



US\$ million	2001	2002	% Change
Net Sales			
US Fibre Cement	373.0	444.8	19
Asia Pacific Fibre Cement	166.6	156.9	(6)
Other	1.3	5.2	300
Total Net Sales	540.9	606.9	12
Net Sales	540.9	606.9	12
Cost of goods sold	(360.8)	(401.6)	11
Gross profit	180.1	205.3	14
SG&A	(123.7)	(130.3)	5
EBIT before restructuring and other operating expenses	56.4	75.0	33
Restructuring and other operating expenses ¹	(15.5)	(28.1)	81
EBIT	40.9	46.9	15
Net interest expense	(13.2)	(16.0)	21
Other income (expense), net	1.6	(0.4)	(125)
Operating profit before tax	29.3	30.5	4
Income tax benefit (expense)	0.3	(3.9)	-
Net Operating Profit²	\$ 29.6	\$ 26.6	(10)

¹ A detailed review appears in Management's Discussion and Analysis on pages 33-36

² From continuing operations



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LIGHTS

- We completed the transformation of James Hardie into a purely fibre cement company with strong growth prospects in existing markets and significant potential for further expansion in major international markets.
- We established a new corporate structure to generate higher returns for shareholders from our continuing international expansion than were possible under our old structure.
- We sold our US-based gypsum business and associated Las Vegas land for prices well in excess of book value.
- We significantly expanded fibre cement production capacity in the United States with the acquisition of the two additional fibre cement plants from Cemplant Inc.
- We further expanded USA production capacity with the commissioning of a new production line at our plant in Waxahachie, Texas.
- We ramped up several new businesses which have significant, long-term growth potential. These businesses are:
 - > a small, but rapidly growing fibre cement business in Chile that has captured approximately 20% of the market in its first year and provides a platform for further expansion in South America
 - > a fibre cement drainage pipe business in the United States that, despite start-up delays, continues to demonstrate the potential to become a large and profitable national business over the long-term
 - > our fibre cement business in the Philippines, which has overcome several years of difficulties and is now poised for a profitable future.
- We completed the restructure of our Asia Pacific operations to help accelerate demand for fibre cement and reduce the cost of doing business across the region.
- We launched new, differentiated products in each of our markets with the aim of expanding sales in market segments in which we already compete, or entering new segments.
- We announced plans to build a pilot plant in California to begin manufacturing trials of a new generation of fibre cement roofing products. If successful, we will embark on full-scale manufacturing for the large USA roofing products market.
- Most businesses generated improved operating results compared to the previous year with EBIT before restructuring and other operating expenses increasing 33% to US\$75.0 million.
- Bottom line profit was adversely affected by restructuring and other operating expenses. After including these charges, Net Operating Profit from continuing operations decreased 10% to US\$26.6 million.
- Shareholders will receive a dividend of US 5 cents per share and, subject to approvals, a tax-free return of capital of US 20 cents a share. Including the capital return of US 5 cents a share paid in December 2001, shareholders will receive a total return of US 30 cents a share.