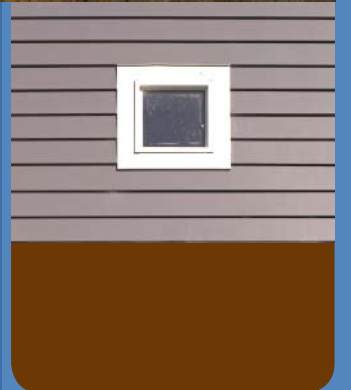
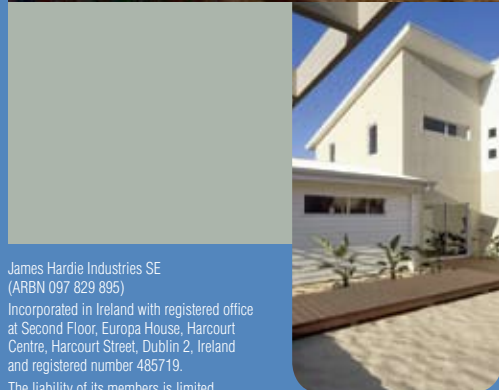


Annual Review 2012



ABOUT US

Based on net sales, we believe we are the largest manufacturer of fibre cement products and systems for internal and external building construction applications in the United States, Australia, New Zealand and the Philippines.

Our fibre cement products are used in a number of markets, including new residential construction, manufactured housing and repair and remodelling and a variety of commercial and industrial applications.

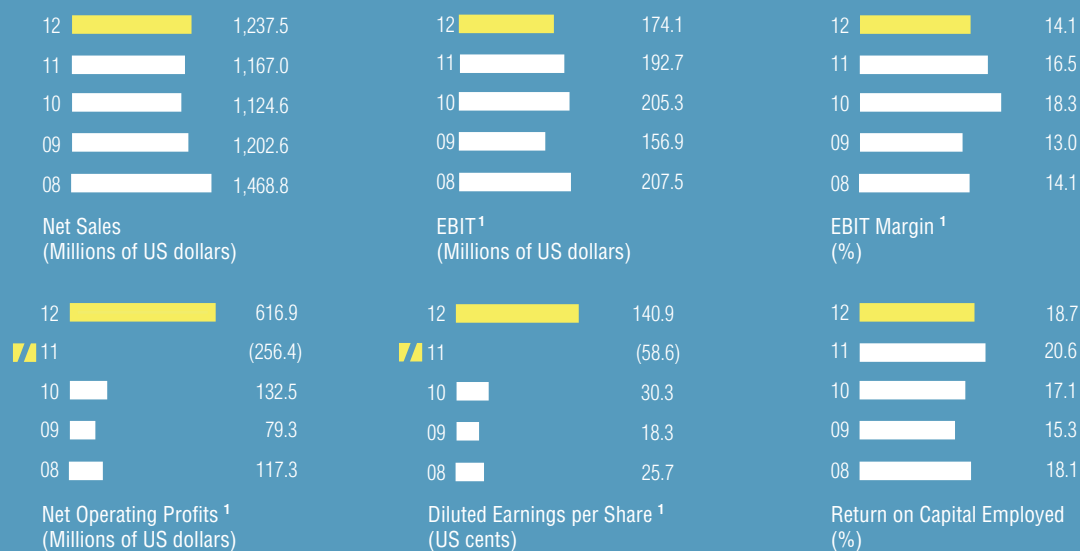
We manufacture numerous types of fibre cement products with a variety of patterned profiles and surface finishes for a range of applications, including external siding, trim and soffit lining, internal linings, facades and floor and tile underlay. We employ around 2,600 people and generated net sales of US\$1.2 billion in fiscal year 2012.

RESULTS AT A GLANCE

Our financial performance reflects the continuing challenging operating conditions:

- Total net sales were up 6%, to US\$1,237.5 million.
- Gross profit increased 4% to US\$407.0 million.
- Gross profit margin decreased 0.7 percentage points to 32.9%.
- As a percentage of sales, SG&A expenses increased 0.5 percentage points to 15.4%.
- EBIT excluding asbestos, ASIC expenses and asset impairments increased 3% to US\$189.5 million.
- Net operating profit moved from a net operating loss of US\$347 million in fiscal year 2011 to a net operating profit of US\$604.3 million in fiscal year 2012. Net operating profit excluding asbestos, asset impairments, ASIC expenses and tax adjustments increased 20% to US\$140.4 million.
- Diluted earnings per share excluding asbestos, ASIC expenses, asset impairments and tax adjustments increased 20% to US 32.1 cents.

KEY NUMBERS



CHAIRMAN'S REVIEW

Overview

Overall for 2012 we are pleased that the group delivered robust earnings in a challenging marketing environment and that James Hardie continues to be both operationally and financially strong.

Other pleasing aspects of the group's performance were the significant gains in both category and market share in our US and Australian businesses.

Resolution of disputed taxation assessment

On 10 February, 2012 the High Court of Australia delivered its decision in the matter of RCI Pty Ltd (a wholly owned subsidiary of James Hardie) and the ATO in relation to a 1999 disputed amended tax assessment. The matter was finalised in favour of RCI Pty Ltd resulting in a refund of A\$369.8 million to James Hardie.

In March 2012 James Hardie announced that it would make an early contribution of A\$132 million to the Asbestos Injuries Compensation Fund (AICF). The early contribution was equivalent to 35% of the amounts received from the ATO following the High Court of Australia decision.

The early receipt of the contribution allowed the AICF to repay A\$30 million borrowed from the NSW Government and greatly improved the AICF's financial position.

Most importantly the conclusion of James Hardie's dispute with the ATO marks the resolution of the last major legacy issue for the company, following upon the resolution of the company's domicile last year.

Capital Management

Last year the board was pleased to announce the resumption of dividend payments and a more active approach to capital management including

the establishment of a share buy-back program. This year the company has announced ordinary dividends of US 4 cents and US 38 cents.

The company intends to make further distributions to shareholders in the near term and to improve capital efficiency through a more appropriately leveraged balance sheet.

The company also announced a new share buyback program to acquire up to 5% of its issued capital.

Appointment of New Director

On 27 of February 2012 James Hardie appointed Alison Littley to the Board. Alison will stand for election at the 2012 AGM. Alison has substantial experience in multinational manufacturing and supply chain operations and brings with her a strong leadership background.

Annual General Meeting

Our Board and shareholder meetings will continue to be held in Ireland as we are an Irish company. Following a number of years of low attendance at our simulcast Sydney shareholder meeting, the Board has decided that this year our annual shareholder meeting will be broadcast online. Shareholders can participate in person in Dublin, online or via a teleconference. Details are contained in the *Notice of Annual General Meeting 2012*.

Conclusion

In conclusion, under the leadership of CEO, Louis Gries, and the management team, the company has delivered another set of sound operating results, and the company is positioned to leverage its increased capabilities for the medium and longer term.



Michael Hammes



Return on Shareholders' Funds (%)



Dividends Paid per Share (US cents)

CEO'S REVIEW

Overview

Operating earnings for fiscal year 2012 were solid. Revenue improved in our US and European businesses. However, the elevated cost of key inputs and higher organisational costs constrained overall levels of profitability. The Asia Pacific businesses improved their contribution to the group's earnings even as market conditions, in Australia in particular, softened as the year progressed.

For fiscal year 2012 net sales increased 6% to US\$1,238 million due to higher sales volume from the USA and Europe Fibre Cement segment, partially offset by a lower average net sales price. Gross profit for fiscal year 2012 increased 4% to US\$407 million and EBIT excluding asbestos, ASIC expenses and asset impairments was 3% higher at US\$190 million, compared to last year.

USA and Europe Fibre Cement

The operating environment in the US residential housing market in fiscal year 2012 was generally unchanged when compared to the prior fiscal year. Despite the ongoing challenges in the housing market, including tight credit conditions, elevated unemployment rates and a shadow inventory of foreclosed homes, fiscal year 2012 reflected a more stable market environment and more consistent operating results when compared to the prior fiscal year.

For fiscal year 2012, net sales in the USA and Europe Fibre Cement business increased 6% to US\$862 million compared to the prior corresponding period. EBIT (excluding asset impairments) increased 1% to US\$163 million, reflecting higher sales volume and improved plant performance, partially offset by higher fixed manufacturing and organisational costs, higher freight costs and a lower average net sales price. The EBIT margin (excluding asset impairments) was 0.8 percentage points lower at 18.9%.

Asia Pacific Fibre Cement

Conditions in the Asia Pacific operating environments, particularly Australia, weakened during fiscal year 2012. In Australia the total

number of new dwellings for the full year to 31 March 2012 (on an original basis) decreased 11%, reflecting deteriorating consumer confidence. Notwithstanding the deteriorating operating environment, the Australian business gained both market and category share in fiscal year 2012.

Net sales in the Asia Pacific business increased 6% to US\$376 million and EBIT increased 1% to US\$80 million. In Australian dollars, Asia Pacific EBIT decreased 9% due to lower sales volume, unfavourable geographic mix and higher labour costs, partially offset by price increases. The EBIT margin was 1.1 percentage points lower at 21.4%.

Outlook

While some encouraging industry data points emerged during the final quarter of fiscal year 2012, the recovery is still expected to occur at a moderate pace over an extended period of time.

The rate of improvement in the US continues to be inhibited by tight credit conditions, a large though declining level of excess inventories, high levels of unemployment and uncertainty regarding housing values.

The operating environments for James Hardie's Asia Pacific businesses deteriorated during fiscal year 2012 and are expected to remain subdued, particularly in Australia.

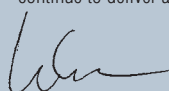
Focus for fiscal year 2013

Execution of our growth strategy will remain our key focus for fiscal year 2013.

We will continue to invest in product and market initiatives such as Trim, ColorPlus®, and increased penetration of the non-metro and the repair and remodel markets. Additionally we are placing renewed emphasis on building our organisational capability through development of our people.

Conclusion

Overall we are facing another demanding year, but we are confident that through an increased investment in and development of our people we can continue to deliver above industry average financial returns and growth.



Louis Gries



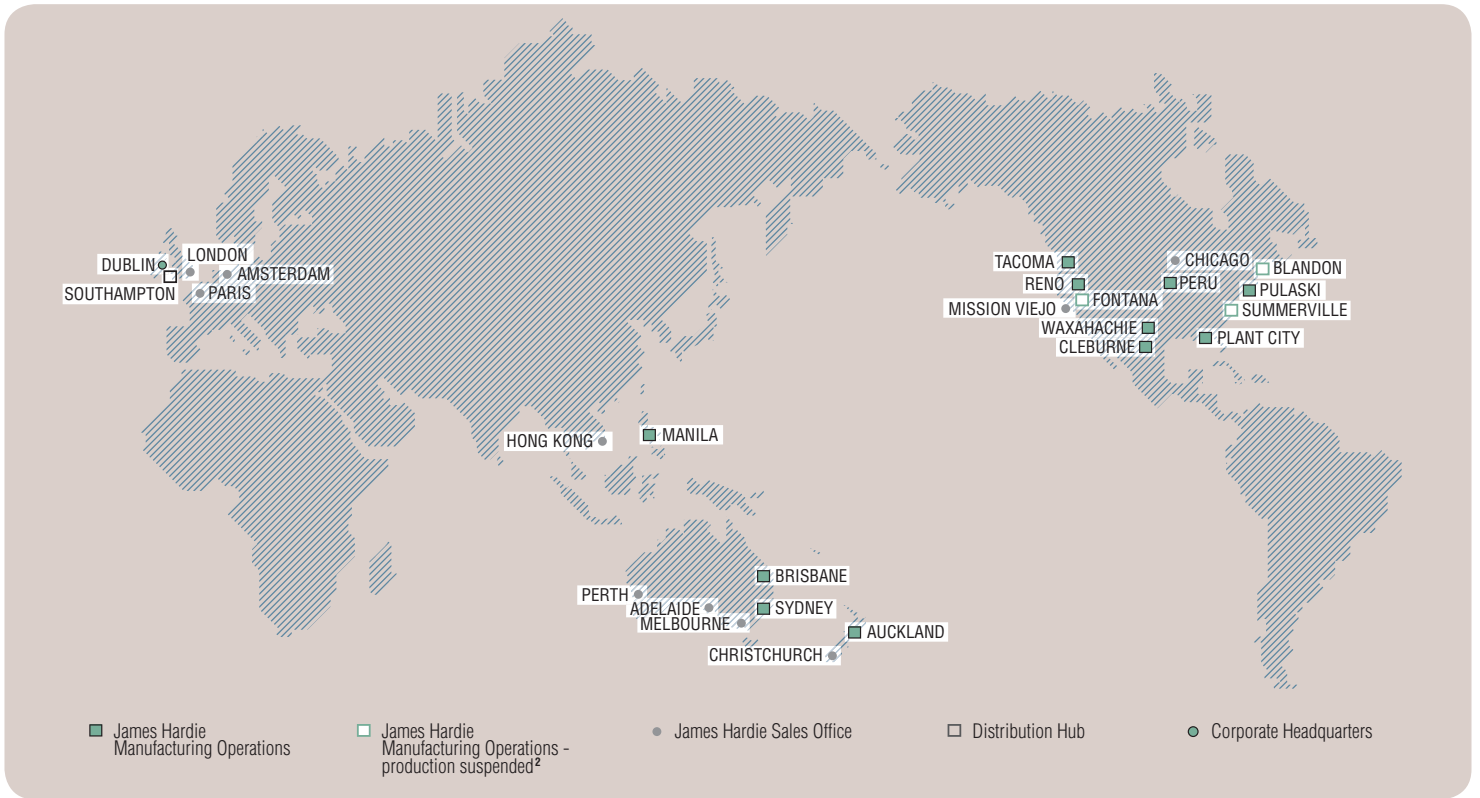
Net Sales (Millions of US dollars)



EBIT (Millions of US dollars)

GLOBAL NETWORK

BASED ON NET SALES, WE BELIEVE WE ARE THE LARGEST MANUFACTURER OF FIBRE CEMENT PRODUCTS AND SYSTEMS FOR INTERNAL AND EXTERNAL BUILDING CONSTRUCTION APPLICATIONS IN THE UNITED STATES, AUSTRALIA, NEW ZEALAND AND THE PHILIPPINES



SUMMARY OF OPERATIONS

DESPITE DIFFICULT OPERATING ENVIRONMENTS AND ELEVATED INPUT COSTS, THE COMPANY BELIEVES THAT IT IS WELL POSITIONED TO CONTINUE TO PURSUE MARKET SHARE GAINS AND DELIVER STRONG FINANCIAL RETURNS.

USA AND EUROPE FIBRE CEMENT

Results

- Net sales increased 6% to US\$862 million.
- Sales volume increased 7% to 1.33 billion square feet. Average net sales price decreased slightly to US\$647 per thousand square feet.
- Gross profit increased 3% and gross profit margin decreased by 0.7 percentage points.
- EBIT (excluding asset impairments) increased 1% to US\$163 million and EBIT margin (excluding asset impairments) was 0.8 percentage points lower at 18.9%.

ASIA PACIFIC FIBRE CEMENT

Results

- Net sales increased 6% to US\$376 million. Net sales in Australian dollars decreased 4%.
- Sales volume decreased 4% to 392 million square feet. Average net sales price was unchanged at A\$916 per thousand square feet.
- Gross profit increased 6%. The higher value of the Asia Pacific business' currencies against the US dollar accounted for 10% of the increase. Gross profit margin decreased by 0.1 percentage points.
- EBIT increased 1% to US\$80 million and EBIT margin was 1.1 percentage points lower at 21.4%.

OUTLOOK

While some encouraging industry data points emerged during the final quarter of fiscal year 2012 and the first quarter of fiscal year 2013, James Hardie is planning for the US housing market to be up only slightly over the prior year.

The rate of improvement in the US housing market continues to be inhibited by tight credit conditions, large but declining levels of excess inventory, high levels of unemployment, and uncertainty regarding housing values.

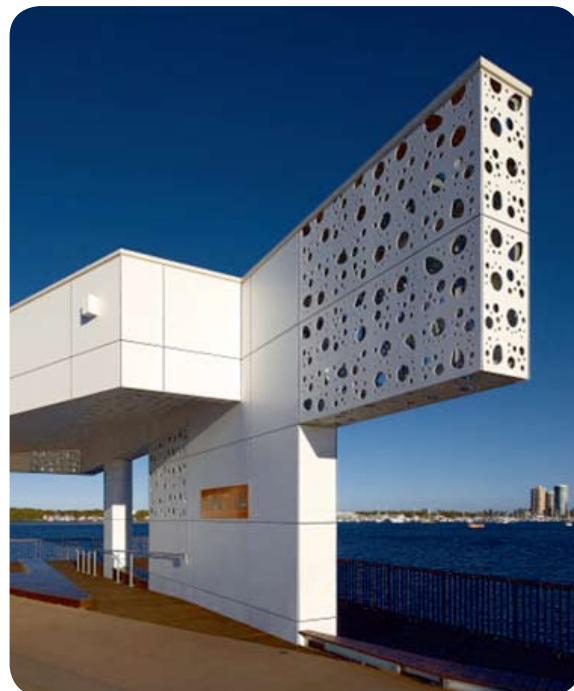
In Australia, market conditions softened during the year, reflecting the continued deterioration in consumer confidence. Despite the Reserve Bank of Australia's recent reductions in official interest rates, market forecasters

expect Australia's residential construction activity to continue to contract in the coming 12 months.

The New Zealand market continues to operate at subdued levels. The operating environment in the Philippines appears solid though moderating.

Additionally, while US dollar pulp prices have fallen from their highs, they remain at elevated levels and the business continues to contend with higher freight costs than in previous periods.

Despite difficult operating environments and elevated input costs, the company believes that it is well positioned to continue to pursue market share gains and deliver strong financial returns.





WORKPLACE SAFETY

James Hardie is committed to sustaining and improving a safe working environment and has set safety objectives to:

- Achieve within our plants an incident rate of less than 2 (an "incident rate" is the number of recordable incidents that occur per 200,000 hours worked) and a severity rate of less than 20 (the "severity rate" is the number of days lost or restricted duty from recordable incidents per 200,000 hours worked).
- Eliminate serious bodily harm.
- Achieve zero fatalities.

Recognising that the safety of employees is critical, James Hardie has made safety one of the scorecard measures for the Board to use to determine payments to senior executives under the company's Long Term Incentive Plan.

USA and Europe Fibre Cement safety performance in fiscal year 2012

The USA and Europe Fibre Cement business recorded 18 incidents in fiscal year 2012, a 22% reduction compared to fiscal year 2011. The incident rate was 1.3 and the severity rate was 21.4.

New safety initiatives in fiscal year 2012 included:

- Ensuring factory air is safe for employees, including real-time dust monitoring and periodic sampling.

- Improving areas where people and machines interact, including standardised procedures and regular audits for all equipment.
- Building on our established safety culture through greater observation and training, along with regular data collection, analysis and feedback.

Asia Pacific Fibre Cement safety performance in fiscal year 2012

For the second consecutive year, the Asia Pacific Fibre Cement businesses recorded incident and severity rates below its safety goals of "2 and 20" with an incident rate of 1.7 and the severity rate of 12.6.

One of the key drivers of this performance has been our "on the spot" risk assessment program. This program has enabled our hazard identification and control process to become a more effective part of our operations.

This year we also held safety days for all employees at our Asia Pacific manufacturing facilities.

By continuing to promote a culture of safety and enhance systems that identify, evaluate, eliminate and control hazards, the company has been able to sustain the gains achieved in workplace safety.

ASBESTOS FUNDING

As of 31 March 2012, the Asbestos Injuries Compensation Fund (AICF) had cash and investments of A\$62.5 million (US\$65.0 million).

On 2 April 2012, James Hardie made an early contribution of A\$132.3 million (US\$138.7 million). This allowed the AICF to repay all amounts of its initial drawdown of A\$29.7 million under its secured standby loan facility with the State Government of New South Wales. In addition to this early contribution, in accordance with the Amended and Final Funding Agreement (AFFA) James Hardie is scheduled to pay an estimated US\$45.4 million in July 2012. Collectively for fiscal year 2012 these two payments represent 35% of the company's free cash flow as defined by the AFFA.

The 2012 payments will take James Hardie's total contributions to the AICF to approximately A\$600 million since the beginning of 2007.

James Hardie has additionally been contributing A\$500,000 per year for 10 years, since 2007, towards medical research into the prevention, treatment and cure of asbestos diseases, and A\$75,000 a year for 10 years, since 2007, for an education program to inform home renovators of the risks associated with asbestos.

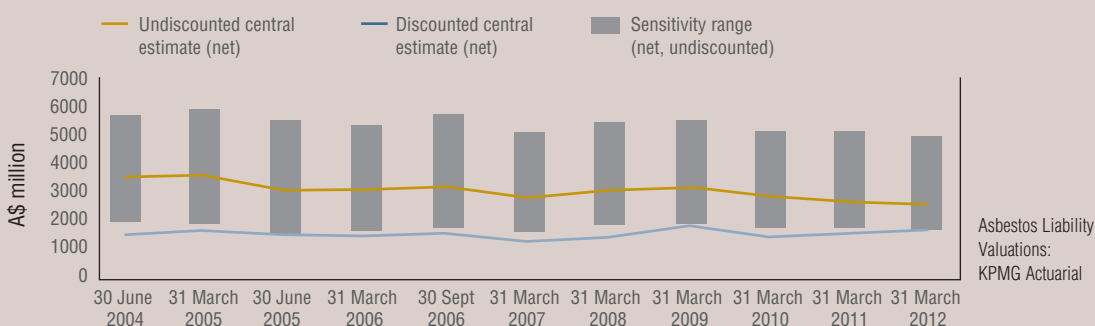
Annual actuarial assessment

KPMG Actuarial conducts an annual actuarial assessment of the liabilities of the AICF to enable projections to be regularly updated in line with actual claims experience and the claims outlook. Subject to the Annual Cash Flow Cap, James Hardie makes payments to the AICF based on these annual actuarial assessments.

James Hardie discloses summary information on claims numbers each quarter with its quarterly results releases. Additional information contained in the annual actuarial report is available in the Investor Relations area of the James Hardie website (www.jameshardie.com.au).

Updated Actuarial Assessment

James Hardie received an updated actuarial report from KPMG Actuarial at 31 March 2012, which showed the discounted central estimate of the asbestos liability increasing from A\$1.478 billion at March 2011 to A\$1.580 billion at 31 March 2012. The increase in the discounted central estimate of A\$102 million is primarily due to lower discount rates, partially offset by a reduction in the projected future number of claims to be reported for a number of disease types.





SUSTAINABILITY REPORT

As a product leader in the building and construction industry, James Hardie recognises its obligation to promote energy efficient building designs and sustainable communities.

To meet this obligation, James Hardie focuses on designing innovative products that have extended lifespan, require little maintenance, are used in energy efficient buildings and have less impact on the topology and vegetation of a building site.

James Hardie prides itself on its product development, building science and innovative manufacturing each of which supports sustainable building practices.

James Hardie believes sustainable building and construction practices are important and addresses it in the following ways:

Sustainable Products

James Hardie fibre cement cladding is engineered for specific climates and is resistant to damage from flame spread, moisture and pests. Today we are producing our 7th generation fibre cement product - the most advanced fibre cement available. Decades of research and development have helped us succeed in making the most durable fibre cement building products – the fibre cement most often chosen for installation in the USA and Australia.

Sustainable Raw Materials

Whenever possible we regionally source natural and sustainable raw materials such as cement, sand, wood fibre and water.

We are also constantly looking for ways to reduce raw material waste. During the manufacturing process James Hardie seeks to reuse as much of its waste products as is practical. At all of our manufacturing facilities globally, solid waste such as trimming scraps and fine particles are reintroduced into the manufacturing process as raw materials.

One of James Hardie's key initiatives over recent years has been its "zero to landfill" program. An example of these efforts is seen in James Hardie's reduction in the size of the landfill from its Rosehill plant in Sydney by over 80%, thereby eliminating in excess of 16,000 tonnes of waste per annum from landfill.

Sustainable Manufacturing

A key part of James Hardie's whole business initiative for increasing manufacturing efficiency focuses on reducing energy usage and improving material yield. Improving manufacturing efficiency is a key step in reducing our environmental impact and James Hardie is an industry leader in this area.

Our Australian plants are registered under the National Energy Efficient Opportunities Program. At all production sites energy usage is compared with production output to monitor and ultimately improve energy usage efficiency.

Water recycling is also a critical component of our fibre cement manufacturing process – e.g. water is reused four times before it is treated and released.

Sustainable Design

James Hardie's investment in research and development, manufacturing know-how and product design has enabled it to bring to market a range of products that are valued for their durability, low maintenance and energy efficiency.

For example, two and a half times less energy is consumed in the manufacture of a timber framed fibre cement wall compared to a timber framed brick veneer wall of a similar size.

James Hardie products are NAHB Green Approved and have contributed LEED points to green building projects all over the US, and our plants worldwide continue to implement the ISO 14001 principles in compliance with our sustainability policy.

Sustainable Communities

James Hardie believes in giving back to our communities, particularly in and around the areas where we have manufacturing facilities. In the USA we support and participate in community welfare programs such as Habitat for Humanity and Rebuilding Together/Heros at Home by donating products and volunteering. In Australia recent efforts have included contributions in excess of A\$150,000 in cash and materials to Queensland flood victims and NZ\$100,000 to victims of the Christchurch earthquake.

In addition, James Hardie consistently matches employee donations to charitable institutions and causes such as the Haiti earthquake and New Orleans flood disaster.

CORPORATE HEADQUARTERS

Second Floor, Europa House
Harcourt Centre
Harcourt Street, Dublin 2, Ireland
Telephone (+353) 1 411 6924
Facsimile (+353) 1 479 1128

KEY DATES

31 March

End of JHI SE Fiscal Year 2012

21 May

FY12 Quarter 4 and Full Year results and management presentation

29 June

Annual Review released

9 August

Voting Instruction Forms close 7.00pm Sydney time for Annual General Meeting

13 August

FY13 Quarter 1 results announcement and management presentation

13 August

Annual General Meeting, Dublin

15 November

FY13 Quarter 2 and Half Year results and management presentation

Annual Meeting

The 2012 Annual General Meeting of CUFs holders of James Hardie Industries SE will be held in Dublin, Ireland, at 7.30am 'Dublin time' on Monday, 13 August 2012 and will be simultaneously broadcast via a teleconference and webcast at 4.30pm 'Sydney time'. Further details are set out in *Notice of Annual General Meeting 2012*.

Share/CUFs Registry

James Hardie Industries SE's registry is managed by Computershare Investor Services Pty Limited.

All enquiries and correspondence regarding holdings should be directed to:

Computershare Investor Services Pty Ltd
Level 4, 60 Carrington Street
Sydney NSW 2000 Australia
or GPO Box 2975
Melbourne VIC 3001, Australia

Telephone within Australia: 1300 855 080
Telephone outside Australia: +61 3 9473 2500

Email: web.queries@computershare.com.au
Website: www.computershare.com



FOR MORE INFORMATION ABOUT JAMES HARDIE PLEASE VISIT OUR WEBSITE: WWW.JAMESHARDIE.COM.AU



DISCLAIMER: Certain statements in this Annual Review may constitute "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. James Hardie uses words such as "believe," "anticipate," "intend," "estimate," "expect," "project" and similar expressions to identify forward-looking statements, although not all forward-looking statements contain these words. These forward-looking statements are not guarantees of future results. Rather, these forward-looking statements are based on James Hardie's current assumptions, expectations and projections about future events, and involve known and unknown risks, uncertainties and other factors which are discussed in further detail in our annual report on Form 20-F ("Annual Report"), which will be filed with the United States Securities and Exchange Commission and the Australian Securities Exchange. These forward-looking statements are made as of the date of this Annual Review and James Hardie does not assume any obligation to update them. Investors are encouraged to review James Hardie's Annual Report, and specifically the risk factors discussed therein, as it contains important disclosures regarding the risks attendant to investing in our securities.

¹ Fiscal year 2012 and 2011 include a benefit of US\$485.2m and a charge of US\$345.2m respectively in relation to the RCI matter. ²Fiscal year 2011 also includes a charge of US\$32.6m from our corporate structure simplification announced in May 2011.

Unless otherwise stated, graphs and comments for fiscal years 2012, 2011 and 2010 exclude asbestos adjustments (including tax benefits or expenses), SG&A expenses and AICF interest income. Fiscal year 2010 also excludes a gain on the sale of AICF investments. Balance sheet references exclude the net AFFA liability.