

1<sup>st</sup> Quarter – 30 June 2005

US\$Millions

## James Hardie

## Q1 FY06

Net Sales	Up	17%	to	US\$ 359.4
EBIT	Up	49%	to	US\$ 86.9
Operating Profit from Continuing Operations	Up	51%	to	US\$ 55.9
Net Operating Profit Including Discontinued Operations	Up	54%	to	US\$ 55.9
EBIT Margin	Up	4.9pts	to	24.1%

## USA Fibre Cement

Net Sales	Up	19%	to	US\$ 287.5
EBIT	Up	49%	to	US\$ 94.1
EBIT Margin	Up	6.5pts	to	32.7%
Volume	Up	7%	to	523.4mmsf

## Asia Pacific Fibre Cement

Net Sales	Up	8%	to	US\$ 61.7
EBIT	Up	3%	to	US\$ 12.4
EBIT Margin	Down	0.8pts	to	20.1%
Volume	Down	2%	to	92.0mmsf

## Key Ratios

Earnings Per Share (Diluted)	12.1cents
EBIT Margin	24.1%
Return on Shareholders Funds (Annualised – including discontinued operations)	38.5%
Return on Capital Employed (Annualised)	39.9%
Gearing Ratio	(0.2)%
Net Interest Expense Cover	131.3x
Net Debt Payback	(0.2)months

All comparisons are against the 1<sup>st</sup> quarter of the previous fiscal year. All dollar amounts are in US\$ millions. Results are for continuing businesses only, unless otherwise stated. Note: This document should be read in conjunction with other 1<sup>st</sup> quarter results materials including a Media Release, a Management's Discussion and Analysis, a Management Presentation and a Financial Report. Please refer to the Definitions section on the next page for an explanation of certain financial terms used above.

## **Definitions**

### **Financial Measures – US GAAP equivalents**

**EBIT and EBIT Margin** - EBIT is defined as operating income. EBIT margin is defined as EBIT as a percentage of our net sales. We believe EBIT and EBIT margin to be relevant and useful information as these are the primary measures used by our management to measure the operating profit or loss of our business. EBIT is one of several metrics used by our management to measure the cash generated from our operations, excluding interest and income tax expenses. Additionally, EBIT is believed to be a primary measure and terminology used by our Australian investors. EBIT and EBIT margin should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with accounting principles generally accepted in the United States of America. EBIT and EBIT margin, as we have defined them, may not be comparable to similarly titled measures reported by other companies.

EBIT and EBIT margin, as used in this document, are equivalent to the US GAAP measures of operating income and operating income margin.

**Operating profit from continuing operations** - is equivalent to the US GAAP measure of income from continuing operations.

**Net operating profit including discontinued operations** - is equivalent to the US GAAP measure of net income.

### **Sales Volumes**

**mmsf** – million square feet

### **Financial Ratios**

**Net debt payback** – Net cash/debt divided by cash flows from operations times 12 months.

**Gearing Ratio** – is borrowings less cash (net debt) divided by net debt plus shareholders' equity.

**Net Interest Expense Cover** – EBIT divided by Net Interest Expense.