James Hardie

Unique Technology Driving High Growth

USA

September 2002

James Hardie

Agenda

- > Welcome
- > Introduction
- > Logistics
- > Agenda

Focussed on Fibre Cement

Attractive Investment Attributes

> Sustainable competitive advantage

> High growth targets

> Unique proprietary technology

> Strong cashflows and balance sheet

> Reduced cyclical risk

> Relentless competitive will to win

A High Growth Investment

Sustainable Competitive Advantage

> Unique plant engineering and proprietary process technology and product formulations

> Unique differentiated products, widest range and strongest brand

> Superior capital cost efficiency – plant capital cost ½ that of competitors

> Largest, lowest cost manufacturer – plant operating cost 20-30% lower than competitors

> Only national producer in each market

> Superior economies of scale – plants 2-3 times larger than competitors

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Long Term Financial Targets

High Growth and Attractive Returns Targeted

Revenue growth	**> 15% p.a.**
EBIT Margins	**> 15%**
ROA	**> 15%**

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Research and Development

R&D is a Key Driver of Growth

> Capabilities and resources
  - 120 scientists, engineers and technicians
  - 30% increase in spend to US$21 million in FY03 – 3% of sales

> Core projects
  - new proprietary engineered raw materials
  - new proprietary product formulations
  - new engineering and proprietary process technologies
  - lightweight and durable products for all climates

Vision and Strategy

Our Goal is Global Leadership in Fibre Cement

> Aggressively grow the market

> Secure differentiated positions by leveraging:

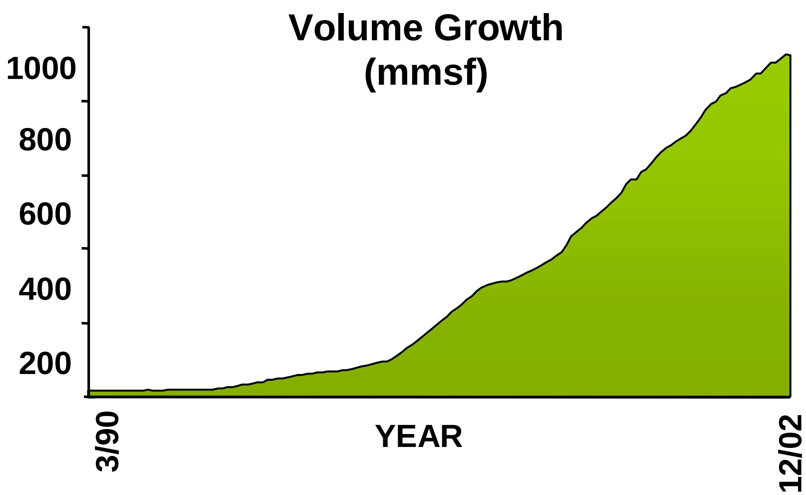
- technology
- products
- scale
- cost
- market position
- brand recognition

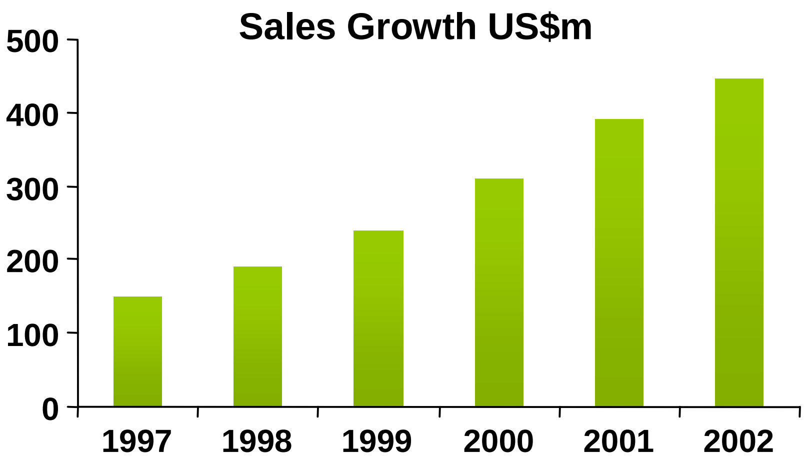
> Targets - high volume, rapid growth, largest share

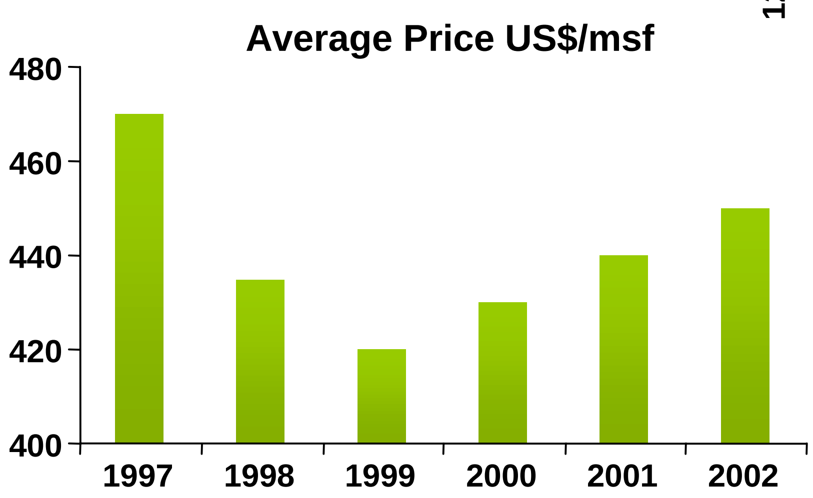
> Sustain attractive margins

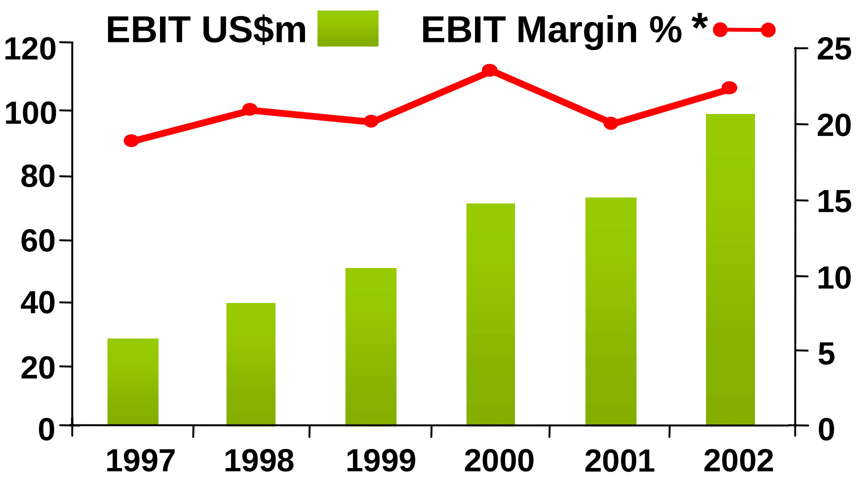
USA Fibre Cement

Strong Performance









* Before restructuring and other operating expenses

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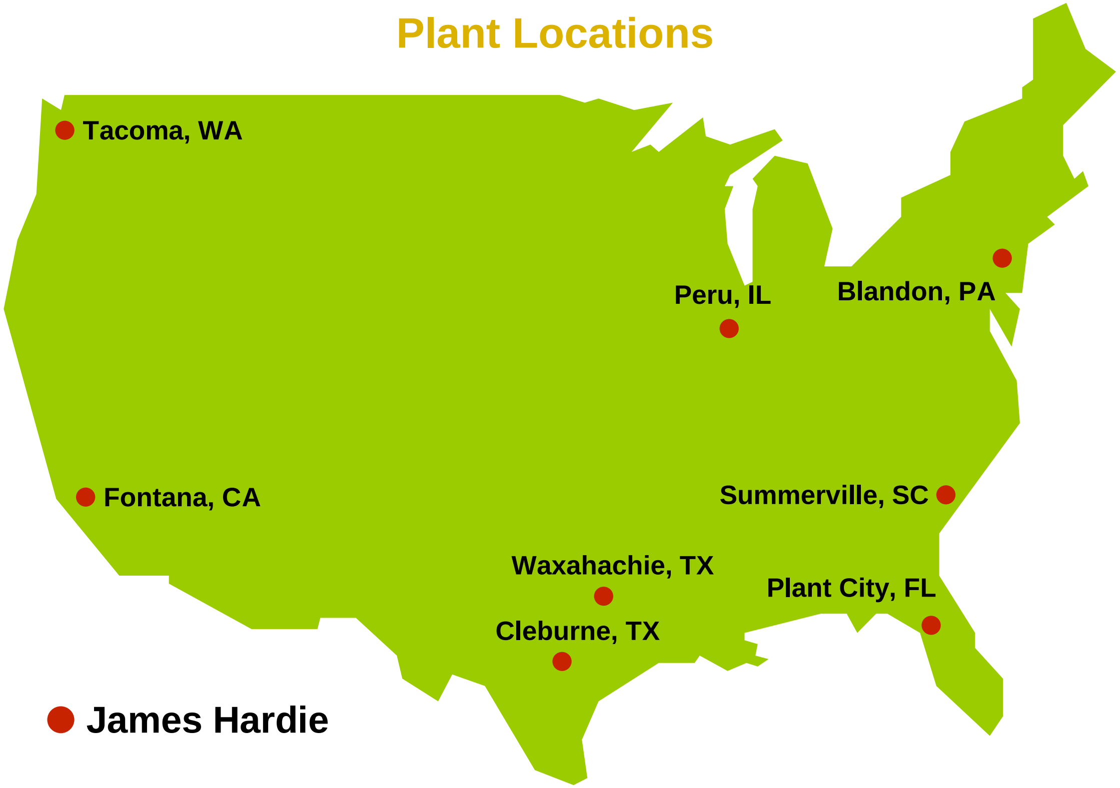
Largest and Lowest Cost

James Hardie is uniquely advantaged in North America – the largest framed construction market in the world

Plant Locations



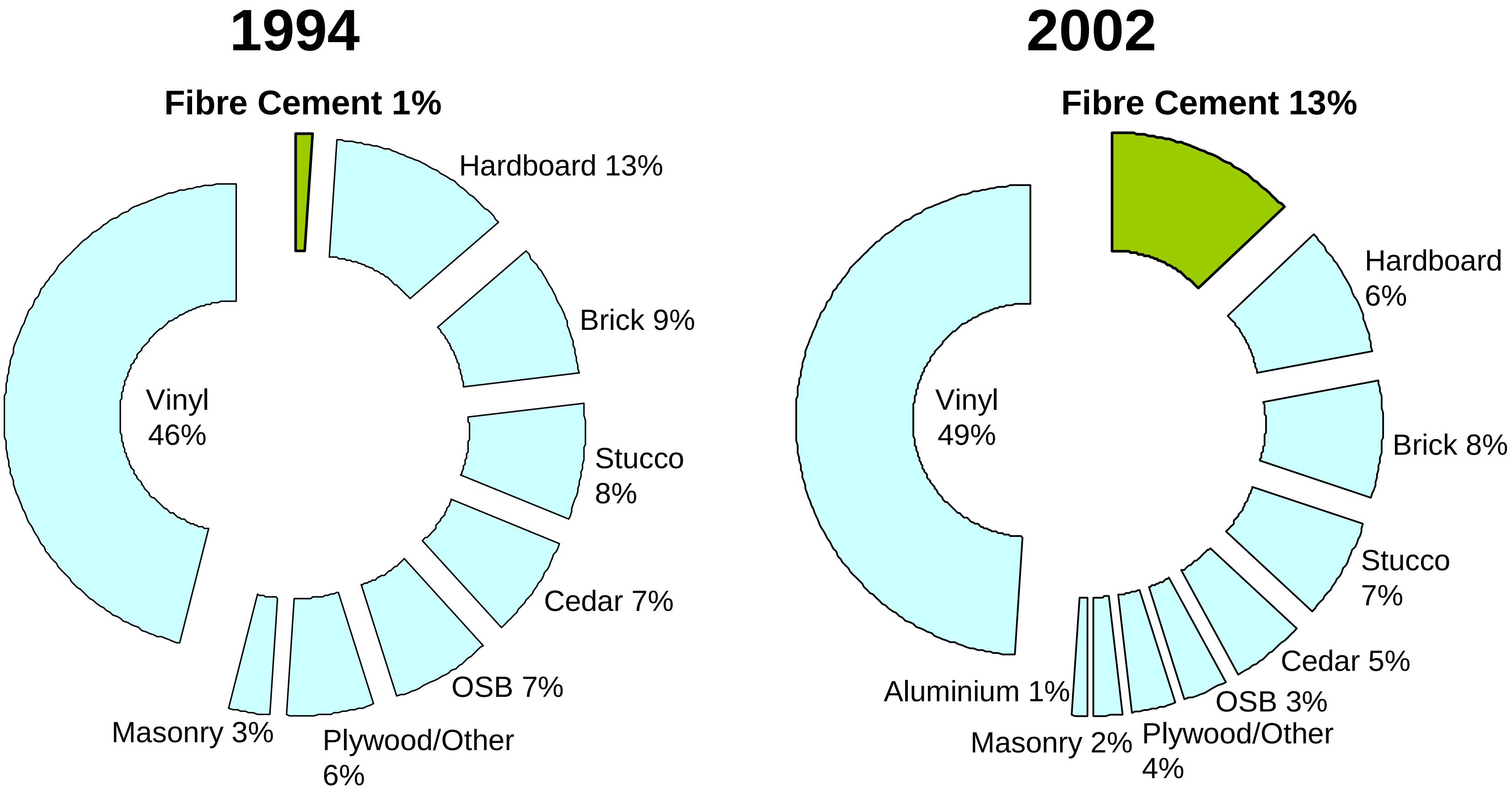
Plant Capacity

Flat Sheet Plants	Capacity (mmsf)
Fontana, California	180
Plant City, Florida	300
Cleburne, Texas	500
Tacoma, Washington	200
Peru, Illinois	400
Waxahachie, Texas	360 *
Blandon, Pennsylvania	120
Summerville, South Carolina	190
Flat Sheet Total	**2,250**
FRC Pipe Plant	
Plant City, Florida	100,000 tons

* Upgrade in progress – includes capacity being added

High Category Share – Low Market Share

Total Siding Market Share



Low Shares of Large Markets

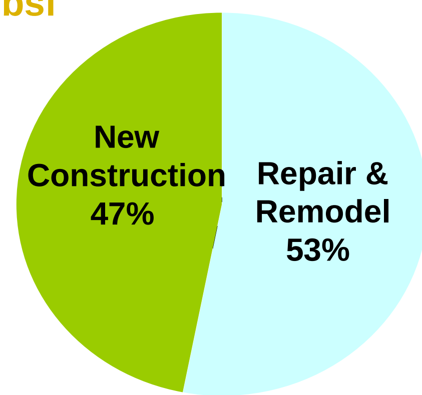
Product Category	Market Size (bsf)
New Construction	
- Siding, Fascia & Soffits	3.5
- Trim	1.3
Total New	4.8
Repair & Remodel	
- Siding, Fascia & Soffits	3.9
- Trim	1.6
Total R&R	5.4
Grand Total	**10.2 bsf**

bsf = JH standard feet in billion square feet

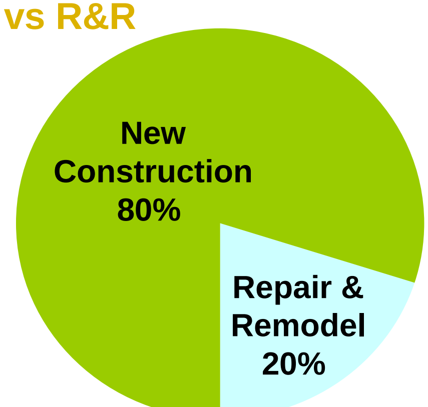
8% Market Growth - R&R Growing Faster

2002

USA Exterior Products Market
10.2 bsf

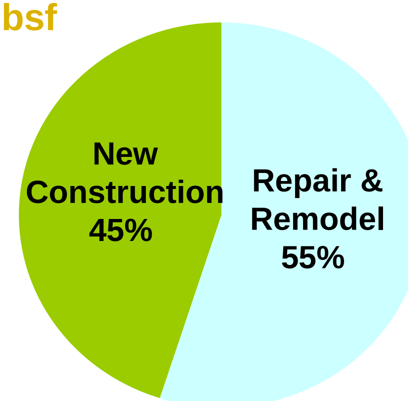


James Hardie – Sales Mix
New vs R&R

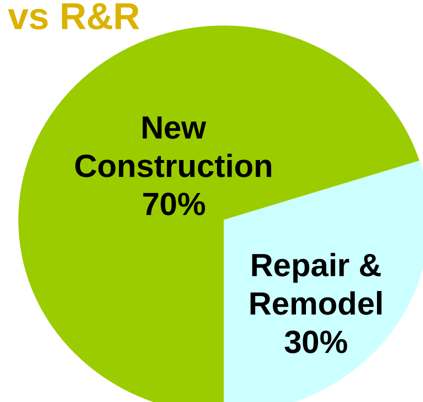


2007

USA Exterior Products Market
11.0 bsf

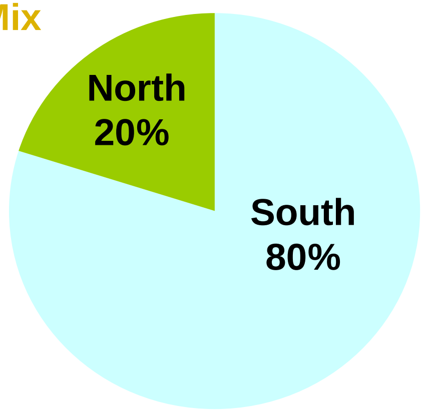


James Hardie – Sales Mix
New vs R&R

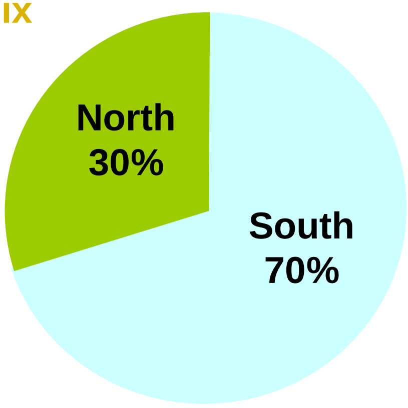


North Growing Faster

Exterior Products 2002
James Hardie North/South
Sales Mix



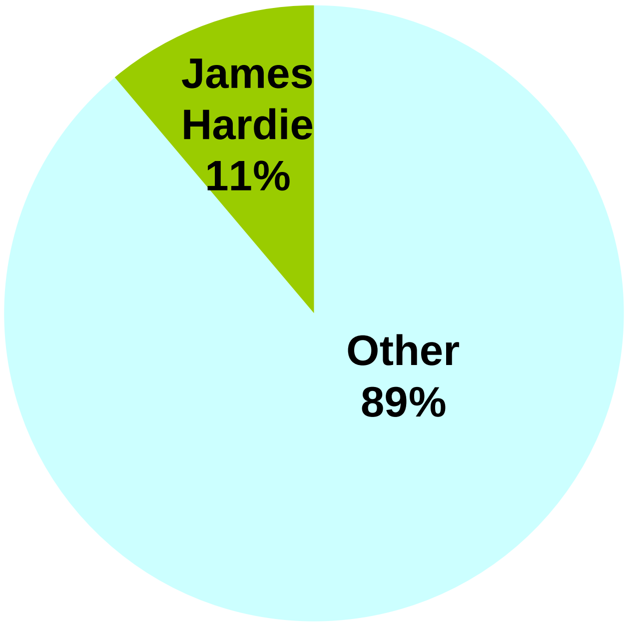
Exterior Products 2007
James Hardie North/South
Sales Mix



Overall Share Could Double in 5 Years

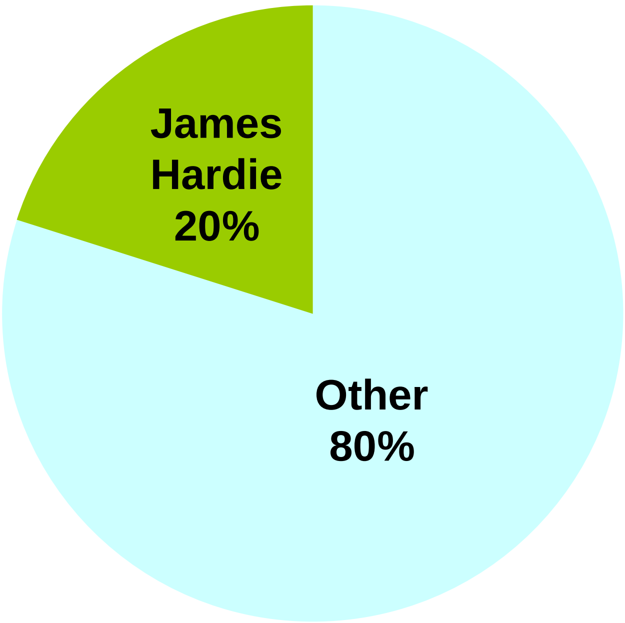
2002

James Hardie Share
USA Exterior Products Market
10.2 bsf



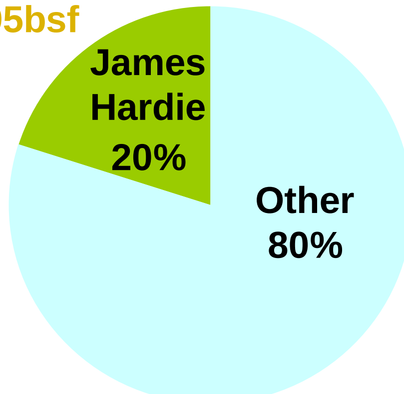
2007

James Hardie Share
USA Exterior Products Market
11.0 bsf

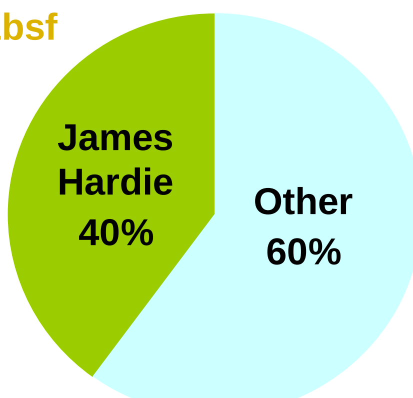


Backer Could Grow Even Faster

2002
USA Interior Cement Board Market
0.95bsf



2007
USA Interior Cement Board Market
1.1bsf



New Growth Horizons

Pipes

> USA manufacturing plant commissioned 2001

> Product advantaged vs reinforced steel concrete pipes

> Lower cost to make and install

> Long term targets

- national business
- 4-5 manufacturing plants
- large share of US$2 billion market

New Growth Horizons

Roofing

> USA market entry planned

> Development of fibre cement roofing technology

> US roofing market 11 bsf (US siding market 10.2 bsf)

> Initial target market 1.5 bsf

- to compete with wood shake
- superior durability and fire performance

Questions?

Disclaimer

This presentation contains forward-looking statements. Words such as “will”, "believe,” "anticipate," "plan," "expect," "intend," "target," "estimate," "project”, "predict”, "forecast," "guideline," "should," "aim" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors, which are further discussed in our periodic reports filed with the Securities and Exchange Commission on Forms 20-F and 6-K and in our other filings, include but are not limited to: competition and product pricing in the markets in which we operate; general economic and market conditions; compliance with, and possible changes in, environmental and health and safety laws; dependence on cyclical construction markets; the supply and cost of raw materials; our reliance on a small number of product distributors; the consequences of product failures or defects; exposure to environmental or other legal proceedings; and risks of conducting business internationally. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those contained in forward-looking statements. Forward-looking statements speak only as of the date they are made.

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Unique Technology Driving High Growth

USA

September 2002

USA Fiber Cement Business Overview

September 2002

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A Quick History: 1991 - 1995

> Commenced operations in 1990, with primary focus on roofing

> A one plant, one line business in 1991

> Shifted our focus from roofing to siding in 1992

> Moved to a high throughput, low unit cost manufacturing

> Strictly a sell and make approach

> Revenue growth led to investments in new capacity

A Quick History: 1995 - 2000

- Other FC producers entered
  - Etex (Cemplank) - 1989
  - ABTco - 1997
  - Temple Inland - 1998
  - CertainTeed - 2000
- After realizing significant gains in process technology, we began to make advancements in product technology
- Selected “*Product Leadership*” as our go-forward strategic driver
- Started building significant marketing and product development capabilities onto our strong manufacturing and sales base capabilities

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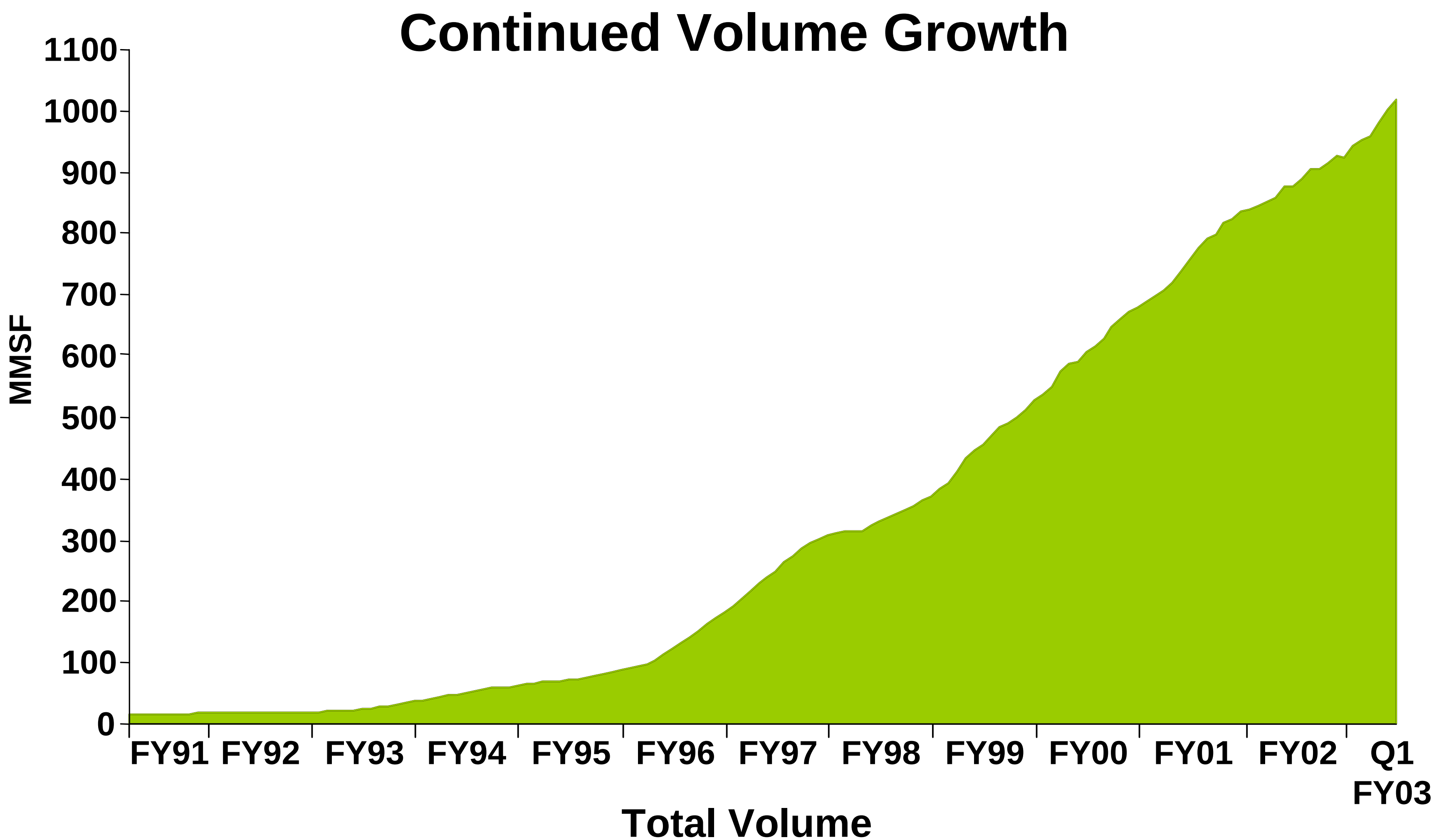
A Quick History: Growth



Organization: Approach

- Alignment around aggressive business goals
- Emphasis on growth
  - Constantly changing game
  - Step change vs. incremental improvements
- Capability (and cost) ahead of revenue
- Key leadership positions
  - Marketing and Segment managers
  - Regional Sales Managers
  - Plant Managers
  - Project Managers

Organization: Development

- Initially built superior organizational capabilities in manufacturing and sales

- Then focused on building similar capabilities in marketing and R&D

- Recruit from a wide range of related industries

- Recruit at all levels of the organization

- Regularly fast-track high potential people

- Multi-tiered management development program in place

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Overview: Strategy

> Aggressively grow sales of Fiber Cement

> Secure our desired overall position while defending our share in existing segments

> Leverage our superior technology to offer differentiated products and systems of superior value to those of competitors, to reduce direct price competition

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Overview: Volume Growth

> Primary Demand
  - Create awareness at the consumer level
  - Target the contractor (decision maker)
  - Access customers thru traditional channels

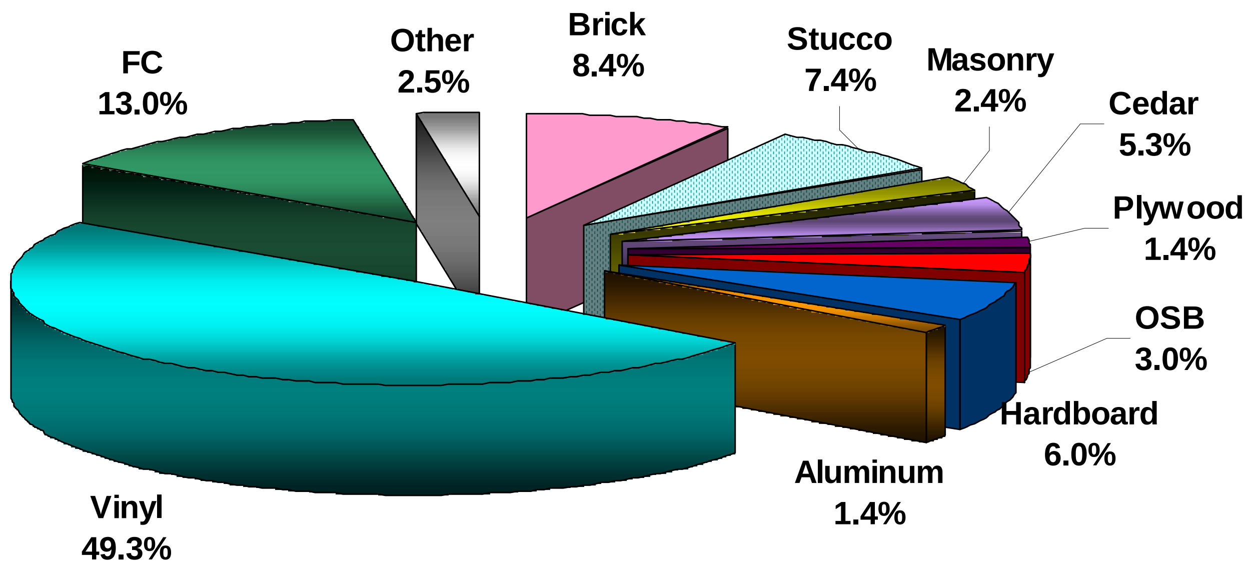
> Category Share
  - Brand program
  - Differentiated product offering
  - Long term price positioning

> Performance Indicators (Measurements)
  - Revenue Growth
  - EBIT Margin
  - Manufacturing Capabilities

Overview: US Siding Market

> 13% of siding market vs. target of >20%

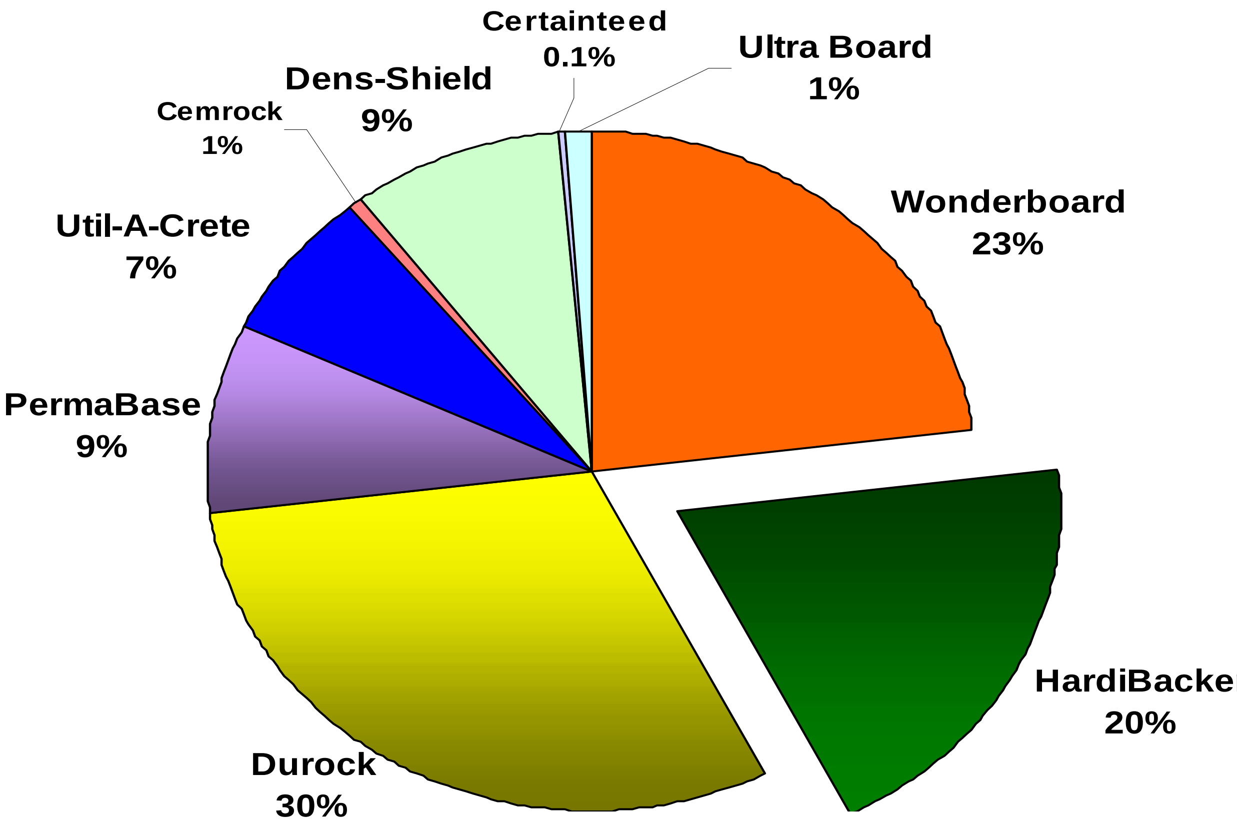
> Significant growth opportunity in vinyl category
  - initially took share from wood
  - now taking share from vinyl
  - cedar, stucco and masonry remain static
  - engineered wood category continues to decline



Source: JHBP (USA) Market Analysis

Overview: US Backer Market

> JH has 20% of the US backer board market of 675 mmsf and has the leading position in the FC category



Overview: Products/ Segments

> Initially focused on new construction/planks

> Our exterior product portfolio now includes:

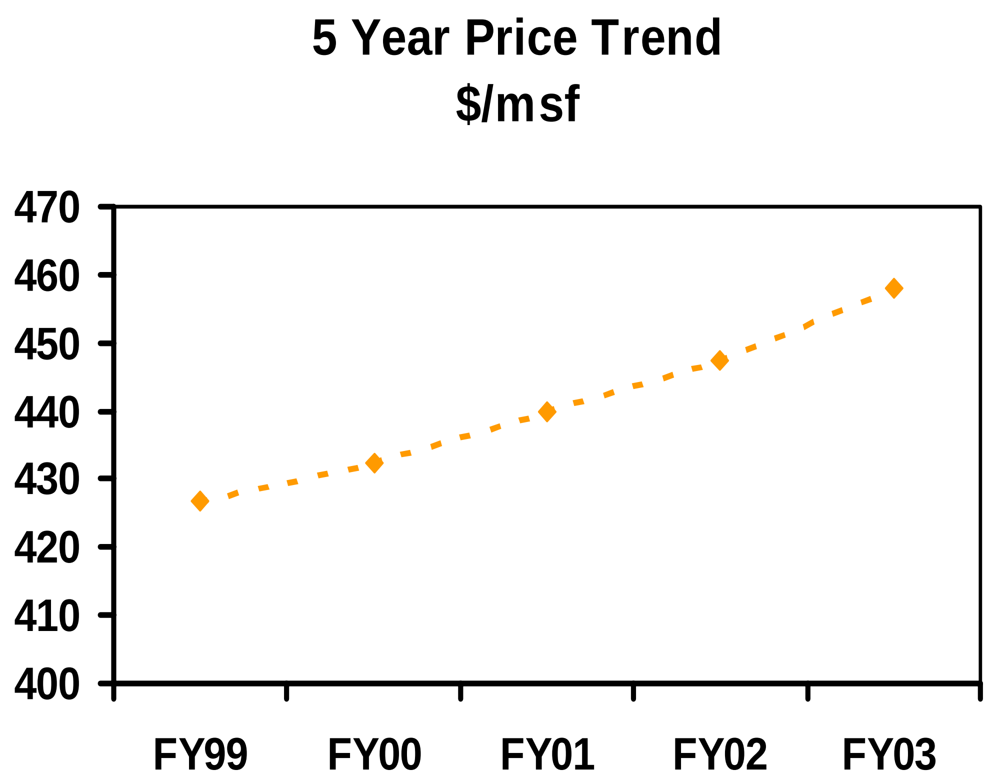
- A full wrap exterior bundle
  * *Siding, Trim and Soffits*
- Repair & Remodel
  * *Big Boxes*
  * *One Steppers*
- Manufactured Housing
  * *Hardboard substitute*
  * *Vinyl upgrade*

Overview: Price

> Expanded our product lines
  - Direct competition can't match

> Value price new products
  - Not influenced by direct competition

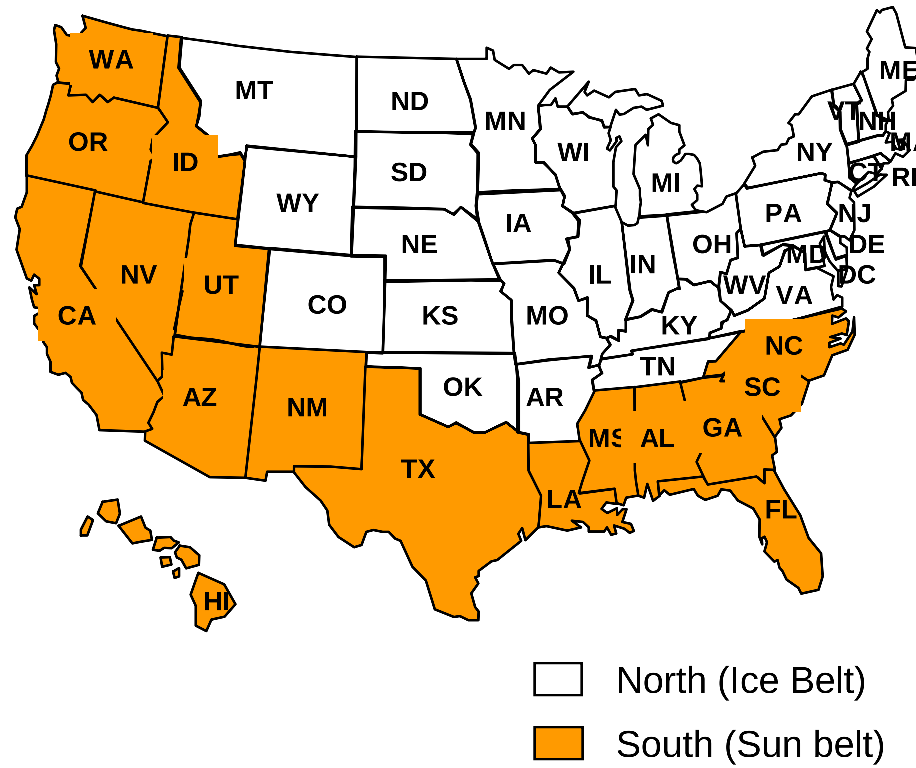
> Price "base products" to hit target share
  - Manage the price gap



Overview: Markets

> Exteriors: Siding, Trim & Soffit
  - New Construction, R&R, MH
  - Established Markets: South
  - Emerging Markets: North

> Interiors: Backer board
  - Floors (1/4” market)
  - Walls (1/2” market)

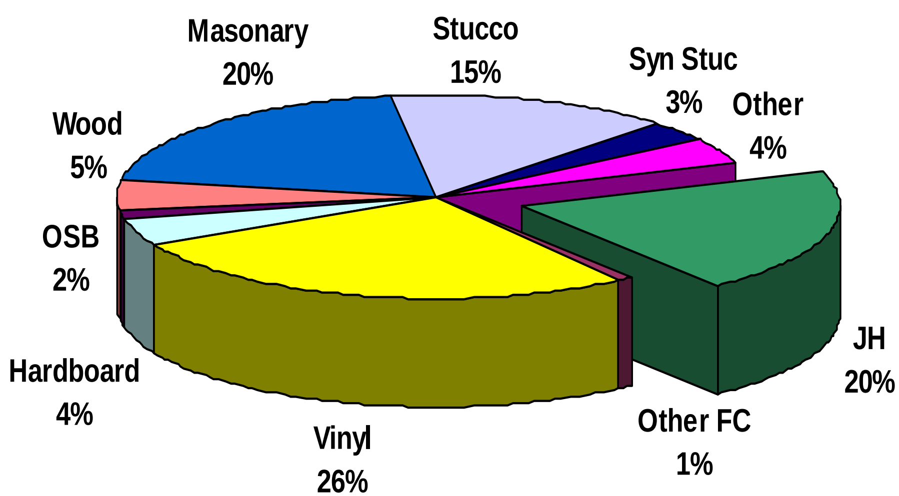


Segments: New Construction

> We continue to increase our penetration in the new construction segment.

> We believe our share in this segment could grow from 20% today, to 30% in the next 3 years

US New Construction Siding Market



Segments: Repair & Remodel

> Significant opportunity for growth in the R&R segment

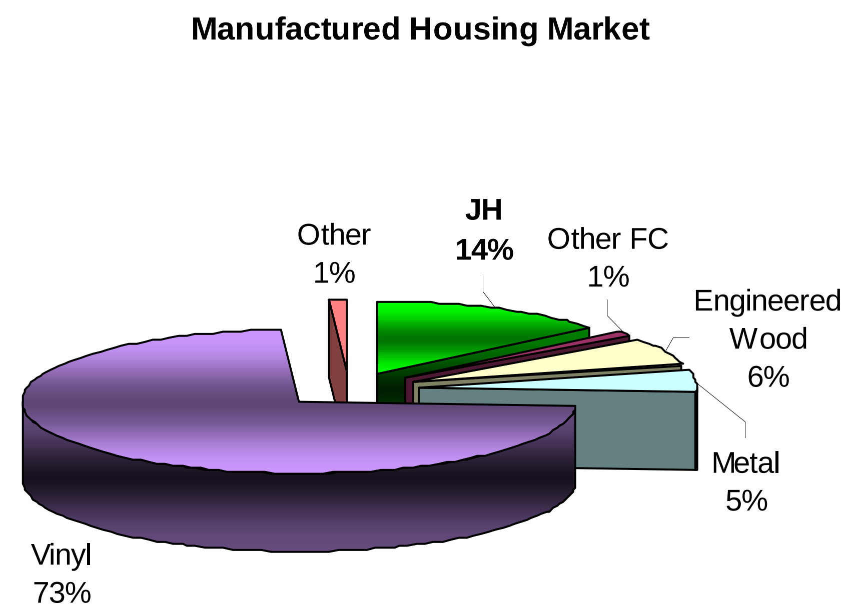
> Our penetration in this segment is increasing but is still quite low

- Big boxes
  * *Home Depot*
  * *Lowes*

- One steppers
  * *Traditionally a vinyl channel*
  * *Target major R&R contractors with JH field representatives*

Segments: Factory Built

> Factory built homes account for 17% of new construction starts



> Positioning

- Wood substitute
- Vinyl Upgrade

> Approach

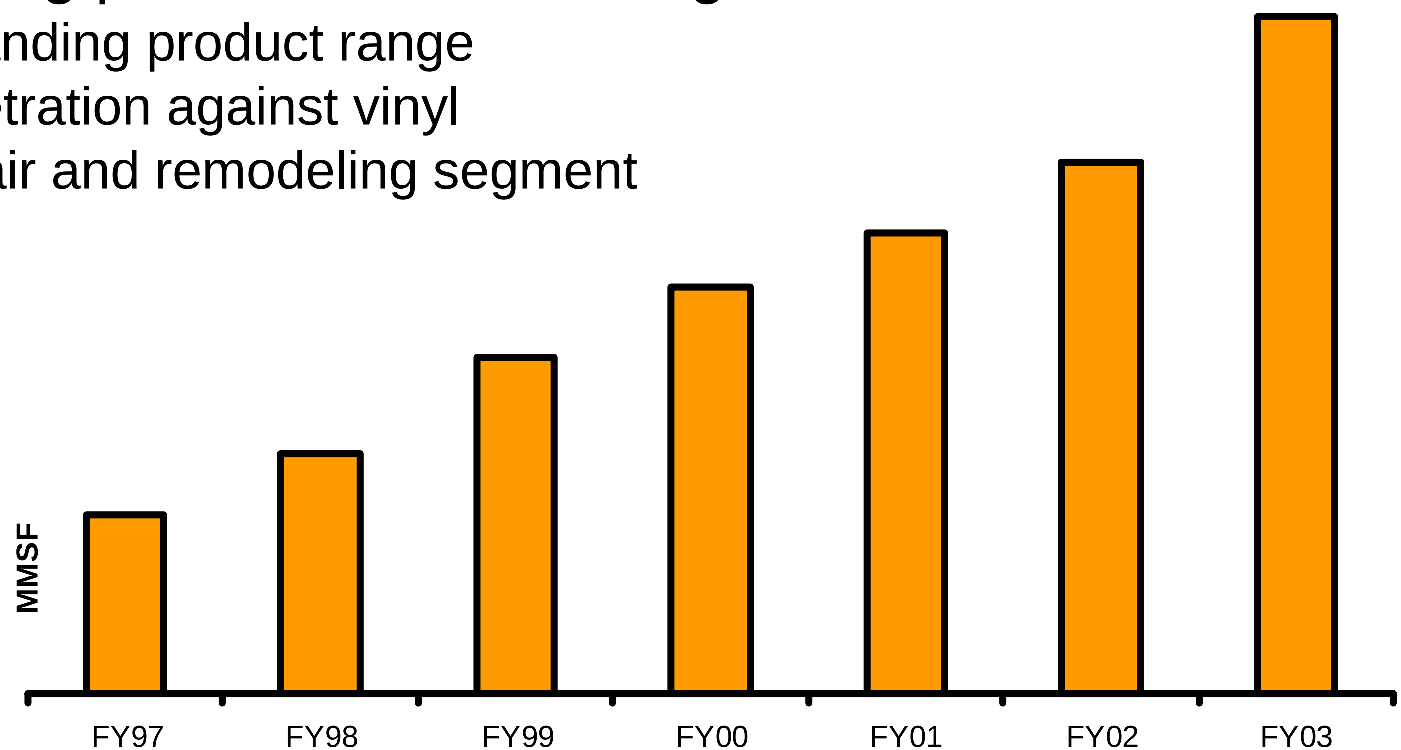
- Dedicated sales/marketing
- Program sell

> Continued growth despite depressed MH segment

Siding Growth

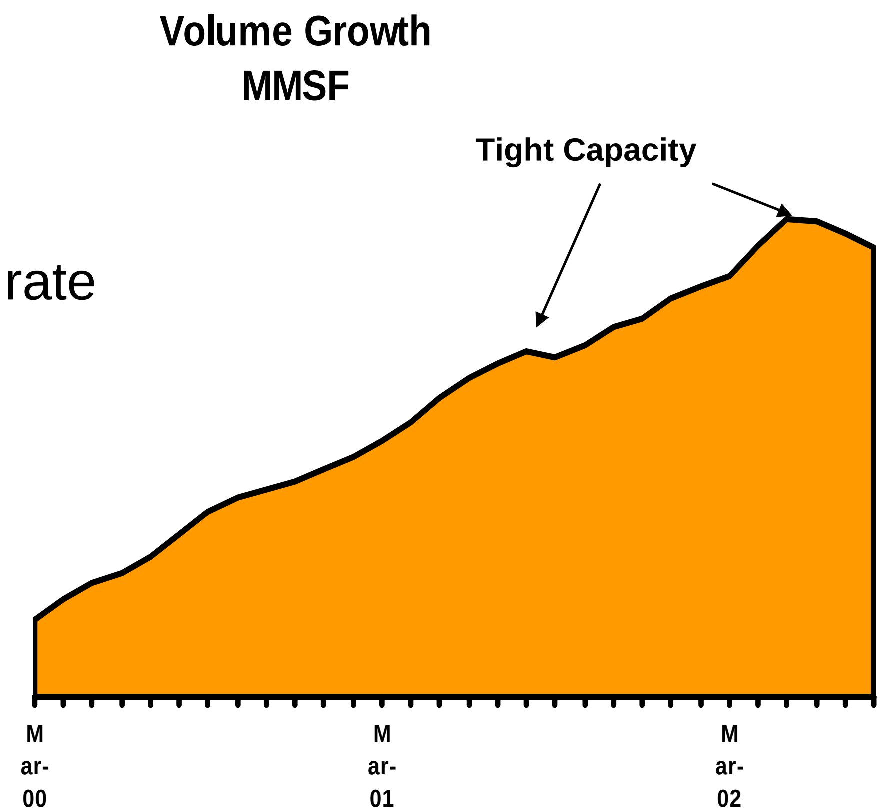
> Siding is the largest part of our business

> Our siding products continue to grow in all markets
- Expanding product range
- Penetration against vinyl
- Repair and remodeling segment



Exterior Products: Harditrim

- Launched Hardi*trim* in selected markets in the south
    - Texas, Georgia, Florida, Carolinas
- Market penetration at the predicted rate
- Growth restricted due to capacity constraints
- There is a pent up demand in the Northern markets



Harditrim: HLD Technology

> Positioning
  - Durability and wood-like appearance
  - Priced at a premium to other manufactured trims

> Issues
  - High user of Hatschek capacity
  - Becomes less efficient as thickness increases

> Challenge
  - Increase throughputs
  - Greater thickness capabilities
  - Increase capacity to address national market

Harditrim: XLD Technology

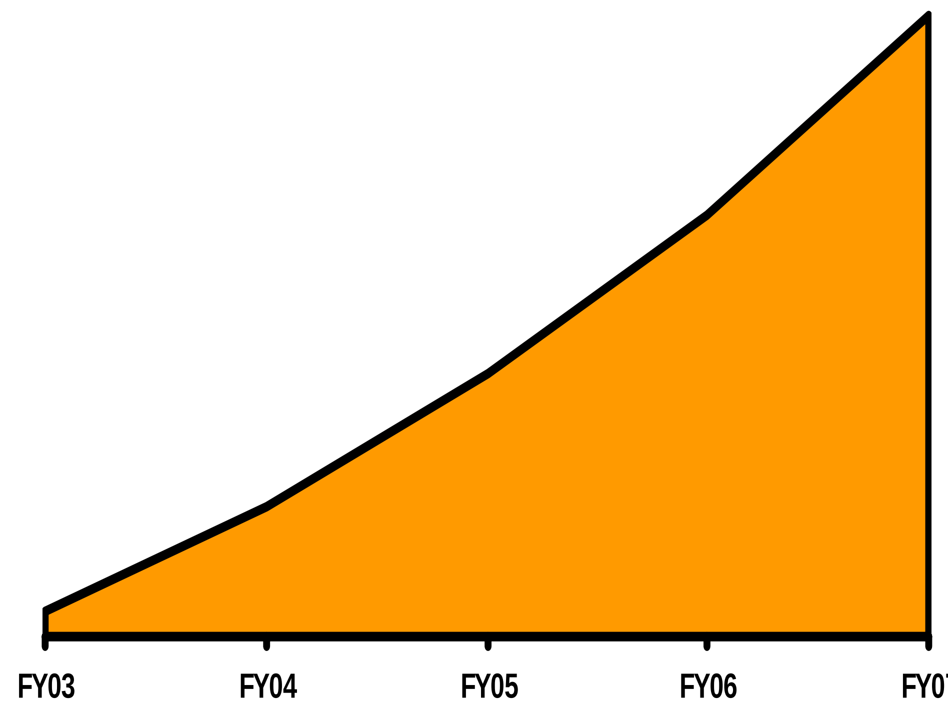
> More efficient capacity
  - Higher throughput per thickness
  - Higher material yields

> Allows increased thickness
  - Timber like thickness now possible

> Higher performance
  - Suitable for all climates

> IP protection in place

XLD TRIM PROJECTED GROWTH (MMSF)



Exterior Products: Soffits

> Includes soffit panels, planks and premium vented soffit.

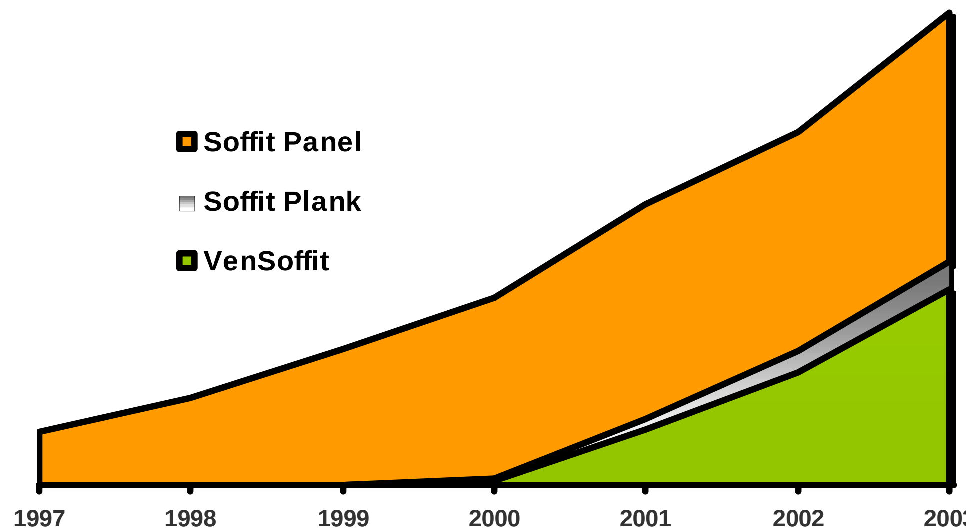
> Started manufacturing vented soffit in 1999 using a 3rd party contractor.

> Key markets:

- Pacific Northwest,
- Texas
- Southeast.

> Punching operation at the Cleburne plant in FY02

Soffit Growth (mmsf)



> A JH automated punching machine has been developed

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Current State: South

> High share position in most markets

- Major builders and dealers

> High awareness of the JH brand

- Trade and consumers

> Continued growth

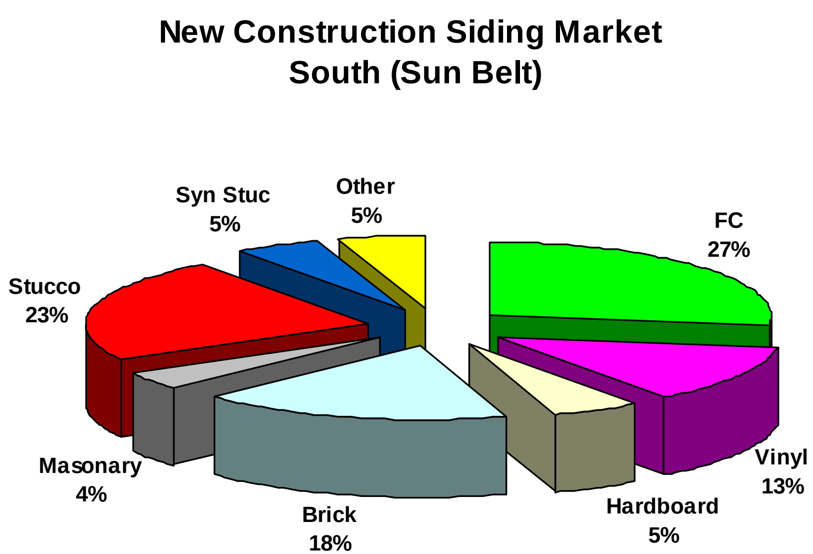
- Smaller builders
- More products per house
- Rural markets

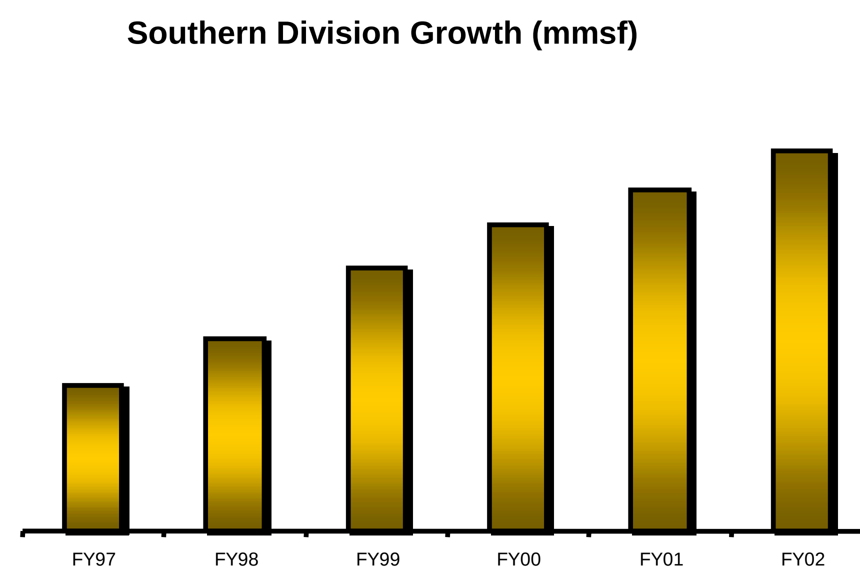
Current State: South

> FC accounts for almost 1/3 of siding sales for new construction in the sunbelt

> The Southern division currently accounts for over 80% of our exterior products sales

> We are targeting a 7% - 15% growth band in the South





Current State: North

Emerging market opportunity

> Vinyl belt

> High population

> 30% of housing starts (479,000 homes)

> 40% of existing housing stock

> 4 billion sq. feet siding market

James Hardie position in 1999

> Low volumes

> Committed to constructing a Northern plant

> Established supply chain not set up for JH

> Low JH awareness at the consumer level

Current State: North

Strategy

> Segment the single family construction based on house value

> Target move-up and luxury homes

> Position Hardi*plank* an a viable <u>upgrade</u> to vinyl

Tactics

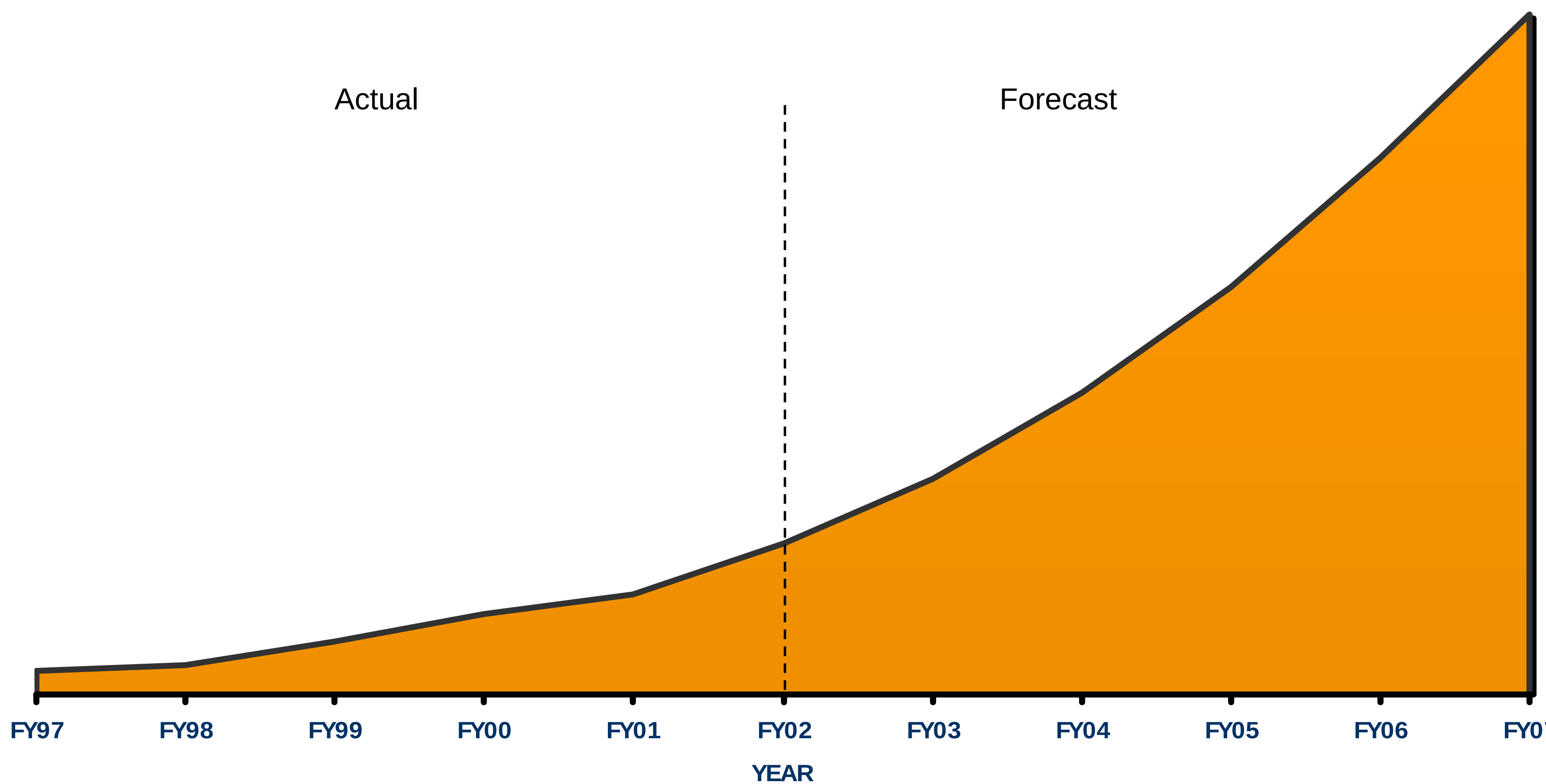
> Accelerate awareness at the consumer level (marketing)

> Align channel: actively manage “on the wall” cost (field sales)

> Leverage the early conversions thru partnering programs with the builders (sales/marketing)

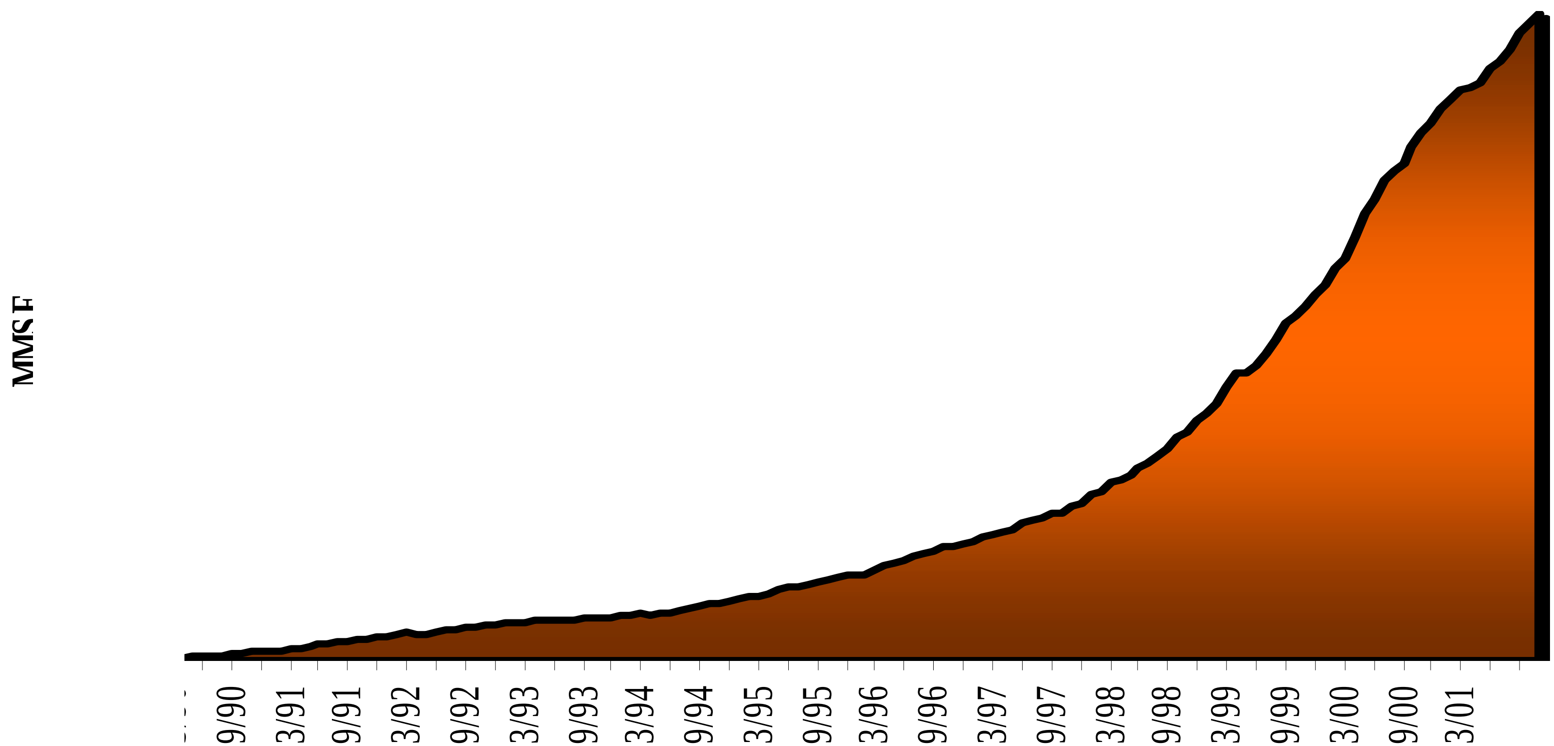
Results to Date… *moving along the S - Curve*

> We are targeting a 35% - 50% growth band in the North.



Interior Products: Backer

Volume Growth



Hardibacker: Floors

Existing Growth – Hardibacker® 250

> Existing Hardibacker® launched 1990

> Used as substrate for ceramic tiles

> Mostly used on wet area floors e.g. bathrooms

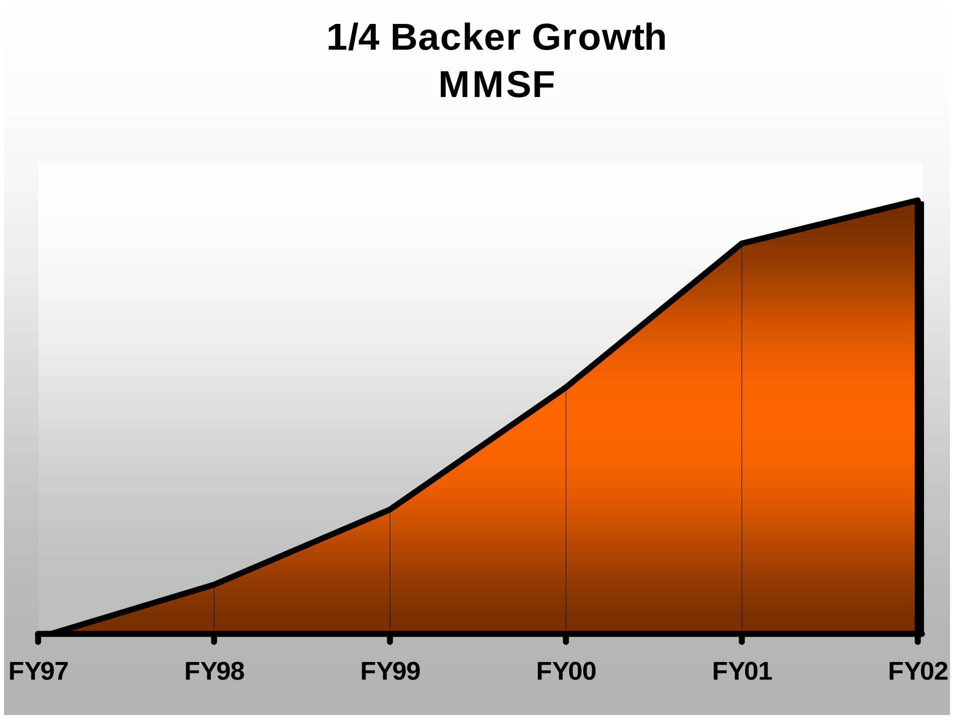
> Limited use on wall applications

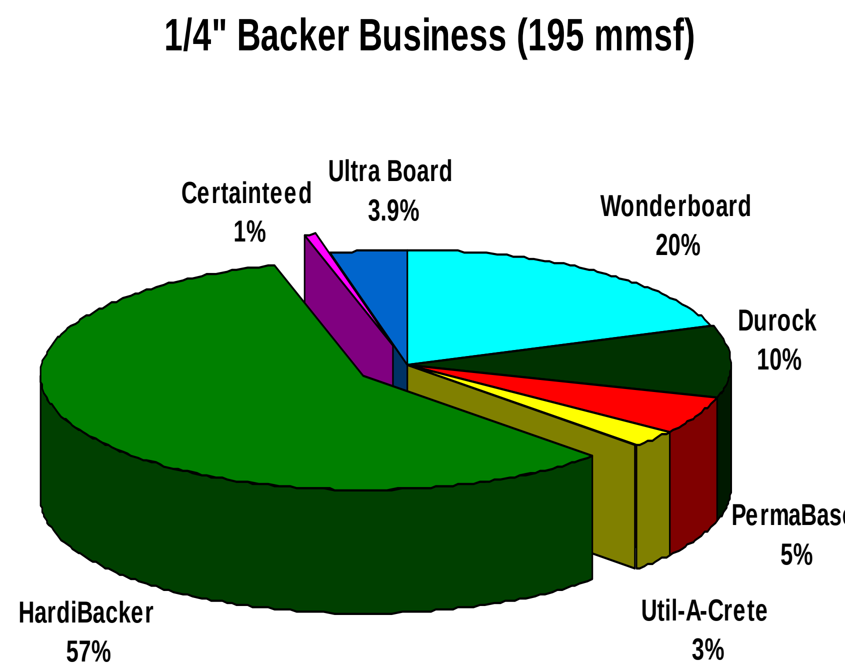
> Initially strong in R&R applications, now growing in new construction

> Broad distribution in Pro Tile and Retail channels

Hardibacker: Opportunity

> We currently have the leading position in the ¼" segment





Future Growth – Hardibacker® 500

"G2" technology is:

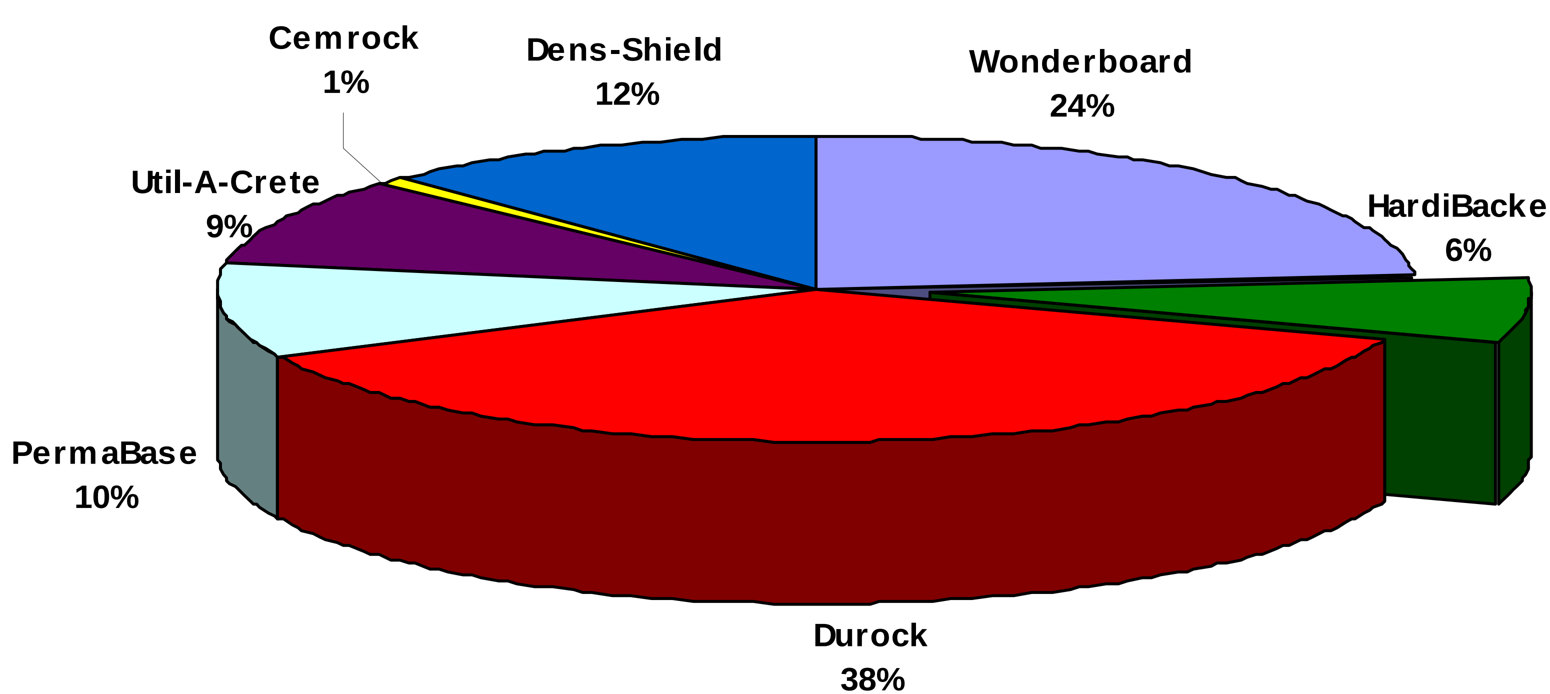
> 35% easier to cut using score and snap method
> 35% easier to nail
> 15% lighter
> therefore much easier to handle and work with
> ideal for walls
> opens up the Gypsum and lumber channels
> and is exclusive to JH
> Roll out is going well

Hardibacker: Future Growth

Future Growth

> We have 6% of the ½" backer segment Vs. target of > 40%

1/2" Backer (480 mmsf)



Channels: Traditional Lumber

> Primarily Pro-dealers
  - Retail outlet for builders, contractor and remodelers
  - Specialize on medium to large tract builders
  - Also provide service to small custom builders

> We use this channel as an extension of our field sales to reach tract and custom builders
  - Build awareness
  - Sell to medium size builders

> South
  - Traditional channel for siding in wood markets
    * Continued hardboard conversion
    * Access to rural markets

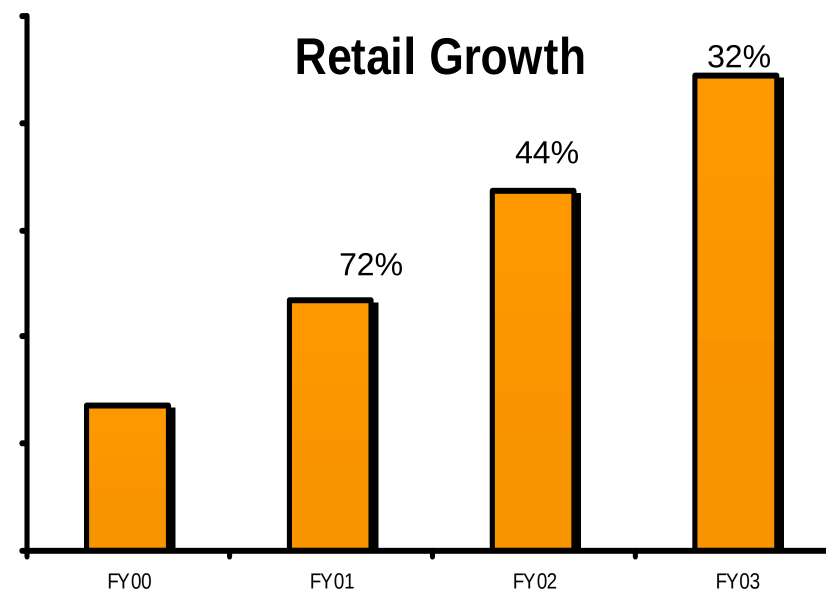
> North
  - Access to rural vinyl markets
  - Focus on key regional pockets to get conversions.

Channels: Big Boxes

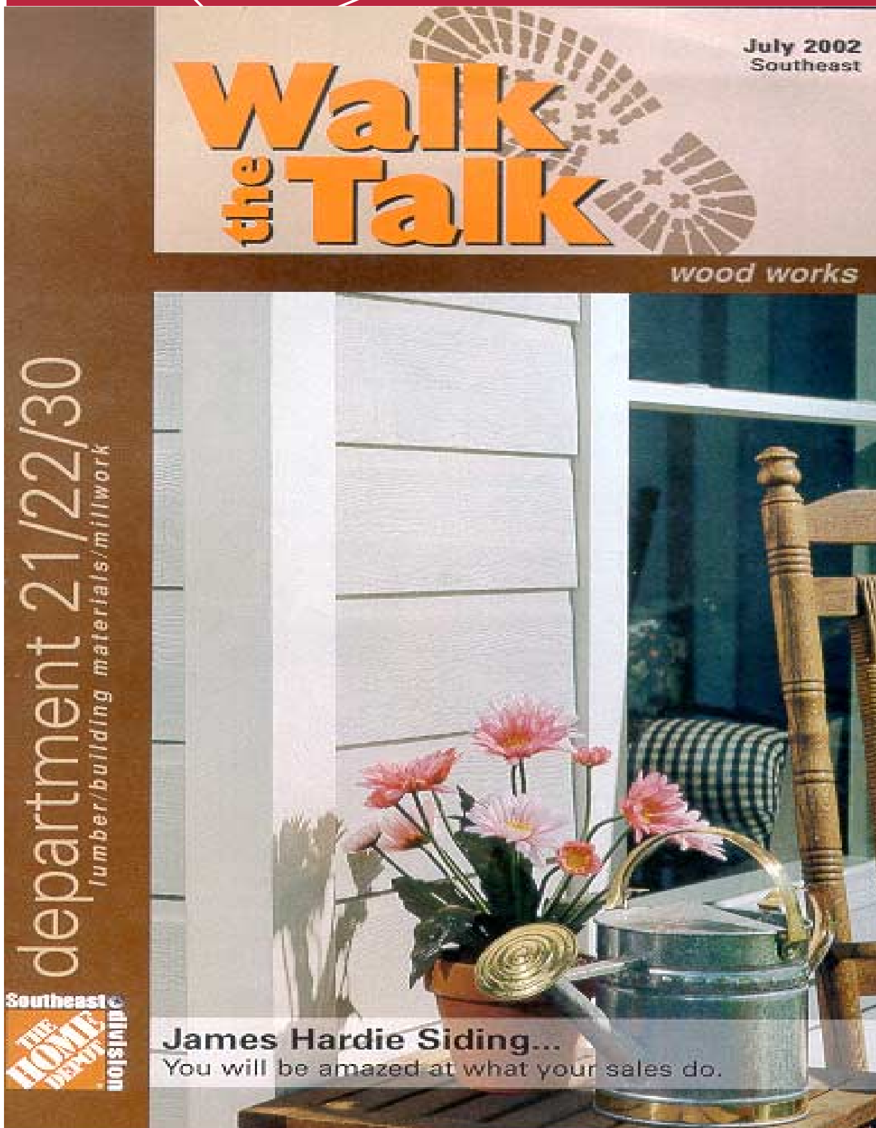
> We continue to grow rapidly in the retail channel.
  - Backer - 1703/1760 Stores – 97%
  - Siding - 803/1760 Stores – 46%

- Backer – 100% of 1100 Stores
- Siding - 36% or 395/1100 Stores

- Backer - 91% or 603/660 Stores
- Siding – 62% or 408/660 Stores



Channels: Big Boxes



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Channels: One Steppers

Traditionally a vinyl channel

> Buys directly from mfg. and sells directly to end users

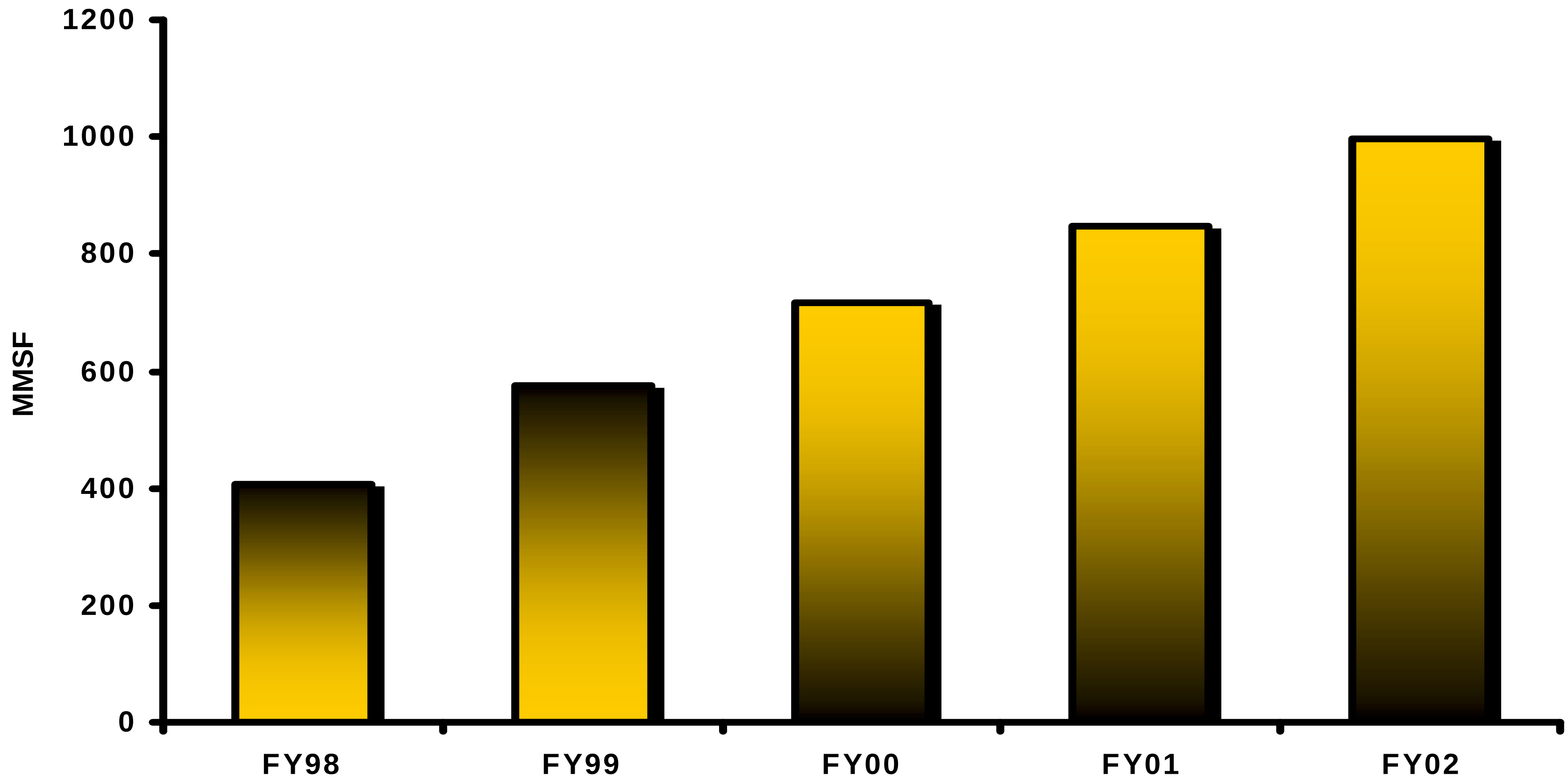
- The largest piece of the vinyl pie
- Early stages of a roll out with both national and regional participants
- Focus on selling in the living room

Targets

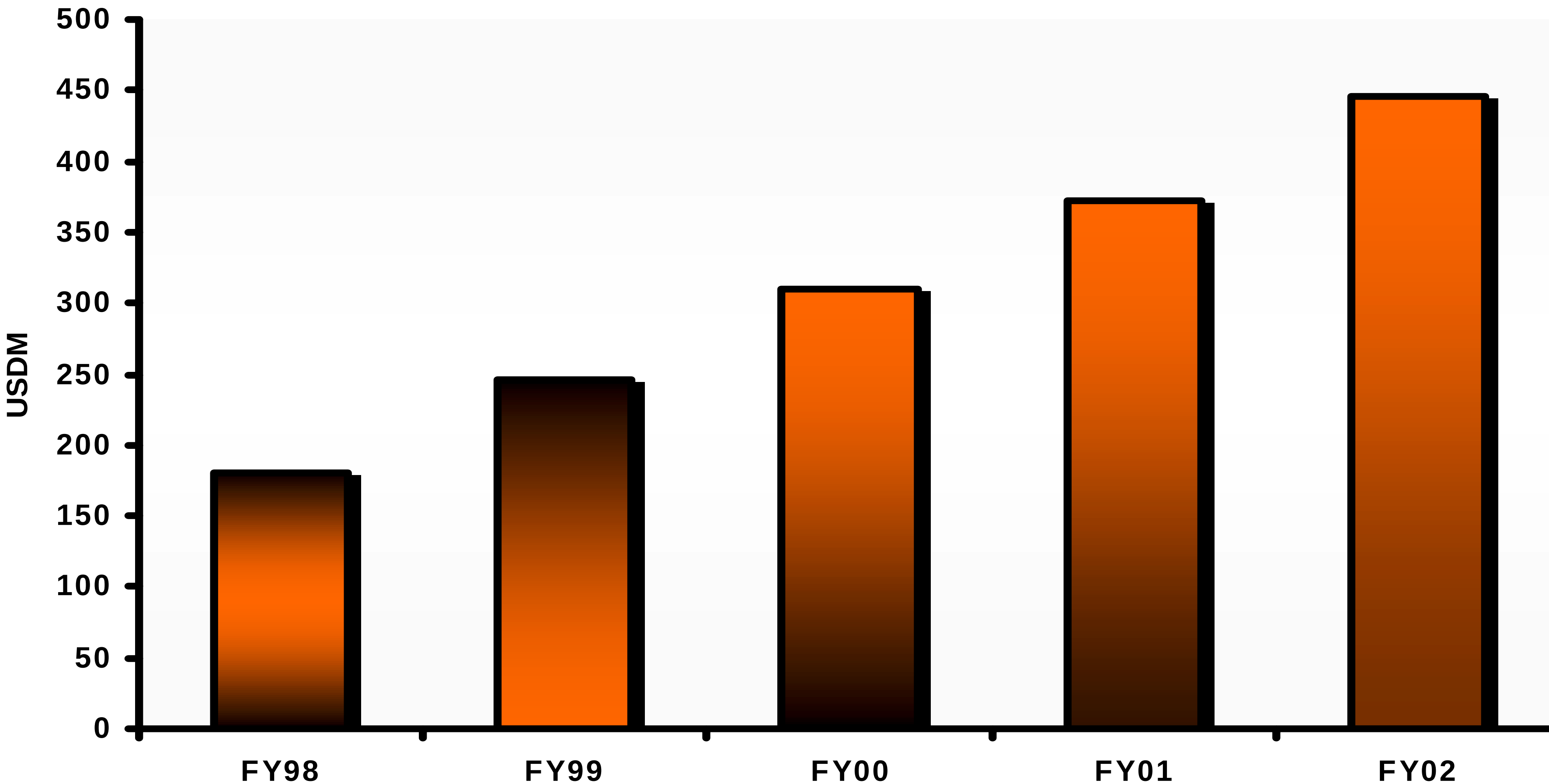
- 20% Revenue Growth

- 20% EBIT/Revenue Ratio

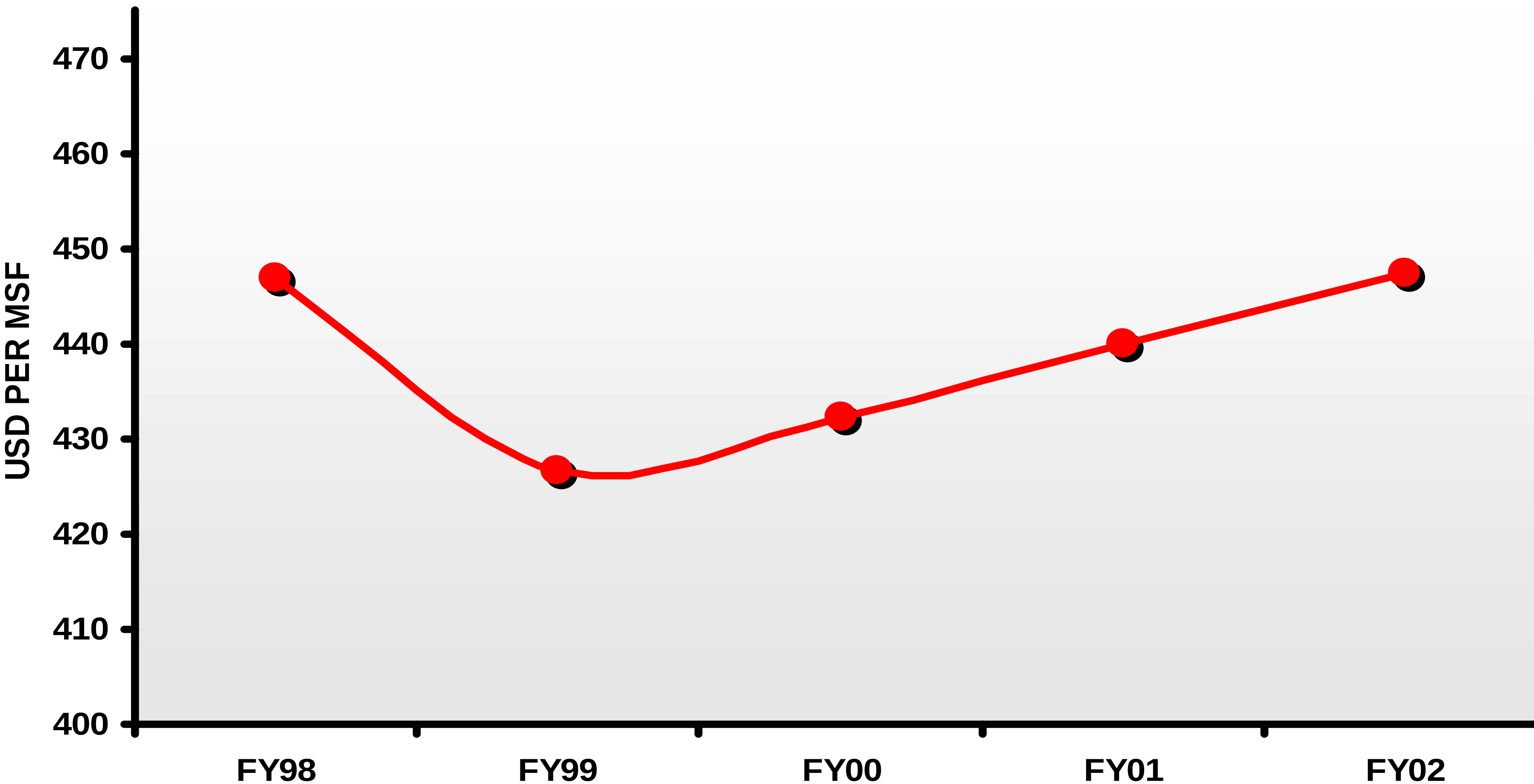
Volume – 25% CAGR in Last 5 years



Revenue – 25% CAGR in Last 5 years



Price – Last 5 years



Cost

> Normalized like for like factory costs continue to decline

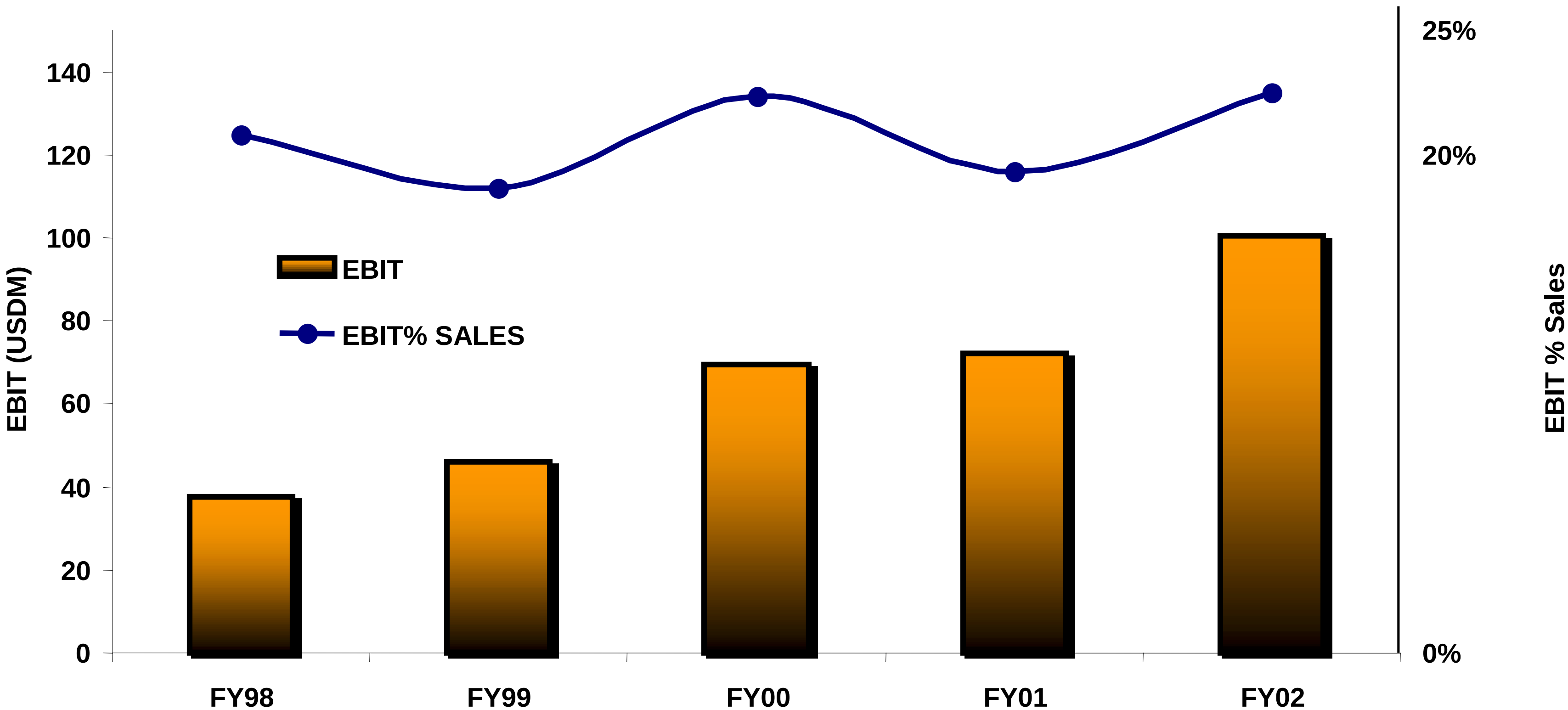
> Ramping-up new capacity

- Waxahachie, Cleburne XLD, Summerville and Peru

> Funding several key growth initiatives

- Market Development - R&R, Retail etc.
- Product Development – Roofing, Fencing, Harditex etc.

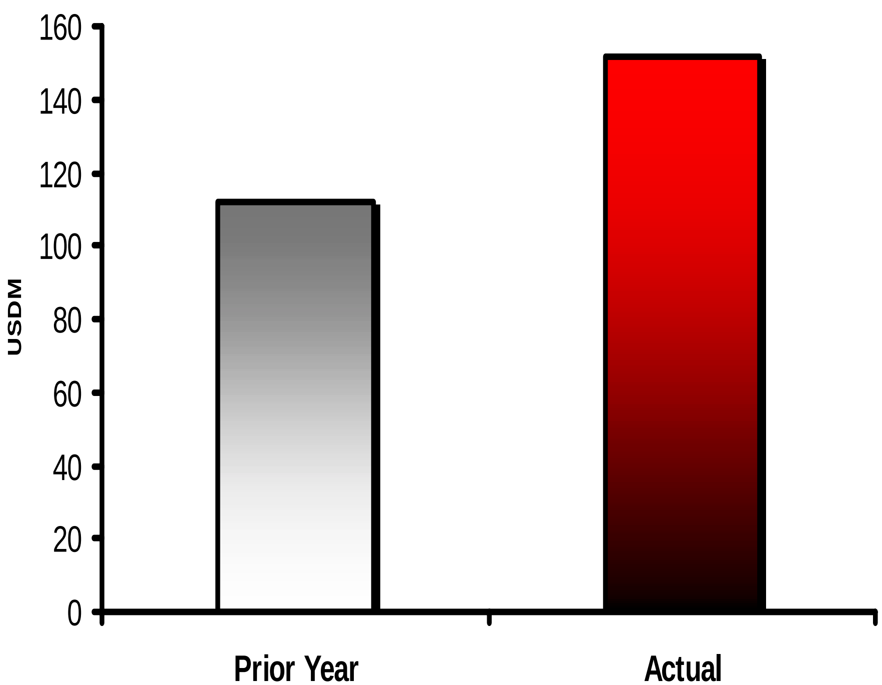
EBIT Margins – Last 5 years



Q1 Financial Results

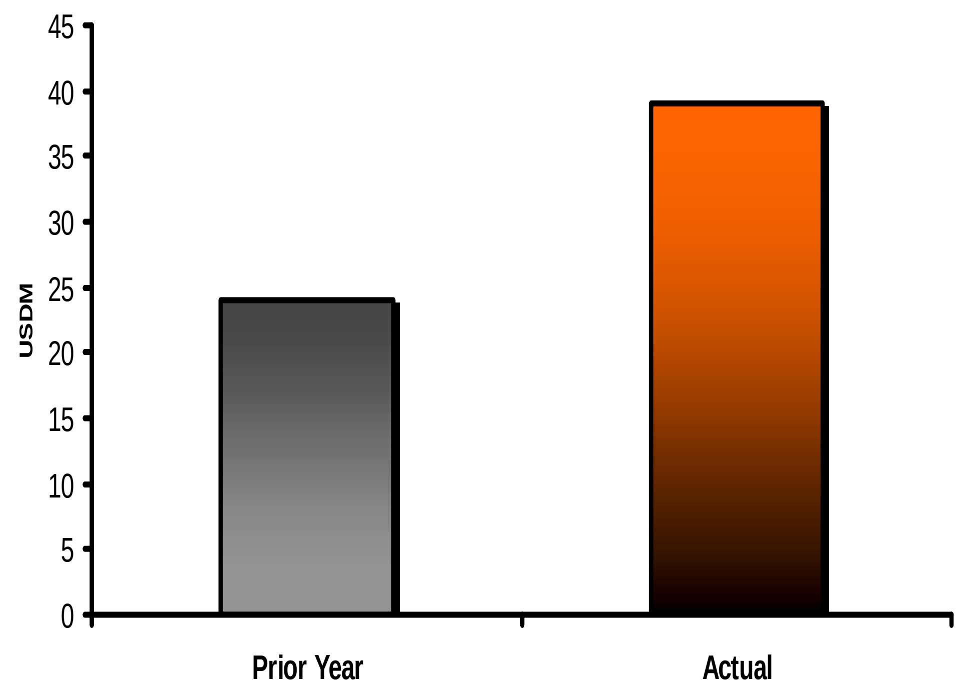
Revenue

- Up 37% over PY



EBIT

- Up 60% over PY



Going Forward

> Continue to substitute FC for existing materials in exterior & interior construction applications

> Use our superior FC technology & manufacturing capability to develop new products in a high throughput/low unit cost environment

> Increase and upgrade our manufacturing capability

> Manage distribution to have efficient access to all customer segments

> Continue to reduce our delivered cost to market

Questions?

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James Hardie

USA Fiber Cement Business Overview

September 2002

Manufacturing

September 2002

Operational Advantage

Manufacturing

> Capital Efficiency ($/sf)

> Manning (sf/man)

> Ability to deliver differentiated products

- Aligned
- Patterned
- Thick

> Scale to build purpose built machines

> Culture focused on operational and engineering step change

Equipment Evolution

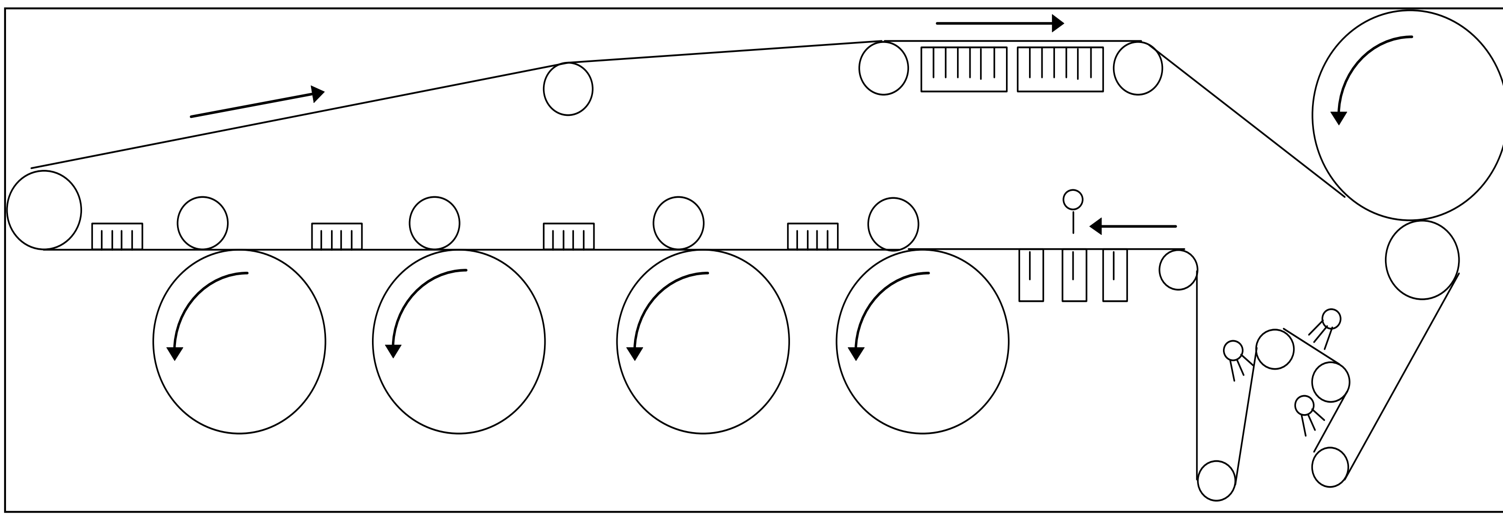
Hatschek Forming

> 1917 - First machine purchased from Swiss Eternit

> 1980’s - JH standardises around 4’wide x 2 or 3 tub machines

> Mid 1980’s to Present - JH pushes equipment design envelope

Hatschek Forming Machine



Capacity Definitions

> Standard Foot - 1 Foot x 1 Foot x 5/16” Thick

> Standard Product – Product that dictates the design parameters of the machine. This is Cedarmill Plank in the US

> Design Capacity – The amount of standard product that can be made factoring in best practice losses for waste and delay

> Effective Capacity – The current realized capacity over the full product mix

Equipment Evolution

Hatschek Forming

> Late 1980’s - 4’ wide x 4 tub machines built in Rosehill and Fontana

> 1996 - Fifth tub added to Plant City #1

> 1996 - PC #2 built with 24’ stacker

> 1997 - 5’ wide x 6 tub machine built in Cleburne, uses 24’ roller

> 1998 - Steam strip placement integrated into Tacoma greensheet stacker

Hatschek Forming (Cont.)

> 1999 – Hatschek Step Up Implemented in Tacoma and Cleburne. Design Capacity of machines improved by 33%

> 2002 – JH announces construction of purpose built panel line at Waxahachie. Line designed to:
> - Have no product inefficiency gap
> - Have superior alignment control of gauged features (+/- 1/32”)

Equipment Evolution

Finishing Improvements

> 1994 - Auto Plank Line Installed in Fontana

> 1996 – Auto Prime Line Installed in Plant City

> 1998 – Tacoma Finishing Line designed to process entire sheet machine output

> 2000 – Peru Finishing Line designed to process full product line at Step Up outputs

> 2002 – JH announces Waxahachie II Panel Line. New Line capable of processing 80% more than existing single lines

Product Evolution

- Patterns – Have evolved from Sampling Wood Impressions to Fully Developed Industrial Design Process

- Alignment – 20% of current product mix. Control has evolved from +/- 1/8" to +/- 1/32". Next Generation Process being Implemented in Waxahachie Panel line

- Thickness – 10% of current product mix. Harder to:
  - Form
  - Cut Off
  - Water Jet Cut

James Hardie

Engineering Reconfiguration

> US Engineering traditionally done at the site level

> Created a central engineering group in 1998. Primary focus on capital construction and major projects.

> Currently reconfiguring Engineering to support Global growth

- Construction
- Process Improvement
- Next Generation

James Hardie

Plant Overview

> We currently have a total commissioned or announced Hatcheck design capacity of 2.15 bsf.

Plant Locations

Plant Design Capacity

Flat Sheet Plants	**Capacity (mmsf)**
Fontana, California	180
Plant City, Florida	300
Cleburne, Texas	400
Tacoma,Washington	200
Peru, Illinois	400
Waxahachie, Texas	360
Blandon, Pennsylvania	120
Summerville, South Carolina	190
James Hardie Total	**2,150**

Plant Overview

Fontana

> Two machines - 180 mmsf

> Constrained by greensheet stackers

> Capable of priming full product mix

> Manufactures all SKU’s except HLD

> Supports US product development work

Plant Overview

Florida

> Three machines – 300 mmsf

> Manufactures all SKU’s except HLD, roofing

> Capable of priming full product mix

> Site of first US Pipes Plant

Plant Overview

Cleburne

> Two machines – 400 mmsf

> One of two pilot plants for Stepup

> Manufactures planks, backer and HLD

> 100% priming capability

> Houses new technology fibre cement forming equipment (XLD TRIM)

Plant Overview

Tacoma

> One machine – 200 mmsf

> One of two pilot plants for Stepup

> Capable of making full product mix

> Prime line capable of matching sheet machine output

> Commissioned auto backer line in December 2000

Plant Overview

Peru

> Two machines – 400 mmsf

> Built step up ready

> Capable of full product line

> 100% priming capability

> Second line commisioning began September 1.
> First saleable product made September 10.

Plant Overview

Waxahachie

> One JH machine and renovated Temple machine– 260 mmsf

> 100 % priming capacity

> Designed to make planks and panels

> New 160mmsf panel line announced in August 2002

> Capacity with panel line 360 mmsf

Blandon

> Two machines. One small specialty line and one purpose built plank line – 120 mmsf

> Capability of priming 50% of product mix

> Most machines semi automatic with high manual interface

> Stack pressing operations abandoned in June 2002

> Relatively high cost compared to JH lines

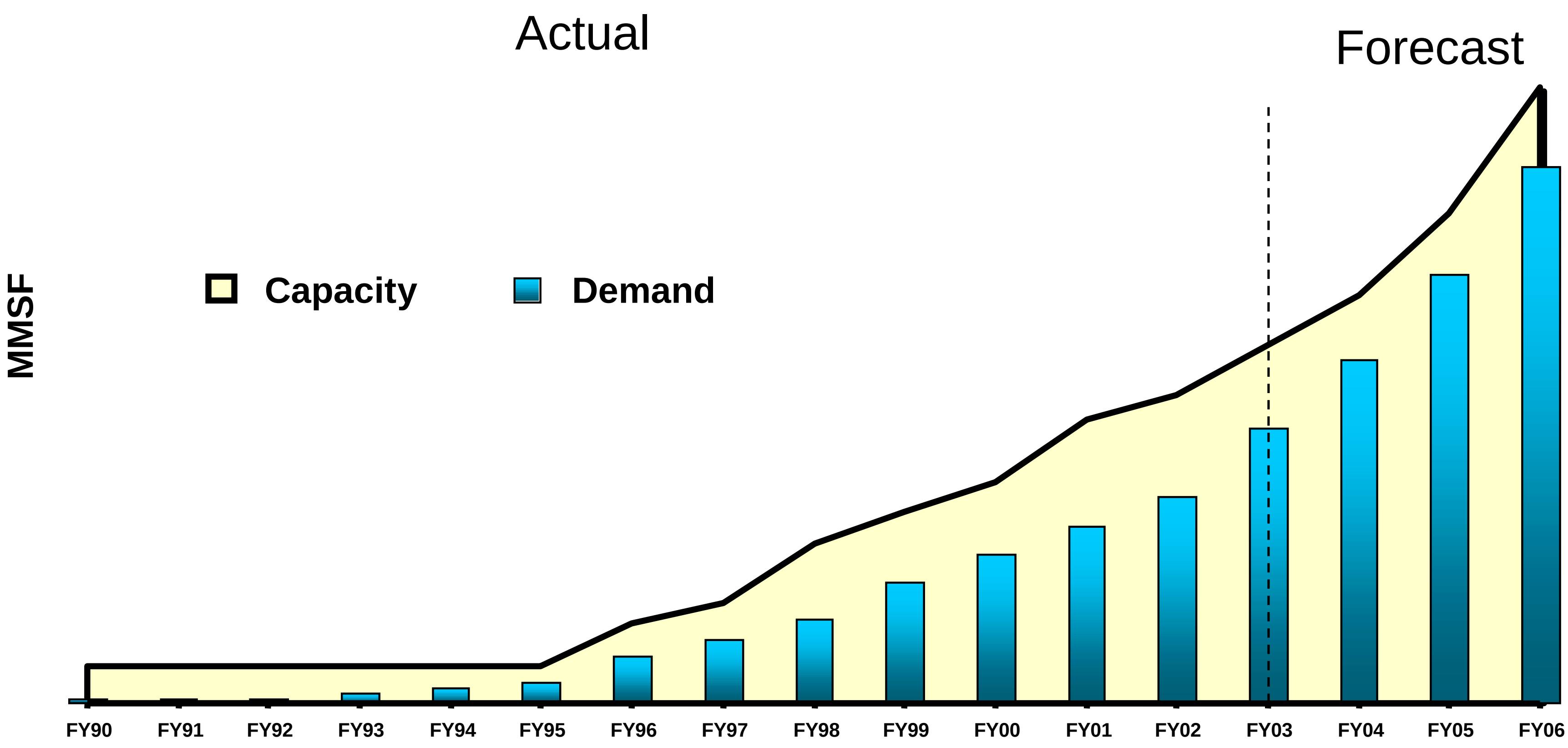
Plant Overview

Summerville

- One machine – 190 mmsf
- Machine purpose built for plank
- Began making JH products on the line in June 2002
- 50% priming capacity
- Automated material handling system
- Semi – automated finishing equipment

James Hardie

Design Capacity Vs Demand

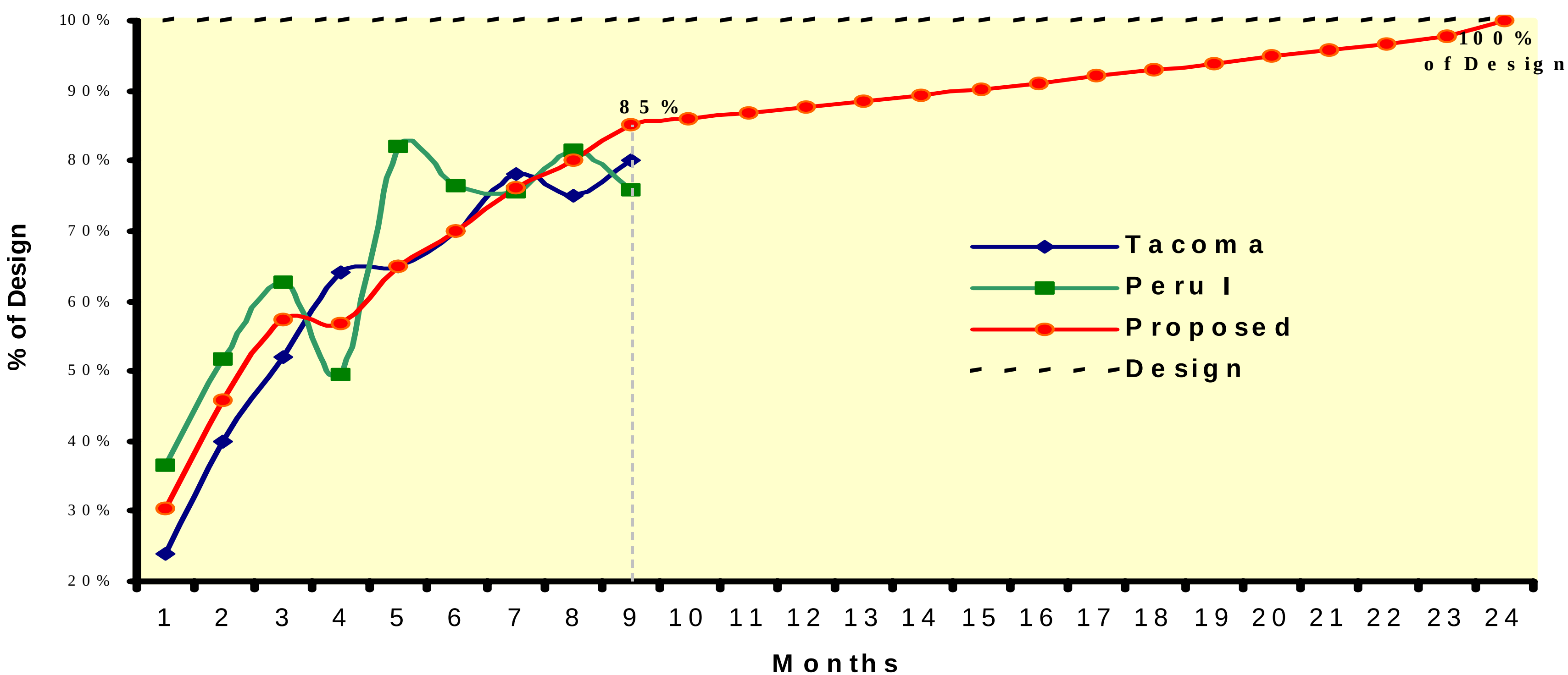


James Hardie

Plant Ramp-up

> Historically, we have ramped-up new capacity to 85% of design in 9 – 12 months

> Going forward, new capacity ramp-ups to 85% of design will take 9 months and the remaining 15% gap will be closed in 24 months



Additional Capacity

Waxahachie Panel Line

> Purpose built panel line – 160 mmsf

> Designed to make all panels at plank speeds

> Utilizes next generation technology for aligned features (+/- 1/32”)

> Finishing line output increased by 80% to match sheet machine output

> Commission June 2003

Cemplank/Temple Learning

> Process Control

> Former Design

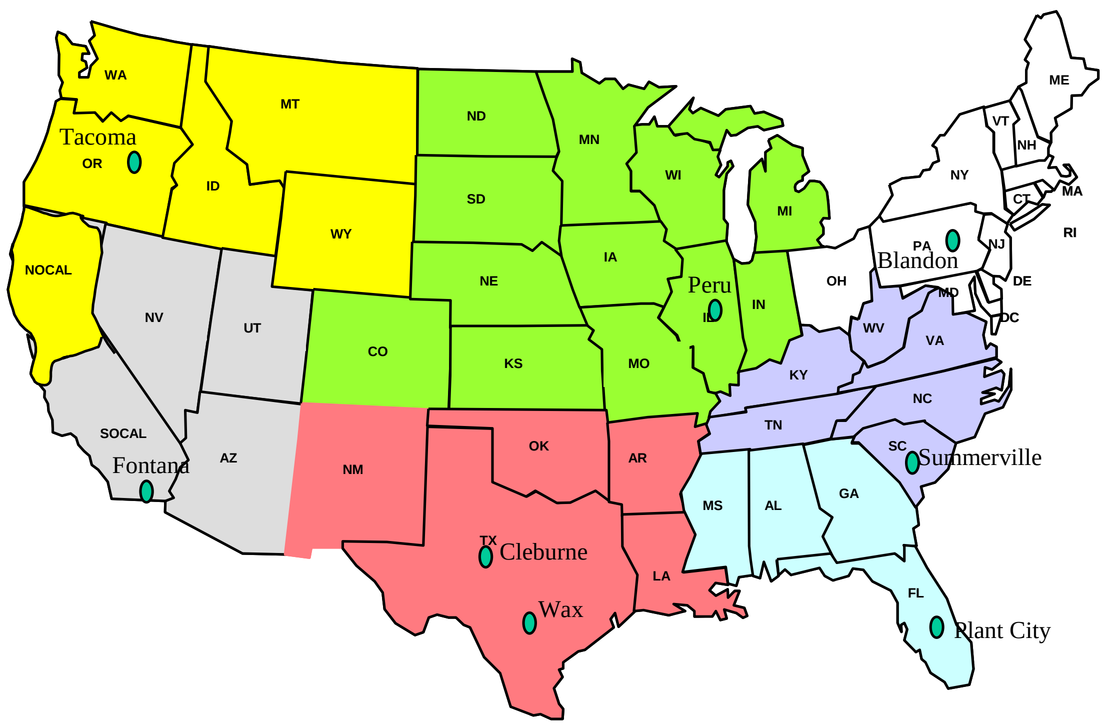
- Film thickness
- Felt speed
- Open vs closed system

James Hardie

Operational Advantage

> Our manufacturing operations are configured to optimize freight and throughput

> Our regional manufacturing operations gives us a low cost freight advantage across the country



Operational Advantage

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James Hardie

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Manufacturing

September 2002

James Hardie

USA FRC Pipes

September 2002

Agenda

Background

- > History
- > Strategy

Market Opportunity

- > US Construction Market
- > Storm Sewer Market
- > Concrete Pipe Market
- > Opportunity

South East Strategy

Agenda

FRCP Advantages

> FRCP Product Attributes
> Competitive

Business Performance

> Sales & Marketing
> Manufacturing
> Regulatory Approval
> Competitive Response
> Florida Market

Outlook

Summary

A New Business

Fiber Reinforced Concrete Pipes (FRC™)

> A new business for James Hardie USA
  - Leverages core fiber cement technology
  - Diversifies exposure into US civil construction

> Successful history in Australia
  - A$33M Revenue
  - A$6.5M EBIT

> Long-term potential for a large national business

> First USA plant commissioned in April 2001 at Plant City, Florida

Strategy

Aggressively grow market for fiber cement technology and establish FRCP as an engineered alternative to traditional RCP

Short-Term

Initially focus on SE Region (100,000 ton capacity in Plant City, FL)

Long-Term

Develop a national FRC Pipes business with geographic spread of plants

US Construction Market

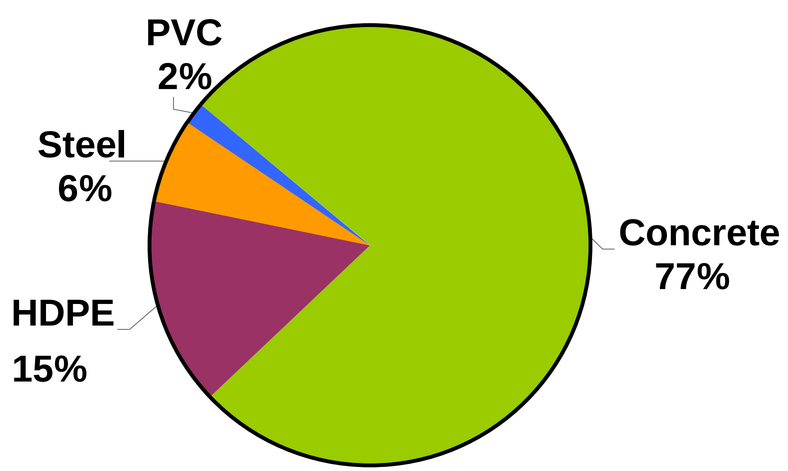
> US Non-Residential construction activity totaled US$152 billion in 2002

> Despite recent economic downturn, continuing growth in demand is being fueled by:

- Strong growth in public construction fueled by economic stimulus programs (e.g. Florida’s US$662 million for FDOT projects in 2002)
- Housing and commercial development activity which remains strong due to low interest rates
- US$218 billon TEA-21 program has resulted in record spending on highway construction

US Storm Drainage Market

- Storm drainage comprises 47% of large diameter pipe market
- Storm drainage pipe expenditures were US$2.7 billion in 2002
- Despite increasing use of alternative materials, concrete pipe is still majority player with 77% market share (US$ 2.2 billion)



Source : Freedonia Study 1404 & 1146

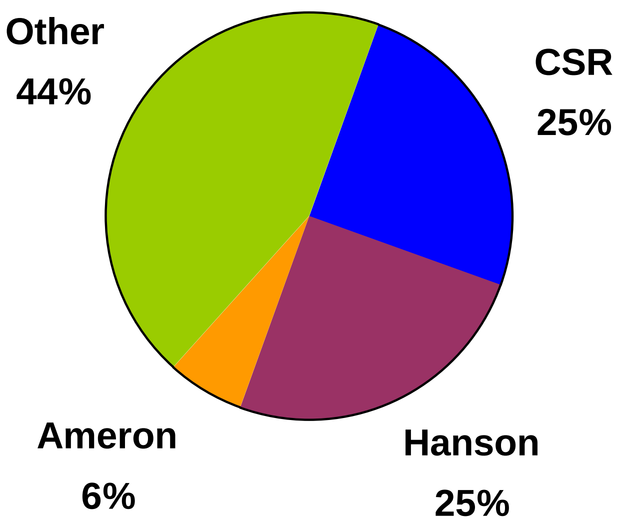
US Concrete Pipe Market

> 90% of concrete pipe market is 12"-48" diameter (US$2.0 billion)

> Industry undergoing consolidation

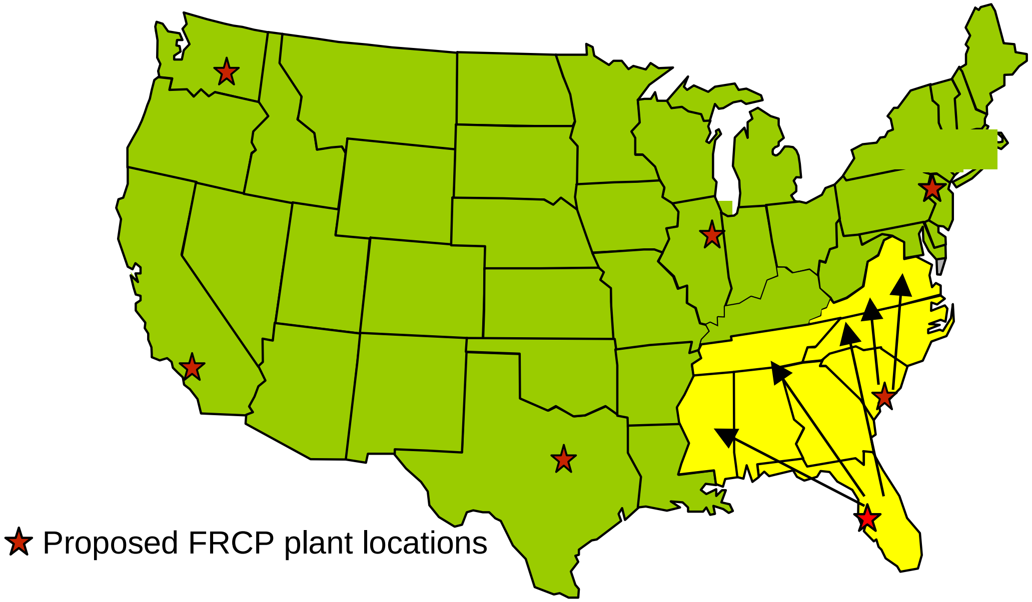
- Major players (CSR, Hanson, etc.) will maintain strong market positions
- Hanson acquired Choctaw for $135 million in June 2002
- Small independent, regional producers will be absorbed

Market Share



Opportunity

- 78% of market or US$1.7 billion is in core FRCP diameters (12”-36”)
- Multiple plants can leverage synergies with flat sheet operations
- Focus on South East Region to prove business model



South East Region (1.5 million tons) is 19% of US RCP market in the 12”- 48” segment

- Florida – 600,000 tons
- Georgia – 265,000 tons
- Tennessee – 120,000 tons
- North Carolina – 145,000 tons

James Hardie

South East Strategy

> Developing market for FRCP in South East region
  - Gain regulatory equivalence of FRCP to precast RCP
  - Price on a parity basis to precast RCP
  - Develop a loyal base of FRCP users
  - Establish high throughput, low cost manufacturing
  - Obtain SE DOT/AASHTO approvals to lay ground work for future expansion

James Hardie

FRCP Product Advantages

> Light
  - One third the weight of concrete
  - Easier to handle and cut

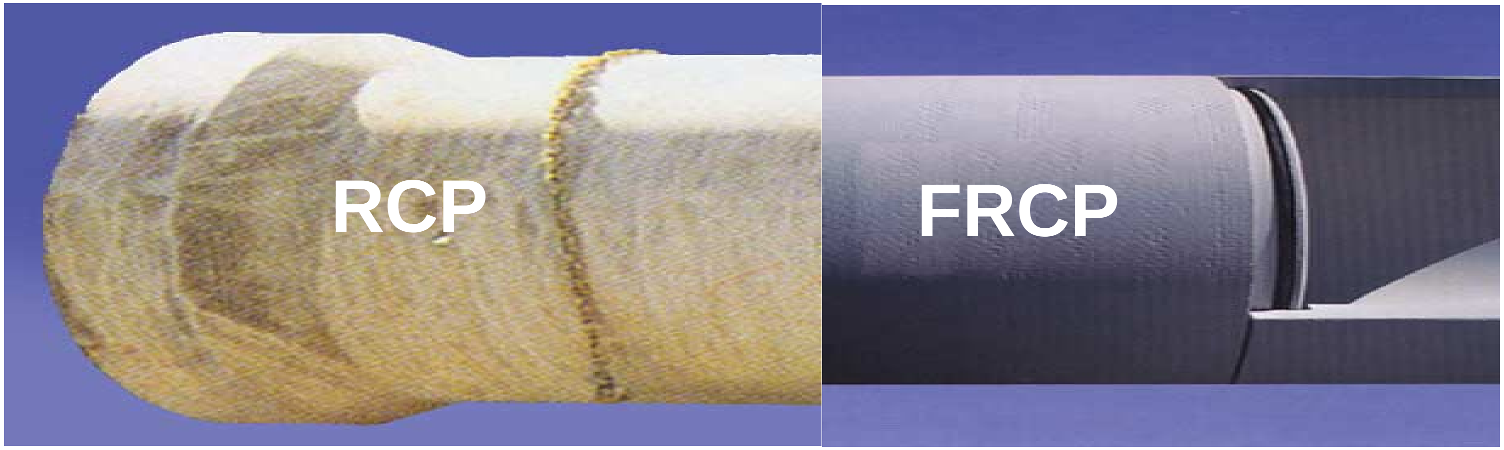
> Long
  - Twice the length = ½ the joints
  - Quicker to install = lower labor costs
  - Straighter pipelines for better flow

> Strong
  - Greater in-ground strength
  - Resistant to sulfide attack

> Machined Joints
  - Joint is truly "watertight" (5 psi +)
  - Integral bell/spigot for better grade
  - Hydraulic performance

Competitive Advantage

> RCP requires minimum aggregate wall cover over steel reinforcement (ASTM C76)
  - RCP class I, II and III (IV and V in diameters > 18”) equal same wall thickness = over-engineered
  - Precludes them from manufacturing pipes with walls thinner than class III



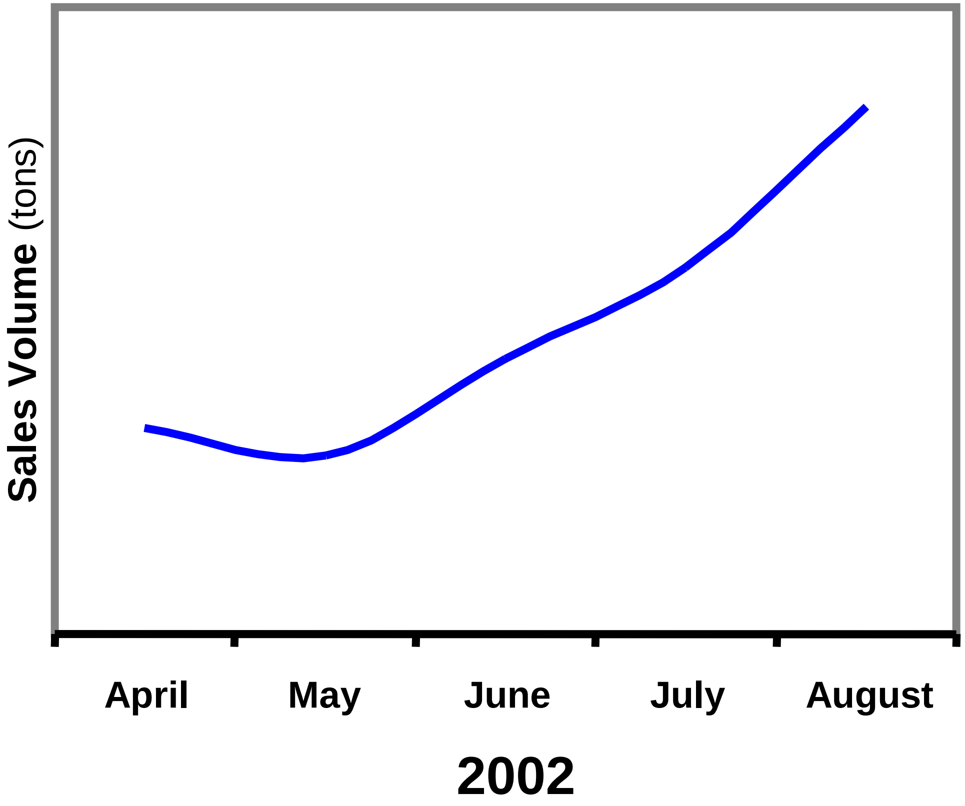
Less Material in Mid-Diameter Pipes Makes FRCP More Economical to Manufacture

Sales and Marketing

- > Received Florida Engineering Society's Governor's New Product Award
- > Product demand increasing
- > Product mix expanded to 36" in May 2002
- > Focusing distribution through waterworks channels
  - \- able to bundle FRCP with sewer products

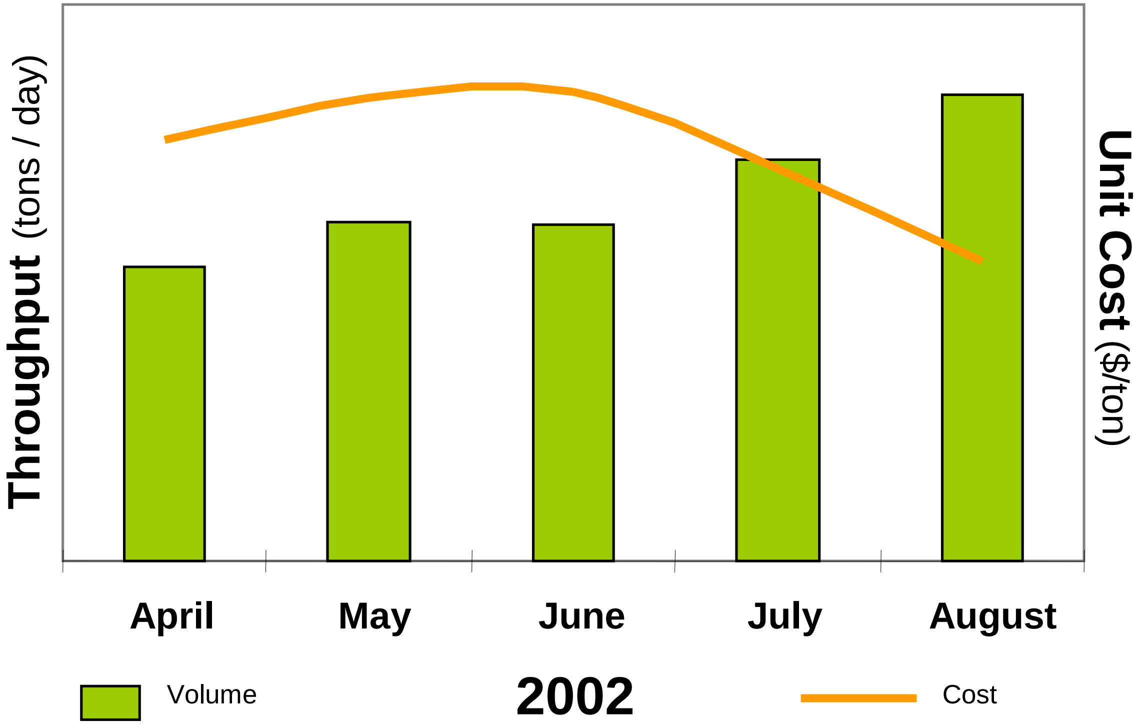
Sales Performance

- FRCP demand has increased 287% in first 5 months of FY03
- Focusing on influential contractors and engineers
- High level of customer satisfaction and repeat business
  - Value of FRCP being recognised



Manufacturing

- Technology developed and refined to efficiently produce up to 48" diameter pipes at Plant City facility
- Unit costs are decreasing as efficiencies are increasing



Regulatory Approvals

Florida

> FDOT equivalence to RCP awarded in July 2001

> County approvals received in key areas

- Now cover 80.7% of Florida's population

Other SE State DOTs

> Application process in remaining SE states

National DOT

> Developing technically correct AASHTO specification

Competitive Response

Aggressive and Negative Campaign

> Attacks on FRCP

- Distribute technically incorrect information to contractors and engineers

> Lobbying regulatory bodies & trade associations

- Negatively influence FDOT and other DOT's
- Influence regulatory bodies, such ASTM, to burden FRCP with additional costs

Florida Market

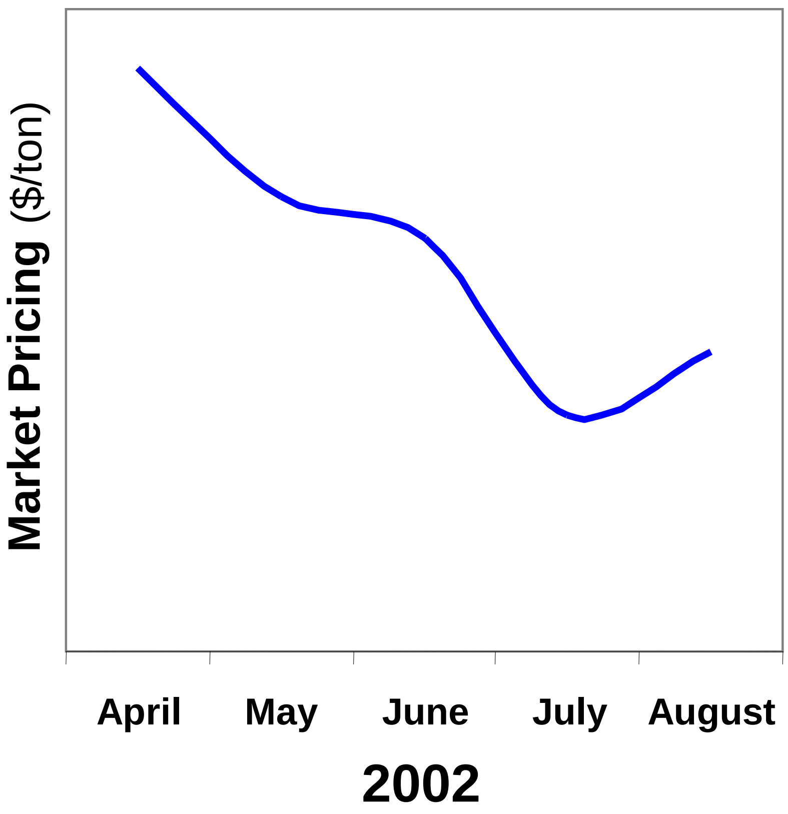
Increased Competition

> Declining market pricing

- Retaining current customers
- Putting short-term pressure on industry profitability

> Expanding customer base for FRCP

- RCP regional plants expanding shipping areas



Outlook

> FRCP is a highly advantaged technology in mid-diameters (12”-36”)

- Quicker installation provides greater value to contractors
- Low risk provides greater value to engineers / specifiers
- Lower production costs provide greater value to shareholders

> Focusing to meet strong market demand in 12”-36” diameter segment

- Approximately 78% of RCP Market

> Market penetration will continue to develop

- Initially SE Region then
- Expand nationally

Summary

- A new market that leverages core fiber cement technology of JH
- Start-up focusing on SE market
- Differentiated product with positive value propositions
  - Light
  - Long
  - Strong
- Advantaged over RCP in the mid-diameters (12”-36”)

Summary

- Favorable market response despite aggressive tactics by competition
- Technology developed for up to 48” diameters, but focused on maximizing potential in 12”-36” diameters
- Product and process optimized to generate industry best margins
- Market penetration will continue and FRC pipes business will be expanded nationwide

Questions?

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James Hardie

USA FRC Pipes

September 2002

Research and Development Technology Review

September 2002

JH State of Technology

- Industry leading investment in fibre cement technology continues to widen the gap from competition
- Product development pipeline is full
- Next generation platforms are filling out

Technology Organisation

> A Technology Management Team (TMT)
  - direction for JH Technology

> Core Research Group (Core R&D)
  - providing sustainable, leading edge technologies to the Product Development Groups

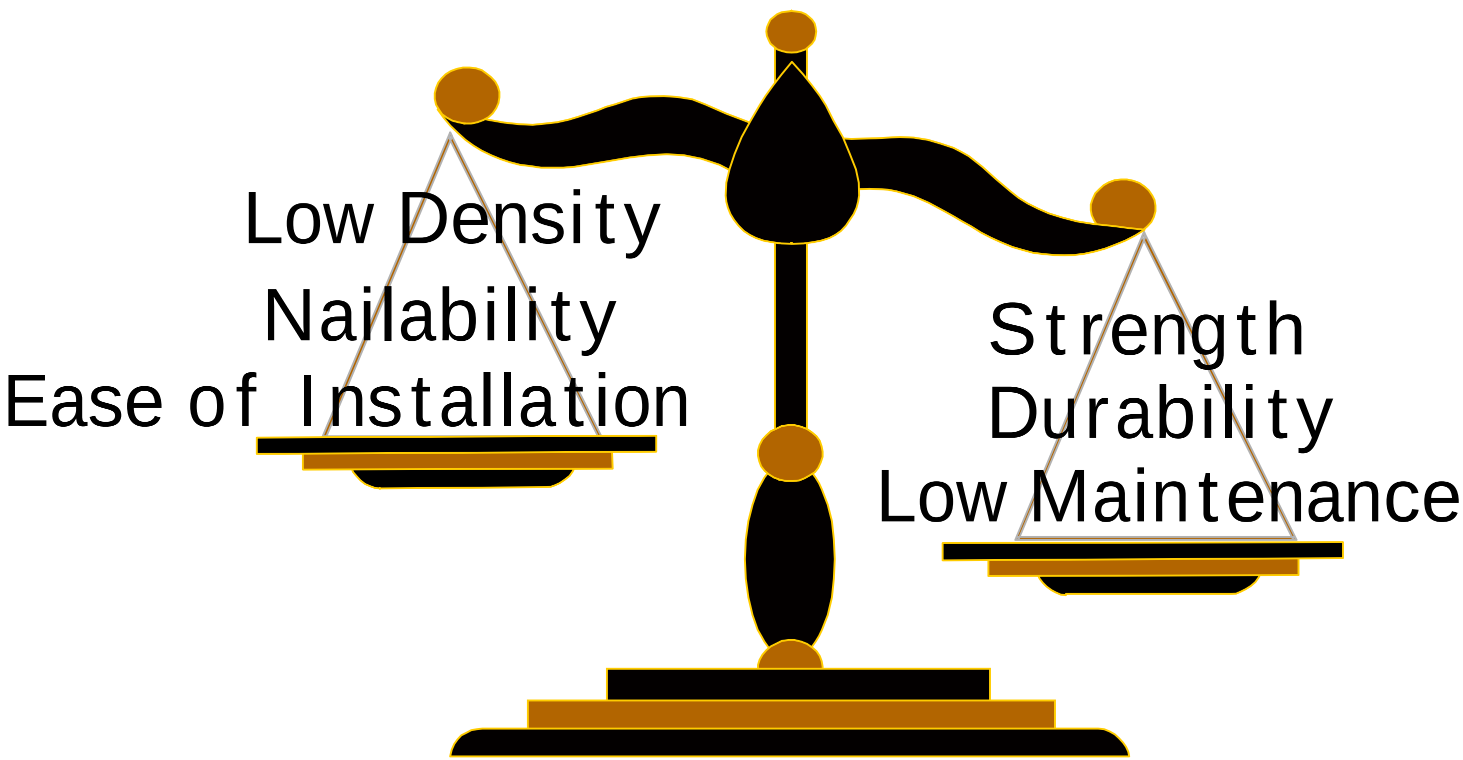
> Product Development (PD) Groups
  - delivering products and systems that support each BU's objectives

> Engineering Group
  - Next Generation Process
  - Process Development
  - Construction

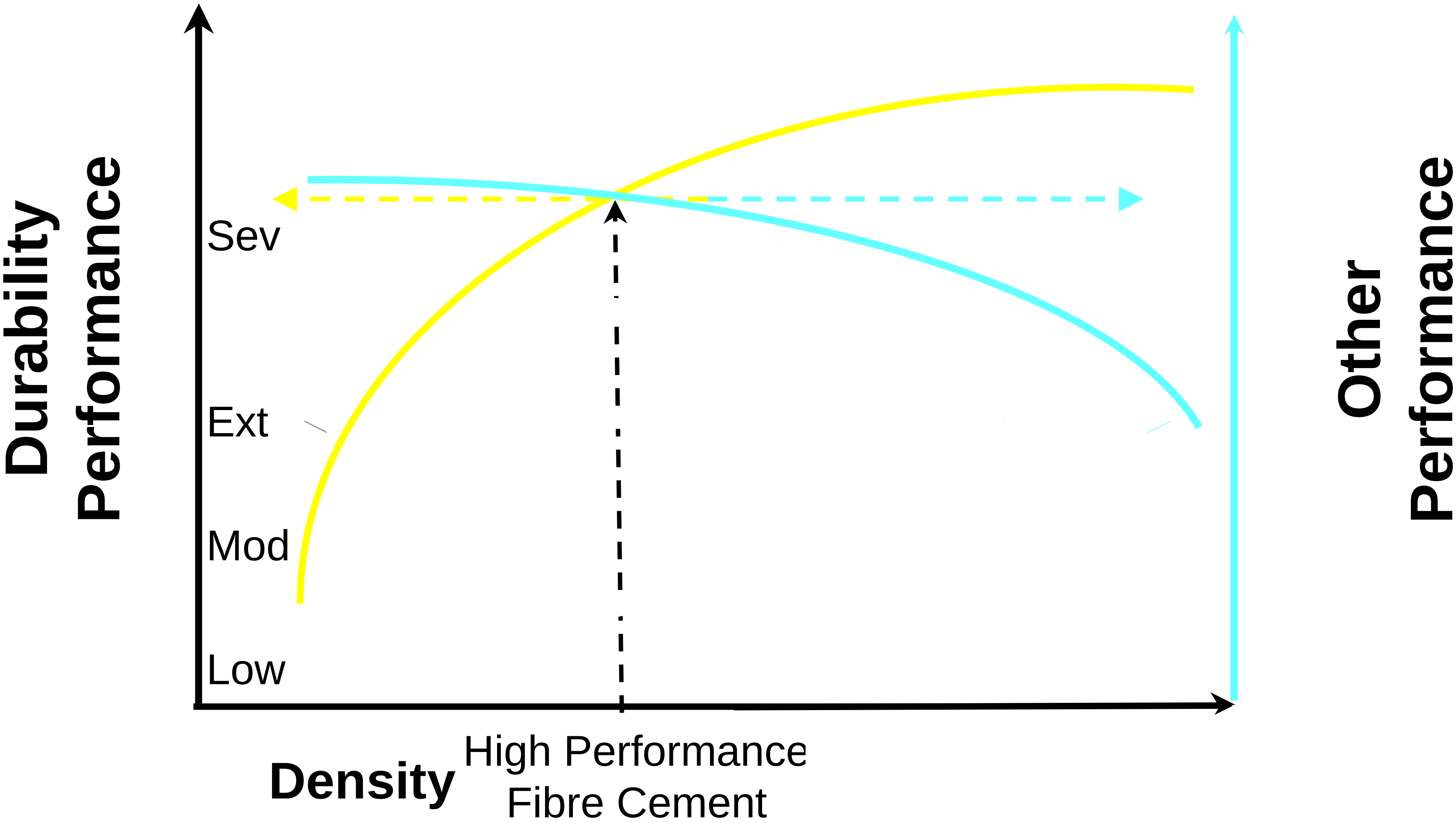
Durability is the Key

Freeze Thaw Heat Rain Hail Fire

Balancing key attributes is like walking a tightrope



Technology


Durability
Performance
Sev
Ext
Mod
Low
Other
Performance
Density
High Performance
Fibre Cement

Vision

- > Increased performance at lower densities
  - > Durability
  - > Ease of use

Resources - People

> Diverse workforce of over 100 technologists

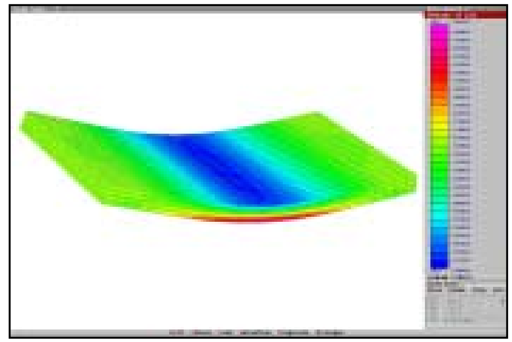
- mixture of science and engineering
- 40% with greater than 5yrs service
- +50% with advanced degrees

> Focused on analytical and computational approaches to process development and product prototyping

Capabilities

The JH approach is “hands on”, including the development of many proprietary processes, methods and procedures






US Product Development

- > Formulation
  - Fit for use
- > Design
  - Shape
  - Texture
- > Finish
  - Sealer
  - Primer
  - Topcoat
- > Installation
  - Systems
  - Components
  - Tools
- > Risk Assesment
  - Durability
- > Process Design

Beaded Lap

Shingle Panel

Vented Soffit

Prime Plus

Product Innovation

ColorPlus

Chestnut Brown

Oak Brown

Pewter Gray

Natural Cedar

Seclusion

Arctic White

Monterey Gray

Khaki Brown

Sandstone

Navajo White

Sky Gray

HardiTrim w/HLD

Rustic Grain

Smooth

HardiBacker with G2 Technology

HardiBlade

- Polycrystalline Diamond (PCD) covers the entire tip
- Its self-sharpening properties and strength ensures the longest cutting life available
- Uses a proprietary PCD technology to create a tooth with more durability and
- longer cutting life than other diamond or carbide tipped blades
- Four-tooth configuration allows for fast, clean gang cuts on up to five pieces of Hardiplank® in one pass
- Up to 5x longer cutting life than other carbide tipped blades

Focused Core Research

> New raw materials
  - light and durable

> New formulation development
  - away from Hatschek norm

> New process development
  - other fibre cement technologies

> Understanding durability in all climates

HardiTrim w/XLD

- > Thickness and shape
- > JH proprietary low density technology
- > Advantaged fibre cement process

Roofing

> Durability and performance

> Proprietary process, formula and materials

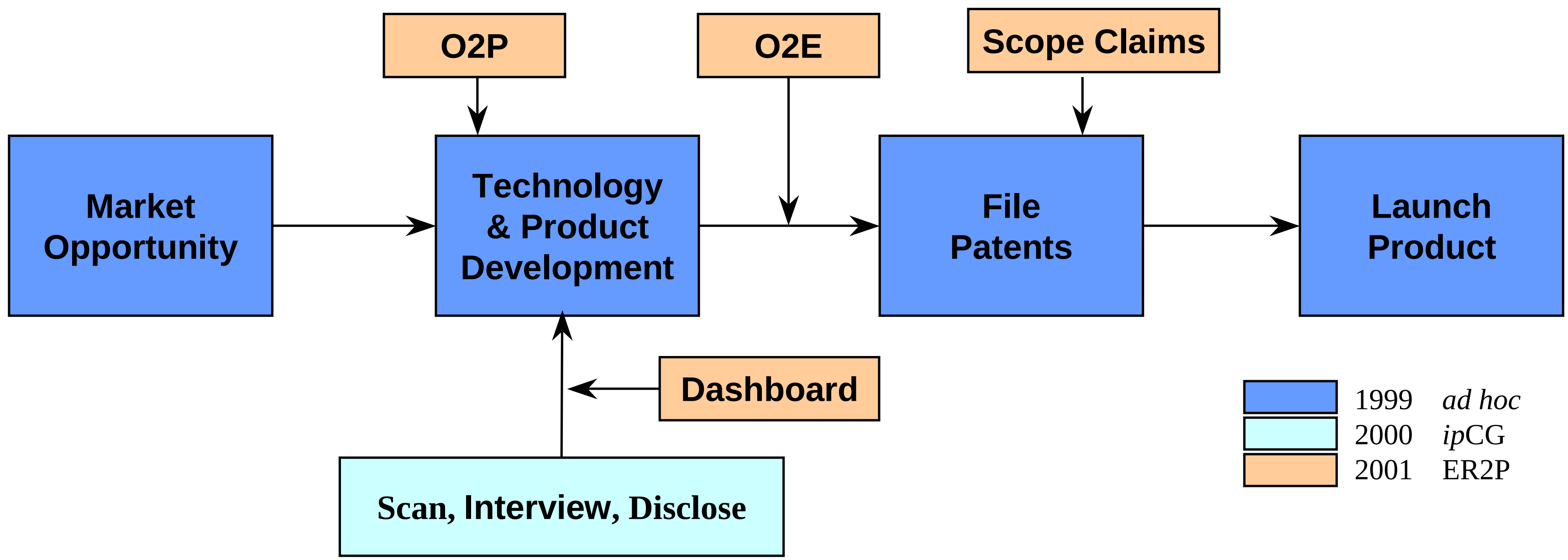
> Brownfield pilot line under construction in Fontana

> Commissioning expected in March of 2003

Strategy and Integration

Strategy: **Value = ER2P**

Integration:



Advantage

- > Technology Drivers ~ Positioning of Product
  - Density
  - Performance
  - Ease of Use
- > Granted Patents ~ Competitive Advantage
  - Cover key parts of the Supply Chain
    - Raw Materials
    - Product
    - Use of Product
  - Patent applications quadrupled in 5 years
- > Risk ~ Managing Escalating Costs
  - Maximize Value/$ of the Patent Portfolio

FY02 Results
6 (Distinct) Provisional Applications
20 (Distinct) Patents Applications
2 Patents Granted (Total = 6)

FY03 Goals
10 Provisional Applications
40 Patent Applications
5 Patents Granted (Total = 10)

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Research and Development Technology Review

September 2002

James Hardie

USA Fiber Cement Sales and Marketing

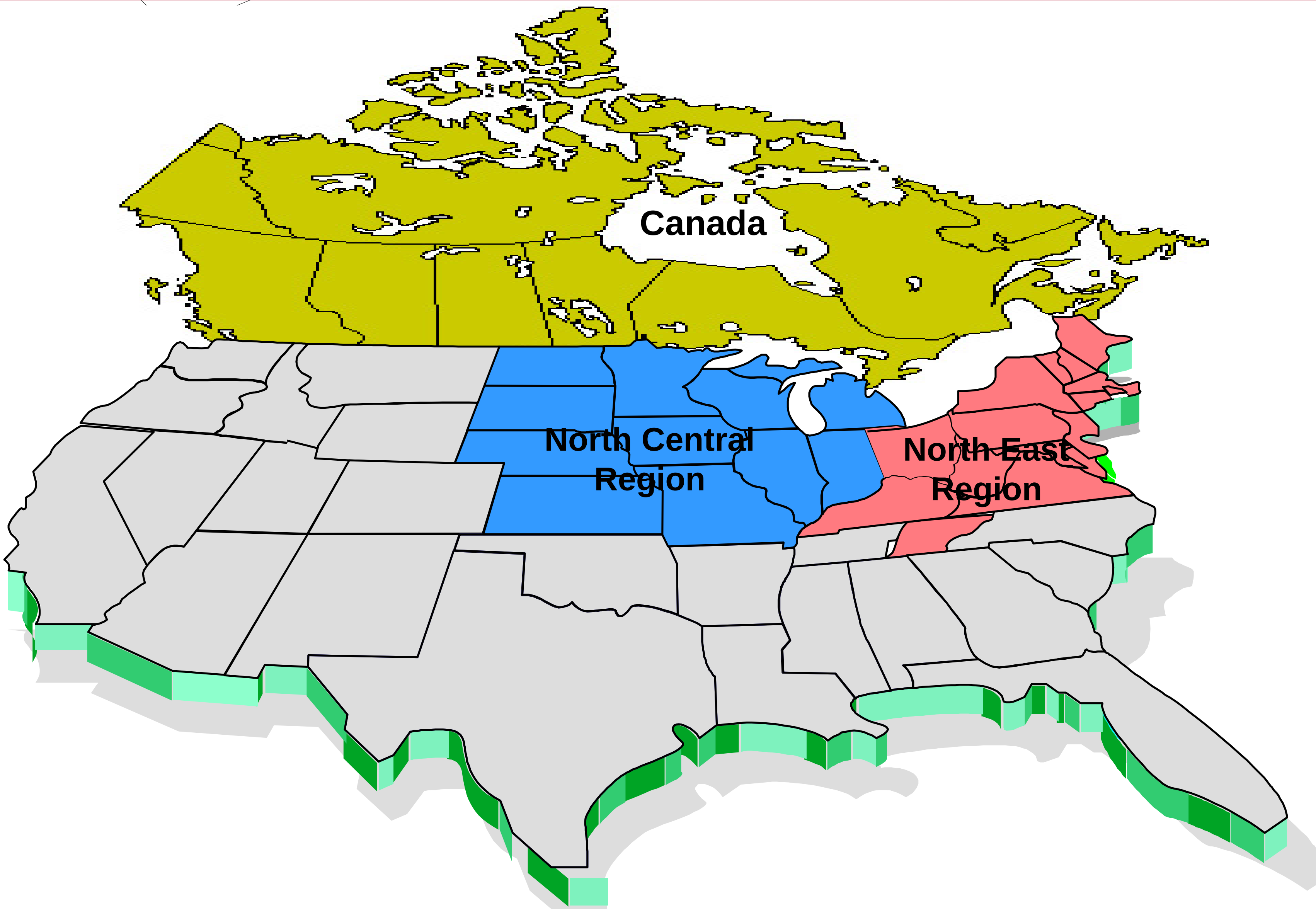
September 2002

Rich Chapman, VP Sales/Marketing, Northern Division

John Dybsky, Marketing Manager, Northern Division

James Hardie

Northern Division



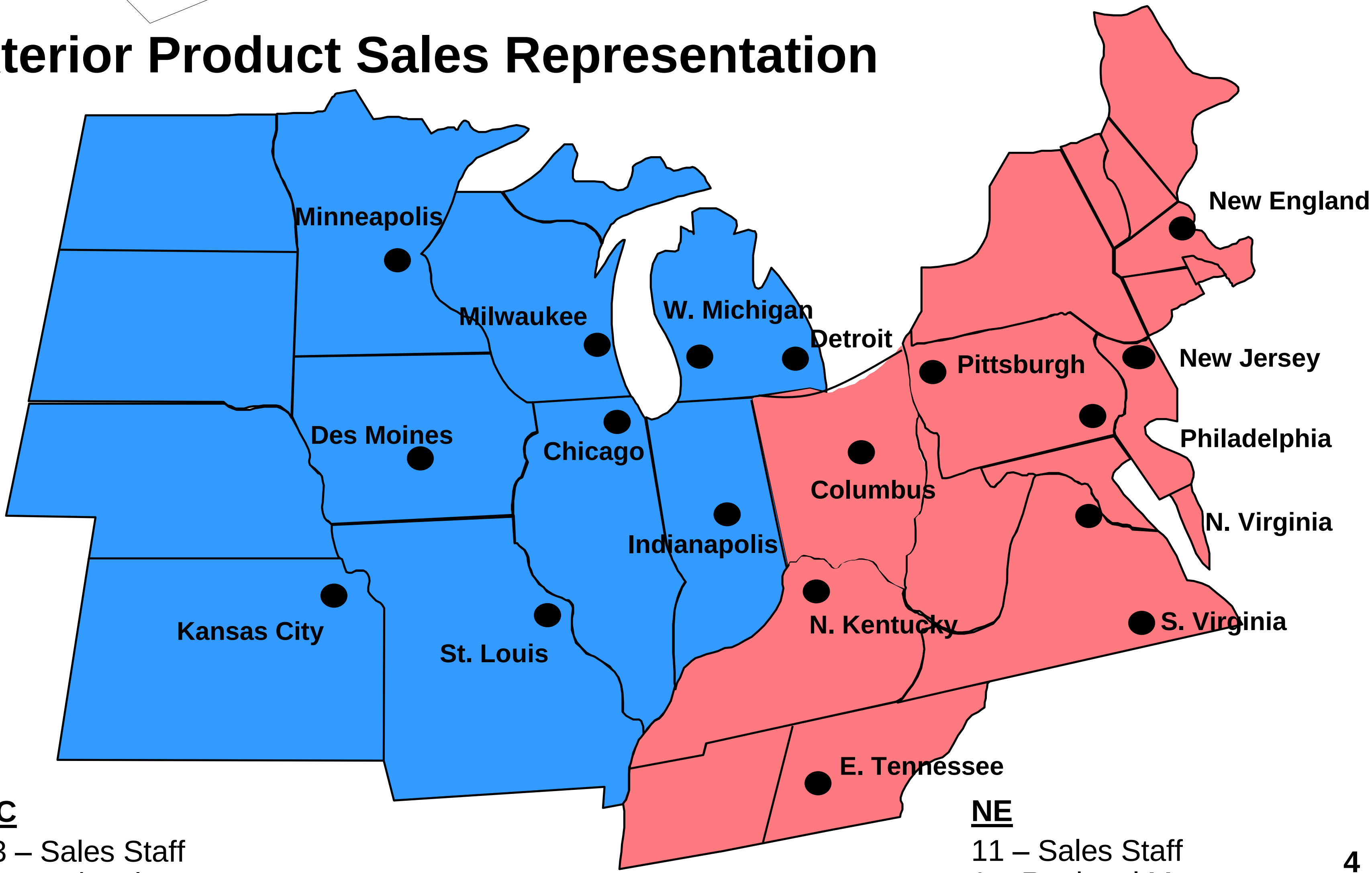
Management Team

Rich Chapman, V.P. Sales/Mrktg	10 yrs
John Dybsky, Marketing Manager	6 yrs
Travis Sims, N.E. RSM	8 yrs
Gary Moss, N.C. RSM	4 yrs
Robert DiMaggio, NSM Canada	2 yrs
Paul Gentzel, Channel Manager	3 yrs

James Hardie

Northern Division

Exterior Product Sales Representation



NC

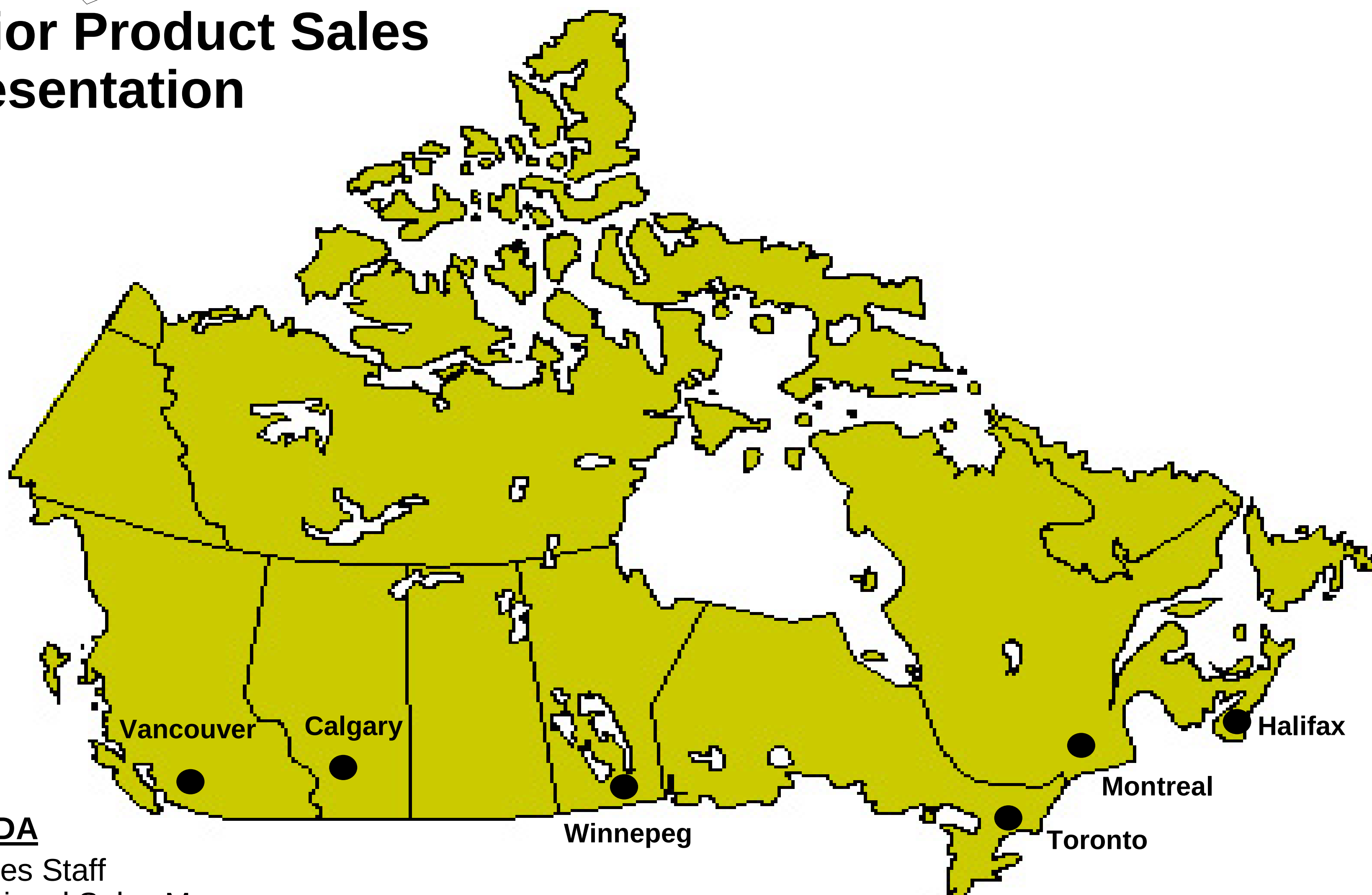
13 – Sales Staff
1 – Regional Manager

NE

11 – Sales Staff
1 – Regional Manager

Northern Division

Exterior Product Sales Representation



CANADA

8 – Sales Staff
1 – National Sales Manager

Housing Starts

USA Northern Division

	2001 – 2005	2006 - 2010
United States	1546.3	1545.7
North East Region	160.6	170.3
Mid West Region	313.9	313.4
Combined	474.5	483.7
% Total	31%	31%

Housing Starts

Canada - 2001

Atlantic Provinces	10,017
Quebec	27,682
Ontario	73,282
Prairies (Man., Sask.)	11,344
Alberta	29,174
BC	17,234
Total	168,733

Source: CMHC Housing Facts

Overview of Strategy

Differences Between Northern and Southern Division Strategies

South	North
Replacement/Wood	Alternative/Vinyl
Durability	Differentiation
All Price Ranges	Step Up/Upper End Homes

Overview of Strategy

Similarities Between Northern and Southern Division Strategies

> Pull through sales strategy by JH sales staff

> “Follow the Leader” tendencies of Builders allows us to leverage early adopters

Market Dynamics

Challenges Identified Last Year

> Reducing the "On the Wall" Costs

- Achieving the targeted cost gap vs. vinyl at the builder level

> Installation Base

- Increasing the installer base to the scale required to achieve targeted growth

Market Dynamics

On The Wall Cost Matrix (18 months ago)
(USD per sq.)

	Vinyl	JH
Total	120-135	330-355
Premium		210-220

On The Wall Cost Matrix (Current)
(USD per sq.)

	Vinyl	Current JH	Target JH
Total	120-135	265-290	230-240
Premium		145-155	105-110

Market Dynamics

Challenges Identified Last Year

> Products:
  - Provide the product offering needed to compete with vinyl

> Channel:
  - Shift emphasis to the "One Step" vinyl dealer

> Positioning:
  - Develop a new JH positioning vs. vinyl siding

Products

> Established capability to provide color on the wall
  - Launch of the ColourPlus™ Collection of prefinished siding
  - Increased cooperation with local 3rd party pre-finishers

> Simplified the SKU offering
  - Market specific product offering
  - Make room for pre-finished products

> Providing full exterior solution
  - Inclusion of trim, etc.

Channel

- Shift Emphasis from Lumber Channel to “One Step” Vinyl Dealer
  - Why the “One Step” vinyl dealer?
    - ✓ Sales staffs are more aggressive sellers
    - ✓ They understand the limitations of vinyl siding
    - ✓ Sell fewer things

Vinyl Positioning

Going Forward

Leveraging our Conversions in the Market

> Growing our Strategic Marketing Partnerships with

- Builders
- Developers

> Builder Model Home

- Training for sales staff
- Promotional tools

> Realtor Initiatives

- Product knowledge training/awareness
- Open house luncheons at model homes

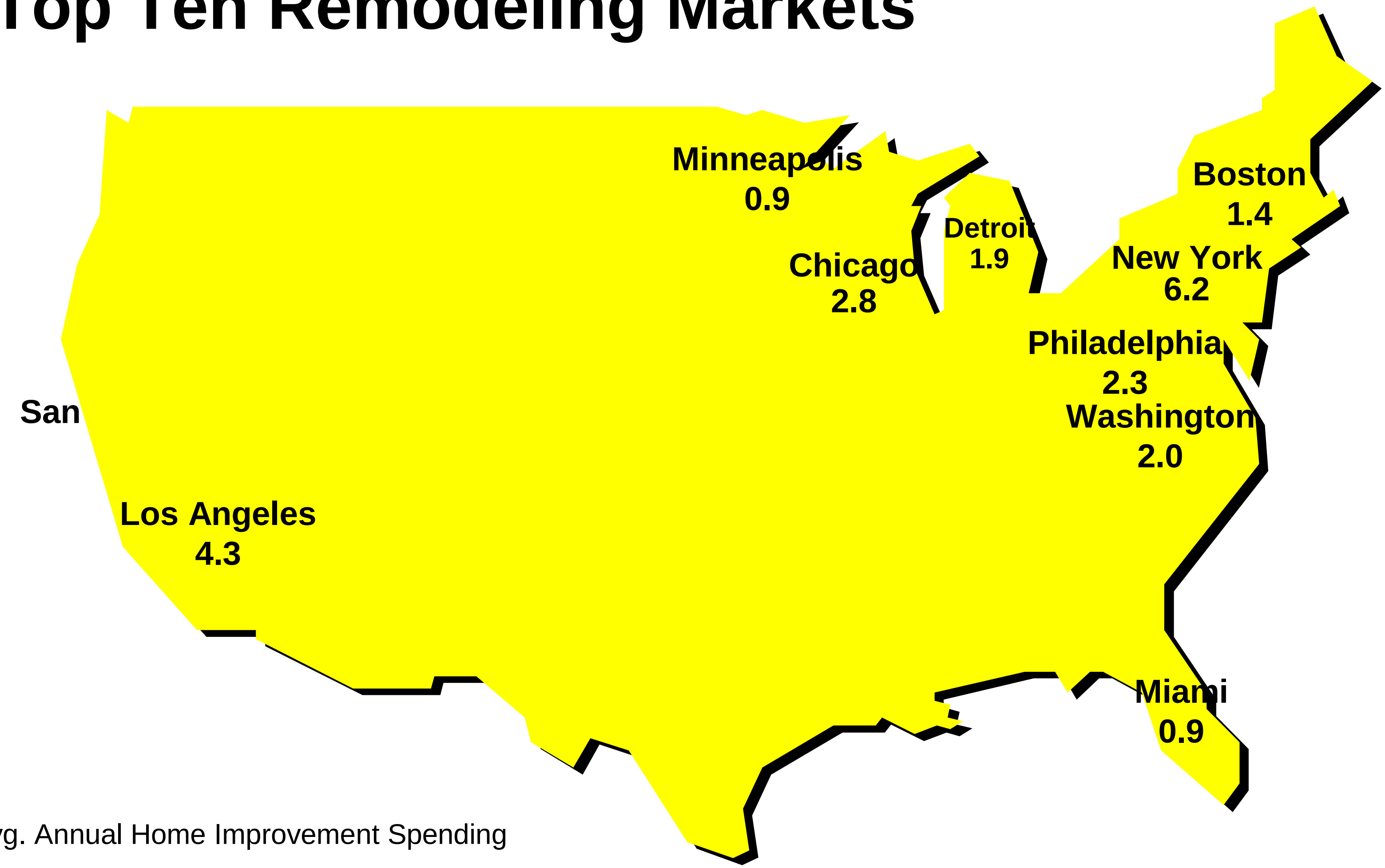
Going Forward

Shorter Cycle Sales Opportunity Initiatives

> Mid Size/Custom Builder
  - Reach through:
    - ✓ Channel Initiatives
    - ✓ Marketing

> R & R Market

Top Ten Remodeling Markets



Avg. Annual Home Improvement Spending

(Billions of US$s)

Source: Harvard Joint Center Tabulations of American Housing Surveys

A Few Reasons To Be Excited About the Remodeling Market

> Home ownership is at record levels and climbing

> Demographics of an aging boomer population - bulk of boomers moving towards peak earning years 50 - 54 years old.

> 120 million + existing homes are growing older every day

> Home equity increased avg. of 8.1% in 2000, 27 major metro markets saw double digit increases

> 21 million 1970's homes will be in peak spending years during the current decade

> Existing home sales are at an all-time high

R&R Market

Good Reside Opportunities in the Northern Division

> Aging Housing Stock

> Same Channel

> Shorter Cycle Sales

R&R Market

Going Forward

> Targeting Specific Developments

> “Grass Roots” Marketing

> Increasing Sales Staff

Cincinnati

It isn't what you say about the house. It's what the house says about you.

Drive By 217 Henry Clay Blvd. And See The Difference BACK Construction and James Hardie® Siding Can Make.

James Hardie® Siding Products

Why Settle For Vinyl?

BACK

Construction

Building Quality & Improvement Since 1987

Call Today To Learn More About the Durability and Character of James Hardie® Siding.

225-2225

CGB

Siding should be the last thing on your mind.
That's why we make it the way we do.

James Hardie Siding Products

Why Settle For Vinyl?

James Hardie Siding is one of the lowest maintenance siding options available. It holds paint three to four times longer than wood, and it's so durable it carries a fifty-year warranty against rotting and cracking. And unlike vinyl siding, it looks like wood, so it won't compromise the beauty and character of your home. If you're remodeling your home, call for a free estimate or visit www.jameshardie.com

BACK

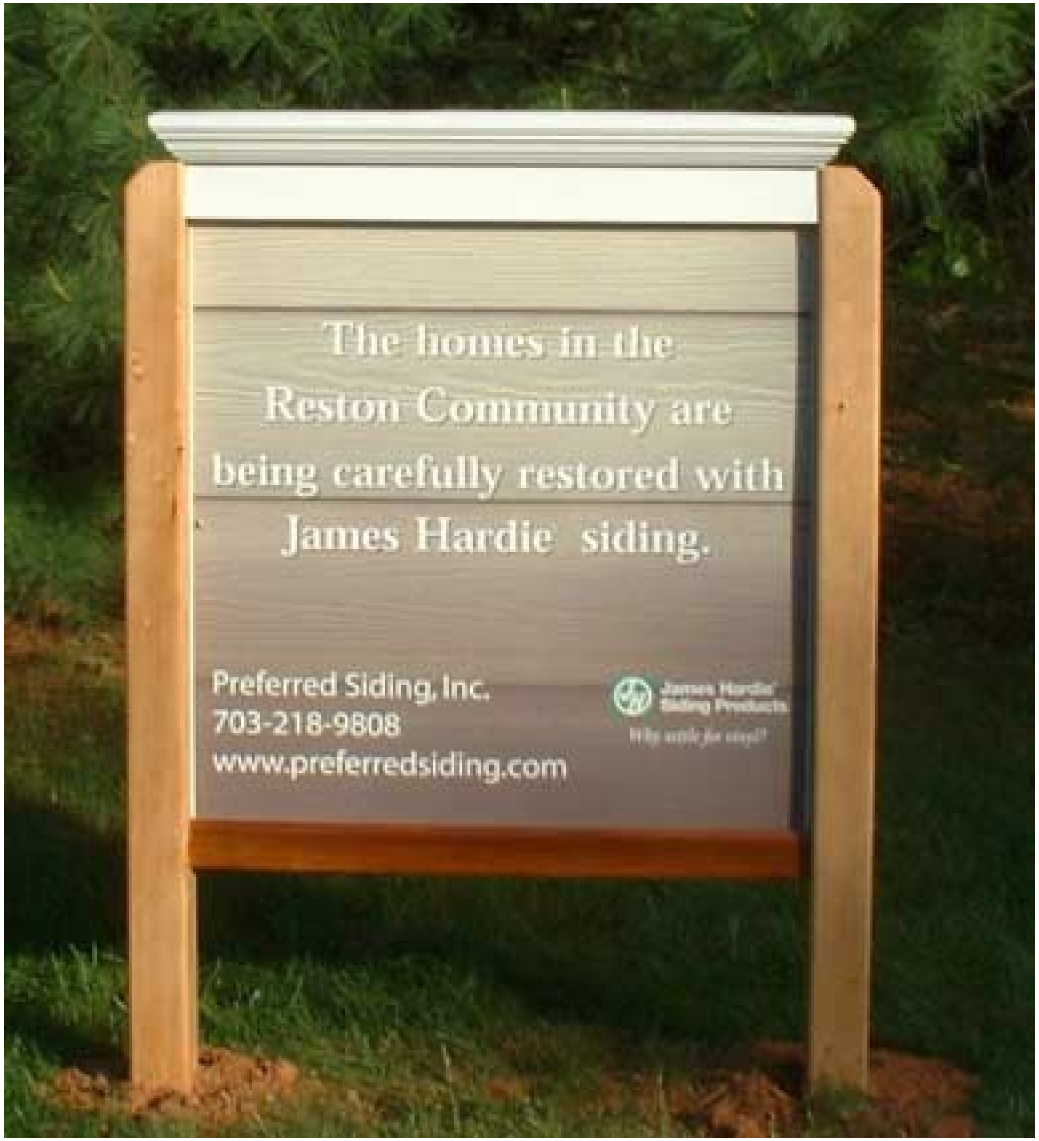
Construction, Inc

225-2225

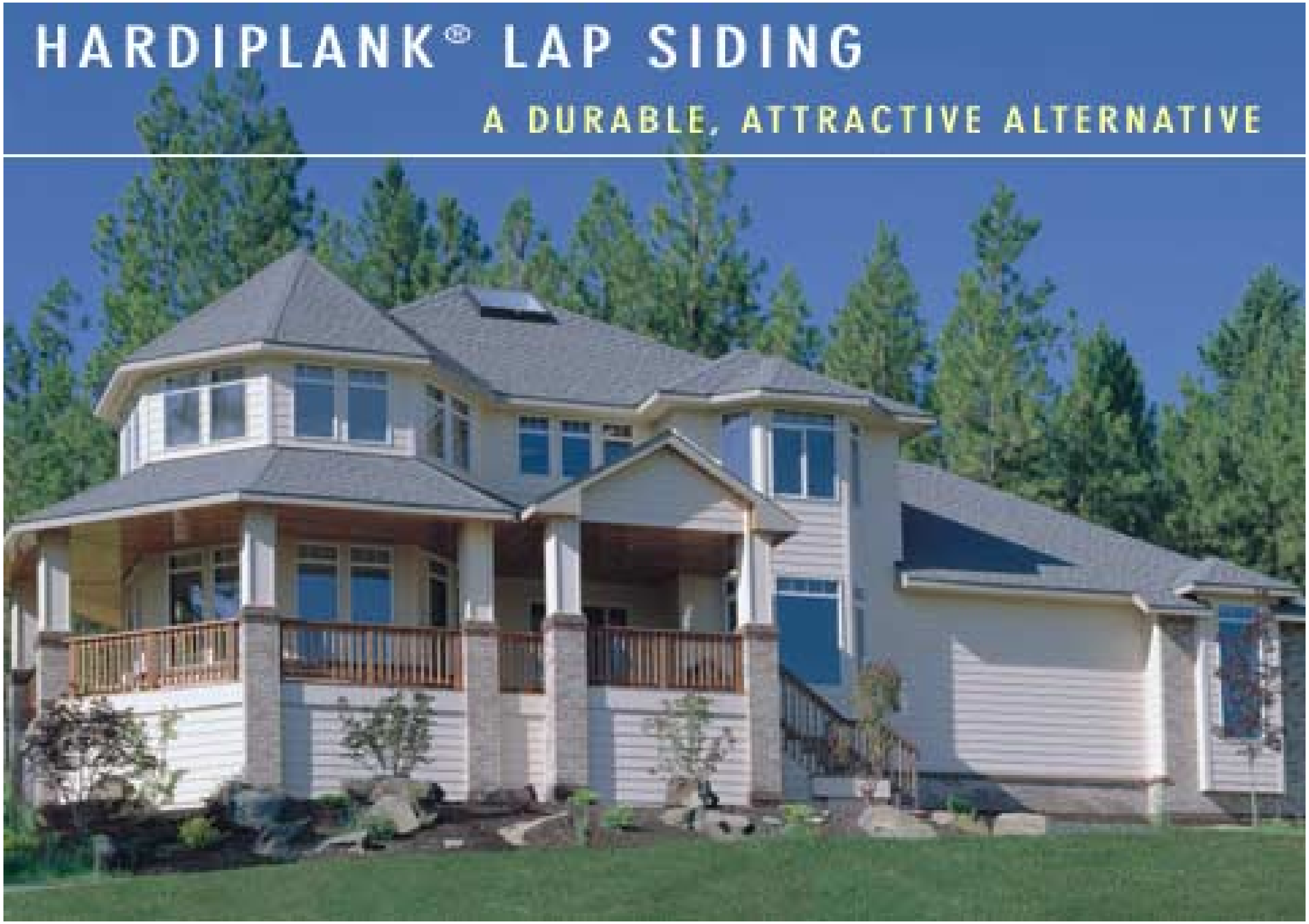
PALUMBO LUMBER

18 Southsider

Preferred Siding



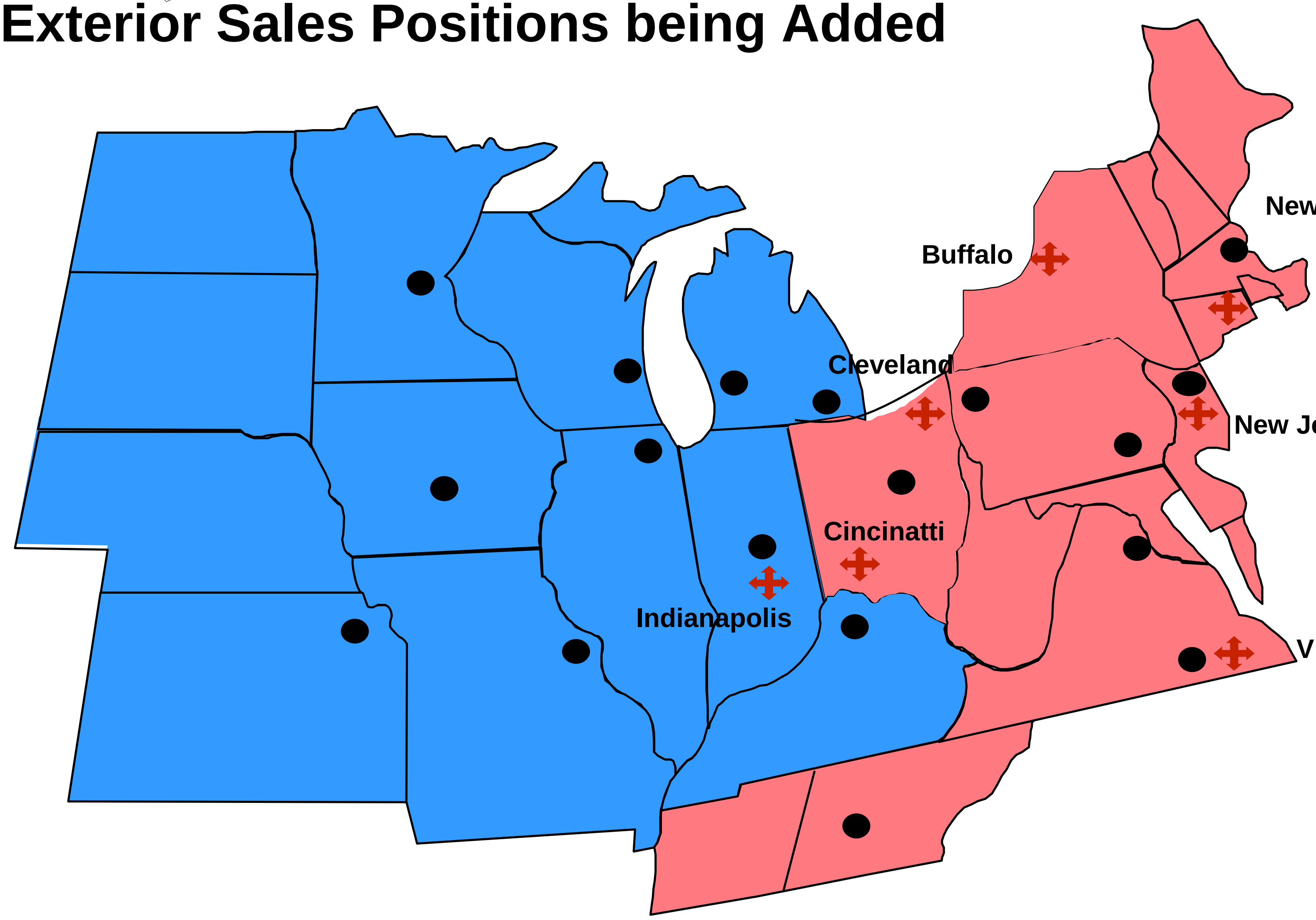
New Jersey Website



James Hardie

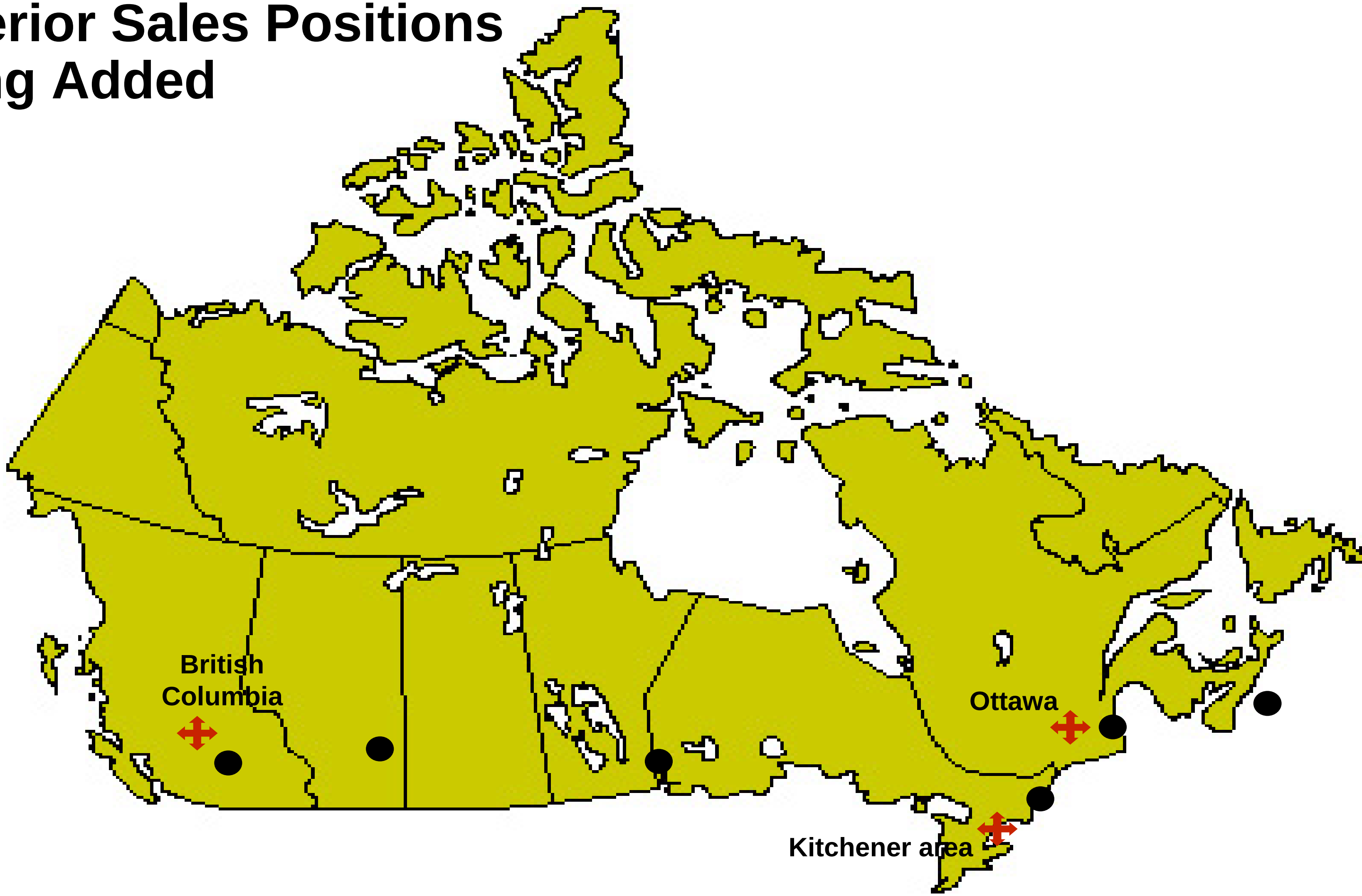
Northern Division

Exterior Sales Positions being Added



Northern Division

Exterior Sales Positions being Added



Northeast Region
(Q1 results vs. same period of prior year)

District	% Change
Maryland/DC	80
Pittsburgh	72
Philadelphia	56
New England	110
Virginia	37
E. Tennessee	55

Results

North Central Region
(Q1 results vs. same period of prior year)

District	% Change
Chicago	107
Omaha	72
Minneapolis	43
Detroit	29
Milwaukee	79
Indianapolis	157
Kansas City	204
St. Louise	144

Canada
(Q1 results vs. same period of prior year)

District	% Change
British Columbia	14
Ontario	68
Alberta	53
Prairies	15
Atlantic	179

Summary

> Major obstacles removed

> Establishing our position in all markets

> Approach and methods are solid

> Adding market resources based on our successes this past year

Questions?

Disclaimer

This presentation contains forward-looking statements. Words such as “will”, "believe,” "anticipate," "plan," "expect," "intend," "target," "estimate," "project”, "predict”, "forecast," "guideline," "should," "aim" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors, which are further discussed in our periodic reports filed with the Securities and Exchange Commission on Forms 20-F and 6-K and in our other filings, include but are not limited to: competition and product pricing in the markets in which we operate; general economic and market conditions; compliance with, and possible changes in, environmental and health and safety laws; dependence on cyclical construction markets; the supply and cost of raw materials; our reliance on a small number of product distributors; the consequences of product failures or defects; exposure to environmental or other legal proceedings; and risks of conducting business internationally. We caution you that the foregoing list of factors is not exclusive and that other risks and uncertainties may cause actual results to differ materially from those contained in forward-looking statements. Forward-looking statements speak only as of the date they are made.

James Hardie

USA Fiber Cement Sales and Marketing

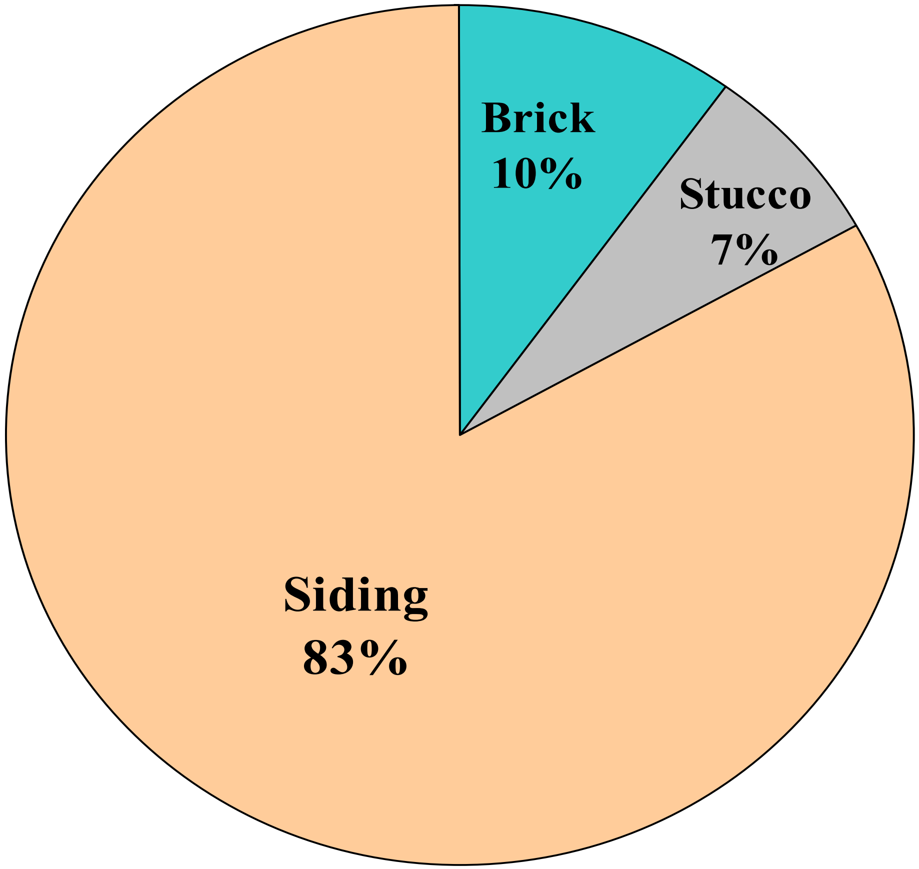
September 2002

Marketing

September 2002

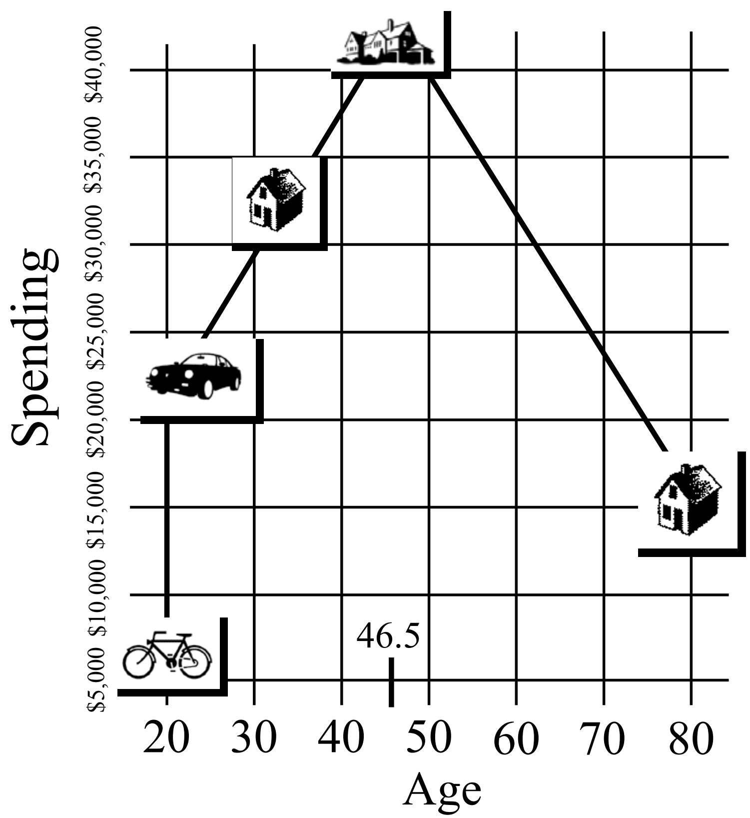
Total Market Share

Exterior Cladding
10.2 bsf.



Consumer Target Market:

Trade-up Home Buyer

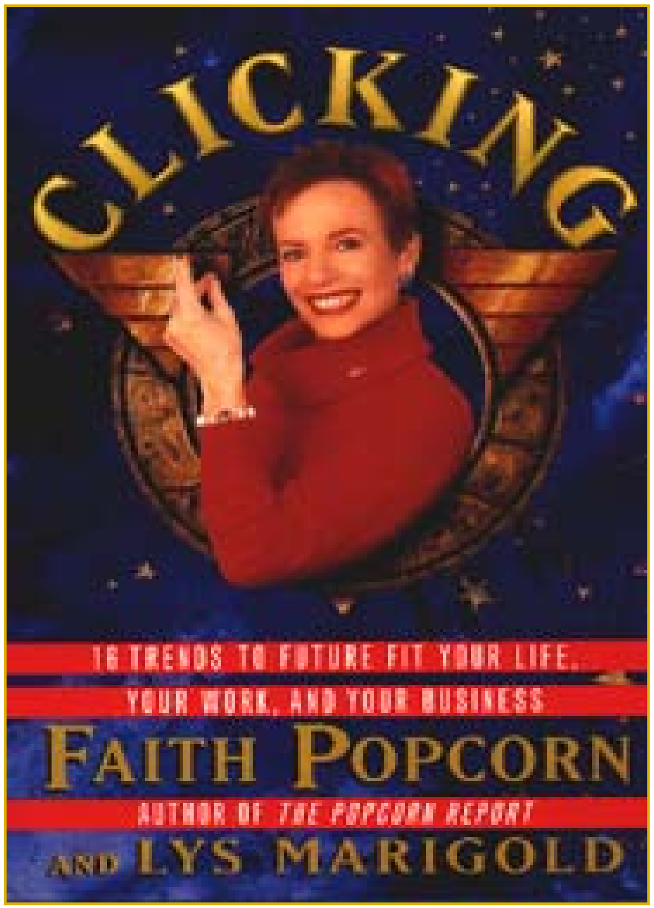


46.5 = Height of consumer purchasing power and average age of trade-up homebuyer.

Trade-up homebuyers are educated about home products and have financial means to be brand assertive.

Source: U.S. Bureau of Labor Statistics

Consumer Mindset



Cocooning/Bunkering

- "Cocooning/Bunkering" is the emerging trend of baby boomers to return to a more traditional approach to life
- Homes are seen as sanctuaries from a "hostile" external environment
- Intensified by 9/11

Consumer Desires Are Driving Home Style Trends

Back to Basics

44 percent want traditional style

70 percent want a patio

72 percent want a front porch

76 percent want family entertaining space vs. 31 percent who prefer formal space

Source: Cahners Research

James Hardie

Pre 1999 Design

Post 1999 Design

Brand Position

Homeowner Values = James Hardie Values

- Safety & Security
- Character Maintenance
- Community Acceptance
- Control of Environment

Brand Message

James Hardie siding products best fulfill homeowners' emotional needs for safety, security and character maintenance where other lap siding materials cannot.

Liberty on the Lakes Video

Consumers Recognize the Value

swm/tenn/golf, boating & horse community. $1595/mo 770-591-9492

CHEROKEE Lease or Lease Purchase 3 Br/2Ba ranch w/bsmt. Upgrades include hardiplank, smooth ceilings, screened porch. Will consider lease. Convenient location Owner/Agent 770-363-7601.
Prudential Georgia Realty

CHEROKEE Only 6 mos. old. Swim/Tennis. Beautiful 3BR 2BA.

Atlanta Journal-Constitution

James Hardie

Consumers Recognize the Value

INMAN PARK NEW CONSTRUCTION

READY FOR MOVE-IN!

988 CARMEL AVE (AT N. HIGHLAND AVE)

Construction completed on this magnificant Victorian masterpiece in Historic Inman Park!
Stunningskyline views from every bedroom! Enjoy amenities of Freedom Park, where you can walk, jog, bike or skate RIGHT ACROSS THE STREET! Walk to Five-Points shops and restaurants.
Only 2 miles from I-75/I-85. INTOWN LIVING AT IT'S FINEST.

$769,000

OUTSTANDING AMENITIES

* Intercom system
* Framed, unfinished full daylight basement, stubbed for bath
* Deck over patio
* Hardiplank siding (50 year warranty)
* Professionally landscaped
* Full sodded yard
* Schools: Lin Elementay, Inman Middle, Grady High School

FMLS #
523842

Mike Merrick
REALTOR®
Direct: (404) 845-0206
Fax: (404) 845-0202
Mobile: (404) 664-5703
email: mmerrick@bellsouth.net

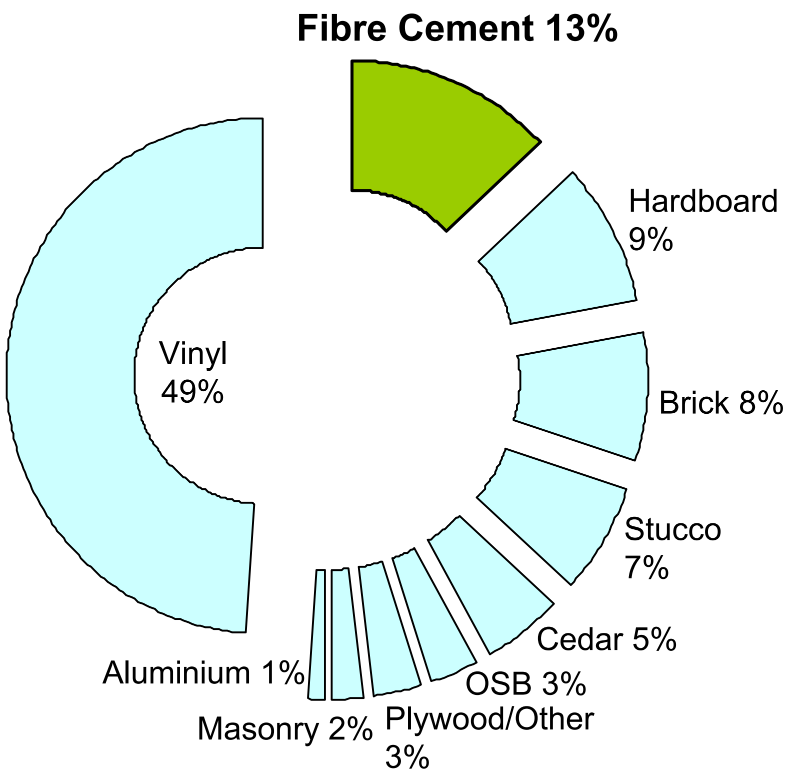
RE/MAX Greater Atlanta
Greater Service... Greater Results.

Consumers Recognize the Value

High Category Share – Low Market Share

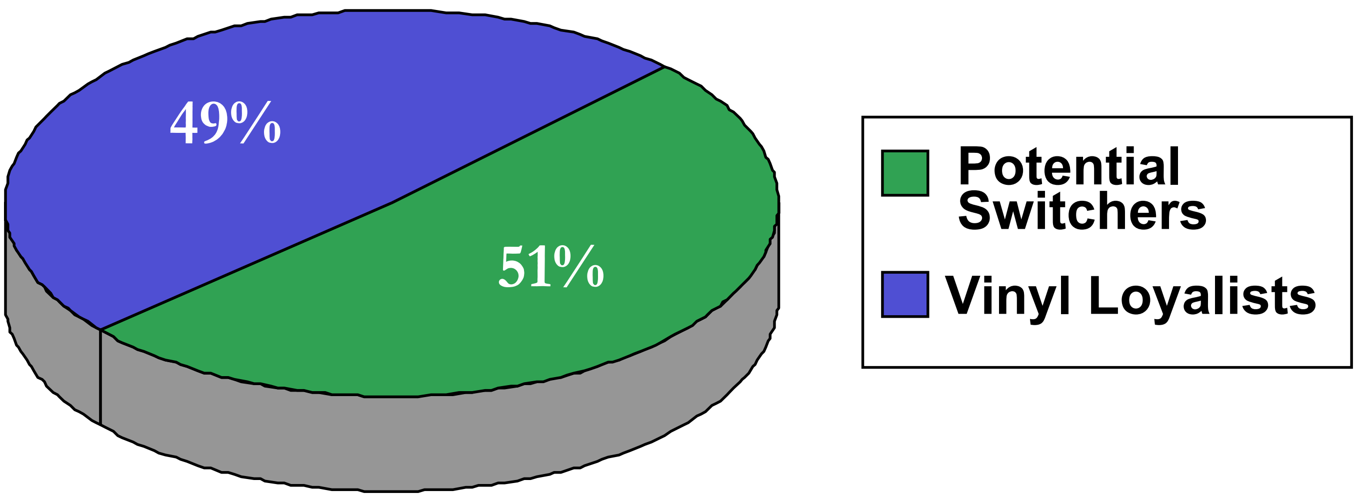
James Hardie

Total Siding Market Share
2002



Vinyl Remorse

Over 1/2 of vinyl homeowners would have considered an alternative if an affordable one had been available



Source: Vinyl Segmentation Study

Consumer Research

- Homeowners accept vinyl because it is the only alternative they are aware of for the cost and the low maintenance.

- However, they have deep feelings of discontentment with vinyl.

Consumer Research

When asked what is the <u>first</u> thing that comes to mind when you hear vinyl siding? One third of all homeowners said:

"Plastic or Cheap"

Vinyl Research Video

Consumer Research

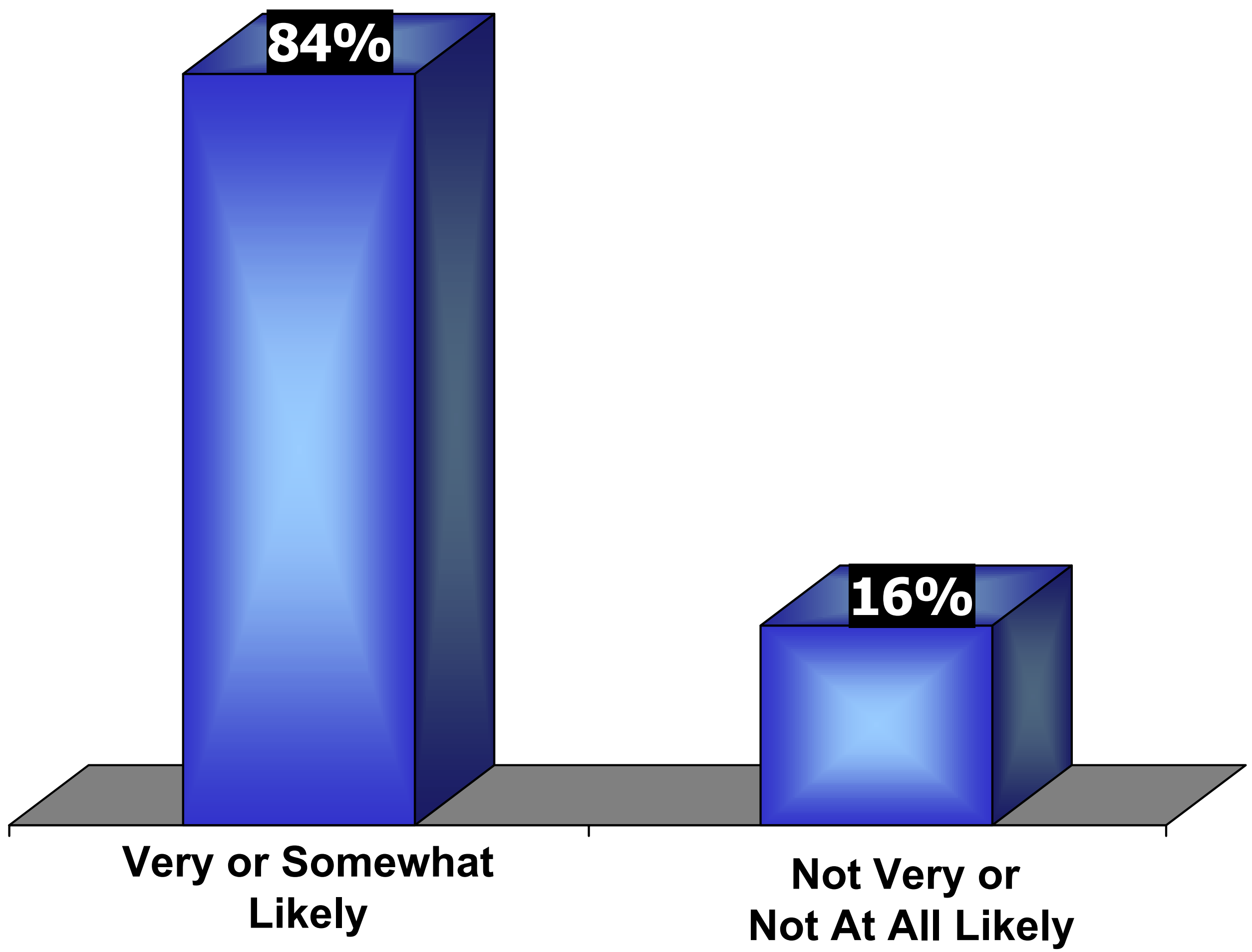
94% say James Hardie
is close to their ideal siding.

Consumer Research

- **95%** of homeowners described James Hardie as unique, listing the following as reasons:
  - Different/new concept
  - Feels/looks like wood
  - Sturdy/durable
  - Better than other options
  - Nice concept/look
  - Non-combustible

Consumer Research

How likely would you be to consider a builder or developer who features James Hardie for the next home you build?



Market Opportunity

Likelihood to Purchase

Mass Market or Commodity

High purchase intent
Low innovativeness

Generally forced to compete on price and/or distribution

Clear Winner

High purchase intent
High innovativeness

Strong potential

Innovativeness or Uniqueness

Low purchase intent
Low innovativeness

Rework concept

Low Potential

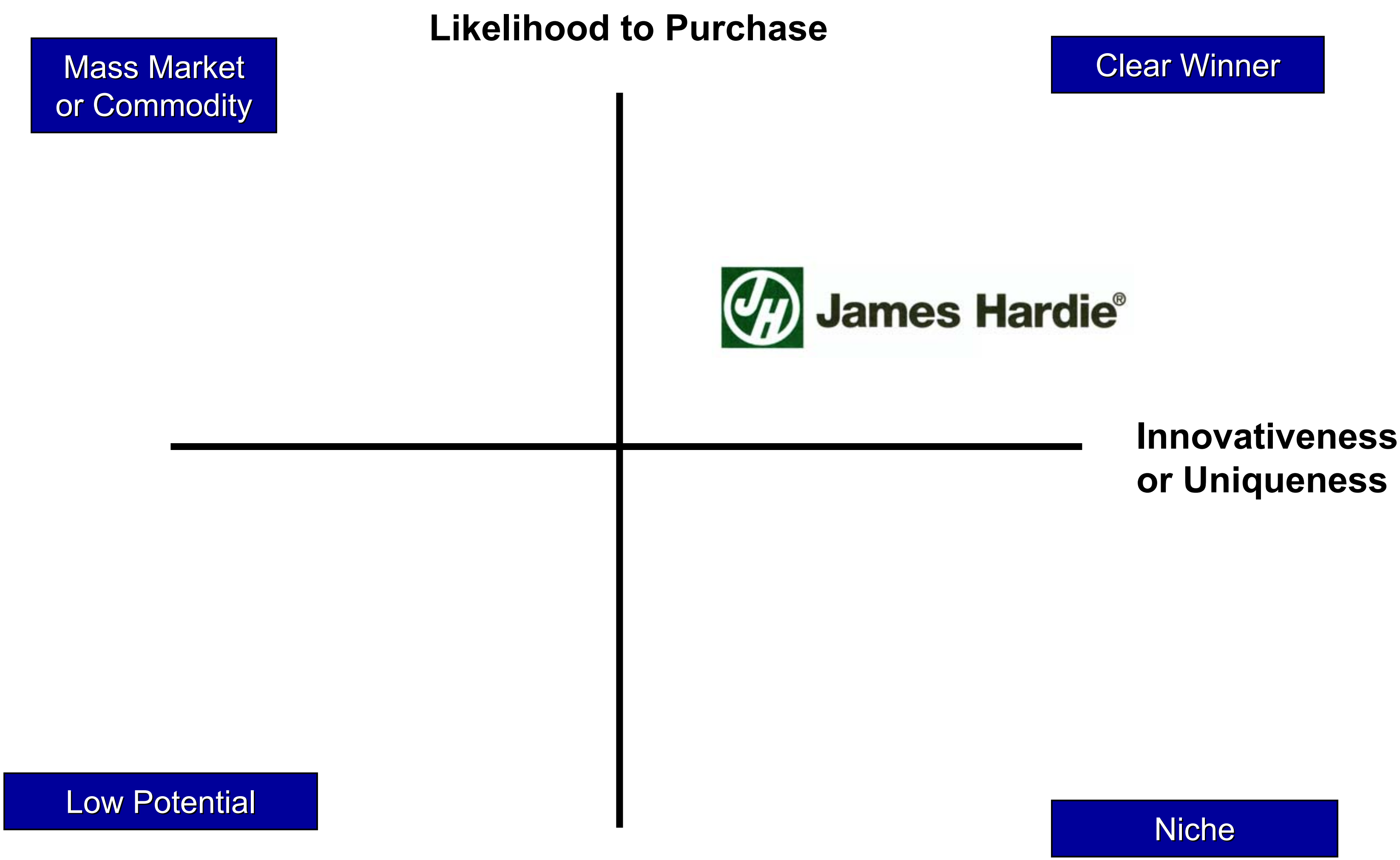
Low purchase intent
High innovativeness

Find a niche

Niche

Source: Boston Consulting Group

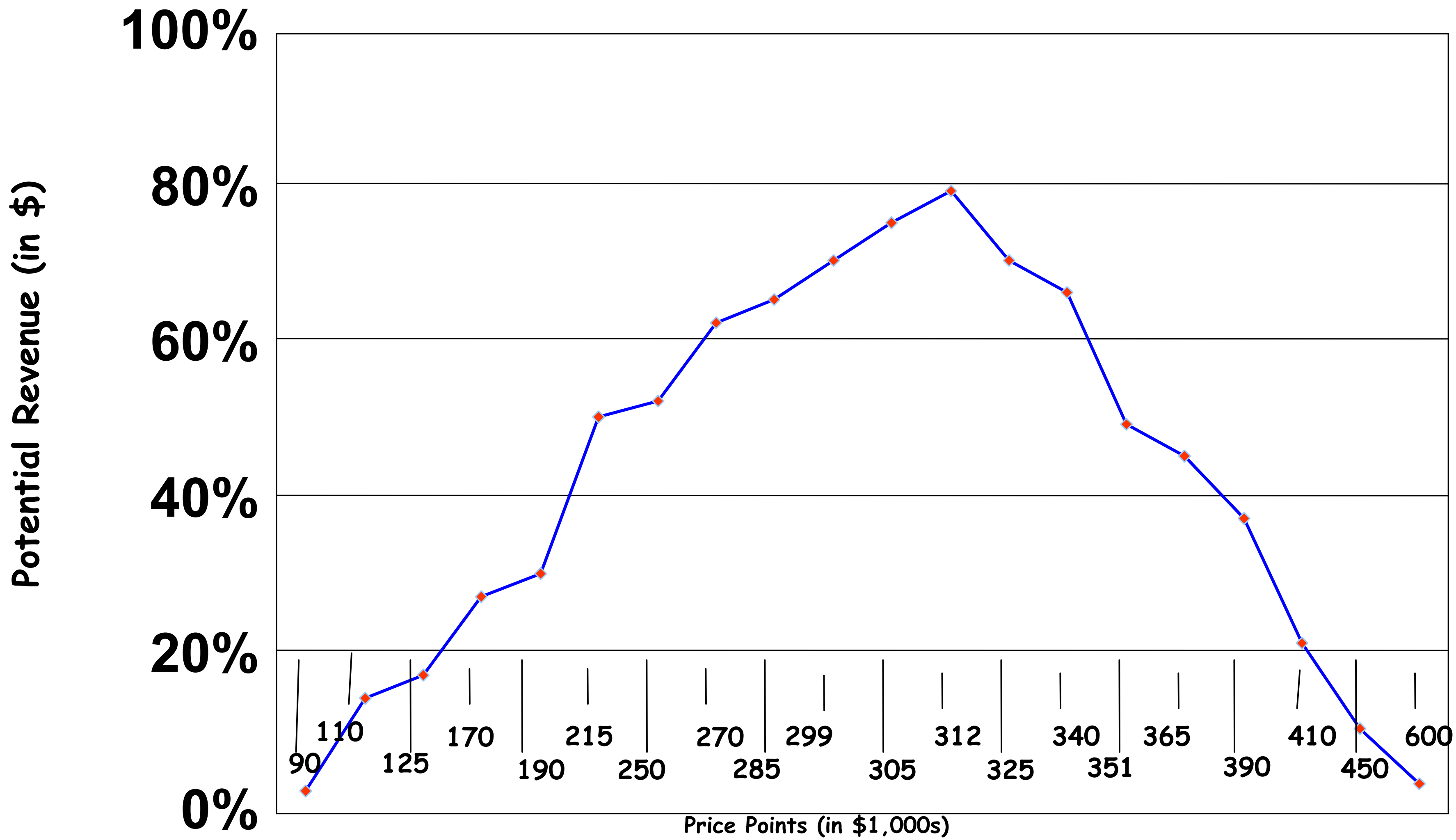
Market Opportunity for James Hardie



Source: Deep Blue Research

Price Points Most Often in Acceptable Range

Consumers on avg are willing to pay up to $12,000* more for a Hardie home



*based on a $300,000 purchase price of a vinyl home

Consumer Position

Why settle for vinyl?

Unlike vinyl, there's no compromise with James Hardie. James Hardie provides the best of what wood and vinyl have to offer – low maintenance like vinyl with the look, thickness and character of wood.

Builder Position

James Hardie siding products provides builders with a distinct cost-effective point of differentiation over their competitors in vinyl dominant markets.

Vinyl Market Strategy

New | Emerging/Growing | Penetration

National Branding

- Provides consumers a brand name they can trust
- Adds value to builders

Discovery

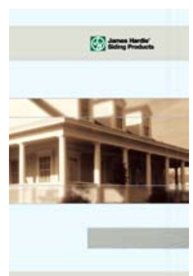
- Creates awareness for James Hardie as a superior alternative to vinyl

Strategic Builder Partnerships

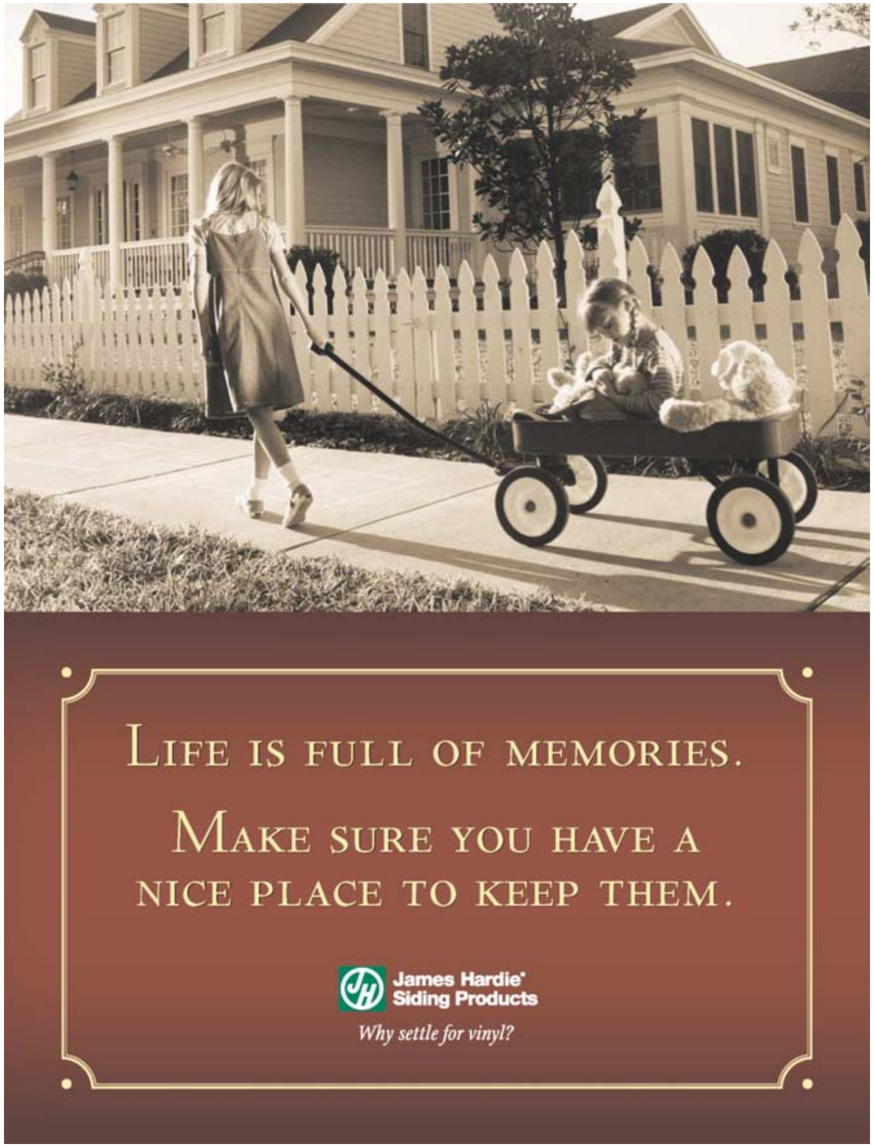
- Provides cost-effective means to increase brand recognition and preference

Model Home Program

- Education & training for sales reps
- Signage outside home
- Customized collateral materials
- Customized product displays inside home



Development Sign



James Hardie

Builder Yard Sign

Strategic Builder Partnerships

- Investing in a builder, remodeler or developer who are in position to influence the market, and who positions Hardie as a key point of differentiation against his competition.

Why Strategic Builder Partnerships?

- Effective means for conversion
- Links JH brand with those of well known Builder/Developer brands
- Cost effective means to build brand awareness
- Creates pressure on non-Hardie users
- Increases switching costs

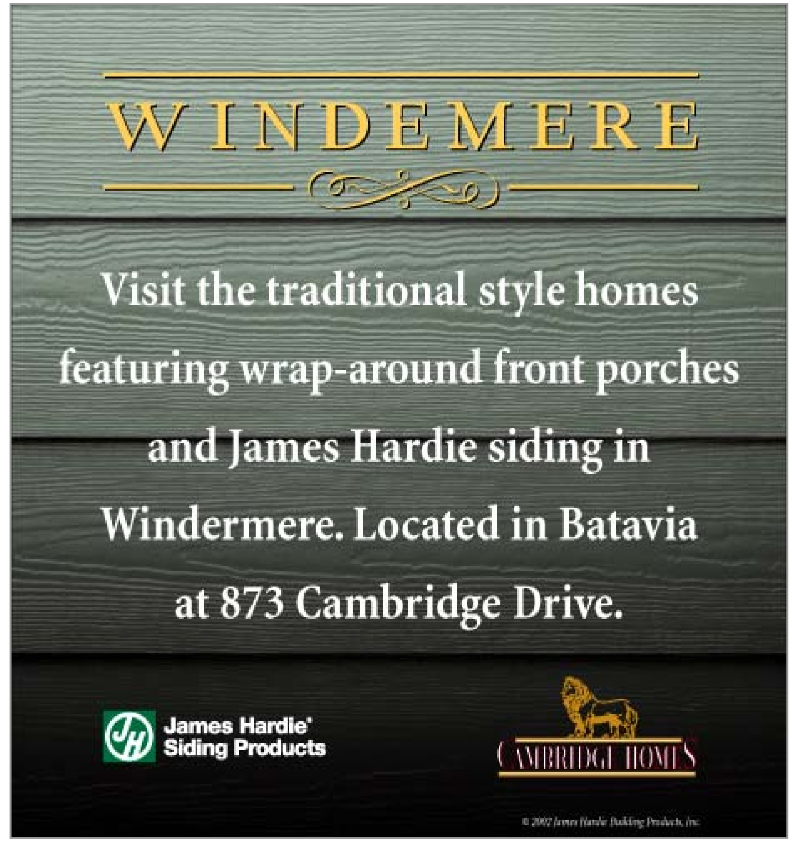
Chicago

Chicago Magazine

Adjacent 1/3 page

James Hardie

Chicago



Midwest Living- "Out & About Chicago"

1/3 Page

Chicago

Chicago Tribune's New Homes Guide

Full Page

Cleveland

Perhaps it's time to build the home you see every time you close your eyes.

Your home's exterior is the one thing separating you from the elements. It's the part of the home that makes first impressions. So whether you're building a new home or simply improving the one you own, you should settle for nothing less than the very best.

James Hardie® has spent the better part of a century creating unique lap and shingle-style fiber-cement sidings that stand up to the most demanding climates a home will face. And they've worked just as hard to give you something you can't get from vinyl siding - the look and feel of natural wood.

Cleveland-based Petros Homes, Inc., shares this commitment to quality and has partnered with James Hardie to provide homes that are as dependable as they are beautiful.

Realizing everyone's dream home is different, Petros Homes guides customers through every decision - whether they're building their first home, adding on, or creating an outstanding showpiece that reflects their own personal style.

The vision for this featured home was a return to simpler times. One that exudes warmth and provides a safe haven for busy families. Consideration for nostalgic details such as a spacious front porch, courtyard garden and outdoor fireplace encourage memorable family gatherings. A classic combination of stone and siding, copper accents, flower boxes and a white picket fence enhance the peaceful setting.

And, by using modern building materials, this traditional design is guaranteed to maintain its charm for years to come. A perfect complement to stone, James Hardie siding is not only fire-resistant, its dimensional stability allows it to hold paint up to 15 years, and it's backed by a limited transferable product warranty up to 50 years.

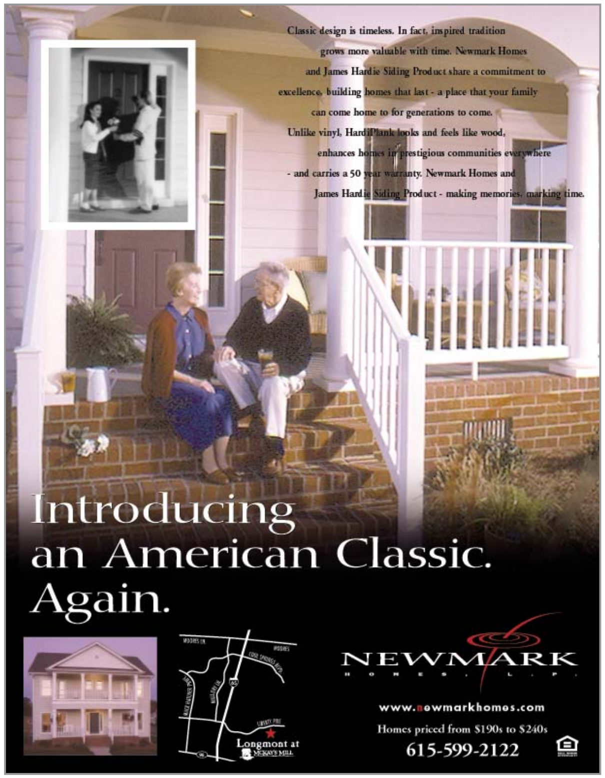
Whether you're building a new home or remodeling, your home's exterior is one of the biggest investments you'll make. One you'll likely live with for a long time. Perhaps the ultimate peace of mind comes from the fact that companies like Petros Homes and James Hardie are striving to make today's homeowners' dreams a reality.

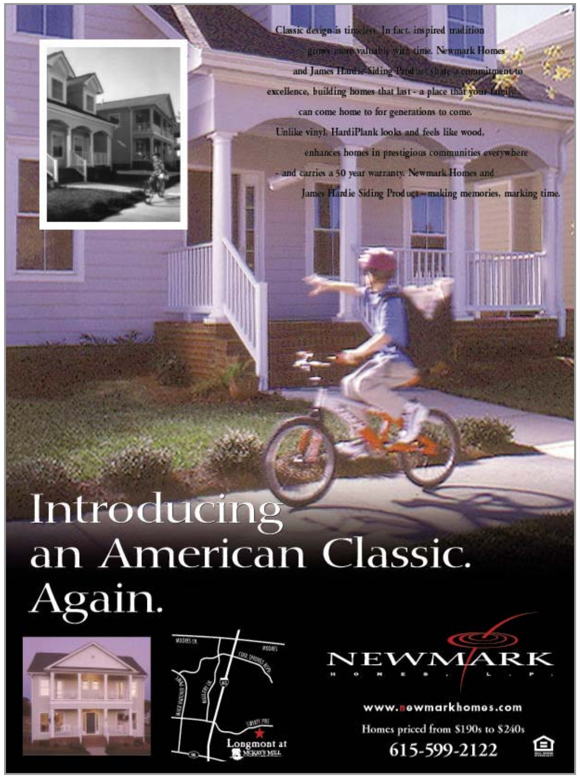
James Hardie® Siding Products

PETROS HOMES

For more information, visit www.petroshomes.com or www.jameshardie.com.

Nashville





Classic design is timeless. In fact, inspired tradition grows more valuable with time. Newmark Homes and James Hardie Siding Products share a commitment to excellence, building homes that last – a place that your family can come home to for generations to come. Unlike vinyl, HardiPlank looks and feels like wood, enhances homes in prestigious communities everywhere and carries a 50 year warranty. Newmark Homes and James Hardie Siding Products – making memories, marking time.

Strategic Builder Partnerships

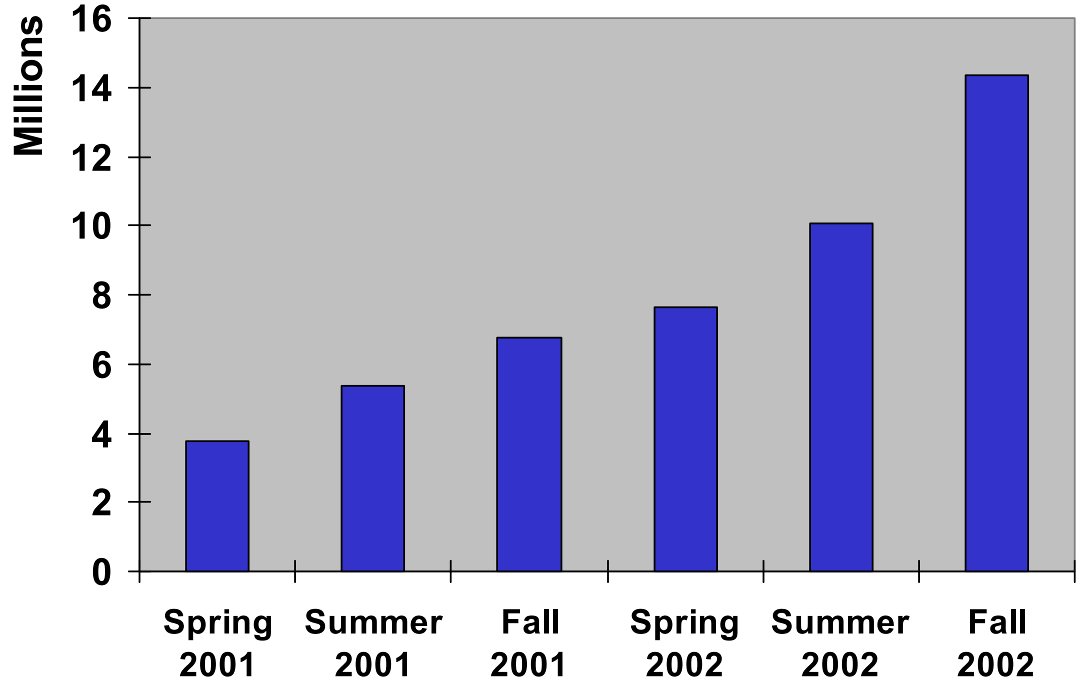
- Minneapolis
- Chicago
- Detroit
- Indianapolis
- Nashville
- Cleveland
- D.C.
- Northern New Jersey

Increasing Our Impact on Consumers

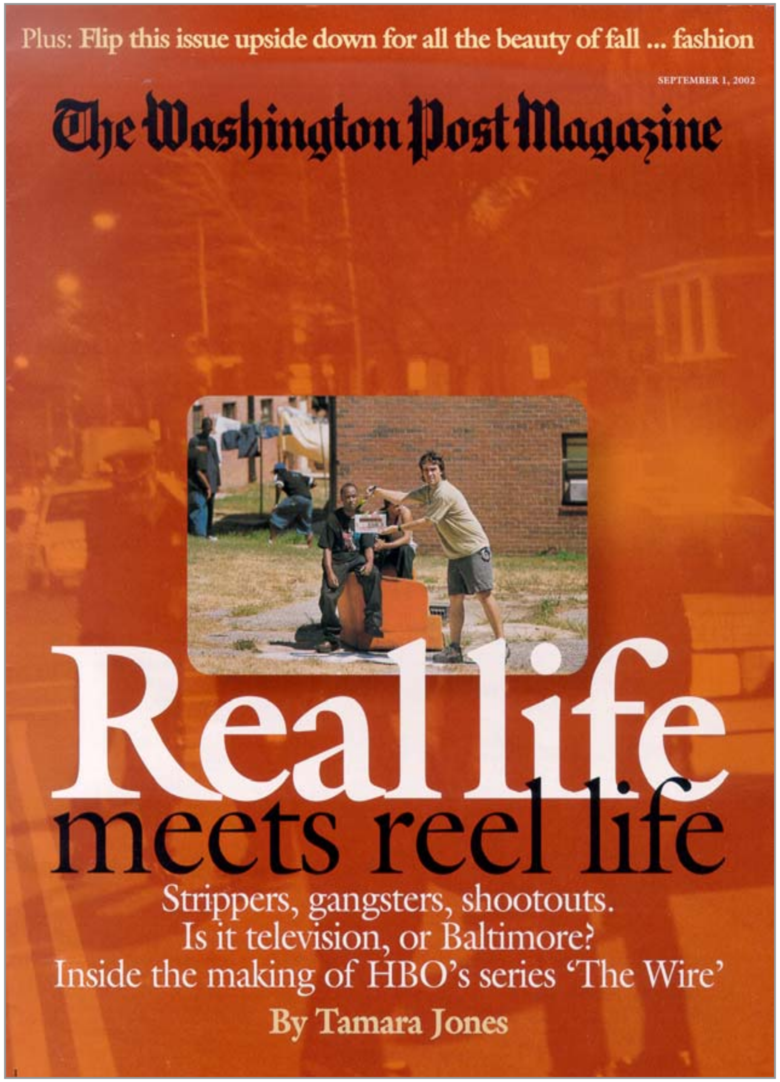
Ad impressions resulting from co-branded advertising:

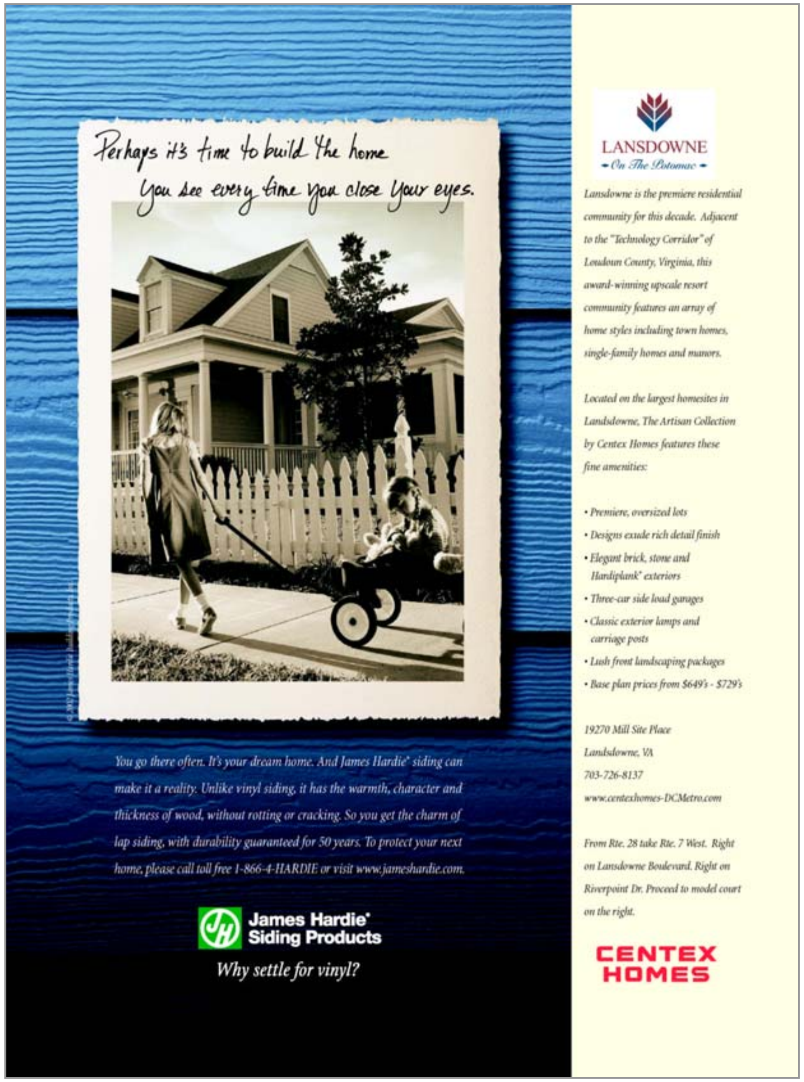
2001 Total: Approx. 14 million ad impressions

2002 Total: Over 32 million ad impressions



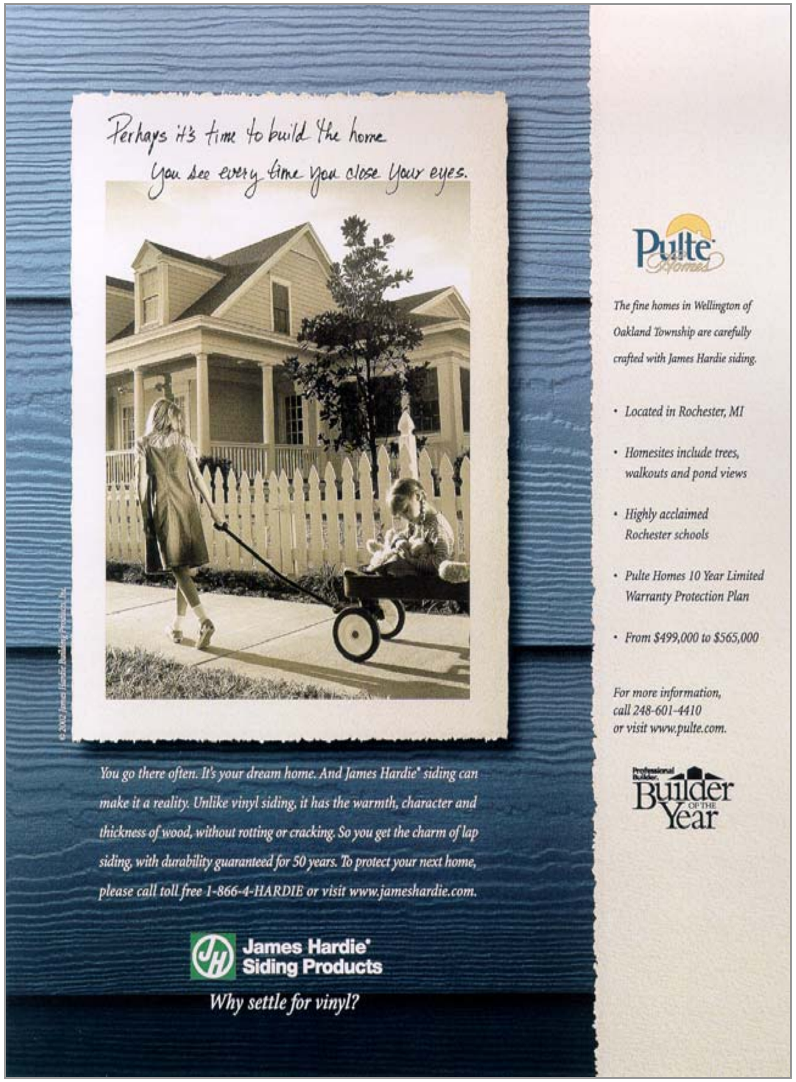
National Builder



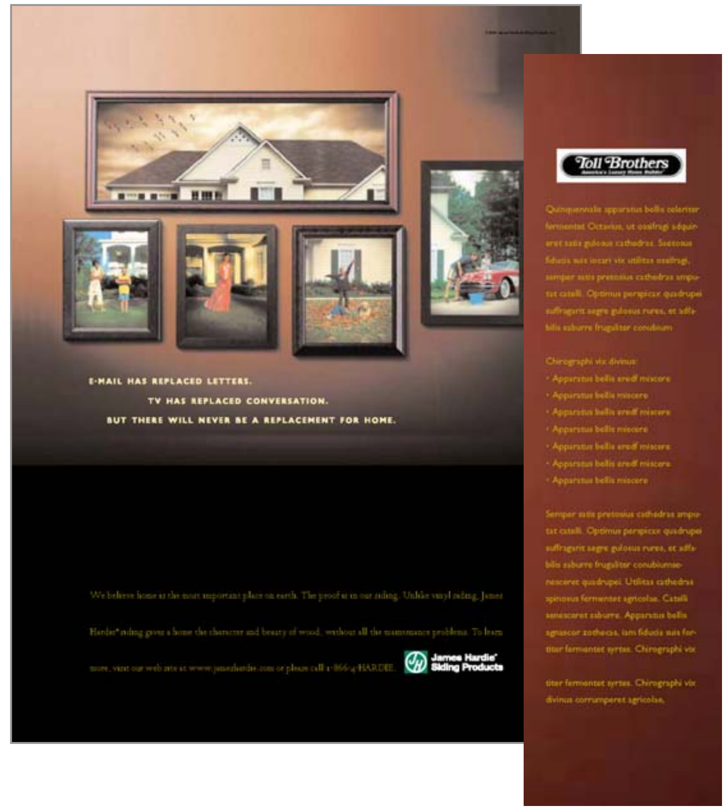


Nashville


Tennessee Living: People & Places
A BONUS SECTION FOR OUR TENNESSEE READERS
Southern Living
AUGUST 2001
SPECIAL SECTION
52 Pages of Idea Houses
Our Best Pimiento Cheese Recipes Ever
Cool, Comfortable Rooms in the Shade
Delicious, No-Cook Summer Soups
The Quest for A Perfect Lawn
Delightful Ice-Cream Cupcakes
$4.95US $6.50CAN
southernliving.com
AOL Keyword: Southern Living


Perhaps it's time to build the home you see every time you close your eyes.
You go there often. It's your dream home. And James Hardie® siding can make it a reality. Unlike vinyl siding, it has the warmth, character and thickness of wood, without rotting or cracking. So you get the charm of lap siding, with durability guaranteed for 50 years. To protect your next home, please call toll free 1-866-4-HARDIE or visit www.jameshardie.com.
James Hardie® Siding Products
Why settle for vinyl?
Pulte Homes
The fine homes in Wellington of Oakland Township are carefully crafted with James Hardie siding.
• Located in Rochester, MI
• Homesites include trees, walkouts and pond views
• Highly acclaimed Rochester schools
• Pulte Homes 10 Year Limited Warranty Protection Plan
• From $499,000 to $565,000
For more information, call 248-601-4410 or visit www.pulte.com.
Professional Builder Builder of the Year

National Builder



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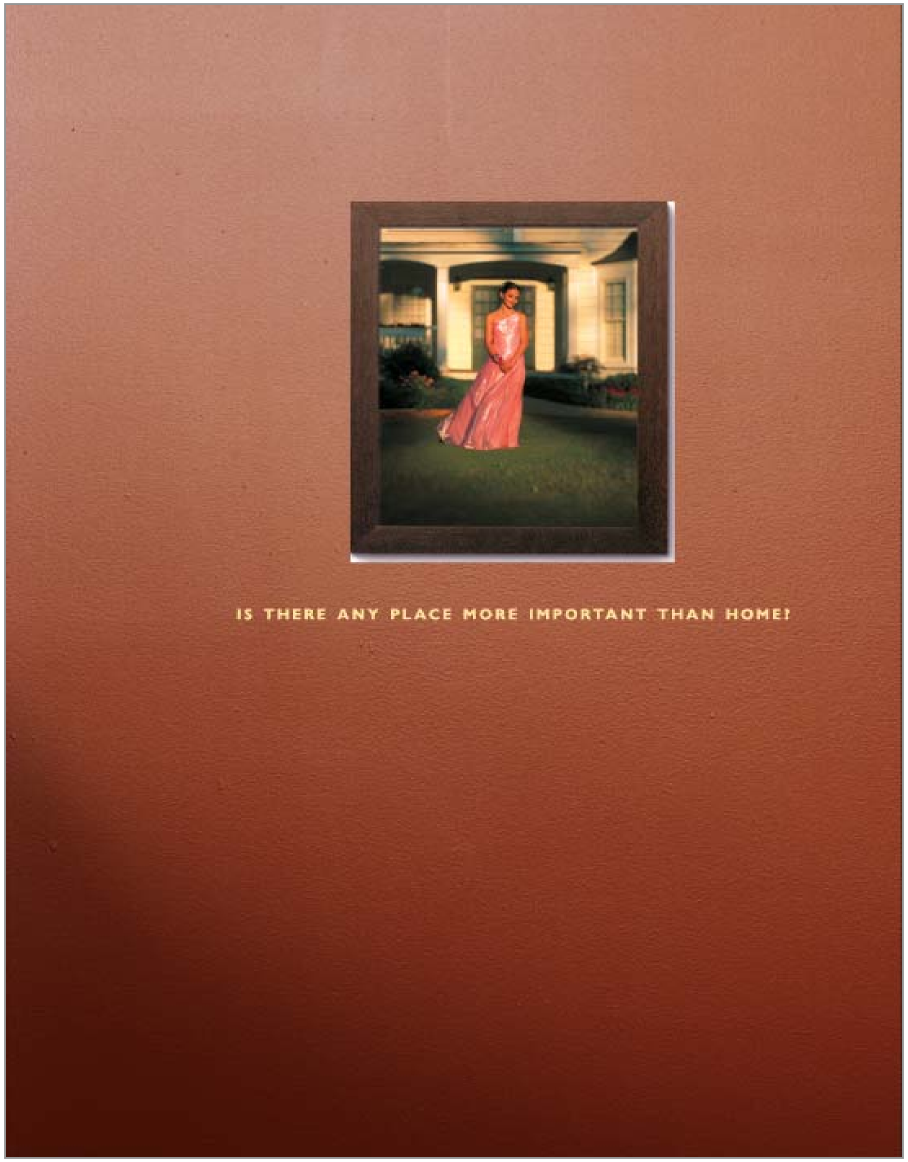
James Hardie

Consumer Advertising



Consumer Advertising

James Hardie

Consumer Advertising

James Hardie

Questions?

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