

## Important note regarding terminology used in this Annual Report

In this Annual Report, we present financial measures that we believe are customarily used by our Australian investors. In each case where we present one of these measures, the equivalent US GAAP financial measure is defined in the Definitions section of this Annual Report on page 58. Specifically, these measures include “EBIT”, “EBIT Margin”, “Operating profit from continuing operations before income taxes”, “Operating profit from continuing operations”, and “Net operating profit including discontinued operations”. The Definitions section also includes other terms that we use for measuring our sales volumes (“million square feet (mmsf)” and “thousand square feet (msf)”; financial ratios (“Net Debt Payback”, “Net Debt” and “Gearing Ratio”); and the definitions for Non-US GAAP financial measures (“EBIT and EBIT Margin before SCI and other related expenses”, “Operating profit from continuing operations excluding SCI and other related expenses”, and “Adjusted EBITDA”). All results presented herein are from continuing operations, unless otherwise stated.

## About James Hardie

James Hardie Industries NV (James Hardie, or JHI NV) is a leading international building materials group that produces a wide range of fibre cement building products used in the exterior and interior of buildings, from exterior cladding and internal lining, to fencing, bracing and decorative finishes.

Our operations span the United States, Australia, New Zealand, the Philippines and Chile. We are also establishing a presence in Europe. We employ over 3,000 people who generate revenue of more than US\$1.2 billion a year.

In every country in which we operate, our goal is to capitalise on our extensive research and development programs, our unique manufacturing technology and our differentiated products to create wealth for our shareholders, value for our customers and rewarding careers for our employees.

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**23%**  
increase in total  
net sales from  
US\$981.9 million to  
US\$1,210.4 million



James Hardie remains committed to growing its leadership position in fibre cement.

This year's Annual Report describes our efforts to achieve this goal, leveraging off our superior product and process technology, differentiated fibre cement products, and dedicated employees.

We believe we are the best in the world at making fibre cement. Compared to our competitors, we can build production capacity more quickly and at lower cost, and we can achieve higher throughputs at higher levels of quality, and at lower cost. We can maintain this advantage through operating discipline, and continued investment in process technology and product development.

We expect to continue to grow the company organically through further market penetration and product innovation.

Recognising the vital role our employees play in our success, we continue to focus on creating a safer workplace and a more rewarding work environment, and on developing our most talented people to enable them to contribute to our future.

Our goal is to make a productive contribution to the communities in which we operate, in a way that reflects the highest possible standards of corporate governance.



**14%**  
increase in EBIT,  
from US\$172.2 million  
to US\$196.2 million

