

**ABN 60 PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)**

ABN 60 000 009 263

GENERAL PURPOSE FINANCIAL REPORT

31 MARCH 2008

ABN 60 PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

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This financial report covers the accounts of ABN 60 Pty Limited (under NSW Administered Winding Up). The financial report is presented in Australian currency.

ABN 60 Pty Limited is domiciled in Australia. Its registered office and its principal place of business is:

Level 7
233 Castlereagh Street
Sydney 2000

A description of the nature of the Company's operations and its principal activities is included in the directors' report. The directors' report does not form part of this financial report.

The financial report was authorised for issue by the directors of the Company on 26 June 2008. The Company has the power to amend and reissue the financial report.

ABN 60 PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

DIRECTORS' REPORT

The directors of ABN 60 Pty Limited ("the Company") present their financial report of the Company for the year 1 April 2007 to 31 March 2008 and report as follows.

Directors

The names and particulars of the directors of the Company during or since the end of the financial year are:

Name of Director	Date Appointed
P W Baker	9 February 2007
G M Jarvi	9 February 2007

The Company Secretary is Marcin Firek, an employee of the James Hardie Industries N.V. group.

There have been no changes to the Board during the period 1 April 2007 to the date of this report.

Principal Activities

The Company is under NSW administered winding up, in accordance with the provisions of the *James Hardie Former Subsidiaries (Winding up and Administration) Act 2005* (NSW) (the Winding up Act). The Company's affairs are managed under and in accordance with that Act. This regime ensures the continued existence of the Company, even if it is insolvent, and prohibits it from paying any liabilities except for "payable liabilities" as defined in the Winding up Act – limited to asbestos personal injury or death claims arising from exposure to asbestos in Australia and where the claim is made in Australia. The Company is expected to remain under NSW administered winding up for a period of 40 years from February 2007.

The Company's principal activities in the course of the financial year were to manage any statutory and common law claims made against the Company.

Other than as outlined below, no significant changes in the nature of the Company's business activities occurred during the financial year.

Review of Operations and Results

The loss of the Company for the financial period after providing for income tax amounted to \$3,060,598 (2007 loss: \$1,889,576).

During the year the Company received a direction from Asbestos Injuries Compensation Fund Limited as trustee of the Asbestos Injuries Compensation Fund directing the Company to enter into arrangements for the pooling of funds and for allocation of the pooled funds to the payment of "payable liabilities", under section 24 of the Winding up Act. As a result of this direction the Company pooled \$7,630,000 of its funds with those of Amaca Pty Limited, and these funds were used for the payment of "payable liabilities" of Amaca Pty Limited, in accordance with the provisions of the Winding up Act.

Significant Changes in the State of Affairs

During the year the Directors of the Company considered the operation of the *James Hardie (Civil Liability) Act 2005* (NSW), and formed the view that liabilities of the Company to Amaba Pty Ltd under the Deed of Covenant and Indemnity dated 15 February 2001 had been extinguished. This provision has been removed from the Company's accounts.

Apart from this, there were no significant changes to the state of affairs of the Company during the year under review.

ABN 60 PTY LIMITED
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DIRECTORS' REPORT

ASIC

The Company was joined as a defendant in proceedings commenced on 14 February 2007 by the Australian Securities and Investments Commission (ASIC) against James Hardie Industries N.V. (JHINV) and a number of former directors and executives of the James Hardie Group. The Company has advised ASIC, the Supreme Court of New South Wales and the other parties to the proceedings that it:-

- (a) does not intend to play an active part in the proceedings to oppose the Commission's application for the declarations of contravention claimed;
- (b) does not consent to the making of those declarations of the contravention, and has filed a defence putting the claims against it in issue; and
- (c) reserves the right to make submissions to the Court in relation to other issues which may affect it.

The proceedings are expected to commence hearings in September 2008.

Matters Subsequent to the Financial Year

Apart from the following matter, no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

Following the end of the financial year, the Directors of the Company resolved in principle to appoint Ernst & Young as auditors of the Company. Arrangements are being made to complete this appointment.

Future Developments

There is ongoing uncertainty as to the nature and extent to which the Company will be liable for "payable liabilities" as defined in the Winding up Act. Nevertheless, provision has been made for a non-current liability of this nature, including an appropriate prudential margin, of \$2,100,000 (2007 provision: \$3,000,000). The uncertainties relating to this liability are described in more detail in the annual actuarial valuation of asbestos related disease liabilities of former James Hardie entities prepared by KMPG Actuaries Pty Ltd available on the James Hardie website at www.ir.jameshardie.com.au.

Insurance and Indemnification of Directors and Officers

The directors and officers of the Company are covered by insurance taken out by Asbestos Injuries Compensation Fund Limited against liabilities that may be incurred by directors and officers in defending civil or criminal proceedings that may be brought against them in their capacity as directors or officers of the Company, and any other payments arising from liabilities incurred by the directors or officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the directors or officers or the improper use by the directors or officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

The Company's constitution and deeds of access, insurance and indemnity provided by AICFL as trustee of the AICF Trust to the Company's directors, Chief Executive Officer and Company Secretary provide that AICFL shall generally indemnify any director or officer who suffers any loss as a result of any action in connection with their service to the Company, provided they acted in good faith in carrying out their duties and in a manner reasonably believed to be in the Company's best interest. This indemnification generally will not be available if the person seeking indemnification acted with gross negligence or wilful misconduct in the performance of their duties to the Company.

Dividends

Dividends paid or payable during the period were \$nil.

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DIRECTORS' REPORT

Share Options

No options over issued shares or interests in the Company were granted during or since the end of the financial period and there were no options outstanding at the date of this report.

Proceedings on behalf of the Company

No person has applied for leave of a court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

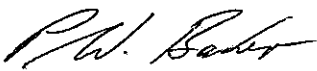
The Company was not a party to any such proceedings during the period under review.

Auditors

The accounts are audited by an independent registered public accounting firm – PricewaterhouseCoopers. The auditor's independence declaration is included on page 4 in the financial report.

Signed in accordance with a resolution of the directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the directors:



Peter W Baker
Chairman and Director



Guy M Jarvi
Director

Sydney,
26 June 2008

PricewaterhouseCoopers
ABN 52 780 433 757

Darling Park Tower 2
201 Sussex Street
GPO BOX 2650
SYDNEY NSW 1171
Australia
Telephone +61 2 8266 0000
Facsimile +61 2 8266 9999

Auditor's Independence Declaration

As lead auditor for the audit of ABN 60 Pty Limited for the year ended 31 March 2008, I declare that to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (b) No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of ABN 60 Pty Limited and the entities it controlled during the period.



DN Kelly
Partner
PricewaterhouseCoopers

Sydney
26 June 2008

ABN 60 PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	Note	2008 \$	2007 \$
Revenue	2	214,896	456,967
Other Income	2	3,609,946	8,505
Employee benefits expenses	3	(25,278)	(146,707)
Claims expense	3	819,596	(1,364,036)
Pooling of funds expense	3	(7,630,000)	-
Other expenses		(49,758)	(844,305)
Loss before income tax		(3,060,598)	(1,889,576)
Income tax expense	4	-	-
Loss for the period		(3,060,598)	(1,889,576)

The accompanying notes form an integral part of these financial statements.

ABN 60 PTY LIMITED
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BALANCE SHEET AS AT 31 MARCH 2008

	Note	2008 \$	2007 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5	3,621	7,718,149
Trade and other receivables	6	22,687	205,842
Other assets	7	237,703	-
TOTAL CURRENT ASSETS		<u>264,011</u>	<u>7,923,991</u>
Non Current Assets			
Trade and other receivables	6	300,000	400,000
TOTAL NON CURRENT ASSETS		<u>300,000</u>	<u>400,000</u>
TOTAL ASSETS		<u>564,011</u>	<u>8,323,991</u>
LIABILITIES			
Current Liabilities			
Trade and other payables	8	1,840	854,051
Borrowings	9	-	21
Provisions	10	-	5,833
TOTAL CURRENT LIABILITIES		<u>1,840</u>	<u>859,905</u>
Non Current Liabilities			
Trade and other payables	8	-	2,941,317
Provisions	10	2,100,000	3,000,000
TOTAL NON CURRENT LIABILITIES		<u>2,100,000</u>	<u>5,941,317</u>
TOTAL LIABILITIES		<u>2,101,840</u>	<u>6,801,222</u>
(NET LIABILITIES) \ NET ASSETS		<u>(1,537,829)</u>	<u>1,522,769</u>
(DEFICIT IN SHAREHOLDER FUNDS) \ SHAREHOLDERS FUNDS			
Issued capital	11	10,544,373	10,544,373
Accumulated losses		(12,082,202)	(9,021,604)
TOTAL (DEFICIT IN SHAREHOLDER FUNDS) \ SHAREHOLDERS FUNDS		<u>(1,537,829)</u>	<u>1,522,769</u>

The accompanying notes form an integral part of these financial statements.

ABN 60 PTY LIMITED
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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2008

	Issued Share Capital Ordinary Shares (Note 11) \$	Accumulated Losses \$	Total \$
Balance at 1 April 2006	10,544,373	(7,132,028)	3,412,345
Loss for the year	-	(1,889,576)	(1,889,576)
Balance at 31 March 2007	10,544,373	(9,021,604)	1,522,769
Loss for the year	-	(3,060,598)	(3,060,598)
Balance at 31 March 2008	10,544,373	(12,082,2025)	(1,537,829)

The accompanying notes form an integral part of these financial statements.

ABN 60 PTY LIMITED
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CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	100
Payments to suppliers and employees		(7,929,403)	(615,740)
Interest received		214,896	456,867
Net cash (outflows) from operating activities	12	<u>(7,714,507)</u>	<u>(158,773)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investments		-	8,287,719
Payment for investments		<u>-</u>	<u>(456,967)</u>
Net cash inflow from investing activities		<u>-</u>	<u>7,830,752</u>
Net (decrease) increase in cash held		(7,714,507)	7,671,979
Cash and cash equivalents at beginning of period		7,718,128	46,149
Cash and cash equivalents at end of period		<u>3,621</u>	<u>7,718,128</u>

The accompanying notes form an integral part of these financial statements.

ABN 60 PTY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The financial report includes the separate financial statement of ABN 60 Pty Limited as an individual entity.

(a) Basis of Preparation

Reporting Basis

On 8 February 2007 the Company became subject to the *James Hardie Former Subsidiaries (Winding up and Administration) Act 2005* (NSW) which places it in a form of statutory-based winding up and administration (the Winding up Act). This regime ensures the continued existence of the Company, even if it becomes insolvent and prohibits it from paying any liabilities except for "payable liabilities" as defined in the Winding up Act – limited to asbestos personal injury or death claims arising from exposure to asbestos in Australia and where the claim is made in Australia.

Following the commencement of the Amended and Restated Final Funding Agreement dated 21 November 2006 (FFA), the directors expect that "payable liabilities" of the Company will be met from the AICF Trust when the Company has insufficient funds for this purpose. The FFA is expected to operate for a period of 40 years, and the Company will remain subject to the Winding up Act during this period of time.

The Financial report has been prepared on a liquidation basis recognising the provisions of the Winding up Act.

(b) Statement of compliance

This financial report is a general purpose financial report that has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Urgent Issues Group Interpretations and complies with other requirements of the law. The financial report complies with Australian Accounting Standards, which include the Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ("IFRS").

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 18.

(c) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax asset is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

ABN 60 PTY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(d) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

Interest

Revenue is recognised on a time proportional basis taking into account the interest rates applicable to the financial assets.

Distributions from Managed Funds

Distributions from managed funds are recognised when the right to receive a distribution has been established.

Insurance Claim Recoveries

Insurance recoveries are recognised when the right to receive recoveries and the likelihood of recovery has been established.

(e) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(f) Loans and Receivables

Trade receivables, loans and other receivables are carried at amortised cost less impairment.

(g) Provision for future claims

Provisions for asbestos claims are measured at the present value of the best estimate of the expenditure required to settle the present obligation at the balance sheet date and includes an appropriate prudential margin. This process involves extensive consultation with external actuaries, claims managers and senior management. An independent actuarial assessment of outstanding and likely future claims is undertaken at least annually. The discount rate used to determine the present value reflects yields on Commonwealth Government Bonds.

(h) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the year end and which are unpaid. These amounts are unsecured and have 30-60 day payment terms.

ABN 60 PTY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(i) Employee Benefits

Wages and Salaries, Annual Leave and Sick Leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of balance sheet date are recognised in respect of employees' services rendered up to balance sheet date and measured at amounts expected to be paid when liabilities are settled. Liabilities for wages and salaries are included as part of other payables and liabilities for annual and sick leave are included as part of employee benefit provisions.

(j) Covenant and Indemnity

The Company's obligation to make payments to Amaba arises under the Deed of Covenant and Indemnity ("DOCI") to which the Company, Amaca (formerly James Hardie & Coy Pty Limited) and Amaba (formerly Jsekarb Pty Limited) are parties and which is dated February 2001. The obligation to make payments expected to be made more than 12 months from the reporting date is recognised as the present value of such payments. Expected future payments are discounted using the interest rate on the 10 year Commonwealth Government Bond. See also Note 8 in this regard.

(k) Impairment of Assets

At each reporting date, the Company assesses whether there are indicators that individual assets are impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

(l) Functional and Presentation Currency

The financial statements are presented in Australian dollars which is the entity's functional and presentation currency.

ABN 60 PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

	Note	2008 \$	2007 \$
NOTE 2: REVENUE			
Interest received – other persons		214,896	456,867
Other		-	100
Total Revenue		<u>214,896</u>	<u>456,967</u>
<i>Other Income</i>			
Change in fair value of investment properties			
- Reversal of Deed of Covenant and Indemnity		3,609,946	-
- Profit on Sale of Investments		-	120,235
- Change in Market Value		-	(111,730)
		<u>3,609,946</u>	<u>8,505</u>
NOTE 3: LOSS BEFORE INCOME TAX			
Loss before income tax has been arrived at after charging for the following:			
(Decrease)/Increase in provision for future claims		(819,596)	1,364,036
Employee benefits expense			
- Salary and wages		23,334	130,205
- Superannuation		-	10,669
- Other employee benefits expense		1,944	5,833
Total employee benefits expense		<u>25,278</u>	<u>146,707</u>
Pooling of funds – paid to Amaca Pty Limited		<u>7,630,000</u>	<u>-</u>

The Company has received an order from Asbestos Injuries Compensation Fund Limited as trustee of the Asbestos Injuries Compensation Fund directing the Company to enter into arrangements for the pooling of funds and for allocation of the pooled funds to payment of "payable liabilities", under section 24 of the Winding up Act. As a result of this direction the Company's funds were pooled with those of Amaca Pty Limited, and used for the payment of "payable liabilities" of Amaca Pty Limited.

ABN 60 PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

NOTES TO THE FINANCIAL STATEMENTS FOR YEAR ENDED 31 MARCH 2008

	Note	2008 \$	2007 \$
NOTE 4: INCOME TAX EXPENSE			
The prima facie tax on loss before income tax is reconciled to the income tax expense as follows:			
Prima facie tax benefit on loss before income tax at 30% (2007: 30%)		(918,179)	(566,873)
Add tax effect of:			
- non allowable items		2,289,000	185,654
- tax losses and temporary difference not brought to account		-	734,868
Less tax effect of:			
- other non assessable item		(1,082,984)	-
- recoupment of prior year tax losses		(287,837)	(353,649)
Income tax expense		<u>-</u>	<u>-</u>

The potential future income tax benefit in respect of tax losses and temporary differences as at 31 March 2008 not brought to account is \$12,710,094 (2007: \$12,651,636)

As the Company is subject to the James Hardie Former Subsidiaries (Winding up and Administration) Act 2005 (NSW) the directors considered that the realisation of this benefit is highly improbable.

NOTE 5: CASH AND CASH EQUIVALENTS

Cash at bank	3,621	7,718,149
	<u>3,621</u>	<u>7,718,149</u>

Reconciliation of cash

Cash at the end of the financial period as shown in the cash flow statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents	3,621	7,718,149
Bank overdrafts	-	(21)
	<u>3,621</u>	<u>7,718,128</u>

ABN 60 PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

	Note	2008 \$	2007 \$
NOTE 6: TRADE AND OTHER RECEIVABLES			
<i>Current</i>			
Tax recoveries		140	182,508
Other receivables		22,547	23,334
		<u>22,687</u>	<u>205,842</u>
<i>Non Current</i>			
Insurance claim receivable		300,000	400,000
		<u>300,000</u>	<u>400,000</u>
All receivables are fully recoverable. No receivables are impaired or past due and not impaired.			
NOTE 7: OTHER ASSETS			
<i>Current</i>			
Prepayments		<u>237,703</u>	<u>-</u>
NOTE 8: TRADE AND OTHER PAYABLES			
<i>Current</i>			
Creditors		-	636,848
Other creditors and accruals		1,840	4,920
Related parties	8(a)	-	212,283
		<u>1,840</u>	<u>854,051</u>
<i>Non Current</i>			
Related parties	8(a)	-	2,941,317
		<u>-</u>	<u>2,941,317</u>
(a) Related parties			
- current		-	212,283
- non current		-	2,941,317
		<u>-</u>	<u>3,153,600</u>

The above amount represented payments owing to Amaba Pty Ltd under the Deed of Covenant and Indemnity. This amount was non-interest bearing.

The Directors of the Company considered the operation of the James Hardie (Civil Liability) Act 2005 (NSW), and formed the view that any obligations of the Company under the Deed of Covenant and Indemnity dated 15 February 2001 had been extinguished. As a result, amounts shown in the financial statements as owing to Amaba Pty Limited have been removed.

ABN 60 PTY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

	Note	2008 \$	2007 \$
NOTE 9: BORROWINGS			
<i>Current</i>			
Bank overdraft (unsecured)		-	21
		-	21
NOTE 10: PROVISIONS			
<i>Current</i>			
Claims settlements			
Opening balance at beginning of the year		-	1,400,000
(Deduction)/addition to provisions during the year		-	(1,400,000)
Balance at end of year		-	-
Employee benefits			
Opening balance		5,833	21,875
Addition to provisions during the year		-	5,833
Amounts used		(5,833)	(21,875)
Balance at end of year		-	5,833
<i>Non Current</i>			
Claims settlements			
Opening balance at beginning of year		3,000,000	-
(Amounts used)/Addition to provisions during the year		(900,000)	3,000,000
Balance at end of year		2,100,000	3,000,000
Analysis of Total Provisions			
Current		-	5,833
Non current		2,100,000	3,000,000
		2,100,000	3,005,833
(a) The provision for future asbestos related liabilities of \$1,800,000 (2007: \$2,600,000) has been recognised in the financial report as follows:			
Current claims provision		-	-
Non-current claims provision		2,100,000	3,000,000
Current insurance receivable		-	-
Non-current insurance receivable		(300,000)	(400,000)
		1,800,000	2,600,000

ABN 60 PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

	Note	2008 \$	2007 \$
NOTE 11: ISSUED CAPITAL			
1,000 (2007: 1,000) fully paid ordinary shares	11(a)	<u>10,544,373</u>	<u>10,544,373</u>

The Company has authorised share capital amounting to 10,544,373 ordinary shares at no par value.

(a) Ordinary Shares	Number.	Number.
At the beginning of the reporting period	1,000	1,000
Shares issued during the period	<u>-</u>	<u>-</u>
At reporting date	<u>1,000</u>	<u>1,000</u>

Ordinary shares participate in dividends.

The activities of the Company are subject to the provisions of the James Hardie Former Subsidiaries (Winding up and Administration) Act 2005 (NSW). On 9 February 2007, the Asbestos Injuries and Compensation Fund Pty Ltd as trustee of Asbestos Injuries Compensation Fund – Charitable Fund acquired all the issued shares of ABN 60 Pty Limited.

At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

ABN 60 PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

	Note	2008 \$	2007 \$
NOTE 12: CASH FLOW INFORMATION			
(a) Reconciliation of cash flow from operations with loss after income tax			
Operating loss after income tax		(3,060,598)	(1,889,576)
Non cash flows in loss:			
Profit on sale of investments		-	(120,235)
Movement in market value of investments		-	111,730
Changes in assets and liabilities:			
Decrease in receivables & prepayments		45,452	108,595
(Decrease) Increase in payables and accruals		(3,793,528)	446,755
(Decrease) Increase in provisions		(905,833)	1,183,958
Cash (outflows) from operations		<u>(7,714,507)</u>	<u>(158,773)</u>

(b) Credit standby arrangement

The Company has no credit standby arrangements and loan facilities.

**NOTE 13: KEY MANAGEMENT PERSONNEL
COMPENSATION**

The compensation of key management personnel of the Company is set out below:

Short-term employee benefits	720,801	136,038
Post-employment benefits	89,806	10,669
Other long-term employee benefits	2,866	-
	<u>813,473</u>	<u>146,707</u>

The key management personnel of the Company were remunerated by the Company and by the Asbestos Injuries and Compensation Fund – Charitable Fund. No director of the Company has received remuneration since 9 February 2007.

NOTE 14: AUDITOR'S REMUNERATION

Remuneration of the auditor for auditing the financial report	<u>-</u>	<u>25,000</u>
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The audit fees of the company have been borne by the Asbestos Injuries Compensation Fund - Charitable Fund.

ABN 60 PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

NOTE 15: FINANCIAL INSTRUMENTS

(a) Financial Risk Management

The Company's principal financial instruments comprise cash, receivables and payables. The main purpose of these non-derivative financial instruments is to meet the Company's claims liabilities, if any.

The Company has not entered into any derivative contracts throughout the year and has no derivative financial instruments at balance date.

(i) Treasury Risk Management

The Company is wholly owned by Asbestos Injuries Compensation Fund Limited as trustee of Asbestos Injuries Compensation Fund Charitable Fund. Management of the trustee meet on a regular basis to analyse the Company's interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

(ii) Financial Risks

The main risks the Company is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Market Risk

The Company's exposure to market risk from changes in interest rate relates primarily to the Company's cash assets. Interest rate risk is managed in accordance with the strategies outlined in Note 15(a)(i). For further details on interest rate risk refer to Note 15(b). The company operates solely in Australia and is not exposed to any significant foreign currency risk.

Liquidity risk

The Company manages liquidity risk by monitoring forecast cash flows.

Credit risk

Credit risk arises from cash and cash equivalents with banks and financial institutions, as well as credit exposures to outstanding receivables. Cash and cash equivalents are only invested with one of the four major banks in Australia.

The maximum exposure to credit risk at balance date to recognised financial assets, excluding the value of any collateral or other security, is the carrying amount, net of any provisions for impairment, as disclosed in the balance sheet and notes to the financial statements.

As detailed in Note 21, the Company is economically dependent on the provisions of the Amended and Restated Final Funding Agreement signed by James Hardie Industries NV and the NSW Government and the James Hardie Former Subsidiaries (Winding up and Administration) Act 2005.

ABN 60 PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

NOTE 15: FINANCIAL INSTRUMENTS (CONTD)

(b) Interest Rate Risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

For the year ended 31 March 2008

	Average Effective Interest Rate %	Floating Interest Rate \$	Non-interest Bearing \$	Total Amount \$
Financial Assets				
Cash and cash equivalents	7.47	3,621	-	3,621
		<u>3,621</u>	<u>-</u>	<u>3,621</u>

For the year ended 31 March 2007

	Average Effective Interest Rate %	Floating Interest Rate \$	Non-interest Bearing \$	Total Amount \$
Financial Assets				
Cash and cash equivalents	6.11	7,718,149	-	7,718,149
		<u>7,718,149</u>	<u>-</u>	<u>7,718,149</u>
Financial Liabilities				
Bank overdraft (unsecured)	14.10	21	-	21
		<u>21</u>	<u>-</u>	<u>21</u>

All other financial assets and financial liabilities are non-interest bearing.

Sensitivity

The Company's main interest rate risk arises from cash and cash equivalents and other financial assets with varying interest rates. At 31 March 2008, if interest rates had changed by +/- 50 basis points from the year end rates, with all variables held constant, post tax loss would have been \$18 lower/higher (2007 change of 50 bps: \$38,591 lower/higher) as a result in higher/lower interest income from these financial assets.

(c) Net Fair Values

The carrying amounts and fair values of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements. Fair values are materially in line with carrying values.

ABN 60 PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

	Note	2008 \$	2007 \$
NOTE 16: RELATED PARTY TRANSACTIONS			
<i>Transactions with related parties</i>			
Transactions with related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.			
Amounts of receivables and payables with related parties are disclosed in notes 6 and 7. Other transactions with related parties are as follows:			
(a) Pooling of funds paid to Amaca Pty Limited pursuant to Section 24 of the Winding up Act.		7,630,000	-

Parent entity

The parent entity is Asbestos Injuries Compensation Fund Limited as trustee of the Asbestos Injuries Compensation Fund – Charitable Fund.

NOTE 17: CONTINGENT LIABILITIES

ASIC

The Company was joined as a defendant in proceedings commenced on 14 February 2007 by the Australian Securities and Investments Commission (ASIC) against James Hardie Industries NV and a number of former directors and executives of the James Hardie Group. The Company has advised ASIC, the Court and the other parties to the proceedings that it:

- (a) does not intend to play an active part in the proceedings to oppose the Commission's application for the declarations of contravention claimed;
- (b) does not consent to the making of those declarations of the contravention, and has filed a defence putting the claims against it in issue; and
- (c) reserves the right to make submissions to the Court in relation to other issues which may affect it.

The proceedings are expected to commence hearings in September 2008.

ASIC has advised the Company that no orders for pecuniary penalties or for the payment of costs will be sought against the Company. On this basis, no provision has been made for any contingent liability in respect of the proceedings.

ABN 60 PTY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

NOTE 18: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Board evaluates estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Key Estimates

Provision for future claims

Provision is made for the estimated cost of asbestos claims incurred but not settled at the balance sheet date. The estimated costs of claims include direct expenses that are expected to be incurred in settling those claims and expected insurance recoveries.

The Company's process for establishing the outstanding claims provision involves extensive consultation with external actuaries, claims managers and senior management. An independent actuarial assessment of outstanding and likely future claims is undertaken at least annually.

The determination of the provision for future asbestos claims involves a number of critical assumptions. Some of the uncertainties impacting these assumptions are as follows:

- changes in patterns of claims incidence, reporting and payment;
- volatility in the estimation of future costs due to the long period of time over which claims are expected to arise;
- changes in the legal environment, including the interpretation of liability laws and the quantum of damages; and
- social and economic trends, for example inflation and interest rates

The provision for outstanding claims comprises the central estimate and an appropriate prudential margin which is added to the central estimate in accordance with Australian accounting requirements. The outstanding claims provision is discounted at risk free rates of return to reflect the time value of money.

NOTE 19: SEGMENT REPORTING

The Company operates predominantly in one business and geographical segment being to manage statutory and common law claims made against the Company.

ABN 60 PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

NOTE 20: EVENTS AFTER THE BALANCE SHEET DATE

Apart from the following matter, no matters or circumstances have arisen since the end of the financial period which have significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in the future financial years.

Following the end of the financial year, the Directors of the Company resolved in principle to appoint Ernst & Young as auditors of the Company. Arrangements are being made to complete this appointment.

NOTE 21: ECONOMIC DEPENDENCY

The Company is economically dependent on the provisions of the Amended and Restated Final Funding Agreement signed by James Hardie Industries NV and the NSW Government and the James Hardie Former Subsidiaries (Winding up and Administration) Act 2005.


ABN 60 PTY LIMITED
(UNDER NSW ADMINISTERED WINDING UP)

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 22, are in accordance with the Corporations Act 2001:
 - (a) comply with Accounting Standards and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 March 2008 and of the performance for the year ended on that date of the Company.
2. They are unable, based on the information available to them at the present time, to conclude that the Company will be able to pay its debts as and when they become due and payable. The directors note Section 27 of the James Hardie Former Subsidiaries (Winding up and Administration) Act 2005 ("Winding up Act") which authorises the directors and Company to continue to conduct the Company's business in accordance with the Winding up Act even if it is insolvent and note that the Company is being managed in accordance with Part 4 of the Act

This declaration is made in accordance with a resolution of the Board :



Peter W Baker
Chairman and Director



Guy M Jarvi
Director

Dated: 26 June 2008

Sydney

Independent auditor's report to the members of ABN 60 Pty Limited

Report on the financial report

We have audited the accompanying financial report of ABN 60 Pty Limited (the company), which comprises the balance sheet as at 31 March 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for ABN 60 Pty Limited.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

For further explanation of an audit, visit our website <http://www.pwc.com/au/financialstatementaudit>.

**Independent auditor's report to the members of ABN 60 Pty Limited
(continued)**

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

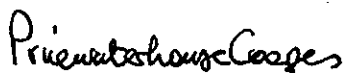
Emphasis of matter – Going concern no longer appropriate

Without qualifying our opinion, we draw attention to the Director's Declaration and to note 1(a) in the Financial Report. The directors have determined that the going concern basis of preparation is no longer appropriate. The report has been prepared on a liquidation basis recognising the provisions of the James Hardie Former Subsidiaries (Winding Up and Administration) Act 2005 (NSW).

Auditor's opinion on the financial report

In our opinion:

- (a) the financial report of ABN 60 Pty Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's financial position as at 31 March 2008 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*, and
- (b) the consolidated financial statements and notes comply with International Financial Reporting Standards as disclosed in Note 1.



PricewaterhouseCoopers


DN Kelly
Partner

Sydney
26 June 2008