

# Consolidated Statements of Income

James Hardie Industries NV and Subsidiaries

(US\$)

(Millions of US dollars, except per share data)	Notes	Years Ended 31 March		
		2004	2003	2002
Net sales	20	\$ 981.9	\$ 783.6	\$ 591.7
Cost of goods sold		(623.0)	(492.8)	(393.4)
Gross profit		358.9	290.8	198.3
Selling, general and administrative expenses		(162.0)	(144.9)	(109.3)
Research and development expenses		(22.6)	(18.1)	(14.1)
Other operating (expense) income	15	(2.1)	1.0	(28.1)
Operating income		172.2	128.8	46.8
Interest expense		(11.2)	(23.8)	(18.4)
Interest income		1.2	3.9	2.4
Other income (expense)		3.5	0.7	(0.4)
Income from continuing operations before income taxes	20	165.7	109.6	30.4
Income tax expense		(40.4)	(26.1)	(3.1)
Income from continuing operations		125.3	83.5	27.3
Discontinued operations:				
Income from discontinued operations, net of income tax expense of (\$0.1) million, (\$1.6) million and (\$0.9) million for 2004, 2003 and 2002, respectively	17	0.2	3.0	1.5
Gain on disposal of discontinued operations, net of income tax benefit (expense) of \$4.8 million, (\$45.3) million and \$1.3 million for 2004, 2003 and 2002, respectively	17	4.1	84.0	2.0
Income from discontinued operations		4.3	87.0	3.5
Net income		\$ 129.6	\$ 170.5	\$ 30.8
Income per share – basic:				
Income from continuing operations		\$ 0.27	\$ 0.18	\$ 0.06
Income from discontinued operations		0.01	0.19	0.01
Net income per share – basic		\$ 0.28	\$ 0.37	\$ 0.07
Income per share – diluted:				
Income from continuing operations		\$ 0.27	\$ 0.18	\$ 0.06
Income from discontinued operations		0.01	0.19	0.01
Net income per share – diluted		\$ 0.28	\$ 0.37	\$ 0.07
Weighted average common shares outstanding (Millions):				
Basic	2	458.1	456.7	438.4
Diluted	2	461.4	459.4	440.4

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

# Consolidated Statements of Income

James Hardie Industries NV and Subsidiaries

(A\$ Unaudited)

(Millions of Australian dollars, except per share data)	Years Ended 31 March		
	2004	2003	2002
Net sales	<b>A\$ 1,415.8</b>	A\$ 1,395.5	A\$ 1,152.8
Cost of goods sold	<b>(898.3)</b>	(877.6)	(766.5)
Gross profit	<b>517.5</b>	517.9	386.3
Selling, general and administrative expenses	<b>(233.6)</b>	(258.1)	(212.9)
Research and development expenses	<b>(32.6)</b>	(32.2)	(27.5)
Other operating (expense) income	<b>(3.0)</b>	1.8	(54.7)
Operating income	<b>248.3</b>	229.4	91.2
Interest expense	<b>(16.1)</b>	(42.4)	(35.8)
Interest income	<b>1.7</b>	6.9	4.7
Other income (expense)	<b>5.0</b>	1.2	(0.8)
Income from continuing operations before income taxes	<b>238.9</b>	195.1	59.3
Income tax expense	<b>(58.3)</b>	(46.5)	(6.0)
Income from continuing operations	<b>180.6</b>	148.6	53.3
Discontinued operations:			
Income from discontinued operations, net of income tax expense of (A\$0.1) million, (A\$2.8) million and (A\$1.8) million for 2004, 2003 and 2002, respectively	<b>0.3</b>	5.4	2.9
Gain on disposal of discontinued operations, net of income tax benefit (expense) of A\$6.9 million, (A\$80.7) million and A\$2.5 million for 2004, 2003 and 2002, respectively	<b>5.9</b>	149.6	3.9
Income from discontinued operations	<b>6.2</b>	155.0	6.8
Net income	<b>A\$ 186.8</b>	A\$ 303.6	A\$ 60.1
Income per share – basic:			
Income from continuing operations	<b>A\$ 0.40</b>	A\$ 0.32	A\$ 0.12
Income from discontinued operations	<b>0.01</b>	0.34	0.02
Net income per share – basic	<b>A\$ 0.41</b>	A\$ 0.66	A\$ 0.14
Income per share – diluted:			
Income from continuing operations	<b>A\$ 0.39</b>	A\$ 0.32	A\$ 0.12
Income from discontinued operations	<b>0.01</b>	0.34	0.02
Net income per share – diluted	<b>A\$ 0.40</b>	A\$ 0.66	A\$ 0.14
Weighted average common shares outstanding (Millions):			
Basic	<b>458.1</b>	456.7	438.4
Diluted	<b>461.4</b>	459.4	440.4

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