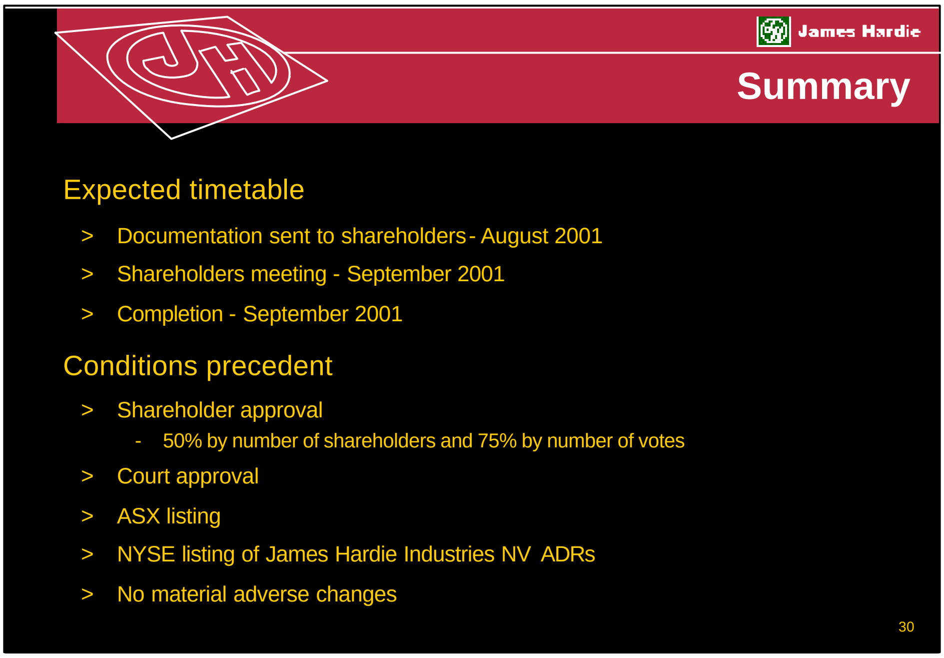
Summary of Financial Position

> $30 million increase in after-tax profit
  - withholding tax saving A$13 million
  - corporate tax benefits A$17 million

> Global corporate tax rate of 25-30%

> Enhance flexibility for future growth

Section 4 - Summary



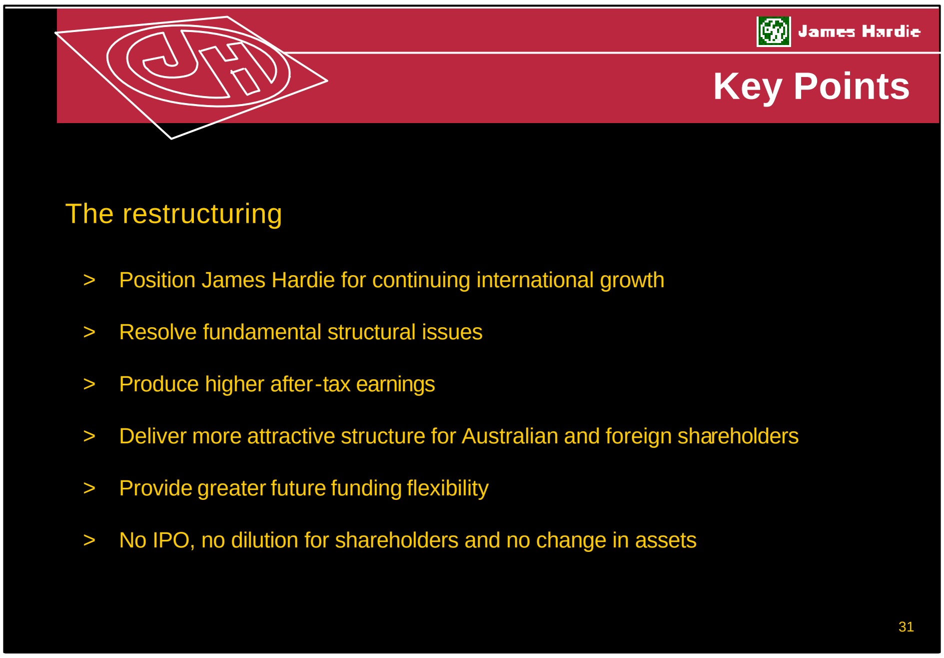
Documentation for the scheme meeting should be despatched to shareholders during August 2001. This documentation will include an explanatory memorandum providing further detail on the restructuring and James Hardie Industries NV. The documentation will also include an independent expert's report from Grant Samuel & Associates Pty Limited.

The shareholders meeting to consider the restructuring is expected to occur during September 2001 in Sydney. If approved by shareholders and the Court, completion of the restructuring is also expected during September 2001. At this time, James Hardie Industries NV will replace James Hardie Industries Limited on the ASX.

For the restructuring to be completed, a number of conditions precedent need to be satisfied. These include shareholder approval by 50% by number of shareholders present and voting at the meeting, in person or by proxy, and 75% by number of votes. Approval of the Supreme Court of New South Wales is also required following the shareholders meeting.

The ASX listing of James Hardie Industries NV and the NYSE listing of ADRs is a condition precedent as it is necessary to achieve the financial efficiencies provided by the restructuring.

The restructuring will also not proceed unless the James Hardie Industries Limited Board continues to believe that it is in the best interests of shareholders. This would enable the enable to restructuring to be stopped if there were any material adverse changes that are not currently expected or contemplated.



In summary, the restructuring will position James Hardie for continuing international growth by resolving the group's fundamental structural issues. This will provide higher after tax earnings of about A$30 million relative to retaining the current structure all other things being equal. The resulting structure will also be more attractive for Australian and foreign shareholders while providing greater flexibility for funding future growth.

The transaction achieves these benefits without an initial public offering, dilution of shareholders or any change in the assets of James Hardie.

Following the restructuring Investors should be able to continue valuing James Hardie on its operational performance and prospects without the implications of existing structural issues.

That concludes the formal presentation and we are happy to now take questions.

Restructured for Growth

> Fibre cement will enable the new James Hardie to become an Australian success story in major international markets

> Restructuring ensures that Australian shareholders fully participate in our success

A transcript of the speaker notes is available on the website:
http://www.jameshardie.com