James Hardie

MANAGEMENT'S ANALYSIS OF RESULTS

22 May 2008

James Hardie Industries N.V.

Results for the 4th Quarter and Full Year Ended 31 March 2008

	Three Months and Full Year Ended 31 March					
US$ Millions	Q4 FY08	Q4 FY07	% Change	FY08	FY07	% Change
Net Sales						
USA Fibre Cement	$ 232.5	$ 289.9	(20)	$1,144.8	$1,262.3	(9)
Asia Pacific Fibre Cement	73.5	64.3	14	298.3	251.7	19
Other	6.9	6.7	3	25.7	28.9	(11)
Total Net Sales	$ 312.9	$ 360.9	(13)	$1,468.8	$1,542.9	(5)
Cost of goods sold	(205.7)	(227.1)	9	(938.8)	(969.9)	3
Gross profit	107.2	133.8	(20)	530.0	573.0	(8)
Selling, general and administrative expenses	(60.3)	(52.3)	(15)	(228.2)	(214.6)	(6)
Research & development expenses	(7.5)	(5.6)	(34)	(27.3)	(25.9)	(5)
Impairment charges	(38.6)	-	-	(71.0)	-	-
SCI and other related expenses	-	(5.4)	-	-	(13.6)	-
Asbestos adjustments	(182.3)	(286.3)	36	(240.1)	(405.5)	41
EBIT	(181.5)	(215.8)	16	(36.6)	(86.6)	58
Net interest (expense) income	(2.2)	(4.2)	48	1.1	(6.5)	-
Operating loss before income taxes	(183.7)	(220.0)	17	(35.5)	(93.1)	62
Income tax benefit (expense)	36.8	323.1	(89)	(36.1)	243.9	-
Operating (loss) profit before cumulative effect of change in accounting principle	(146.9)	103.1	-	(71.6)	150.8	-
Cumulative effect of change in accounting principle for stock-based compensation, net of income tax expense of nil and US$0.4 million, respectively	-	-	-	-	0.9	-
Net operating (loss) profit	$ (146.9)	$ 103.1	-	$ (71.6)	$ 151.7	-
(Loss) earnings per share - diluted (US cents)	(33.8)	22.0	-	(15.7)	32.5	-
Volume (mmsf)						
USA Fibre Cement	393.9	484.9	(19)	1,916.6	2,148.0	(11)
Asia Pacific Fibre Cement	95.3	98.2	(3)	398.2	390.8	2
Average net sales price per unit (per mmsf)						
USA Fibre Cement	US$590	US$598	(1)	US$597	US$588	2
Asia Pacific Fibre Cement	A$848	A$ 833	2	A$862	A$ 842	2

In this Management's Analysis of Results, James Hardie may present financial measures, sales volume terms, financial ratios, and Non-US GAAP financial measures included in the Definitions section of this document starting on page 15. The company presents financial measures that it believes are customarily used by its Australian investors. Specifically, these financial measures, which are equivalent to or derived from certain US GAAP measures as explained in the definitions, include "EBIT", "EBIT margin", "Operating profit" and "Net operating profit". The company may also present other terms for measuring its sales volumes ("million square feet" or "mmsf" and "thousand square feet" or "msf"); financial ratios ("Gearing ratio", "Net interest expense cover", "Net interest paid cover", "Net debt payback", "Net debt (cash)"; and Non-US GAAP financial measures ("EBIT excluding asbestos and asset impairments", "EBIT margin excluding asbestos and asset impairments", "Net operating profit excluding asbestos, asset impairments and tax adjustments", "Diluted earnings per share excluding asbestos, asset impairments and tax adjustments", "Operating profit before income taxes excluding asbestos and asset impairments" and "Effective tax rate excluding asbestos, asset impairments and tax adjustments" and EBITDA). Unless otherwise stated, results and comparisons are of the 4th quarter and current full fiscal year versus the 4th quarter and full year of the prior fiscal year.

Total Net Sales

Total net sales for the quarter decreased 13% compared to the same quarter of the previous year, from US$360.9 million to US$312.9 million. For the full year, total net sales decreased 5% from US$1,542.9 million to US$1,468.8 million.

Net sales from USA Fibre Cement for the quarter decreased 20% from US$289.9 million to US$232.5 million due to a reduction in sales volume and a slight reduction in average net sales price. For the full year, net sales from USA Fibre Cement decreased 9% from US$1,262.3 million to US$1,144.8 million due to reduced sales volume, partially offset by a higher average net sales price.

Net sales from Asia Pacific Fibre Cement for the quarter increased 14% from US$64.3 million to US$73.5 million due to favourable currency exchange rates and a higher average net sales price, partially offset by a reduction in sales volume. For the full year, net sales from Asia Pacific Fibre Cement increased 19% from US$251.7 million to US$298.3 million due to favourable currency exchange rates, increased sales volumes and a higher average net sales price.

Other net sales for the quarter increased 3% from US$6.7 million to US$6.9 million, and for the full year decreased 11% from US$28.9 million to US$25.7 million. The decrease was due to reduced sales in the USA Hardie Pipe business, partially offset by improved sales performance in the Europe Fibre Cement business.

USA Fibre Cement

Quarter

Net sales decreased 20% from US$289.9 million in the fourth quarter of the prior fiscal year to US$232.5 million due to decreased sales volume and a slight decrease in the average net sales price.

Sales volume decreased 19% from 484.9 million square feet to 393.9 million square feet for the quarter, as the continued decline in housing construction activity and deteriorating economic conditions led to weaker demand for the company's products.

The average net sales price decreased 1% from US$598 per thousand square feet to US$590 per thousand square feet.

Full year

Net sales decreased 9% from US$1,262.3 million to US$1,144.8 million due to decreased sales volume, partially offset by a higher average net sales price.

Sales volume decreased 11% from 2,148.0 million square feet to 1,916.6 million square feet for the full year, as the decline in housing construction activity and deteriorating economic conditions led to weaker demand for the company's products.

The average net sales price increased 2% from US$588 per thousand square feet to US$597 per thousand square feet due to price increases and a shift in the product mix.

Discussion

Despite improved housing affordability as a result of further interest rate cuts, the housing market continued to deteriorate during the quarter as weaker consumer confidence, tighter lending standards and falling house prices weighed heavily on demand for new homes. Housing construction starts for the quarter were at near record lows as builders again attempted to reduce high inventory levels of new homes for sale, and as increased foreclosures placed more existing homes for sale.

The decline in net sales compared to the same quarter last year was primarily due to lower sales volumes in our exterior products category. The decline was across the entire range of exterior products other than ColorPlus® collection of products, which has continued growing. Sales were lower across all divisions and in each key region with the exception of Canada.

Artisan® Lap, the business' new premium exterior product launched in Atlanta last September, is continuing to be well received by architects, developers and builders who work in the custom home segment of the market. Artisan® Lap has now been launched in regions of the Western and Southern Divisions.

Repair and remodelling activity has not been affected to the same extent as the new construction segment of the housing market, however some weakness in repair and remodelling activity has led to sales of our interior products being slightly lower compared to the same quarter last year.

The overall rate of market penetration slowed during the quarter and the business did not buffer the impact of the downturn in housing construction activity to the extent expected.

The usual seasonal pickup in demand that was expected in the latter part of the quarter did not occur and this led to inventory levels for the business at the end of the quarter being higher than expected.

Although the business is continuing to perform well at the EBIT line relative to other participants in the housing sector, it has shifted its focus for the next fiscal year to increase margins. The company believes that this shift in focus will not result in funding cuts for key growth initiatives.

For the full year, market penetration in the interior and exterior product categories and an increase in the average net sales price helped to partly off-set the unfavourable impact of significantly weaker housing construction activity.

Asia Pacific Fibre Cement

Quarter

Net sales for the quarter increased 14% from US$64.3 million to US$73.5 million due to a 17% increase in the average net sales price, partly offset by a 3% decrease in sales volume. Favourable currency exchange rates of the Asia Pacific business' currencies compared to the US dollar accounted for the increase in net sales in US dollars. In Australian dollars, net sales decreased 1% due to a 3% decrease in the sales volume offset by a 2% increase in the average net sales price.

Full year

Net sales for the full year increased 19% from US$251.7 million to US$298.3 million due to a 17% increase in the average net sales price and 2% increase in sales volumes. Favourable currency exchange rates of the Asia Pacific business' currencies compared to the US dollar accounted for 15% of the increase in net sales in US dollars. In Australian dollars, net sales increased 4% due to a 2% increase in sales volume and a 2% increase in the average Australian dollar net sales price.

Discussion

Residential construction activity was slightly weaker in both Australia and New Zealand compared to the same quarter last year. Net sales in the Australia and New Zealand business increased 14% due to favourable foreign currency exchange rates. In Australian dollars, net sales decreased 1% due to a 3% decline in sales volume and a 2% increase in the average net sales price. The decrease in sales volumes was mainly due to the impact of less production days associated with Easter falling in March, compared with April last year. In Australia, sales of Scyon™ branded differentiated products continued to grow and increased as a proportion of the sales mix. Sales of Scyon™ branded products for the year increased 150% compared to the previous fiscal year.

Non-differentiated products remain subject to strong price competition. In New Zealand, differentiated products, including Linea® weatherboards, also continued to grow as a proportion of the sales mix. The increase in the average net sales price for the quarter was due to the shift in the Australia and New Zealand sales mix. In the Philippines, net sales were 4% lower, in local currency, compared to the same quarter last year due to a small decrease in sales volumes and the average sales price, largely related to a reduction in export sales.

For the full year, the increase in net sales was driven by stronger primary demand for fibre cement in Australia and New Zealand mainly due to growth in sales of the Scyon™ product range in Australian and Linea® weatherboards in New Zealand, a higher average net sales price and favourable foreign currency movements.

Other

USA Hardie Pipe

Net sales for the quarter and full year decreased compared to the same periods last year due to materially lower sales volume resulting from weaker residential and non-residential construction activity in Florida.

Europe Fibre Cement

Sales continued to grow steadily during the quarter and the full year.

Gross Profit

Quarter

Gross profit decreased 20% from US$133.8 million to US$107.2 million. The gross profit margin decreased 2.8 percentage points from 37.1% to 34.3%.

USA Fibre Cement gross profit decreased 28% compared to the same quarter last year due to lower sales volume, higher freight costs, higher average unit costs and a slightly lower average net sales price. The gross profit margin of the USA Fibre Cement business decreased by 4.1 percentage points.

Asia Pacific Fibre Cement gross profit increased 41% compared to the same period last year. Favourable currency exchange rates of the Asia Pacific business' currencies compared to the US dollar accounted for 16% of this increase while the underlying Australian dollar business results accounted for the remaining 25% increase. In Australian dollars, gross profit increased 25% due to lower manufacturing costs, including an insurance claim recovery recorded in the period accounting for 10% of the increase. The gross profit margin of the Asia Pacific Fibre Cement business increased by 6.2 percentage points.

Full year

Gross profit decreased 8% from US$573.0 million to US$530.0 million. The gross profit margin decreased 0.9 of a percentage point from 37.1% to 36.2%.

USA Fibre Cement gross profit decreased 12% compared to the same period last year due to lower sales volumes, higher freight costs and higher average unit costs, partially offset by a higher average net sales price. The gross profit margin decreased by 1.3 percentage points.

Asia Pacific Fibre Cement gross profit increased 24% compared to the same period last year. Favourable currency exchange rates of the Asia Pacific business' currencies compared to the US dollar accounted for 14% of this increase while the underlying Australian dollar business results accounted for the remaining 10% increase. In Australian dollars, gross profit increased 10% due to increased sales volumes, a higher average net sales price and an insurance claim recovery which accounted for 2% of the increase. The gross profit margin increased by 1.4 percentage points.

Selling, General and Administrative (SG&A) Expenses

SG&A expenses increased 15% for the quarter, from US$52.3 million to US$60.3 million, due to the costs associated with the Australian Securities and Investments Commission (ASIC) proceedings, non-claims handling related operating expenses of the Asbestos Injuries Compensation Fund (AICF) and increased SG&A spending of the USA Fibre Cement and the Asia Pacific Fibre Cement segments. As a percentage of sales, SG&A expenses increased 4.8 percentage points to 19.3%.

For the full year, SG&A expenses increased 6% from US$214.6 million to US$228.2 million, primarily due to higher warranty provisions relating to non-US activities, costs associated with the ASIC proceedings, non-claims handling related operating expenses of the AICF and the impact of the unfavourable currency exchange rates of the Asia Pacific business' currencies compared to the US dollar. These increases were partially offset by improved SG&A performance of the USA Fibre Cement and Other segments. As a percentage of sales, SG&A expense increased 1.6 percentage points to 15.5%.

SG&A expenses for the full year include non-claims handling related operating expenses of the AICF of US$4.0 million.

ASIC Proceedings
In February 2007, ASIC commenced civil proceedings against JHI NV, a former subsidiary and ten then-present or former officers and directors of the James Hardie group. The civil proceedings concern alleged contraventions of certain provisions of the Corporations Law and/or the Corporations Act connected with the affairs of the company and certain subsidiaries during the period February 2001 to June 2003.

There remains considerable uncertainty surrounding the likely outcome of the ASIC proceedings in the longer term and there is a possibility that the company could become responsible for other amounts in addition to the defence costs. However, at this stage, the company believes that, while incurring such amounts is reasonably possible, the actual amount or range of amounts is not estimable.

Readers are referred to Note 13 of the company's 31 March 2008 Consolidated Financial Statements for further information on the ASIC Proceedings.

Research and Development Expenses

Research and development expenses include costs associated with "core" research projects that are designed to benefit all business units. These costs are recorded in the Research and Development segment rather than being attributed to individual business units. These costs were 87% higher for the quarter at US$5.6 million and 38% higher for the full year at US$18.0 million.

Other research and development costs associated with commercialisation projects in business units are included in the business unit segment results. In total, these costs were 27% lower for the quarter at US$1.9 million and 28% lower for the full year at US$9.3 million.

Impairment Charges

The downturn in US construction activity has prompted the company to review the carrying value of certain long-lived assets. As a result of these reviews, impairments charges of US$38.6 million and US$71.0 million have been taken in the fourth quarter and the full year.

On 31 October 2007, the company announced plans to suspend production at its Blandon, Pennsylvania plant in the US. The company recorded an asset impairment of US$32.4 million in the quarter ended 31 December 2007 and the year ended 31 March 2008 in its USA Fibre Cement segment. The impaired assets include buildings and machinery, which were reduced to their estimated fair value based on valuation methods including quoted market prices and discounted future cash flows. These assets are being held for use by the company. Between the date of the announcement and 31 March 2008, the company has incurred US$1.4 million of impairment related costs. These impairment related costs are not included in the impairment charge of US$32.4 million and have been included in cost of goods sold and selling, general and administrative expenses in the period in which they were incurred.

On 22 May 2008, the company announced plans to cease production at its Plant City, Florida Hardie Pipe manufacturing facility in the US. As a result, the company recorded an asset impairment of US$25.4 million in the fourth quarter and the year ended 31 March 2008 in its Other segment. The impaired assets include buildings and machinery, which were reduced to their estimated fair value based on valuation methods including quoted market prices and discounted future cash flows. In addition to the impairment charge, the company has recorded US$1.8 million of impairment related costs in the year ended 31 March 2008.

The company recorded an asset impairment of US$13.2 million in the fourth quarter and the year ended 31 March 2008 related to buildings and machinery used to produce materials for the company's products. This impairment charge was recorded in its USA Fibre Cement segment. The impaired assets were reduced to their estimated fair value based on valuation methods including quoted market prices and discounted future cash flows.

Special Commission of Inquiry (SCI) and Other Related Expenses

During the fourth quarter, SCI and other related expenses were nil compared to US$5.4 million for the same period last year. For the full year, SCI and other related expenses were nil compared to US$13.6 million for the same period last year. Now that the Amended & Restated Final Funding Agreement (Amended FFA) has been implemented, the company anticipates no significant SCI and other related expenses going forward.

Asbestos Adjustments

The asbestos adjustments are derived from an estimate of future Australian asbestos-related liabilities in accordance with the Amended FFA that was signed with the NSW Government on 21 November 2006 and approved by the company's security holders on 7 February 2007.

The asbestos-related assets and liabilities are denominated in Australian dollars. Therefore the reported value of these asbestos-related assets and liabilities in the company's consolidated balance sheets in US dollars is subject to adjustment, with a corresponding effect on the company's consolidated statement of operations, depending on the closing exchange rate between the two currencies at the balance sheet date.

The asbestos adjustments for the quarter and full year ended 31 March 2008 are as follows:

US$ Million	Q4 FY08	Q4 FY07	FY08	FY07
Change in estimates	$ (154.1)	$ 70.3	$ (152.9)	$ 28.5
Effect of foreign exchange	(28.2)	(17.1)	(87.2)	(94.5)
Impact of tax-effecting the net Amended FFA liability	-	(335.0)	-	(335.0)
Other adjustments	-	(4.5)	-	(4.5)
Asbestos adjustments	$ (182.3)	$ (286.3)	$ (240.1)	$ (405.5)

Readers are referred to Note 12 of the company's 31 March 2008 Consolidated Financial Statements for further information on the asbestos adjustments.

EBIT

EBIT loss for the quarter decreased from US$215.8 million for the same quarter last year to US$181.5 million for the current quarter. EBIT loss for the quarter includes net unfavourable asbestos adjustments of US$182.3 million, AICF SG&A expenses of US$1.3 million, asset impairments of US$38.6 million and impairment related costs of US$2.5 million. For the same period in the prior year, EBIT loss includes net unfavourable asbestos adjustments of US$286.3 million, as shown in the table below.

EBIT loss for the full year decreased from US$86.6 million for last year to US$36.6 million for the current year. EBIT loss for the full year includes net unfavourable asbestos adjustments of US$240.1 million, AICF SG&A expenses of US$4.0 million, asset impairments of US$71.0 million and impairment related costs of US$3.2 million. For the same period in the prior year, EBIT includes net unfavourable asbestos adjustments of US$405.5 million, as shown in the table below.

EBIT - US$ Millions	Three Months and Full Year Ended 31 March					
	Q4 FY08	Q4 FY07	% Change	FY08	FY07	% Change
USA Fibre Cement	$ 50.3	$ 84.6	(41)	$ 313.6	$ 362.4	(13)
Asia Pacific Fibre Cement	10.7	8.8	22	50.3	39.4	28
Other	(2.8)	(2.7)	(4)	(7.3)	(9.3)	22
Research & Development	(5.0)	(3.5)	(43)	(18.1)	(17.1)	(6)
General Corporate	(12.5)	(16.7)	25	(60.0)	(56.5)	(6)
Asset Impairments	(38.6)	-	-	(71.0)	-	-
Asbestos adjustments	(182.3)	(286.3)	36	(240.1)	(405.5)	41
AICF SG&A expenses	(1.3)	-	-	(4.0)	-	-
EBIT	(181.5)	(215.8)	16	(36.6)	(86.6)	58
Excluding:						
Asbestos:						
Asbestos adjustments	182.3	286.3	(36)	240.1	405.5	(41)
AICF SG&A expenses	1.3	-	-	4.0	-	-
Asset impairments:						
Impairment charges	38.6	-	-	71.0	-	-
Impairment related costs	2.5	-	-	3.2	-	-
EBIT excluding asbestos and asset impairments	$ 43.2	$ 70.5	(39)	$ 281.7	$ 318.9	(12)
Net sales	$ 312.9	$ 360.9	(13)	$ 1,468.8	$ 1,542.9	(5)
EBIT margin excluding asbestos and asset impairments	13.8%	19.5%		19.2%	20.7%	

USA Fibre Cement EBIT

USA Fibre Cement EBIT for the quarter decreased 41% from US$84.6 million to US$50.3 million, primarily due to reduced gross profit performance which resulted from lower sales volume, higher freight costs, higher average unit costs and a slightly lower average net sales price. For the full year, EBIT decreased 13% from US$362.4 million to US$313.6 million, primarily due to lower volume and higher freight costs, partially offset by lower SG&A spending. The quarter and full year USA Fibre Cement EBIT margin was lower by 7.6 percentage points at 21.6% and 1.3 percentage points at 27.4%, respectively.

Asia Pacific Fibre Cement EBIT

Asia Pacific Fibre Cement EBIT for the quarter increased 22% from US$8.8 million to US$10.7 million. Favourable currency exchange rates of the Asia Pacific business' currencies compared to the US dollar accounted for 17% of this increase while the underlying Australian dollar business results accounted for the remaining 5% increase. In Australian dollars, Asia Pacific Fibre Cement EBIT for the quarter increased 5% due to an improved gross margin performance partially offset by increased SG&A expenses. The EBIT margin was 0.9 of a percentage point higher at 14.6% for the quarter.

Asia Pacific Fibre Cement EBIT for the full year increased 28% from US$39.4 million to US$50.3 million. Favourable currency exchange rates of the Asia Pacific business' currencies compared to the US dollar accounted for 16% of this increase while the underlying Australian dollar business results accounted for the remaining 12% increase. In Australian dollars, Asia Pacific Fibre Cement EBIT for the full year increased 12% due to an improved gross margin performance partially offset by increased SG&A expenses. The EBIT margin was 1.2 percentage points higher at 16.9% for the full year.

Other EBIT

The USA Hardie Pipe business recorded a significantly greater EBIT loss for the quarter and full year compared to a small EBIT loss in the same quarter last year and a small positive EBIT for the full year last year.

The Europe Fibre Cement business incurred significantly reduced EBIT losses for the quarter and the full year as it continued to build sales and improve operating margins.

General Corporate Costs

General corporate costs for the quarter decreased by US$4.2 million from US$16.7 million to US$12.5 million primarily due to there being no SCI costs in the current quarter and a reduction in earnings related bonuses, partially offset by costs associated with the ASIC proceedings.

For the full year, general corporate costs increased by US$3.5 million from US$56.5 million to US$60.0 million. The increase was primarily due to higher warranty provisions relating to non-US activities and costs associated with the ASIC proceedings, partially offset by the decrease in SCI costs.

Net Interest (Expense) Income

Net interest expense for the quarter decreased from US$4.2 million to US$2.2 million. The decrease was primarily due to interest income of US$2.4 million earned on investments and cash balances held by the AICF in the current quarter.

For the full year, net interest (expense) income increased from an expense of US$6.5 million to income of US$1.1 million. The increase was primarily due to interest income of US$9.4 million earned on investments and cash balances held by the AICF and the lack of a make-whole payment in the current year compared to the US$6.0 million make-whole payment made in the prior year. These increases were partially offset by reduced capitalised interest and reduced interest income due to lower cash balances.

Income Tax Benefit (Expense)

Income tax benefit for the quarter decreased from a benefit of US$323.1 million to US$36.8 million. For the full year, income tax decreased from an income tax benefit of US$243.9 million to an income tax expense of US$36.1 million.

The company's effective tax rate on earnings excluding asbestos, asset impairments and tax adjustments was 37.9% for this fiscal year compared to 32.5% for the previous fiscal year. The increase in the effective tax rate excluding asbestos, asset impairments and tax adjustments over the same period in the prior year is due to the impact of the change in the geographical mix of earnings and a reduction in capital expenditures.

With effect from 1 April 2007, the company was required to adopt the provisions of FASB Interpretation No. 48 (FIN 48), "Accounting for Uncertainty in Income Taxes, an interpretation of Statement of Financial Accounting Standards No. 109, Accounting for Income Taxes". The adoption of FIN 48 resulted in the reduction of the company's consolidated beginning retained earnings of US$78.0 million.

Readers are referred to Note 14 of the company's 31 March 2008 Consolidated Financial Statements for further information on the adoption of FIN 48.

Tax adjustments
The company recorded unfavourable tax adjustments of US$5.8 million for the three months ended 31 March 2008 compared to favourable tax adjustments of US$3.0 million in the same period last year. For the full year ended 31 March 2008 the company recorded unfavourable tax adjustments of US$5.8 million compared to favourable tax adjustments of US$10.4 million in the prior fiscal year. The US$5.8 million tax adjustments in the current year relate to FIN48 adjustments. The tax adjustments made in fiscal year 2007 relate to tax provision write-backs.

Disputed Amended Australian Income Tax Assessment

As announced on 22 March 2006, RCI Pty Ltd (RCI), a wholly owned subsidiary of the company, received an amended assessment from the Australian Taxation Office (ATO) in respect of RCI's income tax return for the year ended 31 March 1999. The amended assessment relates to the amount of net capital gains arising as a result of an internal corporate restructure carried out in 1998 and has been issued pursuant to the discretion granted to the Commissioner of Taxation under Part IVA of the Income Tax Assessment Act 1936. The original amended assessment issued to RCI was for a total of A$412.0 million.

However, after subsequent remissions of general interest charges (GIC) by the ATO, the total was changed to A$368.0 million, comprising A$172.0 million of primary tax after allowable credits, A$43.0 million of penalties (representing 25% of primary tax) and A$153.0 million of GIC.

RCI is appealing the amended assessment. During fiscal year 2007, the company agreed with the ATO that in accordance with the ATO Receivables Policy, the company would pay 50% of the total amended assessment being A$184.0 million. The company also agreed to guarantee the payment of the remaining 50% of the amended assessment should its appeal not be successful and to pay GIC accruing on the unpaid balance of the amended assessment in arrears on a quarterly basis. Up to 31 March 2008, GIC totalling A$95.2 million has been paid to the ATO. On 15 April 2008, the company paid A$3.3 million in GIC in respect of the quarter ended 31 March 2008. However, the company has not recorded any liability at 31 March 2008 for the remainder of the amended assessment because, at this time, the company believes it is more likely than not that RCI's view of its tax position will be upheld on appeal.

On 30 May 2007, the ATO issued a Notice of Decision disallowing the company's objection to the amended assessment. On 11 July 2007, the company filed an application appealing the Objection Decision with the Federal Court of Australia. On 18 February 2008, RCI filed its appeal statement and on 19 February 2008, its amended appeal statement. The hearing date for RCI's trial is presently scheduled for 8 December 2008.

Readers are referred to Note 15 of the company's 31 March 2008 Consolidated Financial Statements for further information on the ATO amended assessment.

Net Operating (Loss) Profit

Net operating profit for the quarter decreased from a net operating profit of US$103.1 million to a net operating loss of US$146.9 million. Net operating profit excluding asbestos, asset impairments and tax adjustments decreased 61% from US$51.4 million to US$20.1 million as shown in the table below.

For the full year, net operating profit decreased from a net operating profit of US$151.7 million to a net operating loss of US$71.6 million. Net operating profit excluding asbestos, asset impairments and tax adjustments decreased 20% from US$211.8 million to US$169.7 million as shown in the table below.

Net Operating Profit - US$ millions	Three Months and Full Year Ended 31 March					
	Q4 FY08	Q4 FY07	% Change	FY08	FY07	% Change
Net operating (loss) profit	$ (146.9)	$ 103.1	-	$ (71.6)	$ 151.7	-
Excluding:						
Asbestos:						
Asbestos adjustments	182.3	286.3	(36)	240.1	405.5	(41)
Tax benefit related to asbestos adjustments	(46.2)	(335.0)	-	(45.8)	(335.0)	-
AICF SG&A costs	1.3	-	-	4.0	-	-
AICF interest income	(2.4)	-	-	(9.4)	-	-
Asset impairments:						
Impairment charges (net of tax)	24.6	-	-	44.6	-	-
Impairment related costs (net of tax)	1.6	-	-	2.0	-	-
Tax adjustments	5.8	(3.0)	-	5.8	(10.4)	-
Net operating profit excluding asbestos, asset impairments and tax adjustments	$ 20.1	$ 51.4	(61)	$ 169.7	$ 211.8	(20)

Liquidity and Capital Resources

The company has historically met its working capital needs and capital expenditure requirements through a combination of cash flow from operations, proceeds from the divestiture of businesses, credit facilities and other borrowings, proceeds from the sale of property, plant and equipment, and proceeds from the redemption of investments. Seasonal fluctuations in working capital generally have not had a significant impact on its short-term or long-term liquidity. The company anticipates it will have sufficient funds to meet its planned working capital and other cash requirements for the next 12 months based on its existing cash balances and anticipated operating cash flows arising during the year. The company anticipates that any cash requirements arising from the Amended FFA will be met from existing cash, unused committed facilities and anticipated future net operating cash flows.

Excluding restricted cash, the company had cash and cash equivalents of US$35.4 million as of 31 March 2008. At that date, it also had credit facilities totalling US$490.0 million, of which US$264.5 million was drawn. The credit facilities are all uncollateralised and consist of the following:

	At 31 March 2008		
Description	Effective Interest Rate	Total Facility	Principal Drawn
(US$ millions)			
364-day facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until December 2008	3.61%	$ 110.0	$ 90.0
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until June 2010	3.64%	245.0	174.5
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until February 2011	-	45.0	-
Term facilities, can be drawn in US$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until February 2013	-	90.0	-
Total		$ 490.0	$ 264.5

At 31 March 2008, the company had net debt of US$229.1 million, compared with net debt of US$153.9 million at 31 March 2007.

The company's credit facilities as of 31 March 2008 consist of 364-day facilities in the amount of US$110.0 million which, as of 31 March 2008, expire in December 2008 and extensions to the maturity date to June 2009 have been requested. The company also has term facilities in the amount of US$245.0 million, which expire in June 2010; US$45.0 million, which expire in February 2011; and US$90.0 million, which expire in February 2013. At 31 March 2008, US$264.5 million was drawn under the combined facilities and US$225.5 million was available, but unused.

The weighted average remaining term of the total credit facilities, US$490.0 million, at 31 March 2008 was 2.4 years.

In July 2006, pursuant to an agreement negotiated with the ATO and in accordance with the ATO Receivable Policy, the company made a payment of A$184.0 million (US$162.5 million) along with the provision of a guarantee from JHI NV in favour of the ATO for the unpaid balance of the assessment. The company has also agreed to pay GIC accruing on the unpaid balance of the assessment in arrears on a quarterly basis. Even if the company is ultimately successful in its appeal and the cash deposit is refunded, this procedural requirement to post a cash deposit materially and adversely affects the company's financial position and liquidity in the intervening period. See "Disputed Amended Australian Income Tax Assessment" above for further information on the ATO amended assessment.

If the company is unable to extend its credit facilities, or is unable to renew its credit facilities on terms that are substantially similar to the ones it presently has, it may experience liquidity issues and will have to reduce its levels of planned capital expenditures, reduce or eliminate dividend payments and stock buy-backs or take other measures to conserve cash in order to meet its future cash flow requirements. The company anticipates being able to meet its future payment obligations for the next 12 months from existing cash, unused committed facilities and anticipated future net operating cash flows.

Share Buy-Back Program

On 15 August 2007, the company announced a share buy-back program of up to 10% of the company's issued capital, approximately 46.8 million shares. The company bought back 2.2 million shares and 35.7 million shares of common stock during the three months and full year ended 31 March 2008, respectively. The bought back shares had an aggregate cost of A$12.7 million (US$11.7 million) and A$236.4 million (US$208.0 million) during the three months and full year ended 31 March 2008, respectively. The average price paid per share of common stock was A$5.77 (US$5.32) and A$6.62 (US$5.83) during the three months and full year ended 31 March 2008, respectively. The US dollar amounts were determined using the weighted average spot rates for the days on which shares were purchased. The company did not purchase any shares during the period between 1 April 2008 and 22 May 2008. The company officially cancelled 35.0 million shares on 31 March 2008.

Cash Flow

Operating cash flow for the full year ended 31 March 2008 increased from cash used of US$67.1 million to cash generated of US$319.3 million. The increase was driven primarily by the payment of a deposit with the ATO pending a disputed amended assessment and payments made to fund the AICF during the year ended 31 March 2007 totaling US$154.8 million and US$151.9 million, respectively, compared to payments of US$9.7 million and nil, respectively, in the current full year. Capital expenditures for the purchase of property, plant and equipment decreased from US$92.6 million to US$38.5 million.

END

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This Management's Analysis of Results forms part of a package of information about James Hardie's results. It should be read in conjunction with the other parts of this package, including a Media Release, a Management Presentation and a Financial Report.

These documents, along with a webcast of the presentation on 22 May 2008, are available from the Investor Relations area of the James Hardie website at www.jameshardie.com

The company lodged its annual filing for the year ended 31 March 2007 with the SEC on 6 July 2007.

All holders of the company's securities may receive, on request, a hard copy of our complete audited financial statements, free of charge. Requests can be made via the Investor Relations area of the company's website or by contacting one of the company's corporate offices. Contact details are available on the company's website.

Definitions

Financial Measures – US GAAP equivalents

EBIT and EBIT margin – EBIT, as used in this document, is equivalent to the US GAAP measure of operating income. EBIT margin is defined as EBIT as a percentage of net sales. James Hardie believes EBIT and EBIT margin to be relevant and useful information as these are the primary measures used by management to measure the operating profit or loss of its business. EBIT is one of several metrics used by management to measure the earnings generated by the company's operations, excluding interest and income tax expenses. Additionally, EBIT is believed to be a primary measure and terminology used by its Australian investors. EBIT and EBIT margin should be considered in addition to, but not as a substitute for, other measures of financial performance reported in accordance with accounting principles generally accepted in the United States of America. EBIT and EBIT margin, as the company has defined them, may not be comparable to similarly titled measures reported by other companies.

Operating profit – is equivalent to the US GAAP measure of income.

Net operating profit – is equivalent to the US GAAP measure of net income.

Sales Volumes

mmsf – million square feet, where a square foot is defined as a standard square foot of 5/16" thickness.

msf – thousand square feet, where a square foot is defined as a standard square foot of 5/16" thickness.

Financial Ratios

Gearing Ratio – Net debt (cash) divided by net debt (cash) plus shareholders' equity.

Net interest expense cover – EBIT divided by net interest expense.

Net interest paid cover – EBIT divided by cash paid during the period for interest, net of amounts capitalised.

Net debt payback – Net debt (cash) divided by cash flow from operations.

Net debt (cash) – short-term and long-term debt less cash and cash equivalents.

Non-US GAAP Financial Measures

<u>EBIT and EBIT margin excluding asbestos and asset impairments</u> – EBIT and EBIT margin excluding asbestos and asset impairments are not measures of financial performance under US GAAP and should not be considered to be more meaningful than EBIT and EBIT margin. James Hardie has included these financial measures to provide investors with an alternative method for assessing its operating results in a manner that is focussed on the performance of its ongoing operations and provides useful information regarding its financial condition and results of operations. The company uses these non-US GAAP measures for the same purposes.

US$ Millions	Q4 FY08	Q4 FY07	FY08	FY07
EBIT	$ (181.5)	$ (215.8)	$ (36.6)	$ (86.6)
Asbestos:				
Asbestos adjustments	182.3	286.3	240.1	405.5
AICF SG&A expenses	1.3	-	4.0	-
Asset impairments:				
Impairment charges	38.6	-	71.0	-
Impairment related costs	2.5	-	3.2	-
EBIT excluding asbestos and asset impairments	43.2	70.5	281.7	318.9
Net Sales	$ 312.9	$ 360.9	$ 1,468.8	$ 1,542.9
EBIT margin excluding asbestos and asset impairments	13.8%	19.5%	19.2%	20.7%

<u>Net operating profit excluding asbestos, asset impairments and tax adjustments</u> – Net operating profit excluding asbestos, asset impairments and tax adjustments is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than net income. The company has included this financial measure to provide investors with an alternative method for assessing its operating results in a manner that is focussed on the performance of its ongoing operations. The company uses this non-US GAAP measure for the same purposes.

US$ Millions	Q4 FY08	Q4 FY07	FY08	FY07
Net operating (loss) profit	$ (146.9)	$ 103.1	$ (71.6)	$ 151.7
Asbestos:				
Asbestos adjustments	182.3	286.3	240.1	405.5
AICF SG&A expenses	1.3	-	4.0	-
AICF interest income	(2.4)	-	(9.4)	-
Tax benefit related to asbestos adjustments	(46.2)	(335.0)	(45.8)	(335.0)
Asset impairments:				
Impairment charges (net of tax)	24.6	-	44.6	-
Impairment related costs (net of tax)	1.6	-	2.0	-
Tax adjustments	5.8	(3.0)	5.8	(10.4)
Net operating profit excluding asbestos, asset impairments and tax adjustments	$ 20.1	$ 51.4	$ 169.7	$ 211.8

Diluted earnings per share excluding asbestos, asset impairments and tax adjustments – Diluted earnings per share excluding asbestos, asset impairments and tax adjustments is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than diluted earnings per share. The company has included this financial measure to provide investors with an alternative method for assessing its operating results in a manner that is focussed on the performance of its ongoing operations. The company's management uses this non-US GAAP measure for the same purposes.

US$ Millions	Q4 FY08	Q4 FY07	FY08	FY07
Net operating profit excluding asbestos, asset impairments and tax adjustments	$ 20.1	$ 51.4	$ 169.7	$ 211.8
Weighted average common shares outstanding - Diluted (millions)	434.6	469.0	456.1	466.4
Diluted earnings per share excluding asbestos, asset impairments and tax adjustments (US cents)	4.6	11.0	37.2	45.4

Effective tax rate excluding asbestos, asset impairments and tax adjustments – Effective tax rate excluding asbestos, asset impairments and tax adjustments is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than effective tax rate. The company has included this financial measure to provide investors with an alternative method for assessing its operating results in a manner that is focussed on the performance of its ongoing operations. The company's management uses this non-US GAAP measure for the same purposes.

US$ Millions	Q4 FY08	Q4 FY07	FY08	FY07
Operating loss before income taxes	$ (183.7)	$ (220.0)	$ (35.5)	$ (93.1)
Asbestos:				
Asbestos adjustments	182.3	286.3	240.1	405.5
AICF SG&A expenses	1.3	-	4.0	-
AICF interest income	(2.4)	-	(9.4)	-
Asset impairments:				
Impairment charges	38.6	-	71.0	-
Impairment related costs	2.5	-	3.2	-
Operating profit before income taxes excluding asbestos and asset impairments	$ 38.6	$ 66.3	$ 273.4	$ 312.4
Income tax benefit (expense)	36.8	323.1	(36.1)	243.9
Tax benefit related to asbestos adjustments	(46.2)	(335.0)	(45.8)	(335.0)
Tax benefit related to asset impairments	(14.9)	-	(27.6)	-
Tax adjustments	5.8	(3.0)	5.8	(10.4)
Income tax expense excluding asbestos, asset impairments and tax adjustments	(18.5)	(14.9)	(103.7)	(101.5)
Effective tax rate excluding asbestos, asset impairments and tax adjustments	48.0%	22.5%	37.9%	32.5%

EBITDA – is not a measure of financial performance under US GAAP and should not be considered an alternative to, or more meaningful than, income from operations, net income or cash flows as defined by US GAAP or as a measure of profitability or liquidity. Not all companies calculate EBITDA in the same manner as James Hardie has and, accordingly, EBITDA may not be comparable with other companies. The company has included information concerning EBITDA because it believes that this data is commonly used by investors to evaluate the ability of a company's earnings from its core business operations to satisfy its debt, capital expenditure and working capital requirements.

US$ Millions	Q4 FY08	Q4 FY07	FY08	FY07
EBIT	$ (181.5)	$ (215.8)	$ (36.6)	$ (86.6)
Depreciation and amortisation	14.4	13.7	56.5	50.7
EBITDA	$ (167.1)	$ (202.1)	$ 19.9	$ (35.9)

Supplemental Financial Information

James Hardie's management measures its operating performance and analyses year-over-year changes in operating results with and without the effect of the net Amended FFA liability recorded in the fourth quarter of fiscal year 2006 and believes that security holders will do the same.

As set forth in Note 12 of the 31 March 2008 Financial Report, the net Amended FFA liability, while recurring, is based on periodic actuarial determinations, claims experience and currency fluctuations. It has no relation to the results of the company's operations. Accordingly, management believes that the following information is useful to it and investors in evaluating ongoing operating financial performance.

The following tables are considered non-GAAP and are not intended to be used or viewed in any respect as substitutes for the company's GAAP consolidated financial statements. These non-GAAP measures should only be viewed as a supplement to reported GAAP financial statements, and, in all cases, the corresponding GAAP amounts are shown on the same line as the non-GAAP measure, to avoid any possible confusion.

The following tables should be read in conjunction with JHI NV's financial statements and related notes contained in the company's 31 March 2008 Consolidated Financial Statements.

James Hardie Industries N.V.
Consolidated Balance Sheet
31 March 2008
(unaudited)

US$ Millions	Total Fibre Cement Operations- excluding Asbestos Compensation	Asbestos Compensation	As Reported
ASSETS			
Current assets			
Cash and cash equivalents	$ 185.0	$ (149.6)	$ 35.4
Restricted cash and cash equivalents	5.0	-	5.0
Restricted cash and cash equivalents - Asbestos	-	37.4	37.4
Restricted short-term investments - Asbestos	-	77.7	77.7
Accounts and notes receivable, net of allowance for doubtful accounts of $2.0m	130.9	0.5	131.4
Inventories	179.7	-	179.7
Prepaid expenses and other current assets	27.6	0.4	28.0
Insurance receivable - Asbestos	-	14.1	14.1
Workers' compensation - Asbestos	-	6.9	6.9
Deferred income taxes	8.2	-	8.2
Deferred income taxes - Asbestos	-	9.1	9.1
Total current assets	**536.4**	**(3.5)**	**532.9**
Property, plant and equipment, net	755.8	0.6	756.4
Insurance receivable - Asbestos	-	194.3	194.3
Workers' compensation - Asbestos	-	78.5	78.5
Deferred income taxes	13.2	-	13.2
Deferred income taxes - Asbestos	-	397.1	397.1
Deposit with Australian Taxation Office	205.8	-	205.8
Other assets	1.7	-	1.7
Total assets	**$ 1,512.9**	**$ 667.0**	**$ 2,179.9**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities	$ 106.1	$ 1.5	$ 107.6
Short-term debt	90.0	-	90.0
Accrued payroll and employee benefits	36.9	0.1	37.0
Accrued product warranties	6.9	-	6.9
Income taxes payable	33.4	(20.4)	13.0
Asbestos liability	-	78.7	78.7
Workers' compensation - Asbestos	-	6.9	6.9
Other liabilities	9.1	-	9.1
Total current liabilities	**282.4**	**66.8**	**349.2**
Long-term debt	174.5	-	174.5
Deferred income taxes	84.2	-	84.2
Accrued product warranties	10.8	-	10.8
Asbestos liability	-	1,497.8	1,497.8
Workers' compensation - Asbestos	-	78.5	78.5
Other liabilities	184.2	3.3	187.5
Total liabilities	**736.1**	**1,646.4**	**2,382.5**
Commitments and contingencies			
Shareholders' equity			
Common stock	219.7	-	219.7
Additional paid-in capital	19.3	-	19.3
Retained earnings (accumulated deficit)	520.5	(975.0)	(454.5)
Common stock in treasury	(4.0)	-	(4.0)
Accumulated other comprehensive income	21.3	(4.4)	16.9
Total shareholders' equity	776.8	(979.4)	(202.6)
Total liabilities and shareholders' equity	**$ 1,512.9**	**$ 667.0**	**$ 2,179.9**

James Hardie Industries N.V.
Consolidated Statement of Operations
For the full year ended 31 March 2008
(unaudited)

US$ Millions	Total Fibre Cement Operations- excluding Asbestos Compensation	Asbestos Compensation	As Reported
Net Sales			
USA Fibre Cement	$ 1,144.8	$ -	$ 1,144.8
Asia Pacific Fibre Cement	298.3	-	298.3
Other	25.7	-	25.7
Total Net Sales	**1,468.8**	**-**	**1,468.8**
Cost of goods sold	(938.8)	-	(938.8)
Gross profit	530.0	-	530.0
Selling, general and administrative expenses	(224.2)	(4.0)	(228.2)
Research and development expenses	(27.3)	-	(27.3)
Impairments charges	(71.0)	-	(71.0)
Asbestos adjustments	-	(240.1)	(240.1)
EBIT	207.5	(244.1)	(36.6)
Net Interest (expense) income	(8.3)	9.4	1.1
Operating profit (loss) before income taxes	199.2	(234.7)	(35.5)
Income tax expense	(81.9)	45.8	(36.1)
Net Operating Profit (Loss)	**$ 117.3**	**$ (188.9)**	**$ (71.6)**

James Hardie Industries N.V.
Consolidated Statement of Cash Flows
For the full year ended 31 March 2008
(unaudited)

US$ Millions	Total Fibre Cement Operations- excluding Asbestos Compensation	Asbestos Compensation	As Reported
Cash Flows from Operating Activities			
Net Income (loss)	$ 117.3	$ (188.9)	$ (71.6)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation	56.5	-	56.5
Deferred income taxes	(8.2)	(45.8)	(54.0)
Prepaid pension cost	1.0	-	1.0
Stock-based compensation	7.7	-	7.7
Asbestos adjustments	-	240.1	240.1
Impairment charges	71.0	-	71.0
Other	(3.4)	-	(3.4)
Changes in operating assets and liabilities:			
Restricted cash and cash equivalents	-	44.7	44.7
Accounts and notes receivable	39.6	-	39.6
Inventories	(26.6)	-	(26.6)
Prepaid expenses and other current assets	4.7	0.2	4.9
Insurance receivable - Asbestos	-	16.7	16.7
Accounts payable and accrued liabilities	2.6	-	2.6
Asbestos liability	-	(67.0)	(67.0)
Deposit with Australian Taxation Office	(9.7)	-	(9.7)
Other accrued liabilities and other liabilities	66.8	-	66.8
Net cash provided by operating activities	$ 319.3	$ -	$ 319.3
Cash Flows From Investing Activities			
Purchases of property, plant and equipment	(38.5)	-	(38.5)
Net cash used in investing activities	$ (38.5)	$ -	$ (38.5)
Cash Flows from Financing Activities			
Proceeds from short term borrowings	7.0	-	7.0
Proceeds from long term borrowings	69.5	-	69.5
Proceeds from issuance of shares	3.3	-	3.3
Tax benefit from stock options exercised	-	-	-
Treasury stock purchased	(208.0)	-	(208.0)
Dividends paid	(126.2)	-	(126.2)
Net cash used in financing activities	$ (254.4)	$ -	$ (254.4)
Effects of exchange rate changes on cash	(25.1)	-	(25.1)
Net increase in cash and cash equivalents	1.3	-	1.3
Cash and cash equivalents at beginning of period	34.1	-	34.1
Cash and cash equivalents at end of period	$ 35.4	$ -	$ 35.4
Components of Cash and Cash Equivalents			
Cash at bank and on hand	21.6	-	21.6
Short-term deposits	13.8	-	13.8
Cash and cash equivalents at end of period	$ 35.4	$ -	$ 35.4

Disclaimer

This Management's Analysis of Results contains forward-looking statements. We may from time to time make forward-looking statements in our periodic reports filed with or furnished to the United States Securities and Exchange Commission on Forms 20-F and 6-K, in our annual reports to shareholders, in offering circulars, invitation memoranda and prospectuses, in media releases and other written materials and in oral statements made by our officers, directors or employees to analysts, institutional investors, lenders and potential lenders, representatives of the media and others. Examples of forward-looking statements include:

- expectations about the timing and amount of payments to the Asbestos Injuries Compensation Fund (AICF), a special purpose fund for the compensation of proven asbestos-related personal injury and death claim;
- expectations concerning the costs associated with the suspension of operations at our Blandon, Pennsylvania and Plant City, Florida plants;
- statements as to the possible consequences of proceedings brought against us and certain of our former directors and officers by the Australian Securities and Investments Commission;
- statements regarding tax liabilities and related proceedings;
- expectations that our credit facilities will be extended or renewed;
- projections of our operating results of financial condition;
- statements regarding our plans, objectives or goals, including those relating to competition, acquisitions dispositions and our products;
- statements about our future performance; and
- statements about product or environmental liabilities.

Words such as "believe," "anticipate," "plan," "expect," "intend," "target," "estimate," "project," "predict," "forecast," "guideline," "should," "aim" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors, some of which are discussed under "Risk Factors" beginning on page 6 of our Form 20-F filed on 6 July 2007 with the Securities and Exchange Commission, include but are not limited to: all matters relating to or arising out of the prior manufacture of products that contained asbestos by current and former James Hardie subsidiaries; required contributions to the AICF and the effect of foreign exchange on the amount recorded in our financial statements as an asbestos liability; compliance with and changes in tax laws and treatments; competition and product pricing in the markets in which we operate; the consequences of product failures or defects; exposure to environmental, asbestos or other legal proceedings; general economic and market conditions; the supply and cost of raw materials; the success of our research and development efforts; our reliance on a small number of product customers; compliance with and changes in environmental and health and safety laws; risks of conducting business internationally; compliance with and changes in laws and regulations; foreign exchange risks; and the effect of natural disasters. We caution you that the foregoing list of factors is not exhaustive and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements. Forward-looking statements speak only as of the date they are made and we undertake no duty to update or revise any such statements.