



asx report

James Hardie Industries N.V.

ARBN 097 829 895

ASX Report

31 December 2001

JAMES HARDIE INDUSTRIES N.V.

Consolidated profit and loss account

	Current period 31 Dec 01 US\$ million	Previous corresponding period 31 Dec 00 US\$ million	Current period 31 Dec 01 A\$ million	Previous corresponding period 31 Dec 00 A\$ million
1.1 Revenues from ordinary activities	630.6	636.5	1,207.9	1,126.7
1.2 Expenses from ordinary activities (see items 1.24 + 12.5 + 12.6)	(607.9)	(549.3)	(1,164.3)	(972.4)
1.3 Borrowing costs	(12.8)	(8.8)	(24.5)	(15.5)
1.4 Share of net profit (loss) of associates and joint venture entities (see item 16.7)	-	-	-	-
1.5 Profit (loss) from continuing, ordinary activities before tax	9.9	78.4	19.1	138.8
1.6 Income tax on ordinary activities (see note 4)	2.1	(22.2)	4.0	(39.3)
1.7a Profit (loss) from continuing, ordinary activities after tax	12.0	56.2	23.1	99.5
1.7b Profit (loss) from ordinary activities of discontinued operations after tax	2.1	(17.1)	4.0	(30.3)
1.7c Profit (loss) from ordinary activities after tax	14.1	39.1	27.1	69.2
1.8a Profit (loss) from extraordinary items after tax (see item 2.5)	-	-	-	-
1.8b Cumulative effect of a change in accounting principle after tax	-	(1.2)	-	(2.1)
1.9 Net profit (loss)	14.1	37.9	27.1	67.1
1.10 Net profit (loss) attributable to outside equity interests	-	-	-	-
1.11 Net profit (loss) for the period attributable to members	14.1	37.9	27.1	67.1

Consolidated retained profits

1.12 Retained profits (accumulated losses) at the beginning of financial period	(103.8)	(99.8)
1.13 Net profit (loss) attributable to members (item 1.11)	14.1	37.9
1.14 Net transfers to from reserves	-	-
1.15 Net effect in changes in accounting policies	-	-
1.16 Dividends and other equity distributions paid or payable	(20.3)	(43.7)
1.17 Retained profits (accumulated losses) at end of financial period	(110.0)	(105.6)

Profit restated to exclude amortisation of goodwill

1.18 Profit (loss) from ordinary activities after tax before outside equity interests (item 1.7c) and amortisation of goodwill	13.2	57.3
1.19 Less (plus) outside equity interests	-	-
1.20 Profit (loss) from ordinary activities after tax (before amortisation of goodwill) attributable to members	13.2	57.3

JAMES HARDIE INDUSTRIES N.V.

Consolidated balance sheet

	At end of current period 31 Dec 01 US\$ million	As shown in last annual report 31 Mar 01 US\$ million	Previous corresponding period 31 Dec 00 US\$ million	At end of current period 31 Dec 01 A\$ million	As shown in last annual report 31 Mar 01 A\$ million	Previous corresponding period 31 Dec 00 A\$ million
Current assets						
4.1 Cash	39.0	75.1	79.3	76.3	153.3	143.1
4.2 Receivables	85.0	66.1	82.8	166.2	134.9	149.4
4.3 Investments	-	-	-	-	-	-
4.4 Inventories	76.9	84.7	69.3	150.4	172.9	125.0
4.5a Other - prepayments	18.1	20.1	18.3	35.4	41.0	33.0
4.5b Other - deferred tax assets	27.2	31.0	34.6	53.2	63.3	62.4
4.5c Other - net current assets of discontinued operations	-	-	3.5	-	-	6.3
4.6 Total current assets	246.2	277.0	287.8	481.5	565.4	519.2
Non-current assets						
4.7 Receivables	5.4	12.8	13.7	10.6	26.1	24.7
4.8 Investments (equity accounted)	-	-	-	-	-	-
4.9 Other investments	47.1	10.2	11.0	92.1	20.8	19.8
4.10 Inventories	-	-	-	-	-	-
4.11 Exploration and evaluation expenditure capitalised	-	-	-	-	-	-
4.12 Development properties (mining entities)	-	-	-	-	-	-
4.13 Property, plant, equipment & mineral rights (net)	595.2	578.5	577.8	1,163.9	1,180.6	1,042.6
4.14 Intangibles (net)	33.2	34.5	32.6	64.9	70.4	58.8
4.15a Other - mineral reserves	26.6	27.4	27.3	52.0	55.9	49.3
4.15b Other - prepaid pension	7.3	8.8	9.8	14.3	18.0	17.7
4.15c Other - deferred tax assets	3.5	3.7	1.5	6.8	7.6	2.7
4.15d Other - net non-current assets of discontinued operations	-	7.8	-	-	15.9	-
4.16 Total non-current assets	718.3	683.7	673.7	1,404.6	1,395.3	1,215.6
4.17 Total assets	964.5	960.7	961.5	1,886.1	1,960.7	1,734.8
Current liabilities						
4.18 Payables	66.8	77.6	60.3	130.6	158.4	108.8
4.19 Interest bearing liabilities	65.0	74.8	70.4	127.1	152.7	127.0
4.20 Provisions	37.7	39.0	34.4	73.7	79.6	62.1
4.21 Other - net current liabilities of discontinued operations	-	0.7	-	-	1.4	-
4.22 Total current liabilities	169.5	192.1	165.1	331.4	392.1	297.9
Non-current liabilities						
4.23 Payables	-	-	-	-	-	-
4.24 Interest bearing liabilities	305.5	357.3	313.7	597.4	729.2	566.0
4.25a Provisions	29.7	12.8	19.7	58.1	26.1	35.5
4.25b Liability to Medical Research & Compensation Foundation	51.6	49.4	-	100.9	100.8	-
4.26a Other - tax liabilities	63.8	68.0	81.9	124.8	138.8	147.8
4.26b Other - net non-current liabilities - discontinued operations	-	-	126.3	-	-	227.9
4.27 Total non-current liabilities	450.6	487.5	541.6	881.2	994.9	977.2
4.28 Total liabilities	620.1	679.6	706.7	1,212.6	1,387.0	1,275.1
4.29 Net assets	344.4	281.1	254.8	673.5	573.7	459.7
Equity						
4.30 Capital/contributed equity	518.6	437.0	420.0			
4.31a Accumulated other comprehensive income (loss)	(58.7)	(44.2)	(51.5)			
4.31b Employee loans	(5.5)	(7.9)	(8.1)			
4.32 Retained profits (Accumulated losses)	(110.0)	(103.8)	(105.6)			
4.33 Equity attributable to members of the parent entity	344.4	281.1	254.8			
4.34 Outside equity interests in controlled entities	-	-	-			
4.35 Total equity	344.4	281.1	254.8			
4.36 Preference capital included as part of 4.33	-	-	-			

JAMES HARDIE INDUSTRIES N.V.

Consolidated statement of cash flows

	Current period 31 Dec 01 US\$ million	Previous corresponding period 31 Dec 00 US\$ million	Current period 31 Dec 01 A\$ million	Previous corresponding period 31 Dec 00 A\$ million
Cash flows related to operating activities				
7.1 Receipts from customers	645.9	691.3	1,237.1	1,223.7
7.2 Payments to suppliers and employees	(593.7)	(595.9)	(1,137.0)	(1,055.0)
7.3 Dividends received from associates	-	-	-	-
7.4 Other dividends received	-	0.3	-	0.5
7.5 Interest and other items of similar nature received	2.1	7.1	4.0	12.6
7.6 Interest and other costs of finance paid	(21.8)	(19.4)	(41.8)	(34.3)
7.7 Income taxes refunded (paid)	16.3	(18.7)	31.2	(33.1)
7.8 Other (provide details if material)	-	-	-	-
7.9 Net operating cash flows	48.8	64.7	93.5	114.4
Cash flows related to investing activities				
7.10 Payment for purchases of property, plant and equipment	(46.5)	(95.7)	(89.1)	(169.4)
7.11 Proceeds from sale of property, plant and equipment	0.2	2.3	0.4	4.1
7.12 Payment for purchases of equity investments and businesses	(39.6)	(9.3)	(75.8)	(16.5)
7.13 Proceeds from sale of equity investments and businesses	10.7	1.4	20.5	2.5
7.14 Loans to other entities	-	-	-	-
7.15 Loans repaid by other entities	3.7	6.4	7.1	11.3
7.16 Other (provide details if material)	-	-	-	-
7.17 Net investing cash flows	(71.5)	(94.9)	(136.9)	(168.0)
Cash flows related to financing activities				
7.18 Proceeds from issues of securities (shares, options, etc)	103.3	-	197.9	-
7.19 Proceeds from borrowings	46.8	119.3	89.6	211.2
7.20 Repayment of borrowings	(123.2)	(116.5)	(236.0)	(206.2)
7.21 Dividends paid	(20.6)	(43.5)	(39.5)	(77.0)
7.22 Other - Repayments of capital	(22.7)	-	(43.5)	-
7.23 Net financing cash flows	(16.4)	(40.7)	(31.5)	(72.0)
7.24 Net increase (decrease) in cash held	(39.1)	(70.9)	(74.9)	(125.6)
7.25 Cash at beginning of period	75.1	154.2	153.3	253.9
7.26 Exchange rate adjustments	3.0	(4.0)	(2.1)	14.8
7.27 Cash at end of period	39.0	79.3	76.3	143.1

JAMES HARDIE INDUSTRIES N.V.

SEGMENT INFORMATION US\$ million

	Sales		Profit/(loss) before tax and abnormals		Total Assets	
	9 mths	9 mths	9 mths	9 mths	31.12.01	31.3.01
	31.12.01	31.12.00	31.12.01	31.12.00		
Industry segments						
US Fiber Cement	327.5	282.5	61.6	54.6	405.8	336.8
Asia Pacific Fiber Cement	117.9	131.2	15.8	15.6	145.9	139.9
Gypsum	181.7	221.9	(2.9)	40.9	267.7	277.4
Research & Development	-	-	(7.3)	(4.2)	-	-
Other	2.7	-	(6.0)	(0.4)	45.1	39.9
Eliminate intercompany transactions			-	1.4		
Segments total	629.8	635.6	61.2	107.9	864.5	794.0
General Corporate	0.8	0.9	(37.9)	(22.3)	100.0	158.9
Interest	-	-	(12.8)	(8.8)	-	-
Other income (expense)	-	-	(0.6)	1.6	-	-
Worldwide total from continuing operations	630.6	636.5	9.9	78.4	964.5	952.9
Discontinued operations					-	7.8
Worldwide total					964.5	960.7

	Sales		Total Assets	
	9 mths	9 mths	31.12.01	31.3.01
	31.12.01	31.12.00		
Geographic segments				
United States	510.9	504.4	709.4	645.6
Australia	76.0	88.9	79.2	72.4
New Zealand	28.8	29.4	24.5	21.0
Other Countries	14.1	12.9	51.4	55.0
Segments total	629.8	635.6	864.5	794.0
General Corporate	0.8	0.9	100.0	158.9
Worldwide total from continuing operations	630.6	636.5	964.5	952.9
Discontinued operations			-	7.8
Worldwide total			964.5	960.7

Compilation of segmental information

James Hardie's operations are organised into the following five segments: (1) US Fiber Cement, which manufactures and sells fiber cement flat sheet products in the United States; (2) Asia Pacific Fiber Cement, which manufactures and sells fiber cement products in Australia, New Zealand, the Philippines and Asian export markets; (3) Gypsum, which manufactures and sells gypsum wallboard products in the United States; (4) Research and Development, which includes the research and development centre in Sydney, Australia; and (5) Other, which includes the fiber reinforced cement pipes operations in the United States and the Chile fiber cement operations.

Research and development assets are included in the Asia Pacific Fiber Cement segment.

In the analysis of total assets all deferred taxes are included in General Corporate.

Prior year segmental information has been restated to reflect current industry segments.

JAMES HARDIE INDUSTRIES N.V.

Comments by directors

Basis of accounting preparation

Background

On 2 July 1998, James Hardie Industries Limited ("JHIL") announced a plan of Reorganization and capital restructuring (the "1998 Reorganization"). James Hardie N.V. ("JHNV") was incorporated in August 1998, as an intermediary holding company, with all its common stock owned by indirect subsidiaries of JHIL. On 16 October 1998, JHIL's shareholders approved the 1998 Reorganization. Effective as of 1 November 1998, JHIL contributed its fiber cement businesses, its US gypsum wallboard business, its Australian and New Zealand building systems businesses and its Australian windows business (collectively, the "Transferred Businesses") to JHNV and its subsidiaries. In connection with the 1998 Reorganization, JHIL and its non-transferring subsidiaries retained certain unrelated assets and liabilities.

On 24 July 2001, JHIL announced a further plan of Reorganization and capital restructuring (the "2001 Reorganization"). Completion of the 2001 Reorganization occurred on 19 October 2001. In connection with the 2001 Reorganization, James Hardie Industries N.V. ("JHINV"), formerly RCI Netherlands Holdings B.V., issued common shares represented by CHESS Units of Foreign Securities ("CUFS") on a one for one basis to existing JHIL shareholders in exchange for their shares in JHIL such that JHINV became the new ultimate holding company for JHIL and JHNV.

Following the 2001 Reorganization, JHINV controls the same assets and liabilities as JHIL controlled immediately prior to the 2001 Reorganization.

Basis of Presentation

The consolidated financial statements represent the financial position and results of JHINV and its wholly owned subsidiaries collectively referred to as either the "Company" or "James Hardie", unless the context indicates otherwise. For the periods prior to 19 October 2001, the effective date of the 2001 Reorganization, the consolidated financial statements represents the financial position and results of JHIL and its wholly owned subsidiaries.

In accordance with accounting principles generally accepted in the United States of America, the transfers to JHINV have been accounted for on a historical cost basis using the "as-if" pooling method on the basis that the transfers are between companies under common control.

The profit and loss account, balance sheet and statement of cash flows of the Company have been presented with accompanying Australian dollar (A\$) convenience translations. These A\$ convenience translations are not prepared in accordance with accounting principles generally accepted in the United States of America. The exchange rates used to calculate the convenience translations are as follows (US\$1=A\$):

	31 March 2001	31 December 2000	2001
Balance sheet	2.0408	n/a	1.9554
Profit and loss account	n/a	1.7702	1.9154
Statement of cash flows - beginning cash	n/a	1.6466	2.0408
Statement of cash flows - ending cash	n/a	1.8044	1.9554
Statement of cash flows - current period movements	n/a	1.7702	1.9154

Other matters

On 1 August 2001, the Company raised approximately A\$197 million through the issue of 35 million fully paid ordinary shares by means of an underwritten share placement.

On 4 October 2001, the Company signed a Preliminary Class Action Settlement Agreement for all product, warranty and property related liability claims associated with its roofing products, which were previously manufactured and sold by the US Fiber Cement business. These products were removed from the marketplace between 1995 and 1998 in areas where there had been any alleged problems. The Preliminary Settlement Agreement is due to be considered for approval by a Washington State Court on 14 February 2002. There can be no assurance that the approval will be granted and that the Company will be bound by the terms of this Preliminary Settlement Agreement, however, the Company recorded a pre-tax charge of \$12.6 million in the third quarter to cover the estimated cost of the settlement, and the estimated cost of any other pending claims or lawsuits remaining which are not covered by the settlement, as well as all related costs that may be paid under the Preliminary Settlement Agreement, should the Preliminary Settlement Agreement be approved by the Washington State Court on 14 February 2002.

Since the end of the period the Directors are not aware of any matter or circumstance not otherwise reported that has significantly or may significantly affect the operations of James Hardie, the results of those operations or the state of affairs of James Hardie in subsequent financial periods.

Compliance statement

- 1 This report has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law 2001 or other standards acceptable to ASX.

Identify other standards used

US GAAP

- 2 This report does give a true and fair view of the matters disclosed.
- 3 This quarterly report is not intended to be a report prepared to satisfy the requirements of the Corporations Law 2001. A formal review report has therefore not been prepared.
- 4 The entity has a formally constituted audit committee.

Sign here:
(Company Secretary)

Date:

Print name: