

Consolidated Statements of Changes in Shareholders' Equity

James Hardie Industries NV and Subsidiaries

(Millions of US dollars)	Common Stock	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Employee Loans	Accumulated Other Comprehensive Income (Loss)	Total
Balances as of 31 March 2001	\$ 435.5	\$ –	\$ (102.3)	\$ (7.9)	\$ (44.2)	\$ 281.1
Comprehensive income (loss):						
Net income	–	–	30.8	–	–	30.8
Other comprehensive income (loss):						
Effect of adopting SFAS No. 133:						
Unrealised transition loss on derivative instruments classified as cash flow hedges	–	–	–	–	(4.9)	(4.9)
Amortisation of unrealised transition loss on derivative instruments	–	–	–	–	1.1	1.1
Foreign currency translation loss	–	–	–	–	(14.9)	(14.9)
Unrealised gain on available-for-sale securities	–	–	–	–	1.3	1.3
Other comprehensive loss	–	–	–	–	(17.4)	(17.4)
Total comprehensive income						13.4
Dividends paid	–	–	(20.3)	–	–	(20.3)
Conversion of JHIL no par common shares to JHI NV Euro 0.50 par value common shares	(333.4)	333.4	–	–	–	–
Issuance of common stock	103.1	9.9	–	–	–	113.0
Return of capital of \$0.05 per share	–	(22.5)	–	–	–	(22.5)
Stock compensation	–	1.8	–	–	–	1.8
Tax benefit from stock options exercised	–	0.2	–	–	–	0.2
Employee loans repaid	–	–	–	3.1	–	3.1
Stock options exercised	0.2	0.7	–	–	–	0.9
Balances as of 31 March 2002	\$ 205.4	\$ 323.5	\$ (91.8)	\$ (4.8)	\$ (61.6)	\$ 370.7
Comprehensive income (loss):						
Net income	–	–	170.5	–	–	170.5
Other comprehensive income (loss):						
Amortisation of unrealised transition loss on derivative instruments	–	–	–	–	1.1	1.1
Foreign currency translation gain	–	–	–	–	21.9	21.9
Additional minimum pension liability adjustment	–	–	–	–	(7.7)	(7.7)
Other comprehensive income	–	–	–	–	15.3	15.3
Total comprehensive income						185.8
Dividends paid	–	–	(34.3)	–	–	(34.3)
Conversion of common stock from Euro 0.50 par value to Euro 0.85 par value	157.9	(157.9)	–	–	–	–
Conversion of common stock from Euro 0.85 par value to Euro 0.64 par value and subsequent return of capital	(94.8)	–	–	–	–	(94.8)
Stock compensation	–	1.9	–	–	–	1.9
Tax benefit from stock options exercised	–	0.8	–	–	–	0.8
Employee loans repaid	–	–	–	0.4	–	0.4
Stock options exercised	1.2	3.0	–	–	–	4.2
Balances as of 31 March 2003	\$ 269.7	\$ 171.3	\$ 44.4	\$ (4.4)	\$ (46.3)	\$ 434.7

The accompanying notes are an integral part of these consolidated financial statements.

(Millions of US dollars)	Common Stock	Additional Paid-in Capital	Retained Earnings	Employee Loans	Accumulated Other Comprehensive Income (Loss)	Total
Balances as of 31 March 2003	\$ 269.7	\$ 171.3	\$ 44.4	\$ (4.4)	\$ (46.3)	\$ 434.7
Comprehensive income (loss):						
Net income	–	–	129.6	–	–	129.6
Other comprehensive income (loss):						
Amortisation of unrealised transition loss on derivative instruments	–	–	–	–	1.1	1.1
Foreign currency translation gain	–	–	–	–	16.0	16.0
Unrealised loss on available-for-sale securities	–	–	–	–	(0.1)	(0.1)
Additional minimum pension liability adjustment	–	–	–	–	7.7	7.7
Other comprehensive income	–	–	–	–	24.7	24.7
Total comprehensive income						154.3
Dividends paid	–	–	(22.9)	–	–	(22.9)
Conversion of common stock from Euro 0.64 par value to Euro 0.73 par value	48.4	(48.4)	–	–	–	–
Conversion of common stock from Euro 0.73 par value to Euro 0.5995 par value and subsequent return of capital	(68.7)	–	–	–	–	(68.7)
Conversion of common stock from Euro 0.5995 par value to Euro 0.59 par value	(5.0)	5.0	–	–	–	–
Stock compensation	–	3.3	–	–	–	3.3
Tax benefit from stock options exercised	–	0.4	–	–	–	0.4
Employee loans repaid	–	–	–	0.4	–	0.4
Stock options exercised	0.8	2.4	–	–	–	3.2
Balances as of 31 March 2004	\$ 245.2	\$ 134.0	\$ 151.1	\$ (4.0)	\$ (21.6)	\$ 504.7

The accompanying notes are an integral part of these consolidated financial statements.