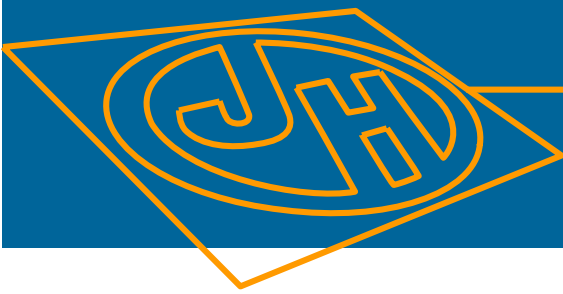


James Hardie

High Growth From Unique Technology

March 2003

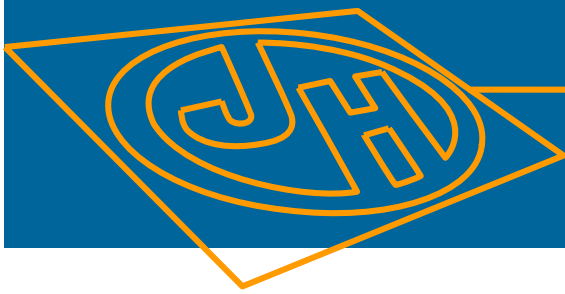


James Hardie

The World Leader In Fibre Cement



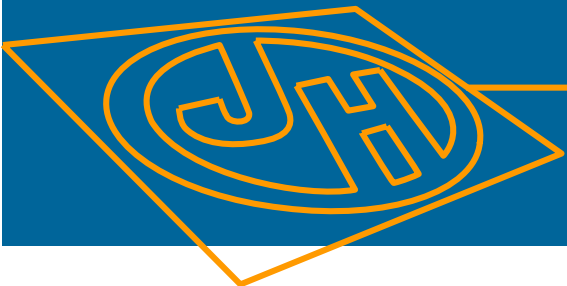
- > Predecessor company established 1888
- > Listed on ASX 1951
- > Paid a dividend every year
- > Developed fibre cement 1980s – world first
- > Entered USA market late 1980s
- > Restructured for growth 1996 - 2002



An Emerging Growth Company

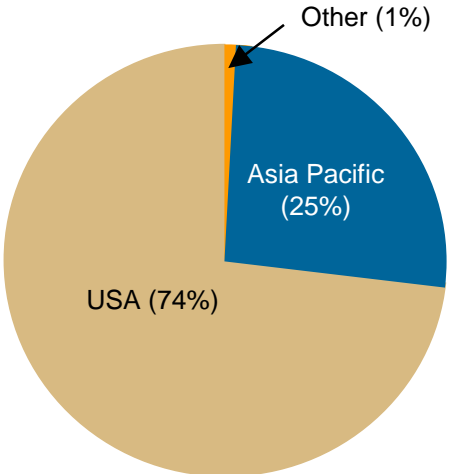


- > Annual turnover US\$800m
- > Total assets US\$800m
- > 21 operations in 6 countries
- > 2,400 employees
- > Market cap US\$1.6 billion (A\$3 billion)
- > ASX Top 50 company
- > NYSE listed ADRs

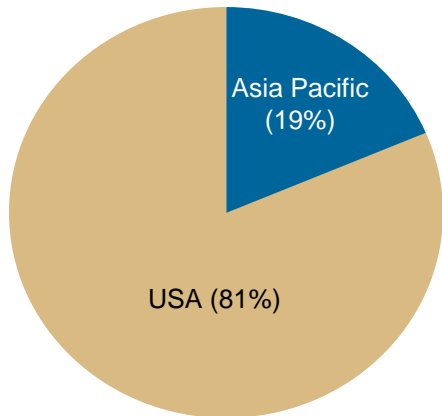


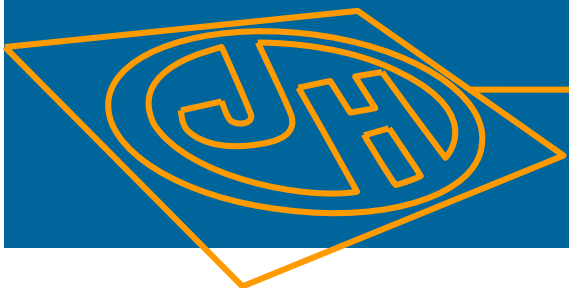
Global Potential

Net Sales (US\$ million) FY03 YTD



EBIT* (US\$ million) FY03 YTD





Focussed on Fibre Cement

Attractive Investment Attributes

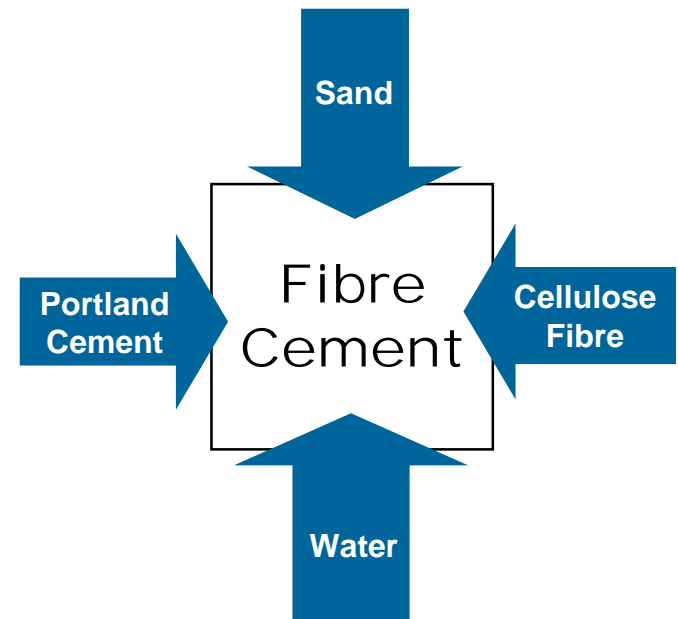


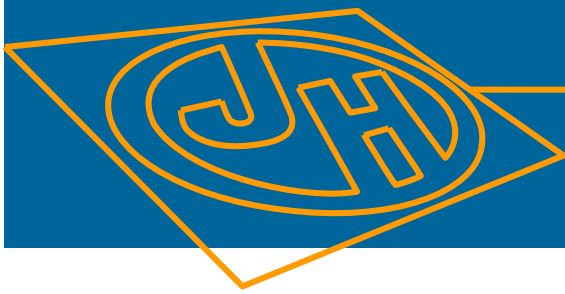
- > High growth
- > Unique proprietary technology
- > Sustainable competitive advantage
- > Strong cashflows and balance sheet
- > Low cyclical risk
- > Strong execution through relentless will to win



First to Develop Fibre Cement

James Hardie pioneered the development of fibre cement technology in the 1980s

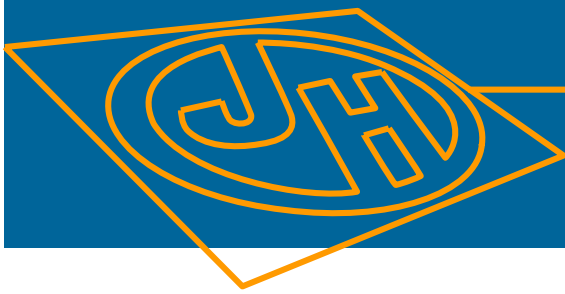




Many Product Applications

- > External siding/soffit lining
- > Internal wall/floor wet area lining
- > Trim and fascia
- > Ceiling lining and flooring
- > External/internal wall systems
- > Partitioning
- > Commercial facades
- > Decorative columns
- > Fencing
- > Drainage pipes





Unique Technology and Scale

Sustainable Competitive Advantage

- > Unique plant engineering and proprietary process technology and product formulations
- > Superior capital cost efficiency – plant capital cost $\frac{1}{2}$ 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
- > Unique differentiated products, widest range and strongest brand

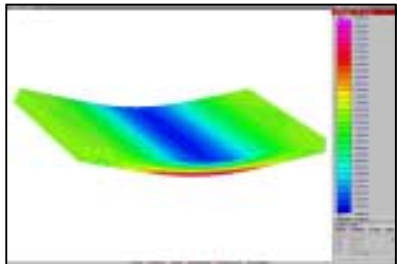
R&D is a Key Driver of Growth

> Capabilities and resources

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

> Core projects

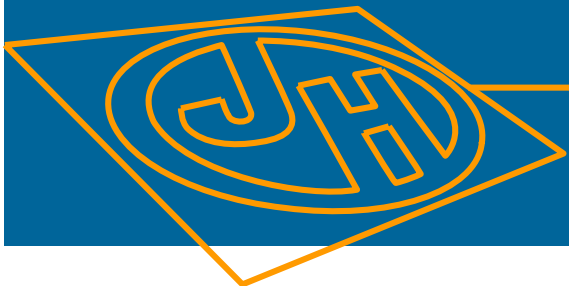
- new proprietary engineered raw materials
- new proprietary product formulations
- new engineering and proprietary process technologies
- lightweight and durable products for all climates



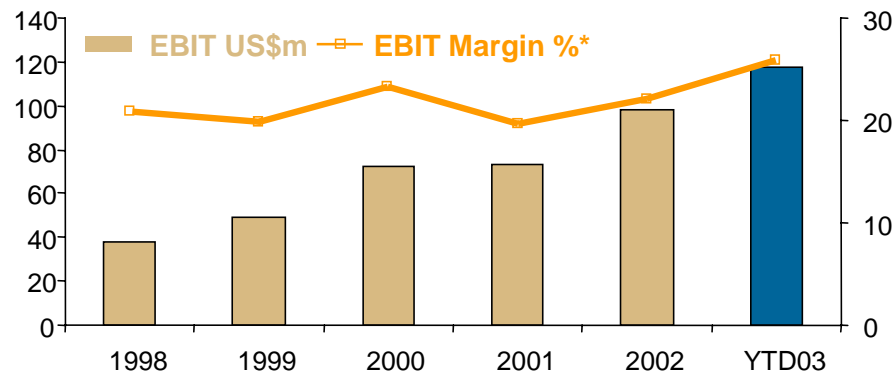
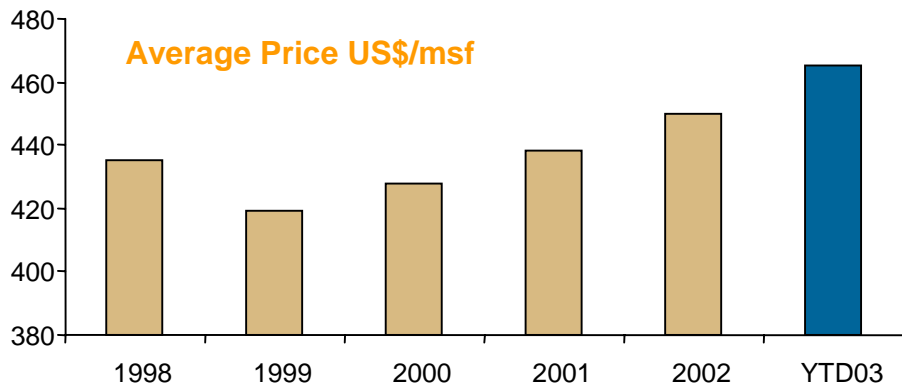
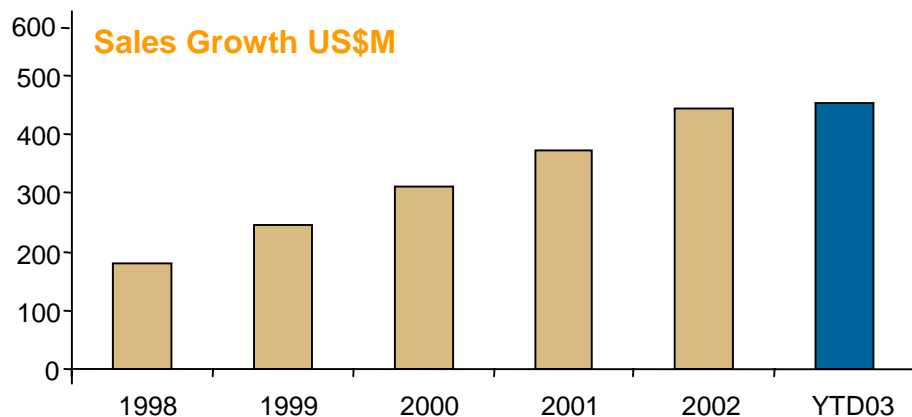
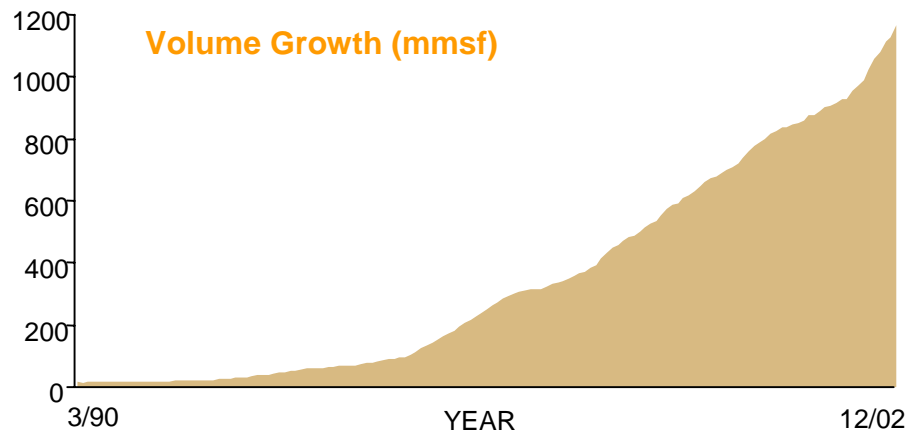
Industry Leadership and Profitable Growth

- > Aggressively grow the market for fibre cement
- > Secure differentiated positions by leveraging:
 - technology
 - products
 - scale
 - cost
 - market position
 - brand recognition
- > Targets - rapid growth, high volume, largest share
- > Sustain attractive margins





Strong Growth and Profits





Largest and Lowest Cost

James Hardie has a unique advantage in North America – the largest framed construction market in the world

Plant Locations



Plant Capacity

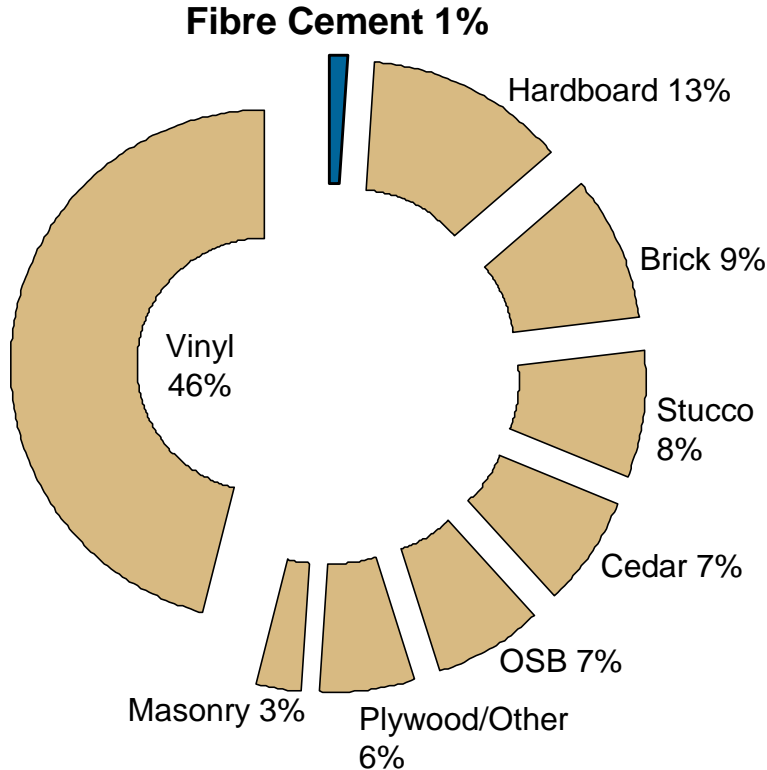
Flat Sheet Plants	Capacity (mmsf)
Fontana, California	180
Plant City, Florida	300
Cleburne, Texas	500
Tacoma, Washington	200
Peru, Illinois	400
Waxahachie, Texas	360 *
Blandon, Pennsylvania	200 *
Summerville, South Carolina	190
Flat Sheet Total	2,330
FRC Pipe Plant	
Plant City, Florida	100,000 tons

*Upgrade in progress – includes capacity being added

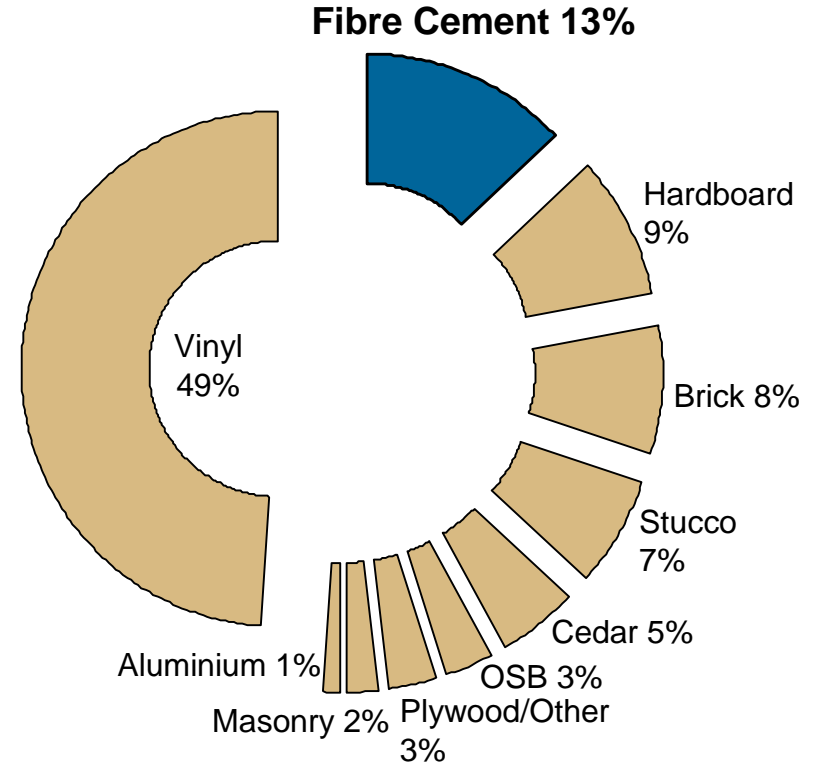
High Category Share – Low Market Share

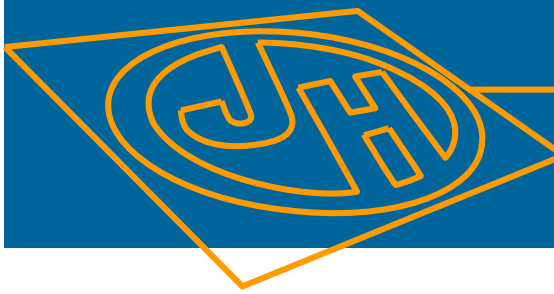
USA - Total Siding Market Share

1994



2002





Superior Product Performance

Fibre Cement is more durable than wood and engineered wood

Fibre Cement



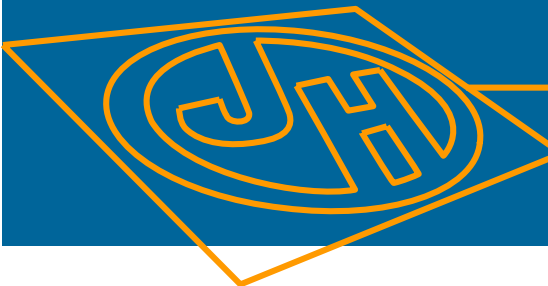
Superior Durability

- ✓ Moisture Resistant
- ✓ Fire Resistant
- ✓ Weather Resistant
- ✓ Termite Proof
- ✓ Won't Warp
- ✓ Won't Crack
- ✓ Won't Rot
- ✓ Holds Paint Longer
- ✓ Won't Delaminate



Engineered Wood





Superior Product Performance

Fibre Cement looks and performs better than vinyl



Fibre Cement

- ✓ Fire Resistant
- ✓ Hail Resistant
- ✓ Wind Resistant
- ✓ Won't Warp
- ✓ Won't Buckle
- ✓ Colour Lasts Longer
- ✓ Strong and Rigid
- ✓ Expands/Contracts
- ✓ Withstands Impact
- ✓ Dimensional Stability
- ✓ Won't Blister
- ✓ Won't Crack

Vinyl

- ?
- ?
- ?
- ?
- ?
- ?
- ?
- ?
- ?
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- ?
- ?



Superior Product Performance

Chestnut
Brown

Oak Brown

Pewter Gray

Natural Cedar

Sandstone



Seclusion

Navajo White

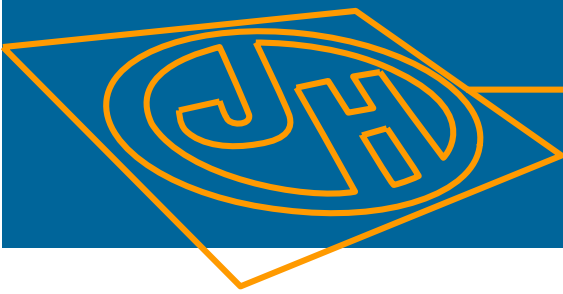
Monterey Gray

Khaki Brown

Sky Gray

> ColorPlus™ pre-painted siding

- Helps take share from vinyl
- Lifts selling prices
- Lifts margins



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

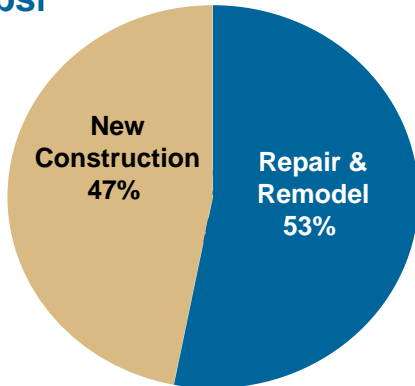


bsf = JH standard feet in billion square feet

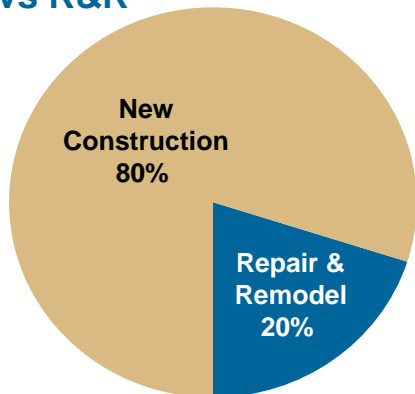
8% Market Growth - R&R Growing Faster

2002

USA Exterior Products Market
10.2 bsf

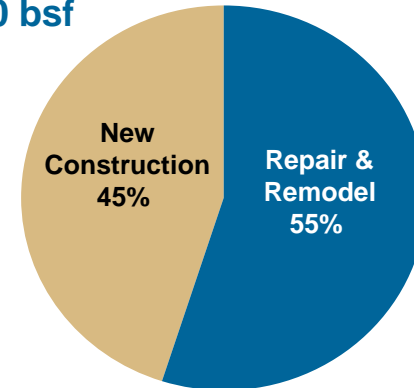


James Hardie – Sales Mix
New vs R&R

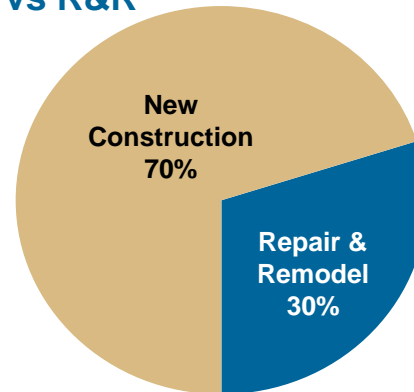


2007

USA Exterior Products Market
11.0 bsf



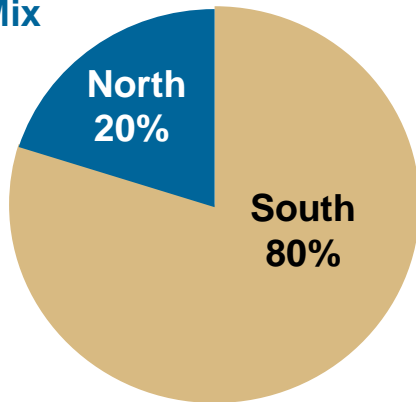
James Hardie – Sales Mix
New vs R&R



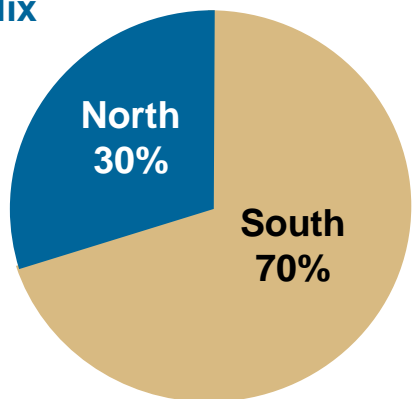


North Growing Faster

Exterior Products 2002
James Hardie North/South
Sales Mix



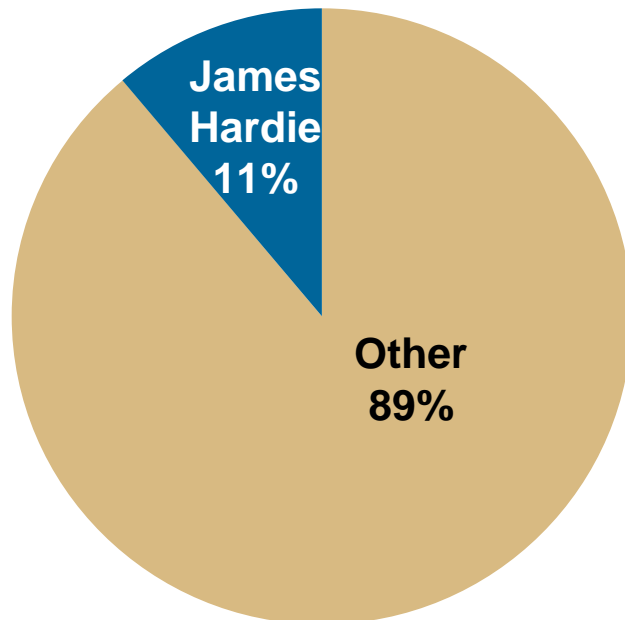
Exterior Products 2007
James Hardie North/South
Sales Mix



Overall Share Could Double in 5 Years

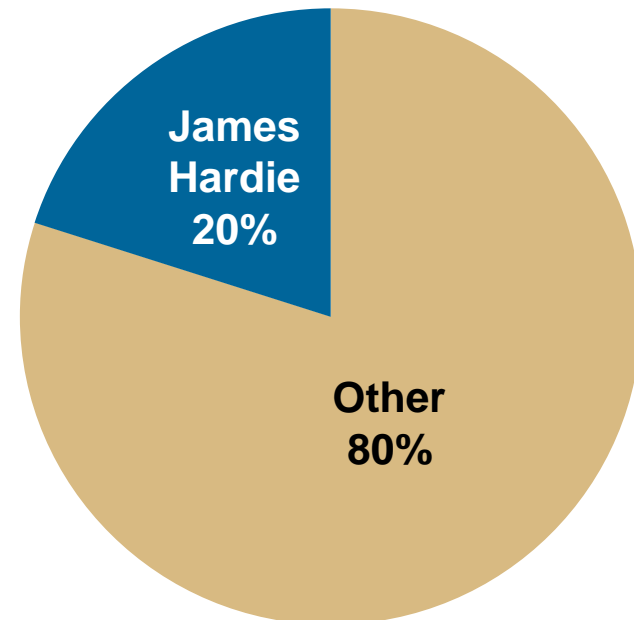
2002

**James Hardie Share
USA Exterior Products Market
10.2 bsf**



2007

**James Hardie Share
USA Exterior Products Market
11.0 bsf**



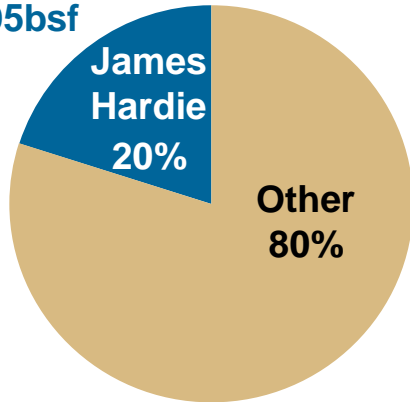


Backer Could Grow Even Faster

2002

USA Interior Cement Board Market

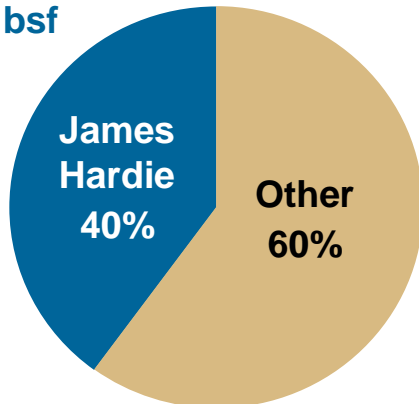
0.95bsf



2007

USA Interior Cement Board Market

1.1bsf

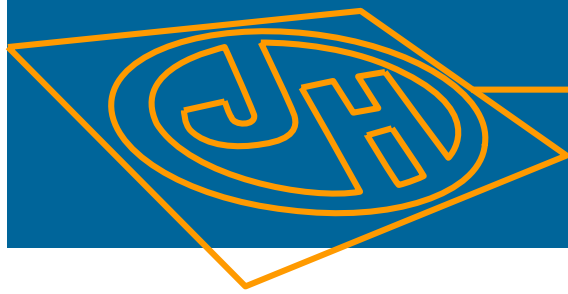




Australia/New Zealand



- > Grow the market
- > Increase category share
- > Higher value differentiated products
- > Streamline the organisation
- > Simplify the business
- > Lower delivered cost
- > Lower SG&A
- > Improve quality consistency
- > High performance culture
- > Increase revenue and margins



New Growth Horizons

Philippines and Asia

- > Manufacturing plant commissioned 1999
- > YTD03 sales US\$13.2 million
- > Fibre cement as substitute for plywood
- > 26% domestic market share
- > Exports to Korea, Taiwan and Hong Kong
- > Establishing low cost regional manufacturing hub





New Growth Horizons

Chile and South America

- > Manufacturing plant commissioned 2001
- > Low cost manufacturing, rapid market penetration
- > From zero base, our target is market leadership
- > 20% + share already achieved
- > Longer term, regional business planned in South America
- > Targeting US\$100 – US\$200 million in sales in the long term





New Growth Horizons

Pipes

- > USA manufacturing plant commissioned 2001
- > Product has advantages over 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
- > US\$12m pilot plant being commissioned

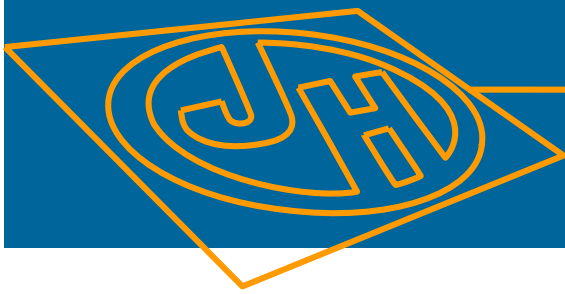




New Growth Horizons

Longer Term

- > Worldwide trend towards lightweight, framed construction and more energy-efficient materials
- > Fibre cement replacing asbestos cement in the global cement board market (still 2/3rds asbestos cement)
- > Wood based products becoming more expensive
- > Oil based products (vinyl) becoming more expensive
- > Long term trends support further strong growth of fibre cement



Long Term Financial Targets

High Growth and Attractive Returns Targeted

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





Disclaimer

This presentation contains forward-looking statements. Words such as "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 reports submitted to 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

High Growth From Unique Technology

March 2003