

8 January 2007

The Manager  
Company Announcements Office  
Australian Stock Exchange Limited  
20 Bridge Street  
SYDNEY NSW 2000

**James Hardie Industries NV**  
ARBN 097 829 895  
Incorporated in The Netherlands  
The liability of members is limited

Atrium 8<sup>th</sup> Floor  
Strawinskylaan 3077  
1077 ZX Amsterdam,  
The Netherlands

Telephone: 31-20-301 2980  
Fax: 31-20-404 2544

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Dear Sir

**Dutch Withholding Tax**

Please see attached a covering letter sent to James Hardie shareholders with today's dividend payment advice.

Yours faithfully



Benjamin P Butterfield  
**Company Secretary**

8 January 2007



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Dear James Hardie securities holder,

As a result of recent changes to legislation in the Netherlands, the Dutch national dividend withholding tax rate has been reduced from 25 percent to 15 percent effective 1 January 2007. Accordingly, the dividend payment described in the attached dividend statement is, in principle, subject to 15 percent Dutch dividend withholding tax.

This 15 percent rate applies with respect to all dividend payments to securities holders resident in Australia, irrespective of whether they hold the securities in their own right, or as a custodian, nominee or trustee.

Australian resident securities holders will no longer need to complete either the Form A or the IB-92 Universeel form to be entitled to the 15% withholding tax rate.

Securities holders who are resident outside Australia may be entitled to an even lower Dutch dividend withholding tax rate by virtue of a tax treaty between their country of residence and the Netherlands. If such a lower rate is applicable, these securities holders will have to comply with the respective rules and regulations on an individual basis in order to get the reduction from the Dutch dividend withholding tax rate to the rate provided for in the tax treaty.

Please note that this information is provided as a guide only. It is not intended as advice, and should not be relied on as such. If you are in any doubt about your tax position, or whether you can claim a refund of Dutch tax you should consult your own tax adviser.

Yours sincerely,

Benjamin Butterfield  
Company Secretary