



media release

15 August 2002

James Hardie Announces Further Capacity Expansion For USA Fibre Cement

James Hardie today announced plans to spend US\$27 million to build a new production line at its fibre cement plant at Waxahachie in Texas, to meet growing demand for its products.

The new line will have an annual production capacity of 160 million square feet. It will be purpose-built to manufacture fibre cement panels that are used for exterior and interior applications in new housing and for repair and remodeling.

Sales of panels are growing rapidly.

The new line should be commissioned in the first half of calendar year 2003. It will replace a small line at the plant that has an annual capacity of 60 million square feet.

Together with an existing line that was installed in 2001, the new line will bring the plant's total annual capacity to 360 million square feet.

James Hardie's CEO, Mr Peter Macdonald said the additional capacity would help the company meet growing demand and result in more effective utilization of production capacity.

"Demand continues to grow strongly and we are expanding our product range. Our first quarter results announced today included a 40% increase in sales volumes compared to the same quarter last year.

"We are expecting strong growth for exterior and interior products, for both new housing construction and repair and remodeling applications, in both the southern and northern regions of the country.

"Our proprietary, differentiated products now account for more than 30% of our sales and this is increasing.

"The rapid growth in sales of differentiated products reflects our competitive advantage and our aim is to strengthen this position further.

"The additional capacity will accommodate growth and the seasonal peaks in demand which are now quite pronounced," said Mr Macdonald.

.../More

Media/Analysts enquiries, please call

Greg Baxter, Senior Vice President Corporate Affairs

Telephone - 61 2 9290 5377 Mobile - 0419 461 368 Email - greg.baxter@jameshardie.com.au

Steve Ashe, Vice President Investor Relations

Telephone - 61 2 8274 5246 Mobile - 0408 164 011 Email - steve.ashe@jameshardie.com.au

Facsimile - 61 2 9262 4557

www.jameshardie.com

The new line at Waxahachie will be purpose-built to produce fibre cement panels for exterior and interior applications. This will allow other production lines to concentrate on the production of planks as well as thicker products.

“By dedicating this new line to the production of panel products, we will be able to achieve a lower cost of production overall,” said Mr Macdonald.

James Hardie is also in the final stages of installing a second production line at its fibre cement plant at Peru in Illinois. This new line is expected to be commissioned in September 2002 and will have an annual production capacity of 200 million square feet. This will double the plant’s capacity to 400 million square feet.

End.

This press release 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.