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James Hardie statement on funding future asbestos claims

The Board of James Hardie announced today that it would recommend that shareholders approve the provision of additional funding to enable an effective statutory scheme to be established to compensate all future claimants for asbestos-related injuries caused by former James Hardie subsidiary companies.

A submission that discusses these issues in response to Term of Reference Four of the Special Commission of Inquiry into the Medical Research and Compensation Foundation (MRCF) will be provided to the Commission later today.

The submission contains a number of principles proposed by JHI NV for a future scheme for consideration by the Commissioner. These principles, which are consistent with existing compensation schemes and established principles of tort reform in NSW, include:

- speedy, fair and equitable compensation for all existing and future claimants, including objective criteria to reduce superimposed (judicial) inflation;
- determination of contributions to be made in a manner which provides certainty to:
    - claimants as to their entitlement
    - the scheme administrator as to the amount available for distribution; and
    - the contributors as to the ultimate amount of their contribution to the scheme;
- significant reduction in legal costs via the removal of requirements for litigation;
- limitation of legal avenues outside of the scheme.

While this submission will remain confidential until noon July 28 under the confidentiality orders of the Commission, the company confirms it is willing to contribute to a resolution in the best interests of all parties, including current and future asbestos claimants against the MRCF, James Hardie shareholders and other constituents. The submission continues to affirm the company's legal position and will put forward detailed arguments in response to the contentions raised in Counsel Assisting the Inquiry's Issues Paper.

The Board is deeply concerned that asbestos related claims are now projected to be far in excess of amounts anticipated at the time of establishment of the MRCF. Subject to the Inquiry's findings James Hardie is hopeful of being able to contribute to an effective statutory scheme that provides resolution for claimants and shareholders.

End.

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