

# Highlights



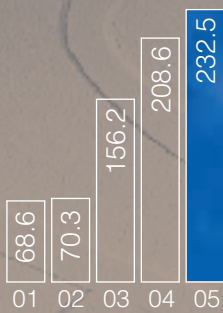
Continued Net Sales and EBIT growth



(Millions of US dollars)	2005	2004	% Change
Net Sales			
USA Fibre Cement	\$ 939.2	\$ 738.6	27
Asia Pacific Fibre Cement	236.1	219.8	7
Other Fibre Cement	35.1	23.5	49
Total Net Sales	\$1,210.4	\$ 981.9	23
Net Sales	\$1,210.4	\$ 981.9	23
Cost of goods sold	(784.0)	(623.0)	26
Gross profit	426.4	358.9	19
Selling, general and administrative expenses	(174.5)	(162.0)	8
Research and development expenses	(21.6)	(22.6)	(4)
Special Commission of Inquiry and other related expenses	(28.1)	–	–
Other operating expenses	(6.0)	(2.1)	–
EBIT	196.2	172.2	14
Net interest expense	(5.1)	(10.0)	(49)
Other (expense) income	(1.3)	3.5	–
Operating profit from continuing operations before income taxes	189.8	165.7	15
Income tax expense	(61.9)	(40.4)	53
Operating Profit From Continuing Operations	\$ 127.9	\$ 125.3	2
Net Operating Profit Including Discontinued Operations	\$ 126.9	\$ 129.6	(2)
Effective tax rate from continuing operations	32.6%	24.4%	
Volume (mmsf)			
USA Fibre Cement	1,855.1	1,519.9	22
Asia Pacific Fibre Cement*	376.9	362.1	4
Average net sales price per unit (per msf)			
USA Fibre Cement	US\$ 506	US\$ 486	4
Asia Pacific Fibre Cement*	A\$ 846	A\$ 862	(2)

\*See Endnotes on page 58

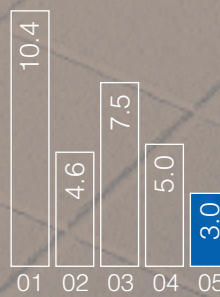
- Total net sales increased 23%, from US\$981.9 million to US\$1,210.4 million.
- Gross profit increased 19% from US\$358.9 million to US\$426.4 million due to improvements in all our major businesses.
- Gross profit margin decreased 1.4 percentage points to 35.2%.
- EBIT increased 14% from US\$172.2 million to US\$196.2 million.
- The EBIT margin decreased 1.3 percentage points to 16.2%.
- Operating profit from continuing operations increased from US\$125.3 million to US\$127.9 million. Operating profit from continuing operations includes SCI and other related expenses of US\$28.1 million and a related tax benefit of US\$5.8 million. Operating profit from continuing operations excluding SCI and other related expenses increased 20% to US\$150.2 million.
- Net operating profit including discontinued operations was down slightly from US\$129.6 million to US\$126.9 million.
- As a percentage of sales, Selling, general and administrative expenses were 2.1 percentage points lower, at 14.4%.
- Diluted earnings per share from continuing operations increased from US 27.2 cents to US 27.7 cents for the full year.



**Adjusted EBITDA**  
(Millions of US dollars)



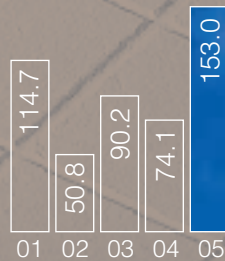
**Diluted Earnings Per Share**  
(US cents)



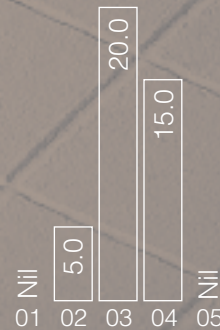
**Dividends Paid Per Share**  
(US cents)



**Return on Shareholders Funds**  
(%)



**Capital Expenditure¹**  
(Millions of US dollars)



**Capital Returns Paid Per Share**  
(US cents)



**Return on Capital Employed**  
(%)

## Highlights



**27%**  
increase in net sales  
for USA Fibre Cement  
from US\$738.6 million  
to US\$939.2 million



### USA Fibre Cement

- Net sales increased 27% from US\$738.6 million to US\$939.2 million.
- Sales volume increased 22% from 1,519.9 million square feet to 1,855.1 million square feet.
- Gross profit increased 19% and gross profit margin decreased 2.6 percentage points.
- EBIT increased 24% from US\$195.6 million to US\$241.5 million.
- EBIT margin decreased 0.8 of a percentage point to 25.7%.
- Average net selling price increased 4%, from US\$486 per thousand square feet to US\$506 per thousand square feet.
- West coast manufacturing capacity increased following the addition of our new fibre cement plant in Reno, Nevada. The plant is now producing product and the ramp-up is progressing well. We are in pre-production with our new 160 million square foot trim line in Peru, Illinois, and began construction of our 10th plant, our largest planned to date, in Pulaski, Virginia.

*For more information about USA Fibre Cement, see pages 20 – 23.*

### Asia Pacific Fibre Cement

- Net sales increased 7% from US\$219.8 million to US\$236.1 million.
- Sales volume increased 4% from 362.1 million square feet to 376.9 million square feet.
- Gross profit increased 11% and gross profit margin increased 1.2 percentage points.
- EBIT increased 25% from US\$37.6 million to US\$46.8 million.
- EBIT margin increased 2.7 percentage points to 19.8%.

- Net sales in Australia and New Zealand increased 8% from US\$195.5 million to US\$210.1 million due to higher average net sales price and favourable foreign currency movements.
- Net sales increased 1% in Australian dollars.
- In the Philippines, net sales increased 25% from US\$20.8 million to US\$26.0 million, due to a 20% increase in sales volume and a 5% increase in the average net sales price. In local currency, net sales increased 27%.

*For more information about Asia Pacific Fibre Cement, see pages 24 – 25.*

### Other Fibre Cement

- Net sales increased 49% from US\$23.5 million to US\$35.1 million.
- In Chile, we increased sales of higher-priced, differentiated products and recorded a small positive EBIT in each quarter.
- Our USA Hardie Pipe business recorded strongly increased net sales due to increased sales volumes and higher prices.
- Our Europe Fibre Cement business continued to build awareness of our products and grow primary demand.
- Our Artisan™ Roofing product, made from a new lightweight concrete roofing technology, has been launched in all our targeted markets in California and the business continues to prove its business model.

*For more information about our Other Fibre Cement businesses, see pages 26 – 27.*

<sup>1</sup> Capital expenditure includes both cash and credit purchases and therefore differs from the consolidated statements of cash flows. See Note 18 to consolidated financial statements on page 129.

