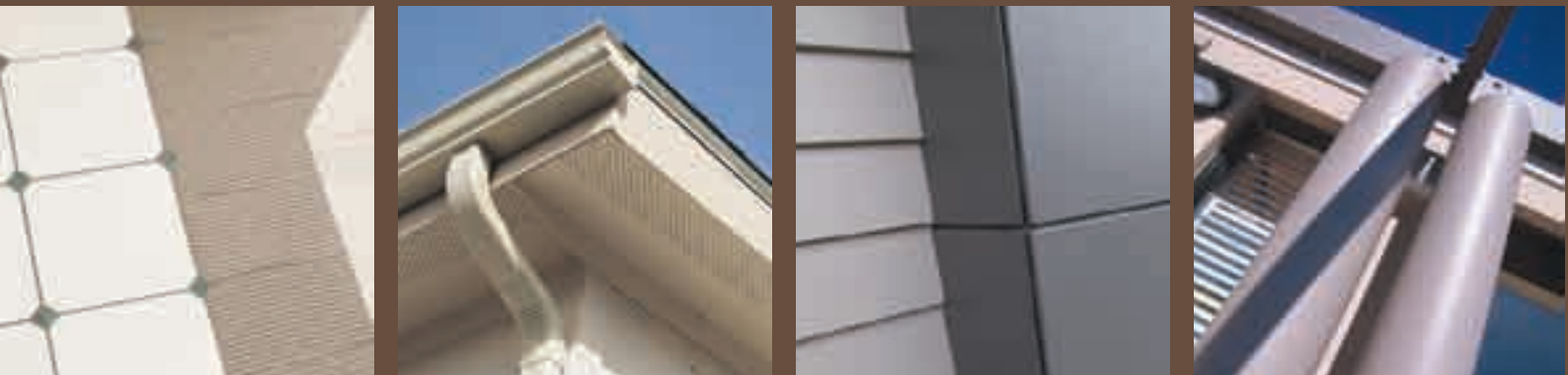




EXTERIOR

INTERIOR

## Differentiated Products



Product leadership, in the form of differentiated products, sets James Hardie apart from our competition and allows us to continue to penetrate markets, sustain a price premium over competing products and reduce the impact of price competition.

Our objective is to develop lightweight and durable products that can perform in all climates and for all parts of a building, including external walls, trims, soffits, roofs, internal walls, floors and ceilings.

In the late 1970s and early 1980s, we pioneered the development of cellulose fibre reinforced cement technology. Since then, we have found many new and innovative ways for fibre cement to replace traditional materials, which has expanded the market for fibre cement products and our share of the market.

Our products offer a range of advantages – from appearance to durability – over traditional building materials. They are easy to cut, nail and paint, require minimal maintenance, and can be used to create a variety of shapes and profiles, and different textured and coloured finishes.

This makes James Hardie® products ideal for a wide range of residential and commercial applications, including:

- external wall cladding, in the form of planks, panels, shingles, facades and substrates;
- lining for eaves, soffits and breezeways;
- wall or floor substrate for ceramic tiles in wet areas such as kitchens, bathrooms and laundries;
- ceiling lining or floor underlay;
- roofing shakes;
- external and internal wall systems, including bracing and fire and acoustically-rated walls;
- decorative and structural columns;
- trim, fascia and other decorative applications;
- fencing; and
- underground drainage pipes.

Our continued growth depends on our ability to provide products that an increasing number of customers prefer to alternatives such as masonry, concrete, wood, wood composites and vinyl. Successes to date include:

- our thicker, lighter Harditrim® exterior trim board with XLD® Technology, which won a 2004 American Building Product Award from HOME Magazine;
  - the new shorter, lighter and smoother HardiSenepa® fascia board launched in the Philippines in 2004, offering the market easier installation and finishing;
  - the ColorPlus™ Collection of pre-painted siding and trim, recognised with a 2002 American Building Product Award from HOME Magazine;
  - the thicker and lighter Linea® weatherboard which was launched in New Zealand in 2002 and which continues to exceed sales targets;
  - the thinner, lighter HardiFlex® lite ceiling sheet developed for the Philippines as a substitute for plywood. This product was named Top Building Board Brand of the Year at the Philippines Consumers Awards in December 2002;
  - more dimensionally precise fibre cement sheets used to create the ExoTec™ Facade System for Australia's commercial construction industry;
  - the new production technology and product formulation that is being used in the manufacture of our new lightweight concrete roofing shake for the US market.
- We are constantly working to increase our product performance and lower the density of our fibre cement, in order to achieve the optimum balance between durability and ease of use. To that end, our product development will continue to focus on:
- formulation, to create products that offer performance benefits;
  - design, to give our customers a choice of shapes and textures;
  - finish, from sealer to primer and topcoats;
  - installation, through systems, components and tools; and
  - durability.

**EXTERIOR**

- 1 TRIM
- 2 EAVES AND SOFFITS
- 3 ROOFING
- 4 EXTERNAL CLADDING
- 5 FASCIA
- 6 DECORATIVE AND STRUCTURAL COLUMNS
- 7 DECK UNDERLAY
- 8 PIPES

**INTERIOR**

- 9 CEILING LINING
- 10 INTERNAL WALLS
- 11 WET AREA LINING
- 12 FLOOR UNDERLAY

