



The world-wide market potential for fibre cement is large and growing rapidly.

We have a leading position in the industry and believe we can strengthen this further, using our proprietary technology.

We believe that the global market potential for fibre cement products could be much larger than our current sales. We expect to be able to grow our share of the current worldwide market and, at the same time, expand the size of that market.

Competitive advantages

We have many competitive advantages that will allow us to achieve that goal. These include proprietary products and process technology and expertise in the manufacture and marketing of fibre cement products.

We also have leading market positions and one of the strongest brands in building materials.

We believe that competitive advantages mean:

- We have the widest and most differentiated product range of any fibre cement manufacturer.
- Our products look and perform better than competitors' products.
- We have the lowest operating costs of any fibre cement manufacturer.

Economies of scale provide us with benefits in purchasing, manufacturing, distribution, sales, marketing, and research and development.

We believe that we can make and sell our differentiated products at significantly lower costs, and generate higher returns than our competitors. Since 1992, we have been able to reduce the capital cost for each unit of production capacity in new plants. Today, we build new plants significantly faster and at lower cost than our competitors.

Product innovation has enabled us to defend market share from competitors and to expand the market as we find new ways for fibre cement to replace traditional materials.

Our rapid growth in the United States over the last ten years, for example, is the result of our ability to develop products for a large market in which fibre cement has become a superior alternative to traditional materials.

Lightweight construction

We also expect to achieve growth due to the trend away from traditional building systems such as masonry, towards lightweight framed construction.

Framed construction consists of a light steel or timber frame, clad with products such as fibre cement. Issues such as speed and cost of construction, quality of finish and the availability of skilled labour at competitive rates, have all contributed to the growth in this form of construction.

These benefits have seen commercial construction projects converting to lightweight, framed, walling systems, and its use is also increasing in residential construction.

Our lightweight, cost-effective products are well-suited to these

systems. Fibre cement cladding is also more durable than other cladding products such as timber or plywood.

Substitution for other products

James Hardie pioneered the development of fibre cement technology in the late 1970s and early 1980s and our goal is to win a large share of markets in which fibre cement can offer advantages over traditional materials.