

# asx report

## **James Hardie Industries N.V.**

ARBN 097 829 895

### **ASX Report**

**30 June 2002**

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**JAMES HARDIE INDUSTRIES N.V.**

**Condensed consolidated statement of financial performance**

	Current period 30 Jun 02 US\$ million	Previous corresponding period 30 Jun 01 US\$ million	Current period 30 Jun 02 A\$ million	Previous corresponding period 30 Jun 01 A\$ million
1.1 Revenues from ordinary activities	200.2	148.6	363.1	289.4
1.2 Expenses from ordinary activities	(164.0)	(138.5)	(297.6)	(269.7)
1.3 Borrowing costs	(2.9)	(5.3)	(5.3)	(10.3)
1.4 Share of net profits (losses) of associates and joint venture entities	-	-	-	-
<b>1.5 Profit (loss) from continuing, ordinary activities before tax</b>	<b>33.3</b>	<b>4.8</b>	<b>60.2</b>	<b>9.4</b>
1.6 Income tax on ordinary activities	(10.3)	(1.2)	(18.7)	(2.3)
<b>1.7a Profit (loss) from continuing, ordinary activities after tax</b>	<b>23.0</b>	<b>3.6</b>	<b>41.5</b>	<b>7.1</b>
1.7b Profit (loss) from ordinary activities of discontinued operations after tax	52.9	(4.5)	96.0	(8.7)
<b>1.7c Profit (loss) from ordinary activities after tax</b>	<b>75.9</b>	<b>(0.9)</b>	<b>137.5</b>	<b>(1.6)</b>
1.8a Profit (loss) from extraordinary items after tax	-	-	-	-
1.8b Cumulative effect of a change in accounting principle after tax	-	-	-	-
<b>1.9 Net profit (loss)</b>	<b>75.9</b>	<b>(0.9)</b>	<b>137.5</b>	<b>(1.6)</b>
1.10 Net profit (loss) attributable to outside equity interests	-	-	-	-
<b>1.11 Net profit (loss) for the period attributable to members</b>	<b>75.9</b>	<b>(0.9)</b>	<b>137.5</b>	<b>(1.6)</b>

**Non-owner transaction changes in equity**

1.12 Increase (decrease) in revaluation reserves	-	-
1.13 Net exchange differences recognized in equity	17.1	(5.5)
1.14a Stock options exercised	1.9	-
1.14b Stock compensation	1.0	1.3
1.14c Employee loans	(0.1)	1.7
1.14d Unrealised transition loss on derivative instruments classified as cash flow hedges	-	(4.9)
1.14e Amortization of unrealised transition loss on derivative instruments	0.3	0.3
1.14f Net unrealised gains on available-for-sale securities	-	1.2
1.15 Provisions	-	-
1.16 Total transactions and adjustments recognized directly in equity (items 1.12 to 1.15)	20.2	(5.9)
<b>1.17 Total changes in equity not resulting from transactions with owners as owners</b>	<b>96.1</b>	<b>(6.8)</b>

**Earnings per security (EPS)**

1.18 Basic EPS	0.17	-
1.19 Diluted EPS	0.17	-

## JAMES HARDIE INDUSTRIES N.V.

### Condensed consolidated statement of financial position

	At end of current period 30 Jun 02 US\$ million	As shown in last annual report 31 Mar 02 US\$ million	Previous corresponding period 30 Jun 01 US\$ million	At end of current period 30 Jun 02 A\$ million	As shown in last annual report 31 Mar 02 A\$ million	Previous corresponding period 30 Jun 01 A\$ million
<b>Current assets</b>						
4.1 Cash	307.3	31.1	14.8	545.2	58.5	29.2
4.2 Receivables	87.8	80.3	89.3	155.8	151.0	176.2
4.3 Investments	-	-	-	-	-	-
4.4 Inventories	50.8	65.4	67.8	90.1	123.0	133.8
4.5 Tax assets	16.0	32.5	51.5	28.4	61.1	101.6
4.6a Other - prepayments	8.2	7.2	6.7	14.5	13.5	13.2
4.6b Other - net current assets of discontinued operations	-	21.6	12.4	-	40.6	24.5
<b>4.7 Total current assets</b>	<b>470.1</b>	<b>238.1</b>	<b>242.5</b>	<b>834.0</b>	<b>447.7</b>	<b>478.5</b>
<b>Non-current assets</b>						
4.8 Receivables	5.5	5.5	11.5	9.8	10.3	22.7
4.9 Investments (equity accounted)	-	-	-	-	-	-
4.10 Other investments	6.7	6.7	7.6	11.9	12.6	15.0
4.11 Inventories	-	-	-	-	-	-
4.12 Exploration and evaluation expenditure capitalised	-	-	-	-	-	-
4.13 Development properties (mining entities)	-	-	-	-	-	-
4.14 Property, plant, equipment (net)	456.7	451.0	411.3	810.3	848.2	811.7
4.15 Intangibles (net)	3.4	3.6	3.1	6.0	6.8	6.1
4.16 Tax assets	5.3	5.5	5.5	9.4	10.3	10.9
4.17a Other - prepaid pension	9.5	8.9	8.9	16.9	16.7	17.6
4.17b Other - net non-current assets of discontinued operations	-	194.2	246.3	-	365.3	486.1
<b>4.18 Total non-current assets</b>	<b>487.1</b>	<b>675.4</b>	<b>694.2</b>	<b>864.3</b>	<b>1,270.2</b>	<b>1,370.1</b>
<b>4.19 Total assets</b>	<b>957.2</b>	<b>913.5</b>	<b>936.7</b>	<b>1,698.3</b>	<b>1,717.9</b>	<b>1,848.6</b>
<b>Current liabilities</b>						
4.20a Payables	60.8	59.7	59.3	107.9	112.3	117.0
4.20b Book overdraft	8.4	-	2.9	14.9	-	5.7
4.21 Interest bearing liabilities	5.3	4.9	91.8	9.4	9.2	181.2
4.22 Tax liabilities	47.2	18.2	3.2	83.7	34.2	6.3
4.23 Provisions exc. tax liabilities	31.1	40.3	26.1	55.1	75.8	51.5
4.24 Other - net current liabilities of discontinued operations	-	-	-	-	-	-
<b>4.25 Total current liabilities</b>	<b>152.8</b>	<b>123.1</b>	<b>183.3</b>	<b>271.0</b>	<b>231.5</b>	<b>361.7</b>
<b>Non-current liabilities</b>						
4.26 Payables	-	-	-	-	-	-
4.27 Interest bearing liabilities	225.0	325.0	361.8	399.2	611.3	714.0
4.28 Tax liabilities	36.0	23.0	68.9	63.9	43.3	136.0
4.29a Provisions exc. tax liabilities	23.7	21.8	17.6	42.1	41.0	34.7
4.29b Liability to Medical Research & Compensation Foundation	53.2	50.2	51.1	94.4	94.4	100.9
4.30 Other - net non-current liabilities - discontinued	-	-	-	-	-	-
<b>4.31 Total non-current liabilities</b>	<b>337.9</b>	<b>420.0</b>	<b>499.4</b>	<b>599.6</b>	<b>790.0</b>	<b>985.6</b>
<b>4.32 Total liabilities</b>	<b>490.7</b>	<b>543.1</b>	<b>682.7</b>	<b>870.6</b>	<b>1,021.5</b>	<b>1,347.3</b>
<b>4.33 Net assets</b>	<b>466.5</b>	<b>370.4</b>	<b>254.0</b>	<b>827.7</b>	<b>696.4</b>	<b>501.3</b>
<b>Equity</b>						
4.34 Capital/contributed equity	534.4	531.5	438.3			
4.35a Accumulated other comprehensive income (loss)	(44.1)	(61.5)	(53.1)			
4.35b Employee loans	(4.9)	(4.8)	(6.2)			
4.36 Retained profits (Accumulated losses)	(18.9)	(94.8)	(125.0)			
<b>4.37 Equity attributable to members of the parent entity</b>	<b>466.5</b>	<b>370.4</b>	<b>254.0</b>			
4.38 Outside equity interests in controlled entities	-	-	-			
<b>4.39 Total equity</b>	<b>466.5</b>	<b>370.4</b>	<b>254.0</b>			
4.40 Preference capital included as part of 4.37	-	-	-			

## JAMES HARDIE INDUSTRIES N.V.

### Condensed consolidated statement of cash flows

	Current period 30 Jun 02 US\$ million	Previous corresponding period 30 Jun 01 US\$ million	Current period 30 Jun 02 A\$ million	Previous corresponding period 30 Jun 01 A\$ million
<b>Cash flows related to operating activities</b>				
7.1a Net Income	75.9	(0.9)	137.5	(1.6)
7.2a (Gain)/Loss on disposal of subsidiaries and business	(51.3)	-	(93.1)	-
7.3a (Gain)/Loss on disposal of investments and negotiable	-	-	-	-
7.5a Depreciation and amortization	8.1	10.1	14.7	19.7
7.6a Deferred income taxes	(1.4)	(2.7)	(2.5)	(5.3)
7.7a Prepaid Pensions	(0.1)	(0.2)	(0.2)	(0.4)
7.8a Other	1.0	2.9	1.8	5.6
Changes in operating assets/liabilities				
7.8b Accounts receivable, prepaids, and other current assets	(13.8)	(49.8)	(25.0)	(97.0)
7.8c Inventories	13.2	5.6	23.9	10.9
7.8d Accounts payable, accrued liabilities and other liabilities	3.5	(3.2)	6.3	(6.2)
<b>7.9 Net operating cash flows</b>	<b>35.1</b>	<b>(38.2)</b>	<b>63.4</b>	<b>(74.3)</b>
<b>Cash flows related to investing activities</b>				
7.10 Payment for purchases of property, plant and equipment	(8.3)	(26.5)	(15.1)	(51.6)
7.11 Proceeds from sale of property, plant and equipment	-	0.1	-	0.2
7.12 Payment for purchases of equity investments and businesses	-	-	-	-
7.13 Proceeds from sale of equity investments and businesses	334.4	2.7	606.6	5.3
7.14 Loans to other entities/Sale of Investments	-	-	-	-
7.15 Loans repaid by other entities	-	2.1	-	4.1
Other (Cash transferred and costs of Medical Research 7.16 Foundation)	-	-	-	-
<b>7.17 Net investing cash flows</b>	<b>326.1</b>	<b>(21.6)</b>	<b>591.5</b>	<b>(42.0)</b>
<b>Cash flows related to financing activities</b>				
7.18 Proceeds from issues of securities (shares, options, etc)	1.9	-	3.4	-
7.19 Proceeds from borrowings	11.5	26.3	20.9	51.2
7.20 Repayment of borrowings	(100.0)	(9.9)	(181.4)	(19.3)
7.21 Dividends paid	-	(20.2)	-	(39.3)
7.22 Other - Repayments of capital	-	-	-	-
<b>7.23 Net financing cash flows</b>	<b>(86.6)</b>	<b>(3.8)</b>	<b>(157.1)</b>	<b>(7.4)</b>
<b>7.24 Net increase (decrease) in cash held</b>	<b>274.6</b>	<b>(63.6)</b>	<b>497.8</b>	<b>(123.7)</b>
7.25 Cash at beginning of period	31.1	75.1	58.5	153.3
7.26 Exchange rate adjustments	1.6	3.3	(11.1)	(0.4)
<b>7.27 Cash at end of period</b>	<b>307.3</b>	<b>14.8</b>	<b>545.2</b>	<b>29.2</b>

## JAMES HARDIE INDUSTRIES N.V.

### SEGMENT INFORMATION US\$ million

	Sales		Profit/(loss) before tax and abnormals		Total Assets	
	3 mths	3 mths	3 mths	3 mths	30.06.02	31.03.02
	30.06.02	30.06.01	30.06.02	30.06.01		
<b>Industry segments</b>						
USA Fibre Cement	152.5	111.2	38.8	24.2	408.4	420.3
Asia Pacific Fibre Cement	46.3	36.6	8.3	3.3	154.6	147.6
Research & Development	-	-	(2.5)	(2.6)	-	-
Other Fibre Cement	1.4	0.6	(2.2)	(2.5)	44.7	45.5
Segments total	200.2	148.4	42.4	22.4	607.7	613.4
General Corporate	-	0.2	(6.5)	(11.1)	349.5	84.3
Interest	-	-	(2.9)	(5.3)	-	-
Other income (expense)	-	-	0.3	(1.2)	-	-
Worldwide total from continuing operations	200.2	148.6	33.3	4.8	957.2	697.7
Discontinued operations					-	215.8
Worldwide total					957.2	913.5

	Sales		Total Assets	
	3 mths	3 mths	30.06.02	31.03.02
	30.06.02	30.06.01		
<b>Geographic segments</b>				
United States	153.2	111.6	443.6	456.0
Australia	28.7	23.3	85.0	80.6
New Zealand	12.9	9.1	27.3	24.7
Other Countries	5.4	4.4	51.8	52.1
Segments total	200.2	148.4	607.7	613.4
General Corporate	-	0.2	349.5	84.3
Worldwide total from continuing operations	200.2	148.6	957.2	697.7
Discontinued operations			-	215.8
Worldwide total			957.2	913.5

### Compilation of segmental information

James Hardie's operations are organised into the following four segments: (1) USA Fibre Cement, which manufactures and sells fibre cement flat sheet products in the United States; (2) Asia Pacific Fibre Cement, which manufactures and sells fibre cement products in Australia, New Zealand, the Philippines and Asian export markets; (3) Research and Development, which includes the research and development centre in Sydney, Australia; and (4) Other Fibre Cement, which includes the fibre reinforced cement pipes operations in the United States and the Chile fibre cement operations.

Research and development assets are included in the Asia Pacific Fibre Cement segment.

In the analysis of total assets all deferred taxes are included in General Corporate.

Prior year segmental information has been restated to reflect current industry segments.

# JAMES HARDIE INDUSTRIES N.V.

## Comments by directors

### Basis of accounting preparation

#### Background

On 2 July 1998, ABN 60 000 009 263 Pty Ltd, formerly James Hardie Industries Limited ("JHIL"), a public company organised under the laws of Australia and listed on the Australia Stock Exchange, announced a plan of reorganisation and capital restructuring (the "1998 Reorganisation"). James Hardie N.V. ("JHNV") was incorporated in August 1998, as an intermediary holding company, with all of its common stock owned by indirect subsidiaries of JHIL. On 16 October 1998, JHIL's shareholders approved the 1998 Reorganisation. Effective as of 1 November 1998, JHIL contributed its fibre cement businesses, its US gypsum wallboard business, its Australian and New Zealand building systems businesses and its Australian windows business (collectively, the "Transferred Businesses") to JHNV and its subsidiaries. In connection with the 1998 Reorganisation, JHIL and its non-transferring subsidiaries retained certain unrelated assets and liabilities.

On 24 July 2001, JHIL announced a further plan of reorganisation and capital restructuring (the "2001 Reorganisation"). Completion of the 2001 Reorganisation occurred on 19 October 2001. In connection with the 2001 Reorganisation, James Hardie Industries N.V. ("JHI NV"), formerly RCI Netherlands Holdings B.V., issued common shares represented by CHESS Units of Foreign Securities ("CUFS") on a one for one basis to existing JHIL shareholders in exchange for their shares in JHIL such that JHI NV became the new ultimate holding company for JHIL and JHNV.

Following the 2001 Reorganisation, JHI NV controls the same assets and liabilities as JHIL controlled immediately prior to the 2001 Reorganisation.

#### Basis of Presentation

The consolidated financial statements represent the financial position and results of operations of JHINV and its wholly owned subsidiaries, collectively referred to as either the "Company" or "James Hardie", unless the context indicates otherwise. For the periods prior to 19 October 2001, the effective date of the 2001 Reorganisation, the consolidated financial statements represent the financial position and results of operations of JHIL and its wholly owned subsidiaries.

In accordance with accounting principles generally accepted in the United States of America, the transfers to JHINV have been accounted for on a historical cost basis using the "as-if" pooling method on the basis that the transfers are between companies under common control.

The profit and loss account, assets, liabilities and statement of cash flows of the Company have been presented with accompanying Australian dollar (A\$) convenience translations. These A\$ convenience translations are not prepared in accordance with accounting principles generally accepted in the United States of America. The exchange rates used to calculate the convenience translations are as follows (US\$1=A\$):

	31 March	30 June	
	2002	2001	2002
Assets and liabilities	1.8808	1.9736	1.7743
Profit and loss account	n/a	1.9477	1.8139
Statement of cash flows - beginning cash	n/a	2.0408	1.8808
Statement of cash flows - ending cash	n/a	1.9736	1.7743
Statement of cash flows - current period movements	n/a	1.9477	1.8139

### Other matters

On 13 March 2002, the Company announced that it had signed agreements to sell its US-based Gypsum operations to a third party. The transaction was completed on 25 April 2002. A pre-tax gain of \$83.0 million represented the excess of net proceeds from the sale of \$334.4 million over the net book value of assets sold of \$253.0 million and income from operations from 1 April 2002 through 25 April 2002 of \$1.6 million. The sale resulted in an income tax expense of \$30.1 million. The proceeds from the sale were comprised of cash of \$345.0 million less selling costs of \$10.6 million.

Since the end of the period the Directors are not aware of any matter or circumstance not otherwise reported that has significantly or may significantly affect the operations of James Hardie, the results of those operations or the state of affairs of James Hardie in subsequent financial periods.


**Compliance statement**

- 1 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used

US GAAP
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- 2 This report does give a true and fair view of the matters disclosed.
- 3 This quarterly report is not intended to be a report prepared to satisfy the requirements of the Corporations Law 2001. A formal report has therefore not been prepared.
- 4 The entity has a formally constituted audit committee.

Sign here:  ..... Date: 15-Aug-02  
(Chief Executive Officer)

Print name: PETER MACDONALD  
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