

# CONSOLIDATED STATEMENTS OF OPERATIONS

James Hardie Industries NV and Subsidiaries

(US\$)

(Millions of US dollars, except per share data)	Notes	Years Ended 31 March		
		2007	2006	2005
Net sales	18	\$ 1,542.9	\$ 1,488.5	\$ 1,210.4
Cost of goods sold		(969.9)	(937.7)	(784.0)
Gross profit		573.0	550.8	426.4
Selling, general and administrative expenses		(214.6)	(209.8)	(174.5)
Research and development expenses		(25.9)	(28.7)	(21.6)
SCI and other related expenses	12	(13.6)	(17.4)	(28.1)
Impairment of roofing plant		-	(13.4)	-
Asbestos adjustments	12	(405.5)	(715.6)	-
Other operating expense		-	(0.8)	(6.0)
Operating (loss) income		(86.6)	(434.9)	196.2
Interest expense		(12.0)	(7.2)	(7.3)
Interest income		5.5	7.0	2.2
Other expense		-	-	(1.3)
(Loss) income from continuing operations before income taxes	18	(93.1)	(435.1)	189.8
Income tax benefit (expense)	13	243.9	(71.6)	(61.9)
Income (loss) from continuing operations		150.8	(506.7)	127.9
Discontinued operations:				
Loss from discontinued operations, net of income tax benefit of nil, nil and \$0.2 million, respectively	15	-	-	(0.3)
Loss on disposal of discontinued operations		-	-	(0.7)
Loss from discontinued operations		-	-	(1.0)
Income (loss) before cumulative effect of change in accounting principle		150.8	(506.7)	126.9
Cumulative effect of change in accounting principle for stock-based compensation, net of income tax expense of \$0.4 million, nil and nil, respectively		0.9	-	-
Net income (loss)		\$ 151.7	\$ (506.7)	\$ 126.9
Net income (loss) per share – basic		\$ 0.33	\$ (1.10)	\$ 0.28
Net income (loss) per share – diluted		\$ 0.33	\$ (1.10)	\$ 0.28
Weighted average common shares outstanding (Millions):				
Basic	2	464.6	461.7	458.9
Diluted	2	466.4	461.7	461.0

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

# CONSOLIDATED STATEMENTS OF OPERATIONS

James Hardie Industries NV and Subsidiaries

(A\$ Unaudited)

(Millions of Australian dollars, except per share data)	Years Ended 31 March		
	2007	2006	2005
Net sales	A\$ 2,016.0	A\$ 1,977.5	A\$ 1,636.3
Cost of goods sold	(1,267.3)	(1,245.7)	(1,059.9)
Gross profit	748.7	731.8	576.4
Selling, general and administrative expenses	(280.4)	(278.7)	(235.9)
Research and development expenses	(33.8)	(38.1)	(29.2)
SCI and other related expenses	(17.8)	(23.1)	(38.0)
Impairment of roofing plant	–	(17.8)	–
Asbestos adjustments	(529.8)	(1,000.0)	–
Other operating expense	–	(1.1)	(8.1)
Operating (loss) income	(113.1)	(627.0)	265.2
Interest expense	(15.7)	(9.6)	(9.9)
Interest income	7.2	9.3	3.0
Other expense	–	–	(1.8)
(Loss) income from continuing operations before income taxes	(121.6)	(627.3)	256.5
Income tax benefit (expense)	318.7	(95.1)	(83.7)
Income (loss) from continuing operations	197.1	(722.4)	172.8
Discontinued operations:			
Loss from discontinued operations, net of income tax benefit of nil, nil and A\$0.3 million, respectively	–	–	(0.4)
Loss on disposal of discontinued operations	–	–	(0.9)
Loss from discontinued operations	–	–	(1.3)
Income (loss) before cumulative effect of change in accounting principle	197.1	(722.4)	171.5
Cumulative effect of change in accounting principle for stock-based compensation, net of income tax expense of A\$0.5 million, nil and nil, respectively	1.2	–	–
Net income (loss)	A\$ 198.3	A\$ (722.4)	A\$ 171.5
Net income (loss) per share – basic	A\$ 0.43	A\$ (1.56)	A\$ 0.38
Net income (loss) per share – diluted	A\$ 0.43	A\$ (1.56)	A\$ 0.37
Weighted average common shares outstanding (Millions):			
Basic	464.6	461.7	458.9
Diluted	466.4	461.7	461.0

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