

CONSOLIDATED BALANCE SHEETS

James Hardie Industries NV and Subsidiaries

ASSETS	Notes	(Millions of US dollars)		(Millions of Australian dollars)	
		31 March		31 March	
		2007	2006	2007	2006
				(Unaudited)	(Unaudited)
Current assets:					
Cash and cash equivalents	3	\$ 34.1	\$ 315.1	A\$ 42.3	A\$ 440.4
Restricted cash and cash equivalents	4	151.9	–	188.3	–
Accounts and notes receivable, net of allowance for doubtful accounts of \$1.5 million (A\$1.9 million) and \$1.3 million (A\$1.8 million) as of 31 March 2007 and 31 March 2006, respectively	5	163.4	153.2	202.5	214.1
Inventories	6	147.6	124.0	183.0	173.3
Prepaid expenses and other current assets		32.4	33.8	40.2	47.2
Insurance receivable – Asbestos	12	9.4	–	11.7	–
Workers' compensation – Asbestos	12	2.7	–	3.3	–
Deferred income taxes	13	27.3	30.7	33.8	42.9
Deferred income taxes – Asbestos	12	7.8	–	9.7	–
Total current assets		576.6	656.8	714.8	917.9
Property, plant and equipment, net	7	827.7	775.6	1,025.9	1,083.9
Insurance receivable – Asbestos	12	165.1	–	204.6	–
Workers' compensation – Asbestos	12	76.5	–	94.8	–
Deferred income taxes	13	6.9	4.8	8.6	6.7
Deferred income taxes – Asbestos	12	318.2	–	394.4	–
Deposit with Australian Taxation Office	14	154.8	–	191.9	–
Other assets		2.3	8.2	2.9	11.5
Total assets		\$ 2,128.1	\$ 1,445.4	A\$ 2,637.9	A\$ 2,020.0
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Accounts payable and accrued liabilities	8	\$ 100.8	\$ 117.8	A\$ 124.9	A\$ 164.6
Short-term debt	9	83.0	181.0	102.9	252.9
Current portion of long-term debt	9	–	121.7	–	170.1
Accrued payroll and employee benefits		42.0	46.3	52.1	64.7
Accrued product warranties	11	5.7	11.4	7.1	15.9
Income taxes payable	13	10.6	24.5	13.1	34.2
Asbestos liability	12	63.5	–	78.7	–
Workers' compensation – Asbestos	12	2.7	–	3.3	–
Other liabilities		9.3	3.3	11.5	4.6
Total current liabilities		317.6	506.0	393.6	707.0
Long-term debt	9	105.0	–	130.1	–
Deferred income taxes	13	93.8	79.8	116.3	111.5
Accrued product warranties	11	9.5	4.1	11.8	5.7
Asbestos liability	12	1,225.8	715.6	1,519.4	1,000.0
Workers' compensation – Asbestos	12	76.5	–	94.8	–
Other liabilities	10	41.2	45.0	51.1	62.9
Total liabilities		1,869.4	1,350.5	A\$ 2,317.1	A\$ 1,887.1
Commitments and contingencies (Note 12)					
Shareholders' equity:					
Common stock, Euro 0.59 par value, 2.0 billion shares authorised; 467,295,391 shares issued and outstanding at 31 March 2007 and 463,306,511 shares issued and outstanding at 31 March 2006	15	251.8	253.2		
Additional paid-in capital	15	180.2	158.4		
Accumulated deficit		(178.7)	(288.3)		
Accumulated other comprehensive income (loss)	19	5.4	(28.4)		
Total shareholders' equity		258.7	94.9		
Total liabilities and shareholders' equity		\$ 2,128.1	\$ 1,445.4		

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