



media release

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James Hardie to Expand Capacity at Pennsylvania Plant

James Hardie today announced that it is expanding the production capacity of its Blandon, Pennsylvania plant in the United States by almost 70% to service rapidly growing demand for fibre cement in the north-east region.

Work will start immediately on a US\$15.3 million upgrade that will boost the plant's total annual production capacity from 120 million square feet to 200 million square feet.

The upgrade will also result in immediate cost savings and operating efficiencies.

The Blandon plant currently has two production lines with annual capacities of 40 million square feet and 80 million square feet respectively. The upgrade includes increasing the larger line to 200 million square feet annual design capacity and removal of the 40 million square feet line.

The Blandon plant was acquired in December, 2001 when James Hardie purchased the operating assets of Cemplank Inc., a former competitor in the United States, to meet long-term growing demand for fibre cement products and to penetrate key regions in the United States in which it did not have local manufacturing capacity.

Commenting on the upgrade, James Hardie's Chief Executive Officer, Mr Peter Macdonald said:

"We are continuing to expand to meet the growing demand for our products across the USA. Today's announcement is our third this year confirming a USA fibre cement plant undergoing major work to increase capacity.

"This upgrade will enhance our ability to supply the north-east region at lower cost and further improve our competitive position in the siding industry. It also ensures we will have the production capacity available to accommodate growth and seasonal peaks in demand," Mr Macdonald said.

"We are continuing to take share from established materials such as wood and wood-based products, brick and especially, vinyl siding, which dominates the northern areas of the country."

“Our investment in the Blandon plant demonstrates our confidence that the company’s penetration strategies for the north of the country are working,” said Mr Macdonald.

“We expect strong sales growth in the north for exterior and interior products and for both new housing construction and repair and remodel applications.”

In August 2002, James Hardie announced plans to spend US\$27 million to build a new production line at its fibre cement plant at Waxahachie in Texas.

Last month, the company commissioned a second line at its fibre cement plant at Peru in Illinois.

The upgrade to the Blandon fibre cement plant is expected to be completed by mid – 2003.

Ends.

Disclaimer

This press release 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 periodic 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.