

Consolidated Statements of Income

James Hardie Industries NV and Subsidiaries

(US\$)

(Millions of US dollars, except per share data)	Notes	Years Ended 31 March		
		2005	2004	2003
Net sales	18	\$ 1,210.4	\$ 981.9	\$ 783.6
Cost of goods sold		(784.0)	(623.0)	(492.8)
Gross profit		426.4	358.9	290.8
Selling, general and administrative expenses		(174.5)	(162.0)	(144.9)
Research and development expenses		(21.6)	(22.6)	(18.1)
SCI and other related expenses	13	(28.1)	–	–
Other operating (expense) income	8	(6.0)	(2.1)	1.0
Operating income		196.2	172.2	128.8
Interest expense		(7.3)	(11.2)	(23.8)
Interest income		2.2	1.2	3.9
Other (expense) income		(1.3)	3.5	0.7
Income from continuing operations before income taxes	18	189.8	165.7	109.6
Income tax expense		(61.9)	(40.4)	(26.1)
Income from continuing operations		127.9	125.3	83.5
Discontinued operations:				
(Loss) income from discontinued operations, net of income tax benefit (expense) of \$0.2 million, (\$0.1) million and (\$1.6) million for 2005, 2004 and 2003, respectively	15	(0.3)	0.2	3.0
(Loss) gain on disposal of discontinued operations, net of income tax benefit (expense) of nil, \$4.8 million and (\$45.3) million for 2005, 2004 and 2003, respectively	15	(0.7)	4.1	84.0
(Loss) income from discontinued operations		(1.0)	4.3	87.0
Net income		\$ 126.9	\$ 129.6	\$ 170.5
Income per share – basic:				
Income from continuing operations		\$ 0.28	\$ 0.27	\$ 0.18
Income from discontinued operations		–	0.01	0.19
Net income per share – basic		\$ 0.28	\$ 0.28	\$ 0.37
Income per share – diluted:				
Income from continuing operations		\$ 0.28	\$ 0.27	\$ 0.18
Income from discontinued operations		–	0.01	0.19
Net income per share – diluted		\$ 0.28	\$ 0.28	\$ 0.37
Weighted average common shares outstanding (Millions):				
Basic	2	458.9	458.1	456.7
Diluted	2	461.0	461.4	459.4

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Income

James Hardie Industries NV and Subsidiaries

(A\$ Unaudited)

(Millions of Australian dollars, except per share data)	Years Ended 31 March		
	2005	2004	2003
Net sales	A\$ 1,636.3	A\$ 1,415.8	A\$ 1,395.5
Cost of goods sold	(1,059.9)	(898.3)	(877.6)
Gross profit	576.4	517.5	517.9
Selling, general and administrative expenses	(235.9)	(233.6)	(258.1)
Research and development expenses	(29.2)	(32.6)	(32.2)
SCI and other related expenses	(38.0)	–	–
Other operating (expense) income	(8.1)	(3.0)	1.8
Operating income	265.2	248.3	229.4
Interest expense	(9.9)	(16.1)	(42.4)
Interest income	3.0	1.7	6.9
Other (expense) income	(1.8)	5.0	1.2
Income from continuing operations before income taxes	256.5	238.9	195.1
Income tax expense	(83.7)	(58.3)	(46.5)
Income from continuing operations	172.8	180.6	148.6
Discontinued operations:			
(Loss) income from discontinued operations, net of income tax benefit (expense) of A\$0.3 million, (A\$0.1) million and (A\$2.8) million for 2005, 2004 and 2003, respectively	(0.4)	0.3	5.4
(Loss) gain on disposal of discontinued operations, net of income tax benefit (expense) of nil, A\$6.9 million and (A\$80.7) million for 2005, 2004 and 2003, respectively	(0.9)	5.9	149.6
(Loss) income from discontinued operations	(1.3)	6.2	155.0
Net income	A\$ 171.5	A\$ 186.8	A\$ 303.6
Income per share – basic:			
Income from continuing operations	A\$ 0.38	A\$ 0.40	A\$ 0.32
Income from discontinued operations	–	0.01	0.34
Net income per share – basic	A\$ 0.38	A\$ 0.41	A\$ 0.66
Income per share – diluted:			
Income from continuing operations	A\$ 0.37	A\$ 0.39	A\$ 0.32
Income from discontinued operations	–	0.01	0.34
Net income per share – diluted	A\$ 0.37	A\$ 0.40	A\$ 0.66
Weighted average common shares outstanding (Millions):			
Basic	458.9	458.1	456.7
Diluted	461.0	461.4	459.4

The accompanying notes are an integral part of these consolidated financial statements.