



James Hardie

2006 Analyst/Investor Tour

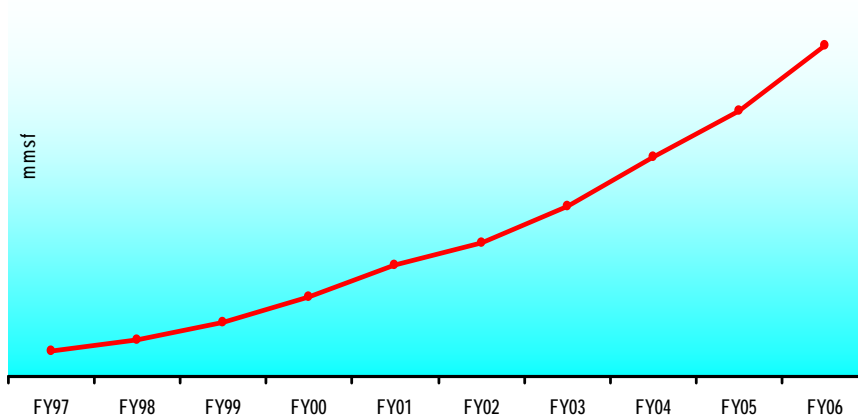
Grant Gustafson

USA Interior Products

12-13 December 2006

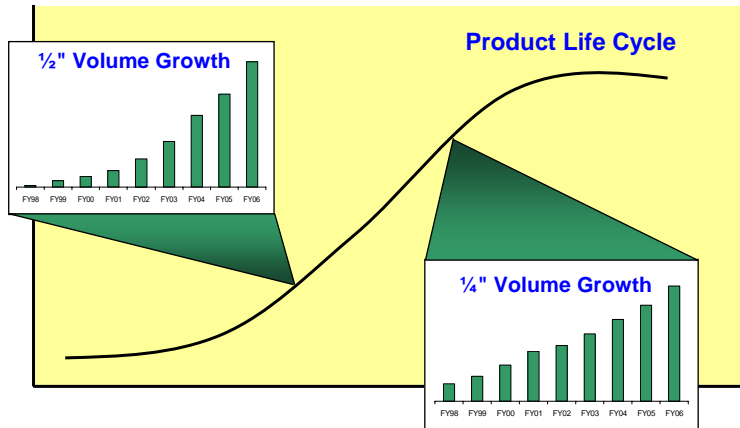
James Hardie Interiors: Track Record of Growth

- Decade of solid, uninterrupted growth



Growth By Product

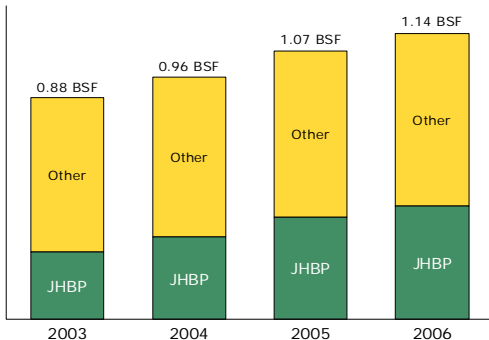
- Primary product (1/4") still growing at healthy pace
- 1/2" product growing even faster



Market Share

- Growth fuelled by strong market and stronger JHBP penetration

U.S. BackerBoard Market



Share Driver: Product Features

¼" Product (substrate for tile floors, especially in wet areas)

- Leading market share
- Greater compressive & flexural strength
- Cement, but lighter & easier to handle than traditional cement boards
- EZ Grid recessed fastener pattern
- Moldblock technology

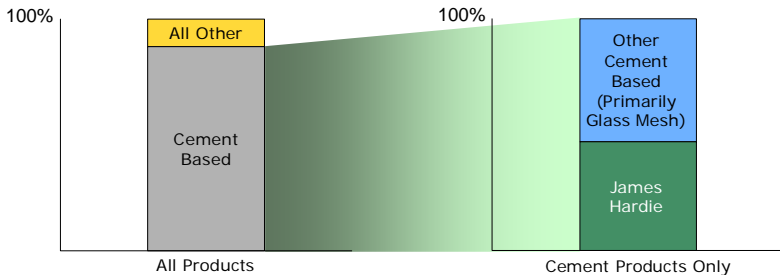
½" Product (wet area tile substrate designed for wall use)

- Also used on floors where height is needed
- Six pounds lighter vs. ½" glass mesh cement boards
- Smooth surface can be painted or papered
- Moldblock technology

Share Driver: Advantages vs. Competitive Products

The Market Prefers Cement Backerboard

Cement Competition is Primarily Glass Mesh



- “All Other” is primarily Gypsum-based product
- Market prefers cement over gypsum for wet area use
- HardieBacker more user friendly vs. glass mesh

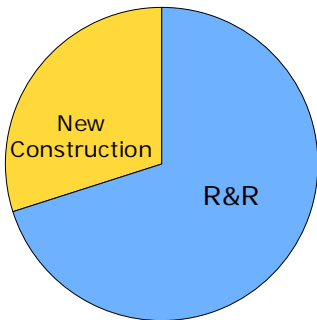
Share Driver: Company-Level Competitive Advantages

- **Most innovative brand in the business**
 - HardieBacker is the next generation cement board
 - Industry innovator (first ¼” cement board; Moldblock, EZ Grid)
- **Market leadership position**
 - Brand strength and market acceptance as the leader
 - Multiple plants manufacturing backerboard; scale/learning curve plus logistics cost advantages
- **Only dedicated sales force in the industry**
 - Focused sales approach that competitors do not possess

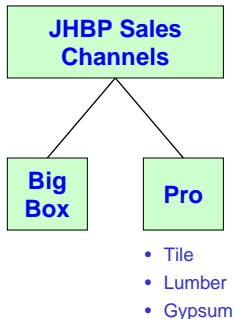
End User Segmentation

- Repair & Remodel represents well over half of our volume

JHBP Interiors Volume



Strategic Direction Moving Forward



- **Align our Big Box and Pro Interiors sales forces under a united regional management structure**
 - Superior coordination
 - Leverage higher level selling skills of pro reps with select big box installers and R&R contractors

- **Shift our sales coverage toward large volume metro areas where our share lags our national average**

- **Focus on our highest potential market opportunities**
 - Converting traditional product holdouts (especially ½" glass mesh on floors)
 - Exploiting greenboard wall opportunity in light of IRC code change
 - Next generation product improvements



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.