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2006 Analyst/Investor Tour

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Research and Development

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Technology Strategy

- **Enable JH product leadership strategy**
 - Provide sustainable advantage
 - Balance between Research and Development
 - Integration with business units
- **Leverage portfolio of systems and technologies**
- **Use IP to protect competitive advantage**



Organization


- **Two research centers – Australia and US**
 - Development - focused organization around implementing technologies
 - Research - core understanding of materials and the science behind them

- **Resources**
 - Knowledge management and innovation focused
 - Diverse organization
 - Building science
 - Material science
 - Chemistry



Enable JH product leadership strategy

- **Differentiated products**
 - New products
 - Enhance current portfolio
- **Technology enablers**
- **Platforms**

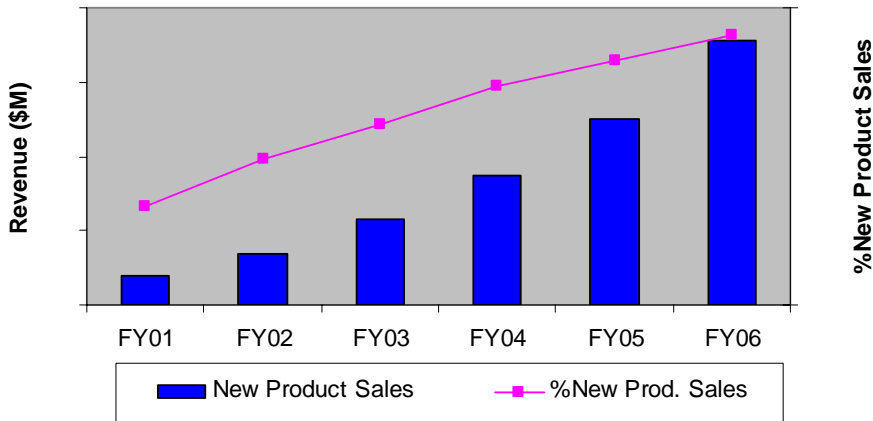


New Products

- **Focus on enhancing core value proposition**
 - Durability
 - Ease of use
 - Utilize portfolio of protected technologies
- **New revenue growth streams**
- **Bias towards implementation and launch**

New Products - Revenue and Percent

New Products Growth



Enhance Current Portfolio

■ Use technology to increase customer value

- Simplify or remove steps from installation process
- Differentiation that drives customer preference

■ Examples

- ColorPlus
- EZ Grid



Enablers

- **Additional technologies that sustain core technologies**
- **Systems that can cross multiple product families**

- **Examples**

- Laminate system for prefinished products
- Mold block technologies for interior products
- Pattern embossing for exterior products



Platforms

- Enhance efficiency and value of current platform
- Develop new platforms
- Examples
 - Scale- shift Hatschek from 100mmsf to 300mmsf / line
 - XLD technology platform




Intellectual Property

- **Create sustainable advantage by**
 - Developing clear strategies
 - Patent and trade secret
 - Aggressively defend against infringement

- **Focus on**
 - Formulations
 - Additives
 - Process
 - Vertical Integration

Forward Vision

- **Sustain business growth via product leadership strategy**
 - Organization aligned to deliver
 - Technology shifts
 - Product
 - Process
 - Platform
 - Technologies  products

Definitions

Sales Volumes

mmsf – million square feet

msf – thousand square feet

Disclaimer

This Management Presentation contains forward-looking statements. We may from time to time make forward-looking statements in our periodic reports filed with or furnished to the United States Securities and Exchange Commission on Forms 20-F and 6-K, in our annual reports to shareholders, in offering circulars and prospectuses, in media releases and other written materials and in oral statements made by our officers, directors or employees to analysts, institutional investors, representatives of the media and others. Examples of forward-looking statements include:

expectations that the conditions precedent to the Final Funding Agreement will be satisfied;
expectations about payments to a special purpose fund for the compensation of proven asbestos-related personal injury and death claims;
expectations concerning the Australian Tax Office amended assessment;
expectations that our credit facilities will be extended or renewed;
projections of our operating results or financial condition;
statements regarding our plans, objectives or goals, including those relating to competition, acquisitions, dispositions and our products;
statements about our future performance; and
statements about product or environmental liabilities.

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, some of which are discussed under “Risk Factors” beginning on page 5 of our Form 20-F filed on 29 September 2006 with the Securities and Exchange Commission, include but are not limited to: all matters relating to or arising out of the prior manufacture of products that contained asbestos by current and former James Hardie subsidiaries; compliance with and changes in tax laws and treatments; competition and product pricing in the markets in which we operate; the consequences of product failures or defects; exposure to environmental, asbestos or other legal proceedings; general economic and market conditions; the supply and cost of raw materials; the success of our research and development efforts; our reliance on a small number of product distributors; compliance with and changes in environmental and health and safety laws; risks of conducting business internationally; compliance with and changes in laws and regulations; foreign exchange risks; the successful implementation of new software systems; and the successful implementation of the internal control over financial reporting requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as codified by Item 308 of regulation S-K. We caution you that the foregoing list of factors is not exhaustive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements. Forward-looking statements speak only as of the date they are made.