

COMPANY STATEMENT

3 September 2007

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James Hardie appoints new Director

The Supervisory Board of James Hardie Industries has appointed David Andrews to the company's Supervisory and Joint Boards (the Board) effective 1 September 2007.

Mr Andrews has extensive legal and management experience across the private and public sectors. He has two decades of experience as a private practice lawyer including as Washington Managing Partner and Chairman of the firm McCutchen, Doyle, Brown & Enersen.

His experience as a public lawyer and negotiator includes Ambassador and Special Negotiator for Iran/US claims and General Counsel to the US Department of State. His most recent executive role was as Secretary, General Counsel & Senior Vice President Government Affairs, PepsiCo Inc., from 2002-2005.

Mr Andrews' current directorships are Pacific Gas and Electric Corporation (since 2000), Union Bank of California (since 2000), and James Campbell Company LLC (since 2007).

He is a member of the Permanent Court of Arbitration in The Hague, a Senior Fellow for Corporate Governance, United States Chamber of Commerce, and a Member of the Council on Foreign Relations.

James Hardie Chairman, Don DeFosset, advised shareholders of Mr Andrews' anticipated directorship at the company's Annual Information Meeting held in Sydney on 15 August 2007.

"David's appointment brings to six the number of new Directors appointed to James Hardie since December 2006, and completes the planned Board renewal that has been underway for some time," said Mr DeFosset.

"David brings a wealth of international business experience and corporate governance expertise to our Supervisory Board. We will benefit from his skills, insight and guidance."

As required by the company's Articles of Association, Mr Andrews will stand for re-election at the Annual General Meeting to be held in Amsterdam in 2008.

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Disclaimer

This company statement 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 and prospectuses, in media releases and other written materials and in oral statements made by our officers, directors or employees to analysts, institutional investors, 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 with respect to the effect on our financial statements of those payments;*
- *statements as to the possible consequences of proceedings brought against us and certain of our former directors and officers by the Australian Securities & Investments Commission;*
- *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 provision; 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; and foreign exchange risks; the successful implementation of new software systems; and the effect of natural disasters. We caution you that the foregoing list and 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.