Results for Announcement to the Market

James Hardie Industries plc

ARBN 097 829 895

Appendix 4E – Preliminary Final Report Year Ended 31 March 2017				
Key Information	Year Ended 31 March			
	2017 US$M	2016 US$M	Movement	
Net Sales From Ordinary Activities	1,921.6	1,728.2	Up	11%
Profit From Ordinary Activities After Tax Attributable to Shareholders	276.5	244.4	Up	13%
Net Profit Attributable to Shareholders	276.5	244.4	Up	13%
Net Tangible (Liabilities) Assets per Ordinary Share	US$(0.51)	US($0.51)	Flat	-

Dividend Information

- A FY2017 second half ordinary dividend ("**FY2017 second half dividend"**) of US28.0 cents per security is payable to CUFS holders on 4 August 2017.
- A FY2017 first half ordinary dividend ("**FY2017 first half dividend"**) of US10.0 cents per security was paid to CUFS holders on 24 February 2017.
- The record date to determine entitlements to the FY2017 second half dividend is 8 June 2017 (on the basis of proper instruments of transfer received by the Company's registrar, Computershare Investor Services Pty Ltd, Level 4, 60 Carrington Street, Sydney NSW 2000, Australia, by 5:00pm if securities are not CHESS approved, or security holding balances established by 5:00pm or such later time permitted by ASTC Operating Rules if securities are CHESS approved).
- The FY2017 first half dividend, the FY2017 second half dividend and future dividends will be unfranked for Australian taxation purposes.
- The company will be required to deduct Irish DWT (currently 20% of the gross dividend amount) from this dividend and future dividends, unless the beneficial owner has completed and returned a non-resident declaration form (DWT Form).
- The Australian currency equivalent amount of the FY2017 second half dividend to be paid to CUFS holders will be announced after the record date. The amount payable to shareholders who have elected to receive their dividend in NZ dollars or British pounds will be paid in those currencies.
- No dividend reinvestment plan is in operation for the FY2017 second half dividend.
- The FY2016 second half ordinary dividend ("**FY2016 second half dividend**") of US29.0 cents per security was paid to share/CUFS holders on 5 August 2016.

Movements in Controlled Entities during the Year Ended 31 March 2017

There were no movements in controlled entities during the year ended 31 March 2017.

Audit

The results and financial information included within this Preliminary Final Report have been prepared using US GAAP and have been subject to an independent audit by external auditors.

Results for the 4th Quarter and Year Ended 31 March 2017

Contents

James Hardie Industries plc is incorporated under the laws of Ireland with its corporate seat in Dublin, Ireland. The liability of members is limited. The information contained in the above documents should be read in conjunction with the James Hardie 2017 Annual Report which can be found on the company website at www.jameshardie.com.

Media Release

18 May 2017

James Hardie Announces Adjusted Net Operating Profit of US$54.6 million for Q4 Fiscal Year 2017 and US$248.6 million for the full year ended 31 March 2017

James Hardie today announced results for the fourth quarter of fiscal year 2017 and the full year ended 31 March 2017:

- Group Adjusted net operating profit of US$54.6 million for the quarter and US$248.6 million for the full year, a decrease of 6% for the quarter and an increase of 2% for the full year, compared to the prior corresponding periods ("pcp");
- Group Adjusted EBIT of US$77.1 million for the quarter and US$354.3 million for the full year, a decrease of 8% for the quarter and an increase of 1% for the full year, compared to pcp;
- Group net sales of US$494.3 million for the quarter and US$1,921.6 million for the full year, an increase of 13% and 11%, respectively, compared to pcp;
- North America Fiber Cement Segment volume for the quarter and full year increased 12% and 13%, respectively, compared to pcp;
- North America Fiber Cement Segment net sales of US$387.7 million for the quarter and US$1,493.4 million for the full year, an increase of 12% for the quarter and full year, compared to pcp;
- North America Fiber Cement Segment EBIT margin of 19.6% for the quarter and 23.0% for the full year; and
- International Fiber Cement Segment EBIT margin of 23.0% for the quarter and 23.1% for the full year.

CEO Commentary

James Hardie CEO Louis Gries said, "Our North America Fiber Cement Segment delivered strong top-line performance as fourth quarter and full year net sales were both up 12% versus prior corresponding periods. The volume and net sales growth was driven by underlying market growth and continued improvement in our commercial execution resulting in improved market penetration.

"During the year we significantly increased our manufacturing capacity with the addition of four new brownfield lines that will drive a high, longer term, return on capital for the company. However, this capacity growth created challenges for our North America manufacturing network as we accelerated commissioning of new capacity and overall performance of the network lagged fiscal year 2016 performance. These increased manufacturing costs along with increased investment in marketing development programs, in both the quarter and full year, resulted in EBIT decreasing 2% and 11% for the full year and fourth quarter, respectively. Improving the performance of our North America manufacturing network remains a key focus for the business going forward."

He added, "Within our International Fiber Cement business, net sales increased 18% for the fourth quarter and 9% for the full year. Furthermore, EBIT increased 21% for the quarter and 22% for the full year. This strong performance was driven by our Australian and New Zealand businesses net sales growth and the non-recurrence of Carole Park start-up costs reported in the prior corresponding periods."

Mr. Gries concluded, "Our group results for the full year reflected strong top line growth and cash generation, and $276.6 million returned to shareholders through dividends and share buybacks, while EBIT margin and Adjusted NOPAT were below internal expectations as North America incurred higher production costs as we continued to increase our capacity."

Outlook

We expect the modest market growth and more prolonged recovery of the US housing market to continue into fiscal year 2018. The single family new construction market and repair and remodel market are expected to grow similar to the year-on-year growth experienced in fiscal year 2017. The Company expects new construction starts between approximately 1.2 and 1.3 million.

We expect our North America Fiber Cement segment EBIT margin to be in our stated target range of 20% to 25% for fiscal year 2018. This expectation is based upon the Company continuing to drive improved operating performance in its plants, stable exchange rates and input cost trends.

Net sales from the Australian business are expected to trend in line with the average growth of the domestic repair and remodel and single family detached housing markets in the eastern states of Australia. Similarly, growth in the New Zealand business is expected into fiscal year 2018.

Further Information

Readers are referred to the Company's Consolidated Financial Statements and Management's Analysis of Results for the fourth quarter and full year ended 31 March 2017 for additional information regarding the Company's results, including information regarding income taxes, the asbestos liability and contingent liabilities.

As of 30 June 2016, the Company changed its reportable operating segments. Previously, the Company reported on three operating segments: (i) North America and Europe Fiber Cement, (ii) Asia Pacific Fiber Cement, and (iii) Research and Development. As of 30 June 2016, the Company began reporting on four operating segments: (i) North America Fiber Cement; (ii) International Fiber Cement; (iii) Other Businesses; and (iv) Research and Development. The significant changes to how certain businesses are reported in the new segment structure are as follows: (i) our European business is now reported in the International Fiber Cement segment, along with the other businesses that were historically reported in the Asia Pacific Fiber Cement segment; and (ii) business development, including some non-fiber cement operations, such as our Windows business in North America, are now reported in the Other Businesses segment as opposed to previously being reported in the North America and Europe Fiber Cement segment. The Company has revised its historical segment information at 31 March 2016 and for the fourth quarter and full year ended 31 March 2016 to be consistent with the new reportable segment structure. The change in reportable segments had no effect on the Company's financial position, results of operations or cash flows for the periods presented. Readers are referred to Note 14 of our condensed consolidated financial statements for further information on our segments.

Use of Non-GAAP Financial Information; Australian Equivalent Terminology

This Media Release includes financial measures that are not considered a measure of financial performance under generally accepted accounting principles in the United States (GAAP), such as Adjusted net operating profit and Adjusted EBIT. These non-GAAP financial measures should not be considered to be more meaningful than the equivalent GAAP measure. Management has included such measures to provide investors with an alternative method for assessing its operating results in a manner that is focused on the performance of its ongoing operations and excludes the impact of certain legacy items, such as asbestos adjustments. Additionally, management uses such non-GAAP financial measures for the same purposes. However, these non-GAAP financial measures are not prepared in accordance with US GAAP, may not be reported by all of the Company's competitors and may not be directly comparable to similarly titled measures of the Company's competitors due to potential differences in the exact method of calculation. For additional information regarding the non-GAAP financial measures presented in this Media Release, including a reconciliation of each non-GAAP financial measure to the equivalent US GAAP measure, see the sections titled "Definition and Other Terms" and "Non-US GAAP Financial Measures" included in the Company's Management's Analysis of Results for the fourth quarter and full year ended 31 March 2017.

In addition, this Media Release includes financial measures and descriptions that are considered to not be in accordance with US GAAP, but which are consistent with financial measures reported by Australian companies, such as operating profit, EBIT and EBIT margin. Since the Company prepares its Consolidated Financial Statements in accordance with US GAAP, the Company provides investors with a table and definitions presenting cross-references between each US GAAP financial measure used in the Company's Consolidated Financial Statements to the equivalent non-US GAAP financial measure used in this press release. See the sections titled "Definition and Other Terms" included in the Company's Management's Analysis of Results for fourth quarter and full year ended 31 March 2017.

Forward-Looking Statements

This Media Release contains forward-looking statements and information that are necessarily subject to risks, uncertainties and assumptions. Many factors could cause the actual results, performance or achievements of James Hardie to be materially different from those expressed or implied in this release, including, among others, the risks and uncertainties set forth in Section 3 “Risk Factors” in James Hardie’s Annual Report on Form 20-F for the year ended 31 March 2017; changes in general economic, political, governmental and business conditions globally and in the countries in which James Hardie does business; changes in interest rates, changes in inflation rates; changes in exchange rates; the level of construction generally; changes in cement demand and prices; changes in raw material and energy prices; changes in business strategy and various other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. James Hardie assumes no obligation to update or correct the information contained in this Media Release except as required by law.

END

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Fiscal 2017
Fourth Quarter and Full Year Ended 31 March 2017

James Hardie

Management's Analysis of Results

This Management's Analysis of Results forms part of a package of information about James Hardie Industries plc's results. It should be read in conjunction with the other parts of this package, including the Media Release, the Management Presentation and the consolidated financial statements. Except as otherwise indicated in this Management's Analysis of Results, James Hardie Industries plc is referred to as "JHI plc." JHI plc, together with its direct and indirect wholly-owned subsidiaries, are collectively referred to as "James Hardie," the "Company," "we," "our," or "us." Definitions for certain capitalized terms used in this Management's Analysis of Results can be found in the sections titled "Definitions and Other Terms" and "Non-GAAP Financial Measures."

This Management's Analysis of Results includes financial measures that are not considered a measure of financial performance under generally accepted accounting principles in the United States ("US GAAP"). These non-GAAP financial measures should not be considered to be more meaningful than the equivalent US GAAP measures. Management has included such measures to provide investors with an alternative method for assessing its operating results in a manner that is focused on the performance of its ongoing operations and excludes the impact of certain legacy items, such as asbestos adjustments. Additionally, management uses such non-GAAP financial measures for the same purposes. However, these non-GAAP financial measures are not prepared in accordance with US GAAP, may not be reported by all of the Company's competitors and may not be directly comparable to similarly titled measures of the Company's competitors due to potential differences in the exact method of calculation. For additional information regarding the non-GAAP financial measures presented in this Management's Analysis of Results, including a reconciliation of each non-GAAP financial measure to the equivalent US GAAP measure, see the section titled "Non-US GAAP Financial Measures." In addition, this Management's Analysis of Results includes financial measures and descriptions that are considered to not be in accordance with US GAAP, but which are consistent with financial measures reported by Australian companies. Since James Hardie prepares its consolidated financial statements in accordance with US GAAP, the Company provides investors with a table and definitions presenting cross-references between each US GAAP financial measure used in the Company's consolidated financial statements to the equivalent non-US GAAP financial measure used in this Management's Analysis of Results. See the section titled "Non-US GAAP Financial Measures."

These documents, along with an audio webcast of the Management Presentation on 18 May 2017, are available from the Investor Relations area of our website at *http://www.ir.jameshardie.com.au*

NOTE TO THE READER:

As of 30 June 2016, the Company changed its reportable operating segments. Previously, the Company reported on three operating segments: (i) North America and Europe Fiber Cement, (ii) Asia Pacific Fiber Cement, and (iii) Research and Development. As of 30 June 2016, the Company began reporting on four operating segments: (i) North America Fiber Cement, (ii) International Fiber Cement, (iii) Other Businesses, and (iv) Research and Development. The significant changes to how certain businesses are reported in the new segment structure are as follows: (i) our European business is now reported in the International Fiber Cement segment, along with the other businesses that were historically reported in the Asia Pacific Fiber Cement segment; and (ii) business development, including some non-fiber cement operations, such as our windows business in North America, are now reported in the Other Businesses segment as opposed to previously being reported in the North America and Europe Fiber Cement segment. The Company has provided its historical segment information for the fourth quarter and full year ended 31 March 2016 to be consistent with the new reportable segment structure. The change in reportable segments had no effect on the Company's financial position, results of operations or cash flows for the periods presented. Readers are referred to Note 17 of our consolidated financial statements for further information on our segments.

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James Hardie Industries plc
Results for the 4th Quarter and Full Year Ended 31 March

US$ Millions	Three Months and Full Year Ended 31 March					
	Q4 FY17	Q4 FY16	Change %	FY17	FY16	Change %
Net sales	**$ 494.3**	**$ 435.8**	**13**	**$ 1,921.6**	**$ 1,728.2**	**11**
Cost of goods sold	(333.5)	(275.7)	(21)	(1,246.9)	(1,096.0)	(14)
Gross profit	**160.8**	**160.1**	**-**	**674.7**	**632.2**	**7**
Selling, general and administrative expenses	(75.9)	(68.7)	(10)	(291.6)	(254.2)	(15)
Research and development expenses	(8.1)	(8.1)	-	(30.3)	(29.5)	(3)
Asbestos adjustments	1.4	(27.0)		40.4	5.5	
EBIT	**78.2**	**56.3**	39	**393.2**	**354.0**	11
Net interest expense	(7.2)	(6.4)	(13)	(27.5)	(25.6)	(7)
Other income (expense)	0.1	(1.9)		1.3	2.1	(38)
Operating profit before income taxes	71.1	48.0	48	367.0	330.5	11
Income tax expense	(26.6)	(19.2)	(39)	(90.5)	(86.1)	(5)
Net operating profit	**$ 44.5**	**$ 28.8**	55	**$ 276.5**	**$ 244.4**	13
Earnings per share - basic (US cents)	10	6		62	55	
Earnings per share - diluted (US cents)	10	6		62	55	
Volume (mmsf)	704.5	630.9	12	2,702.6	2,450.1	10

Net sales for the quarter and full year increased 13% and 11% from the prior corresponding periods to US$494.3 million and US$1,921.6 million, respectively. For both periods net sales were favorably impacted by higher sales volumes in the North America Fiber Cement segment and higher sales volumes and a higher average net sales price in the International Fiber Cement segment.

Gross profit of US$160.8 million for the quarter and US$674.7 million for the full year was flat and increased 7%, respectively, when compared with the prior corresponding periods. Gross profit margin of 32.5% for the quarter and 35.1% for the full year decreased 4.2 percentage points and 1.5 percentage points, respectively, when compared with the prior corresponding periods.

Selling, general and administrative ("SG&A") of US$75.9 million for the quarter and US$291.6 million for the full year increased 10% and 15%, respectively, when compared with the prior corresponding periods. The increase primarily reflects increased investment in headcount and market development programs.

Research and development ("R&D") expenses for the quarter and full year were flat and increased 3% from the prior corresponding periods, primarily due to an increase in the number of R&D projects being undertaken by the R&D team.

Asbestos adjustments for both the quarter and full year were favorable compared to prior corresponding periods. For the full year, the primary driver is the US$38.6 million favorable movement in the actuarial adjustment recorded at year end in line with KPMGA's actuarial report and the US$1.8 million favorable impact of the depreciating AUD/USD spot exchange rate between balance sheet dates.

Other income (expense) for the quarter and full year reflects gains and losses on interest rate swaps and unrealized foreign exchange gains and losses. The full year fiscal 2016 results also include the gain on the sale of the Australian pipes business, which was sold in the first quarter of the prior year.

Net operating profit for the quarter increased compared to the prior corresponding period, primarily due to the favorable movement of asbestos adjustments, partially offset by an increase in SG&A expenses. Net operating profit for the full year increased compared to the prior corresponding period, primarily due to an increase in the underlying performance of the operating business units and the favorable movement of asbestos adjustments, partially offset by an increase in SG&A expenses.

North America Fiber Cement Segment

Operating results for the North America Fiber Cement segment were as follows:

US$ Millions	Three Months and Full Year Ended 31 March					
	Q4 FY17	Q4 FY16	Change	FY17	FY16	Change
Volume (mmsf)	578.6	518.0	12%	2,215.4	1,969.2	13%
Average net sales price per unit (per msf)	US$662	US$658	1%	US$665	US$669	(1%)
Net sales	387.7	345.8	12%	1,493.4	1,335.0	12%
Gross profit			(4%)			3%
Gross margin (%)			(5.5 pts)			(3.1 pts)
EBIT	76.1	85.4	(11%)	343.9	352.2	(2%)
EBIT margin (%)	19.6	24.7	(5.1 pts)	23.0	26.4	(3.4 pts)

Net sales for the quarter were favorably impacted by higher volumes. Net sales for the full year were favorably impacted by higher volumes, partially offset by a slightly lower average net sales price. The increase in our sales volume for both the quarter and the full year, compared to the prior corresponding periods, was driven by growth in both the repair and remodel and new construction markets and continued improvement in our commercial execution resulting in improved market penetration.

For the full year our average net sales price decreased slightly as a result of maintaining current strategic pricing levels and the ongoing execution of our tactical pricing strategies.

We note that there are a number of data sources that measure US housing market growth, most of which have reported mid to high single-digit growth in recent quarters when compared to prior corresponding periods. However, at the time of filing our results for the quarter and full year ended 31 March 2017, only US Census Bureau data was available. According to the US Census Bureau, single family housing starts for the quarter were 180,600, or 6% above the prior corresponding period, and for full year ended 31 March 2017, single family housing starts were 791,100, or 6% above the prior corresponding period.

While we have provided US Census Bureau data above, we note that this data can be different than other indices we use to measure US housing market growth, namely the McGraw-Hill Construction Residential Starts Data (also known as Dodge), the National Association of Home Builders and Fannie Mae.

The change in gross margin for the quarter and full year can be attributed to the following components:

For the Three Months Ended 31 March 2017:	
Higher average net sales price	0.4 pts
Higher start up costs	(1.5 pts)
Higher production costs	(4.4 pts)
Total percentage point change in gross margin	(5.5 pts)

For the Full Year Ended 31 March 2017:	
Lower average net sales price	(0.5 pts)
Higher start up costs	(0.9 pts)
Higher production costs	(1.7 pts)
Total percentage point change in gross margin	(3.1 pts)

Gross margin for the quarter and full year decreased 5.5 percentage points and 3.1 percentage points compared to the prior corresponding periods, respectively, primarily as a result of higher production and startup costs. The higher production costs resulted from unfavorable plant performance and higher freight costs. Plant performance was unfavorable for both the quarter and full year as a result of elevated spend and production inefficiencies. The higher startup costs were due to the acceleration of certain capacity projects, combined with inefficient startup programs.

The increase in SG&A expense for the quarter and full year was driven by an increase in our headcount in an effort to build and align organizational capability with our anticipated growth, as well as, increased spending on our market development programs. As a percentage of sales, SG&A decreased by 0.3 percentage points and increased by 0.4 percentage points for the quarter and full year, respectively, when compared to prior periods. The decrease in SG&A as a percentage of sales during the quarter reflects the timing of headcount additions made late in fiscal year 2016, and the continued growth of net sales.

EBIT for the quarter decreased 11%, driven by a 4% decrease in gross profit and a 9% increase in SG&A. EBIT for the full year decreased 2%, driven by a 15% increase in SG&A, offset by a 3% increase in gross profit.

EBIT margin for the quarter and full year decreased 5.1 percentage points and 3.4 percentage points to 19.6% and 23.0%, respectively, when compared to the prior corresponding periods, driven primarily by the increase in production costs, as described above.

International Fiber Cement Segment

The International Fiber Cement Segment is comprised of the following businesses: (i) Australia Fiber Cement, (ii) New Zealand Fiber Cement, (iii) Philippines Fiber Cement, and (iv) Europe Fiber Cement.

Operating results for the International Fiber Cement segment in US dollars were as follows:

US$ Millions	**Three Months and Full Year Ended 31 March**					
	Q4 FY17	**Q4 FY16**	**Change %**	**FY17**	**FY16**	**Change %**
Volume (mmsf)	125.9	112.9	12%	487.2	480.9	1%
Volume (mmsf) excluding[1]	125.9	112.9	12%	487.2	471.1	3%
Average net sales price per unit (per msf)	US$757	US$706	7%	US$775	US$729	6%
Average net sales price per unit (per msf)[1]	US$757	US$706	7%	US$775	US$734	6%
Net Sales	102.8	86.9	18%	411.8	379.4	9%
Gross Profit			25%			21%
Gross Margin (%)			1.9 pts			3.9 pts
EBIT	23.6	19.5	21%	95.1	77.9	22%
EBIT excluding[2]	23.6	19.5	21%	95.1	78.4	21%
EBIT Margin (%)	23.0	22.4	0.6 pts	23.1	20.5	2.6 pts
EBIT Margin excluding (%)[2]	23.0	22.4	0.6 pts	23.1	20.7	2.4 pts

[1] Excludes Australian Pipes business sold in the first quarter of fiscal year 2016

[2] Excludes New Zealand weathertightness claims

Volume for the quarter increased 12%, primarily driven by volume growth in our Australian, New Zealand and European businesses.

Net sales for the quarter increased 18% compared to the prior corresponding period, primarily due to higher volume and higher average net sales price. Average net sales price in US dollars was primarily driven by favorable product and geographic mix, and the effects of our annual price increase across the businesses.

Volume for the full year increased 1% compared to the prior corresponding period, primarily driven by volume growth in our Australian, New Zealand and European businesses, partially offset by the sale of the Australian Pipes business at the end of the first quarter of fiscal year 2016 and lower volumes in the Philippines. Excluding the Australian Pipes business, volume increased 3%, attributable to higher volumes in Australia, New Zealand and Europe, partially offset by lower volume in the Philippines due to the penetration of competitor imports within the Philippines market.

Net sales for the full year increased 9% compared to the prior corresponding period, and 10% excluding Australian Pipes. The increase in net sales excluding Australian Pipes was primarily driven by the Australian and New Zealand businesses which had a higher average net sales price along with higher volumes. Average net sales price in US dollars was primarily driven by favorable product and geographic mix, and the effects of our annual price increase across the businesses.

The change in gross margin for the quarter and full year can be attributed to the following components:

For the Three Months Ended 31 March 2017:	
Higher average net sales price and mix	0.7 pts
Lower production costs	1.2 pts
Total percentage point change in gross margin	1.9 pts
For the Full Year Ended 31 March 2017:	
Higher average net sales price and mix	1.7 pts
Lower production costs	2.2 pts
Total percentage point change in gross margin	3.9 pts

For the quarter and full year, production costs for the segment were favorable primarily due to the lack of Carole Park start-up costs in the current period compared to the prior corresponding period and favorable plant performance, partially offset by higher freight and fixed costs.

EBIT for the quarter and full year increased by 21% and 22%, respectively, when compared to the prior corresponding period, to US$23.6 million and US$95.1 million, respectively, due to the increase in gross profit described above, partially offset by higher SG&A expenses. The increase in SG&A was driven by an increase in headcount in an effort to build and align organizational capability with anticipated demand growth, as well as, increased spending on our market development programs.

Country Analysis

Australia

Net sales for the quarter and full year increased primarily due to higher average net sales price and increased volume. The key drivers of net sales growth were favorable conditions in our addressable markets and market penetration, combined with the favorable impact of our price increase and favorable product mix.

For the quarter and full year, production costs were lower, driven by lower start-up costs in the current periods compared to the prior corresponding periods associated with our new Carole Park sheet machine, favorable plant performance and lower input costs, partially offset by higher freight and fixed costs.

EBIT for the quarter and full year increased by 23% and 31%, respectively, compared to the prior corresponding periods, driven by improved gross profit, partially offset by higher SG&A expenses related to marketing and employee costs.

According to Australian Bureau of Statistics data, approvals for detached houses, which are a key driver of the Australian business' sales volume, were 25,868 for the quarter, a decrease of 5%, when compared to the prior corresponding quarter. For the full year, approvals for detached houses were 115,838, a decrease of 3% compared to the prior corresponding period. The other key driver of our sales volume is the alterations and additions market, which increased 12% for the three months ended 31 March 2017 when compared to the prior corresponding period. For the full year ended 31 March 2017, the alterations and additions market increased 4% compared to the prior corresponding period.

New Zealand

Net sales for the quarter and full year increased from the prior corresponding periods primarily due to a higher average net sales price due to our price increase and higher sales volumes from addressable markets. EBIT for the quarter and full year increased compared to the prior corresponding periods driven by improved net sales.

Philippines

Volume for the quarter and full year increased 2% and decreased 9%, respectively, compared to the prior corresponding periods. While recent periods have shown an increase in volume the change in the overall competitive landscape is expected to remain for some time. EBIT for the quarter was lower compared to the prior corresponding period due to lower average net sales price due to customer promotional programs, higher freight and SG&A expenses, partially offset by favorable plant performance. EBIT for the full year was lower compared to the prior corresponding period due to lower sales volume driven by the entrance of competitor imports, combined with higher SG&A expenses related to marketing and employment costs, partially offset by favorable plant performance.

Europe

For both the quarter and full year, volume and EBIT increased when compared to the prior corresponding period.

Other Businesses Segment

US$ Millions	Three Months and Full Year Ended 31 March					
	Q4 FY17	Q4 FY16	Change %	FY17	FY16	Change %
Net sales	3.8	3.1	23%	16.4	13.8	19%
Gross profit			NM			47%
Gross profit margin (%)			(48.1)pts			11.9 pts
EBIT	(2.0)	(2.4)	17%	(6.7)	(8.6)	22%

We continue to invest in business development opportunities aligned with our long term strategy and continue to incur losses in our Other Businesses segment. EBIT loss for the quarter and full year improved 17% and 22%, to a loss of US$2.0 million and US$6.7 million, respectively, when compared to the prior corresponding period. For the full year, the increase in EBIT was driven by increased sales volume, favorable product mix, favorable plant performance and lower SG&A expenses.

Research and Development Segment

We record R&D expenses depending on whether they are core R&D projects that are designed to benefit all business units, which are recorded in our R&D segment; or commercialization projects for the benefit of a particular business unit, which are recorded in the individual business unit's segment results. The table below details the expenses of our R&D segment:

US$ Millions	Three Months and Full Year Ended 31 March					
	Q4 FY17	Q4 FY16	Change %	FY17	FY16	Change %
Segment R&D expenses	$ (6.1)	$ (5.8)	(5)	$ (22.6)	$ (21.7)	(4)
Segment R&D SG&A expenses	(1.1)	(0.6)	(83)	(2.9)	(2.2)	(32)
Total R&D EBIT	$ (7.2)	$ (6.4)	(13)	$ (25.5)	$ (23.9)	(7)

The change in segment R&D expenses for the quarter and full year compared to the prior corresponding periods is a result of the number of core R&D projects being undertaken by the R&D team. The expense will fluctuate period to period depending on the nature and number of core R&D projects being worked on and the AUD/USD exchange rates during the period.

Other R&D expenses associated with commercialization projects in business units are recorded in the results of the respective business unit segment. Other R&D expenses associated with commercialization projects were US$2.0 million for the quarter and US$7.7 million for the full year, compared to US$2.3 million and US$7.8 million for the prior corresponding periods.

General Corporate

Results for General Corporate for the quarter and full year ended 31 March were as follows:

US$ Millions	Three Months and Full Year Ended 31 March					
	Q4 FY17	Q4 FY16	Change %	FY17	FY16	Change %
General Corporate SG&A expenses	$ (13.4)	$ (12.4)	(8)	$ (52.5)	$ (47.4)	(11)
Asbestos:						
Asbestos Adjustments	1.4	(27.0)		40.4	5.5	
AICF SG&A Expenses[1]	(0.3)	(0.4)	25	(1.5)	(1.7)	12
General Corporate EBIT	$ (12.3)	$ (39.8)	69	$ (13.6)	$ (43.6)	69

[1] Relates to non-claims related operating costs incurred by AICF, which we consolidate into our financial results due to our pecuniary and contractual interests in AICF. Readers are referred to Notes 2 and 11 of our 31 March 2017 Consolidated Financial Statements for further information on the Asbestos Adjustments.

For the quarter, General Corporate SG&A expenses increased US$1.0 million, primarily due to higher discretionary spending and higher employee costs, partially offset by lower stock compensation expense. For the full year, General Corporate SG&A expenses increased US$5.1 million, primarily due to higher employee costs and higher discretionary spending, partially offset by favorable movements in recognized foreign exchange gains.

Asbestos adjustments for both periods reflect a change in the actuarial estimate of the asbestos liability, insurance receivables, AICF claims handling costs and the foreign exchange translation impact of the Australian denominated asbestos related assets and liabilities being recorded on our consolidated balance sheet in US dollars at the reporting date for each respective period.

The AUD/USD spot exchange rates are shown in the table below:

FY17		FY16	
31 March 2016	0.7657	31 March 2015	0.7636
31 March 2017	0.7644	31 March 2016	0.7657
Change ($)	(0.0013)	Change ($)	0.0021
Change (%)	-	Change (%)	-

For fiscal years 2017 and 2016, the asbestos adjustments recorded by the Company were made up of the following components:

US$ Millions	Full Year ended 31 March	
	FY17	FY16
Change in actuarial estimate	$ 38.6	$ 8.1
Effect of foreign exchange rate movements	1.8	(2.6)
Asbestos adjustments	$ 40.4	$ 5.5

Per the KPMGA actuarial report, the undiscounted and uninflated central estimate net of insurance recoveries decreased to A$1.386 billion at 31 March 2017 from A$1.434 billion at 31 March 2016. The change in the undiscounted and uninflated central estimate of A$48.0 million or 3% is primarily due to lower average claims sizes and lower average defense legal cost assumptions for most disease types and a reduction in the assumed number of large mesothelioma claims. This was partially offset by lower future insurance recoveries as a result of a commutation agreement entered into by AICF during fiscal year 2017, in which cash of A$105.0 million was received in exchange for the discharge of certain insurance receivables.

During fiscal year 2017, mesothelioma claims reporting activity was below actuarial expectations for the second consecutive year. One of the more significant assumptions is the estimated peak period of mesothelioma disease claims, which is currently assumed to have occurred in the period 2014/2015 to 2016/2017. As the actual experience in fiscal year 2017 was favorable to expectations, no change to the assumed number of future mesothelioma claims is warranted at this time. However, potential variation in the estimated peak period of claims has an impact much greater than the other assumptions used to derive the discounted central estimate. In performing the sensitivity assessment of the estimated period of peak claims reporting for mesothelioma, if the peak claims reporting period was shifted two years from the currently assumed 2016/2017 (i.e. assuming that claim reporting begins to reduce after 2018/2019), together with increased claims reporting from 2026/2027 onwards, relative to current actuarial projections, the central estimate could increase by approximately 34% on a discounted basis.

At 31 March 2017, KPMGA has formed the view that, although there has been favorable claims reporting in fiscal year 2017, no change to the assumed number of future mesothelioma claims is warranted at this time. However, changes to the valuation assumptions may be necessary in future periods should mesothelioma claims reporting escalate or decline.

Asbestos gross cashflow expenditure of A$125.0 million for fiscal year 2017 were lower than the actuarial expectation of A$168.0 million, primarily as a result of favorable average claim settlement sizes, together with the favorable large claims experience in the year.

Readers are referred to Notes 2 and 11 of our 31 March 2017 consolidated financial statements for further information on asbestos adjustments.

EBIT

The table below summarizes EBIT results as discussed above:

US$ Millions	Three Months and Full Year Ended 31 March					
	Q4 FY17	Q4 FY16	Change %	FY17	FY16	Change %
North America Fiber Cement	$ 76.1	$ 85.4	(11)	$ 343.9	$ 352.2	(2)
International Fiber Cement[1]	23.6	19.5	21	95.1	78.4	21
Other Businesses	(2.0)	(2.4)	17	(6.7)	(8.6)	22
Research and Development	(7.2)	(6.4)	(13)	(25.5)	(23.9)	(7)
General Corporate[2]	(13.4)	(12.4)	(8)	(52.5)	(47.4)	(11)
Adjusted EBIT	**77.1**	**83.7**	**(8)**	**354.3**	**350.7**	**1**
Asbestos:						
Asbestos adjustments	1.4	(27.0)		40.4	5.5	
AICF SG&A expenses	(0.3)	(0.4)	25	(1.5)	(1.7)	12
New Zealand weathertightness claims	-	-		-	(0.5)	
EBIT	**$ 78.2**	**$ 56.3**	**39**	**$ 393.2**	**$ 354.0**	**11**

[1] Excludes New Zealand weathertightness claims

[2] Excludes Asbestos-related expenses and adjustments

Net Interest Expense

US$ Millions	Three Months and Full Year Ended 31 March					
	Q4 FY17	Q4 FY16	Change %	FY17	FY16	Change %
Gross interest expense	$ (7.5)	$ (6.5)	(15)	$ (28.9)	$ (27.0)	(7)
Capitalized Interest	0.4	0.7	(43)	2.0	3.2	(38)
Interest income	0.2	0.1		0.5	0.4	25
Realized loss on interest rate swaps	-	(0.5)		-	(1.9)	
Net AICF interest expense	(0.3)	(0.2)	(50)	(1.1)	(0.3)	
Net interest expense	**$ (7.2)**	**$ (6.4)**	**(13)**	**$ (27.5)**	**$ (25.6)**	**(7)**

Gross interest expense for the quarter increased US$1.0 million when compared to the prior corresponding period, primarily due to the higher outstanding balance of our senior unsecured notes. Gross interest expense for the full year increased US$1.9 million when compared to the prior corresponding period, primarily due to the higher outstanding balance of our senior unsecured notes, partially offset by a reduction in the total cost of funding charged under our unsecured revolving credit facility in the current period when compared to the percentage charged under the bilateral credit facilities in the prior corresponding periods. For the full year, net AICF interest expense increased by US$0.8 million when compared to the prior corresponding period, due to an increase in the average balance of AICF's borrowing under its loan facility with the New South Wales Government.

Other Income

During the quarter, other income increased from a US$1.9 million loss in the prior corresponding period to a US$0.1 million gain. The US$2.0 million favorable change in other income compared to prior period is driven by a favorable movement on our interest rate swaps of US$1.6 million and a favorable movement in our net foreign exchange forward contracts of US$0.4 million.

For the full year, other income decreased from US$2.1 million in the prior corresponding period to US$1.3 million. The US$0.8 million unfavorable change in other income compared to prior corresponding period is primarily due to the non-recurring US$1.7 million gain on the sale of the Australian Pipes business in the first quarter of fiscal 2016 and the unfavorable movement of US$1.0 million in our net foreign exchange forward contracts, partially offset by a favorable movement of US$1.9 million in our interest rate swaps.

Income Tax

	Three Months and Full Year Ended 31 March			
	Q4 FY17	Q4 FY16	FY17	FY16
Income tax expense (US$ Millions)	(26.6)	(19.2)	(90.5)	(86.1)
Effective tax rate (%)	37.4	40.0	24.7	26.1
Adjusted income tax expense[1] (US$ Millions)	(15.7)	(17.7)	(80.6)	(84.6)
Adjusted effective tax rate[1] (%)	22.3	23.4	24.5	25.8

[1]Adjusted income tax expense represents income tax on net operating profit excluding asbestos adjustments, New Zealand weathertightness and other tax adjustments

Total income tax expense for the quarter and full year increased by US$7.4 million and US$4.4 million, respectively, when compared to the prior corresponding periods. The increase was primarily due to a favorable movement in asbestos adjustments, partially offset by a decrease in the effective tax rate. The decrease in the effective tax rate was driven by a lower proportion of taxable earnings in jurisdictions with higher tax rates, in particular the USA.

Total Adjusted income tax expense for the quarter and full year decreased by US$2.0 million and US$4.0 million, respectively, when compared to the prior corresponding periods. The decrease in the quarter was primarily due to a decrease in Adjusted operating profit before income taxes, and the decrease in the full year was primarily due to the decrease in the adjusted effective tax rate due to a lower proportion of taxable earnings in jurisdictions with higher tax rates, in particular the USA.

Readers are referred to Note 14 of our 31 March 2017 consolidated financial statements for further information related to income tax.

Net Operating Profit

US$ Millions	Three Months and Full Year Ended 31 March					
	Q4 FY17	Q4 FY16	Change %	FY17	FY16	Change %
EBIT	**$ 78.2**	**$ 56.3**	39	**$ 393.2**	**$ 354.0**	11
Net interest expense	(7.2)	(6.4)	(13)	(27.5)	(25.6)	(7)
Other income (expense)	0.1	(1.9)		1.3	2.1	(38)
Income tax expense	(26.6)	(19.2)	(39)	(90.5)	(86.1)	(5)
Net operating profit	**44.5**	**28.8**	**55**	**276.5**	**244.4**	**13**
Excluding:						
Asbestos:						
Asbestos adjustments	(1.4)	27.0		(40.4)	(5.5)	
AICF SG&A expenses	0.3	0.4	(25)	1.5	1.7	(12)
AICF interest expense, net	0.3	0.2	50	1.1	0.3	
Asbestos and other tax adjustments	10.9	1.5		9.9	1.5	
New Zealand weathertightness claims	-	-		-	0.5	
Adjusted net operating profit	**54.6**	**57.9**	**(6)**	**248.6**	**242.9**	**2**
Adjusted diluted earnings per share (US cents)	12	13		56	54	

Adjusted net operating profit of US$54.6 million for the quarter decreased US$3.3 million, or 6%, compared to the prior corresponding period, primarily due to the underlying performance of the operating business units, as reflected in the US$6.6 million decrease in Adjusted EBIT, partially offset by a decrease in Adjusted income tax expense of US$2.0 million.

Adjusted net operating profit of US$248.6 million for the full year increased US$5.7 million, or 2%, compared to the prior corresponding period, primarily due to a decrease in Adjusted income tax expense of US$4.0 million and an increase in the underlying performance of the operating business units as reflected in the US$3.6 million increase in Adjusted EBIT, partially offset by an increase in Net interest expense of US$1.9 million.

Cash Flow

Operating Activities

Cash provided by operating activities increased US$31.7 million to US$292.1 million for the full year ended 31 March 2017. The increase in cash provided by operating activities was primarily driven by a favorable change in working capital of US$42.1 million and a US$23.3 million increase in net income adjusted for non-cash items, partially offset by a higher payment to AICF of US$28.3 million. The favorable change in working capital was primarily due to normal variations in accounts payable and accounts receivable as the result of the timing of collections and payments between periods, partially offset by an unfavorable change in inventories. Inventories on hand in the International Fiber Cement Segment have increased to meet anticipated demand.

Investing Activities

Cash used in investing activities increased US$42.4 million to US$109.0 million for the full year ended 31 March 2017. The change in net cash used in investing activities was primarily driven by the increase in the purchase of property, plant and equipment of US$28.7 million compared to the prior corresponding period, and the US$10.4 million in proceeds from the sale of the Blandon facility and the Australian Pipes business in the prior year, compared to nil in the current year.

Financing Activities

Cash used in financing activities increased US$58.3 million to US$212.7 million for the full year ended 31 March 2017. The increase in cash used in financing activities was primarily driven by a US$77.5 million increase in the repurchase of shares of common stock under the share buyback program, and a US$52.7 million decrease in net proceeds from borrowings and notes. This was partially offset by a US$69.7 million decrease in dividends paid compared to the prior corresponding period.

Capacity Expansion

We continually evaluate the capacity required to service the US housing market, and as a result, to ensure we meet demand and achieve our market penetration objectives, we have accelerated the start-up and commissioning of several lines across our US network. During the current fiscal year we:

- Continued to start-up both sheet machines at our Fontana facility;
- Commissioned the 3rd sheet machine at our Plant City facility and began work to recommission a 4th sheet machine at that facility, on track for early fiscal year 2018;
- Commissioned the 3rd sheet machine at our Cleburne facility which continues to start up as planned;
- Continued work to restart our Summerville facility which is on track to be commissioned in early fiscal year 2018; and
- Began the planning and design of a greenfield expansion project on land adjacent to our existing Tacoma facility, which is expected to be commissioned in the second half of fiscal year 2019.

In our International Fiber Cement segment, we are adding additional capacity in the Philippines with an estimated total cost of PHP550 million (equivalent to US$11.0 million utilizing the exchange rate on 31 March 2017) expected to be completed in the first half of fiscal year 2018.

Liquidity and Capital Allocation

Our cash position decreased from US$107.1 million at 31 March 2016 to US$78.9 million at 31 March 2017.

At 31 March 2017, the Company held two forms of debt; an unsecured revolving credit facility and senior unsecured notes. The effective weighted average interest rate on the Company's total debt was 4.8% and 4.5% at 31 March 2017 and 2016, respectively. The weighted average term of all debt, including undrawn facilities, was 4.7 years and 5.6 years at 31 March 2017 and 2016, respectively.

At 31 March 2017, the Company had US$500.0 million available in an unsecured revolving credit facility. At 31 March 2017, a total of US$175.0 million was drawn from the unsecured revolving facility, compared to US$190.0 million at 31 March 2016. The unsecured revolving facility expires in December 2020 and the size of the facility may be increased by up to US$250.0 million.

Based on our existing cash balances, together with anticipated operating cash flows arising during the year and unutilized committed credit facilities, we anticipate that we will have sufficient funds to meet our planned working capital and other expected cash requirements for the next twelve months.

We have historically met our working capital needs and capital expenditure requirements from a combination of cash flow from operations and credit facilities. Seasonal fluctuations in working capital generally have not had a significant impact on our short or long term liquidity.

Capital Management and Dividends

The following table summarizes the dividends declared or paid in respect of fiscal years 2015, 2016 and 2017:

US$ Millions	US Cents/ Security	US$ Total Amount	Announcement Date	Record Date	Payment Date
FY 2017 second half dividend	0.28	123.4	18 May 2017	8 June 2017	4 August 2017
FY 2017 first half dividend	0.10	46.6	17 November 2016	21 December 2016	24 February 2017
FY 2016 second half dividend	0.29	130.2	19 May 2016	9 June 2016	5 August 2016
FY 2016 first half dividend	0.09	39.7	19 November 2015	23 December 2015	26 February 2016
FY 2015 special dividend	0.22	92.8	21 May 2015	11 June 2015	7 August 2015
FY 2015 second half dividend	0.27	114.0	21 May 2015	11 June 2015	7 August 2015
FY 2015 first half dividend	0.08	34.2	19 November 2014	23 December 2014	27 February 2015
FY 2014 special dividend	0.20	89.0	22 May 2014	12 June 2014	8 August 2014
FY 2014 second half dividend	0.32	142.3	22 May 2014	12 June 2014	8 August 2014
125 year anniversary special dividend	0.28	124.6	28 February 2014	21 March 2014	30 May 2014

Share Buyback

On 19 May 2016, the Company announced a new share buyback program (the “fiscal 2017 program”) to acquire up to US$100.0 million of its issued capital in the twelve months through May 2017. Under this program, the Company repurchased and cancelled 6,090,133 shares of its common stock during the second quarter of fiscal year 2017. The aggregate cost of the shares repurchased and cancelled was A$131.4 million (US$99.8 million), at an average market price of A$21.58 (US$16.40).

We will continue to review our capital structure and capital allocation objectives and expect the following prioritization to remain:

- invest in R&D and capacity expansion to support organic growth;
- provide ordinary dividend payments within the payout ratio of 50-70% of net operating profit, excluding asbestos;
- maintain flexibility for accretive and strategic inorganic growth and/or flexibility to manage through market cycles; and
- consider other shareholder returns when appropriate.

Other Asbestos Information

Claims Data

	Three Months and Full Year Ended 31 March					
	Q4 FY17	Q4 FY16	Change %	FY17	FY16	Change %
Claims received	129	122	(6)	557	577	3
Actuarial estimate for the period	156	164	5	625	658	5
Difference in claims received to actuarial estimate	27	42	(36)	68	81	(16)
Average claim settlement[1] (A$)	258,000	287,000	10	224,000	248,000	10
Actuarial estimate for the period[2]	327,000	302,000	(8)	327,000	302,000	(8)
Difference in claims paid to actuarial estimate	69,000	15,000		103,000	54,000	91

[1] Average claim settlement is derived as the total amount paid divided by the number of non-nil claim settlements

[2] This actuarial estimate is a function of the assumed experience by disease type and and the relative mix of settlements assumed by disease type. Any variances in the assumed mix of settlements by disease type will have an impact on the average claim settlement experience

For the quarter and full year ended 31 March 2017, we noted the following related to asbestos-related claims:

- Claims received during the current quarter and full year were 17% and 11% below actuarial estimates, respectively;
- Claims received during the current quarter and full year were 6% higher and 3% lower than prior corresponding periods, respectively;
- Mesothelioma claims reported for the full year were 7% below actuarial expectations and were 6% below the prior corresponding period;
- The average claim settlement for both the quarter and full year was lower by 21% and 31%, respectively, versus actuarial estimates;
- Average claim settlement sizes were lower for most disease types, including for mesothelioma and asbestosis, compared to actuarial expectations for fiscal year 2017; and
- The decrease in average claim settlement for the full year versus actuarial estimates was largely attributable to lower average claim sizes for non-large mesothelioma claims together with a lower number of large mesothelioma claims being settled compared to the prior corresponding period.

AICF Funding

On 1 July 2016, we made a payment of A$120.7 million (US$91.1 million) to AICF, representing 35% of our free cash flow for fiscal year 2016. Free cash flow, as defined in the AFFA, was equivalent to our fiscal year 2016 operating cash flows of US$260.4 million.

We anticipate that we will make a contribution of approximately US$102.2 million to AICF on 3 July 2017. This amount represents 35% of our free cash flow for fiscal year 2017, as defined by the AFFA.

From the time AICF was established in February 2007 through 18 May 2017, we have contributed approximately A$919.9 million to the fund.

Readers are referred to Notes 2 and 11 of our 31 March 2017 consolidated financial statements for further information on asbestos.

Non-financial Terms

AFFA – Amended and Restated Final Funding Agreement

AICF – Asbestos Injuries Compensation Fund Ltd

Legacy New Zealand weathertightness claims ("New Zealand weathertightness claims") – Expenses arising from defending and resolving claims in New Zealand that allege poor building design, inadequate certification review and compliance certification and deficient work by sub-contractors.

Financial Measures – US GAAP equivalents

This document contains financial statement line item descriptions that are considered to be non-US GAAP, but are consistent with those used by Australian companies. Because we prepare our consolidated financial statements under US GAAP, the following table cross-references each non-US GAAP line item description, as used in Management's Analysis of Results and Media Release, to the equivalent US GAAP financial statement line item description used in our consolidated financial statements:

Management's Analysis of Results and Media Release	**Consolidated Statements of Operations and Other Comprehensive Income (Loss) (US GAAP)**
Net sales	Net sales
Cost of goods sold	Cost of goods sold
Gross profit	Gross profit
Selling, general and administrative expenses	Selling, general and administrative expenses
Research and development expenses	Research and development expenses
Asbestos adjustments	Asbestos adjustments
EBIT*	Operating income (loss)
Net interest income (expense)*	Sum of interest expense and interest income
Other income (expense)	Other income (expense)
Operating profit (loss) before income taxes*	Income (loss) before income taxes
Income tax (expense) benefit	Income tax (expense) benefit
Net operating profit (loss)*	Net income (loss)

*- Represents non-US GAAP descriptions used by Australian companies.

EBIT – Earnings before interest and tax.

EBIT margin – EBIT margin is defined as EBIT as a percentage of net sales.

Sales Volume

mmsf – million square feet, where a square foot is defined as a standard square foot of 5/16" thickness.

msf – thousand square feet, where a square foot is defined as a standard square foot of 5/16" thickness.

This Management's Analysis of Results includes certain financial information to supplement the Company's consolidated financial statements which are prepared in accordance with accounting principles generally accepted in the United States ("US GAAP"). These financial measures are designed to provide investors with an alternative method for assessing our performance from on-going operations, capital efficiency and profit generation. Management uses these financial measure for the same purposes. These financial measures include:

- Adjusted EBIT;
- Adjusted EBIT margin;
- Adjusted net operating profit;
- Adjusted diluted earnings per share;
- Adjusted operating profit before income taxes;
- Adjusted income tax expense;
- Adjusted effective tax rate;
- Adjusted EBITDA;
- Adjusted selling, general and administrative expenses ("Adjusted SG&A"); and
- Adjusted return on capital employed ("Adjusted ROCE")

These financial measures are or may be non-US GAAP financial measures as defined in the rules of the U.S. Securities and Exchange Commission and may exclude or include amounts that are included or excluded, as applicable, in the calculation of the most directly comparable financial measures calculated in accordance with US GAAP. These financial measures are not meant to be considered in isolation or as a substitute for comparable US GAAP financial measures and should be read only in conjunction with the Company's consolidated financial statements prepared in accordance with US GAAP. In evaluating these financial measures, investors should note that other companies reporting or describing similarly titled financial measures may calculate them differently and investors should exercise caution in comparing the Company's financial measures to similar titled measures by other companies.

Financial Measures – US GAAP equivalents

Adjusted EBIT

US$ Millions	Three Months and Full Year Ended 31 March			
	Q4 FY17	Q4 FY16	FY17	FY16
EBIT	**$ 78.2**	**$ 56.3**	**$ 393.2**	**$ 354.0**
Asbestos:				
Asbestos adjustments	(1.4)	27.0	(40.4)	(5.5)
AICF SG&A expenses	0.3	0.4	1.5	1.7
New Zealand weathertightness claims	-	-	-	0.5
Adjusted EBIT	**$ 77.1**	**$ 83.7**	**$ 354.3**	**$ 350.7**
Net sales	494.3	435.8	1,921.6	1,728.2
Adjusted EBIT margin	**15.6%**	**19.2%**	**18.4%**	**20.3%**

Adjusted Net Operating Profit

US$ Millions	Three Months and Full Year Ended 31 March			
	Q4 FY17	Q4 FY16	FY17	FY16
Net operating profit	**$ 44.5**	**$ 28.8**	**$ 276.5**	**$ 244.4**
Asbestos:				
Asbestos adjustments	(1.4)	27.0	(40.4)	(5.5)
AICF SG&A expenses	0.3	0.4	1.5	1.7
AICF interest expense, net	0.3	0.2	1.1	0.3
New Zealand weathertightness claims	-	-	-	0.5
Asbestos and other tax adjustments	10.9	1.5	9.9	1.5
Adjusted net operating profit	**$ 54.6**	**$ 57.9**	**$ 248.6**	**$ 242.9**

Adjusted diluted earnings per share

	Three Months and Full Year Ended 31 March			
	Q4 FY17	Q4 FY16	FY17	FY16
Adjusted net operating profit (US$ millions)	**$ 54.6**	**$ 57.9**	**$ 248.6**	**$ 242.9**
Weighted average common shares outstanding - Diluted (millions)	441.4	447.1	443.9	447.2
Adjusted diluted earnings per share (US cents)	**12**	**13**	**56**	**54**

Adjusted effective tax rate

US$ Millions	Three Months and Full Year Ended 31 March			
	Q4 FY17	Q4 FY16	FY17	FY16
Operating profit before income taxes	**$ 71.1**	**$ 48.0**	**$ 367.0**	**$ 330.5**
Asbestos:				
Asbestos adjustments	(1.4)	27.0	(40.4)	(5.5)
AICF SG&A expenses	0.3	0.4	1.5	1.7
AICF interest expense, net	0.3	0.2	1.1	0.3
New Zealand weathertightness claims	-	-	-	0.5
Adjusted operating profit before income taxes	**$ 70.3**	**$ 75.6**	**$ 329.2**	**$ 327.5**
Income tax expense	$ (26.6)	$ (19.2)	$ (90.5)	$ (86.1)
Asbestos and other tax adjustments	10.9	1.5	9.9	1.5
Adjusted income tax expense	**$ (15.7)**	**$ (17.7)**	**$ (80.6)**	**$ (84.6)**
Effective tax rate	37.4%	40.0%	24.7%	26.1%
Adjusted effective tax rate	**22.3%**	**23.4%**	**24.5%**	**25.8%**

Adjusted EBITDA

US$ Millions	Three Months and Full Year Ended 31 March			
	Q4 FY17	Q4 FY16	FY17	FY16
EBIT	**$ 78.2**	**$ 56.3**	**$ 393.2**	**$ 354.0**
Depreciation and amortization	20.7	24.7	83.2	79.8
Adjusted EBITDA	**$ 98.9**	**$ 81.0**	**$ 476.4**	**$ 433.8**

Adjusted selling, general and administrative expenses (“Adjusted SG&A”)

US$ Millions	Three Months and Full Year Ended 31 March			
	Q4 FY17	Q4 FY16	FY17	FY16
SG&A expenses	**$ 75.9**	**$ 68.7**	**$ 291.6**	**$ 254.2**
Excluding:				
New Zealand weathertightness claims	-	-	-	(0.5)
AICF SG&A expenses	(0.3)	(0.4)	(1.5)	(1.7)
Adjusted SG&A expenses	**$ 75.6**	**$ 68.3**	**$ 290.1**	**$ 252.0**
Net sales	$ 494.3	$ 435.8	$ 1,921.6	$ 1,728.2
SG&A expenses as a percentage of net sales	15.4%	15.8%	15.2%	14.7%
Adjusted SG&A expenses as a percentage of net sales	**15.3%**	**15.7%**	**15.1%**	**14.6%**

Adjusted Return on Capital Employed ("Adjusted ROCE")

US$ Millions	Full Year Ended 31 March[1]	
	FY17	FY16
Numerator		
Adjusted EBIT	**$ 354.3**	**$ 350.7**
Denominator		
Gross capital employed (GCE)	1,107.6	1,102.7
Adjustments to GCE	50.3	40.5
Adjusted gross capital employed	**$ 1,157.9**	**$ 1,143.2**
Adjusted Return on Capital Employed	**30.6%**	**30.7%**

[1] *Adjusted ROCE is used to assess annual financial results and therefore is not presented for the three months ending 31 March 2017*

As set forth in Note 11 of the consolidated financial statements, the net AFFA liability, while recurring, is based on periodic actuarial determinations, claims experience and currency fluctuations. The company's management measures its financial position, operating performance and year-over-year changes in operating results with and without the effect of the net AFFA liability. Accordingly, management believes that the following non-GAAP information is useful to it and investors in evaluating the company's financial position and ongoing operating financial performance. The following non-GAAP table should be read in conjunction with the consolidated financial statements and related notes contained therein.

James Hardie Industries plc
Supplementary Financial Information
31 March 2017
(Unaudited)

US$ Millions	Total Fiber Cement – Excluding Asbestos Compensation	Asbestos Compensation	As Reported (US GAAP)
Restricted cash and cash equivalents – Asbestos	$ -	$ 108.9	**$ 108.9**
Insurance receivable – Asbestos[1]	-	63.8	**63.8**
Workers compensation asset – Asbestos[1]	-	43.3	**43.3**
Deferred income taxes – Asbestos	-	356.6	**356.6**
Short-term debt - Asbestos	$ -	$ 52.4	**$ 52.4**
Asbestos liability[1]	-	1,159.7	**1,159.7**
Workers compensation liability – Asbestos[1]	-	43.3	**43.3**
Income taxes payable	18.7	(16.8)	**1.9**
Asbestos adjustments	$ -	$ 40.4	**$ 40.4**
Selling, general and administrative expenses	(290.1)	(1.5)	**(291.6)**
Net interest expense	(26.4)	(1.1)	**(27.5)**
Income tax expense	(79.9)	(10.6)	**(90.5)**

[1] The amounts shown on these lines are a summation of both the current and non-current portion of the respective asset or liability as presented on our consolidated balance sheets

This Management's Analysis of Results contains forward-looking statements. James Hardie Industries plc (the "company") may from time to time make forward-looking statements in its periodic reports filed with or furnished to the Securities and Exchange Commission, on Forms 20-F and 6-K, in its annual reports to shareholders, in offering circulars, invitation memoranda and prospectuses, in media releases and other written materials and in oral statements made by the company's officers, directors or employees to analysts, institutional investors, existing and potential lenders, representatives of the media and others. Statements that are not historical facts are forward-looking statements and such forward-looking statements are statements made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995.

Examples of forward-looking statements include:

- statements about the company's future performance;
- projections of the company's results of operations or financial condition;
- statements regarding the company's plans, objectives or goals, including those relating to strategies, initiatives, competition, acquisitions, dispositions and/or its products;
- expectations concerning the costs associated with the suspension or closure of operations at any of the company's plants and future plans with respect to any such plants;
- expectations concerning the costs associated with the significant capital expenditure projects at any of the company's plants and future plans with respect to any such projects;
- expectations regarding the extension or renewal of the company's credit facilities including changes to terms, covenants or ratios;
- expectations concerning dividend payments and share buy-backs;
- statements concerning the company's corporate and tax domiciles and structures and potential changes to them, including potential tax charges;
- statements regarding tax liabilities and related audits, reviews and proceedings;
- statements regarding the possible consequences and/or potential outcome of legal proceedings brought against us and the potential liabilities, if any, associated with such proceedings;
- expectations about the timing and amount of contributions to AICF, a special purpose fund for the compensation of proven Australian asbestos-related personal injury and death claims;
- expectations concerning the adequacy of the company's warranty provisions and estimates for future warranty-related costs;
- statements regarding the company's ability to manage legal and regulatory matters (including but not limited to product liability, environmental, intellectual property and competition law matters) and to resolve any such pending legal and regulatory matters within current estimates and in anticipation of certain third-party recoveries; and
- statements about economic conditions, such as changes in the US economic or housing market conditions or changes in the market conditions in the Asia Pacific region, the levels of new home construction and home renovations, unemployment levels, changes in consumer income, changes or stability in housing values, the availability of mortgages and other financing, mortgage and other interest rates, housing affordability and supply, the levels of foreclosures and home resales, currency exchange rates, and builder and consumer confidence.

Words such as "believe," "anticipate," "plan," "expect," "intend," "target," "estimate," "project," "predict," "forecast," "guideline," "aim," "will," "should," "likely," "continue," "may," "objective," "outlook" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Readers are cautioned not to place undue reliance on these forward-looking statements and all such forward-looking statements are qualified in their entirety by reference to the following cautionary statements.

Forward-looking statements are based on the company's current expectations, estimates and assumptions and because forward-looking statements address future results, events and conditions, they, by their very nature, involve inherent risks and uncertainties, many of which are unforeseeable and beyond the company's control. Such known and unknown risks, uncertainties and other factors may cause actual results, performance or other achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements. These factors, some of which are discussed under "Risk Factors" in Section 3 of the Form 20-F filed with the Securities and Exchange Commission on 18 May 2017, include, but are not limited to: all matters relating to or arising out of the prior manufacture of products that contained asbestos by current and former company subsidiaries; required contributions to AICF, any shortfall in AICF and the effect of currency exchange rate movements on the amount recorded in the company's financial statements as an asbestos liability; governmental loan facility to AICF; compliance with and changes in tax laws and treatments; competition and product pricing in the markets in which the company operates; the consequences of product failures or defects; exposure to environmental, asbestos, putative consumer class action or other legal proceedings; general economic and market conditions; the supply and cost of raw materials; possible increases in competition and the potential that competitors could copy the company's products; reliance on a small number of customers; a customer's inability to pay; compliance with and changes in environmental and health and safety laws; risks of conducting business internationally; compliance with and changes in laws and regulations; currency exchange risks; dependence on customer preference and the concentration of the company's customer base on large format retail customers, distributors and dealers; dependence on residential and commercial construction markets; the effect of adverse changes in climate or weather patterns; possible inability to renew credit facilities on terms favorable to the company, or at all; acquisition or sale of businesses and business segments; changes in the company's key management personnel; inherent limitations on internal controls; use of accounting estimates; and all other risks identified in the company's reports filed with Australian, Irish and US securities regulatory agencies and exchanges (as appropriate). The company cautions you that the foregoing list of factors is not exhaustive and that other risks and uncertainties may cause actual results to differ materially from those referenced in the company's forward-looking statements. Forward-looking statements speak only as of the date they are made and are statements of the company's current expectations concerning future results, events and conditions. The company assumes no obligation to update any forward-looking statements or information except as required by law.

Q4 FY17 MANAGEMENT PRESENTATION

18 May 2017

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS (continued)

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NOTE TO THE READER

As of 30 June 2016, the Company changed its reportable operating segments. Previously, the Company reported on three operating segments: (i) North America and Europe Fiber Cement, (ii) Asia Pacific Fiber Cement, and (iii) Research and Development. As of 30 June 2016, the Company began reporting on four operating segments: (i) North America Fiber Cement, (ii) International Fiber Cement, (iii) Other Businesses, and (iv) Research and Development. The significant changes to how certain businesses are reported in the new segment structure are as follows: (i) our European business is now reported in the International Fiber Cement segment, along with the other businesses that were historically reported in the Asia Pacific Fiber Cement segment, and (ii) business development, including some non-fiber cement operations, such as our windows business in North America, are now reported in the Other Businesses segment as opposed to previously being reported in the North America and Europe Fiber Cement segment. The Company has provided its historical segment information for the fourth quarter and full year ended 31 March 2016 and 2015 to be consistent with the new reportable segment structure. The change in reportable segments had no effect on the Company's financial position, results of operations or cash flows for the periods presented. Readers are referred to Note 17 of our consolidated financial statements for further information on our segments.

USE OF NON-GAAP FINANCIAL INFORMATION; AUSTRALIAN EQUIVALENT TERMINOLOGY

This Management Presentation includes financial measures that are not considered a measure of financial performance under generally accepted accounting principles in the United States (US GAAP). These financial measures are designed to provide investors with an alternative method for assessing our performance from on-going operations, capital efficiency and profit generation. Management uses these financial measure for the same purposes. These financial measures include:

- Adjusted EBIT;
- Adjusted EBIT margin;
- Adjusted net operating profit;
- Adjusted diluted earnings per share;
- Adjusted operating profit before income taxes;
- Adjusted income tax expense;
- Adjusted effective tax rate;
- Adjusted EBITDA; and
- Adjusted selling, general and administrative expenses (“Adjusted SG&A”)

These financial measures are or may be non-US GAAP financial measures as defined in the rules of the U.S. Securities and Exchange Commission and may exclude or include amounts that are included or excluded, as applicable, in the calculation of the most directly comparable financial measures calculated in accordance with US GAAP. These non-GAAP financial measures should not be considered to be more meaningful than the equivalent US GAAP measure. Management has included such measures to provide investors with an alternative method for assessing its operating results in a manner that is focused on the performance of its ongoing operations and excludes the impact of certain legacy items, such as asbestos adjustments. Additionally, management uses such non-GAAP financial measures for the same purposes. However, these non-GAAP financial measures are not prepared in accordance with US GAAP, may not be reported by all of the Company’s competitors and may not be directly comparable to similarly titled measures of the Company’s competitors due to potential differences in the exact method of calculation. For additional information regarding the non-GAAP financial measures presented in this Management Presentation , including a reconciliation of each non-GAAP financial measure to the equivalent US GAAP measure, see the slide titled “Non-US GAAP Financial Measures” included in the Appendix to this Management Presentation.

In addition, this Management Presentation includes financial measures and descriptions that are considered to not be in accordance with US GAAP, but which are consistent with financial measures reported by Australian companies, such as operating profit, EBIT and EBIT margin. Since the Company prepares its Consolidated Financial Statements in accordance with US GAAP, the Company provides investors with a table and definitions presenting cross-references between each US GAAP financial measure used in the Company’s Consolidated Financial Statements to the equivalent non-US GAAP financial measure used in this Management Presentation. See the section titled “Non-US GAAP Financial Measures” included in the Appendix to this Management Presentation.

AGENDA

- Overview and Operating Review – Louis Gries, CEO
- Financial Review – Matt Marsh, EVP and CFO
- Questions and Answers

OVERVIEW AND OPERATING REVIEW

Louis Gries, CEO

GROUP OVERVIEW

Adjusted Net Operating Profit[1]			
4th Qtr		Full Year	
US$54.6M	↓ **6%**	**US$248.6**M	↑ **2%**

Adjusted Diluted EPS[1]			
4th Qtr		Full Year	
US12 cents	↓ **8%**	**US56** cents	↑ **4%**

Adjusted EBIT [2]			
4th Qtr		Full Year	
US$77.1M	↓ **8%**	**US$354.3**M	↑ **1%**

Net Operating Cash Flow	
Full Year	
US$292.1M	↑ **12%**

Adjusted EBIT Margin % [2]			
4th Qtr		Full Year	
15.6%	↓ **3.6 pts**	**18.4%**	↓ **1.9 pts**

- Higher volumes in North America Fiber Cement and International Fiber Cement segments
- Higher average net sales price in International Fiber Cement segment
- Full year Adjusted EBIT up 1% compared to pcp, compressed by North America capacity expansion
- Full year North America Fiber Cement EBIT margin of 23.0%
- Net operating cash flow increased US$31.7 million during the year compared to pcp

1 *Excludes Asbestos related expenses and adjustments, New Zealand weathertightness claims and tax adjustments*
2 *Excludes Asbestos related expenses and adjustments, and New Zealand weathertightness claims*

NORTH AMERICA FIBER CEMENT SUMMARY

	Q4'17	Full Year
Net Sales	**US$387.7**M ↑ 12%	**US$1,493.4**M ↑ 12%
Sales Volume	**578.6** mmsf ↑ 12%	**2,215.4** mmsf ↑ 13%
Average Price	**US$662** per msf ↑ 1%	**US$665** per msf ↓ 1%
EBIT	**US$76.1**M ↓ 11%	**US$343.9**M ↓ 2%

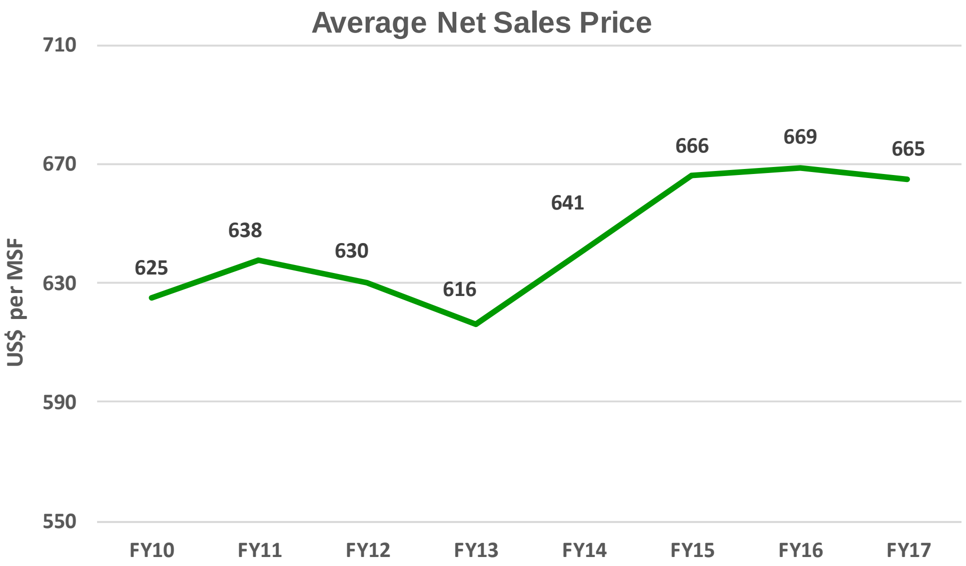
Volume

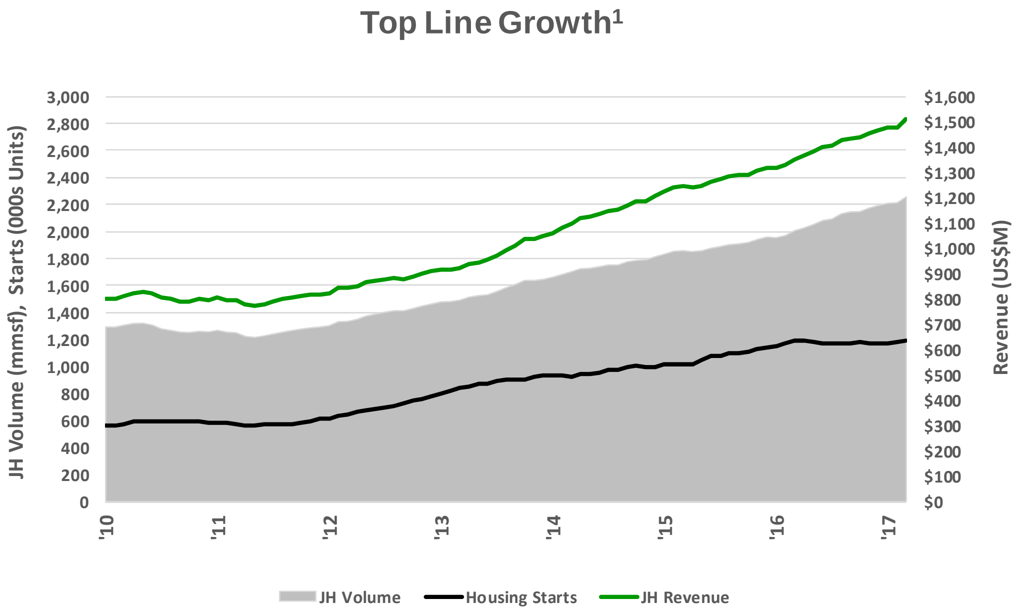
- Steady growth in R&R and new construction markets
- Market penetration was strong

EBIT

- EBIT for the year decreased compared to pcp driven by:
  - Unfavorable plant performance due to:
    - Elevated spend
    - Production inefficiencies
  - Higher start-up costs due to:
    - Acceleration of start ups into FY17
    - Inefficient start-ups in some locations
  - Higher freight costs
  - Continued investment in headcount and other programs to support and drive future growth

NORTH AMERICA FIBER CEMENT





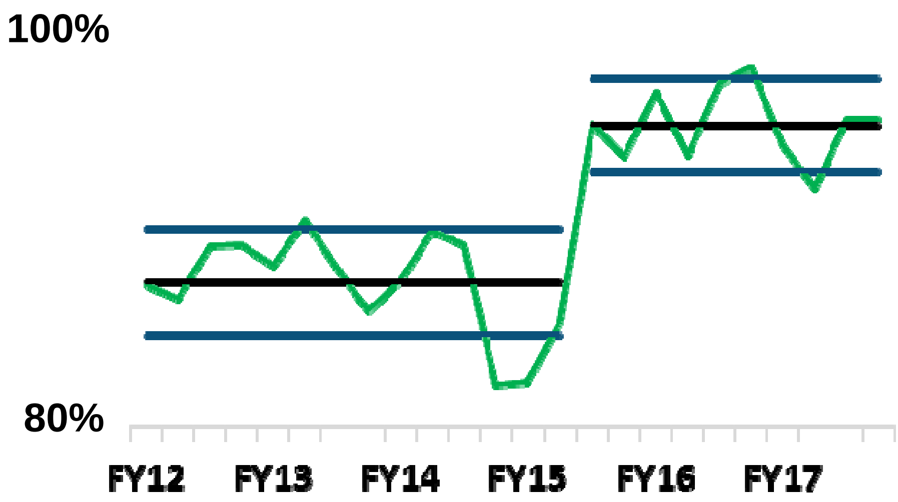
- Slight decrease ~1% due to maintaining current strategic pricing levels
- Overall, satisfied with tactical pricing and price positioning
- Price increase implemented on 1 April 2017

- Q4 FY17 revenue up 12% on 12% volume growth
- Full year revenue up 12% on 13% volume growth
- Continuing to outpace U.S. housing starts

[1] Rolling 12 month average of seasonally adjusted estimate of housing starts by US Census Bureau

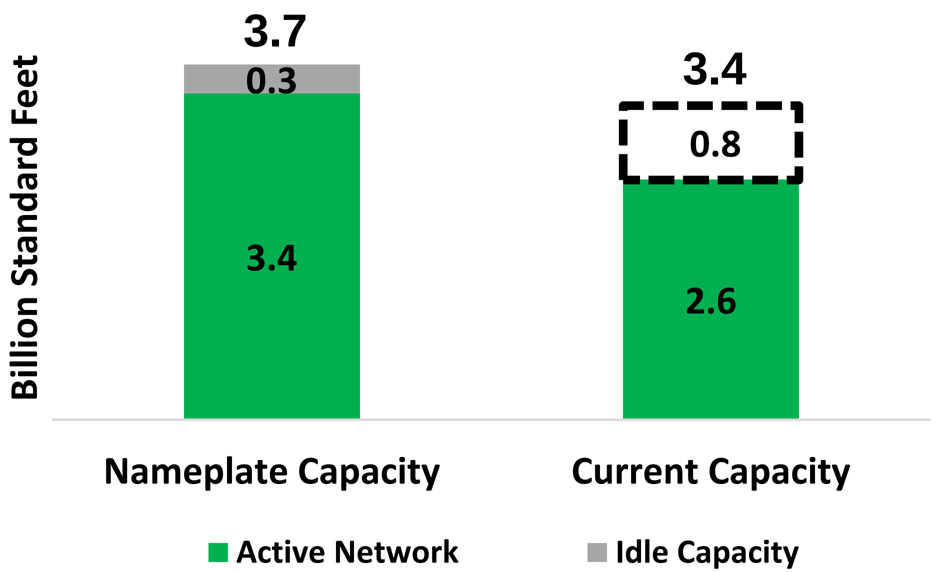
North America Machine Performance & Capacity

Machine Performance



- FY16 step-change improvement in performance
- FY17 in higher band, but lower end of range

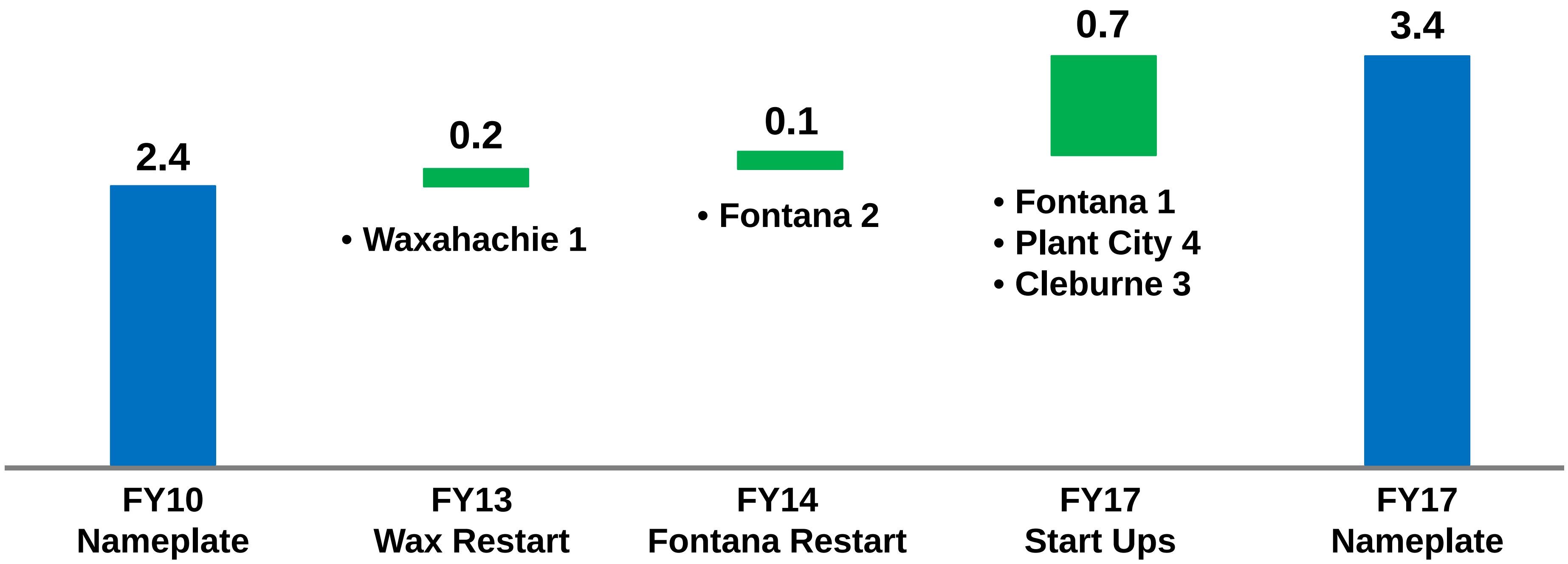
Current Capacity vs. Index



- Throughput at ~75% of nameplate capacity driven by mix adjustments, gross hour utilization & performance

North America Manufacturing Capacity

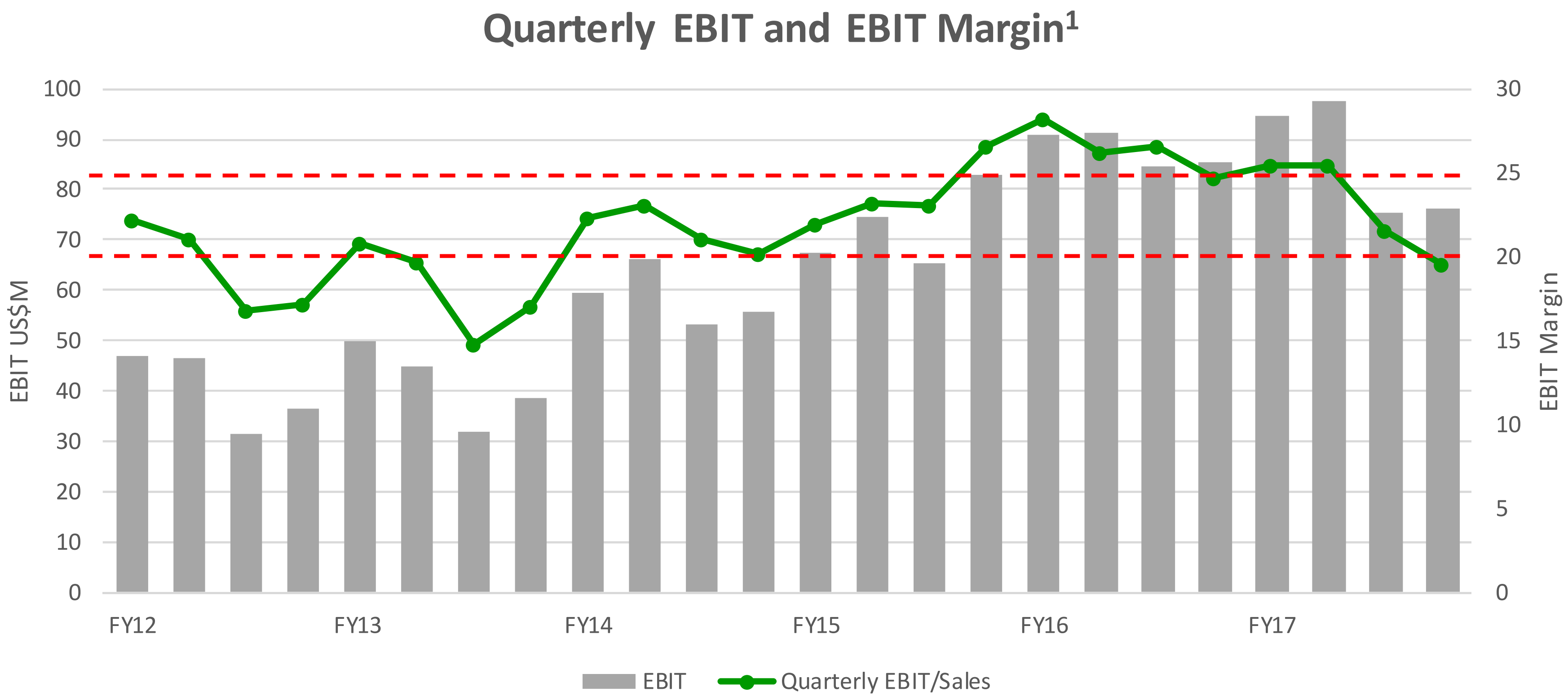
Capacity Since Housing Downturn



Future capacity additions:

- FY18 brownfield additions: Summerville (190 mmsf) + Plant City 3 (100 mmsf)
- FY19 & FY20 greenfield additions: Tacoma (250 mmsf) + Alabama (500 mmsf)

NORTH AMERICA FIBER CEMENT



Full year EBIT Margin % in target range, but down 340 bps to 23.0% compared to pcp

[1] *Excludes asset impairment charges of US$14.3 million in Q4 FY12, US$5.8 million in Q3 FY13 and US$11.1 million in Q4 FY13*

INTERNATIONAL FIBER CEMENT SUMMARY

	Q4'17	Full Year
Net Sales	**US$102.8**M ↑ 18%	**US$411.8**M ↑ 9%
Sales Volume	**125.9** mmsf ↑ 12%	**487.2** mmsf ↑ 1%
Sales Volume Excluding [1]	**125.9** mmsf ↑ 12%	**487.2** mmsf ↑ 3%
Average Price	**US$757** per msf ↑ 7%	**US$775** per msf ↑ 6%
EBIT	**US$23.6**M ↑ 21%	**US$95.1**M ↑ 22%
EBIT Excluding[2]	**US$23.6**M ↑ 21%	**US$95.1**M ↑ 21%

Volume

- Full year volume increased 3%, excluding Pipes business
  - Volume growth in Australia, New Zealand and Europe
  - Volume declined in Philippines

Price

- Increased price compared to pcp
- Favorable product and geographic mix, and effects of annual price increase across the businesses

EBIT

- Strong results driven by price and lower production costs due to the absence of prior year Carole Park start-up costs
- Partially offset by Philippines business; and
- Higher SG&A investment across the segment relative to pcp

1 Excludes Australian Pipes business which was sold in Q1 FY16
2 Excludes New Zealand weathertightness claims

INTERNATIONAL FIBER CEMENT (USD)

Q4'17			Full Year		
Australia			Australia [1]		
Volume	Net Sales	EBIT	Volume	Net Sales	EBIT
↑	↑	↑	↑	↑	↑

Australia

- Solid EBIT growth for quarter and full year
- Non-recurring start-up costs at Carole Park in FY16

Q4'17			Full Year		
New Zealand			New Zealand		
Volume	Net Sales	EBIT	Volume	Net Sales	EBIT
↑	↑	↑	↑	↑	↑

New Zealand

- Higher average net sales price and volume for quarter and full year

Q4'17			Full Year		
Philippines			Philippines		
Volume	Net Sales	EBIT	Volume	Net Sales	EBIT
↑	↓	↓	↓	↓	↓

Philippines

- Full year volume, sales and EBIT lower
- Entrance of competitor imports during the current fiscal year

Q4'17			Full Year		
Europe			Europe		
Volume	Net Sales	EBIT	Volume	Net Sales	EBIT
↑	↑	↑	↑	↑	↑

Europe

- Volume, sales and EBIT growth compared to pcp

[1] *Excludes Australian Pipes business which was sold in Q1 FY16*

FINANCIAL REVIEW

Matt Marsh, EVP and CFO

RESULTS – 4th QUARTER FY17

Three Months Ended 31 March			
US$ Millions	**Q4'17**	**Q4'16**	**% Change**
Net sales	494.3	435.8	13
Gross profit	160.8	160.1	-
SG&A expenses	(75.9)	(68.7)	(10)
EBIT	78.2	56.3	39
Net operating profit	44.5	28.8	55
Adjusted EBIT [1]	77.1	83.7	(8)
Adjusted net operating profit [2]	54.6	57.9	(6)

1 *Excludes Asbestos related expenses and adjustments, and New Zealand weathertightness claims*
2 *Excludes Asbestos related expenses and adjustments, New Zealand weathertightness claims and tax adjustments*

Net sales increased 13%

- Higher volumes in North America Fiber Cement and International Fiber Cement segments
- Higher average net sales price in International Fiber Cement segment

Gross gross margin % down 420 bps

SG&A expenses increased 10%

- Continued investment in building organizational capability

Adjusted net operating profit decreased 6%

- Adjusted EBIT decreased 8% compared to pcp
- North America Fiber Cement segment EBIT decreased 11% versus pcp

RESULTS – FULL YEAR 2017

Full Year Ended 31 March			
US$ Millions	**FY17**	**FY16**	**% Change**
Net sales	1,921.6	1,728.2	11
Gross profit	674.7	632.2	7
SG&A expenses	(291.6)	(254.2)	(15)
EBIT	393.2	354.0	11
Net operating profit	276.5	244.4	13
Adjusted EBIT [1]	354.3	350.7	1
Adjusted net operating profit [2]	248.6	242.9	2

Net sales increased 11%

- Higher volumes in North America Fiber Cement and International Fiber Cement segments
- Higher average net sales price in International Fiber Cement segment

Gross profit up 7%, gross margin % down 150 bps

SG&A expenses increased 15%

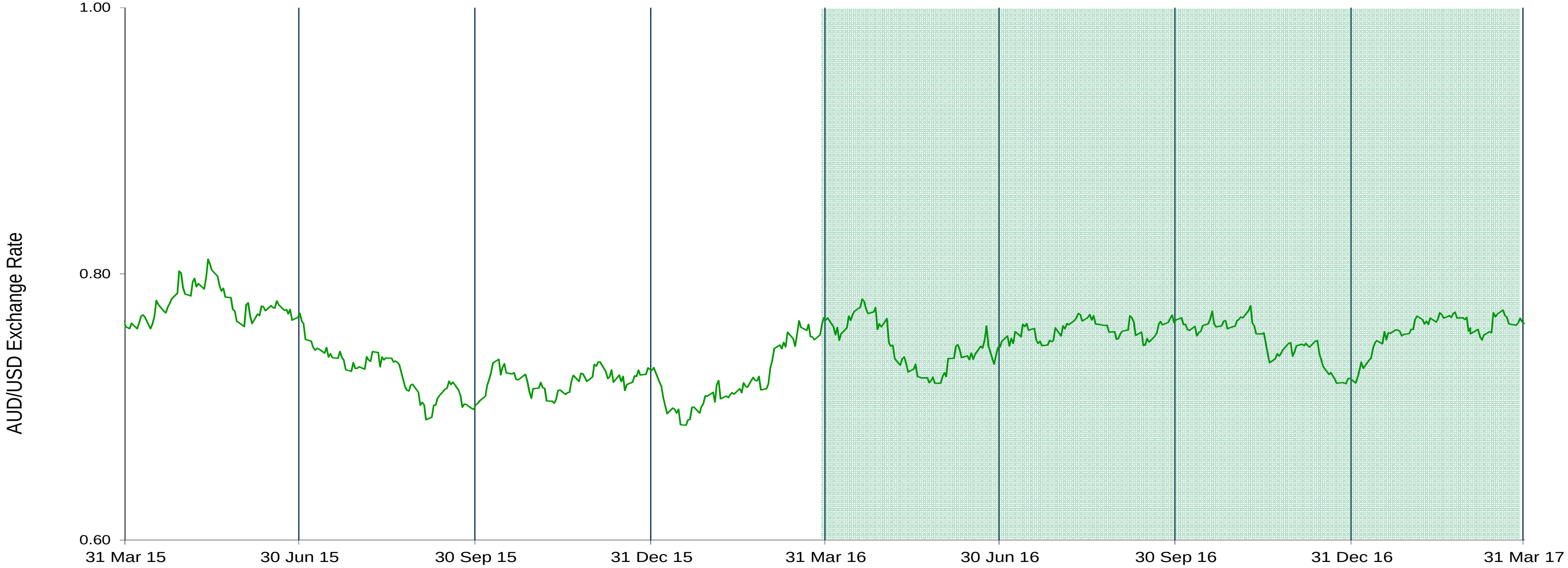
- Continued investment in building organizational capability

Adjusted net operating profit increased 2%

- Adjusted EBIT increased 1% compared to pcp

1 Excludes Asbestos related expenses and adjustments, and New Zealand weathertightness claims
2 Excludes Asbestos related expenses and adjustments, New Zealand weathertightness claims and tax adjustments

CHANGES IN AUD vs. USD

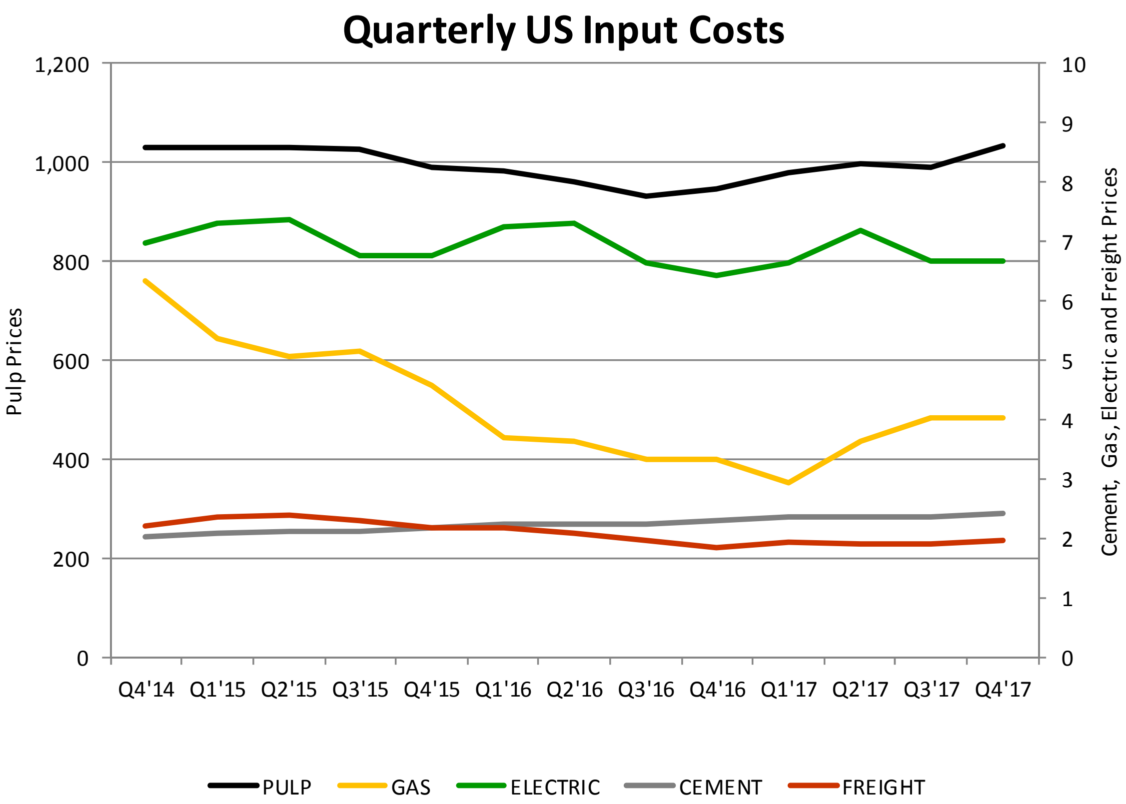


	As Reported			Excluding Translation Impact [1]		Translation Impact [2]	
US$ Millions	12 Months FY17	12 Months FY16	% Change	12 Months FY17	% Change	$ Favorable	%
Net Sales	$ 1,921.6	$ 1,728.2	▲ 11%	$ 1,918.2	▲ 11%	3.4	-
Gross Profit	674.7	632.2	▲ 7%	672.9	▲ 7%	1.8	-
Adjusted EBIT	354.3	350.7	▲ 1%	353.0	▲ 1%	1.3	-
Adjusted net operating profit	$ 248.6	$ 242.9	▲ 2%	$ 246.2	▲ 1%	2.4	▲ 1%

[1] *As Reported 12 Months FY17 figures converted using 12 Months FY16 weighted average exchange rates*

[2] *Reflects the difference between 12 Months FY17 As Reported and 12 Months FY17 using 12 Months FY16 weighted average exchange rates*

NORTH AMERICA INPUT COSTS



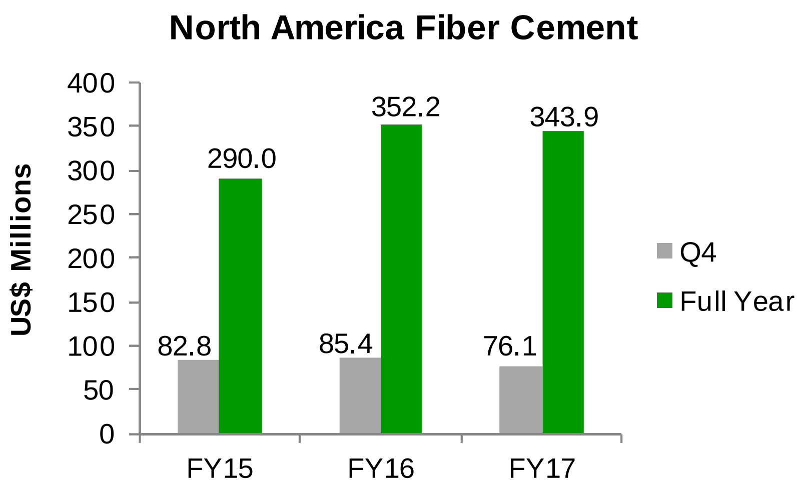
- The price of NBSK **pulp** increased 9% compared to pcp[1]
- **Cement** prices continue to rise, up 4% compared to pcp[1]
- **Gas** prices are up 21% compared to pcp[1]
- **Freight** market prices are up 6% compared to pcp[1]
- **Electricity** prices are up 4% compared to pcp[1]

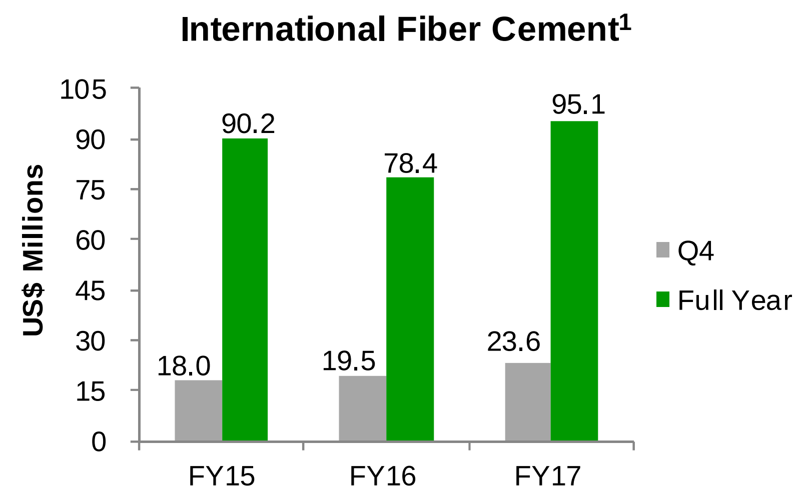
The information underlying the table above is sourced as follows:

- *Pulp – Cost per ton – from RISI*
- *Gas – Cost per thousand cubic feet for industrial users – from US Energy Information Administration*
- *Electric – Cost per thousand kilowatt hour for industrial users – from US Energy Information Administration*
- *Cement – Relative index from the Bureau of Labor Statistics*
- *Freight – Cost per mile – from Dial-a-Truck Solutions*
- *Gas and Electric prices for Q4'17 are based on Q3'17 actuals*

[1] Prior comparable period as noted above refers to input costs for Q4 FY16

SEGMENT EBIT – 4th QUARTER and FULL YEAR FY17





North America Fiber Cement EBIT

- Quarter and full year EBIT decreased 11% and 2%, respectively, compared to pcp
- Driven by unfavorable plant performance, increased start-up costs, higher freight costs; and
- Continued investment in SG&A expense

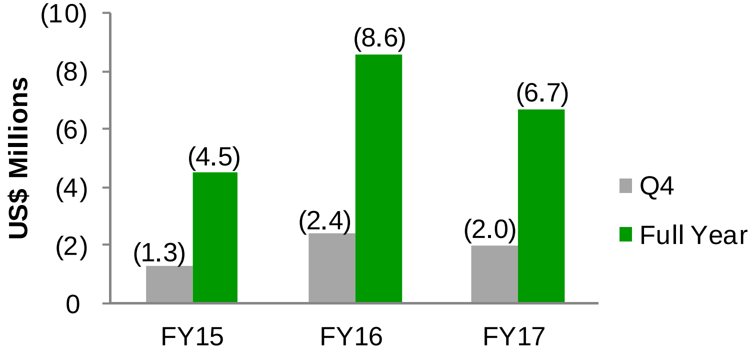
International Fiber Cement EBIT[1]

- Quarter and full year EBIT increased 21% compared to pcp
- Higher average net sales price and higher volumes in Australia, New Zealand and Europe
- Volume decrease in Philippines driven by competitive imports
- Lower production costs largely due to absence of prior year Carole Park start up

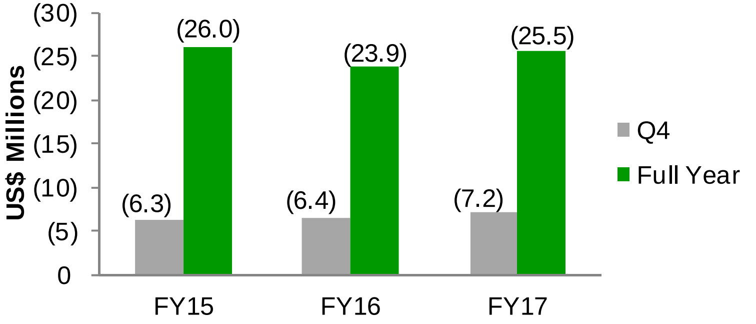
[1] *Excludes New Zealand weathertightness claims*

SEGMENT EBIT – 4th QUARTER and FULL YEAR FY17

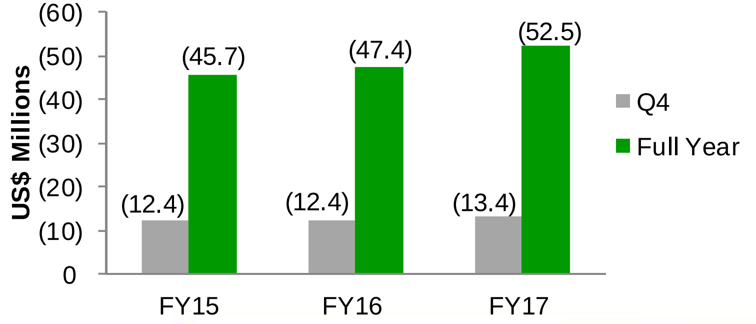
Other Businesses



Research and Development



General Corporate Costs[1]



Other Businesses

- Quarter and full year EBIT loss improved by 17% and 22%, respectively, compared to pcp

R&D

- On strategy to invest 2-3% of net sales
- Fluctuations reflect normal variation and timing in number of R&D projects in process

General Corporate Costs

- Continued investment in organization capability to support current and future growth initiatives

[1] *Excludes Asbestos related expenses and adjustments*

INCOME TAX

Three Months and Full Year Ended 31 March				
US$ Millions	**Q4'17**	**Q4'16**	**FY17**	**FY16**
Operating profit before taxes	71.1	48.0	367.0	330.5
Asbestos adjustments[1]	(0.8)	27.6	(37.8)	(3.5)
NZ weathertightness claims	-	-	-	0.5
Adjusted operating profit before income taxes	**70.3**	**75.6**	**329.2**	**327.5**
Adjusted income tax expense[2]	(15.7)	(17.7)	(80.6)	(84.6)
Adjusted effective tax rate	**22.3%**	**23.4%**	**24.5%**	**25.8%**
Income tax expense	(26.6)	(19.2)	(90.5)	(86.1)
Income taxes paid			51.5	57.8

24.5% adjusted effective tax rate for the year

- Adjusted income tax expense for the quarter and full year decreased primarily due to lower adjusted operating profit before income taxes and a lower adjusted effective tax rate, respectively
- Income taxes are paid and payable in Ireland, the US, Canada, New Zealand and the Philippines
- Income taxes are not currently paid or payable in Europe (excluding Ireland) or Australia due to tax losses. Australian tax losses primarily result from deductions relating to contributions to AICF

[1] *Includes Asbestos adjustments, AICF SG&A expenses and net AICF interest expense (income)*
[2] *Excludes tax effects of Asbestos and other tax adjustments*

CASHFLOW

US$ Millions	FY17	FY16	Change (%)
Net Income	**276.5**	**244.4**	**13**
Adjustment for non-cash items	90.1	98.9	(9)
Annual AICF contribution	(91.1)	(62.8)	(45)
Operating working capital[1]	1.5	(40.6)	
Other net operating activities	15.1	20.5	(26)
Cash Flow from Operations	**292.1**	**260.4**	**12**
Purchases of property, plant and equipment[2]	(103.9)	(76.4)	(36)
Proceeds from sale of property, plant and equipment	-	10.4	
Acquisition of assets	(5.1)	(0.6)	
Free Cash Flow[3]	**183.1**	**193.8**	**(6)**
Dividends paid	(176.8)	(246.5)	28
Net proceeds from borrowings and notes[4]	60.6	111.9	(46)
Share related activities	(96.5)	(19.8)	
Free Cash Flow after Financing Activities	**(29.6)**	**39.4**	

Increase in net operating cash flow

- Increase in net income adjusted for non-cash items
- Favorable changes in working capital
- Partially offset by increase in annual AICF contribution and unfavorable other net operating activities

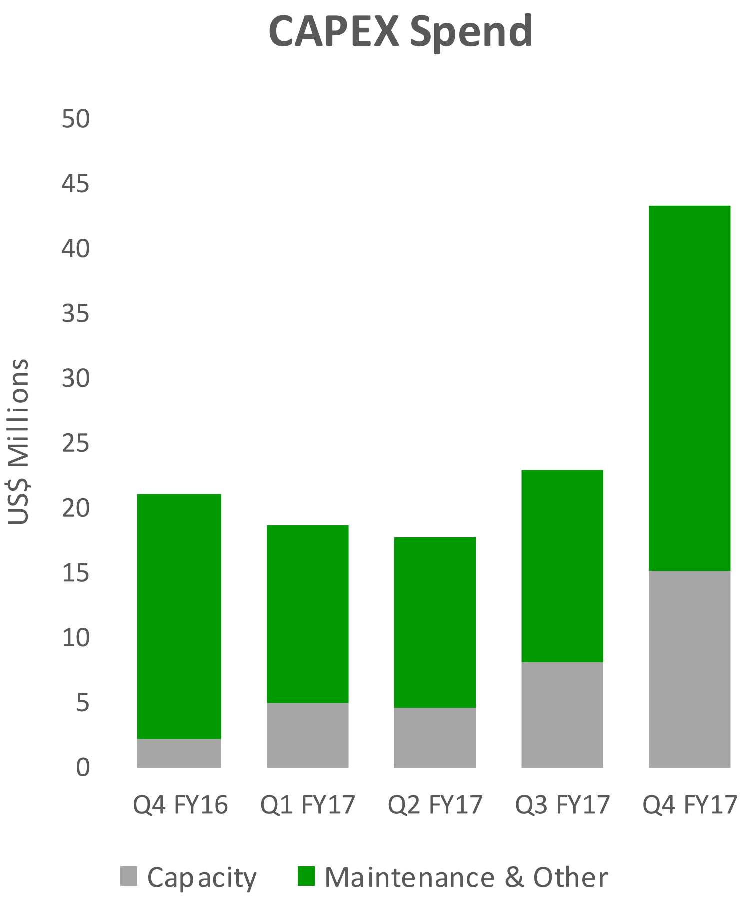
Higher capital expenditures

Higher financing activities

- Increase in share buy-back activity
- Decrease in net proceeds of debt
- Partially offset by decrease in dividend payments

1 *Excludes AP related to capital expenditures*
2 *Includes capitalized interest*
3 *Distinct from the term defined by the AFFA for purposes of calculating our annual contribution to AICF*
4 *Includes debt issuance costs*

CAPITAL EXPENDITURES



- **Full year CAPEX of US$101.9 million up by 39% compared to pcp**
- **North America capacity projects:**
  - Continued to start-up both sheet machines at Fontana facility
  - Commissioned 3rd sheet machine at Plant City facility; began to recommission 4th sheet machine, on track for early fiscal year 2018
  - Commissioned 3rd sheet machine at Cleburne
  - Continued work to restart our Summerville facility, on track to be commissioned in early fiscal year 2018
  - Greenfield expansion in Tacoma, expected to be commissioned in second half of fiscal year 2019
- Continue to expand capacity at our Philippines facility, expected to be completed in first half of fiscal year 2018

FINANCIAL MANAGEMENT SUPPORTING GROWTH

Strong Financial Management

- Strong margins and operating cash flows
- Strong governance and transparency
- Investment-grade financial management

Moody's	S&P	Fitch
Ba1 (upgraded Jun'16)	**BB** (Outlook revised to Positive from Stable, Rating affirmed Feb'17)	**BBB-** (affirmed Mar'17)

Disciplined Capital Allocation

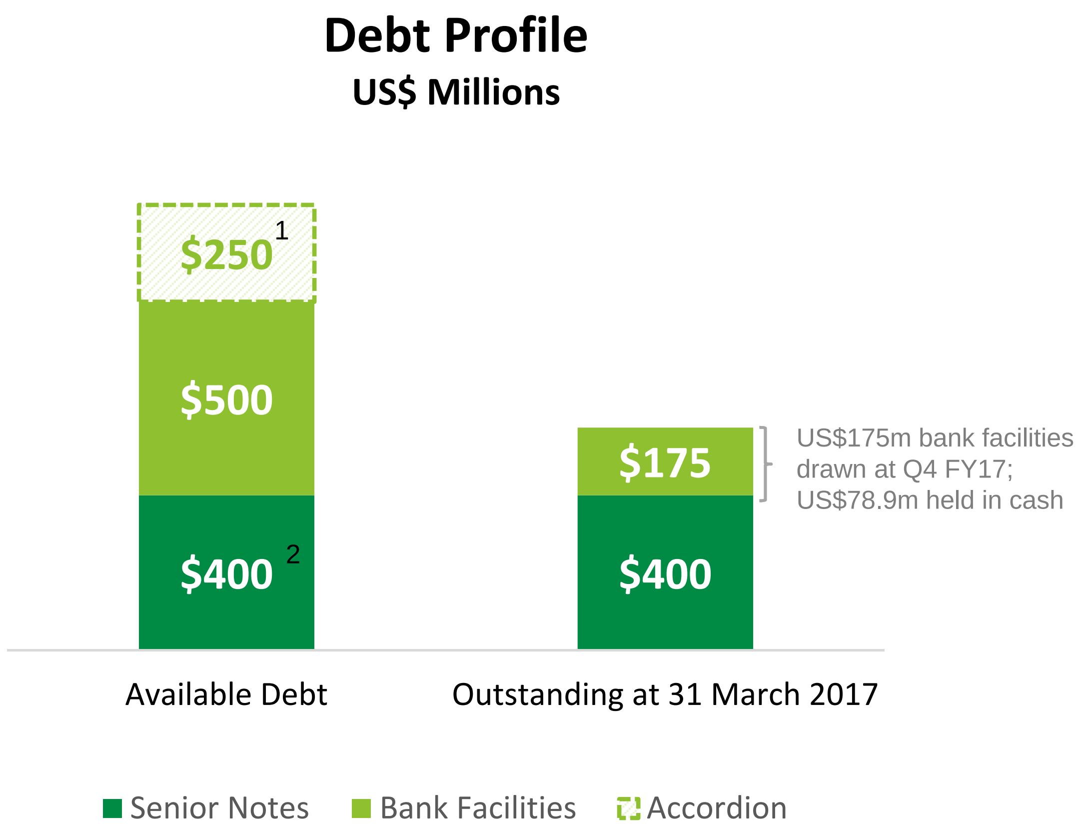
- Invest in R&D and capacity expansion to support organic growth
- Maintain ordinary dividends within the defined payout ratio
- Flexibility for:
  - Accretive and strategic inorganic opportunities
  - Cyclical market volatility
  - Further shareholder returns when appropriate

Liquidity and Funding

- Conservative leveraging of balance sheet within 1-2 times adjusted EBITDA target
  - US$500 million of unsecured revolving credit facility; US$400 million senior unsecured notes at Q4 FY17
  - Weighted average maturity of 3.7 years on bank facilities; 4.7 years on total debt at Q4 FY17
  - 65% liquidity on bank debt at Q4 FY17

Financial management consistent with investment grade credit
Ability to withstand market cycles and other unanticipated events

LIQUIDITY PROFILE



1 *Incremental liquidity of up to US$250 million may be accessed via an accordion feature, which is provided for under the terms of the syndicated revolving credit facility agreement, but not credit approved*
2 *Callable from 15 February 2018; callable at par from 15 February 2021*
3 *Excludes Short-term debt – Asbestos; includes unamortized OID ($1.9 million); bond premium ($2.0 million) and debt issuance costs ($10.6 million)*

Strong balance sheet

- US$78.9 million cash
- US$485.6 million net debt[3] at 31 March 2017
- 65% liquidity on bank debt at 31 March 2017

Corporate debt structure

- US$500 million unsecured revolving credit facility, with a December 2020 maturity
- US$400 million senior unsecured notes[2] maturing February 2023

Leverage strategy

- 1.1x net debt to EBITDA excluding asbestos; within the 1-2x leverage target range

ASBESTOS COMPENSATION

KEY POINTS

- Updated actuarial report completed as at 31 March 2017

- Undiscounted and uninflated central estimate decreased to A$1,386 million from A$1,434 million

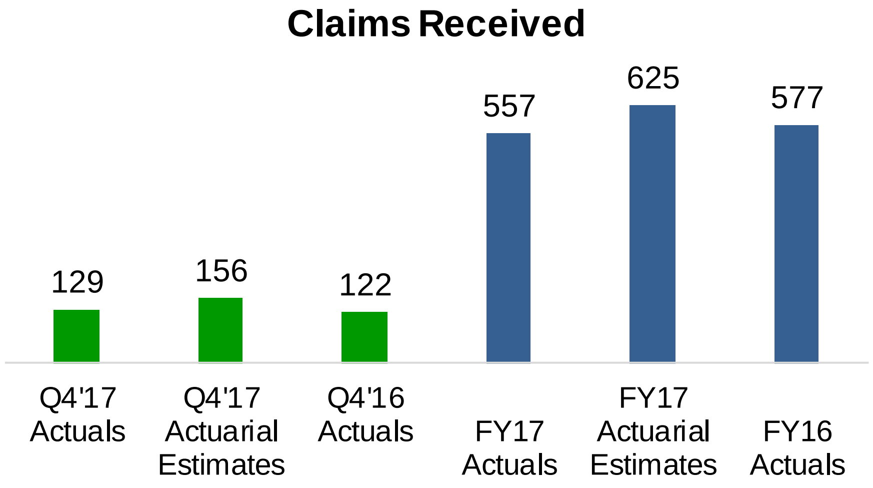
- Decreased A$164 million NPV of estimate to A$1,740 million, from A$1,904 million at 31 March 2016, reflecting:
  - Decrease of A$166 million due to actuarial assumptions;
  - Decrease of A$115 million due to payments made by AICF during the year; and
  - Increase of A$117 million due to lower future insurance proceeds owing to a commutation of certain policies

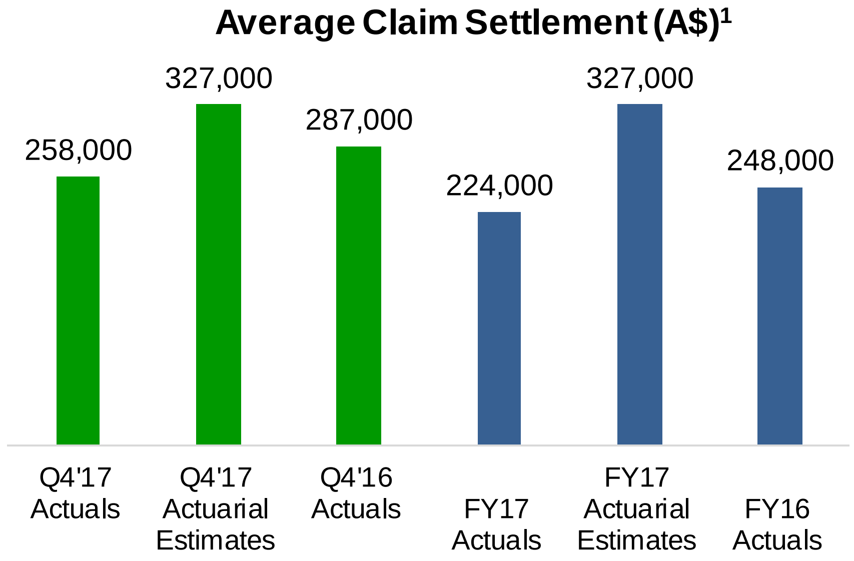
- Total contributions of US$91.1 million were made to AICF during FY2017 from our FY2016 free cash flow

- From the time AICF was established in February 2007, we have contributed A$919.9 million to the fund

- We anticipate we will make a further contribution of approximately US$102.2 million to AICF on 3 July 2017. This amounts represents 35% of our free cash flow for financial year 2017, as defined by the AFFA

ASBESTOS CLAIMS DATA





- Quarter claims received increased by 6% and full year claims received decreased by 3% compared to pcp
- Quarter and full year claims received were 17% and 11%, below actuarial estimates, respectively
- Mesothelioma claims reported during the year:
  - 6% lower than pcp
  - 7% lower than actuarial estimates
- Average claim settlement for the quarter and full year is 21% and 31% below actuarial estimates, respectively:
  - Lower average claim settlement sizes across most disease types
  - Large mesothelioma claims are lower in number compared to pcp
  - Lower average claim size for non-large mesothelioma claims

[1] *Average claim settlement is derived as the total amount paid divided by the number of non-nil claim*

FY2018 KEY PLANNING ASSUMPTIONS

- The modest market growth and more prolonged recovery of the US housing market to continue into FY2018. The single family new construction market and repair and remodel market are expected to grow similar to the year-on-year growth experienced in fiscal year 2017

- US Residential Housing Starts forecasted to be between 1.2 and 1.3 million

- North America Fiber Cement Segment
  - EBIT margins expected to be in our stated target range of 20% to 25%
  - Expectation is based upon the Company continuing to deliver operating performance in its plants consistent with recent quarters, and stable exchange rates and input cost trends

- Australian business expected to trend in line with the average growth of the domestic repair and remodel and single detached housing markets in the eastern states of Australia

- New Zealand growth expected to continue into fiscal year 2018

SUMMARY

Adjusted Net Operating Profit[1]			
4th Qtr		Full Year	
US$54.6M	↓ 6%	US$248.6M	↑ 2%

Adjusted Diluted EPS[1]			
4th Qtr		Full Year	
US12 cents	↓ 8%	US56 cents	↑ 4%

Adjusted EBIT [2]			
4th Qtr		Full Year	
US$77.1M	↓ 8%	US$354.3M	↑ 1%

Net Operating Cash Flow	
Full Year	
US$292.1M	↑ 12%

- The financial performance noted above largely reflects:
  - Higher volumes across the North America Fiber Cement and International Fiber Cement segments
  - Compressed by North America capacity expansion
- Other highlights include:
  - 12% increase in net operating cashflow
  - US$276.6 million of capital returned to shareholders

1 *Excludes Asbestos related expenses and adjustments, New Zealand weathertighness claims and tax adjustments*
2 *Excludes Asbestos related expenses and adjustments and New Zealand weathertighness claims*

QUESTIONS

APPENDIX

FINANCIAL SUMMARY

	Three Months and Full Year Ended 31 March					
US$ Millions	**Q4'17**	**Q4'16**	**% Change**	**FY17**	**FY16**	**% Change**
Net Sales						
North America Fiber Cement	$ 387.7	$ 345.8	12	$ 1,493.4	$ 1,335.0	12
International Fiber Cement	102.8	86.9	18	411.8	379.4	9
Other Businesses	3.8	3.1	23	16.4	13.8	19
Total Net Sales	**$ 494.3**	**$ 435.8**	**13**	**$ 1,921.6**	**$ 1,728.2**	**11**
EBIT						
North America Fiber Cement	$ 76.1	$ 85.4	(11)	$ 343.9	$ 352.2	(2)
International Fiber Cement[1]	23.6	19.5	21	95.1	78.4	21
Other Businesses	(2.0)	(2.4)	17	(6.7)	(8.6)	22
Research & Development	(7.2)	(6.4)	(13)	(25.5)	(23.9)	(7)
General Corporate[2]	(13.4)	(12.4)	(8)	(52.5)	(47.4)	(11)
Adjusted EBIT	**$ 77.1**	**$ 83.7**	**(8)**	**$ 354.3**	**$ 350.7**	**1**
Net interest expense excluding AICF interest expense	(6.9)	(6.2)	(11)	(26.4)	(25.3)	(4)
Other income (expense)	0.1	(1.9)		1.3	2.1	(38)
Adjusted income tax expense	(15.7)	(17.7)	11	(80.6)	(84.6)	5
Adjusted net operating profit	**$ 54.6**	**$ 57.9**	**(6)**	**$ 248.6**	**$ 242.9**	**2**

1 Excludes New Zealand weathertightness claims
2 Excludes Asbestos-related expenses and adjustments

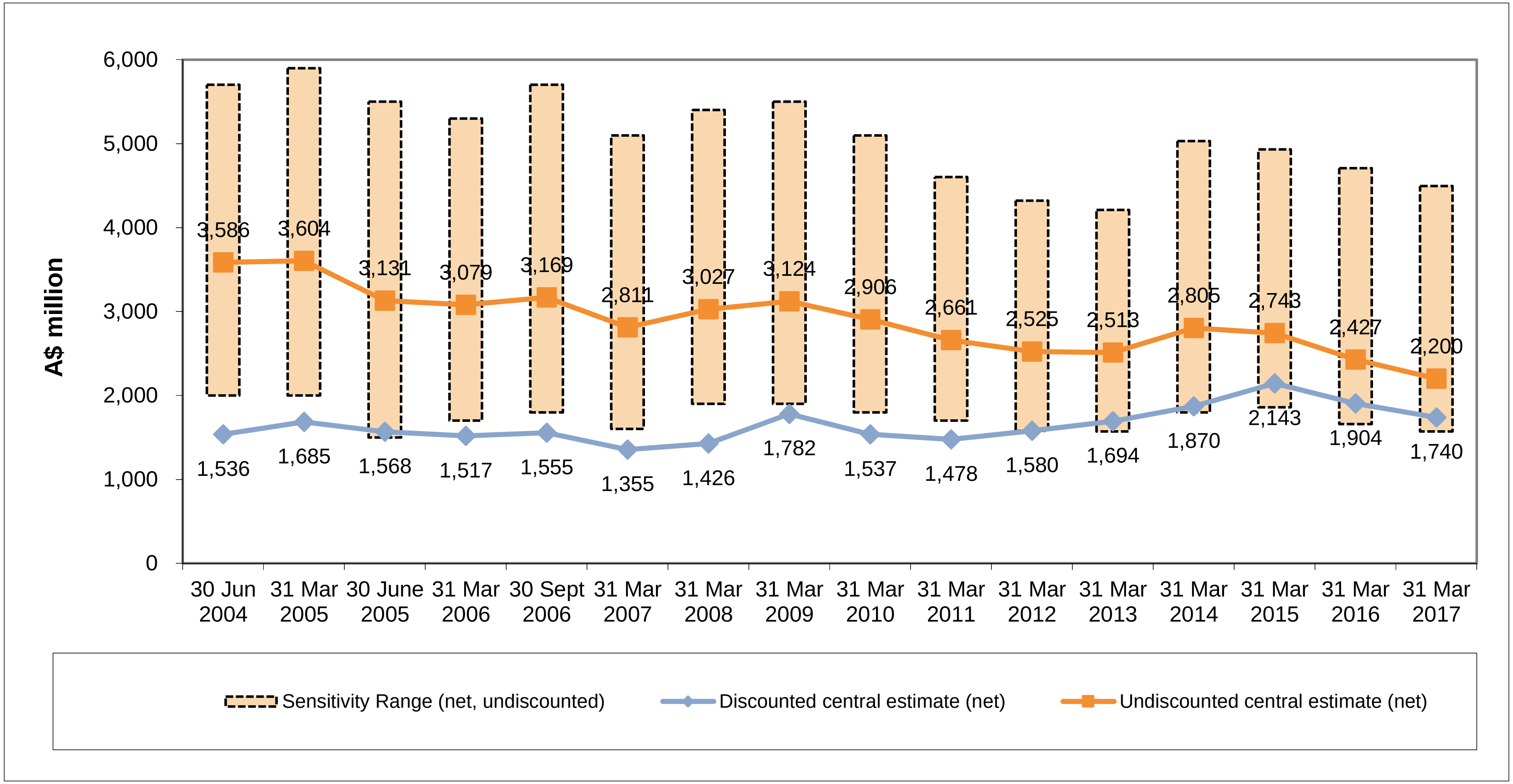
NET POST-TAX UNFUNDED ASBESTOS LIABILITY

A$ millions (except where stated)	FY17	FY16
Central Estimate - Undiscounted and Uninflated	$ 1,385.7	$ 1,433.9
Provision for claims handling costs of AICF	29.4	32.2
Cross claims and other	18.8	18.2
Net (assets)/liabilities of AICF	(71.9)	45.5
Effect of tax	(488.6)	(528.3)
Net post-tax unfunded liability in A$ millions	$ 873.4	$ 1,001.5
Exchange rate US$ per A$1.00	0.7644	0.7657
Net post-tax unfunded liability in US$ millions	**$ 667.6**	**$ 766.8**

ASBESTOS CASH MOVEMENTS FOR FULL YEAR ENDED 31 MARCH

A$ millions		
AICF cash and investments - 31 March 2016	$	22.2
Contributions to AFFA by James Hardie		120.7
Insurance recoveries		122.3
Loan drawdowns		101.6
Loan repayments		(99.4)
Interest expense, net		(1.4)
Claims paid		(120.5)
Operating costs		(3.7)
Other		0.6
AICF cash and investments - 31 March 2017	**$**	**142.4**

UPDATED ACTUARIAL ESTIMATE



DEPRECIATION AND AMORTIZATION

US$ Millions	Three Months and Full Year Ended 31 March			
	Q4'17	**Q4'16**	**FY17**	**FY16**
Depreciation and amortization				
North America Fiber Cement	$ 16.3	$ 16.4	$ 64.3	$ 61.8
International Fiber Cement	2.9	4.3	11.8	10.7
Other Businesses	0.5	0.5	2.2	2.0
Research and Development	0.3	0.5	1.7	1.7
General Corporate	0.7	3.0	3.2	3.6
Total depreciation and amortization	**$ 20.7**	**$ 24.7**	**$ 83.2**	**$ 79.8**

DEFINITIONS AND OTHER TERMS

This Management Presentation forms part of a package of information about the company's results. It should be read in conjunction with the other parts of this package, including the Management's Analysis of Results, Media Release and Consolidated Financial Statements

Definitions

Non-financial Terms

AFFA – Amended and Restated Final Funding Agreement

AICF – Asbestos Injuries Compensation Fund Ltd

Legacy New Zealand weathertightness claims ("New Zealand weathertightness claims") – Expenses arising from defending and resolving claims in New Zealand that allege poor building design, inadequate certification review and compliance certification and deficient work by sub-contractors

NON-US GAAP FINANCIAL MEASURES

Financial Measures – US GAAP equivalents

This document contains financial statement line item descriptions that are considered to be non-US GAAP, but are consistent with those used by Australian companies. Because the company prepares its Consolidated Financial Statements under US GAAP, the following table cross-references each non-US GAAP line item description, as used in Management's Analysis of Results and Media Release, to the equivalent US GAAP financial statement line item description used in the company's Consolidated Financial Statements:

Management's Analysis of Results and Media Release	Consolidated Statements of Operations and Other Comprehensive Income (Loss) (US GAAP)
Net sales	Net sales
Cost of goods sold	Cost of goods sold
Gross profit	Gross profit
Selling, general and administrative expenses	Selling, general and administrative expenses
Research and development expenses	Research and development expenses
Asbestos adjustments	Asbestos adjustments
EBIT*	Operating income (loss)
Net interest income (expense)*	Sum of interest expense and interest income
Other income (expense)	Other income (expense)
Operating profit (loss) before income taxes*	Income (loss) before income taxes
Income tax (expense) benefit	Income tax (expense) benefit
Net operating profit (loss)*	Net income (loss)

*- Represents non-US GAAP descriptions used by Australian companies.

NON-US GAAP FINANCIAL MEASURES

EBIT – Earnings before interest and taxes

EBIT margin – EBIT margin is defined as EBIT as a percentage of net sales

Sales Volumes

mmsf – million square feet, where a square foot is defined as a standard square foot of 5/16" thickness

msf – thousand square feet, where a square foot is defined as a standard square foot of 5/16" thickness

NON-US GAAP FINANCIAL MEASURES

Financial Measures – US GAAP equivalents

Adjusted EBIT

US$ Millions	Three Months and Full Year Ended 31 March			
	Q4'17	Q4'16	FY17	FY16
EBIT	**$ 78.2**	**$ 56.3**	**$ 393.2**	**$ 354.0**
Asbestos:				
Asbestos adjustments	(1.4)	27.0	(40.4)	(5.5)
AICF SG&A expenses	0.3	0.4	1.5	1.7
New Zealand weathertightness claims	-	-	-	0.5
Adjusted EBIT	**$ 77.1**	**$ 83.7**	**$ 354.3**	**$ 350.7**
Net sales	$ 494.3	$ 435.8	$ 1,921.6	$ 1,728.2
Adjusted EBIT margin	**15.6%**	**19.2%**	**18.4%**	**20.3%**

Adjusted net operating profit

US$ Millions	Three Months and Full Year Ended 31 March			
	Q4'17	Q4'16	FY17	FY16
Net operating profit	**$ 44.5**	**$ 28.8**	**$ 276.5**	**$ 244.4**
Asbestos:				
Asbestos adjustments	(1.4)	27.0	(40.4)	(5.5)
AICF SG&A expenses	0.3	0.4	1.5	1.7
AICF interest expense, net	0.3	0.2	1.1	0.3
New Zealand weathertightness claims	-	-	-	0.5
Asbestos and other tax adjustments	10.9	1.5	9.9	1.5
Adjusted net operating profit	**$ 54.6**	**$ 57.9**	**$ 248.6**	**$ 242.9**

NON-US GAAP FINANCIAL MEASURES

Adjusted diluted earnings per share

	Three Months and Full Year Ended 31 March			
	Q4'17	Q4'16	FY17	FY16
Adjusted net operating profit (US$ Millions)	**$ 54.6**	**$ 57.9**	**$ 248.6**	**$ 242.9**
Weighted average common shares outstanding - Diluted (millions)	441.4	447.1	443.9	447.2
Adjusted diluted earnings per share (US cents)	**12**	**13**	**56**	**54**

Adjusted effective tax rate

US$ Millions	Three Months and Full Year Ended 31 March			
	Q4'17	Q4'16	FY17	FY16
Operating profit before income taxes	**$ 71.1**	**$ 48.0**	**$ 367.0**	**$ 330.5**
Asbestos:				
Asbestos adjustments	(1.4)	27.0	(40.4)	(5.5)
AICF SG&A expenses	0.3	0.4	1.5	1.7
AICF interest expense, net	0.3	0.2	1.1	0.3
New Zealand weathertightness claims	-	-	-	0.5
Adjusted operating profit before income taxes	**$ 70.3**	**$ 75.6**	**$ 329.2**	**$ 327.5**
Income tax expense	$ (26.6)	$ (19.2)	$ (90.5)	$ (86.1)
Asbestos-related and other tax adjustments	10.9	1.5	9.9	1.5
Adjusted income tax expense	**$ (15.7)**	**$ (17.7)**	**$ (80.6)**	**$ (84.6)**
Effective tax rate	37.4%	40.0%	24.7%	26.1%
Adjusted effective tax rate	**22.3%**	**23.4%**	**24.5%**	**25.8%**

NON-US GAAP FINANCIAL MEASURES

Adjusted EBITDA

US$ Millions	Three Months and Full Year Ended 31 March			
	Q4'17	Q4'16	FY17	FY16
EBIT	**$ 78.2**	**$ 56.3**	**$ 393.2**	**$ 354.0**
Depreciation and amortization	20.7	24.7	83.2	79.8
Adjusted EBITDA	**$ 98.9**	**$ 81.0**	**$ 476.4**	**$ 433.8**

Adjusted selling, general and administrative expenses ("Adjusted SG&A")

US$ Millions	Three Months and Full Year Ended 31 March			
	Q4'17	Q4'16	FY17	FY16
SG&A expenses	**$ 75.9**	**$ 68.7**	**$ 291.6**	**$ 254.2**
Excluding:				
New Zealand weathertightness claims	-	-	-	(0.5)
AICF SG&A expenses	(0.3)	(0.4)	(1.5)	(1.7)
Adjusted SG&A expenses	**$ 75.6**	**$ 68.3**	**$ 290.1**	**$ 252.0**
Net Sales	$ 494.3	$ 435.8	$ 1,921.6	$ 1,728.2
SG&A expenses as a percentage of net sales	15.4%	15.8%	15.2%	14.7%
Adjusted SG&A expenses as a percentage of net sales	**15.3%**	**15.7%**	**15.1%**	**14.6%**

Q4 FY17 MANAGEMENT PRESENTATION

18 May 2017

James Hardie Industries plc

Consolidated Financial Statements
as of and for the Year Ended 31 March 2017

James Hardie Industries plc
Index

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of
James Hardie Industries plc

We have audited the accompanying consolidated balance sheets of James Hardie Industries plc as of 31 March 2017 and 2016, and the related consolidated statements of operations and comprehensive income, changes in shareholders' deficit, and cash flows for each of the three years in the period ended 31 March 2017. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of James Hardie Industries plc at 31 March 2017 and 2016, and the consolidated results of its operations and its cash flows for each of the three years in the period ended 31 March 2017, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young LLP

Irvine, California
18 May 2017

James Hardie Industries plc
Consolidated Balance Sheets

	(Millions of US dollars)	
	31 March 2017	31 March 2016
Assets		
Current assets:		
Cash and cash equivalents	**$ 78.9**	$ 107.1
Restricted cash and cash equivalents	**5.0**	5.0
Restricted cash and cash equivalents - Asbestos	**108.9**	17.0
Accounts and other receivables, net of provision for doubtful trade debts of US$0.9 million and US$1.1 million as of 31 March 2017 and 31 March 2016	**199.5**	173.3
Inventories	**202.9**	193.0
Prepaid expenses and other current assets	**28.3**	18.1
Insurance receivable - Asbestos	**5.7**	16.7
Workers' compensation - Asbestos	**2.9**	4.1
Total current assets	**632.1**	534.3
Property, plant and equipment, net	**879.0**	867.0
Insurance receivable - Asbestos	**58.1**	149.0
Workers' compensation - Asbestos	**40.4**	46.8
Deferred income taxes	**26.9**	25.9
Deferred income taxes - Asbestos	**356.6**	384.9
Other assets	**19.6**	21.5
Total assets	**$ 2,012.7**	$ 2,029.4
Liabilities and Shareholders' Deficit		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 173.5**	$ 127.2
Short-term debt - Asbestos	**52.4**	50.7
Accrued payroll and employee benefits	**60.5**	63.0
Accrued product warranties	**9.4**	12.2
Income taxes payable	**1.9**	4.8
Asbestos liability	**116.4**	125.9
Workers' compensation - Asbestos	**2.9**	4.1
Other liabilities	**11.8**	11.9
Total current liabilities	**428.8**	399.8
Long-term debt	**564.5**	501.8
Deferred income taxes	**94.8**	82.1
Accrued product warranties	**37.2**	33.1
Asbestos liability	**1,043.3**	1,176.3
Workers' compensation - Asbestos	**40.4**	46.8
Other liabilities	**15.9**	14.7
Total liabilities	**2,224.9**	2,254.6
Commitments and contingencies (Note 13)		
Shareholders' deficit:		
Common stock, Euro 0.59 par value, 2.0 billion shares authorized; 440,843,275 shares issued and outstanding at 31 March 2017 and 445,579,351 shares issued and outstanding at 31 March 2016	**229.1**	231.4
Additional paid-in capital	**173.8**	164.4
Accumulated deficit	**(612.9)**	(621.8)
Accumulated other comprehensive (loss) income	**(2.2)**	0.8
Total shareholders' deficit	**(212.2)**	(225.2)
Total liabilities and shareholders' deficit	**$ 2,012.7**	$ 2,029.4

The accompanying notes are an integral part of these consolidated financial statements.

James Hardie Industries plc
Consolidated Statements of Operations and Comprehensive Income

(Millions of US dollars, except per share data)	Years Ended 31 March 2017	2016	2015
Net sales	**$ 1,921.6**	$ 1,728.2	$ 1,656.9
Cost of goods sold	**(1,246.9)**	(1,096.0)	(1,078.1)
Gross profit	**674.7**	632.2	578.8
Selling, general and administrative expenses	**(291.6)**	(254.2)	(245.5)
Research and development expenses	**(30.3)**	(29.5)	(31.7)
Asbestos adjustments	**40.4**	5.5	33.4
Operating income	**393.2**	354.0	335.0
Interest expense, net of capitalized interest	**(28.5)**	(26.6)	(9.8)
Interest income	**1.0**	1.0	2.3
Other income (expense)	**1.3**	2.1	(4.9)
Income before income taxes	**367.0**	330.5	322.6
Income tax expense	**(90.5)**	(86.1)	(31.3)
Net income	**$ 276.5**	$ 244.4	$ 291.3
Income per share:			
Basic	**$ 0.62**	$ 0.55	$ 0.65
Diluted	**$ 0.62**	$ 0.55	$ 0.65
Weighted average common shares outstanding (Millions):			
Basic	**442.7**	445.3	445.0
Diluted	**443.9**	447.2	446.4
Comprehensive income, net of tax:			
Net income	**$ 276.5**	$ 244.4	$ 291.3
Pension and post-retirement benefit adjustments	**-**	0.3	-
Cash flow hedges	**-**	-	(0.6)
Currency translation adjustments	**(3.0)**	0.9	(32.9)
Comprehensive income	**$ 273.5**	$ 245.6	$ 257.8

The accompanying notes are an integral part of these consolidated financial statements.

James Hardie Industries plc
Consolidated Statements of Cash Flows

(Millions of US dollars)	Years Ended 31 March **2017**	2016	2015
Cash Flows From Operating Activities			
Net income	**$ 276.5**	$ 244.4	$ 291.3
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	**83.2**	79.8	70.9
Deferred income taxes	**26.0**	(0.1)	(37.4)
Stock-based compensation	**9.3**	10.3	9.2
Asbestos adjustments	**(40.4)**	(5.5)	(33.4)
Excess tax benefits from share-based awards	**(3.0)**	(0.4)	(1.4)
Loss on disposal of property, plant and equipment, net	**15.0**	14.8	-
Changes in operating assets and liabilities:			
Restricted cash and cash equivalents - Asbestos	**0.9**	100.3	107.8
Restricted short-term investments - Asbestos	**-**	-	0.2
Payment to AICF	**(91.1)**	(62.8)	(113.0)
Accounts and other receivables	**(28.4)**	(39.9)	(5.1)
Inventories	**(9.7)**	16.2	(38.5)
Prepaid expenses and other assets	**(2.1)**	(3.9)	9.2
Insurance receivable - Asbestos	**93.3**	17.2	29.1
Accounts payable and accrued liabilities	**39.6**	(16.9)	15.7
Asbestos liability	**(92.0)**	(114.9)	(136.7)
Other accrued liabilities	**15.0**	21.8	11.6
Net cash provided by operating activities	**$ 292.1**	$ 260.4	$ 179.5
Cash Flows From Investing Activities			
Purchases of property, plant and equipment	**$ (101.9)**	$ (73.2)	$ (276.2)
Proceeds from sale of property, plant and equipment	**-**	10.4	-
Capitalized interest	**(2.0)**	(3.2)	(1.7)
Acquisition of assets	**(5.1)**	(0.6)	-
Net cash used in investing activities	**$ (109.0)**	$ (66.6)	$ (277.9)
Cash Flows From Financing Activities			
Proceeds from credit facilities	**$ 395.0**	$ 528.0	$ 717.0
Repayments of credit facilities	**(410.0)**	(413.0)	(642.0)
Proceeds from senior unsecured notes	**77.3**	-	322.4
Debt issuance costs	**(1.7)**	(3.1)	(8.3)
Proceeds from issuance of shares	**0.3**	2.1	4.1
Excess tax benefits from share-based awards	**3.0**	0.4	1.4
Common stock repurchased and retired	**(99.8)**	(22.3)	(9.1)
Dividends paid	**(176.8)**	(246.5)	(390.1)
Net cash used in financing activities	**$ (212.7)**	$ (154.4)	$ (4.6)
Effects of exchange rate changes on cash	**$ 1.4**	$ 0.7	$ 2.5
Net (decrease) increase in cash and cash equivalents	**(28.2)**	40.1	(100.5)
Cash and cash equivalents at beginning of period	**107.1**	67.0	167.5
Cash and cash equivalents at end of period	**$ 78.9**	$ 107.1	$ 67.0
Components of Cash and Cash Equivalents			
Cash at bank	**$ 75.0**	$ 94.5	$ 60.0
Short-term deposits	**3.9**	12.6	7.0
Cash and cash equivalents at end of period	**$ 78.9**	$ 107.1	$ 67.0
Supplemental Disclosure of Cash Flow Activities			
Cash paid during the year for interest	**$ 26.2**	$ 20.5	$ 4.6
Cash paid during the year for income taxes, net	**$ 51.5**	$ 57.8	$ 35.6

The accompanying notes are an integral part of these consolidated financial statements.

James Hardie Industries plc
Consolidated Statements of Changes in Shareholders' Deficit

(Millions of US dollars)	Common Stock	Additional Paid-in Capital	Accumulated Deficit	Treasury Stock	Accumulated Other Comprehensive Income (loss)	Total
Balances as of 31 March 2014	**$ 230.6**	**$ 139.7**	**$ (602.4)**	**$ -**	**$ 33.1**	**$ (199.0)**
Net income	-	-	291.3	-	-	291.3
Other comprehensive loss	-	-	-	-	(33.5)	(33.5)
Stock-based compensation	0.6	8.6	-	-	-	9.2
Tax benefit from stock options exercised	-	1.4	-	-	-	1.4
Equity awards exercised	0.4	3.7	-	-	-	4.1
Dividends declared	-	-	(267.0)	-	-	(267.0)
Treasury stock purchased	-	-	-	(9.1)	-	(9.1)
Treasury stock retired	(0.4)	(0.2)	(8.5)	9.1	-	-
Balances as of 31 March 2015	**$ 231.2**	**$ 153.2**	**$ (586.6)**	**$ -**	**$ (0.4)**	**$ (202.6)**
Net income	-	-	244.4	-	-	244.4
Other comprehensive income	-	-	-	-	1.2	1.2
Stock-based compensation	0.8	9.5	-	-	-	10.3
Tax benefit from stock options exercised	-	0.4	-	-	-	0.4
Equity awards exercised	0.2	1.9	-	-	-	2.1
Dividends declared	-	-	(258.7)	-	-	(258.7)
Treasury stock purchased	-	-	-	(22.3)	-	(22.3)
Treasury stock retired	(0.8)	(0.6)	(20.9)	22.3	-	-
Balances as of 31 March 2016	**$ 231.4**	**$ 164.4**	**$ (621.8)**	**$ -**	**$ 0.8**	**$ (225.2)**
Net income	-	-	276.5	-	-	276.5
Other comprehensive loss	-	-	-	-	(3.0)	(3.0)
Stock-based compensation	0.9	8.4	-	-	-	9.3
Tax benefit from stock options exercised	-	3.0	-	-	-	3.0
Equity awards exercised	-	0.3	-	-	-	0.3
Dividends declared	-	-	(173.3)	-	-	(173.3)
Treasury stock purchased	-	-	-	(99.8)	-	(99.8)
Treasury stock retired	(3.2)	(2.3)	(94.3)	99.8	-	-
Balances as of 31 March 2017	**$ 229.1**	**$ 173.8**	**$ (612.9)**	**$ -**	**$ (2.2)**	**$ (212.2)**

The accompanying notes are an integral part of these consolidated financial statements.

1. Background and Basis of Presentation

Nature of Operations

James Hardie Industries plc ("JHI plc") manufactures and sells fiber cement building products for interior and exterior building construction applications, primarily in the United States, Canada, Australia, New Zealand, the Philippines and Europe.

Basis of Presentation

The consolidated financial statements represent the financial position, results of operations and cash flows of JHI plc and its wholly-owned subsidiaries and variable interest entity ("VIE"). Unless the context indicates otherwise, JHI plc and its direct and indirect wholly-owned subsidiaries and VIE (as of the time relevant to the applicable reference) are collectively referred to as "James Hardie", the "James Hardie Group" or the "Company". The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"). The US dollar is used as the reporting currency.

Reporting Segments

During the first quarter of fiscal year 2017, the Company changed its reportable operating segments in conjunction with how information is evaluated by the Chief Operating Decision Maker ("CODM") for the purpose of assessing segment performance and allocation of resources. The Company has revised its historical segment information at 31 March 2016 and for the years ended 31 March 2016 and 2015 to be consistent with the current reportable segment structure. The change in reportable segments had no effect on the Company's financial position, results of operations or cash flows for the periods presented. See Note 17 for further details on segment reporting.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements of the Company include the accounts of JHI plc, its wholly-owned subsidiaries and VIE. All intercompany balances and transactions have been eliminated in consolidation.

A VIE is an entity that is evaluated for consolidation using more than a simple analysis of voting control. The analysis is based on (i) what party has the power to direct the most significant activities of the VIE that impact its economic performance, and (ii) what party has rights to receive benefits or is obligated to absorb losses that are significant to the VIE. The analysis of the party that consolidates a VIE is a continual assessment.

In February 2007, the Company's shareholders approved the Amended and Restated Final Funding Agreement (the "AFFA"), an agreement pursuant to which the Company provides long-term funding to Asbestos Injuries Compensation Fund ("AICF"), a special purpose fund that provides compensation for the Australian-related personal injuries for which certain former subsidiary companies of James Hardie in Australia (being Amaca Pty Ltd ("Amaca"), Amaba Pty Ltd ("Amaba") and ABN 60 Pty Limited ("ABN 60") (collectively, the "Former James Hardie Companies")) are found liable. JHI plc owns 100% of James Hardie 117 Pty Ltd (the "Performing Subsidiary"), which, under the terms of the AFFA, has an obligation to make payments to AICF on an annual basis subject to the provisions of the AFFA. JHI plc guarantees the Performing Subsidiary's obligation. Additionally, the Company appoints three AICF directors and the New South Wales ("NSW") Government appoints two AICF directors.

Although the Company has no ownership interest in AICF, for financial reporting purposes, the Company consolidates AICF which is a VIE as defined under US GAAP due to its pecuniary and contractual interests in AICF as a result of the funding arrangements outlined in the AFFA. The Company's consolidation of AICF results in AICF's assets and liabilities being recorded on its consolidated balance sheets and AICF's income and expense transactions being recorded in the consolidated statements of operations and comprehensive income. These items are Australian dollar-denominated and are subject to remeasurement into US dollars at each reporting date.

For the fiscal years ended 31 March 2017 and 2016, the Company did not provide financial or other support to AICF that it was not previously contractually required to provide.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Foreign Currency Translation/ Remeasurement

All assets and liabilities are translated or remeasured into US dollars at current exchange rates while revenues and expenses are translated or remeasured at average exchange rates in effect for the period. The effects of foreign currency translation adjustments are included directly in other comprehensive income in shareholders' deficit. Gains and losses arising from foreign currency transactions are recognized in income currently.

The Company has recorded on its balance sheet certain Australian assets and liabilities, including asbestos-related assets and liabilities under the terms of the AFFA, that are denominated in Australian dollars and subject to translation (Australian entities) or remeasurement (AICF entity) into US dollars at each reporting date. Unless otherwise noted, the Company converts Australian dollar denominated assets and liabilities into US dollars at the current spot rate at the end of the reporting period; while revenues and expenses are converted using an average exchange rate for the period.

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents generally relate to amounts subject to letters of credit with insurance companies, which restrict the cash from use for general corporate purposes.

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is generally determined under the first-in, first-out method, except that the cost of raw materials and supplies is determined using actual or average costs. Cost includes the costs of materials, labor and applied factory overhead. On a regular basis, the Company evaluates its inventory balances for excess quantities and obsolescence by analyzing demand, inventory on hand, sales levels and other information. Based on these evaluations, inventory costs are adjusted to net realizable value, if necessary.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. Property, plant and equipment of businesses acquired are recorded at their estimated fair value at the date of acquisition. Depreciation of property, plant and equipment is computed using the straight-line method over the following estimated useful lives:

	Years
Buildings	10 to 40
Buildings Improvements	3 to 25
Leasehold Improvements	5 to 40
Machinery and Equipment	1 to 30

Depreciation and Amortization

The Company records depreciation and amortization under both cost of goods sold and selling, general and administrative expenses, depending on the asset's business use. All depreciation and amortization related to plant building, machinery and equipment is recorded in cost of goods sold.

Impairment of Long-Lived Assets

Long-lived assets, such as property, plant and equipment, are evaluated each quarter for events or changes in circumstances that indicate that an asset might be impaired because the carrying amount of the asset may not be recoverable. These include, without limitation, a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used, a current period operating or cash flow loss combined with a history of operating or cash flow losses, a projection or forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group and/or a current expectation that it is more likely than not that a long lived asset or asset group will be sold or otherwise disposed of significantly before the end of its previously estimated useful life.

When such indicators of potential impairment are identified, recoverability is tested by grouping long-lived assets that are used together and represent the lowest level for which cash flows are identifiable and distinct from the cash flows of other long-lived assets, which is typically at the production line or plant facility level, depending on the type of long-lived asset subject to an impairment review.

Recoverability is measured by a comparison of the carrying amount of the asset group to the estimated undiscounted future cash flows expected to be generated by the asset group. If the carrying amount exceeds the estimated undiscounted future cash flows, an impairment charge is recognized at the amount by which the carrying amount exceeds the estimated fair value of the asset group.

The methodology used to estimate the fair value of the asset group is based on a discounted cash flow analysis that considers the asset group's highest and best use that would maximize the value of the asset group. In addition, the estimated fair value of an asset group also considers, to the extent practicable, a market participant's expectations and assumptions in estimating the fair value of the asset group. If the estimated fair value of the asset group is less than the carrying value, an impairment loss is recognized at an amount equal to the excess of the carrying value over the estimated fair value of the asset group.

See Note 7 for additional information.

Accrued Product Warranties

An accrual for estimated future warranty costs is recorded based on an analysis by the Company, which includes the historical relationship of warranty costs to installed product at an estimated remediation cost per standard foot. Based on this analysis and other factors, the adequacy of the Company's warranty provisions is adjusted as necessary.

Debt

The Company’s debt consists of senior unsecured notes and a revolving credit facility. The senior unsecured notes are recorded at cost net of the original issue discount. The related original issue discount and the borrowing costs are amortized over the term of the borrowing using the effective interest method. The revolving credit facility is recorded at cost. The related borrowing costs are amortized over the term of the borrowing using the effective interest method. Debt is presented as current if the liability is due to be settled within 12 months after the balance sheet date. Readers are referred to the discussion later in this footnote under Fair Value Measurements and Note 12 for the Company’s fair value considerations.

In addition, the Company consolidates AICF which has a loan facility. Readers are referred to the discussion later in this footnote under Asbestos-related Accounting Policies.

Revenue Recognition

The Company recognizes revenue when the risks and obligations of ownership have been transferred to the customer, which generally occurs at the time of delivery to the customer. The Company records estimated reductions in sales for customer rebates and discounts including volume, promotional, cash and other discounts. Rebates and discounts are recorded based on management's best estimate when products are sold. The estimates are based on historical experience for similar programs and products. Management reviews these rebates and discounts on an ongoing basis and the related accruals are adjusted, if necessary, as additional information becomes available.

A portion of the Company’s revenue is made through distributors under a Vendor Managed Inventory agreement whereby revenue is recognized upon the transfer of title and risk of loss to the distributors.

Income Taxes

The Company accounts for income taxes under the asset and liability method. Under this method, deferred income taxes are recognized by applying enacted statutory rates applicable to future years to differences between the tax bases and financial reporting amounts of existing assets and liabilities. The effect on deferred taxes of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided when it is more likely than not that all or some portion of deferred tax assets will not be realized. Interest and penalties related to uncertain tax positions are recognized in Income tax expense on the consolidated statements of operations and comprehensive income.

Financial Instruments

The Company calculates the fair value of financial instruments and includes this additional information in the notes to the consolidated financial statements. The estimated fair value amounts have been determined by the Company using available market information and appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to develop the estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

Periodically, interest rate swaps, commodity swaps and forward exchange contracts are used to manage market risks and reduce exposure resulting from fluctuations in interest rates, commodity prices and foreign currency exchange rates. Changes in the fair value that are not designated as hedges are recorded in earnings within Other income (expense) at each measurement date. The Company does not use derivatives for trading purposes. Readers are referred to Note 12 for discussion on financial instruments.

Fair Value Measurements

Assets and liabilities of the Company that are carried or disclosed, at fair value are classified in one of the following three categories:

Level 1 Quoted market prices in active markets for identical assets and liabilities that the Company has the ability to access at the measurement date;

Level 2 Observable market-based inputs or unobservable inputs that are corroborated by market data for the asset or liability at the measurement date;

Level 3 Unobservable inputs that are not corroborated by market data used when there is minimal market activity for the asset or liability at the measurement date.

Fair value measurements of assets and liabilities are assigned a level within the fair value hierarchy based on the lowest level of any input that is significant to the fair value measurement in its entirety.

The carrying amounts of Cash and Cash Equivalents, Restricted cash and cash equivalents, Trade receivables, Trade payables and Revolving Credit Facility approximates their respective fair values due to the short-term nature of these instruments.

Stock-based Compensation

Stock-based compensation expense represents the estimated fair value of equity-based and liability-classified awards granted to employees, adjusted for estimated forfeitures, and recognized as an expense over the vesting period. Stock-based compensation expense is included in the line item Selling, general and administrative expenses on the consolidated statements of operations and comprehensive income.

Equity awards with vesting based solely on a service condition are typically subject to graded vesting, in that the awards vest 25% after the first year, 25% after the second year and 50% after the third year. For equity awards subject to graded vesting, the Company has elected to use the accelerated recognition method. Accordingly, each vesting tranche is valued separately, and the recognition of stock-based compensation expense is more heavily weighted earlier in the vesting period. Stock-based compensation expense for equity awards that are subject to performance or market vesting conditions are typically recognized ratably over the vesting period. The Company issues new shares to award recipients upon exercise of stock options or when the vesting condition for restricted stock units ("RSU's") has been satisfied.

For RSU's subject to a service vesting condition, the fair value is equal to the market value of the Company's common stock on the date of grant, adjusted for the fair value of estimated dividends as the restricted stock holder is not entitled to dividends over the vesting period. For RSU's subject to a scorecard performance vesting condition, the fair value is adjusted for changes in JHI plc's common stock price at each balance sheet date until the end of the performance period. For RSU's subject to a market vesting condition, the fair value is estimated using a Monte Carlo Simulation.

Compensation expense recognized for liability-classified awards are based on the fair market value of JHI plc's common stock on the date of grant and recorded as a liability. The liability is adjusted for subsequent changes in JHI plc's common stock price at each balance sheet date.

Earnings Per Share

The Company discloses basic and diluted earnings per share ("EPS"). Basic EPS is calculated using net income divided by the weighted average number of common shares outstanding during the period. Diluted EPS is similar to basic EPS except that the weighted average number of common shares outstanding is increased to include the number of additional common shares calculated using the Treasury Method that would have been outstanding if the dilutive potential common shares, such as stock options and RSU's, had been issued.

Basic and dilutive common shares outstanding used in determining net income per share are as follows:

	Years Ended 31 March		
(Millions of shares)	**2017**	2016	2015
Basic common shares outstanding	**442.7**	445.3	445.0
Dilutive effect of stock awards	**1.2**	1.9	1.4
Diluted common shares outstanding	**443.9**	447.2	446.4

(US dollars)	**2017**	2016	2015
Net income per share - basic	**0.62**	0.55	0.65
Net income per share - diluted	**0.62**	0.55	0.65

Potential common shares of 1.8 million, 1.3 million and 1.7 million for the years ended 31 March 2017, 2016 and 2015, respectively, have been excluded from the calculation of diluted common shares outstanding because the effect of their inclusion would be anti-dilutive.

Unless they are anti-dilutive, RSU's which vest solely based on continued employment are considered to be outstanding as of their issuance date for purposes of computing diluted EPS and are included in the calculation of diluted EPS using the Treasury Method. Once these RSU's vest, they are included in the basic EPS calculation on a weighted-average basis.

RSU's which vest based on performance or market conditions are considered contingent shares. At each reporting date prior to the end of the contingency period, the Company determines the number of contingently issuable shares to include in the diluted EPS calculation, as the number of shares that would be issuable under the terms of the RSU arrangement, if the end of the reporting period were the end of the contingency period. Once these RSU's vest, they are included in the basic EPS calculation on a weighted-average basis.

Asbestos-related Accounting Policies

Asbestos Liability

The amount of the asbestos liability has been recognized by reference to (but not exclusively based upon) the most recent actuarial estimate of projected future cash flows as calculated by KPMG Actuarial Pty Ltd ("KPMGA"), who are engaged and appointed by AICF under the terms of the AFFA. Based on their assumptions, KPMGA arrived at a range of possible total future cash flows and calculated a central estimate, which is intended to reflect a probability-weighted expected outcome of those actuarially estimated future cash flows projected by KPMGA to occur through 2077.

The Company recognizes the asbestos liability in the consolidated financial statements by reference to (but not exclusively based upon) the undiscounted and uninflated central estimate. The Company considered discounting when determining the best estimate under US GAAP. The Company has recognized the asbestos liability by reference to (but not exclusively based upon) the central estimate as undiscounted on the basis that the timing and amounts of such cash flows are not fixed or readily determinable. The Company considered inflation when determining the best estimate under US GAAP. It is the Company's view that there are material uncertainties in estimating an appropriate rate of inflation over the extended period of the AFFA. The Company views the undiscounted and uninflated central estimate as the best estimate under US GAAP.

Adjustments in the asbestos liability due to changes in the actuarial estimate of projected future cash flows and changes in the estimate of future operating costs of AICF are reflected in the consolidated statements of operations and comprehensive income during the period in which they occur. Claims paid by AICF and claims-handling costs incurred by AICF are treated as reductions in the accrued liability balances.

Insurance Receivable

The insurance receivable recorded by the Company has been recognized by reference to (but not exclusively based upon) the most recent actuarial estimate of recoveries expected from insurance policies and insurance companies with exposure to the asbestos claims, as calculated by KPMGA. The assessment of recoveries is based on the expected pattern of claims against such policies less an allowance for credit risk based on credit agency ratings. The insurance receivable generally includes these cash flows as undiscounted and uninflated, however, where the timing of recoveries has been agreed with the insurer, the receivables are recorded on a discounted basis. The Company records insurance receivables that are deemed probable of being realized.

Adjustments in the insurance receivable due to changes in the actuarial estimate, or changes in the Company's assessment of recoverability are reflected in the consolidated statements of operations and comprehensive income during the period in which they occur. Insurance recoveries are treated as a reduction in the insurance receivable balance.

Workers' Compensation

An estimate of the liability related to workers' compensation claims is prepared by KPMGA as part of the annual actuarial assessment. This estimate contains two components, amounts that will be met by a workers' compensation scheme or policy, and amounts that will be met by the Former James Hardie Companies.

The estimated liability is included as part of the asbestos liability and adjustments to the estimate are reflected in the consolidated statements of operations and comprehensive income during the period in which they occur. Amounts that are expected to be paid by the workers' compensation schemes or policies are recorded as workers' compensation receivable. Adjustments to the workers' compensation liability result in an equal adjustment in the workers' compensation receivable recorded by the Company and have no effect on the consolidated statements of operations and comprehensive income.

Restricted Cash and Cash Equivalents

Cash and cash equivalents of AICF are reflected as restricted assets, as the use of these assets is restricted to the settlement of asbestos claims and payment of the operating costs of AICF. Since cash and cash equivalents are highly liquid, the Company classifies these amounts as a current asset on the consolidated balance sheets.

Short-Term Debt

AICF has access to a secured loan facility (the "AICF Loan Facility") made available by the NSW Government, which can be used by AICF to fund the payment of asbestos claims and certain operating and legal costs of AICF and Former James Hardie Companies (together, the "Obligors").

Interest accrues daily on amounts outstanding, is calculated based on a 365-day year and is payable monthly. AICF may, at its discretion, elect to accrue interest payable on amounts outstanding under the AICF Loan Facility on the date interest becomes due and payable.

Deferred Income Taxes

The Performing Subsidiary is able to claim a tax deduction for its contributions to AICF over a five-year period commencing in the year the contribution is incurred. Consequently, a deferred tax asset has been recognized equivalent to the anticipated tax benefit over the life of the AFFA.

Adjustments are made to the deferred income tax asset as adjustments to the asbestos-related assets and liabilities are recorded.

Asbestos Adjustments

The Asbestos adjustments reflected in the consolidated statements of operations and comprehensive income reflect the net change in the actuarial estimate of the asbestos liability and insurance receivables and change in the estimate of AICF claims handling costs. Additionally, as the asbestos-related assets and liabilities are denominated in Australian dollars, the reported values of these asbestos-related assets and liabilities in the Company's consolidated balance sheets in US dollars are subject to adjustment depending on the closing exchange rate between the two currencies at the balance sheet dates, the effect of which is also included in Asbestos adjustments in the consolidated statements of operations and comprehensive income.

Asbestos Impact on Statement of Cash Flows

Asbestos Adjustments

The Asbestos adjustments, as recorded on the consolidated statements of operations and comprehensive income (as described above) is presented as a reconciling item from net income to cash flows from operating activities in the consolidated statements of cash flows.

Operating assets and liabilities related to Asbestos

Movements in the operating assets and liabilities related to asbestos (asbestos liability, insurance receivable, restricted cash and cash equivalents, restricted short-term investments) recorded on the balance sheets are reflected in the cash flow from operating activities section of the consolidated statements of cash flows as a change in operating assets and liabilities.

Payment to AICF

Payments made to AICF by the Performing Subsidiary under the terms of the AFFA are reflected in the consolidated statements of cash flows as a change in operating assets and liabilities.

AICF Loan Facility

Any drawings, repayments, or payments of accrued interest under the AICF Loan Facility, made by AICF, are offset against movement in restricted cash in the cash flow from operating activities section of the consolidated statements of cash flows.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, which provides guidance requiring companies to recognize revenue depicting the transfer of goods or services to customers in amounts that reflect the payment to which a company expects to be entitled in exchange for those goods or services. ASU No. 2014-09 also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASU No. 2014-09 is effective for annual reporting periods beginning after 15 December 2017, and interim periods within those years, with early adoption permitted for annual reporting periods beginning after 15 December 2016. Companies may use either a full retrospective or a modified retrospective approach to adopt ASU No. 2014-09. The Company will adopt ASU 2014-09 (and related clarifying guidance issued by the FASB) starting with the fiscal year beginning 1 April 2018. The Company has begun its process for implementing this guidance, including performing a preliminary review of all revenue streams to identify any differences in the timing, measurement or presentation of revenue recognition. The Company will continue to assess the method of adoption and the overall impact the adoption will have on the consolidated financial statements.

In August 2014, the FASB issued ASU No. 2014-15, which defines management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. The amendments in ASU No. 2014-15 are effective for fiscal years and interim periods within those years, ending after 15 December 2016, with early adoption permitted. The Company adopted ASU No. 2014-15 in the current fiscal year; which had no impact to its consolidated financial statements.

In April 2015, the FASB issued ASU No. 2015-03, which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The amendments in ASU No. 2015-03 were effective for fiscal years and interim periods within those years, beginning after 15 December 2015, with early adoption permitted. The new guidance shall be applied on a retrospective basis, wherein the balance sheet of each individual period presented should be adjusted to reflect the period-specific effects of applying the new guidance. The Company adopted ASU 2015-03 starting with the fiscal year beginning 1 April 2016. The balances at 31 March 2016 of US$1.6 million and US$9.4 million were reclassified from Prepaid expenses and other current assets and Other assets, respectively, and are now included as an offset to Long-term debt in accordance with ASU No. 2015-03.

In July 2015, the FASB issued ASU No. 2015-11, which requires inventory to be measured at the lower of cost or net realizable value. The amendments in ASU No. 2015-11 are effective for fiscal years and interim periods within those years, beginning after 15 December 2016, with early adoption permitted. The new guidance shall be applied on a prospective basis. The Company adopted ASU No. 2015-11 in the current fiscal year; which had no impact to its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, which provides guidance on the amount, timing, and uncertainty of cash flows arising from leases. The standard requires lessees to recognize lease assets and lease liabilities on the balance sheet and requires expanded disclosures about leasing arrangements. Lessor accounting will remain largely unchanged from current guidance, however ASU 2016-02 will provide improvements that are intended to align lessor accounting with the lessee model and with updated revenue recognition guidance. The amendments in ASU No. 2016-02 are effective for fiscal years and interim periods within those years, beginning after 15 December 2018, with early adoption permitted. The Company is currently evaluating the impact of the new guidance on its financial statements.

In March 2016, the FASB issued ASU No. 2016-09, which provides guidance to simplify several aspects of the accounting for share-based payment transactions including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The amendments in ASU No. 2016-09 were effective for fiscal years and interim periods within those years, beginning after 15 December 2016, with early adoption permitted. An entity that elects early adoption must adopt all of the amendments in the same period. Amendments related to the timing of when excess tax benefits are recognized, minimum statutory withholding requirements, forfeitures, and intrinsic value shall be applied on a modified retrospective basis, wherein the beginning retained earnings in the period in which the guidance is adopted should include a cumulative-effect adjustment to reflect the effects of applying the new guidance. Amendments related to the presentation of employee taxes paid on the statements of cash flows shall be applied retrospectively. Amendments requiring recognition of excess tax benefits and tax deficiencies in the consolidated statements of operations and comprehensive income and the practical expedient for estimating term shall be applied prospectively. An entity may elect to apply the amendments related to the presentation of excess tax benefits on the statements of cash flows using either a prospective transition method or a retrospective transition method. The Company will adopt ASU No. 2016-19 starting with the fiscal year beginning 1 April 2017. Upon adoption, the Company will recognize forfeitures as they occur and will apply the change in classification of cash flows resulting from excess tax benefits or deficiencies on a prospective basis. The Company does not expect the adoption of this standard to have a material impact on its consolidated financial statements.

In August 2016, the FASB issued ASU No. 2016-15, which provides clarification regarding how certain cash receipts and cash payments are presented and classified in the consolidated statements of cash flows. Among the types of cash flows addressed are payments for costs related to debt prepayments or extinguishments, payments representing accreted interest on discounted debt, payments of contingent consideration after a business combination, proceeds from insurance claims and company-owned life insurance, and distributions from equity method investees, among others. The amendments in ASU No. 2016-15 are effective for fiscal years and interim periods within those years, beginning after 15 December 2017, with early adoption permitted. The Company early adopted ASU No. 2016-15 in the current fiscal year which had no impact to its consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-16, which requires entities to recognize the income tax consequences of intra-entity transfers of assets other than inventory when the transfer occurs. The amendments in ASU No. 2016-16 are effective for fiscal years and interim periods within those years, beginning after 15 December 2017, with early adoption permitted. The amendments in ASU No. 2016-16 shall be applied on a modified retrospective basis, wherein the beginning retained earnings in the period in which the guidance is adopted should include a cumulative-effect adjustment to reflect the effects of applying the new guidance. The Company is currently evaluating the impact of the new guidance on its consolidated financial statements.

In November 2016, the FASB issued ASU No. 2016-18, which requires the statement of cash flows to explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents. The amendments in ASU No. 2016-18 are effective for fiscal years and interim periods within those years, beginning after 15 December 2017, with early adoption permitted. The amendments in ASU No. 2016-18 shall be applied on a retrospective basis for each period presented. The Company is currently evaluating the impact of the new guidance on its financial statements.

In January 2017, the FASB issued ASU No. 2017-01, which clarifies the definition of a business, to assist entities with evaluating whether transactions should be accounted for as acquisitions or disposals of either assets or of businesses. The amendments in ASU No. 2017-01 are effective for fiscal years and interim periods within those years, beginning after 15 December 2017, on a prospective basis. Early application of the amendments in ASU No. 2017-01 is allowable for transactions in which the acquisition date, the date of the deconsolidation of a subsidiary or the date a group of assets is derecognized occurs before the report issuance date. The Company is currently evaluating the impact of the new guidance on its consolidated financial statements.

3. Cash and Cash Equivalents

Cash and cash equivalents include amounts on deposit in banks and cash invested temporarily in various highly liquid financial instruments with original maturities of three months or less when acquired.

4. Restricted Cash and Cash Equivalents

Included in restricted cash and cash equivalents is US$5.0 million related to an insurance policy at 31 March 2017 and 2016, which restricts the cash from use for general corporate purposes.

5. Accounts and Other Receivables

Accounts and other receivables consist of the following components:

	31 March			
(Millions of US dollars)		**2017**		2016
Trade receivables	**$**	**194.5**	$	169.6
Other receivables and advances		**5.9**		4.8
Provision for doubtful trade debts		**(0.9)**		(1.1)
Total accounts and other receivables	**$**	**199.5**	$	173.3

The collectability of accounts receivable, consisting mainly of trade receivables, is reviewed on an ongoing basis. A provision for doubtful trade debts is provided for known and estimated bad debts by analyzing specific customer accounts and assessing the risk of uncollectability based on insolvency, disputes or other collection issues.

The following are changes in the provision for doubtful trade debts:

	31 March					
(Millions of US dollars)		**2017**		2016		2015
Balance at beginning of period	**$**	**1.1**	$	0.8	$	1.0
Adjustment to provision		**(0.1)**		0.5		(0.1)
Write-offs, net of recoveries		**(0.1)**		(0.2)		(0.1)
Balance at end of period	**$**	**0.9**	$	1.1	$	0.8

6. Inventories

Inventories consist of the following components:

	31 March	
(Millions of US dollars)	**2017**	2016
Finished goods	**$ 146.7**	$ 144.4
Work-in-process	**6.5**	5.7
Raw materials and supplies	**57.5**	50.7
Provision for obsolete finished goods and raw materials	**(7.8)**	(7.8)
Total inventories	**$ 202.9**	$ 193.0

As of 31 March 2017 and 2016, US$29.8 million and US$32.1 million, respectively, of the Company's finished goods inventory balance was held at third-party locations.

7. Property, Plant and Equipment

Property, plant and equipment consist of the following components:

(Millions of US dollars)								Machinery and		Construction in		
Cost or valuation:		Land		Buildings		Equipment		Progress [1]		Total
At 31 March 2015	$	70.2	$	239.8	$	974.6	$	248.9	$	1,533.5
Additions [2]		-		27.0		155.5		(103.9)		78.6
Disposals [3]		-		(0.7)		(65.8)		(1.5)		(68.0)
Exchange differences		(0.1)		(0.1)		(1.9)		-		(2.1)
At 31 March 2016	$	70.1	$	266.0	$	1,062.4	$	143.5	$	1,542.0
Additions [2]		1.3		2.3		27.8		81.8		113.2
Transfers		1.9		23.1		112.3		(137.3)		-
Disposals [3]		-		(1.4)		(55.5)		(0.5)		(57.4)
Other [4]		-		(12.5)		-		6.4		(6.1)
Exchange differences		(0.4)		(0.8)		(2.4)		(0.1)		(3.7)
Adjustment [5]		(3.4)		67.8		31.1		(37.2)		58.3
At 31 March 2017	$	69.5	$	344.5	$	1,175.7	$	56.6	$	1,646.3
Accumulated depreciation:										
At 31 March 2015	$	-	$	(88.2)	$	(565.2)	$	-	$	(653.4)
Charge for the year		-		(10.7)		(65.6)		-		(76.3)
Disposals [3]		-		0.5		51.1		-		51.6
Exchange differences		-		0.2		2.9		-		3.1
At 31 March 2016	$	-	$	(98.2)	$	(576.8)	$	-	$	(675.0)
Charge for the year		-		(10.2)		(70.1)		-		(80.3)
Disposals [3]		-		1.3		41.1		-		42.4
Other [4]		-		1.6		-		-		1.6
Exchange differences		-		0.3		2.0		-		2.3
Adjustment [5]		-		(22.8)		(35.5)		-		(58.3)
At 31 March 2017	$	-	$	(128.0)	$	(639.3)	$	-	$	(767.3)
Net book amount:										
At 31 March 2016	$	70.1	$	167.8	$	485.6	$	143.5	$	867.0
At 31 March 2017	$	69.5	$	216.5	$	536.4	$	56.6	$	879.0

1 Construction in progress is presented net of assets transferred into service.

2 Additions include US$2.0 million and US$3.2 million of capitalized interest for the years ended 31 March 2017 and 2016, respectively.

3 The US$15.0 million net book value of disposals in fiscal year 2017 includes US$13.1 million of usage of replacement parts and US$0.5 million of impairment charges on individual assets. The remaining net book value of disposals of US$1.4 million is related to the disposal of assets no longer in use, and do not represent a sale of assets.

4 Other includes the transfer of the Fontana building to Prepaid and other current assets on the consolidated balance sheet. The Fontana building met the held for sale criteria as of 31 March 2017 and has a net book value of US$4.5 million.

5 The adjustments correct immaterial errors identified by management during the current year in classification in prior periods whereby certain amounts were misclassified by asset category and certain fully depreciated items were excluded from the balances. The correction had no impact on the consolidated balance sheets, statements of operations and comprehensive income, and cash flows for any of the periods presented.

Depreciation expense for the years ended 31 March 2017, 2016 and 2015 was US$80.3 million, US$76.3 million and US$70.2 million, respectively.

Impairment of Long-Lived Assets

The Company performs an asset impairment review on a quarterly basis in connection with its assessment of production capabilities and the Company's ability to meet market demand.

During the years ended 31 March 2017, 2016 and 2015, the Company recorded US$0.5 million, US$3.5 million and US$3.7 million of impairment charges related to individual assets which is included in Cost of goods sold on the consolidated statements of operations and comprehensive income.

8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consist of the following components:

	31 March	
(Millions of US dollars)	**2017**	2016
Trade creditors	**$ 108.4**	$ 77.2
Accrued Interest	**4.8**	6.3
Other creditors and accruals	**60.3**	43.7
Total accounts payable and accrued liabilities	**$ 173.5**	$ 127.2

9. Long-Term Debt

At 31 March 2017, the Company had two forms of debt; a revolving credit facility and senior unsecured notes. The effective weighted average interest rate on the Company's total debt was 4.8% and 4.5% at 31 March 2017 and 31 March 2016, respectively. The weighted average term of all debt, including undrawn facilities, was 4.7 years and 5.6 years at 31 March 2017 and 2016, respectively.

Revolving Credit Facility

In December 2015, James Hardie International Finance Designated Activity Company ("JHIF") and James Hardie Building Products Inc. ("JHBP"), each a wholly-owned subsidiary of JHI plc, entered into a new US$500.0 million revolving credit facility (the "Revolving Credit Facility") with certain commercial banks and HSBC Bank USA, National Association, as administrative agent. The Revolving Credit Facility expires in December 2020 and the size of the facility may be increased by up to US$250.0 million.

Debt issuance costs in connection with the Revolving Credit Facility are recorded as an offset to Long-Term Debt in the Company's consolidated balance sheet and are being amortized as interest expense using the effective interest method over the stated term of 5 years. At 31 March 2017 and 2016, the Company's total debt issuance costs have an unamortized balance of US$3.1 million and US$3.9 million, respectively.

The amount drawn under the Revolving Credit Facility was US$175.0 million and US$190.0 million at 31 March 2017 and 2016, respectively.

The effective weighted average interest rate on the Company's total outstanding Revolving Credit Facility was 2.5% and 2.0% at 31 March 2017 and 2016, respectively.

Borrowings under the Revolving Credit Facility bear interest at per annum rates equal to, at borrower's option, either: (i) the London Interbank Offered Rate ("LIBOR") plus an applicable margin for LIBOR loans; or (ii) a base rate plus an applicable margin for base rate loans. The base rate is calculated as the highest of (x) the rate that the administrative agent announces from time to time as its prime lending rate, as in effect from time to time, (y) 1/2 of 1% in excess of the overnight Federal Funds Rate, and (z) LIBOR for an interest period of one month plus 1.00%. The applicable margin is calculated based on a pricing grid that in each case is linked to our consolidated net leverage ratio. For LIBOR Loans, the applicable margin ranges from 1.25% to 2.00%, and for base rate loans it ranges from 0.25% to 1.00%. We also pay a commitment fee of between 0.20% and 0.35% on the actual daily amount of the unutilized revolving loans. The applicable commitment fee percentage is based on a pricing grid linked to the company's consolidated net leverage ratio.

In the event that JHIF's or James Hardie International Group Limited's ("JHIGL"), as applicable, long-term senior unsecured non-credit enhanced rating from each of Standard & Poor's Financial Group, a division of The McGraw Hill Companies ("S&P"), and Moody's Investors Service, Inc. ("Moody's") is at least BBB- from S&P, and at least Baa3 from Moody's, at JHIF's election, for new borrowings under the Revolving Credit Facility, an alternate applicable rate may be applied with respect to the commitment fee of 0.25% per annum and an alternative margin may be applied with respect to: (a) LIBOR Loans, 1.50%; and (b) base rate loans, 0.50%.

The Revolving Credit Facility is guaranteed by each of JHIGL and James Hardie Technology Limited, each of which are wholly-owned subsidiaries of JHI plc.

The Revolving Credit Facility agreement contains certain covenants that, among other things, restrict JHIGL and its restricted subsidiaries' ability to incur indebtedness and grant liens other than certain types of permitted indebtedness and permitted liens, make certain restricted payments, and undertake certain types of mergers or consolidations actions. In addition, the Company: (i) must not exceed a maximum ratio of net debt to earnings before interest, tax, depreciation and amortization, excluding all asbestos-related liabilities, assets, income, gains, losses and charges other than AICF payments, all AICF selling, general and administrative ("SG&A") expenses, all Australian Securities and Investment Commission ("ASIC")-related expenses, all recoveries and asset impairments, and all New Zealand product liability expenses and (ii) must meet or exceed a minimum ratio of earnings before interest, tax, depreciation and amortization to interest charges, excluding all income, expense and other profit and loss statement impacts of asbestos income, gains, losses and charges, all AICF SG&A expenses, all ASIC-related expenses, all recoveries and asset impairments, and all New Zealand product liability expenses. At 31 March 2017, the Company was in compliance with all covenants contained in the Revolving Credit Facility agreement.

Senior Unsecured Notes

In February 2015, JHIF, a wholly-owned subsidiary of JHI plc, completed the sale of US$325.0 million aggregate principal amount of senior unsecured notes due 15 February 2023. Interest is payable semi-annually in arrears on 15 February and 15 August of each year, at a rate of 5.875%.

The senior notes were sold at an offering price of 99.213% of par value, an original issue discount of US$2.6 million. Debt issuance costs in connection with the offering are recorded as an offset to Long-Term Debt on the Company's consolidated balance sheet. Both the discount and the debt issuance costs are being amortized as interest expense using the effective interest method over the stated term of 8 years. The discount has an unamortized balance of US$1.9 million and US$2.2 million at 31 March 2017 and 2016, respectively. The debt issuance costs have an unamortized balance of US$6.0 million and US$7.1 million at 31 March 2017 and 2016, respectively.

In July 2016, JHIF completed the re-offering and sale of an additional US$75.0 million aggregate principal amount of its 5.875% senior notes due 2023. The senior notes issued and sold pursuant to the re-offering constitute a further issuance of, and are consolidated with, the US$325.0 million aggregate principal amount of 5.875% senior notes issued in February 2015 and form a single series with the outstanding notes. The re-offered senior notes have the same terms (other than issue date and issue price) as those of the outstanding notes and were sold at an offering price of 103.0% of par value, plus accrued and unpaid interest from 15 February 2016 (as if the senior notes had been issued on such date). Following the completion of this re-offering, the aggregate principal amount of senior notes due in 2023 is US$400.0 million.

The re-offering was sold at an offering price of 103.0% of par value, a premium of US$2.3 million. Debt issuance costs in connection with the re-offering are recorded as an offset to Long-Term Debt on the Company's consolidated balance sheet. Both the premium and the debt issuance costs are being amortized as interest expense using the effective interest method over 6.6 years, the term of the US$75.0 million re-offering. The premium has an unamortized balance of US$2.0 million at 31 March 2017. The debt issuance costs have an unamortized balance of US$1.5 million at 31 March 2017.

The senior notes are guaranteed by JHIGL, James Hardie Technology Limited and JHBP, each of which are wholly-owned subsidiaries of JHI plc.

The senior notes and guarantees are senior unsecured obligations of JHIF and guarantors and rank equal in right of payment with all of JHIF's and the guarantors' existing and future senior debt; rank senior in right of payment to all of JHIF's and the guarantors' existing and future subordinated debt; are structurally subordinated to all liabilities of the Company's existing and future subsidiaries that do not guarantee the senior notes; and are effectively subordinated in right of payment to all of JHIF's and the guarantors' secured indebtedness to the extent of the value of the assets securing such indebtedness.

Before 15 February 2018, JHIF may redeem up to 35% of the aggregate principal amount of the senior notes with the net cash proceeds of certain equity offerings at a redemption price of 105.875% of the principal amount plus accrued and unpaid interest, if any, up to but excluding, the redemption date. JHIF may also redeem some or all of the senior notes before 15 February 2018 at a redemption price of 100% of the principal amount, plus accrued and unpaid interest, plus a make whole premium equal to the greater of: (i) 1.0% of the principal amount of such note; and (ii) the excess, if any, of (x) the present value of the sum of the principal amount and premium that would be payable on such note on 15 February 2018 and all remaining interest payments to and including 15 February 2018, discounted on a semi-annual basis from 15 February 2018 to the redemption date at a per annum interest rate equal to the applicable treasury rate plus 50 basis points, over (y) the outstanding principal amount of such note.

On or after 15 February 2018, JHIF may redeem all or a part of the senior notes at any time or from time to time at the redemption prices (expressed as percentages of the principal amount) set forth in the following table plus accrued and unpaid interest, if any, to the applicable redemption date, if redeemed during the 12-month period beginning 15 February, of the years indicated:

Year	Percentage
2018	104.406%
2019	102.938%
2020	101.469%
2021 and thereafter	100.000%

In addition, if a change of control triggering event occurs with respect to the senior notes, as defined in the indenture, JHIF may be required to offer to repurchase the notes at a price equal to 101% of the principal amount of the senior notes, plus accrued and unpaid interest, if any, to, but not including, the date of the purchase.

The indenture governing the senior notes contains covenants that, among other things, limit the ability of the guarantors and their restricted subsidiaries to incur liens on assets, make certain restricted payments, engage in certain sale and leaseback transactions and merge or consolidate with or into other companies. These covenants are subject to certain exceptions and qualifications as described in the indenture. At 31 March 2017, the Company was in compliance with all of its requirements under the indenture related to the senior unsecured notes.

The Company's senior unsecured notes have an estimated fair value of US$414.0 million and US$329.1 million at 31 March 2017 and 2016, respectively based on the trading price observed in the market at or near the balance sheet date and are categorized as Level 1 within the fair value hierarchy.

Global Exchange Market Listing

On 19 March 2015, the senior notes were admitted to listing on the Global Exchange Market ("GEM") which is operated by the Irish Stock Exchange. On 11 August 2016, the US$75.0 million re-offered senior notes were admitted to listing on the GEM. The notes were consolidated and form a single series with the US$325.0 million 5.875% senior notes due 2023 issued on 10 February 2015. Interest paid on the senior notes quoted on the GEM is not subject to Irish withholding tax.

10. Product Warranties

The Company offers various warranties on its products, including a 30-year limited warranty on certain of its fiber cement siding products in the United States. A typical warranty program requires the Company to replace defective products within a specified time period from the date of sale. It is possible that future warranty costs could differ from those estimates.

The following are the changes in the product warranty provision:

	31 March		
(Millions of US dollars)	**2017**	2016	2015
Balance at beginning of period	**$ 45.3**	$ 35.2	$ 31.4
Accruals for product warranties	**17.0**	28.0	16.0
Settlements made in cash or in kind	**(15.7)**	(17.9)	(12.2)
Balance at end of period	**$ 46.6**	$ 45.3	$ 35.2

11. Asbestos

The AFFA was approved by shareholders in February 2007 to provide long-term funding to AICF. For a discussion of the AFFA and the accounting policies utilized by the Company related to the AFFA and AICF, see Note 2.

Asbestos Adjustments

The Asbestos adjustments included in the consolidated statements of operations and comprehensive income comprise the following:

	Years Ended 31 March		
(Millions of US dollars)	**2017**	2016	2015
Change in estimates:			
Change in actuarial estimate - asbestos liability	**$ 44.7**	$ 2.4	$ (129.0)
Change in actuarial estimate - insurance receivable	**(8.2)**	4.5	16.6
Change in estimate - AICF claims-handling costs	**2.1**	1.2	1.1
Subtotal - Change in estimates	**38.6**	8.1	(111.3)
Gain (loss) on foreign currency exchange	**1.8**	(2.6)	144.7
Total Asbestos Adjustments	**$ 40.4**	$ 5.5	$ 33.4

Actuarial Study; Claims Estimate

AICF commissioned an updated actuarial study of potential asbestos-related liabilities as of 31 March 2017. Based on KPMGA's assumptions, KPMGA arrived at a range of possible total cash flows and calculated a central estimate, which is intended to reflect a probability-weighted expected outcome of those actuarially estimated future cash flows.

The following table sets forth the central estimates, net of insurance recoveries, calculated by KPMGA as of 31 March 2017:

	Year Ended 31 March 2017	
(Millions of US and Australian dollars, respectively)	**US$**	**A$**
Central Estimate - Discounted and Inflated	1,330.1	1,740.1
Central Estimate - Undiscounted but Inflated	1,681.5	2,199.7
Central Estimate - Undiscounted and Uninflated	1,059.2	1,385.7

The asbestos liability has been revised to reflect the most recent undiscounted and uninflated actuarial estimate prepared by KPMGA as of 31 March 2017.

In estimating the potential financial exposure, KPMGA has made a number of assumptions, including, but not limited to, assumptions related to the total number of claims that are reasonably estimated to be asserted through 2077, the typical cost of settlement (which is sensitive to, among other factors, the industry in which a plaintiff claims exposure, the alleged disease type, the age of the claimant and the jurisdiction in which the action is brought), the legal costs incurred in the litigation of such claims, the rate of receipt of claims, the settlement strategy in dealing with outstanding claims and the timing of settlements.

Due to inherent uncertainties in the legal and medical environment, the number and timing of future claim notifications and settlements, the recoverability of claims against insurance contracts, and estimates of future trends in average claim awards, as well as the extent to which the above named entities will contribute to the overall settlements, the actual liability could differ materially from that which is currently recorded.

The potential range of costs as estimated by KPMGA is affected by a number of variables such as nil settlement rates, peak year of claims, past history of claims numbers, average settlement rates, past history of Australian asbestos-related medical injuries, current number of claims, average defense and plaintiff legal costs, base wage inflation and superimposed inflation. The potential range of losses disclosed includes both asserted and unasserted claims.

A sensitivity analysis performed by KPMGA to determine how the actuarial estimates would change if certain assumptions (i.e., the rate of inflation and superimposed inflation, the average costs of claims and legal fees, and the projected numbers of claims) were different from the assumptions used to determine the central estimates. The sensitivity analysis performed in the actuarial report is specifically in regards to the discounted but inflated central estimate and the undiscounted but inflated central estimate. This analysis shows that the discounted (but inflated) central estimates could be in a range of A$1.3 billion (US$1.0 billion) to A$3.2 billion (US$2.5 billion). The undiscounted (but inflated) estimates could be in a range of A$1.6 billion (US$1.2 billion) to A$4.5 billion (US$3.4 billion) as of 31 March 2017. The actual cost of the liabilities could be outside of that range depending on the results of actual experience relative to the assumptions made.

During fiscal year 2017, mesothelioma claims reporting activity was below actuarial expectations for the second consecutive year. One of the more significant assumptions is the estimated peak period of mesothelioma disease claims, which is currently assumed to have occurred in the period 2014/2015 to 2016/2017. As the actual experience in fiscal year 2017 was favorable to expectations, no change to the assumed number of future mesothelioma claims is warranted at this time. However, potential variation in the estimated peak period of claims has an impact much greater than the other assumptions used to derive the discounted central estimate. In performing the sensitivity assessment of the estimated period of peak claims reporting for mesothelioma, if the peak claims reporting period was shifted two years from the currently assumed 2016/2017 (i.e. assuming that claim reporting begins to reduce after 2018/2019), together with increased claims reporting from 2026/2027 onwards, relative to current actuarial projections, the central estimate could increase by approximately 34% on a discounted basis.

At 31 March 2017, KPMGA has formed the view that, although there has been favorable claims reporting in fiscal year 2017, no change to the assumed number of future mesothelioma claims is warranted at this time. However, changes to the valuation assumptions may be necessary in future periods should mesothelioma claims reporting escalate or decline.

Claims Data

The following table shows the activity related to the numbers of open claims, new claims and closed claims during each of the past five years and the average settlement per settled claim and case closed:

	For the Years Ended 31 March				
	2017	2016	2015	2014	2013
Number of open claims at beginning of period	**426**	494	466	462	592
Number of new claims	**557**	577	665	608	542
Number of closed claims	**631**	645	637	604	672
Number of open claims at end of period	**352**	426	494	466	462
Average settlement amount per settled claim	**A$ 223,535**	A$ 248,138	A$ 254,209	A$ 253,185	A$ 231,313
Average settlement amount per case closed	**A$ 167,563**	A$ 218,900	A$ 217,495	A$ 212,944	A$ 200,561
Average settlement amount per settled claim	**US$ 168,300**	US$ 182,763	US$ 222,619	US$ 236,268	US$ 238,615
Average settlement amount per case closed	**US$ 126,158**	US$ 161,229	US$ 190,468	US$ 198,716	US$ 206,892

Under the terms of the AFFA, the Company has rights of access to actuarial information produced for AICF by the actuary appointed by AICF, which is currently KPMGA. The Company's disclosures with respect to claims statistics are subject to it obtaining such information, however, the AFFA does not provide the Company an express right to audit or otherwise require independent verification of such information or the methodologies to be adopted by the approved actuary. As such, the Company relies on the accuracy and completeness of the information provided by the AICF to the approved actuary and the resulting information and analysis of the approved actuary when making disclosures with respect to claims statistics.

Asbestos-Related Assets and Liabilities

The Company has included on its consolidated balance sheets the asbestos-related assets and liabilities of AICF under the terms of the AFFA. These amounts are detailed in the table below, and the net total of these asbestos-related assets and liabilities is referred to by the Company as the “Net AFFA Liability.”

	31 March	
(Millions of US dollars)	**2017**	2016
Asbestos liability – current	**$ (116.4)**	$ (125.9)
Asbestos liability – non-current	**(1,043.3)**	(1,176.3)
Asbestos liability - Total	**(1,159.7)**	(1,302.2)
Insurance receivable – current	**5.7**	16.7
Insurance receivable – non-current	**58.1**	149.0
Insurance receivable – Total	**63.8**	165.7
Workers' compensation asset – current	**2.9**	4.1
Workers' compensation asset – non-current	**40.4**	46.8
Workers' compensation liability – current	**(2.9)**	(4.1)
Workers' compensation liability – non-current	**(40.4)**	(46.8)
Workers' compensation – Total	**-**	-
Loan facility	**(52.4)**	(50.7)
Other net liabilities	**(1.6)**	(1.0)
Restricted cash and cash equivalents of the AICF	**108.9**	17.0
Net Unfunded AFFA liability	**$ (1,041.0)**	$ (1,171.2)
Deferred income taxes – non-current	**356.6**	384.9
Income tax payable	**16.8**	19.6
Net Unfunded AFFA liability, net of tax	**$ (667.6)**	$ (766.7)

The following is a detailed rollforward of the Net Unfunded AFFA liability, net of tax, for the year ended 31 March 2017:

(Millions of US dollars)	Asbestos Liability	Insurance Receivables	Deferred Tax Assets	Other Loan Facilities	Restricted Cash and Investments	Other Assets and Liabilities[1]	Net Unfunded AFFA Liability, net of tax
Opening Balance - 31 March 2016	$ (1,302.2)	$ 165.7	$ 384.9	$ (50.7)	$ 17.0	$ 18.6	$ (766.7)
Asbestos claims paid	90.7	-	-	-	(90.7)	-	-
Payment received in accordance with AFFA[2]	-	-	-	-	91.1	-	91.1
AICF claims-handling costs incurred (paid)	1.2	-	-	-	(1.2)	-	-
AICF operating costs paid - non claims-handling	-	-	-	-	(1.5)	-	(1.5)
Change in actuarial estimate	44.7	(8.2)	-	-	-	-	36.5
Change in claims handling cost estimate	2.1	-	-	-	-	-	2.1
Impact on deferred income tax due to change in actuarial estimate	-	-	(11.5)	-	-	-	(11.5)
Insurance recoveries	-	(93.3)	-	-	93.3	-	-
Movement in income tax payable	-	-	(16.6)	-	-	(2.5)	(19.1)
Funds received from NSW under loan agreement	-	-	-	(77.0)	77.0	-	-
Funds repaid to NSW under loan agreement	-	-	-	74.3	(74.3)	-	-
Other movements	-	-	0.8	-	(0.6)	(1.4)	(1.2)
Effect of foreign exchange[3]	3.8	(0.4)	(1.0)	1.0	(1.2)	0.5	2.7
Closing Balance - 31 March 2017	**$ (1,159.7)**	**$ 63.8**	**$ 356.6**	**$ (52.4)**	**$ 108.9**	**$ 15.2**	**$ (667.6)**

1 Other assets and liabilities include an offset to income tax payable of US$16.8 million and US$19.6 million at 31 March 2017 and 2016, respectively. The remaining balance includes the other assets and liabilities of AICF, with a net liability of US$1.6 million and US$1.0 million at 31 March 2017 and 2016, respectively.

2 The payment received in accordance with AFFA of US$91.1 million reflects the US dollar equivalent of the A$120.7 million payment, translated at the exchange rate set five days before the day of payment.

3 For the year ended 31 March 2017, the Asbestos adjustments of US$40.4 million on the Company's consolidated statements of operations and comprehensive income include the effect of foreign exchange above of US$2.7 million, which is partially offset by the loss on the foreign currency forward contract associated with the AICF payment of US$0.9 million.

AICF Funding

We anticipate that we will make a contribution of approximately US$102.2 million to AICF on 3 July 2017. This amount represents 35% of our free cash flow for fiscal year 2017, as defined by the AFFA.

On 1 July 2016, the Company made a payment of A$120.7 million (US$91.1 million) to AICF, representing 35% of its free cash flow for fiscal year 2016. For the 1 July 2016 payment, free cash flow, as defined in the AFFA, was equivalent to the Company's fiscal year 2016 operating cash flows of US$260.4 million.

On 1 July 2015, the Company made a payment of A$81.1 million (US$62.8 million) to AICF, representing 35% of its free cash flow for fiscal year 2015. For the 1 July 2015 payment, free cash flow, as defined in the AFFA, was equivalent to the Company's fiscal year 2015 operating cash flows of US$179.5 million.

On 1 July 2014, the Company made a payment of A$119.9 million (US$113.0 million) to AICF, representing 35% of its free cash flow for fiscal year 2014. For the 1 July 2014 payment, free cash flow, as defined in the AFFA, was equivalent to the Company's fiscal year 2014 operating cash flows of US$322.8 million.

AICF – NSW Government Secured Loan Facility

AICF may borrow, subject to certain conditions, up to an aggregate amount of A$320.0 million (US$244.6 million, based on the exchange rate at 31 March 2017). The AICF Loan Facility is available to be drawn for the payment of claims through 1 November 2030, at which point, all outstanding borrowings must be repaid. Borrowings made under the AICF Loan Facility are classified as current, as AICF intends to repay the debt within one year.

At 31 March 2017 and 2016, AICF had an outstanding balance under the AICF Loan Facility of US$52.4 million and US$50.7 million, respectively.

To the extent the NSW Government sources funding for the AICF Loan Facility from the Commonwealth of Australia (the "Commonweath"), the interest rate on the AICF Loan Facility is calculated by reference to the cost of NSW's borrowings from the Commonwealth for that purpose, being calculated with reference to the Commonwealth Treasury fixed coupon bond rate for a period determined as appropriate by the Commonwealth.

To the extent that NSW's source of funding is not from the Commonwealth, the interest rate on drawings under the AICF Loan Facility is calculated as (i) during the period to (but excluding) 1 May 2020, a yield percent per annum calculated at the time of the first drawdown of the AICF Loan Facility by reference to the NSW Treasury Corporation's 6% 1/05/2020 Benchmark Bonds, (ii) during the period after 1 May 2020, a yield percent per annum calculated by reference to NSW Treasury Corporation bonds on issue at that time and maturing in 2030, or (iii) in any case, if the relevant bonds are not on issue, a yield percent per annum in respect of such other source of funding for the AICF Loan Facility determined by the NSW Government in good faith to be used to replace those bonds, including any guarantee fee payable to the Commonwealth in respect of the bonds (where the bonds are guaranteed by the Commonwealth) or other source of funding.

Under the AICF Loan Facility, the Former James Hardie Companies each guarantee the payment of amounts owed by AICF and AICF's performance of its obligations under the AICF Loan Facility. Each Obligor has granted the NSW Government a security interest in certain property including cash accounts, proceeds from insurance claims, payments remitted by the Company to AICF and contractual rights under certain documents including the AFFA. Each Obligor may not deal with the secured property until all amounts outstanding under the AICF Loan Facility are paid, except as permitted under the terms of the security interest.

Under the terms of the AICF Loan Facility, each Obligor must, upon receipt of proceeds from insurance claims and payments remitted by the Company under the AFFA, apply all of such proceeds in repayment of amounts owing under the AICF Loan Facility. NSW may, at its sole discretion, waive or postpone (in such manner and for such period as it determines) the requirement for the Obligors to apply proceeds of insurance claims and payments remitted by the Company to repay amounts owed under the AICF Loan Facility to ensure AICF has sufficient liquidity to meet its future cash flow needs.

The Obligors are subject to certain operating covenants under the AICF Loan Facility and the terms of the security interest, including, without limitation, (i) positive covenants relating to providing corporate reporting documents, providing particular notifications and complying with the terms of the AFFA, and (ii) negative covenants restricting them from voiding, cancelling, settling, or adversely affecting existing insurance policies, disposing of assets and granting security to secure any other financial indebtedness, other than in accordance with the terms and conditions of the AICF Loan Facility.

Upon an event of default, NSW may cancel the commitment and declare all amounts outstanding as immediately due and payable. The events of default include, without limitation, failure to pay or repay amounts due in accordance with the AICF Loan Facility, breach of covenants, misrepresentation, cross default by an Obligor and an adverse judgment (other than a personal asbestos or Marlew claim) against an Obligor.

12. Derivative Instruments

Interest Rate Swaps

The fair value of interest rate swap contracts is calculated based on the fixed rate, notional principal, settlement date and present value of the future cash inflows and outflows based on the terms of the agreement and the future floating interest rates as determined by a future interest rate yield curve. The model used to value the interest rate swap contracts is based upon well recognized financial principles, and interest rate yield curves can be validated through readily observable data by external sources. Although readily observable data is used in the valuations, different valuation methodologies could have an effect on the estimated fair value. Accordingly, the interest rate swap contracts are categorized as Level 2.

For interest rate swap contracts, the Company has agreed to pay fixed interest rates while receiving a floating interest rate. At 31 March 2017 and 2016, the Company had interest rate swap contracts with total notional principal of US$100.0 million.

At 31 March 2017, the weighted average fixed interest rate of these contracts is 2.1% and the weighted average remaining life is 2.4 years. These contracts have a fair value of US$1.1 million and US$3.7 million at 31 March 2017 and 2016, respectively, which is included in Accounts payable. For the years ended 31 March 2017, 2016 and 2015, the Company included in Other income (expense) an unrealized gain of US$2.6 million, an unrealized loss of US$0.6 million and an unrealized loss of US$2.6 million, respectively, on interest rate swap contracts. Also included in Other income (expense) for the year ended 31 March 2017 was a realized loss on interest rate swap contracts of US$1.3 million. Included in Interest expense is a realized loss on interest rate swap contracts of US$1.9 million and US$1.3 million for the years ended 31 March 2016 and 2015, respectively.

Foreign Currency Forward Contracts

The Company's foreign currency forward contracts are valued using models that maximize the use of market observable inputs including interest rate curves and both forward and spot prices for currencies and are categorized as Level 2 within the fair value hierarchy. At 31 March 2017, the Company did not have any forward currency forward contracts.

For the years ended 31 March 2017 and 2016, the forward contracts not designated as a cash flow hedging arrangement had an unrealized gain of nil and US$0.9 million, respectively.

The notional amount of interest rate swap contracts and foreign currency forward contracts represents the basis upon which payments are calculated and are reported on a net basis when a legal and enforceable right of set-off exists. The following table sets forth the total outstanding notional amount and the fair value of the Company's derivative instruments held at 31 March 2017 and 2016.

			Fair Value as of			
(Millions of US dollars)	Notional Amount		31 March 2017		31 March 2016	
	31 March 2017	31 March 2016	Assets	Liabilitites	Assets	Liabilities
Derivatives not accounted for as hedges						
Interest rate swap contracts	$ 100.0	$ 100.0	$ -	$ 1.1	$ -	$ 3.7
Foreign currency forward contracts	-	0.4	-	-	-	-
Total	**$ 100.0**	**$ 100.4**	**$ -**	**$ 1.1**	**$ -**	**$ 3.7**

13. Commitments and Contingencies

The Company is involved from time to time in various legal proceedings and administrative actions related to the normal conduct of its business, including general liability claims, putative class action lawsuits and litigation concerning its products.

Although it is impossible to predict the outcome of any pending legal proceeding, management believes that such proceedings and actions should not, individually or in the aggregate, have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows, except as they relate to asbestos and New Zealand product liability claims as described in these consolidated financial statements.

New Zealand Weathertightness Claims

Since fiscal year 2002, the Company's New Zealand subsidiaries have been and continue to be joined in a number of weathertightness claims in New Zealand that relate to residential buildings (single dwellings and apartment complexes) and a small number of non-residential buildings, primarily constructed from 1998 to 2004. The claims often involve multiple parties and allege that losses were incurred due to excessive moisture penetration of the buildings' structures. The claims typically include allegations of poor building design, inadequate certification of plans, inadequate construction review and compliance certification and deficient work by sub-contractors.

The Company recognizes a liability for both asserted and unasserted New Zealand weathertightness claims in the period in which the loss becomes probable and estimable. The amount of reasonably possible loss is dependent on a number of factors including, without limitation, the specific facts and circumstances unique to each claim brought against the Company's New Zealand subsidiaries, the existence of any co-defendants involved in defending the claim, the solvency of such co-defendants (including the ability of such co-defendants to remain solvent until the related claim is ultimately resolved), the availability of claimant compensation under a government compensation scheme, the amount of loss estimated to be allocable to the Company's New Zealand subsidiaries and the extent to which the co-defendants and the Company's New Zealand subsidiaries have access to third-party recoveries to cover a portion of the costs incurred in defending and resolving such actions. In addition to the above limitations, the total loss incurred is also dependent on the manner and extent to which statutory limitation periods will apply to any received claims.

Historically, the Company's New Zealand subsidiaries have been joined to these claims as one of several co-defendants, including local government entities responsible for enforcing building codes and practices, resulting in the Company's New Zealand subsidiaries becoming liable for only a portion of each claim. In addition, the Company's New Zealand subsidiaries have had access to third-party recoveries to defray a portion of the costs incurred in resolving such claims. However, in 2015 the Company's New Zealand subsidiaries were named as the sole defendants in four claims on behalf of multiple defendants, each of which allege that the subsidiaries' products were inherently defective.

The Company has established a provision for asserted and unasserted New Zealand weathertightness claims within the current portion of Other liabilities, with a corresponding estimated receivable for third-party recoveries being recognized within Accounts and other receivables. At 31 March 2017 and 2016, the amount of the provision for New Zealand weathertightness claims, net of estimated third-party recoveries, was US$1.1 million and US$1.8 million, respectively.

The estimated loss for these matters, net of estimated third-party recoveries, incorporates assumptions that are subject to the foregoing uncertainties and are principally derived from, but not exclusively based on, historical claims experience together with facts and circumstances unique to each claim. If the nature and extent of the resolution of claims in future periods differ from the historical claims experience, then the actual amount of loss may be materially higher or lower than estimated losses accrued at 31 March 2017.

Environmental and Legal

The operations of the Company, like those of other companies engaged in similar businesses, are subject to a number of laws and regulations on air and water quality, waste handling and disposal. The Company's policy is to accrue for environmental costs when it is determined that it is probable that an obligation exists and the amount can be reasonably estimated.

Operating Leases

As the lessee, the Company principally enters into property, building and equipment leases. The following are future minimum lease payments for non-cancellable operating leases having a remaining term in excess of one year at 31 March 2017:

Years ending 31 March (Millions of US dollars):	
2018	16.0
2019	13.0
2020	10.6
2021	7.2
2022	6.7
Thereafter	17.8
Total	**$ 71.3**

Rental expense amounted to US$18.4 million, US$16.9 million and US$16.7 million for the years ended 31 March 2017, 2016 and 2015, respectively.

Capital Commitments

Commitments for the acquisition of plant and equipment and other purchase obligations contracted for but not recognized as liabilities and generally payable within one year, were nil at 31 March 2017.

14. Income Taxes

Income tax expense includes income taxes currently payable and those deferred because of temporary differences between the financial statement and tax bases of assets and liabilities. Income tax expense consists of the following components:

	Years Ended 31 March		
(Millions of US dollars)	**2017**	2016	2015
Income before income taxes:			
Domestic	**$ 172.2**	$ 150.1	$ 145.5
Foreign	**194.8**	180.4	177.1
Income before income taxes:	**$ 367.0**	$ 330.5	$ 322.6
Income tax expense:			
Current:			
Domestic	**$ (15.2)**	$ (12.6)	$ (11.9)
Foreign	**(36.0)**	(59.2)	(39.3)
Current income tax expense	**(51.2)**	(71.8)	(51.2)
Deferred:			
Domestic	**(4.0)**	(5.6)	(3.7)
Foreign	**(35.3)**	(8.7)	23.6
Deferred income tax (expense) benefit	**(39.3)**	(14.3)	19.9
Total income tax expense	**$ (90.5)**	$ (86.1)	$ (31.3)

Income tax expense computed at the statutory rates represents taxes on income applicable to all jurisdictions in which the Company conducts business, calculated at the statutory income tax rate in each jurisdiction multiplied by the pre-tax income attributable to that jurisdiction.

Income tax expense is reconciled to the tax at the statutory rates as follows:

	Years Ended 31 March		
(Millions of US dollars)	**2017**	2016	2015
Income tax expense computed at the statutory tax rates	**$ (84.4)**	$ (79.1)	$ (75.0)
US state income taxes, net of the federal benefit	**(3.0)**	(3.6)	(2.4)
Asbestos - effect of foreign exchange	**0.8**	(0.8)	48.3
Expenses not deductible	**(2.5)**	(2.0)	(3.4)
Non-assessable items	**0.4**	1.9	0.5
US manufacturing deduction	**2.2**	4.1	2.6
Foreign taxes on domestic income	**(2.1)**	(5.7)	(0.7)
Amortization of intangibles	**2.8**	2.9	2.8
Taxes on foreign income	**(5.4)**	(7.4)	(4.5)
Other items	**0.7**	3.6	0.5
Total income tax expense	**$ (90.5)**	$ (86.1)	$ (31.3)
Effective tax rate	**24.7%**	26.1%	9.7%

Deferred tax balances consist of the following components:

(Millions of US dollars)	31 March 2017	2016
Deferred tax assets:		
Asbestos liability	**$ 356.6**	$ 384.9
Other provisions and accruals	**52.8**	49.0
Net operating loss carry forwards	**24.2**	24.2
Foreign tax credit carryforwards	**107.5**	112.4
Total deferred tax assets	**541.1**	570.5
Valuation allowance	**(110.4)**	(115.0)
Total deferred tax assets net of valuation allowance	**430.7**	455.5
Deferred tax liabilities:		
Depreciable and amortizable assets	**(130.0)**	(117.4)
Other	**(12.0)**	(9.4)
Total deferred tax liabilities	**(142.0)**	(126.8)
Total deferred taxes, net	**$ 288.7**	$ 328.7

Deferred income taxes include European and Australian net operating loss carry-forwards. At 31 March 2017, the Company had European tax loss carry-forwards of approximately US$6.4 million and Australian tax loss carry-forwards of approximately US$17.8 million that are available to offset future taxable income in the respective jurisdiction. The Company establishes a valuation allowance against a deferred tax asset if it is more likely than not that some portion or all of the deferred tax asset will not be realized.

The European tax loss carry-forwards relate to losses incurred in prior years during the establishment of the European business. At 31 March 2017, the Company had a valuation allowance against a portion of the European tax loss carry-forwards in respect of which realization is not more likely than not. During the year ended 31 March 2016, the Company reversed a valuation allowance of US$4.2 million for a portion of its European tax loss carry-forwards for which realization is now more likely than not. At 31 March 2017, the Company had European tax loss carry-forwards of approximately US$6.4 million that are available to offset future taxable income, of which US$3.5 million will never expire. Carry-forwards of US$2.9 million will expire in fiscal years 2018 through 2026.

The Australian tax loss carry-forwards primarily result from current and prior year tax deductions for contributions to AICF. James Hardie 117 Pty Limited, the performing subsidiary under the AFFA, is able to claim a tax deduction for its contributions to AICF over a five-year period commencing in the year the contribution is incurred. At 31 March 2017, the Company recognized a tax deduction of US$55.3 million (A$73.4 million) for the current year relating to total contributions to AICF of US$312.3 million (A$366.9 million) incurred in tax years 2013 through 2017.

At 31 March 2017, the Company had foreign tax credit carry-forwards of US$107.5 million that are available to offset future taxes payable. At 31 March 2017, the Company had a 100% valuation allowance against the foreign tax credit carry-forwards.

In determining the need for and the amount of a valuation allowance in respect of the Company's asbestos related deferred tax asset, management reviewed the relevant empirical evidence, including the current and past core earnings of the Australian business and forecast earnings of the Australian business considering current trends. Although realization of the deferred tax asset will occur over the life of the AFFA, which extends beyond the forecast period for the Australian business, Australia provides an unlimited carry-forward period for tax losses. Based upon managements' review, the

Company believes that it is more likely than not that the Company will realize its asbestos related deferred tax asset and that no valuation allowance is necessary as of 31 March 2017. In the future, based on review of the empirical evidence by management at that time, if management determines that realization of its asbestos related deferred tax asset is not more likely than not, the Company may need to provide a valuation allowance to reduce the carrying value of the asbestos related deferred tax asset to its realizable value.

Income taxes payable represents taxes currently payable which are computed at statutory income tax rates applicable to taxable income derived in each jurisdiction in which the Company conducts business.

At 31 March 2017, the Company had income taxes currently payable of US$1.9 million, after taking into account total income tax and withholding tax paid, net of refunds received, during the year ended 31 March 2017 of US$51.5 million. Income taxes were paid in Canada, Ireland, New Zealand, the Philippines and the United States. Withholding taxes were paid or refunded in Australia, Canada, New Zealand and the Philippines.

At 31 March 2017, the Company intends to indefinitely reinvest the undistributed earnings of approximately US$201.9 million of a certain subsidiary owned by its US subsidiary, and has not provided for taxes that would be payable upon remittance of those earnings. The amount of the potential deferred tax liability related to these undistributed earnings is impracticable to determine at this time.

Due to the size and nature of its business, the Company is subject to ongoing reviews by taxing jurisdictions on various tax matters. The Company accrues for tax contingencies based upon its best estimate of the taxes ultimately expected to be paid, which it updates over time as more information becomes available. Such amounts are included in taxes payable or other non-current liabilities, as appropriate. If the Company ultimately determines that payment of these amounts is unnecessary, the Company reverses the liability and recognizes a tax benefit during the period in which the Company determines that the liability is no longer necessary. The Company records additional tax expense in the period in which it determines that the recorded tax liability is less than the ultimate assessment it expects.

The Company or its subsidiaries files income tax returns in various jurisdictions including Ireland, the United States, Australia, New Zealand, the Philippines and The Netherlands. The Company is no longer subject to US federal examinations by US Internal Revenue Service (“IRS”) for tax years prior to tax year 2014 and Australian federal examinations by the Australian Taxation Office (“ATO”) for tax years prior to tax year 2013.

Taxing authorities from various jurisdictions in which the Company operates are in the process of reviewing and auditing the Company’s respective jurisdictional tax returns for various ranges of years. The Company accrues tax liabilities in connection with ongoing audits and reviews based on knowledge of all relevant facts and circumstances, taking into account existing tax laws, its experience with previous audits and settlements, the status of current tax examinations and how the tax authorities view certain issues.

Unrecognized Tax Benefits

A reconciliation of the beginning and ending amount of unrecognized tax benefits and interest and penalties are as follows:

(Millions of US Dollars)	Unrecognized tax benefits	Interest and Penalties
Balance at 31 March 2014	**$ 0.5**	**$ -**
Additions for tax positions of the current year	4.2	0.1
Additions for tax positions of prior year	0.2	0.2
Balance at 31 March 2015	**$ 4.9**	**$ 0.3**
Additions for tax positions of the current year	0.2	-
Reductions in tax positions of prior year	(4.1)	(0.3)
Settlements paid during the current period	(0.3)	-
Balance at 31 March 2016	**$ 0.7**	**$ -**
Additions for tax positions of the current year	0.1	-
Reductions in tax positions of prior year	(0.1)	-
Balance at 31 March 2017	**$ 0.7**	**$ -**

At 31 March 2017, the total amount of unrecognized tax benefits and the total amount of interest and penalties accrued by the Company related to unrecognized tax benefits that, if recognized, would affect the tax expense is US$0.7 million and nil, respectively.

The Company recognizes penalties and interest accrued related to unrecognized tax benefits in income tax expense. During the years ended 31 March 2017, 2016 and 2015, income of nil, income of US$0.3 million and expense of US$0.3 million, respectively, relating to interest and penalties was recognized within income tax expense arising from movements in unrecognized tax benefits.

The liabilities associated with uncertain tax benefits are included in Other liabilities on the Company's consolidated balance sheets.

A number of years may elapse before an uncertain tax position is audited or ultimately resolved. It is difficult to predict the ultimate outcome or the timing of resolution for uncertain tax positions. It is reasonably possible that the amount of unrecognized tax benefits could significantly increase or decrease within the next twelve months. These changes could result from the completion of ongoing examinations, the expiration of the statute of limitations, or other circumstances. At this time, an estimate of the range of the reasonably possible change cannot be made.

15. Stock-Based Compensation

Total stock-based compensation expense consists of the following:

(Millions of US dollars)	Years Ended 31 March **2017**	2016	2015
Liability Awards Expense	**$ 5.4**	$ 4.8	$ 3.3
Equity Awards Expense	**9.3**	10.3	9.2
Total stock-based compensation expense	**$ 14.7**	$ 15.1	$ 12.5

As of 31 March 2017, the unrecorded future stock-based compensation expense related to outstanding equity awards was US$15.0 million after estimated forfeitures and will be recognized over an estimated weighted average amortization period of 1.6 years.

<u>2001 Equity Incentive Plan</u>

Under the Company's 2001 Equity Incentive Plan (the "2001 Plan"), the Company can grant equity awards in the form of nonqualified stock options, performance awards, restricted stock grants, stock appreciation rights, dividend equivalent rights, phantom stock or other stock-based benefits such as restricted stock units. The 2001 Plan was first approved by the Company's shareholders in 2001 and was reapproved to continue until September 2021 at the 2011 annual general meeting. The Company is authorized to issue 45,077,100 shares under the 2001 Plan.

Under the 2001 Plan, grants have been made at fair market value to management and other employees of the Company. Each grant confers the right to subscribe for one ordinary share in the capital of JHI plc. The grants may be exercised as follows: 25% after the first year; 25% after the second year; and 50% after the third year. All unexercised grants expire 10 years from the date of issue or 90 days after the employee ceases to be employed by the Company.

As set out in the plan rules, the exercise prices and the number of shares available on exercise may be adjusted on the occurrence of certain events, including new issues, share splits, rights issues and capital reconstructions.

Under the 2001 Plan, the Company granted 315,636 and 327,354 restricted stock units to its employees in the years ended 31 March 2017 and 2016, respectively. These restricted stock units may not be sold, transferred, assigned, pledged or otherwise encumbered so long as such units remain restricted. The Company determines the conditions or restrictions of any restricted stock units, which include requirements of continued employment. At 31 March 2017, there were 619,581 restricted stock units outstanding under this plan.

<u>Long-Term Incentive Plan 2006</u>

At the 2006 Annual General Meeting, the Company's shareholders approved the establishment of a Long-Term Incentive Plan 2006 (the "LTIP") to provide incentives to certain members of senior management ("Executives"). The shareholders also approved, in accordance with certain LTIP rules, the issue of options in the Company to executives of the Company. At the Company's 2008 Annual General Meeting, the shareholders amended the LTIP to also allow restricted stock units to be granted under the LTIP. The LTIP was re-approved by the Company's shareholders with certain amendments at each of the 2008, 2012 and 2015 Annual General Meetings.

As of 31 March 2017, the Company had granted 11,027,496 restricted stock units under the LTIP. These restricted stock units may not be sold, transferred, assigned, pledged or otherwise encumbered so long as such units remain restricted. The Company determines the conditions or restrictions of any restricted stock awards, which may include requirements of continued employment, individual performance or the Company's financial performance or other criteria. Restricted stock units either vest or expire as set out in the grant documents or LTIP rules. At 31 March 2017, there were 2,720,664 restricted stock units outstanding under the LTIP.

The following table summarizes the Company's shares available for grant as options, restricted stock units or other equity instruments under the LTIP and 2001 Plan at 31 March 2017, 2016 and 2015:

	Shares Available for Grant
Balance at 31 March 2015	**24,754,902**
Granted	(1,410,560)
New Shares Authorized	5,000,000
Forfeitures Available for Re-grant	74,466
Balance at 31 March 2016	**28,418,808**
Granted	(1,179,994)
Balance at 31 March 2017	**27,238,814**

<u>Stock Options</u>

There were no stock options granted during the years ended 31 March 2017 and 2016. The following table summarizes the Company's stock options activity during the noted period:

	Outstanding Options	
	Number	Weighted Average Exercise Price (A$)
Balance at 31 March 2015	**511,780**	**8.17**
Exercised	(333,287)	8.54
Forfeited	(74,466)	7.85
Balance at 31 March 2016	**104,027**	**7.22**
Exercised	(55,131)	7.97
Balance at 31 March 2017	**48,896**	**6.38**

The total intrinsic value of stock options exercised was A$0.8 million and A$2.9 million for the years ended 31 March 2017 and 2016, respectively.

Windfall tax benefits realized in the United States from stock options exercised and included in cash flows from financing activities in the consolidated statements of cash flows were US$3.0 million, US$0.4 million and US$1.4 million for the years ended 31 March 2017, 2016 and 2015, respectively.

The following table summarizes outstanding and exercisable options under both the 2001 Plan and the LTIP as of 31 March 2017:

	Options Outstanding and Exercisable			
Exercise Price (A$)	**Number**	**Weighted Average Remaining Life (in Years)**	**Weighted Average Exercise Price (A$)**	**Aggregate Intrinsic Value (A$)**
6.38	48,896	0.7	6.38	693,834

The aggregate intrinsic value in the preceding table represents the total pre-tax intrinsic value based on stock options with an exercise price less than the Company's closing stock price of A$20.57 as of 31 March 2017, which would have been received by the option holders had those option holders exercised their options as of that date.

Restricted Stock Units

The Company estimates the fair value of restricted stock units on the date of grant and recognizes this estimated fair value as compensation expense over the periods in which the restricted stock vests.

The following table summarizes the Company's restricted stock unit activity during the noted period:

	Restricted Stock Units	Weighted Average Fair Value at Grant Date (A$)
Non-vested at 31 March 2015	**4,008,001**	**8.44**
Granted	1,410,560	14.95
Vested	(1,219,352)	7.28
Forfeited	(149,755)	9.92
Non-vested at 31 March 2016	**4,049,454**	**11.00**
Granted	1,179,994	18.54
Vested	(1,314,825)	8.60
Forfeited	(574,378)	9.10
Non-vested at 31 March 2017	**3,340,245**	**14.80**

Restricted Stock Units – service vesting

During fiscal year 2017, 315,636 restricted stock units (service vesting) were granted to employees under the 2001 Plan. During fiscal year 2016, 327,354 restricted stock units (service vesting) were granted to employees under the 2001 Plan. The fair value of each restricted stock unit (service vesting) is equal to the market value of the Company's common stock on the date of the grant, adjusted for the fair value of estimated dividends as the restricted stock unit holder is not entitled to dividends over the vesting period.

During fiscal year 2017, 304,470 restricted stock units (service vesting) that were previously granted as part of the 2001 Plan became fully vested and the underlying common stock was issued. During fiscal year 2016, 228,481 restricted stock units (service vesting) that were previously granted as part of the 2001 Plan became fully vested and the underlying common stock was issued.

Restricted Stock Units – performance vesting

The Company granted 407,539 and 503,944 restricted stock units with a performance vesting condition under the LTIP to senior executives and managers of the Company on 16 September 2016 and 16 September 2015, respectively. The vesting of the restricted stock units is deferred for three years and is subject to a return on capital employed ("ROCE") performance hurdle being met. The vesting of the restricted stock units is also subject to negative discretion by the Board. The Board's discretion will reflect the Board's judgment of the quality of the returns balanced against management's delivery of market share growth and a scorecard of key qualitative and quantitative performance objectives. During fiscal year 2017, after exercise of negative discretion by the Board, 281,468 restricted stock units (performance vesting) that were granted on 16 September 2013 as part of the fiscal year 2014 long-term incentive award became fully vested and the underlying common stock was issued. The remaining 152,611 unvested restricted stock units from this grant were cancelled on 16 September 2016.

When the Board reviews the awards and determines whether any negative discretion should be applied at the vesting date, the award recipients may receive all, some, or none of their awards. The Board may only exercise negative discretion and may not enhance the maximum award that was originally granted to the award recipient.

The fair value of each restricted stock unit (performance vesting) is adjusted for changes in JHI plc's common stock price at each balance sheet date until the performance conditions are applied at the vesting date.

Restricted Stock Units – market condition

Under the terms of the LTIP, the Company granted 456,819 and 579,262 restricted stock units (market condition) to senior executives and managers of the Company on 16 September 2016 and 16 September 2015, respectively. The vesting of these restricted stock units is subject to a market condition as outlined in the relevant notice of meeting.

The fair value of each of these restricted stock units (market condition) granted under the LTIP is estimated using a binomial lattice model that incorporates a Monte Carlo simulation (the "Monte Carlo" method). The following table includes the assumptions used for restricted stock grants (market condition) valued during the year ended 31 March 2017 and 2016, respectively:

Vesting Condition:	**Market**	**Market**
	FY17	FY16
Date of grant	16 Sep 2016	16 Sep 2015
Dividend yield (per annum)	2.3%	3.8%
Expected volatility	31.5%	36.8%
Risk free interest rate	1.1%	1.5%
Expected life in years	3.0	3.0
JHX stock price at grant date (A$)	20.82	17.76
Number of restricted stock units	456,819	579,262

During fiscal year 2017, 728,887 restricted stock units (market condition) that were previously granted became fully vested and the underlying common stock was issued. During fiscal year 2016, 659,725 restricted stock units (market condition) that were previously granted became fully vested and the underlying common stock was issued.

Scorecard LTI – cash settled units

Under the terms of the LTIP, the Company granted awards equivalent to 458,484 and 566,936 Scorecard LTI units on 16 September 2016 and 16 September 2015, respectively. These awards provide recipients a cash incentive based on an average 20 trading-day closing price of JHI plc's common stock price and each executive's scorecard rating. The vesting of awards is measured on individual performance conditions based on certain performance measures. Compensation expense recognized for awards are based on the fair market value of JHI plc's common stock on the date of grant and recorded as a liability. The expense is recognized ratably over the vesting period and the liability is adjusted for subsequent changes in JHI plc's common stock price at each balance sheet date.

On 16 September 2016, 316,841 of the 518,647 Scorecard LTI units that were previously granted on 16 September 2013 as part of the FY2014 long-term incentive award became fully vested and the balance lapsed as a result of the Board's exercise of negative discretion. The cash amount paid to award recipients was based on an average 20 trading-day closing price of JHI plc's common stock price.

On 14 September 2015, 288,552 of the 506,627 Scorecard LTI units that were previously granted on 14 September 2012 as part of the FY2013 long-term incentive award became fully vested and the balance lapsed as a result of the Board's exercise of negative discretion. The cash amount paid to award recipients was based on an average 20 trading-day closing price of JHI plc's common stock price.

16. Capital Management and Dividends

The following table summarizes the dividends declared or paid during the fiscal years 2017, 2016 and 2015:

(Millions of US dollars)	US Cents/Security	US$ Millions Total Amount	Announcement Date	Record Date	Payment Date
FY 2017 first half dividend	0.10	46.6	17 November 2016	21 December 2016	24 February 2017
FY 2016 second half dividend	0.29	130.2	19 May 2016	9 June 2016	5 August 2016
FY 2016 first half dividend	0.09	39.7	19 November 2015	23 December 2015	26 February 2016
FY 2015 special dividend	0.22	92.8	21 May 2015	11 June 2015	7 August 2015
FY 2015 second half dividend	0.27	114.0	21 May 2015	11 June 2015	7 August 2015
FY 2015 first half dividend	0.08	34.2	19 November 2014	23 December 2014	27 February 2015
FY 2014 special dividend	0.20	89.0	22 May 2014	12 June 2014	8 August 2014
FY 2014 second half dividend	0.32	142.3	22 May 2014	12 June 2014	8 August 2014
125 year anniversary special dividend	0.28	124.6	28 February 2014	21 March 2014	30 May 2014

During the fiscal year 2017, the Company announced a share buyback program (the "fiscal 2017 program") to acquire up to US$100.0 million of its issued capital in the twelve months through May 2017. Under this program, the Company repurchased and cancelled 6,090,133 shares of its common stock during the second quarter of fiscal year 2017. The aggregate cost of the shares repurchased and cancelled was A$131.4 million (US$99.8 million), at an average market price of A$21.58 (US$16.40).

Subsequent to 31 March 2017, the Company announced an ordinary dividend of US28.0 cents per security, with a record date of 8 June 2017 and a payment date of 4 August 2017.

17. Operating Segment Information and Concentrations of Risk

During the first quarter of fiscal year 2017, the Company changed its reportable operating segments. Previously, the Company maintained three operating segments: (i) North America and Europe Fiber Cement; (ii) Asia Pacific Fiber Cement; and (iii) Research and Development. Beginning in the first quarter of fiscal year 2017, the Company replaced the North America and Europe Fiber Cement and Asia Pacific Fiber Cement segments with three new segments: (i) North America Fiber Cement; (ii) International Fiber Cement; and (iii) Other Businesses. There were no changes to the Research and Development segment. The Company has revised its historical segment information at 31 March 2016 and for the years ended 31 March 2016 and 31 March 2015 to be consistent with the current reportable segment structure. The change in reportable segments had no effect on the Company's financial position, results of operations or cash flows for the periods presented.

The Company has reported its operating segment information in the format that the operating segment information is available to and evaluated by the CODM. The North America Fiber Cement segment manufactures fiber cement interior linings, exterior siding products and related accessories in the United States; these products are sold in the United States and Canada. The International Fiber Cement segment includes all fiber cement products manufactured in Australia, New Zealand and the Philippines, and sold in Australia, New Zealand, Asia, the Middle East (Israel, Kuwait, Qatar and United Arab Emirates) and various Pacific Islands. This segment also includes product manufactured in the United States that is sold in Europe. The Other Businesses segment includes certain non-fiber cement manufacturing and sales activities in North America, including fiberglass windows. The Research and Development segment represents the cost incurred by the research and development centers. General Corporate costs primarily consist of Asbestos adjustments, officer and employee compensation and related benefits, professional and legal fees, administrative costs and rental expense, net of rental income, on the Company's corporate offices.

Operating Segments

The following is the Company's operating segment information:

	Net Sales to Customers Years Ended 31 March		
(Millions of US dollars)	**2017**	2016	2015
North America Fiber Cement	**$ 1,493.4**	$ 1,335.0	$ 1,224.7
International Fiber Cement	**411.8**	379.4	418.4
Other Businesses	**16.4**	13.8	13.8
Worldwide total	**$ 1,921.6**	$ 1,728.2	$ 1,656.9

(Millions of US dollars)	Income Before Income Taxes Years Ended 31 March 2017	2016	2015
North America Fiber Cement [1]	**$ 343.9**	$ 352.2	$ 290.0
International Fiber Cement [1,6,7]	**95.1**	77.9	94.5
Other Businesses	**(6.7)**	(8.6)	(4.5)
Research and Development [1]	**(25.5)**	(23.9)	(26.0)
Segments total	**406.8**	397.6	354.0
General Corporate [2]	**(13.6)**	(43.6)	(19.0)
Total operating income	**393.2**	354.0	335.0
Net interest expense [3]	**(27.5)**	(25.6)	(7.5)
Other income (expense)	**1.3**	2.1	(4.9)
Worldwide total	**$ 367.0**	$ 330.5	$ 322.6

(Millions of US dollars)	Total Identifiable Assets 31 March 2017	2016
North America Fiber Cement	**$ 917.4**	$ 889.7
International Fiber Cement	**335.7**	324.0
Other Businesses	**28.4**	27.7
Research and Development	**12.3**	13.6
Segments total	**1,293.8**	1,255.0
General Corporate [4,5]	**718.9**	774.4
Worldwide total	**$ 2,012.7**	$ 2,029.4

The following is the Company's geographical information:

(Millions of US dollars)	Net Sales to Customers Years Ended 31 March 2017	2016	2015
North America	**$ 1,509.9**	$ 1,348.8	$ 1,238.5
Australia	**252.5**	228.4	267.7
New Zealand	**73.3**	61.4	64.7
Other Countries	**85.9**	89.6	86.0
Worldwide total	**$ 1,921.6**	$ 1,728.2	$ 1,656.9

(Millions of US dollars)	Total Identifiable Assets 31 March 2017	2016
North America	**$ 953.1**	$ 925.1
Australia	**237.0**	232.4
New Zealand	**31.8**	26.5
Other Countries	**71.9**	71.0
Segments total	**1,293.8**	1,255.0
General Corporate [4,5]	**718.9**	774.4
Worldwide total	**$ 2,012.7**	$ 2,029.4

1 Research and development expenditures are expensed as incurred and are summarized by segment in the following table:

	Years Ended 31 March		
(Millions of US dollars)	**2017**	2016	2015
North America Fiber Cement	**$ 6.2**	$ 6.6	$ 6.1
International Fiber Cement	**1.5**	1.2	1.4
Research and Development [a]	**22.6**	21.7	24.2
	$ 30.3	$ 29.5	$ 31.7

a The Research and Development segment also included selling, general and administrative expenses of US$2.9 million, US$2.2 million and US$1.8 million in fiscal years 2017, 2016 and 2015, respectively.

2 The principal components of General Corporate costs are officer and employee compensation and related benefits, professional and legal fees, administrative costs, and rental expense on the Company's corporate offices. Also included in General Corporate costs are the following:

	Years Ended 31 March		
(Millions of US dollars)	**2017**	2016	2015
Asbestos adjustments	**$ 40.4**	$ 5.5	$ 33.4
AICF SG&A expenses	**$ (1.5)**	$ (1.7)	$ (2.5)

3 The Company does not report net interest expense for each operating segment as operating segments are not held directly accountable for interest expense. Included in net interest expense is net AICF interest expense (income) of US$1.1 million, US$0.3 million and US$(1.4) million in fiscal years 2017, 2016 and 2015, respectively.

4 The Company does not report deferred tax assets and liabilities for each operating segment as operating segments are not held directly accountable for deferred income taxes. All deferred income taxes are included in General Corporate costs.

5 Asbestos-related assets at 31 March 2017 and 2016 are US$573.8 million and US$619.8 million, respectively, and are included in the General Corporate costs.

6 Included in the International Fiber Cement segment for the year ended 31 March 2016 was a gain on the sale of the Australian Pipes business of US$1.7 million.

7 Included in the International Fiber Cement segment are adjustments to the provision for New Zealand weathertightness claims.

	Years Ended 31 March		
(Millions of US dollars)	**2017**	2016	2015
New Zealand weathertightness claims (expense)/ benefit	**$ -**	$ (0.5)	$ 4.3

Concentrations of Risk

The distribution channels for the Company's fiber cement products are concentrated. If the Company were to lose one or more of its major customers, there can be no assurance that the Company will be able to find a replacement. Therefore, the loss of one or more customers could have a material adverse effect on the Company's consolidated financial position, results of operations and cash flows.

We have one customer who contributes greater than 10% of our gross sales in each of the past three fiscal years.

This customer's accounts receivable represented 9.1% and 8.1% of the Company's accounts receivable at 31 March 2017 and 2016, respectively. The following is gross sales generated by this customer, which is from the North America Fiber Cement segment:

	Years Ended 31 March								
(Millions of US dollars)		**2017**			2016			2015	
			%			%			%
Customer A	**$**	**226.0**	10.3%	$	197.0	10.1%	$	177.4	10.7%

Approximately 21%, 22% and 25% of the Company's net sales in fiscal year 2017, 2016 and 2015, respectively, were from outside the United States. Consequently, changes in the value of foreign currencies could significantly affect the consolidated financial position, results of operations and cash flows of the Company's non-US operations on translation into US dollars.

18. Accumulated Other Comprehensive Income (Loss)

During the year ended 31 March 2017 there were no reclassifications out of Accumulated other comprehensive income (loss):

(Millions of US dollars)		Cash Flow Hedges		Foreign Currency Translation Adjustments		Total
Balance at 31 March 2016	$	0.3	$	0.5	$	0.8
Other comprehensive loss		-		(3.0)		(3.0)
Balance at 31 March 2017	**$**	**0.3**	**$**	**(2.5)**	**$**	**(2.2)**