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APPENDIX**TERMS & CONDITIONS****IMPORTANT INFORMATION FOR PLACEEES ONLY
ON THE PLACING**

MEMBERS OF THE PUBLIC ARE NOT ELIGIBLE TO TAKE PART IN THE PLACING. THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN ARE DIRECTED ONLY AT PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(1) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2001, AS AMENDED (THE "ORDER") OR ARE PERSONS FALLING WITHIN ARTICLE 49(2)(a) TO (d) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS, ETC") OF THE ORDER OR TO WHOM IT MAY OTHERWISE LAWFULLY BE COMMUNICATED (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN MUST NOT BE ACTED ON OR RELIED ON BY PERSONS WHO ARE NOT RELEVANT PERSONS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS APPENDIX AND THE TERMS AND CONDITIONS SET OUT HEREIN RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS APPENDIX DOES NOT ITSELF CONSTITUTE AN OFFER FOR SALE OR SUBSCRIPTION OF ANY SECURITIES IN BPB PLC (THE "COMPANY").

If you choose to participate in the Placing by making an oral offer to acquire Placing Shares you will be deemed to have read and understood this Appendix in its entirety and to be making such offer on the terms and conditions, and to be providing the representations, warranties, acknowledgements and undertakings contained in this Appendix. In particular you represent, warrant and acknowledge that you:

1. are a person whose ordinary activities involve you in acquiring, holding, managing or disposing of investments (as principal or agent) for the purpose of your business and undertake that you will acquire, hold, manage or dispose of any Placing Shares that are allocated to you for the purposes of your business; and
2. are outside the United States or have executed an investment representation letter in the form provided to you.

This announcement does not and these materials do not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for ordinary shares in the capital of the Company in the United States, Canada, Australia, Japan or in any jurisdiction in which such offer or solicitation is unlawful and the information contained herein is not for publication or distribution, directly or indirectly, to persons in the United States, Canada, Australia, Japan or any jurisdiction in which such publication or distribution is unlawful. The Placing Shares referred to in this announcement have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), and, subject to certain exceptions, may not be offered or sold within the United States. Any offering to be made in the United States will be made to a limited number of qualified institutional buyers ("QIBs") within the meaning of Rule 144A under the Securities Act in a transaction not involving any "public offering" (within the meaning of Section 4(2) of the Securities Act. The Placing Shares are being offered and sold outside the United States in reliance on Regulation S under the Securities Act.

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The distribution of this announcement and the placing and/or issue of ordinary shares in the capital of the Company in certain jurisdictions may be restricted by law. No action has been taken by the Company, Cazenove or Hoare Govett that would permit an offer of such ordinary shares or possession or distribution of this announcement or any other offering or publicity material relating to such ordinary shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by the Company, Cazenove or Hoare Govett to inform themselves about and to observe any such restrictions.

Details of the Placing Agreement and the Placing Shares

Cazenove and Hoare Govett (together the “Managers”) have entered into a placing agreement (the “Placing Agreement”) with the Company whereby each of the Managers has, subject to the conditions set out therein, undertaken severally, and not jointly or jointly and severally, to use its reasonable endeavours as agent of the Company to seek to obtain bids in the Bookbuilding.

The Placing Shares will be credited as fully paid and will rank *pari passu* in all respects with the existing issued ordinary shares of 50 pence each in the capital of the Company including the right to receive all dividends and other distributions declared, made or paid in respect of such ordinary shares after the date of issue of the Placing Shares.

In this Appendix, unless the context otherwise requires, “Placee” means a person (including individuals, funds or others) on whose behalf a commitment to acquire Placing Shares has been given.

Application for listing and admission to trading

Application will be made to the UK Listing Authority (the “UKLA”) for admission of the Placing Shares to the Official List maintained by the UKLA (the “Official List”) and to London Stock Exchange plc (the “London Stock Exchange”) for admission to trading of the Placing Shares on the London Stock Exchange’s market for listed securities. It is expected that admission will take place and dealings in the Placing Shares will commence no later than on 19 March 2002.

Bookbuilding

Commencing today, each of the Managers will be conducting a bookbuilding process (the “Bookbuilding”) to arrange participation in the Placing by Placees. This Appendix gives details of the terms and conditions of, and the mechanics of participation in, the Bookbuilding. No commissions will be paid to Placees or by Placees in connection with the Bookbuilding.

How to participate in the Bookbuilding

If you wish to participate in the Bookbuilding you should communicate your bid by telephone to your usual sales contact at Cazenove or Hoare Govett. If successful, your allocation will be confirmed to you orally following the close of the Bookbuilding, and a conditional contract note will be dispatched as soon as possible thereafter. The relevant Manager’s oral confirmation to you will constitute a legally binding commitment upon you to acquire the number of Placing

Shares allocated to you at the Placing Price on the terms and conditions set out in this Appendix and in accordance with the Company's Memorandum and Articles of Association.

The Company will make a further announcement following the close of the Bookbuilding detailing the number of Placing Shares to be issued and the price at which the Placing Shares have been placed (the "Pricing Announcement").

Principal terms of the Bookbuilding

1. Each of Cazenove and Hoare Govett is arranging the Placing severally and not jointly or jointly and severally as an agent of the Company.
2. Participation will only be available to persons invited to participate by either of the Managers. Each of the Managers is entitled to enter bids as principal in the Bookbuilding.
3. The Bookbuilding will establish a single price (the "Placing Price") payable by all Placees. The Placing Price will be agreed between the Managers and the Company following completion of the Bookbuilding and any discount to the market price of the ordinary shares of the Company will be determined in accordance with the Listing Rules and with regard to the Pre-emption Guidelines.
4. To enter a bid into the Bookbuilding, you should communicate your bid by telephone to your usual sales contact at Cazenove or Hoare Govett. Your bid should state the number or monetary amount of Placing Shares which you wish to acquire at either the Placing Price which will be ultimately established by the Company and the Managers or at prices up to a price limit specified in your bid.
5. Each of the Managers reserves the right not to accept bids or to accept bids in part rather than in whole. The acceptance of bids shall be at each of the Manager's absolute discretion.
6. The Bookbuilding will close no later than 4.30 p.m. (London time) on 14 March 2002, but may be closed earlier at the sole discretion of the Managers. Each of the Managers may, at its sole discretion, accept bids that are received after the Bookbuilding has closed.
7. A bid in the Bookbuilding will be made on the terms and conditions in this Appendix and will be legally binding on the Placee by whom, or on whose behalf, it is made and will not be capable of variation or revocation by a Placee after the close of the Bookbuilding.
8. Your obligations will be owed by you to the Company and to the Manager through whom you submitted your bid. The allotment and issue of Placing Shares to you by the Company will be in consideration for the transfer to the Company by the Manager to whom you have submitted a bid (or by a company it controls) of shares in a Jersey incorporated company (the "Jersey Company"). You will, however, also have an immediate, separate binding obligation, owed to the relevant Manager, to pay to it in cleared funds an amount equal to the product of the Placing Price and the number of Placing Shares you have agreed to acquire in consideration for the relevant Manager procuring the allotment by the Company of such Placing Shares to its nominee as agent for you. The Manager concerned will effect or procure the necessary transfer to the

Company of shares in the Jersey Company following your payment to such Manager of such amount.

Conditions of the Placing

The Placing is conditional on, *inter alia*:

1. the Pricing Announcement being published through the Regulatory News Service operated by the Company Announcements Office by no later than 8.00 a.m. on 15 March 2002 (or by such later time and/or date as the Managers and the Company may agree in writing);
2. the admission of the Placing Shares to the Official List becoming effective in accordance with the Listing Rules of the UKLA and the admission of the Placing Shares to trading on London Stock Exchange's market for listed securities becoming effective in accordance with the London Stock Exchange Admission and Disclosure Standards for Listed Companies ("Admission") and commencement of trading of the Placing Shares on the London Stock Exchange's markets for listed securities following Admission ("Commencement of Trading") by no later than 8.00 a.m. on 19 March 2002 (or by such later time and/or date as the Managers and the Company may agree in writing);
3. the Company having allotted the Placing Shares in accordance with the terms of the Placing Agreement conditional only on satisfaction of the condition in 2 above;
4. the Managers receiving, prior to the Commencement of Trading, certain confirmations and legal opinions in accordance with the Placing Agreement and the Company having complied with its obligations to deliver certain documents to the Managers under the Placing Agreement;
5. the Subscription and Transfer Agreement (as defined in the Placing Agreement) having been duly executed and delivered by the parties thereto and there having occurred no default or breach by the Company or the Jersey Company of its terms by the time immediately prior to Admission;
6. the acquisition agreement entered into on or about 12 March 2002 between BPB U.S. Holdings Inc. and James Hardie Inc. for the acquisition of the entire share capital of James Hardie Gypsum, Inc. and Western Mining and Minerals, Inc. (the "Acquisition Agreement") not having been terminated or rescinded prior to Commencement of Trading;
7. the Placing Agreement not having been terminated or rescinded prior to Commencement of Trading; and
8. the conditions to the Acquisition Agreement not becoming (in the reasonable opinion of the Managers) incapable of satisfaction prior to Admission. Nevertheless, the Placing is not conditional upon any regulatory clearances required under the terms of the Acquisition Agreement.

If, (a) any of the conditions above are not satisfied or waived by both Managers within the stated time period or (b) the Placing Agreement is terminated in the circumstances specified below, the Placing will lapse and your rights and obligations hereunder shall cease and determine at such time and no claim can be made by you in respect thereof.

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By participating in the Bookbuilding you agree that your rights and obligations hereunder terminate only in the circumstances described above and will not be capable of rescission or termination by you.

The Managers reserve the right to waive or (with the agreement of the Company) to extend the time and/or date for fulfilment of any of the conditions in the Placing Agreement. Any such extension or waiver will not affect Placees' commitments. Neither of the Managers nor the Company shall have any liability to any Placee (or to any other person whether acting for or on behalf of a Placee or otherwise) in respect of any decision it may make as to whether or not to waive or to extend the time and/or date for the satisfaction of any condition in the Placing Agreement.

Right to terminate under the Placing Agreement

The Managers will be entitled in their absolute discretion by notice in writing to the Company prior to Commencement of Trading to terminate their obligations under the Placing Agreement if:

- (a) the Company is in breach of any of its obligations under the Placing Agreement in a manner which they regard as material in the context of the Placing;
- (b) any of the representations, warranties or undertakings given by the Company in the Placing Agreement was, or if repeated at any time up to and including Commencement of Trading (by reference to the facts and circumstances then existing) would be untrue, inaccurate, incorrect or misleading in any respect which they regard as material in the context of the Placing; or
- (c) there occurs either (i) any external event; or (ii) any change or deterioration in the business, assets, financial or trading position, results or prospects of the BPB group (whether before or after the completion of the Acquisition), where the effect of any such event specified in paragraph (i) or (ii) above will, in the judgement of the Managers, materially and adversely affect the price at which the ordinary shares in the Company are traded on the London Stock Exchange and so make it impracticable or inadvisable to proceed with the Placing or the delivery of the Placing Shares on the terms and in the manner contemplated in this announcement, the Pricing Announcement, this Appendix and the Placing Agreement.

By participating in the Bookbuilding you agree with the Managers that the exercise by the Managers of any right or termination or other discretion under the Placing Agreement shall be within the absolute discretion of the Managers and that the Managers need make no reference to you and shall have no liability to you whatsoever in connection with any such exercise.

No Prospectus

No prospectus has been or will be submitted to be approved by the UKLA or filed with the Registrar of Companies in England and Wales in relation to the Placing Shares and the Placees' commitments will be made solely on the basis of the information contained in this announcement. Each Placee, by accepting a participation in the Placing, agrees that the content of this announcement and the Pricing Announcement is exclusively the responsibility of the Company and confirms that it has neither received nor relied on any other information,

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representation, warranty or statement made by or on behalf of either of the Managers or the Company and neither of the Managers will be liable for any Placee's decision to accept this invitation to participate in the Placing based on any other information, representation, warranty or statement. Each Placee acknowledges and agrees that it has relied on its own investigation of the business, financial or other position of the Company in accepting a participation in the Placing. Nothing in this paragraph shall exclude the liability of any person for fraudulent misrepresentation.

Registration and Settlement

Settlement of transactions in the Placing Shares following Admission will take place within the CREST system, subject to certain exceptions. Each of the Managers reserves the right to require settlement for and delivery of the Placing Shares to Placees in such other means that it deems necessary if delivery or settlement is not possible within the CREST system within the timetable set out in this announcement or would not be consistent with the regulatory requirements in the Placee's jurisdiction.

If you are allocated any Placing Shares in the Bookbuilding you will be sent a conditional contract note, which will state the number of Placing Shares acquired by you, the Placing Price and the aggregate amount owed by you to the relevant Manager.

Settlement will be on a T+3 basis.

Interest is chargeable daily on payments to the extent that value is received after the due date at the rate of 5 percentage points above prevailing LIBOR.

If you do not comply with these obligations, the relevant Manager may sell your Placing Shares on your behalf and retain from the proceeds, for its own account and benefit, an amount equal to the Placing Price plus any interest due. You will, however, remain liable for any shortfall below the Placing Price and you may be required to bear any stamp duty or stamp duty reserve tax (together with any interest or penalties) which may arise upon the sale of your Placing Shares on your behalf.

If Placing Shares are to be delivered to a custodian or settlement agent, please ensure that the conditional contract note is copied and delivered immediately to the relevant person within that organisation.

Insofar as Placing Shares are registered in your name or that of your nominee or in the name of any person for whom you are contracting as agent or that of a nominee for such person, such Placing Shares will, subject as provided below, be so registered free from any liability to UK stamp duty or stamp duty reserve tax. You will not be entitled to receive any fee or commission in connection with the Placing.

Representations and Warranties

By participating in the Bookbuilding you (and any person acting on your behalf):

1. represent and warrant that you have read this announcement;

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2. acknowledge that the content of this announcement and the Pricing Announcement is exclusively the responsibility of the Company;
3. represent and warrant that the only information upon which you have relied in committing yourself to acquire the Placing Shares is that contained in this announcement and confirm that you have neither received nor relied on any other information, representation, warranty or statement made by or on behalf of the Company or either of the Managers;
4. you represent and warrant that you are, or at the time the Placing Shares are acquired will be, the beneficial owner of such Placing Shares and you are not a resident of Australia, Canada (unless you are an “accredited investor” within the meaning of Rule 45-501 of the Ontario Securities Law) or Japan;
5. acknowledge that the Placing Shares have not been and will not be registered under the securities legislation of Australia, Canada or Japan and, subject to certain exceptions, may not be offered, sold, taken up, renounced or delivered or transferred, directly or indirectly, within Australia, Canada or Japan;
6. represent and warrant that you are entitled to acquire and/or purchase Placing Shares under the laws of all relevant jurisdictions which apply to you and that you have fully observed such laws and obtained all such governmental and other guarantees and other consents which may be required thereunder and complied with all necessary formalities;
7. acknowledge that the Placing Shares have not been and will not be registered under the Securities Act, or under the securities laws of any state of the United States, and are being offered and sold on behalf of the Company only (i) in the United States to “qualified institutional buyers” (within the meaning of Rule 144A under the Securities Act) in a transaction not involving any “public offering” (within the meaning of Section 4(2) of the Securities Act) or (ii) outside the United States in accordance with Rule 903 of Regulation S under the Securities Act (“Regulation S”);
8. acknowledge that the Placing Shares have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission in the United States or any other United States regulatory authority;
9. represent and warrant that you either (a) are not in the United States (within the meaning of Regulation S) and are acquiring the shares in an offshore transaction in accordance with Regulation S or (b) are a “qualified institutional buyer” who has duly executed an investment letter in the form provided to you;
10. represent and warrant that so long as the Placing Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act, you will not deposit the Placing Shares into any depositary receipt facility maintained by any depositary bank in respect of the Company’s ordinary shares;
11. represent and warrant that the issue to you, or the person specified by you for registration as holder, of Placing Shares will not give rise to a liability under any of sections 67, 70, 93 or 96 of the Finance Act 1986 (depositary receipts and clearance services);

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12. agree that you will not reoffer, resell, pledge or otherwise transfer the Placing Shares except (a) in an offshore transaction pursuant to Regulation S under the Securities Act; (b) in the United States to “qualified institutional buyers” pursuant to Rule 144A under the Securities Act; or (c) pursuant to Rule 144 under the Securities Act (if available), and that, in each case, such offer, sale, pledge or transfer will be made in accordance with any applicable securities law of any state of the United States;

13. represent and warrant that you have complied with your obligations in connection with money laundering under the Criminal Justice Act 1993, the Money Laundering Regulations (1993) (the “Regulations”) and, if you are making payment on behalf of a third party, that satisfactory evidence has been obtained and recorded by you to verify the identity of the third party as required by the Regulations;

14. represent and warrant that you fall within paragraph 3(a) of Schedule 11 to the Financial Services and Markets Act 2000 (“FSMA”), being a person whose ordinary activities involve you in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of your business, and within Article 19 and/or 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2001, as amended, and undertake that you will acquire, hold, manage or dispose of any Placing Shares that are allocated to you for the purposes of your business;

15. represent and warrant that you have not offered or sold and, prior to the expiry of a period of six months from the Commencement of Trading, will not offer or sell any Placing Shares to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business or otherwise in circumstances which have not resulted and which will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995, as amended;

16. represent and warrant that you have only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) relating to the Placing Shares in circumstances in which section 21(1) of FSMA does not require approval of the communication by an authorised person;

17. represent and warrant that you have complied and undertake that you will comply with all applicable provisions of FSMA with respect to anything done by you in relation to the Placing Shares in, from or otherwise involving the United Kingdom;

18. represent and warrant that you have all necessary capacity and have obtained all necessary consents and authorities to enable you to commit to this participation and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorities to agree to the terms set out or referred to in this announcement);

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19. undertake that you will pay for the Placing Shares acquired by you in accordance with this announcement on the due time and date set out herein, and acknowledge that should you fail to do so, the relevant Placing Shares may be sold at such price as each of the Managers determines, and that you will remain liable for any shortfall between the proceeds of such sale and the placing proceeds of such Placing Shares;

20. acknowledge that participation in the Placing is on the basis that you are not and will not be clients of either of the Managers and that neither of the Managers has duties or responsibilities to you for providing the protections afforded to their clients or for providing advice in relation to the Placing nor in respect of any representations, warranties, undertakings or indemnities contained in the Placing Agreement;

21. undertake that the person who you specify for registration as holder of the Placing Shares will be (i) the Placee or (ii) a nominee of the Placee, as the case may be. Neither of the Managers nor the Company will be responsible for any liability to stamp duty or stamp duty reserve tax resulting from a failure to observe this requirement. Each Placee and any person acting on behalf of the Placee agrees to subscribe on the basis that the Placing Shares will be allotted to the CREST stock account of either of the Managers who will hold them as nominee on behalf of the Placee until settlement in accordance with its standing settlement instructions; and

22. acknowledge that any agreements entered into by the Placee pursuant to these terms and conditions shall be governed by and construed in accordance with the laws of England and you hereby irrevocably submit (on behalf of yourself and on behalf of any Placee on whose behalf you are acting) to the exclusive jurisdiction of the English courts as regards any claim, dispute or matter arising out of any such contract.

The Company, the Managers and others will rely upon the truth and accuracy of the foregoing representations, warranties and acknowledgements.

The agreement to settle your acquisition (and/or the acquisition of a person for whom you are contracting as agent) free of stamp duty and stamp duty reserve tax depends on the settlement relating only to an acquisition by you and/or such person direct from the Company for the Placing Shares in question. Such agreement assumes that the Placing Shares are not being acquired in connection with arrangements to issue depositary receipts or to transfer the Placing Shares into a clearance service. If there were any such arrangements, or the settlement related to other dealing in the Placing Shares, stamp duty or stamp duty reserve tax may be payable, for which neither the Company nor either of the Managers will be responsible. If this is the case, you should take your own advice and notify the relevant Manager accordingly.

Cazenove & Co. Ltd, which is regulated by the Financial Services Authority, is acting for the Company in connection with the Placing and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Cazenove & Co. Ltd nor for providing advice in relation to the Placing. Cazenove & Co. Ltd can be contacted at 12 Tokenhouse Yard, London EC2R 7AN.

Hoare Govett Limited, which is regulated by the Financial Services Authority, is acting for the Company in connection with the Placing and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to clients of Hoare Govett Limited

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nor for providing advice in relation to the Placing. Hoare Govett Limited can be contacted at 250 Bishopsgate, London EC2M 4AA.

N M Rothschild & Sons Limited (“Rothschild”) is acting for the Company in connection with the acquisition and no one else and will not be responsible to anyone other than the Company for providing the protections offered to clients of Rothschild nor for providing advice in relation to the acquisition or any other matters referred to in this announcement.