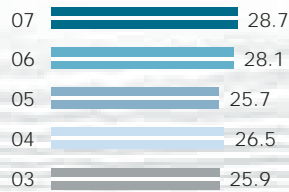
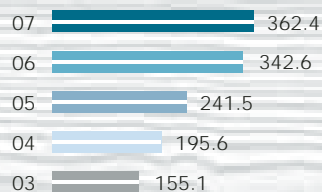


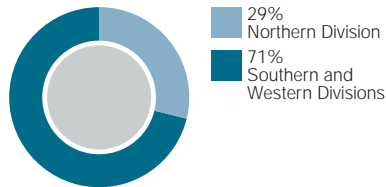
USA Fibre Cement Average Net Sales Price (US dollars/msf)



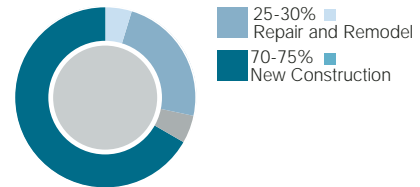
USA Fibre Cement EBIT Margin (%)



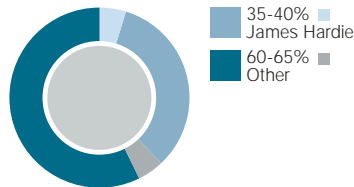
USA Fibre Cement EBIT (Millions of US dollars)



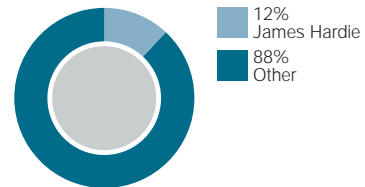
James Hardie Exterior Product Regional Sales Mix



James Hardie Sales Mix



USA Interior Cement Board Market



USA Exterior Siding Market¹

USA FIBRE CEMENT

	2007	2006	2005	2004	2003
Net sales US\$m	1,262.3	1,218.4	939.2	738.6	599.7
EBIT US\$m	362.4	342.6	241.5	195.6	155.1
Total identifiable assets US\$m	893.0	826.0	670.1	554.9	492.2
Volumes (mmsf)	2,148.0	2,182.8	1,855.1	1,519.9	1,273.6
Average net sales price (per msf) US\$	588	558	506	486	471
EBIT Margin %	28.7	28.1	25.7	26.5	25.9
Number of employees	1,868	2,174	1,820	1,722	1,500

Our business

Based on our net sales, we believe we are the largest manufacturer of fibre cement products and systems for internal and external building construction applications in the United States.

Our fibre cement products are principally used in the residential building industry, including in new residential construction (single and multi-family housing), in manufactured housing (mobile and pre-fabricated homes) and in the repair and remodelling of homes.

When we started our siding business in the US over a decade ago, we targeted states where the superior durability of our products offered considerable performance advantages over traditional wood and engineered-wood siding products. These states

now form our Southern and Western Divisions. In the last six years, we have increased our marketing efforts in areas where vinyl is the dominant siding material, because we believe these areas offer us significant growth opportunities. These areas make up our Northern Division.

We have ten manufacturing plants in the United States: two in Texas and one each in California, Florida, Washington, Illinois, Pennsylvania, South Carolina, Nevada and Virginia. We also have a Research and Development Centre at our California plant.

Market position and opportunity

Exterior products

- Based on our knowledge, experience and third-party data regarding our industry, we estimate that, in fiscal

year 2007, we sold approximately 12%¹ of the estimated total 11.5 billion¹ square foot US exterior siding market (all types of siding; excludes fascia, trim and soffit).

- We initially took market share from wood-based siding products, and continue to do so; more recently, we have taken market share from vinyl, which offers us a significant growth opportunity.
- We achieved a compound annual growth rate of 23% in exterior product net sales for the five fiscal years 2002-2007.
- Our early focus on producing planks for new construction has been expanded to an exterior products portfolio that contains a full-wrap exterior bundle (siding, trim and soffits).
- The repair and remodelling segment accounts for around 25-30% of our

USA FIBRE CEMENT

¹ Actual siding usage reports from NAHB for calendar year 2006 will not be available until August and November 2007.



sales mix and we have identified significant opportunity for growth here, and in the manufactured housing segment.

- Our Northern Division accounts for approximately 29% of our exterior product sales. We are targeting growth in this Division through increased consumer awareness; field sales representatives; partner programs with builders; and sales of value-added, differentiated products.
- In our Southern and Western Divisions we are targeting growth opportunities in rural markets and in the repair and remodelling segment, as well as targeting increased sales of value-added, differentiated products.

Interior products

- Based on our knowledge, experience and third-party data, we estimate that we have 35-45% of the US interior cement board market.
- Our net sales in this segment have achieved a compound annual growth rate of 23% for the fiscal years 2002-2007.

- We have a technology advantage for floor applications, and hold a leading position in the ¼" backer market.
- HardieBacker™ ½" backerboard continues to drive our market penetration for wall applications.

Our strategy

Our strategy in the United States is to:

- aggressively grow demand for our products in targeted market segments;
- grow our overall market position while defending our share in existing market segments; and
- offer products with superior value to that of our competitors, introducing differentiated products to increase margins.

Steps taken towards achieving our strategy

During the year:

- we re-set the business to address the weaker market conditions and we remain well-positioned to “flex-up” in response to higher-than-anticipated demand;

- we moved from our previous Established Markets / Emerging Markets structure to one with three operating divisions, Northern, Southern and Western. We expect the change in structure should improve market development and implementation, project and program management and plant capacity use, and establish a more collaborative environment within our US business units;
- we launched the ColorPlus® collection of products into both the Southern and Western Divisions, now that all our ColorPlus® product lines are complete and operational, including those in our plants in Reno, Nevada, and Pulaski, Virginia; and
- we launched new James Hardie brand guidelines with a consistent look and feel across the product portfolio, including a brand promise, A Better Way to Build, to connect with our customers.

Note: All market and market share figures are management estimates and cannot be precisely measured.