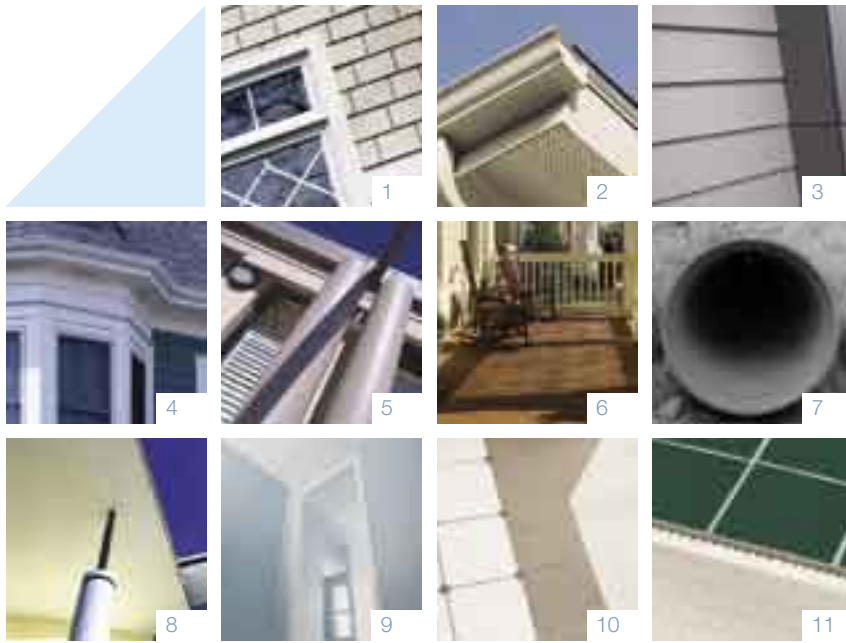


# Differentiated Products



Exterior

Interior

- |                                     |                    |
|-------------------------------------|--------------------|
| 1 Trim                              | 8 Ceiling Lining   |
| 2 Eaves and Soffits                 | 9 Internal Walls   |
| 3 External Cladding                 | 10 Floor Underlay  |
| 4 Fascia                            | 11 Wet Area Lining |
| 5 Decorative and Structural Columns |                    |
| 6 Deck Underlay                     |                    |
| 7 Pipes                             |                    |

## Differentiated Products

Our differentiated, segment-specific products set James Hardie apart from our competition and allow us to continue to gain market share, sustain a price premium over competing products and reduce the impact of price competition.

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. This has expanded the market for fibre cement products, and our share of that market.

Our products offer a range of advantages – from appearance to durability – over traditional building materials. They are easy to cut, fix and paint, require relatively little maintenance, and can be used to create a variety of architectural effects with 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 lining or floor substrate for ceramic tiles in wet areas such as kitchens, bathrooms and laundries;
- ceiling lining or floor underlay;
- 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 choose instead of 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 an American Building Product Award from HOME Magazine;
- the new shorter, lighter and smoother HardiSenepa® fascia board launched

in the Philippines in 2004 to offer the market easier installation and finishing;

- the ColorPlus® Collection of pre-painted siding and trim, recognised with an American Building Product Award from HOME Magazine;
- the thicker and lighter Linea® weatherboard which was launched in New Zealand in 2002 and in Australia in 2005 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; and
- the improved performance of the AquaTec™ wet area lining sheets introduced into Australia in 2005.

We are constantly working to improve our product performance and lower the density of our fibre cement, 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.