

USA Fibre Cement

Results

- 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.
- Average net sales price increased 4% from US\$486 per thousand square feet to US\$506 per thousand square feet.
- Gross profit increased 19% and the 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%.

Highlights

- We gained further market share in our emerging geographic markets as our exterior products continued to penetrate against alternative materials, primarily wood-based and vinyl siding.
- We recorded continued growth in sales of our higher-priced differentiated products such as vented soffits, Heritage® panels, the ColorPlus™ Collection of pre-painted siding and Harditrim® XLD® planks.
- We made further market share gains in the interior products market with sales of Hardibacker 500® half-inch backerboard up strongly on the previous year.

- We increased our west coast manufacturing capacity with the addition of our new fibre cement plant in Reno, Nevada.
- We are in pre-production with our new 160 million square foot trim line in Peru, Illinois; commercial sales are expected to start in the first quarter of fiscal year 2006.
- We began construction of our tenth fibre cement plant, our largest planned to date, in Pulaski, Virginia.

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

Australia and New Zealand Fibre Cement

Results

- Net sales increased 8% from US\$195.5 million to US\$210.1 million, due to a higher average net sales price and favourable foreign currency movements.
- The average net selling price increased 1% in Australian dollars.
- Gross profit increased 8% due to manufacturing and efficiency gains in Australia and New Zealand.
- EBIT increased 20% from US\$35.4 million to US\$42.4 million primarily due to cost savings and the impact of a cost provision recorded in the prior year that did not recur in the current year. In Australian dollars, EBIT increased 12%.
- The EBIT margin increased 2.1 percentage points to 20.2%.

Highlights

- In Australia, we launched Eclipsa™ Eaves Lining, a new pre-painted eaves product.
- In New Zealand, we continued to grow sales of our Linea® Weatherboards.

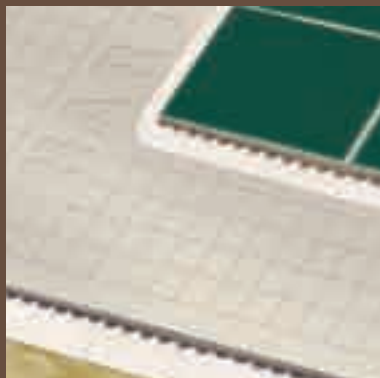
For more information about Australia and New Zealand Fibre Cement, see pages 24 – 25

Summary of Operations

Hardiplank® Siding



Hardibacker® Backerboard



Linea® Weatherboards



Philippines Fibre Cement¹

Results

- Net sales increased 25% from US\$20.8 million to US\$26.0 million. In local currency, net sales increased 27%.
- Sales volume increased 20% compared to the prior year.
- The average net sales price increased 5%.
- The business more than doubled its positive EBIT performance, due to increased net sales.
- Gross profit increased 53%.

Highlights

- We generated significantly stronger demand for our products through increased market penetration in the Philippines.
- We increased regional exports.

For more information about Philippines Fibre Cement, see pages 24 – 25

Chile Fibre Cement

Highlights

- Net sales increased compared to the previous year due to growth in sales volume and a higher average net sales price.
- Our Chilean business continued to increase its penetration of the domestic flat sheet market.
- We increased sales of higher-priced, differentiated products.
- We built regional exports.

For more information about Chile Fibre Cement, see pages 26 – 27

USA Hardie Pipe

Results

- Net sales for the year increased strongly due to increased sales volumes and higher prices.
- Average net sales price improved strongly during the year.

Highlights

- We continued to penetrate the Florida market and gain market share.
- We improved our market focus.
- We improved our manufacturing efficiency.

For more information about USA Hardie Pipe, see pages 26 – 27

Artisan™ Roofing

Highlights

- Our Artisan™ Roofing business continues to prove its business model.
- We remain focussed on market testing, refining the manufacturing operation and improving productivity.

For more information about our Artisan™ Roofing operation, see pages 26 – 27

Europe Fibre Cement

Highlights

- We continued to build sales steadily.
- Our progress on creating primary demand in Europe for our fibre cement siding products, and on converting tile applications from drywall and wood to fibre cement products, remains in line with management expectations.

For more information about our Europe Fibre Cement business, see pages 26 – 27

¹ See **Endnotes** on page 58

HardiFlex® lite



Hardie® Pipe



Artisan™ Roofing

