



James Hardie FY08 3rd Quarter and Nine Month Results

28 February 2008

In this Management Presentation, 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 54. 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 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 impairment", "EBIT margin excluding asbestos and impairment", "Net operating profit excluding asbestos and impairment", "Diluted earnings per share excluding asbestos and impairment", "Operating profit before income taxes excluding asbestos", "Effective tax rate excluding asbestos" and "Effective tax rate excluding asbestos and tax provision write-back"). Unless otherwise stated, results and comparisons are of the 3rd quarter and the nine months of the current fiscal year versus the 3rd quarter and the nine months of the prior fiscal year.



Agenda

- Overview and Operating Review – Louis Gries, CEO
- Financial Review – Russell Chenu, CFO
- Questions and Answers

Overview

- Overall, a solid operating performance for the quarter and nine months considering prevailing market conditions

US\$ Million	Q3 FY08	Q3 FY07	% Change	9 Mths FY08	9 Mths FY07	% Change
Net operating profit (loss)	17.1	(8.0)	-	75.3	48.6	55
Net operating profit excluding asbestos and Bandon impairment	34.1	36.8	(7)	149.2	167.8	(11)
Diluted earnings per share excluding asbestos and Bandon impairment (US cents)	7.5	7.9	(5)	32.2	36.1	(11)



Overview

3rd Quarter

- USA Fibre Cement – continued to outperform the overall market but EBIT decreased due to impact of weaker housing demand on volumes and higher costs
- Asia Pacific Fibre Cement – EBIT up significantly, primarily due to favourable currency movements and improved operating performance in Australia and New Zealand

Overview

Nine Months

- USA Fibre Cement – market penetration, price growth and cost management helped deliver a strong nine months EBIT result in a significantly weaker housing market
- Asia Pacific Fibre Cement – sales and EBIT up despite weak Australian and New Zealand housing and renovation markets
- Strong operating cash flow

Senior Leadership Team

- Change in responsibilities following the departure of Robert Russell and Jamie Chilcoff
- New responsibilities of the senior leadership team:

Mark Fisher (Chicago)	Grant Gustafson (Orange County)	Nigel Rigby (Chicago)	Joel Rood (Dallas)	Brian Holte (Orange County)	Peter Baker (Sydney)	Steve Ashe (Sydney)
<ul style="list-style-type: none"> R&D Engineering and Process Development Pipes XLD trim 	<ul style="list-style-type: none"> Business Development Marketing Europe IT 	<ul style="list-style-type: none"> Northern Division 	<ul style="list-style-type: none"> Southern Division Human Resources 	<ul style="list-style-type: none"> Western Division 	<ul style="list-style-type: none"> Asia Pacific 	<ul style="list-style-type: none"> Investor Relations Finance Media

- Interiors now falls within the Northern, Southern and Western Divisions
- The senior leadership team members continue to report directly to the CEO

A horizontal banner at the top of the page features a light blue background with a wavy, water-like texture. On the left side, there is a small inset photograph showing a person standing in a modern, brightly lit interior space with large windows and architectural details.

Operating Review

Louis Gries, CEO

USA Fibre Cement



Architect John Tee and builder John O Freeman Jr selected Artisan® Lap for the *Southern Living* Idea House at Reynolds Plantation, Greensboro, Georgia



USA Fibre Cement

3rd Quarter Result

Net Sales	down	9% to US\$258.2 million
Sales Volume	down	10% to 437.6 mmsf
Average Price	up	US\$2 to US\$590 per msf
EBIT	down	16% to US\$64.6 million
EBIT Margin	down	2.0 pts to 25.0%



USA Fibre Cement

Nine Months Result

Net Sales	down	6% to US\$912.3 million
Sales Volume	down	8% to 1,522.7 mmsf
Average Price	up	2% to US\$599 per msf
EBIT	down	5% to US\$263.3 million
EBIT Margin	up	0.3 pt to 28.9%



USA Fibre Cement

3rd Quarter Market Conditions

- Further weakness in new housing construction activity
 - Starts down 23% and 24% for December and September quarters, respectively
- Market demand affected by weaker economic conditions and tighter lending standards in the mortgage market
- Inventory levels of new and existing homes still high
- Notwithstanding slightly improved housing affordability, builder and consumer confidence levels remain very low
- Softer repair and remodelling activity



USA Fibre Cement

Key Points

- Sales down due to significant decline in US housing construction activity
- Market penetration helped all divisions outperform the broader market
- Within exterior products, sales were up for the ColorPlus® collection of products and HardieShingle™ siding
- Higher costs (pulp in particular up 10% pcp)
- Average net sales price up slightly due to increased proportion of differentiated products in sales mix



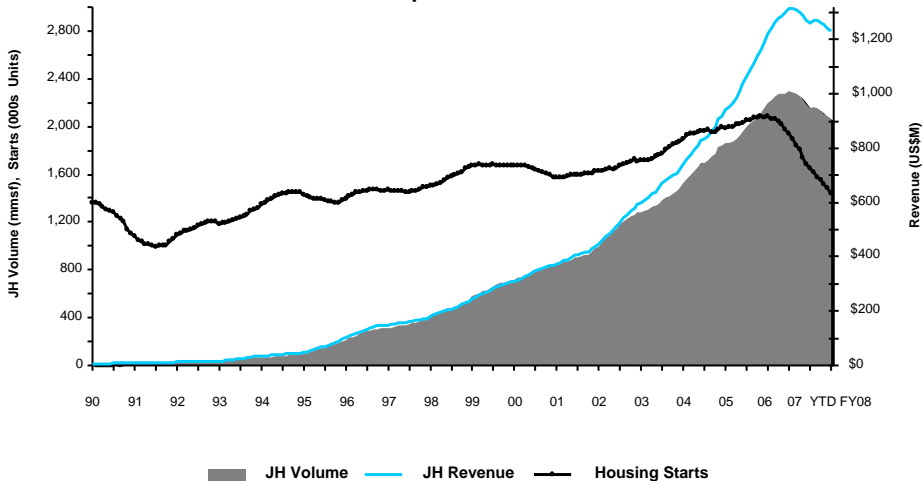
USA Fibre Cement

Outlook

- Near term outlook is for further weakness in housing construction activity
- Softer repair and remodelling activity expected in short to medium-term
- Continuing to invest in growth initiatives
- Further market penetration against alternative materials
- Cost pressures, particularly from higher input material costs, are expected to continue
- Continuing to closely monitor and adjust cost base to reflect market conditions

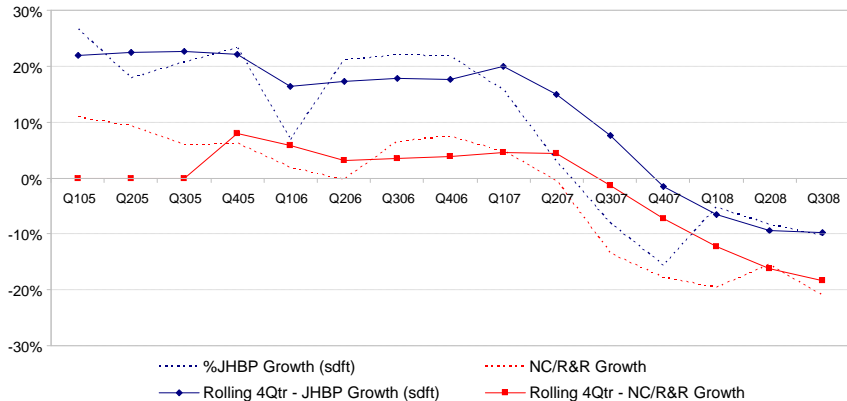
USA Fibre Cement

Top Line Growth



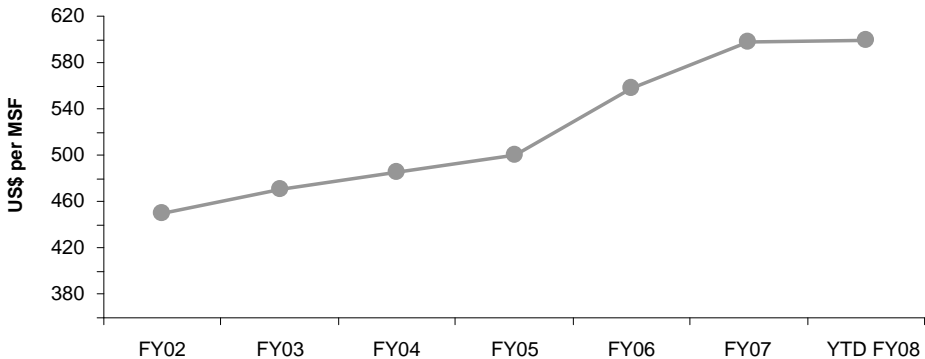
Rolling 12 month average of seasonally adjusted estimate of housing starts by US Census Bureau

Primary Growth Performance



USA Fibre Cement

Average Net Selling Price



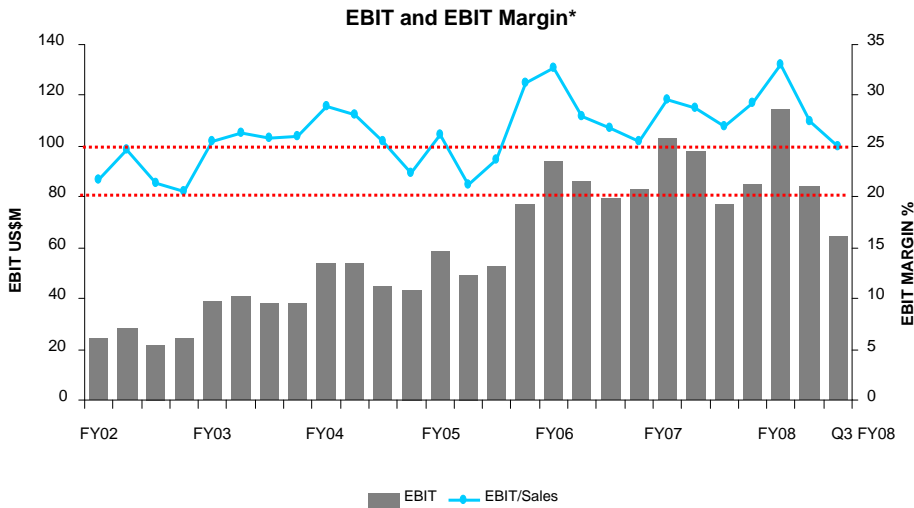


USA Fibre Cement

Strategy

- Aggressively grow demand for our products in targeted market segments
- Grow our overall market position while defending our share in existing market segments
- Offer products with superior value to that of our competitors
- Introduce differentiated products to reduce direct price competition

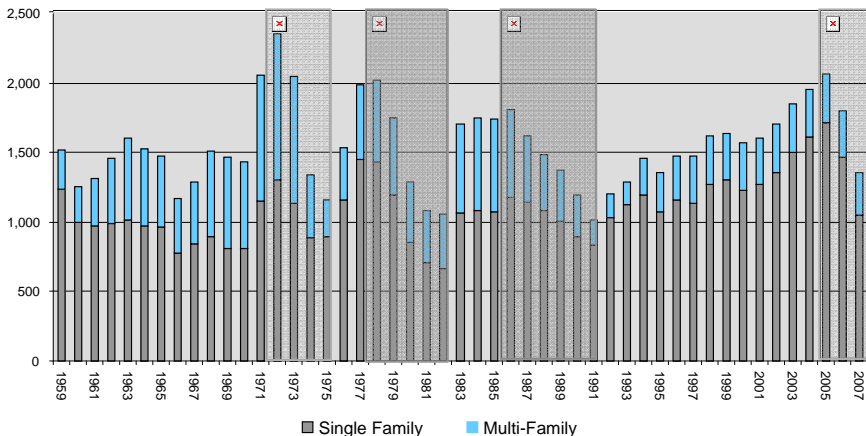
USA Fibre Cement



*Excludes restructuring and other operating expenses of US\$12.6 million in Q3 FY02

USA Housing Starts History

Strength of future recovery uncertain – positive demographics offset by high inventory and affordability issues + consumer confidence and credit availability



Source: US Census Bureau - (Annual) New Privately Owned Housing Units Started

USA Housing Market Environment

- From peak
 - New construction down 55% - from annualised starts of 2.2m in late 2005/early 2006 to 1.0m early 2008
 - Repair and remodelling spend down 6%¹
- We have anticipated and prepared for weaker conditions since 2006
 - Production capacity scaled back
 - Employee numbers reduced 23%
 - Proceeded with new product launches
 - Value pricing maintained
 - EBIT margins held at +25%
 - Strong cash flow

¹Data for quarter ended December 2007 not yet released

USA Housing Market Environment

Current situation

- Flexible manufacturing model – plant loadings driven by lowest landed cash cost at each market
- Continuing to monitor receivables and inventory
 - No deterioration in receivables KPIs
 - Inventory – normal seasonal build in Q3, will facilitate improved service position
- Continuing to focus on three key strategic objectives:
 - Primary demand growth
 - Product mix shift
 - Zero to landfill

Asia Pacific Fibre Cement



Landcom's sales office at Garden Gates estate, Mt Annan, NSW, was designed by BHI Architects and built by Admark using Scyon™ Linea™ weatherboards, Scyon™ Matrix™ cladding, Scyon™ Axon™ cladding and Scyon™ Trim



Asia Pacific Fibre Cement

3rd Quarter Result

Net Sales	up	20% to US\$77.5 million
Sales Volume	flat	100.1 mmsf to 100.4 mmsf
Average Price	up	4% to A\$866 per msf
EBIT	up	68% to US\$14.8 million
EBIT Margin	up	5.4 pts to 19.1%



Asia Pacific Fibre Cement

Nine Months Result

Net Sales	up	20% to US\$224.8 million
Sales Volume	up	4% to 302.9 mmsf
Average Price	up	2% to A\$866 per msf
EBIT*	up	29% to US\$39.6 million
EBIT* Margin	up	1.3 pts to 17.6%

* EBIT includes US\$2.7m additional lease cost related to prior periods



Asia Pacific Fibre Cement

Strategy

- Grow primary demand for our products
- Leverage our superior technology to offer differentiated products and systems with superior value to those of competitors
- Promote a smarter way to build composite construction houses using our products
- Vigorously defend our position in existing market segments



Asia Pacific Fibre Cement

Key Points

- Residential construction activity was flat in Australia and weaker in New Zealand
- US\$ financial results assisted by appreciation of Asia Pacific currencies
- Q3 net sales up 4% in A\$ due to 4% increase in the average Australian dollar net sales price
- Q3 sales volumes in Australia and New Zealand up 4% driven by growth in value-added, differentiated products
- Non-differentiated products remain subject to strong competitive pressures
- In the Philippines, net sales in local currency down due to lower domestic and export sales
- Stronger EBIT performance due to improved gross margin and lower SG&A costs



Asia Pacific Fibre Cement

Outlook

- Residential construction activity is expected to be flat in Australia, down in New Zealand and slightly stronger in the Philippines in the short-term
- Further primary demand growth for fibre cement in Australia and New Zealand
- Non-differentiated products in Australia are expected to remain subject to strong competition
- More manufacturing efficiencies and other cost savings, but higher raw material costs



Other

USA Hardie Pipe

- Q3 net sales lower due to weaker residential and non-residential construction activity in Florida
- EBIT loss for the quarter

Europe Fibre Cement

- Sales continuing to grow steadily
- EBIT breakeven for the quarter



Overall Outlook for Operations

USA Fibre Cement

- Further weakness in US housing activity expected in near term
- Expect to continue outperforming the broader market

Asia Pacific Fibre Cement

- Market conditions to remain challenging in Australia and New Zealand, but further growth in primary demand for fibre cement expected

Financial Review

Russell Chenu, CFO

Overview

- Solid Q3 and nine months operating performance given weaker market conditions
- Asbestos adjustments in Q3:
 - US\$1.2m – favourable currency movement on A\$ asbestos liability
- Impairment charge in Q3 (Blandon, Pennsylvania plant) – US\$32.4m
 - Announced suspension of plant operations on 31 October 2007
 - Net after tax charge US\$20m
- US\$135m of new term credit facilities established February 2008
 - US\$90m of these facilities expire 2013; US\$45m expire 2011
 - Diversified refinancing risk
 - Brings total credit facilities at 28 February 2008 to US\$490m
 - Weighted average remaining term of debt increased from 2.0 years at 31 December 2007 to 2.5 years at 28 February 2008

Share Buy-Back

- Announced share buy-back of up to 10% of issued capital (up to approximately 46.8 million shares) on 15 August 2007
- Purchased 7.2% of issued capital between 18 September 2007 and 31 December 2007 at average price of A\$6.68 / US\$5.86
 - 33.5 million shares purchased as at 31 December 2007 - total cost US\$196.3 million
 - no shares purchased between 1 January 2008 and 28 February 2008
- Material full year benefits
 - > 3% EPS accretion
 - 0.5% WACC reduction
- Shares will continue to be purchased opportunistically subject to market conditions and operating environment

Results – Q3

<u>US\$ Millions</u>	<u>Q3'08</u>	<u>Q3'07</u>	<u>% Change</u>
Net sales	341.4	355.1	(4)
Gross profit	117.1	126.3	(7)
SG&A expenses	(54.3)	(53.4)	(2)
Research & development expenses	(6.4)	(6.2)	(3)
Impairment of Blandon facility	(32.4)	-	-
SCI and other related expenses	-	(2.6)	-
Asbestos adjustments	1.2	(44.8)	-
EBIT	25.2	19.3	31
Net interest income (expense)	0.8	(1.3)	-
Income tax expense	(8.9)	(26.0)	66
Net operating profit (loss)	17.1	(8.0)	-

Results – Q3

<u>US\$ Millions</u>	<u>Q3'08</u>	<u>Q3'07</u>	<u>% Change</u>
Net operating profit (loss)	17.1	(8.0)	-
Asbestos:			
Asbestos adjustments	(1.2)	44.8	-
AICF SG&A expenses	1.0	-	-
AICF interest income	(2.8)	-	-
Impairment of Blandon facility (net of tax)	20.0	-	-
Net operating profit excluding asbestos and impairment	34.1	36.8	(7)

Results – Nine Months

<u>US\$ Millions</u>	<u>9 Mths'08</u>	<u>9 Mths'07</u>	<u>% Change</u>
Net sales	1,155.9	1,182.0	(2)
Gross profit	422.8	439.2	(4)
SG&A expenses	(167.9)	(162.3)	(3)
Research & development expenses	(19.8)	(20.3)	2
Impairment of Blandon facility	(32.4)	-	-
SCI and other related expenses	-	(8.2)	-
Asbestos adjustments	(57.8)	(119.2)	52
EBIT	144.9	129.2	12
Net interest income (expense)	3.3	(2.3)	-
Income tax expense	(72.9)	(79.2)	8
Effect of change in accounting principle – net of tax	-	0.9	-
Net operating profit	75.3	48.6	55

Results – Nine Months

<u>US\$ Millions</u>	<u>9 Mths'08</u>	<u>9 Mths'07</u>	<u>% Change</u>
Net operating profit	75.3	48.6	55
Asbestos:			
Asbestos adjustments	57.8	119.2	(52)
Tax expense related to asbestos adjustments	0.4	-	-
AICF SG&A expenses	2.7	-	-
AICF interest income	(7.0)	-	-
Impairment of Blandon facility (net of tax)	20.0	-	-
Net operating profit excluding asbestos and impairment	149.2	167.8	(11)

Segment Net Sales – Q3

<u>US\$ Millions</u>	<u>Q3'08</u>	<u>Q3'07</u>	<u>% Change</u>
USA Fibre Cement	258.2	284.5	(9)
Asia Pacific Fibre Cement	77.5	64.4	20
Other	5.7	6.2	(8)
Total	341.4	355.1	(4)

Segment Net Sales – Nine Months

<u>US\$ Millions</u>	<u>9 Mths'08</u>	<u>9 Mths'07</u>	<u>% Change</u>
USA Fibre Cement	912.3	972.4	(6)
Asia Pacific Fibre Cement	224.8	187.4	20
Other	18.8	22.2	(15)
Total	1,155.9	1,182.0	(2)

Segment EBIT – Q3

<u>US\$ Millions</u>	<u>Q3'08</u>	<u>Q3'07</u>	<u>% Change</u>
USA Fibre Cement	64.6	76.7	(16)
Asia Pacific Fibre Cement	14.8	8.8	68
Other	(1.3)	(2.4)	46
R & D ¹	(4.2)	(4.9)	14
Total Segment EBIT excluding impairment	73.9	78.2	(5)
General Corporate	(16.5)	(14.1)	(17)
Total EBIT excluding asbestos and impairment	57.4	64.1	(10)
Asbestos adjustments	1.2	(44.8)	-
AICF SG&A expenses	(1.0)	-	-
Impairment of Blandon facility	(32.4)	-	-
Total EBIT	25.2	19.3	31

¹ R&D includes "core" R&D expenses and administrative expenses, but excludes product development expenses

Segment EBIT – Nine Months

<u>US\$ Millions</u>	<u>9 Mths'08</u>	<u>9 Mths'07</u>	<u>% Change</u>
USA Fibre Cement	263.3	277.8	(5)
Asia Pacific Fibre Cement	39.6	30.6	29
Other	(4.5)	(6.6)	32
R & D ¹	(13.1)	(13.6)	4
Total Segment EBIT excluding impairment	285.3	288.2	(1)
General Corporate	(47.5)	(39.8)	(19)
Total EBIT excluding asbestos and impairment	237.8	248.4	(4)
Asbestos adjustments	(57.8)	(119.2)	52
AICF SG&A expenses	(2.7)	-	-
Impairment of Blandon facility	(32.4)	-	-
Total EBIT	144.9	129.2	12

¹ R&D includes "core" R&D expenses and administrative expenses, but excludes product development expenses

Corporate Costs – Q3

<u>US\$ Millions</u>	<u>Q3'08</u>	<u>Q3'07</u>	<u>% Change</u>
Stock compensation expenses	1.9	1.4	(36)
SCI and other related expenses	-	2.6	-
ASIC proceedings	1.5	-	-
Australian pension plan	0.9	0.8	(13)
Other costs	12.2	9.3	(31)
Total	16.5	14.1	(17)

Corporate Costs – Nine Months

<u>US\$ Millions</u>	<u>9 Mths'08</u>	<u>9 Mths'07</u>	<u>% Change</u>
Stock compensation expenses	5.0	4.1	(22)
SCI and other related expenses	-	8.2	-
Non-US warranty provision	4.0	-	-
ASIC proceedings	4.6	-	-
Australian pension plan	2.0	2.3	13
Other costs	31.9	25.2	(27)
Total	47.5	39.8	(27)

Net Interest Income (Expense)

<u>US\$ Millions</u>	<u>Q3'08</u>	<u>Q3'07</u>	<u>9 Mths'08</u>	<u>9 Mths'07</u>
Gross interest expense	(2.9)	(1.8)	(7.3)	(7.4)
Make-whole payment	-	-	-	(6.0)
Capitalised interest	-	0.3	0.6	6.1
Interest income	0.9	0.2	3.0	5.0
Net interest income (expense) excluding AICF net interest income	(2.0)	(1.3)	(3.7)	(2.3)
AICF net interest income	2.8	-	7.0	-
Net interest income (expense)	0.8	(1.3)	3.3	(2.3)

Income Tax Expense – Q3

<u>US\$ Millions</u>	<u>Q3'08</u>	<u>Q3'07</u>
Operating profit before income taxes	26.0	18.0
Asbestos:		
Asbestos adjustments	(1.2)	44.8
AICF SG&A expenses	1.0	-
AICF interest income	(2.8)	-
Operating profit before income taxes excluding asbestos	23.0	62.8
Income tax expense	8.9	26.0
Effective tax rate excluding asbestos	38.7%	41.4%

Income Tax Expense – Nine Months

<u>US\$ Millions</u>	<u>9 Mths'08</u>	<u>9 Mths'07</u>
Operating profit before income taxes	148.2	126.9
Asbestos:		
Asbestos adjustments	57.8	119.2
AICF SG&A expenses	2.7	-
AICF interest income	(7.0)	-
Operating profit before income taxes excluding asbestos	201.7	246.1
Income tax expense	72.9	79.2
Asbestos:		
Tax expense related to asbestos adjustments	0.4	-
Tax provision write-back	-	7.4
Income tax expense excluding asbestos and tax provision write-back	73.3	86.6
Effective tax rate excluding asbestos and tax provision write-back	36.3%	35.2%

EBITDA – Q3

<u>US\$ Millions</u>	<u>Q3'08</u>	<u>Q3'07</u>	<u>% Change</u>
EBIT			
USA Fibre Cement	64.6	76.7	(16)
Asia Pacific Fibre Cement	14.8	8.8	68
Other	(1.3)	(2.4)	46
R & D	(4.2)	(4.9)	14
General Corporate	(16.5)	(14.1)	17
Depreciation and Amortisation			
USA Fibre Cement	12.5	9.7	29
Asia Pacific Fibre Cement	1.8	2.4	(25)
Other	0.1	0.7	(86)
Total EBITDA excluding asbestos and impairment	71.8	76.9	(7)
Asbestos adjustments	1.2	(44.8)	-
AICF SG&A expenses	(1.0)	-	-
Impairment of Blandon facility	(32.4)	-	-
Total EBITDA	39.6	32.1	23

EBITDA – Nine Months

<u>US\$ Millions</u>	<u>9 Mths'08</u>	<u>9 Mths'07</u>	<u>% Change</u>
EBIT			
USA Fibre Cement	263.3	277.8	(5)
Asia Pacific Fibre Cement	39.6	30.6	29
Other	(4.5)	(6.6)	32
R & D	(13.1)	(13.6)	4
General Corporate	(47.5)	(39.8)	(19)
Depreciation and Amortisation			
USA Fibre Cement	32.6	27.6	18
Asia Pacific Fibre Cement	6.4	7.5	(8)
Other	3.1	1.9	63
Total EBITDA excluding asbestos and impairment	279.9	285.4	(2)
Asbestos adjustments	(57.8)	(119.2)	52
AICF SG&A expenses	(2.7)	-	-
Impairment of Blandon facility	(32.4)	-	-
Total EBITDA	187.0	166.2	13

Cash Flow – Nine Months

<u>US\$ Millions</u>	<u>9 Mths'08</u>	<u>9 Mths'07</u>	<u>% Change</u>
EBIT	144.9	129.2	12
Non-Cash items			
- Asbestos adjustments	57.8	119.2	(52)
- Impairment of Bandon facility	32.4	-	-
- Other non-cash items	57.8	42.2	(37)
Net working capital movements	55.4	(13.6)	-
Cash generated by trading activities	348.3	277.0	26
Tax payments	(52.8)	(66.7)	21
Deposit with ATO	(6.5)	(151.7)	96
Initial Payment to AICF	-	(7.1)	-
Interest paid (net)	(9.6)	(6.8)	(41)
Net Operating Cash Flow	279.4	44.7	-
Purchases of property, plant & equipment	(28.7)	(79.4)	64
Dividends paid	(123.1)	(18.7)	-
Share buy-back	(196.3)	-	-
Equity issued	3.2	15.4	79
Other	(13.2)	2.9	-
Movement in Net Cash (Debt)	(78.7)	(35.1)	-
Net Cash (Debt) – 31 March	(153.9)	12.4	-
Net Cash (Debt) – 31 December	(232.6)	(22.7)	-

Capital Expenditure – Nine Months

<u>US\$ Millions</u>	<u>9 Mths'08</u>	<u>9 Mths'07</u>	<u>% Change</u>
USA Fibre Cement	24.3	67.6	64
Asia Pacific Fibre Cement	4.1	8.8	53
Other	0.3	3.0	90
Total	28.7	79.4	64

Key Ratios

	<u>9 Mths' FY08</u>	<u>FY07</u>	<u>FY06</u>
EPS (Diluted) ¹	32.2c	47.6c	44.9c
Dividend Paid per share	27.0c	9.0c	10.0c
Return on Shareholders' Funds ¹	21.5%	24.0%	29.1%
Return on Capital Employed ²	27.2%	26.6%	28.9%
EBIT/ Sales (EBIT margin) ²	20.6%	20.7%	18.9%
Gearing Ratio ¹	22.4%	12.8%	(1.6)%
Net Interest Expense Cover ³	64.3x	49.1x	-
Net Interest Paid Cover ²	24.8x	62.5x	80.2x
Net Debt Payback ⁴	0.6 yrs	1.9 yrs	-

¹ Excludes asbestos adjustments, tax expense/benefit related to asbestos adjustments, AICF SG&A expenses, AICF interest income and impairment

² Excludes asbestos adjustments, AICF SG&A expenses and impairment

³ Excludes asbestos adjustments, AICF SG&A expenses, AICF interest income and impairment

⁴ Excludes payments under the Amended FFA

Summary

- Solid overall operating performance for the nine months considering business environment
- Strong cash generation
- Bandon impairment charge US\$32.4m – non-cash
- New debt facilities established, extends average debt maturity
- The company's financial position remains strong
- Share buy-back continuing
- Results remain subject to fluctuation in A\$: US\$ exchange rate for foreseeable future



Questions & Answers

Disclaimer

This Management Presentation 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 claims;*
- *expectations concerning the costs associated with the suspension of operations at our Blandon Pennsylvania Plant;*
- *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 or 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 distributors; 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; the successful implementation of new software systems; 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.

Endnotes

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

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. We believe EBIT and EBIT margin to be relevant and useful information as these are the primary measures used by our management to measure the operating profit or loss of our business. EBIT is one of several metrics used by our management to measure the earnings generated from our operations, excluding interest and income tax expenses. Additionally, EBIT is believed to be a primary measure and terminology used by our 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 we have 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.

Endnotes

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

EBIT and EBIT margin excluding asbestos – EBIT and EBIT margin excluding asbestos 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	Q3 FY08	Q3 FY07	9 Mths FY08	9 Mths FY07
EBIT	\$ 25.2	\$ 19.3	\$ 144.9	\$ 129.2
Asbestos:				
Asbestos adjustments	(1.2)	44.8	57.8	119.2
AICF SG&A expenses	1.0	-	2.7	-
Impairment of Blandon facility	32.4	-	32.4	-
EBIT excluding asbestos and impairment	57.4	64.1	237.8	248.4
Net Sales	\$ 341.4	\$ 355.1	\$ 1,155.9	\$ 1,182.0
EBIT margin excluding asbestos and impairment	16.8%	18.1%	20.6%	21.0%

Non-US GAAP Financial Measures (continued)

Net operating profit excluding asbestos – Net operating profit excluding asbestos 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\$ Million	Q3 FY08	Q3 FY07	9 Mths FY08	9 Mths FY07
Net operating profit (loss)	\$ 17.1	\$ (8.0)	\$ 75.3	\$ 48.6
Asbestos:				
Asbestos adjustments	(1.2)	44.8	57.8	119.2
AICF SG&A expenses	1.0	-	2.7	-
AICF interest income	(2.8)	-	(7.0)	-
Tax expense related to asbestos adjustments	-	-	0.4	-
Impairment of Blandon facility (net of tax)	20.0	-	20.0	-
Net operating profit excluding asbestos and impairment	\$ 34.1	\$ 36.8	\$ 149.2	\$ 167.8

Non-US GAAP Financial Measures (continued)

Diluted earnings per share excluding asbestos and impairment – Diluted earnings per share excluding asbestos and impairment 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\$ Million	Q3 FY08	Q3 FY07	9 Mths FY08	9 Mths FY07
Net operating profit excluding asbestos and impairment	\$ 34.1	\$ 36.8	\$ 149.2	\$ 167.8
Weighted average common shares outstanding – Diluted (millions)	451.8	464.7	462.8	464.6
Diluted earnings per share excluding asbestos and impairment (US cents)	7.5	7.9	32.2	36.1

Non-US GAAP Financial Measures (continued)

Effective tax rate excluding asbestos and tax provision write-back – Effective tax rate excluding asbestos and tax provision write-back 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\$ Million	Q3 FY08	Q3 FY07	9 Mths FY08	9 Mths FY07
Operating profit before income taxes	\$ 26.0	\$ 18.0	\$ 148.2	\$ 126.9
Asbestos:				
Asbestos adjustments	(1.2)	44.8	57.8	119.2
AICF SG&A expenses	1.0	-	2.7	-
AICF interest income	(2.8)	-	(7.0)	-
Operating profit before income taxes excluding asbestos	\$ 23.0	\$ 62.8	\$ 201.7	\$ 246.1
Income tax expense	8.9	26.0	72.9	79.2
Asbestos:				
Tax expense related to asbestos adjustments	-	-	0.4	-
Tax provision write-back	-	-	-	7.4
Income tax expense excluding asbestos and tax provision write-back	\$ 8.9	\$ 26.0	\$ 73.3	\$ 86.6
Effective tax rate excluding asbestos and tax provision write-back	38.7%	41.4%	36.3%	35.2%

Non-US GAAP Financial Measures (continued)

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\$ Million	Q3 FY08	Q3 FY07	9 Mths FY08	9 Mths FY07
EBIT	\$ 25.2	\$ 19.3	\$ 144.9	\$ 129.2
Depreciation and amortisation	14.4	12.8	42.1	37.0
EBITDA	\$ 39.6	\$ 32.1	\$ 187.0	\$ 166.2



James Hardie

FY08 3rd Quarter and Nine Month Results

28 February 2008

In this Management Presentation, 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 54. The company presents financial measures that it believes are customarily used by its Australian investors. Specifically, these financial measures, which are equivalent or derived from certain 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 impairment", "EBIT margin excluding asbestos and impairment", "Net operating profit excluding asbestos and impairment", "Diluted earnings per share excluding asbestos and impairment", "Operating profit before income taxes excluding asbestos", "Effective tax rate excluding asbestos" and "Effective tax rate excluding asbestos and tax provision write-back"). Unless otherwise stated, results and comparisons are of the 3rd quarter and the nine months of the current fiscal year versus the 3rd quarter and the nine months of the prior fiscal year.