

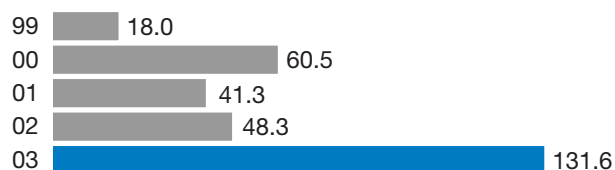
## Financial and Operating Highlights

(Millions of US dollars)	2003	2002	% Change
<b>Net Sales</b>			
USA Fibre Cement	\$ 599.7	\$ 444.8	35
Asia Pacific Fibre Cement	194.4	156.9	24
Other Fibre Cement	9.6	5.2	85
<b>Total Net Sales</b>	<b>\$ 803.7</b>	<b>\$ 606.9</b>	<b>32</b>
Net sales	\$ 803.7	\$ 606.9	32
Cost of goods sold	(501.9)	(401.6)	25
Gross profit	301.8	205.3	47
SG&A expenses	(153.1)	(114.8)	33
Research and development expenses	(18.1)	(14.1)	28
EBIT before restructuring and other operating income (expenses) <sup>1</sup>	130.6	76.4	71
Restructuring and other operating income (expenses)	1.0	(28.1)	(104)
EBIT <sup>2</sup>	131.6	48.3	172
Net interest expense	(19.9)	(16.0)	24
Other operating income (expenses), net	0.7	(0.4)	(275)
Operating profit before tax	112.4	31.9	252
Income tax expense	(27.0)	(3.6)	-
<b>Operating Profit <sup>2</sup></b>	<b>\$ 85.4</b>	<b>\$ 28.3</b>	<b>202</b>
<b>Net Operating Profit including discontinued operations</b>	<b>\$ 170.5</b>	<b>\$ 30.8</b>	<b>454</b>

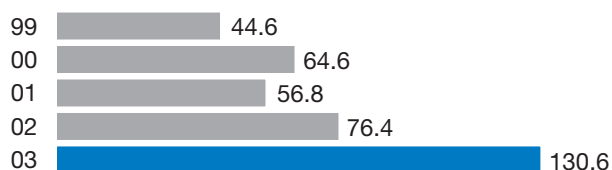
<sup>1,2</sup> Detailed definition appears in Management's Discussion and Analysis on Page 38

### ALL KEY FINANCIAL AND PERFORMANCE RATIOS SHOWED MARKED IMPROVEMENT

EBIT (Millions of US dollars)

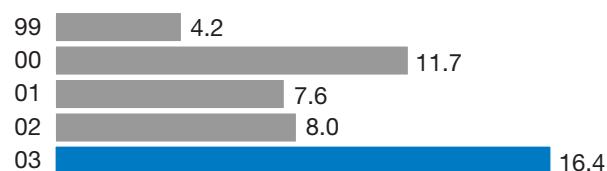


EBIT<sup>3</sup> (Millions of US dollars)



<sup>3</sup> Before restructuring and other operating income (expenses)

EBIT Margin (%)



EBIT Margin<sup>4</sup> (%)

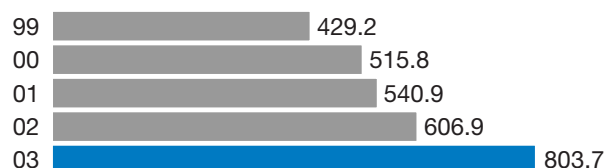


<sup>4</sup> Before restructuring and other operating income (expenses)

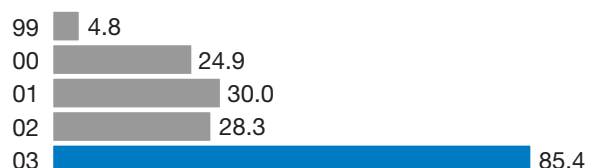
- Total net sales increased 32% to US\$803.7 million.
- Gross profit increased 47% to US\$301.8 million due to strong improvements in USA Fibre Cement and Asia Pacific Fibre Cement.
- The gross profit margin increased 3.8 percentage points to 37.6%.
- EBIT\* increased 71% from US\$76.4 million to US\$130.6 million.
- The EBIT\*/Sales margin increased 3.7 percentage points to 16.2%.
- Operating Profit from continuing operations increased by US\$57.1 million to US\$85.4 million for the year ended 31 March 2003.
- Net Operating Profit including from discontinued operations increased by US\$139.7 million to US\$170.5 million for the year ended 31 March 2003.
- We completed the divestment of all gypsum assets. These assets had a total book value of US\$253.2 million and the sale resulted in an after-tax gain of US\$85.3 million.
- All other key financial and performance ratios showed marked improvements.
- The Board has declared a dividend of US 2.5 cents per share, payable in July 2003. When added to the interim dividend, total dividends for the year were US 5.0 cents per share.
- The Board also recommended a capital return of US 15.0 cents (based on Euro 13.05 cents) per share, payable in November 2003. This is in addition to a capital return of US 20.0 cents per share that was paid in November 2002.

\* Before restructuring and other operating income (expenses)

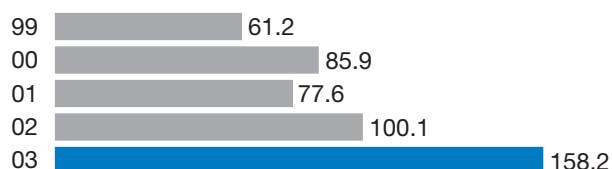
Net Sales (Millions of US dollars)



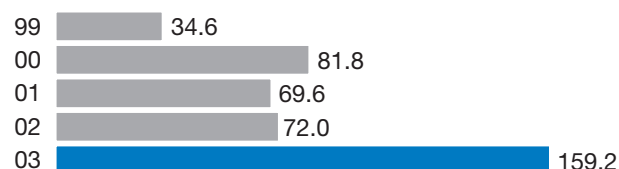
Operating Profit (Millions of US dollars)



Adjusted EBITDA<sup>5</sup> (Millions of US dollars)



Adjusted EBITDA<sup>6</sup> (Millions of US dollars)



<sup>5</sup> Before restructuring and other operating income (expenses)  
See page 38 for a reconciliation of Adjusted EBITDA to income from continuing operations.

<sup>6</sup> See page 38 for a reconciliation of Adjusted EBITDA to income for continuing operations.

## Financial and Operating Highlights *(continued)*

### USA

- Total net sales increased 35% to US\$599.7 million.
- Volumes increased 29% and average price increased 5%.
- EBIT\* increased 58% to US\$155.1 million.
- EBIT\*/Sales margin increased 3.7 percentage points to 25.9%.
- Market share increased in all product categories and in the north and south of the United States.
- There was strong growth in demand for higher priced, differentiated products.
- Sales of trim, backer and pre-painted siding products all increased by more than 50%.

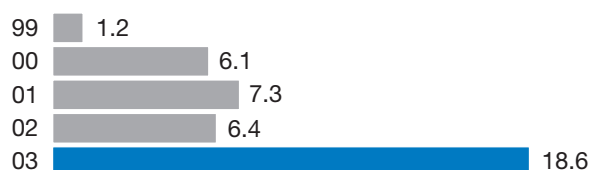
- Production capacity was expanded 11% with new production lines in Texas and Illinois and an upgrade to the plant in Pennsylvania. Work commenced on a new painting line at the plant in Illinois.

### Asia Pacific

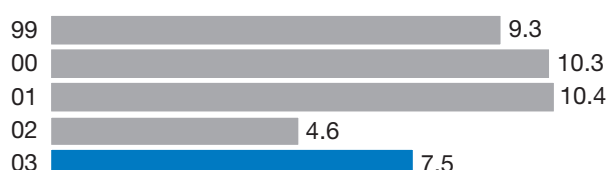
- Sales increased 24% to US\$194.4 million.
- Volumes increased 15% and average price declined 2%.
- EBIT increased 34% to US\$30.1 million.
- EBIT/Sales margin increased 1.2 percentage points to 15.5%.
- In Australia, we launched two new internal lining products, HardiRock™ Lining and Ezi-Grid™ Tilebacker, securing additional market share.

TODAY THE COMPANY IS FINANCIALLY STRONG AND WELL-POSITIONED FOR FURTHER

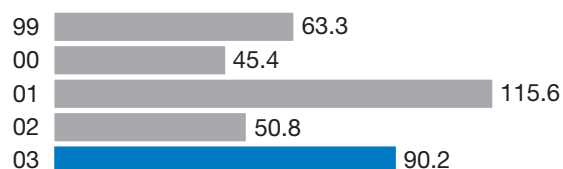
Diluted Earnings Per Share (US cents)



Dividends Paid Per Share (US cents)



Capital Expenditure (Millions of US dollars)



Capital Returns Paid Per Share (US cents)



- Sales of Linea® Weatherboards grew strongly in New Zealand, at double the rate originally projected.
- The first plank product, the HardiPlank™ Select Cedarmill Weatherboard, was launched in the Philippines.
- The Philippines business achieved its maiden full-year operating profit.
- We completed construction of a new US\$12.5 million pilot roofing plant in California to trial our new, proprietary roofing production technology and a new highly durable roofing product.
- We commenced sales of trim, backer and siding products in the UK and France in the first steps of a planned expansion into Europe.

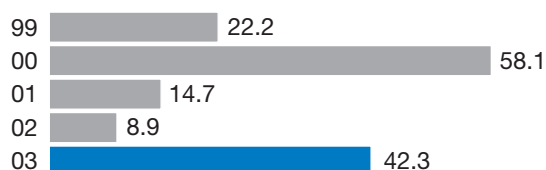
### Other Businesses

- In Chile, sales more than doubled and we achieved a 23% share of the flat sheet market.
- The Hardie® Pipe business in the USA more than doubled sales and achieved significant improvements in production efficiency and throughput.

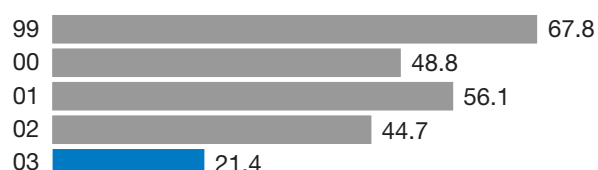
\* Before restructuring and other operating income (expenses)

## GROWTH

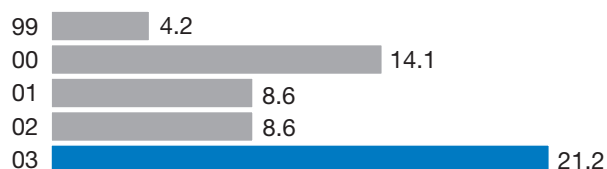
### Return on Shareholders Funds (%)



### Gearing (%)



### Return on Capital Employed (%)



### Net Interest Cover (times)

