

**AMACA PTY LIMITED  
(UNDER NSW ADMINISTERED WINDING UP)**

**ABN 49 000 035 512**

**GENERAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2008**

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

**Contents**

Directors' Report	1
Auditors Independence Declaration	4
Financial Report	
Income Statement	5
Balance Sheet	6
Statement of Changes in Equity	7
Cashflow Statement	8
Notes to the Financial Statement	9
Directors' Declaration	31
Independent Auditors Report	32

This financial report covers the accounts of Amaca Pty Limited (under NSW administered winding up). The financial report is presented in Australian currency.

Amaca 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.

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

**Directors' Report**

The directors of Amaca Pty Limited (under NSW administered winding up) ("the Company") present their financial report of the Company for the period 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:

<b>Name of Director</b>	<b>Date Appointed</b>
Peter Baker	9 February 2007
Guy Jarvi	9 February 2007
Joanne Marchione	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 statutory and common law claims made against the Company, and to pursue insurance recoveries where available.

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

**Review of Operations and Results**

- The Company continued to meet claims which have arisen as a result of its previous asbestos manufacturing operations, which concluded in the mid 1980's.
- The Company continued to make claims under insurance policies taken out for the benefit of the Company and other members of the James Hardie group at the time it was a member of the James Hardie group.
- During the year under review the operations of Amaca Claims Service were transferred to Asbestos Injuries Compensation Fund Limited as trustee of the AICF Charitable Fund. The Company entered into a Claims Management Agreement with Asbestos Injuries Compensation Fund Limited for the management and resolution of claims against the Company, and for the payment of "payable liabilities" as defined in the Winding up Act.
- The Company received distributions from the AICF Discretionary Fund totalling \$10.088 million, and these funds were used for the payment of "payable liabilities" as defined in the Winding up Act.
- 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 payment of "payable liabilities", under section 24 of the Winding up Act. As a result of this direction the Company received \$8.88 million from Amaca Pty Ltd and ABN 60 Pty Ltd, and pooled these funds with its own funds and used the pooled funds for the payment of "payable liabilities" in accordance with the provisions of the Winding up Act.
- In the 12 months to 31 March 2008, \$72.8 million was paid in respect of asbestos claims against the Company. Payments were made from the Company's own funds, and when these were not sufficient, payments were made by the AICF Trust on behalf of the Company.

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

**Directors' Report**

**Review of Operations and Results (continued)**

- A detailed review of the number of claims lodged against the Company during the 12 months to 31 March 2008, and the payments in respect of those claims, is set out in the annual actuarial report of the AICF Trust, prepared by KPMG Actuaries Pty Ltd, and available on the James Hardie website at [www.ir.jameshardie.com.au](http://www.ir.jameshardie.com.au).

**Significant Changes in the State of Affairs**

There were no significant changes to the state of affairs of the Company during the year under review.

**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 number of claims for compensation and damages that will be made against the Company and the level of compensation which the Company will be required to meet. These uncertainties are described in more detail in the annual actuarial valuation of asbestos related disease liabilities of former James Hardie entities prepared by KPMG Actuaries Pty Ltd available on the James Hardie website at [www.ir.jameshardie.com.au](http://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.

**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.

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

**Directors' Report**

**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 Amaca 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 Amaca Pty Limited and the entities it controlled during the period.



DN Kelly  
Partner  
PricewaterhouseCoopers

Sydney  
26 June 2008

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**  
**INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH 2008**

	<b>Note</b>	<b>2008 \$'000</b>	<b>2007 \$'000</b>
Revenue	2	45,142	21,448
Depreciation and amortisation expenses	3	(160)	(141)
Employee benefits expense	3	-	(1,319)
Claims expense	3	(212,156)	(1,738,838)
Finance costs	3	(1,532)	(99)
Other expenses		(449)	(2,782)
Loss before income tax		(169,155)	(1,721,731)
Income tax expense	4	-	-
Loss for the period		(169,155)	(1,721,731)

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

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

**BALANCE SHEET AS AT 31 MARCH 2008**

	Note	2008 \$'000	2007 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	2,208	7,146
Trade and other receivables	6	18,223	19,639
Financial assets	7	-	322
Investment properties	8	-	-
<b>TOTAL CURRENT ASSETS</b>		<u>20,431</u>	<u>27,107</u>
<b>Non Current Assets</b>			
Trade and other receivables	6	266,600	257,674
Plant and equipment	9	326	486
<b>TOTAL NON-CURRENT ASSETS</b>		<u>266,926</u>	<u>258,160</u>
<b>TOTAL ASSETS</b>		<u>287,357</u>	<u>285,267</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	10	1,284	782
Provisions	11	106,906	95,317
Other liabilities	12	10	31
<b>TOTAL CURRENT LIABILITIES</b>		<u>108,200</u>	<u>96,130</u>
<b>Non Current Liabilities</b>			
Trade and other Payables	10	49,146	17,755
Provisions	11	2,051,700	1,923,906
Other liabilities	12	-	10
<b>TOTAL NON CURRENT LIABILITIES</b>		<u>2,100,846</u>	<u>1,941,671</u>
<b>TOTAL LIABILITIES</b>		<u>2,209,046</u>	<u>2,037,801</u>
<b>NET LIABILITIES</b>		<u>(1,921,689)</u>	<u>(1,752,534)</u>
<b>DEFICIT IN SHAREHOLDER FUNDS</b>			
Issued capital	13	18,000	18,000
Reserves	14	31,842	31,842
Accumulated losses		(1,971,531)	(1,802,376)
<b>TOTAL DEFICIT IN SHAREHOLDER FUNDS</b>		<u>(1,921,689)</u>	<u>(1,752,534)</u>

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



**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2008**

	<b>Issued Share Capital Ordinary Shares (Note 13) \$'000</b>	<b>Reserves (Note 14) \$'000</b>	<b>Accumulated Losses \$'000</b>	<b>Total \$'000</b>
Balance at 1 April 2006	18,000	31,842	(80,645)	(30,803)
Loss for the period	-	-	(1,721,731)	(1,721,731)
Balance at 31 March 2007	18,000	31,842	(1,802,376)	(1,752,534)
Loss for the period	-	-	(169,155)	(169,155)
Balance at 31 March 2008	18,000	31,842	(1,971,531)	(1,921,689)

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

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2008**

	Note	2008 \$'000	2007 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from insurance recoveries and agreements		27,058	14,491
Payments to claimants, suppliers and employees		(42,892)	(49,899)
Interest received		479	980
Distributions received		10,095	1,132
Net cash outflow from operating activities	16(a)	<u>(5,260)</u>	<u>(33,296)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		-	(5)
Payment for investments		-	(14)
Proceeds from disposal of investments		322	482
Net cash inflow from investing activities		<u>322</u>	<u>463</u>
Net decrease in cash held		(4,938)	(32,833)
Cash and cash equivalents at beginning of period		7,146	39,979
Cash and cash equivalents at end of period	5	<u>2,208</u>	<u>7,146</u>

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

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

**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 Amaca 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 22.

**(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.

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

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

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**(c) Income Tax (Cont'd)**

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*

Interest revenue is recognised on a time proportional basis taking into account the effective interest rate applicable to the financial assets.

*Distribution from Managed Funds*

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

*Insurance Claim Recoveries*

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

**(e) Plant and Equipment**

*Plant and equipment*

Plant and equipment are measured at cost less depreciation and impairment losses which in the opinion of the Directors is not materially different to their liquidation value.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

*Depreciation*

Depreciation is provided on all plant & equipment assets. Depreciation is calculated on a straight line basis over the estimated useful life of the asset commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation rates used for each class of depreciable assets are:

<i>Class of Fixed Asset</i>	<i>Depreciation Rate</i>
Plant and equipment	5 to 20 years
Leasehold improvements	Term of lease

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

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

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**(e) Plant and Equipment (contd)**

The residual values and useful lives of assets are reviewed, and adjusted if appropriate, at the each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**(f) 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.

*Long Service Leave*

Liabilities for long service leave are recognised as part of the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees to the balance sheet date. Consideration is given to expected future salaries and wages levels, experience of employee departures and periods of service. Expected future payments are discounted using national government bond rates at balance sheet date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

**(g) 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.

**(h) Leases**

Leases of fixed assets, where substantially all the risks and benefits are incidental to the ownership of the leased item, are classified as finance leases. All other leases are classified as operating leases.

Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset, or over the term of the lease.

Lease payments for operating leases are charged as an expense in the income statement on a straight line basis over the term of the lease.

Lease incentives under operating leases are recognised as a liability and recognised as a reduction in the rental expense on a straight-line basis over the life of the lease term.

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

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

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**(i) 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, claim 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.

**(j) 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.

**(k) Investment Properties**

Investment properties are initially measured at cost including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value, representing market conditions at balance sheet date. Gains or losses arising from changes in fair values of investment properties are included in the income statement as part of other income in the year in which they arise.

**(l) Financial Assets**

*Recognition*

Investments are initially measured at cost (being the fair value of the consideration given, including transaction costs) when the related contractual rights or obligations exist. Investments are classified into the following specific categories and, after initial recognition, are measured as set out below.

*Financial assets at fair value through profit or loss*

The Company has classified its investments in unlisted managed funds as financial assets at fair value through profit or loss whereby investments are marked to market value. Financial assets held for trading purposes are classified as current assets and are stated at fair value. Any resultant gain or loss is recognised in profit or loss.

*Loans and receivables*

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

*Fair value*

Fair value is determined based on current bid prices for all quoted investments.

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

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

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

**(l) Financial Assets (cont'd)**

*Impairment*

At each balance sheet date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

**(m) Functional and Presentation Currency**

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

**(n) 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.

**(o) Rounding of Amounts to Nearest Thousand Dollars**

Amounts in the financial report and financial statement have been rounded off to the nearest thousand dollars.

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

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

	Note	2008 \$'000	2007 \$'000
<b>NOTE 2: REVENUE AND OTHER INCOME</b>			
<i>Revenue</i>			
Administration costs received – related entities	20	-	157
Pooling funds income – related entities	20(e)	8,880	-
Insurance recoveries		25,690	19,179
Distributions from managed funds		5	15
Distributions from trusts – related entities	20 (d)	10,088	1,117
Interest received from other persons		479	980
Total Revenue		<u>45,142</u>	<u>21,448</u>
<b>NOTE 3: LOSS BEFORE INCOME TAX</b>			
Loss before income tax has been arrived at after charging for the following:			
Finance costs – Interest paid:			
- Asbestos Injuries and Compensation Fund – Charitable Fund	20(g)	1,532	-
- other persons		-	99
		<u>1,532</u>	<u>99</u>
Depreciation of property, plant and equipment		160	141
Settlements of claims			
- claims/legal expenses paid	11	72,756	60,115
- net movement in provision for future claims		139,400	1,678,723
		<u>212,156</u>	<u>1,738,838</u>
Rental expense on operating lease			
- minimum lease payments	20(h)	-	103
Employee benefits expense			
- salary and wages		-	992
- superannuation		-	309
- other employee benefits expense		-	18
Total employee benefits expense		<u>-</u>	<u>1,319</u>



**AMACA PTY LIMITED**  
**((UNDER NSW ADMINISTERED WINDING UP))**

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

	2008	2007
	\$'000	\$'000

**NOTE 4: INCOME TAX EXPENSE**

The prima facie tax payable on loss before income tax is reconciled to the income tax expense as follows:

Prima facie tax payable on loss before income tax at 30% (March 2007: 30%)	(50,747)	(516,519)
Add tax effect of:		
- other non allowable items	460	-
- tax losses and temporary differences not brought to account	52,927	516,519
Less tax effect of:		
- other non assessable items	(2,640)	-
Income tax attributable to the Company	-	-

The potential future income tax benefit in respect of tax losses and temporary differences as at 31 March 2008 not brought to account is \$639,330,519 (2007: \$586,385,440).

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

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

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

	Note	2008 \$'000	2007 \$'000
<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>			
Cash at bank		2,208	6,625
Other cash investments		-	521
		<u>2,208</u>	<u>7,146</u>
<b>Reconciliation of cash</b>			
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		<u>2,208</u>	<u>7,146</u>
<b>NOTE 6: TRADE AND OTHER RECEIVABLES</b>			
<i>Current</i>			
Distribution receivable		-	2
Insurance claims receivable		17,991	8,522
Other receivables		232	11,114
Related parties	6(a)	-	1
		<u>18,223</u>	<u>19,639</u>
<i>Non Current</i>			
Insurance claim receivables		266,600	257,300
Other receivables		-	374
		<u>266,600</u>	<u>257,674</u>
(a) Other Related Parties			
- Asbestos Injuries and Compensation Fund			
Discretionary Fund		-	1
		<u>-</u>	<u>1</u>
(b) All receivables are fully recoverable. No receivables are impaired or past due and not impaired.			

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

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

**Note**

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>NOTE 7: FINANCIAL ASSETS</b>		
<i>Current</i>		
Units in unlisted managed funds, at fair value	-	322

**NOTE 8: INVESTMENT PROPERTIES**

<i>Current</i>		
Balance at beginning period	-	482
Disposal	-	(482)
Balance at end of period	-	-

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

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

Note	2008 \$'000	2007 \$'000
<b>NOTE 9: PLANT AND EQUIPMENT</b>		
Plant and equipment:		
- at cost	557	557
- accumulated depreciation	(261)	(192)
Total plant and equipment	<u>296</u>	<u>365</u>
Leasehold improvements:		
- at cost	272	272
- accumulated depreciation	(242)	(151)
Total leasehold improvements	<u>30</u>	<u>121</u>
Total plant and equipment	<u>326</u>	<u>486</u>

***(a) Movements in Carrying Amounts***

Movements in the carrying amounts of each class of plant and equipment between the beginning and the end of the current financial year.

**For the period ended 31 March 2008**

	Plant & Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
Balance at the beginning of period	365	121	486
Additions	-	-	-
Depreciation expense	(69)	(91)	(160)
Carrying amount at end of period	<u>296</u>	<u>30</u>	<u>326</u>

**For the year ended 31 March 2007**

	Plant & Equipment \$'000	Leasehold Improvements \$'000	Total \$'000
Balance at the beginning of year	433	189	622
Additions	5	-	5
Depreciation expense	(73)	(68)	(141)
Carrying amount at end of year	<u>365</u>	<u>121</u>	<u>486</u>

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

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

	Note	2008 \$'000	2007 \$'000
<b>NOTE 10: TRADE AND OTHER PAYABLES</b>			
<i>Current</i>			
Trade payables	10(a)	1,280	762
Other payables and accrued expenses	10(a)	4	19
Related parties	10(b)	-	1
		<u>1,284</u>	<u>782</u>
<i>Non Current</i>			
Related parties	10(b)	49,146	17,755
		<u>49,146</u>	<u>17,755</u>
<p>(a) Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which remain unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.</p>			
<p>(b) Amounts owing to related party</p>			
- Amaba Pty Limited		-	1
- Asbestos Injuries and Compensation Fund -- Charitable Fund		8,517	9,181
- Asbestos Injuries and Compensation Fund -- Charitable Fund (Section 36)	10(c)	40,618	8,574
- Asbestos Injuries and Compensation Fund -- Discretionary Fund		11	-
		<u>49,146</u>	<u>17,756</u>

(c) No interest was charged on the amounts due to the Charitable Fund of the Asbestos Injuries Compensation Fund in the period ended 31 March 2007. However from 1 April 2007 interest was charged on this balance at a rate determined under and in accordance with the Amended and Restated Final Funding Agreement. Refer Note 20(g) for the amount of interest charged.

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

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

	Note	
	2008 \$'000	2007 \$'000
<b>NOTE 11: PROVISIONS</b>		
<i>Current</i>		
Claims settlements		
Opening balance at beginning of the period	95,300	69,440
Amounts paid	(72,756)	(60,115)
Addition to provisions during the period	84,356	85,975
Balance at end of period	<u>106,900</u>	<u>95,300</u>
Employee entitlements		
Opening balance at beginning of the period	-	55
Addition to provisions during the period	-	62
Amounts used	-	(35)
Amounts transferred	-	(82)
Balance at end of period	<u>-</u>	<u>-</u>
Make Good		
Opening balance at beginning of the period	17	19
Reductions to provisions during the period	(17)	(2)
Addition to provisions during the period	6	-
Balance at end of period	<u>6</u>	<u>17</u>
<i>Non Current</i>		
Claims settlements		
Opening balance at beginning of the period	1,923,900	2,020
Addition to provisions during the period	127,800	1,921,880
Balance at end of period	<u>2,051,700</u>	<u>1,923,900</u>
Make Good		
Opening balance at beginning of the period	6	21
Reductions to provisions during the period	(6)	(15)
Addition to provisions during the period	-	-
Balance at end of period	<u>-</u>	<u>6</u>
<b>Analysis of Total Provisions</b>		
Current	106,906	95,317
Non current	2,051,700	1,923,906
	<u>2,158,606</u>	<u>2,019,223</u>

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

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

	Note	2008 \$'000	2007 \$'000
<b>NOTE 11: PROVISIONS (CONTD)</b>			
(a) The provision for future asbestos related liabilities of \$1,877,100,000 (2007: \$1,748,000,000) has been recognised in the financial report as follows:			
Current claims provision		106,900	95,300
Non-current claims provision		2,051,700	1,923,900
Current insurance receivable		(14,900)	(13,900)
Non-current insurance receivable		(266,600)	(257,300)
		<u>1,877,100</u>	<u>1,748,000</u>
<b>NOTE 12: OTHER LIABILITIES</b>			
<i>Current</i>			
Lease incentive	15(a)	<u>10</u>	<u>31</u>
<i>Non Current</i>			
Lease incentive	15(a)	<u>-</u>	<u>10</u>
<b>NOTE 13: ISSUED CAPITAL</b>			
1,000 (2007: 1,000) fully paid ordinary shares	13(a)	<u>18,000</u>	<u>18,000</u>
The Company has authorised share capital amounting to 1,000 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>

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

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

**NOTE 13: ISSUED CAPITAL (CONTD)**

(b) 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 Charitable Fund of the Asbestos Injuries and Compensation Fund acquired all the issued shares of Amaca Pty Limited.

At shareholders 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.

Note	2008 \$'000	2007 \$'000
<b>NOTE 14: RESERVES</b>		
<b>Asset Realisation</b>	31,842	31,842

The asset realisation reserve is used to record realised gains on the disposal of revalued non current assets.

There were no movements in reserves.

**NOTE 15: CAPITAL AND LEASING COMMITMENTS**

***(a) Operating Leasing Commitments Payable***

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable – minimum lease payments

- not later than 12 months	-	241
- between 12 months and 5 years	-	82
	-	323

The property lease is a non-cancellable lease with a 3 year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 3.75% per annum. An option exists to renew the lease at the end of the 3 year term for an additional term of 3 years. During the year the lease was assigned to Asbestos Injuries and Compensation Fund – Charitable Fund, effective 9 February 2007.

In respect of non-cancellable operating leases the following liabilities have been recognised:

Lease incentives:

- Current	10	31
- Non-current	-	10
	10	41



**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

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

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>NOTE 16: CASH FLOW INFORMATION</b>		
<b>(a) Reconciliation of cash flow from operations with loss after income tax:</b>		
Loss after income tax	(169,155)	(1,721,731)
Non cash flows in		
Depreciation	160	141
Changes in assets and liabilities		
(Increase) Decrease in receivables	(7,510)	13,981
Decrease in other assets	-	17
Increase (Decrease) in payables	31,893	(2,148)
Increase in provisions	139,383	1,676,468
(Decrease) in other liabilities	(31)	(24)
Net cash outflows from operations	<u>(5,260)</u>	<u>(33,296)</u>

**(b) Credit standby arrangements**

The Company has no credit standby arrangements and loan facilities.

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

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

	Note	2008 \$'000	2007 \$'000
<b>NOTE 17: KEY MANAGEMENT PERSONNEL COMPENSATION</b>			
The compensation of directors and key management personnel of the Company is set out below:			
Short-term employee benefits		721	563
Post-employment benefits		90	190
Other long-term employee benefits		3	1
		<u>814</u>	<u>754</u>

Prior to 9 February 2007, the directors and key management personnel were remunerated by the Company. From 9 February 2007 to 5 March 2007, key management personnel were remunerated by the Company. Since 5 March 2007, the key management personnel of the Company were remunerated by Asbestos Injuries and Compensation Fund – Charitable Fund. No director has received remuneration since 9 February 2007.

**NOTE 18: AUDITORS' REMUNERATION**

Remuneration of the auditor for:

- auditing the financial report	<u>-</u>	<u>100</u>
---------------------------------	----------	------------

The audit fees of the company have been borne by the Asbestos Injuries Compensation Fund - Charitable Fund.

**AMACA PTY LIMITED  
(UNDER NSW ADMINISTERED WINDING UP)**

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

**NOTE 19: FINANCIAL INSTRUMENTS**

**(a) Financial Risk Management**

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

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 the 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 to the Company's cash assets, payables and receivables. Interest rate risk is managed in accordance with the strategies outlined in Note 19(a)(i). For further details on interest rate risk refer to Note 20(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 25, 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.

**(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, in the following table:

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

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

**NOTE 19: FINANCIAL INSTRUMENTS (CONTD)**

**For the year ended 31 March 2008**

	Average Effective Interest Rate %	Floating Interest Rate \$'000	Fixed Interest Rate Maturing			Non- interest Bearing \$'000	Total Amount \$'000
			Less than 1 year \$'000	1 to 2 Years \$'000	2 to 3 Year \$'000		
<b>Financial Assets</b>							
Cash and cash equivalents	7.37	2,208	-	-	-	-	2,208
Trade and other receivables	6.30	-	137	-	-	284,686	284,823
		2,208	137	-	-	284,686	287,031
<b>Financial Liabilities</b>							
Trade and other payables	6.36	-	40,618	-	-	9,812	50,430
		-	40,618	-	-	9,812	50,430

**For the year ended 31 March 2007**

	Average Effective Interest Rate %	Floating Interest Rate \$'000	Fixed Interest Rate Maturing			Non- interest Bearing \$'000	Total Amount \$'000
			Less than 1 year \$'000	1 to 2 Years \$'000	2 to 3 Year \$'000		
<b>Financial Assets</b>							
Cash and cash equivalents	6.03	6,625	-	-	-	-	6,625
Units in fixed interest & cash management trusts	5.25	521	-	-	-	-	521
Units in managed fund	4.60	323	-	-	-	-	323
Trade and other receivables	3.68	-	-	374	-	276,939	277,313
		7,469	-	374	-	276,939	284,782
<b>Financial Liabilities</b>							
Trade and other payables	-	-	-	-	-	18,537	18,537
		-	-	-	-	18,537	18,537

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 \$11,040 lower/higher (2007 change of 50 bps: \$37,345 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.

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

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

	2008 \$'000	2007 \$'000
<b>NOTE 20: RELATED PARTY TRANSACTIONS</b>		
<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 10. Other transactions with related parties are as follows:		
(a) Administration revenue received from Amaba Pty Limited	-	81
(b) Administration revenue received from Medical Research and Compensation Foundation	-	75
(c) Administration revenue received from Asbestos Injuries and Compensation Fund – Discretionary Fund	-	1
	<u>-</u>	<u>157</u>
(d) Distribution revenue received from Asbestos Injuries and Compensation Fund – Discretionary Fund	<u>10,088</u>	<u>1,117</u>
(e) Pooling of funds received from:		
- Amaba Pty Limited	1,250	-
- ABN 60 Pty Limited	7,630	-
	<u>8,880</u>	<u>-</u>
<p>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 received funds from Amaba Pty Limited and ABN 60 Pty Limited which were pooled with those of Amaca Pty Limited, and used for the payment of "payable liabilities" of Amaca Pty Limited. The Company paid no consideration for the pooling of the funds.</p>		
(f) Settlement claims paid by Asbestos Injuries and Compensation Fund – Charitable Fund	<u>30,512</u>	<u>8,467</u>
(g) Interest paid to Asbestos Injuries and Compensation Fund – Charitable Fund pursuant to and in accordance with the Amended and Restated Final Funding Agreement.	<u>1,532</u>	<u>-</u>

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

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

	Note	2008 \$'000	2007 \$'000
--	------	----------------	----------------

**NOTE 20: RELATED PARTY TRANSACTIONS (CONTD)**

**(h) Property lease**

The property lease was assigned to Asbestos Injuries and Compensation Fund – Charitable Fund, effective 9 February 2007 and the rent was paid by this entity during the 2008 financial year.

***Parent entity***

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

**NOTE 21: FRANKING CREDITS**

The amount of franking credits available for subsequent reporting periods are:

- franking account balance at the end of the reporting date	492	492
- franking credits that will arise from the payment of income tax at the end of reporting period	-	-
Total amount of credits available for future reporting periods	492	492

**AMACA PTY LIMITED  
(UNDER NSW ADMINISTERED WINDING UP)**

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

**NOTE 22: 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.

**(i) 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.

**(ii) Investments in Unlisted Managed Funds**

The Board has classified investments in unlisted managed funds as financial assets at fair value through profit or loss whereby investments are marked to market value and movements in the market value are recognised in the income statement. These investments have been classified as such as they are managed and their performance is evaluated on a fair-value basis, in accordance with the Company's investment strategy and are available to meet future claims.

**NOTE 23: SEGMENT REPORTING**

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

**NOTE 24: EVENTS AFTER THE BALANCE SHEET DATE**

Apart from the following, 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.

**AMACA PTY LIMITED**  
**(UNDER NSW ADMINISTERED WINDING UP)**

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

**NOTE 25: 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.



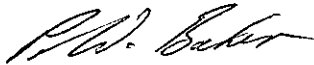
**AMACA PTY LIMITED  
(UNDER NSW ADMINISTERED WINDING UP)**

**DIRECTORS' DECLARATION**

The directors of the Company declare that:

1. The financial statements and notes, as set out on pages 5 to 30, 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 ("Act") which authorises the directors and Company to continue to conduct the Company's business in accordance with the 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

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  
[www.pwc.com/au](http://www.pwc.com/au)

## **Independent auditor's report to the members of Amaca Pty Limited**

### **Report on the financial report**

We have audited the accompanying financial report of Amaca 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 Amaca 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>.

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

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

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 Amaca 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