



Annual Information Meeting 15 September 2004

All results are for continuing operations unless otherwise stated

Good morning.

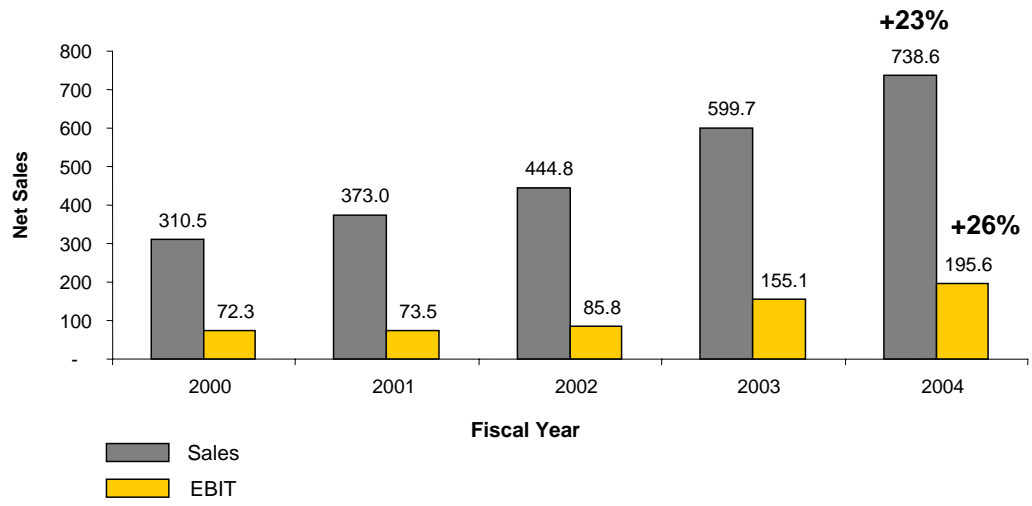
I am pleased to have the opportunity to talk to you about the operating performance of the business for the last year.

I know the major issues for the company today are the Inquiry, related compensation issues, and putting in place a permanent resolution.

However, it is vital that we also continue to perform strongly and grow, in the interests of all stakeholders.

Meredith has covered the issues relating to the inquiry, and I will focus on the operating performance of the business.

USA Fibre Cement Sales and EBIT Growth



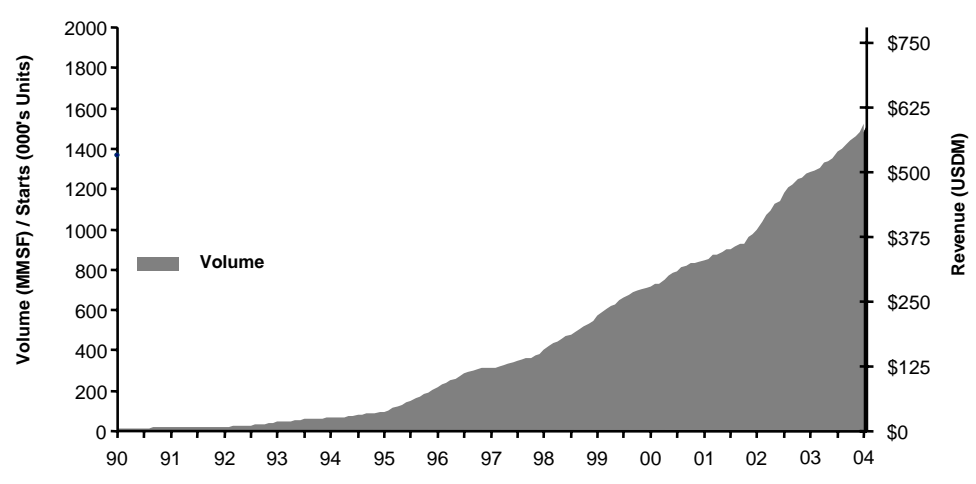
As Meredith mentioned in her address, we had a year of very strong performance.

USA Fibre Cement

Our largest market is the USA and our USA Fibre Cement business continued its outstanding performance, finishing the year with increases in net sales of 23% and EBIT of 26%.

USA Fibre Cement

Volume Growth 2004 245mmsf +19%



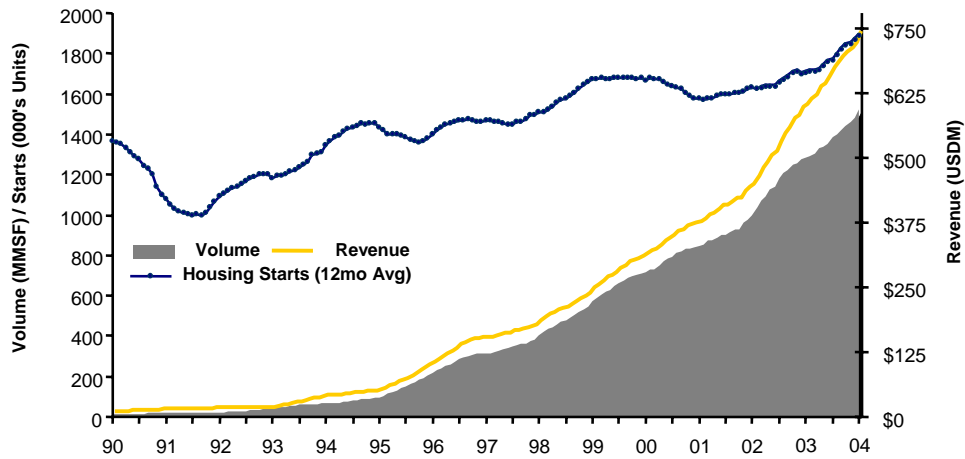
One of the most pleasing features of our North American performance was the growth in demand for fibre cement. Over the course of the year, we grew our sales volumes by around 245 million standard feet or 19%.

This performance continued what has been very strong growth since we started business in the USA in 1988 – with a Compound Annual Growth Rate since that time of around 39%.

We differentiate between growth that occurs because of market movements, and growth that occurs via penetration into established markets.

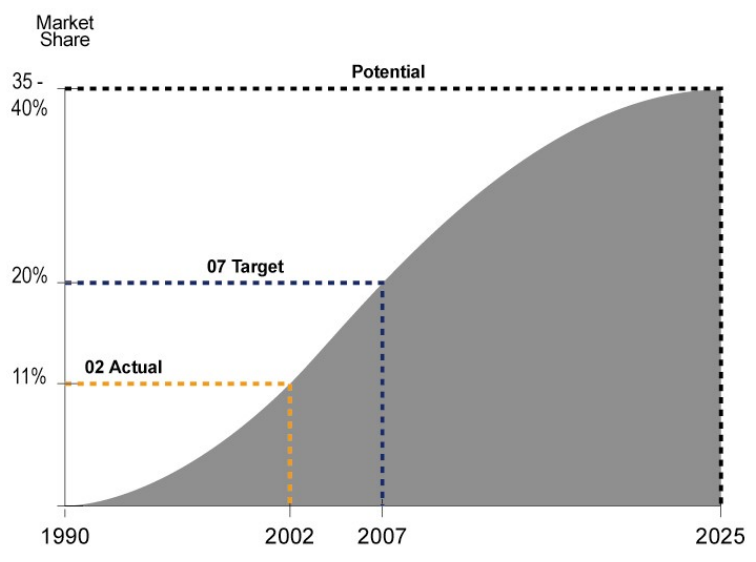
USA Fibre Cement

Revenue Growth Continuing to Outstrip Volume Growth



Around two-thirds of last year's growth – or 155 million standard feet – is our estimate of growth through penetration into existing markets rather than from general market growth. Growth through penetration has been the predominant form of growth for many years and reduces our exposure to cyclical movements in our end-markets. This chart shows how our growth in both revenue and volume has outstripped growth in housing starts.

Siding – Growth Potential



We grew demand for both interior and exterior products. Our share of these markets is still quite low, relative to the potential terminal market share, which provides us with significant long-term growth potential. Here is an example that might represent our potential in siding.

Reno Plant Construction



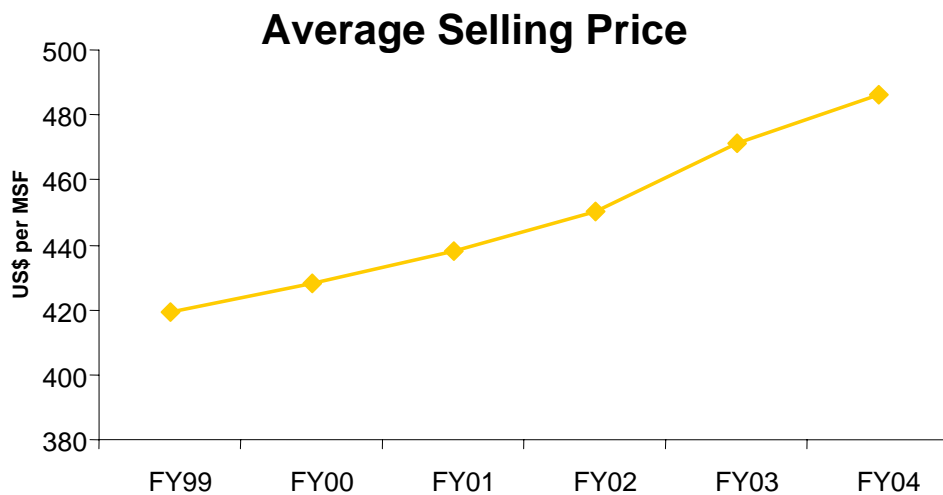
During the year we began constructing our plant in Reno, Nevada, with 300 million square foot annual design capacity. This plant has one line and will produce 50% more than our previous largest single lines. The Reno plant will supply rapidly-growing demand in the west coast region of the United States.

Investment In People



We continue to invest in people and infrastructure to support further growth. Over the year, we added a significant number of employees, with an emphasis on sales and marketing roles. Through activities such as this, we are building a strong foundation for future growth.

USA Fibre Cement



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Our average net selling price improved 3% on the prior year and sales of more differentiated and higher-priced products continued to grow well. This trend has been evident for some years.

Longer-term, we expect modest, average net selling price improvements to continue as sales of higher-priced products grow at a faster rate than that of our more established products.

We continue to achieve very strong EBIT performance improvement and our EBIT margin continues to be in a range well above our 20% long-term target for the USA Fibre Cement business.

USA Fibre Cement

Strategy

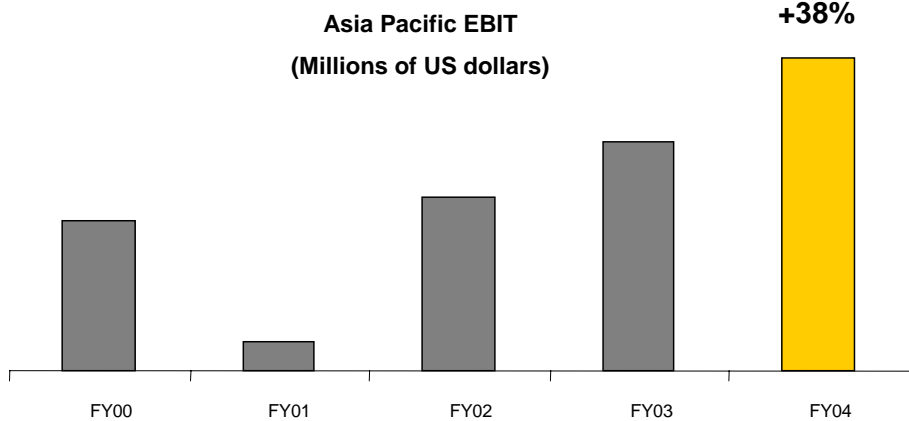
- Aggressively grow market for fibre cement
- Grow our overall market position while defending our share in existing market segments
- Offer products with superior value to that of our competitors, introducing differentiated products to reduce direct price competition

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Our USA Fibre Cement business strategy is very successful, is achieving strong growth and strong returns for the company, and is therefore unchanged. We seek to:

- Aggressively grow the market for fibre cement;
- Grow our overall market position, while defending our share in existing market segments;
- Offer products with superior value to those of our competitors, introducing differentiated products to reduce direct price competition.

Asia Pacific Performance Improvement



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I would now like to talk about our Asia Pacific business.

Asia Pacific Fibre Cement

Our Asia Pacific Fibre Cement business recorded very solid performance, with net sales up 2% in Australian Dollars and 26% in US dollars.

Sales volumes were up 9%, and EBIT was up 12% in Australian dollars and up 38% in US dollars - reflecting a significant positive exchange rate movement.

Our strategy in Asia Pacific remains intact, because it is delivering solid performance and growth in markets such as Australia and New Zealand that do not have high levels of underlying growth.

Despite this, we continue to see growth potential in Australia and New Zealand, where fibre cement still accounts for only a small share of the total building products market. Unlike North America, which has a tradition of using planks, the Australian housing market is traditionally a brick market.

ANZ Marketing Initiatives



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We see this as a sound opportunity and our Australian and New Zealand businesses have put in place a number of initiatives designed to encourage designers, architects and homeowners to incorporate our lightweight building materials into their designs, however any change in favour of our siding products will occur gradually over time.

ANZ New Products



Linea® Weatherboards

ConText™ Façade System



Eclipsa™ Pre-painted Eaves



We are pursuing increased sales, with a range of unique products and systems; the slide shows some examples.

Asia Pacific Fibre Cement

Strategy

- Grow primary demand for fibre cement
- Vigorously protect and grow category share in existing market segments
- Leverage our superior technology to offer differentiated products and systems with superior value to those of competitors
- Ongoing manufacturing improvements to further lower cost of production

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Because this strategy is proving to be successful for the company, our Asia Pacific businesses will continue to:

- Grow the primary demand for fibre cement
- Vigorously protect and grow our category share in our existing segments
- Offer differentiated products with superior value to those of our competitors
- Continue to drive manufacturing improvements to lower the cost of production

Other Fibre Cement

Chile Fibre Cement – Key Points

- Net sales up 139%
- Full year EBIT positive



Chile Fibre Cement

Our Chilean business provides us with a small but profitable toehold in South America.

Last year, the business delivered a strong performance, with net sales up 139% in local currency and a full-year EBIT positive result. We achieved strong penetration into a market that enjoyed a lift in domestic construction activity.

Other Fibre Cement

USA Hardie® Pipe – Key Points

- Sales grew 95%
- Improved performance



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Hardie® Pipe

Our USA Hardie® Pipe business achieved very strong net sales growth last year, up 95%.

We continued to penetrate the Florida markets , and customers continued to choose our fibre cement pipe over competing products.

We are improving performance in our pipes production plant, but costs are still above the required levels. Average net selling prices improved slightly towards the end of the year, but are still low and further price improvement is required.

We made an EBIT loss in the USA Hardie® Pipe business, but have seen strong improvement in the current year. We remain hopeful that we will be able to prove up the US FRC pipe opportunity so that it is capable of delivering value for shareholders in the future.

Europe

- Completed first year
- Growing revenue
- Long term potential



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Europe Fibre Cement

In Europe, our business has just completed its first year since start up. It is very early days, but we have made acceptable progress and are growing revenues in markets that offer us long-term potential. We are initially selling our siding and backer products importing from the USA. A weaker US dollar is reducing our import costs.

Artisan® Roofing



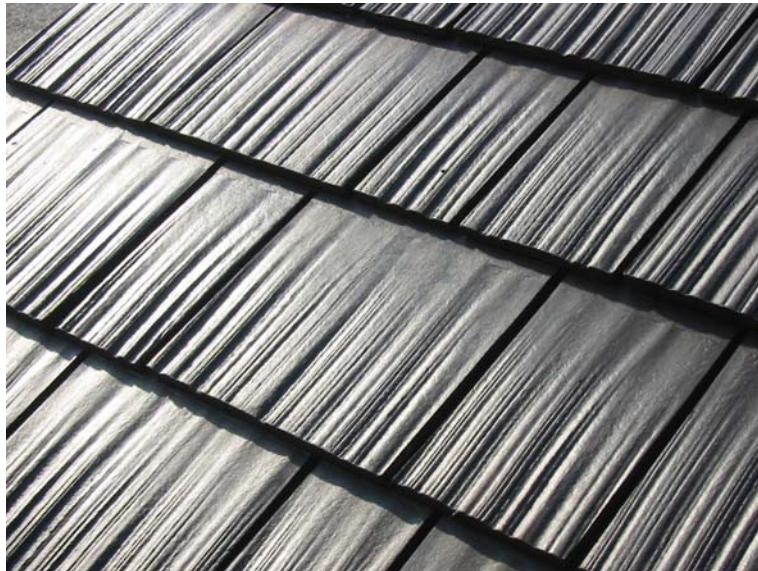
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Artisan® Roofing

For some time, we have been developing a unique fibre cement roofing product. We have now started to commercialise this technology, initially through the development, and now with the launch, of a “thick butt wood shake product”.

The slide shows how the roofs made with it look. While this is an unusual look in Australia, it is highly desirable in the USA where wood shakes were the original roofing material.

Artisan® Roofing



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Our Artisan® Roofing business is making good progress refining the manufacturing process in the pilot plant in Fontana, California. Trial installations have been successful and we believe end-market interest in the product is strong.

We are probably at least two years away from stepping-up our initial investment to full commercial manufacture, assuming that the pilot plant continues to ramp up successfully.

The end markets for roofing are large – larger than the siding markets, so providing we can successfully complete development, there is a lot of potential for growth.

Research and Development



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Research and Development

Research and Development continues to be one of the key investments we make in our business and it is the key driver of our long-term growth and our ability to sustain a competitive advantage.

We have Research and Development Centres here in Sydney, and in Fontana, California. We employ over 110 scientists, engineers and technicians in the areas of Core Research and Product & Process Development. Over 50% of our scientists have advanced degrees, and 45% have worked for James Hardie for over five years.

R&D gives us the highest return that we get from any discretionary expenditure. Over the year, we spent US\$17.6 million in our core and administrative R&D activities and US\$8.5 million in product development in our business units, taking our total spend for the year to US\$26.1 million, an increase of around 25% over the prior year.

Capital Expenditure



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We also invested heavily in capital expenditure projects during the year, spending US\$74.1 million. The majority of this sum was spent in the United States, and a significant portion was on growth projects including: the pre-finishing and trim lines in Peru, Illinois; the Blandon, Pennsylvania upgrade; the new factory in Reno, Nevada; and a second line at Waxahachie, Texas.

In Asia Pacific, we upgraded the Rosehill, Sydney plant. Elsewhere, the major spending was on the completion of the roofing plant in California and the paint line in England for our European business.

The results I have been talking about are for the fiscal year ended the March 2004.

Operating Highlights

1st Quarter

- USA Fibre Cement EBIT up 17%
- Australia and New Zealand Fibre Cement EBIT up 31%
- Philippines – positive EBIT
- Chile – positive EBIT
- Hardie® Pipe – improved operating performance
- Artisan roofing – completed production trials and commissioning work

Since then, we have reported our results for the first quarter of Fiscal Year 2005 and I am pleased to advise that these demonstrate a continuation of the strong results we achieved last year.

Outlook

- Strong growth momentum of 1st quarter to continue into 2nd quarter
- Prospects encouraging
- Continued EBIT growth

Looking ahead to the remainder of the year the company believes the strong growth momentum evident in the first quarter will continue during the second quarter and the prospects for growth over the full year remain encouraging.

Looking Ahead

- Clear vision
- Successful strategies
- Sustainable competitive advantage

We have many challenges to address as we continue to grow our business around the world.

We have a clear vision to achieve this, and will combine this with successful strategies which we have implemented over many years, and the sustainable competitive advantage conferred by our fibre cement technology.

Disclaimer

This presentation 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 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 senior management; the success of our research and development efforts; 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, asbestos or other legal proceedings; risks of conducting business internationally; changes in tax laws and treatments; and foreign exchange risks. 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 in forward-looking statements. Forward-looking statements speak only as of the date they are made.



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15 September 2004**