

Results for Announcement to the Market

James Hardie Industries plc

ARBN 097 829 895

Nine Months Ended 31 December 2017				
Key Information	Nine Months Ended 31 December 2017			
	FY2018 US\$M	FY2017 US\$M	Movement	
Net Sales From Ordinary Activities	1,528.6	1,427.3	Up	7%
Profit From Ordinary Activities After Tax Attributable to Shareholders	203.7	232.0	Down	12%
Net Profit Attributable to Shareholders	203.7	232.0	Down	12%
Net Tangible (Liabilities) Assets per Ordinary Share	US\$(0.39)	US\$(0.61)	Up	37%

Dividend Information

- A FY2018 first half ordinary dividend ("**FY2018 first half dividend**") of US10.0 cents per security is payable to CUFS holders on 23 February 2018.
- The record date to determine entitlements to the FY2018 first half dividend was 13 December 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 FY2018 first 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 FY2018 first 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 also be announced on the same date.
- No dividend reinvestment plan is currently in operation for the FY2018 first half dividend.
- The FY2017 second half ordinary dividend ("**FY2017 second half dividend**") of US28.0 cents per security was paid to CUFS holders on 4 August 2017.

Movements in Controlled Entities during the nine months ended 31 December 2017

There were no movements in controlled entities during the nine months ended 31 December 2017.

Review

The results and financial information included within this nine months report have been prepared using US GAAP and have been subject to an independent review by external auditors.

Results for the 3rd Quarter and Nine Months Ended 31 December 2017

Contents

1. Media Release
2. Management's Analysis of Results
3. Management Presentation
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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.

James Hardie Announces Adjusted Net Operating Profit of US\$69.9 million for Q3 Fiscal Year 2018 and US\$205.5 million for the nine months ended 31 December 2017

James Hardie today announced results for the third quarter of fiscal year 2018 and the nine months ended 31 December 2017:

- Group Adjusted net operating profit of US\$69.9 million for the quarter and US\$205.5 million for the nine months, an increase of 33% and 6%, respectively, compared to the prior corresponding periods ("pcp");
- Group Adjusted EBIT of US\$97.4 million for the quarter and US\$289.8 million for the nine months, an increase of 33% and 5%, respectively, compared to pcp;
- Group net sales of US\$495.1 million for the quarter and US\$1,528.6 million for the nine months, an increase of 9% and 7%, respectively, compared to pcp;
- North America Fiber Cement Segment volume increased 2% for the quarter and 1% for the nine months, compared to pcp;
- North America Fiber Cement Segment net sales of US\$376.8 million for the quarter and US\$1,168.0 million for the nine months, an increase of 7% and 6%, respectively, compared to pcp;
- North America Fiber Cement Segment EBIT margin of 26.9% for the quarter and 23.8% for the nine months;
- International Fiber Cement Segment EBIT margin of 22.2% for the quarter and 23.6% for the nine months; and
- Anticipates the close of the Fermacell acquisition in the fourth quarter of fiscal year 2018.

CEO Commentary

James Hardie CEO Louis Gries said, "Our North America Fiber Cement Segment for the quarter and nine month period delivered top line growth of 7% and 6%, respectively, driven primarily by higher net prices and modest volume growth. Our exterior volume remains below our expectations, however we continue to improve quarter to quarter, and grew in line with our market index in the current quarter. Additionally, we continue to reduce our manufacturing inefficiencies and production costs, and also continue to experience higher input costs."

He continued, "The capacity constraints which arose in the prior fiscal year dampened our demand in fiscal year 2018, despite our capacity increasing compared to the prior corresponding periods. We are on track to increase manufacturing capacity, improve the performance of our North America manufacturing network and drive improved primary demand growth."

He added, "Within our International Fiber Cement business, net sales increased 15% for the quarter and 13% for the nine months due to strong volume growth in our Asia Pacific business. Furthermore, EBIT increased 16% for the quarter and 15% for the nine months, driven by the strong performance of our Australian business."

Mr. Gries concluded, "Our group results for the nine months reflected marginal top line growth, as well as EBIT margin and Adjusted NOPAT that were below our expectations. However, we expect performance in North America to continue to improve throughout fiscal year 2018."



Outlook

We expect to see steady growth in the US housing market in fiscal year 2018. The single family new construction market and repair and remodel market are expected to grow similarly 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.

Full Year Earnings Guidance

Management notes the range of analysts' forecasts for net operating profit excluding asbestos for the year ending 31 March 2018 is between US\$267 million and US\$278 million. Management expects full year Adjusted net operating profit to be between US\$260 million and US\$275 million assuming, among other things, housing conditions in the United States continue to improve in line with our assumed forecast of new construction starts, input prices remain consistent and an average USD/AUD exchange rate that is at, or near current levels for the remainder of the year. Management cautions that although US housing activity has been improving, market conditions remain somewhat uncertain and some input costs remain volatile.

The comparable Adjusted net operating profit for fiscal year 2017 was US\$248.6 million. The Company is unable to forecast the comparable US GAAP financial measure due to uncertainty regarding the impact of actuarial estimates on asbestos-related assets and liabilities in future periods.

Further Information

Readers are referred to the Company's Condensed Consolidated Financial Statements and Management's Analysis of Results for the third quarter and nine months ended 31 December 2017 for additional information regarding the Company's results, including information regarding income taxes, the asbestos liability and contingent liabilities.



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 section titled "Non-US GAAP Financial Measures" included in the Company's Management's Analysis of Results for the third quarter and nine months ended 31 December 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 "Non-US GAAP Financial Measures" included in the Company's Management's Analysis of Results for the third quarter and nine months ended 31 December 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.

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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 condensed 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 section titled "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 02 February 2018, are available from the Investor Relations area of our website at <http://www.ir.jameshardie.com.au>

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James Hardie Industries plc
Results for the 3rd Quarter and Nine Months Ended 31 December

US\$ Millions	Three Months and Nine Months Ended 31 December					
	Q3 FY18	Q3 FY17	Change %	9 Months FY18	9 Months FY17	Change %
Net sales	\$ 495.1	\$ 453.8	9	\$ 1,528.6	\$ 1,427.3	7
Cost of goods sold	(312.2)	(298.8)	(4)	(989.5)	(913.4)	(8)
Gross profit	182.9	155.0	18	539.1	513.9	5
Selling, general and administrative expenses	(77.7)	(74.6)	(4)	(226.2)	(215.7)	(5)
Research and development expenses	(8.3)	(7.3)	(14)	(24.4)	(22.2)	(10)
Asbestos adjustments	47.0	35.6	32	36.5	39.0	(6)
EBIT	143.9	108.7	32	325.0	315.0	3
Net interest expense	(8.3)	(7.2)	(15)	(21.6)	(20.3)	(6)
Loss on early debt extinguishment ¹	(26.1)	—		(26.1)	—	
Other income	0.6	1.4	(57)	0.2	1.2	(83)
Operating profit before income taxes	110.1	102.9	7	277.5	295.9	(6)
Income tax expense	(30.2)	(15.0)		(73.8)	(63.9)	(15)
Net operating profit	\$ 79.9	\$ 87.9	(9)	\$ 203.7	\$ 232.0	(12)
Earnings per share - basic (US cents)	18	20		46	52	
Earnings per share - diluted (US cents)	18	20		46	52	
Volume (mmsf)	660.6	632.1	5	2,051.8	1,998.1	3

¹ In December 2017, we redeemed our 5.875% senior notes due 2023 and recorded a loss on early debt extinguishment in connection with this redemption. Readers are referred to Note 6 of our 31 December 2017 condensed consolidated financial statements for further information related to long-term debt.

Net sales for the quarter and nine months increased 9% and 7%, respectively, from the prior corresponding periods to US \$495.1 million and US\$1,528.6 million, respectively. For both periods, net sales were favorably impacted by a higher average net sales price in the North America Fiber Cement segment and higher sales volumes in the International Fiber Cement segment.

Gross profit of US\$182.9 million for the quarter and US \$539.1 million for the nine months increased 18% and 5%, respectively, when compared to the prior corresponding periods. Gross profit margin of 36.9% for the quarter and 35.3% for the nine months increased 2.7 percentage points and decreased 0.7 percentage points, respectively, when compared with the prior corresponding periods.

Selling, general and administrative (“SG&A”) of US\$77.7 million for the quarter and US\$226.2 million for the nine months increased 4% and 5%, respectively, when compared to the prior corresponding periods. For the quarter, the increase is primarily driven by higher stock compensation expense and higher discretionary spending. For the nine months, the increase is primarily driven by higher discretionary spending, increased foreign exchange losses, and higher labor cost.

Research and development (“R&D”) expenses for the quarter and nine months increased 14% and 10%,

respectively, when compared to the prior corresponding periods, primarily due to an increase in R&D spend for the Other Businesses segment, as well as an increase in the overall number of R&D projects undertaken by the R&D team.

Asbestos adjustments primarily reflect a reduction in the asbestos liability, of US\$44.3 million, due to the impact of the recent amendment to the AFFA, as well as the non-cash foreign exchange re-measurement impact on asbestos related balance sheet items, driven by the change in the AUD/ USD spot exchange rate.

Other income for the quarter and nine months reflects the gains and losses on interest rate swaps.

Net operating profit for the quarter decreased compared to the prior corresponding period, primarily due to the loss on early debt extinguishment and an increase in income tax expense, partially offset by the favorable underlying performance of the operating business units and favorable movements in asbestos adjustments.

Net operating profit for the nine months decreased compared to the prior corresponding period, primarily driven by the loss on early debt extinguishment, higher SG&A expense and an increase in income tax expense, partially offset by the favorable underlying performance of the operating business units.

North America Fiber Cement Segment

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

US\$ Millions	Three Months and Nine Months Ended 31 December					
	Q3 FY18	Q3 FY17	Change	9 Months FY18	9 Months FY17	Change
Volume (mmsf)	528.9	516.7	2%	1,652.0	1,636.8	1%
Average net sales price per unit (per msf)	US\$705	US\$670	5%	US\$700	US\$666	5%
Net sales	376.8	350.9	7%	1,168.0	1,105.7	6%
Gross profit			20%			3%
Gross margin (%)			4.0 pts			(1.0 pts)
EBIT	101.3	75.5	34%	278.5	267.8	4%
EBIT margin (%)	26.9	21.5	5.4 pts	23.8	24.2	(0.4 pts)

Net sales for the quarter and nine months were favorably impacted by a higher average net sales price and slightly higher volumes. The increase in average net sales price reflects the annual change in our strategic pricing effective April 2017. Additionally, the marginal growth in volume for the quarter and the nine months, compared to the prior corresponding periods, was due to dampened demand driven by our capacity constraints in the prior fiscal year and first half of fiscal year 2018. Our exterior volume trend continues to improve quarter to quarter, and grew in line with our market index in the current quarter.

We note that there are a number of data sources that measure US housing market growth. At the time of filing our results for the quarter ended 31 December 2017, only US Census Bureau data was available. According to the US Census Bureau, single family housing starts for the quarter were 199,300, or 7% above the prior corresponding period, and for the nine months ended 31 December 2017, single family housing starts were 666,900 or 9% above the prior corresponding period.

While we have provided US Census Bureau data above, we note that this data can be different from 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 nine months can be attributed to the following components:

For the Three Months Ended 31 December 2017:

Higher average net sales price	3.1 pts
Lower start up costs	0.5 pts
Lower production costs	0.4 pts
Total percentage point change in gross margin	<u>4.0 pts</u>

For the Nine Months Ended 31 December 2017:

Higher average net sales price	2.9 pts
Higher start up costs	(0.1 pts)
Higher production costs	(3.8 pts)
Total percentage point change in gross margin	<u>(1.0 pts)</u>

Gross margin for the quarter increased 4 percentage points, compared to the prior corresponding period, primarily due to a higher average net sales price, lower start up costs and lower production costs. The lower production costs compared to the prior corresponding period were driven by favorable plant performance, partially offset by higher input costs and higher freight costs.

Gross margin for the nine months decreased 1 percentage point, compared to the prior corresponding period, primarily driven by higher production costs, partially offset by a higher average net sales price. While production costs were favorable for the quarter as compared to the prior corresponding period, this favorability was more than offset by the unfavorable performance during the first half of fiscal year 2018. The higher production costs in the first half of fiscal year 2018 were driven by elevated spending in freight, labor and raw materials, as well as production inefficiencies across the manufacturing network.

EBIT for the quarter increased 34% primarily driven by a 20% increase in gross profit and a 5% decrease in SG&A expenses. EBIT for the nine months increased 4% primarily driven by a 3% increase in gross profit. The lower SG&A expense for the quarter was primarily driven by a decrease in discretionary spend compared to the prior corresponding period. As a percentage of sales, SG&A decreased by 1.4 percentage points and 0.5 percentage points for the quarter and nine months, respectively, when compared to prior corresponding periods.

EBIT margin for the quarter increased 5.4 percentage points to 26.9% when compared to the prior corresponding period, driven primarily by the increase in gross margin as described above. EBIT margin for the nine months decreased 0.4 percentage points to 23.8% when compared to the prior corresponding period, driven primarily by the decrease in gross margin 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 Nine Months Ended 31 December					
	Q3 FY18	Q3 FY17	Change	9 Months FY18	9 Months FY17	Change
Volume (mmsf)	131.7	115.4	14%	399.8	361.3	11%
Average net sales price per unit (per msf)	US\$773	US\$790	(2%)	US\$775	US\$786	(1%)
Net sales	114.5	99.5	15%	349.2	309.0	13%
Gross profit			12%			13%
Gross margin (%)			(1.1 pts)			— pts
EBIT	25.4	21.9	16%	82.4	71.5	15%
EBIT margin (%)	22.2	22.0	0.2 pts	23.6	23.1	0.5 pts

Volume for the quarter and nine months increased 14% and 11%, respectively, compared to the prior corresponding periods, primarily driven by volume growth in our Australian and Philippines businesses.

Net sales for the quarter and nine months increased 15% and 13%, respectively, compared to the prior corresponding periods, primarily due to higher volume, partially offset by a lower average net sales price in US

dollars. The lower average net sales price for the quarter and nine months was primarily driven by tactical pricing strategies and volume growth in the Philippines.

Gross profit for the quarter and nine months increased 12% and 13%, respectively, compared to the prior corresponding periods. The increase for the quarter was primarily driven by strong volume growth and lower production costs in our Australian business. The increase for the nine months was primarily driven by strong volume growth and lower production costs in our Australian business, partially offset by a lower average net sales price in the Philippines and lower net sales in Europe.

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

For the Three Months Ended 31 December 2017:

Lower average net sales price	(1.4 pts)
Lower production costs	0.3 pts
Total percentage point change in gross margin	<u>(1.1 pts)</u>

For the Nine Months Ended 31 December 2017:

Lower average net sales price	(0.8 pts)
Lower production costs	0.8 pts
Total percentage point change in gross margin	<u>— pts</u>

EBIT for the quarter and nine months increased 16% and 15%, respectively, when compared to the prior corresponding periods, to US\$25.4 million and US\$82.4 million, respectively, due to the increase in gross profit described above, partially offset by higher SG&A expenses. The increase in SG&A expense for the quarter and nine months was primarily driven by an increase in labor related costs; however, as a percentage of sales, SG&A expense decreased by 1.5 percentage points and 0.6 percentage points for the quarter and nine months, respectively, when compared to the prior corresponding periods.

Country Analysis

Australia Fiber Cement

Net sales for the quarter and nine months increased primarily due to a higher average net sales price and an increase in volume. The key drivers of growth in net sales were continued favorable conditions in our addressable markets and market penetration, as we gained market share during the year, combined with the favorable impact of our price increase.

EBIT for the quarter and nine months increased 20% and 25%, respectively, when compared to the prior corresponding periods, driven by improved gross profit. The increase in gross profit is due to improved net sales and lower production costs, partially offset by higher SG&A expenses from labor related costs.

While we have provided Australian Bureau of Statistics data in prior periods, we note that December 2017 data was not available at the filing date of this document. However, we note that for the eight months ended 30 November 2017, according to Australian Bureau of Statistics data, approval for detached houses, which are a key driver of the Australian business' sales volume, were flat compared to the prior corresponding period. The other key driver of our sales volume is the alterations and additions market, which increased 5% for the eight months ended 30 November 2017, when compared to the prior corresponding period.

New Zealand Fiber Cement

Net sales for the quarter and nine months increased from the prior corresponding periods, primarily driven by higher sales volumes from addressable markets. EBIT for the quarter decreased compared to the prior corresponding period, primarily driven by unfavorable plant performance, higher freight cost and higher SG&A expenses, partially offset by higher net sales. EBIT for the nine months was flat compared to the prior corresponding period.

Philippines Fiber Cement

Volume for the quarter and nine months increased 21% and 23%, respectively, when compared to the prior corresponding periods, as a result of our tactical pricing strategies in the current year, as well as low volumes in the prior corresponding period due to the penetration of competitor imports within the Philippines market. EBIT for the quarter was higher compared to the prior corresponding period, driven by strong volume growth and lower production costs. EBIT for the nine months was lower compared to the prior corresponding period, primarily driven by the impact of unfavorable foreign exchange rates on our US\$ reported sales and a lower average net sales price due to tactical pricing strategies.

Europe Fiber Cement

Net sales for the quarter were higher when compared to the prior corresponding period, primarily driven by the impact of favorable foreign exchange rates on our US\$ reported sales. EBIT for the quarter improved when compared to the prior corresponding period, driven by higher net sales and lower SG&A expenses.

Net sales for the nine months decreased when compared to the prior corresponding period, primarily driven by lower volume in certain regions, partially offset by the impact of favorable foreign exchange rates on our US\$ reported sales. EBIT for the nine months was higher when compared to the prior corresponding period, primarily driven by lower SG&A expenses.

Other Businesses Segment

US\$ Millions

US\$ Millions	Three Months and Nine Months Ended 31 December					
	Q3 FY18	Q3 FY17	Change	9 Months FY18	9 Months FY17	Change
Net sales	3.8	3.4	12%	11.4	12.6	(10%)
Gross profit			—%			NM
Gross profit margin (%)			2.4 pts			(9.6 pts)
EBIT	(1.9)	(2.1)	10%	(5.8)	(4.7)	(23%)

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 decreased 10% to a loss of US\$1.9 million, when compared to the prior corresponding period. EBIT loss for the nine months increased to a loss of US\$5.8 million. We continue to invest in future growth through our commitment to building quality manufacturing, product development capabilities and organizational capability.

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 Nine Months Ended 31 December					
	Q3 FY18	Q3 FY17	Change %	9 Months FY18	9 Months FY17	Change %
Segment R&D expenses	\$ (6.4)	\$ (5.4)	(19)	\$ (18.6)	\$ (16.5)	(13)
Segment R&D SG&A expenses	(0.8)	(0.8)	—	(1.9)	(1.8)	(6)
Total R&D EBIT	\$ (7.2)	\$ (6.2)	(16)	\$ (20.5)	\$ (18.3)	(12)

The increase in segment R&D expenses for the quarter and nine months are a result of increased R&D spend for the Other Businesses segment, as well as, an increase in 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\$1.9 million for the quarter and US\$5.8 million for the nine months, compared to US\$1.9 million and US\$5.7 million for the prior corresponding periods.

General Corporate

Results for General Corporate were as follows:

US\$ Millions

	Three Months and Nine Months Ended 31 December					
	Q3 FY18	Q3 FY17	Change %	9 Months FY18	9 Months FY17	Change %
General Corporate SG&A expenses	\$ (20.2)	\$ (15.6)	(29)	\$ (44.8)	\$ (39.1)	(15)
Asbestos:						
Asbestos adjustments	47.0	35.6	32	36.5	39.0	(6)
AICF SG&A expenses ¹	(0.5)	(0.4)	(25)	(1.3)	(1.2)	(8)
General Corporate EBIT	\$ 26.3	\$ 19.6	34	\$ (9.6)	\$ (1.3)	

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.

For the quarter, General Corporate SG&A expenses increased US\$4.6 million, primarily due to higher stock compensation expenses driven by an increase in the USD stock price and higher discretionary spending.

For the nine months, General Corporate SG&A expenses increased US\$5.7 million, primarily due to higher discretionary spending and an increase in foreign exchange losses, partially offset by a US\$3.4 million gain on the sale of a storage building located near our Fontana facility.

Asbestos adjustments for both periods primarily reflect a reduction in the asbestos liability, of US\$44.3 million, due to the impact of the recent amendment to the AFFA, as well as, the non-cash foreign exchange re-measurement impact on asbestos related balance sheet items, driven by the change in the AUD/USD spot exchange rate from the beginning balance sheet date to the ending balance sheet date, for each respective period.

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

Q3 FY18		Q3 FY17		9 Months FY18		9 Months FY17	
30 September 2017	0.7840	30 September 2016	0.7628	31 March 2017	0.7644	31 March 2016	0.7657
31 December 2017	0.7804	31 December 2016	0.7236	31 December 2017	0.7804	31 December 2016	0.7236
Change (\$)	(0.0036)	Change (\$)	(0.0392)	Change (\$)	0.0160	Change (\$)	(0.0421)
Change (%)	—	Change (%)	(5)	Change (%)	2	Change (%)	(5)

Readers are referred to Note 7 of our 31 December 2017 condensed consolidated financial statements for further information on asbestos adjustments.

OPERATING RESULTS - OTHER



EBIT

The table below summarizes EBIT results as discussed above:

US\$ Millions	Three Months and Nine Months Ended 31 December					
	Q3 FY18	Q3 FY17	Change %	9 Months FY18	9 Months FY17	Change %
North America Fiber Cement	\$ 101.3	\$ 75.5	34	\$ 278.5	\$ 267.8	4
International Fiber Cement	25.4	21.9	16	82.4	71.5	15
Other Businesses	(1.9)	(2.1)	10	(5.8)	(4.7)	(23)
Research and Development	(7.2)	(6.2)	(16)	(20.5)	(18.3)	(12)
General Corporate ¹	(20.2)	(15.6)	(29)	(44.8)	(39.1)	(15)
Adjusted EBIT	97.4	73.5	33	289.8	277.2	5
Asbestos:						
Asbestos adjustments	47.0	35.6	32	36.5	39.0	(6)
AICF SG&A expenses	(0.5)	(0.4)	(25)	(1.3)	(1.2)	(8)
EBIT	\$ 143.9	\$ 108.7	32	\$ 325.0	\$ 315.0	3

¹ Excludes Asbestos-related expenses and adjustments

Net Interest Expense

US\$ Millions	Three Months and Nine Months Ended 31 December					
	Q3 FY18	Q3 FY17	Change %	9 Months FY18	9 Months FY17	Change %
Gross interest expense	\$ (10.3)	\$ (7.5)	(37)	\$ (26.5)	\$ (21.4)	(24)
Capitalized Interest	1.3	0.5		3.1	1.6	94
Interest income	0.4	—		0.8	0.3	
Net AICF interest income (expense)	0.3	(0.2)		1.0	(0.8)	
Net interest expense	\$ (8.3)	\$ (7.2)	(15)	\$ (21.6)	\$ (20.3)	(6)

Gross interest expense for the quarter and nine months increased US\$2.8 million and US\$5.1 million, respectively, when compared to the prior corresponding periods, primarily due to the higher outstanding balance of our senior unsecured notes. Net AICF interest for the quarter and nine months moved to income of US\$0.3 million and US\$1.0 million, respectively, primarily due to interest income on deposits and a decrease in the balance of AICF's borrowings under its loan facility with New South Wales Government.

Other Income

Other income for the quarter and nine months decreased to US\$0.6 million and US\$0.2 million, respectively, compared to US\$1.4 million and US\$1.2 million, respectively, in the prior corresponding periods, due to movements in the valuation of our interest rate swaps.

Income Tax

	Three Months and Nine Months Ended 31 December			
	Q3 FY18	Q3 FY17	9 Months FY18	9 Months FY17
Income tax expense (US\$ Millions)	(30.2)	(15.0)	(73.8)	(63.9)
Effective tax rate (%)	27.4	14.6	26.6	21.6
Adjusted income tax expense ¹ (US\$ Millions)	(19.5)	(15.3)	(61.9)	(64.9)
Adjusted effective tax rate ¹ (%)	21.8	22.5	23.1	25.1

¹Adjusted income tax expense represents income tax on net operating profit excluding asbestos, loss on early debt extinguishment and other tax adjustments

Total income tax expense for the quarter and nine months increased US\$15.2 million and US\$9.9 million, respectively, when compared to the prior corresponding periods. The increase was primarily driven by the reduction in the asbestos liability.

Total Adjusted income tax expense for the quarter and nine months increased US\$4.2 million and decreased US\$3.0 million, respectively, when compared to the prior corresponding periods. The increase for the quarter was primarily driven by an increase in Adjusted operating profit before income taxes. The decrease for the nine months was primarily driven by a reduction of the US tax rate.

US Tax Cuts and Jobs Act

As a result of the enactment of the US Tax Cuts and Jobs Act in December 2017, we recorded a provisional charge to income tax expense of an estimated US\$2.5 million resulting from deemed repatriated earnings of certain subsidiaries and the revaluation of our US-based net deferred tax liability.

The impact of changes in US tax legislation on our future earnings is uncertain as it is subject to the potential effect of certain complex provisions, and the issuance of regulatory guidance or clarifications that may be issued in the future in respect of these provisions, including the base erosion and anti-abuse tax, global intangible low-taxed income, foreign derived intangible income and others, which we are currently reviewing. These provisions will be in effect for us beginning fiscal year 2019, and it is possible that any impact of these provisions could materially reduce the benefit of the reduction in the US federal corporate income tax rate. Due to the uncertain practical and technical application of many of these provisions, it is currently not possible to reliably estimate whether these provisions will apply and if so, how it will impact us.

Readers are referred to Note 10 of our 31 December 2017 condensed consolidated financial statements for further information related to income tax.

OPERATING RESULTS - OTHER



Net Operating Profit

US\$ Millions

	Three Months and Nine Months Ended 31 December					
	Q3 FY18	Q3 FY17	Change %	9 Months FY18	9 Months FY17	Change %
EBIT	\$ 143.9	\$ 108.7	32	\$ 325.0	\$ 315.0	3
Net interest expense	(8.3)	(7.2)	(15)	(21.6)	(20.3)	(6)
Loss on early debt extinguishment ¹	(26.1)	—		(26.1)	—	
Other income	0.6	1.4	(57)	0.2	1.2	(83)
Income tax expense	(30.2)	(15.0)		(73.8)	(63.9)	(15)
Net operating profit	79.9	87.9	(9)	203.7	232.0	(12)
Excluding:						
Asbestos:						
Asbestos adjustments	(47.0)	(35.6)	(32)	(36.5)	(39.0)	6
AICF SG&A expenses	0.5	0.4	25	1.3	1.2	8
AICF interest (income) expense, net	(0.3)	0.2		(1.0)	0.8	
Loss on early debt extinguishment	26.1	—		26.1	—	
Asbestos, loss on early debt extinguishment and other tax adjustments	10.7	(0.3)		11.9	(1.0)	
Adjusted net operating profit	69.9	52.6	33	205.5	194.0	6
Adjusted diluted earnings per share (US cents)	16	12		47	44	

¹ In December 2017, we redeemed our 5.875% senior notes due 2023 and recorded a loss on early debt extinguishment in connection with this redemption. Readers are referred to Note 6 of our 31 December 2017 condensed consolidated financial statements for further information related to long-term debt.

Adjusted net operating profit of US\$69.9 million for the quarter increased US\$17.3 million, or 33%, compared to the prior corresponding period, primarily due to the underlying performance of the operating business units, as reflected in the US\$23.9 million increase in Adjusted EBIT, partially offset by an increase in Adjusted income tax expense of US\$4.2 million.

Adjusted net operating profit of US\$205.5 million for the nine months increased US\$11.5 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\$12.6 million increase in Adjusted EBIT.

Cash Flow

Operating Activities

Cash provided by operating activities decreased US\$26.4 million to US\$239.4 million. The decrease in cash provided by operating activities was primarily driven by an unfavorable change in working capital of US\$65.3 million and a US\$11.1 million increase in the payment to AICF, partially offset by a favorable change in other operating assets and liabilities of US\$40.7 million. The unfavorable change in working capital was primarily due to the continued build of inventory levels to meet anticipated demand. The favorable change in other operating assets and liabilities was primarily due to the timing of payments and periodic changes of various accrual balances including taxes and bonuses.

Investing Activities

Cash used in investing activities increased US\$83.9 million to US\$144.0 million. The change in net cash used in investing activities was primarily driven by an increase in the purchase of property, plant and equipment of US\$90.3 million compared to the prior corresponding period, primarily related to the greenfield expansion project on land adjacent to our Tacoma facility. This was partially offset by US\$7.9 million in proceeds from the sale of a storage building near our Fontana facility.

Financing Activities

Cash provided by financing activities increased US\$291.7 million to US\$60.5 million. The increase in cash provided by financing activities was driven by the net proceeds from our senior unsecured notes in the current year of US\$400.0 million, partially offset by the associated call redemption premium and debt issuance costs of US\$33.4 million. This was further offset by the repurchase of shares of common stock of US\$99.8 million in the prior year, compared to nil in the current year.

Capacity Expansion

We continually evaluate the capacity required to service the North American housing market to ensure we meet demand and achieve our market penetration objectives. During the current quarter we:

- Continued the start-up at our Summerville facility;
- Continued the construction of a greenfield expansion project on land adjacent to our existing Tacoma facility, which is expected to be commissioned in the first quarter of fiscal year 2019; and
- Continued the planning of our Prattville, Alabama facility, which is expected to be commissioned in the first half of fiscal year 2020.

In our International Fiber Cement segment, we are adding additional capacity in the Philippines with an estimated total cost of US\$18.0 million, which is expected to be completed in the last quarter of fiscal year 2018. Additionally, today we announced an A\$28.5 million brownfield expansion project at our existing Carole Park facility in Australia with planning and design to begin immediately. The new brownfield expansion project is expected to be commissioned by the first quarter of fiscal year 2021.

Liquidity and Capital Allocation

Our cash position increased from US\$78.9 million at 31 March 2017 to US\$231.3 million at 31 December 2017.

At 31 December 2017, we held three forms of debt: an unsecured revolving credit facility; a 364-day term loan facility; and senior unsecured notes. The effective weighted average interest rate on the Company's total debt was 4.9% and 4.8% at 31 December 2017 and 31 March 2017, respectively. The weighted average term of all debt, including undrawn facilities, was 7.2 years and 4.7 years at 31 December 2017 and 31 March 2017, respectively.

At 31 December 2017, we had US\$500.0 million available in an unsecured revolving credit facility. At 31 December 2017, we had no amounts drawn under the unsecured revolving credit facility, compared to US\$175.0 million at 31 March 2017. The unsecured revolving credit facility's amended expiration date is December 2022 and the size of the facility may be increased by up to US\$250.0 million.

In December 2017, we entered into a €525.0 million (US\$627.4 million based on the exchange rate at 31 December 2017) 364-day term loan facility. At 31 December 2017, there were no amounts drawn under the 364-day term loan facility. We anticipate drawing on this 364-day term loan facility in the fourth quarter of fiscal year 2018, and will use these funds to complete the Fermacell acquisition.

In December 2017, we completed the sale of US\$800.0 million aggregate principal amount of senior unsecured notes. The sale of the senior notes were issued at par with US\$400.0 million 4.75% senior notes due 15 January 2025 and US\$400.0 million 5.00% senior notes due 15 January 2028. The proceeds from the offering were used for general corporate purposes, including funding the redemption of our 5.875% senior notes due 2023, the repayment of outstanding borrowings under the unsecured revolving credit facility and capital expenditures. We will also use the net proceeds from this offering to finance a portion of the Fermacell acquisition.

In connection with the redemption of 5.875% senior notes due 2023, we recorded a loss on early debt extinguishment of US\$26.1 million during the quarter, which included US\$19.5 million of call redemption premiums and US\$6.6 million of unamortized financing costs associated with these notes.

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 flows 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 2018, 2017 and 2016:

US\$ Millions	US Cents/ Security	US\$ Total Amount	Announcement Date	Record Date	Payment Date
FY 2018 first half dividend ¹	0.10	44.2	9 November 2017	13 December 2017	23 February 2018
FY 2017 second half dividend	0.28	131.3	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

¹ The FY2018 first half dividend total amount of US\$44.2 million represents the value of the dividend declared. Any difference between the amount declared and the amount payable per our condensed consolidated balance sheets is due to unrealized exchange gain or loss associated with the change in the dividend liability between the record date and the balance sheet date.

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 Nine Months Ended 31 December					
	Q3 FY18	Q3 FY17	Change %	9 Months FY18	9 Months FY17	Change %
Claims received	131	143	8	433	428	(1)
Actuarial estimate for the period	144	156	8	432	469	8
Difference in claims received to actuarial estimate	13	13		(1)	41	
Average claim settlement ¹ (A\$)	254,000	195,000	(30)	261,000	215,000	(21)
Actuarial estimate for the period ²	283,000	327,000	13	283,000	327,000	13
Difference in claims paid to actuarial estimate	29,000	132,000		22,000	112,000	

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 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 ended 31 December 2017, we noted the following related to asbestos-related claims:

- Claims received were 9% below actuarial estimates during the quarter and were in line with actuarial estimates during the nine months;
- Claims received during the quarter and nine months were 8% lower and 1% higher than prior corresponding periods, respectively;
- Mesothelioma claims reported for the nine months were 8% above actuarial expectations and 7% above the prior corresponding period;
- The average claim settlement for the quarter and nine months were 10% and 8% below actuarial expectations, respectively;
- Average claim settlement sizes were lower for most disease types, including for mesothelioma and asbestosis, compared to actuarial expectations for fiscal year 2018; and
- The decrease in average claim settlement for the nine months versus actuarial estimates was largely attributable to lower average claim settlement sizes for non-large mesothelioma claims, together with the favorable large claims experience for the nine months.

AICF Funding

On 3 July 2017, we made a payment of A\$135.1 million (US\$102.2 million) to AICF, representing 35% of our free cash flow for fiscal year 2017. Free cash flow, as defined in the AFFA, was equivalent to our fiscal year 2017 operating cash flows of US\$292.1 million.

From the time AICF was established in February 2007 through 3 July 2017, we have contributed approximately A\$1,055.0 million to the fund.

Readers are referred to Note 7 of our 31 December 2017 condensed consolidated financial statements for further information on asbestos.

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 condensed 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 condensed 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 condensed 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 EBITDA excluding Asbestos; 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 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 condensed 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.

Non-financial Terms

AFFA – Amended and Restated Final Funding Agreement

AICF – Asbestos Injuries Compensation Fund Ltd

Financial Measures - US GAAP equivalents

Adjusted EBIT

US\$ Millions

	Three Months and Nine Months Ended 31 December			
	Q3 FY18	Q3 FY17	9 Months FY18	9 Months FY17
EBIT	\$ 143.9	\$ 108.7	\$ 325.0	\$ 315.0
Asbestos:				
Asbestos adjustments	(47.0)	(35.6)	(36.5)	(39.0)
AICF SG&A expenses	0.5	0.4	1.3	1.2
Adjusted EBIT	\$ 97.4	\$ 73.5	\$ 289.8	\$ 277.2
Net sales	495.1	453.8	1,528.6	1,427.3
Adjusted EBIT margin	19.7%	16.2%	19.0%	19.4%

Adjusted Net Operating Profit

US\$ Millions

	Three Months and Nine Months Ended 31 December			
	Q3 FY18	Q3 FY17	9 Months FY18	9 Months FY17
Net operating profit	\$ 79.9	\$ 87.9	\$ 203.7	\$ 232.0
Asbestos:				
Asbestos adjustments	(47.0)	(35.6)	(36.5)	(39.0)
AICF SG&A expenses	0.5	0.4	1.3	1.2
AICF interest (income) expense, net	(0.3)	0.2	(1.0)	0.8
Loss on early debt extinguishment	26.1	—	26.1	—
Asbestos, loss on early debt extinguishment and other tax adjustments	10.7	(0.3)	11.9	(1.0)
Adjusted net operating profit	\$ 69.9	\$ 52.6	\$ 205.5	\$ 194.0

Adjusted diluted earnings per share

	Three Months and Nine Months Ended 31 December			
	Q3 FY18	Q3 FY17	9 Months FY18	9 Months FY17
Adjusted net operating profit (US\$ millions)	\$ 69.9	\$ 52.6	\$ 205.5	\$ 194.0
Weighted average common shares outstanding - Diluted (millions)	442.0	441.6	441.7	444.8
Adjusted diluted earnings per share (US cents)	16	12	47	44

Adjusted effective tax rate

US\$ Millions

	Three Months and Nine Months Ended 31 December			
	Q3 FY18	Q3 FY17	9 Months FY18	9 Months FY17
Operating profit before income taxes	\$ 110.1	\$ 102.9	\$ 277.5	\$ 295.9
Asbestos:				
Asbestos adjustments	(47.0)	(35.6)	(36.5)	(39.0)
AICF SG&A expenses	0.5	0.4	1.3	1.2
AICF interest (income) expense, net	(0.3)	0.2	(1.0)	0.8
Loss on early debt extinguishment	26.1	—	26.1	—
Adjusted operating profit before income taxes	\$ 89.4	\$ 67.9	\$ 267.4	\$ 258.9
Income tax expense	(30.2)	(15.0)	(73.8)	(63.9)
Asbestos, loss on early debt extinguishment and other tax adjustments	10.7	(0.3)	11.9	(1.0)
Adjusted income tax expense	\$ (19.5)	\$ (15.3)	\$ (61.9)	\$ (64.9)
Effective tax rate	27.4%	14.6%	26.6%	21.6%
Adjusted effective tax rate	21.8%	22.5%	23.1%	25.1%

Adjusted EBITDA excluding Asbestos

US\$ Millions

	Three Months and Nine Months Ended 31 December			
	Q3 FY18	Q3 FY17	9 Months FY18	9 Months FY17
EBIT	\$ 143.9	108.7	\$ 325.0	\$ 315.0
Depreciation and amortization	23.4	22.6	68.6	62.5
Adjusted EBITDA	\$ 167.3	\$ 131.3	\$ 393.6	\$ 377.5
Asbestos:				
Asbestos adjustments	(47.0)	(35.6)	(36.5)	(39.0)
AICF SG&A expenses	0.5	0.4	1.3	1.2
Adjusted EBITDA excluding Asbestos	\$ 120.8	\$ 96.1	\$ 358.4	\$ 339.7

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

US\$ Millions

	Three Months and Nine Months Ended 31 December			
	Q3 FY18	Q3 FY17	9 Months FY18	9 Months FY17
SG&A expenses	\$ 77.7	\$ 74.6	\$ 226.2	\$ 215.7
Excluding:				
AICF SG&A expenses	(0.5)	(0.4)	(1.3)	(1.2)
Adjusted SG&A expenses	\$ 77.2	\$ 74.2	\$ 224.9	\$ 214.5
Net sales	\$ 495.1	\$ 453.8	\$ 1,528.6	\$ 1,427.3
SG&A expenses as a percentage of net sales	15.7%	16.4%	14.8%	15.1%
Adjusted SG&A expenses as a percentage of net sales	15.6%	16.4%	14.7%	15.0%

As set forth in Note 7 of the condensed 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 condensed consolidated financial statements and related notes contained therein.

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

US\$ Millions	Total Fiber Cement- Excluding Asbestos Compensation	Asbestos Compensation	As Reported (US GAAP)
Restricted cash and cash equivalents – Asbestos	\$ —	\$ 13.0	\$ 13.0
Restricted short term investments – Asbestos	—	78.0	78.0
Insurance receivable – Asbestos ¹	—	63.5	63.5
Workers compensation asset – Asbestos ¹	—	44.3	44.3
Deferred income taxes – Asbestos	—	333.5	333.5
Asbestos liability ¹	—	1,059.9	1,059.9
Workers compensation liability – Asbestos ¹	—	44.3	44.3
Income taxes payable ¹	47.0	(16.0)	31.0
Asbestos adjustments	—	36.5	36.5
Selling, general and administrative expenses	(224.9)	(1.3)	(226.2)
Net interest expense	(22.6)	1.0	(21.6)
Income tax expense	(59.3)	(14.5)	(73.8)

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 plans;
- 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; the continuation or termination of the 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; the consummation of the Fermacell acquisition and integration of Fermacell into our business; 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.

Exhibit 99.4



Q3 FY18 MANAGEMENT PRESENTATION

02 February 2018

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

This Management Presentation 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 Asbestos Injuries Compensation Fund (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 recovery 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.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

(continued)

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; the continuation or termination of the 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; the consummation of the Fermacell acquisition and integration of Fermacell into our business; 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.

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 measures 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 EBITDA excluding Asbestos; 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 Condensed 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

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





FERMACELL UPDATE

Louis Gries, CEO

Fermacell: Integration Update

James Hardie



fermacell

November 2017

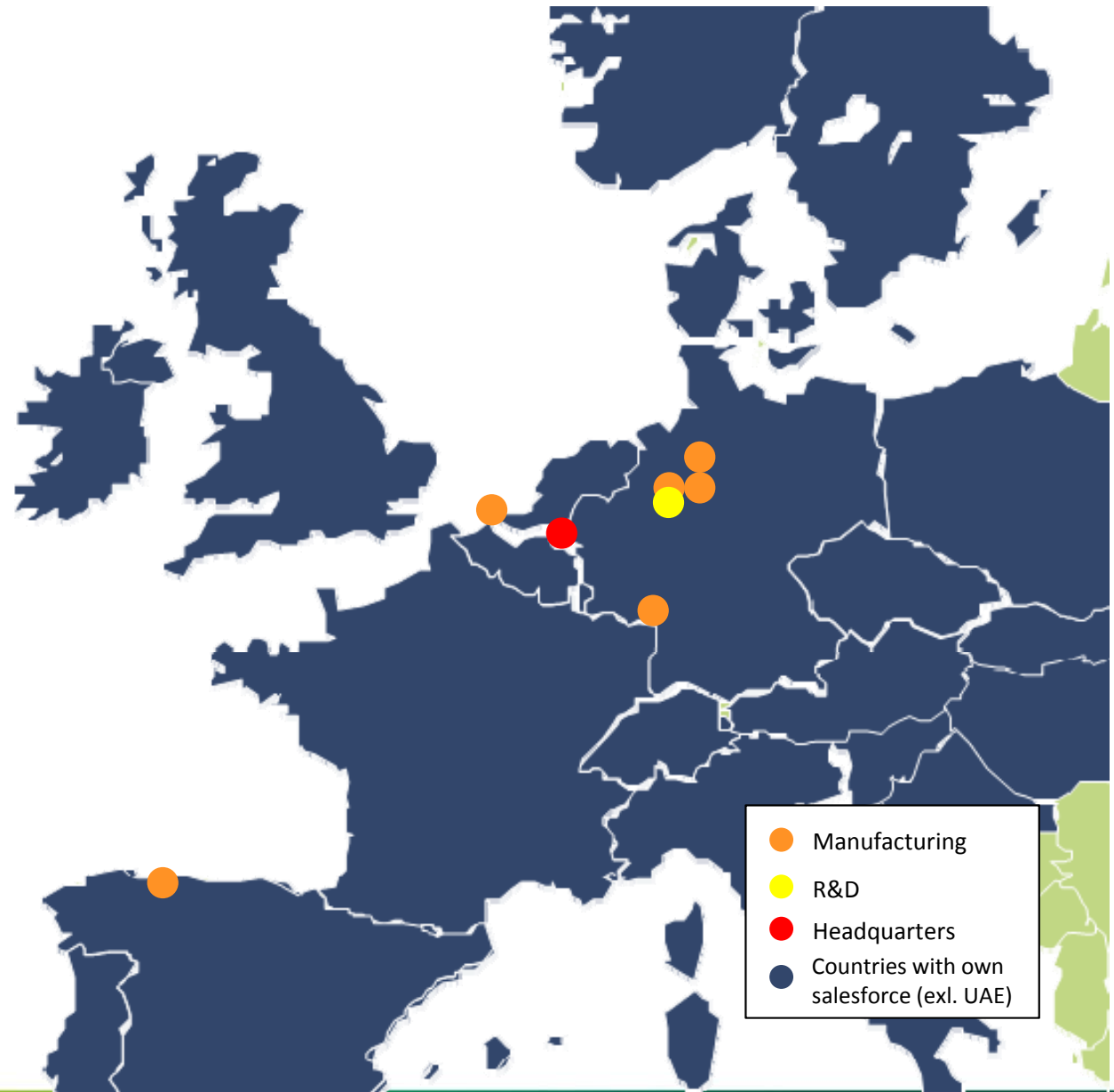
- Entered into Purchase Agreement for €473 million (~ US\$549 million)

December 2017
-March 2018

- Bridge loan facility of €525.0 secured to fund acquisition
- Due diligence and integration planning going as planned
- Customary closing procedures

March 2018

- Acquisition on target for completion in Q4FY18



OVERVIEW AND OPERATING REVIEW

Louis Gries, CEO

GROUP OVERVIEW

Adjusted Net Operating Profit¹

3rd Qtr

US\$69.9M



33%

Nine Months

US\$205.5M



6%

Adjusted Diluted EPS¹

3rd Qtr

US16 cents



33%

Nine Months

US47 cents



7%

Adjusted EBIT²

3rd Qtr

US\$97.4M



33%

Nine Months

US\$289.8M



5%

Net Operating Cash Flow

Nine Months

US\$239.4M



10%

Adjusted EBIT Margin %²

3rd Qtr

19.7%



3.5 pts

Nine Months

19.0%



0.4 pts

- Higher volumes and net sales in North America Fiber Cement and International Fiber Cement segments
- Higher average net sales price in North America Fiber Cement segment
- North America Fiber Cement: YTD EBIT margin of 23.8%; manufacturing stabilizing, volume improving
- International Fiber Cement: YTD EBIT margin of 23.6%; strong performance

¹ Excludes Asbestos related expenses and adjustments, loss on early debt extinguishment and tax adjustments

² Excludes Asbestos related expenses and adjustments

NORTH AMERICA FIBER CEMENT SUMMARY

	Q3'18	9 Months FY18
Net Sales	US\$376.8M ↑ 7%	US\$1,168.0M ↑ 6%
Sales Volume	528.9 mmsf ↑ 2%	1,652.0 mmsf ↑ 1%
Average Price	US\$705 per msf ↑ 5%	US\$700 per msf ↑ 5%
EBIT	US\$101.3M ↑ 34%	US\$278.5M ↑ 4%

Volume

- FY17 capacity constraint dampened FY18 demand
- Marginal volume growth ... Exterior volume in line with market index growth for the quarter

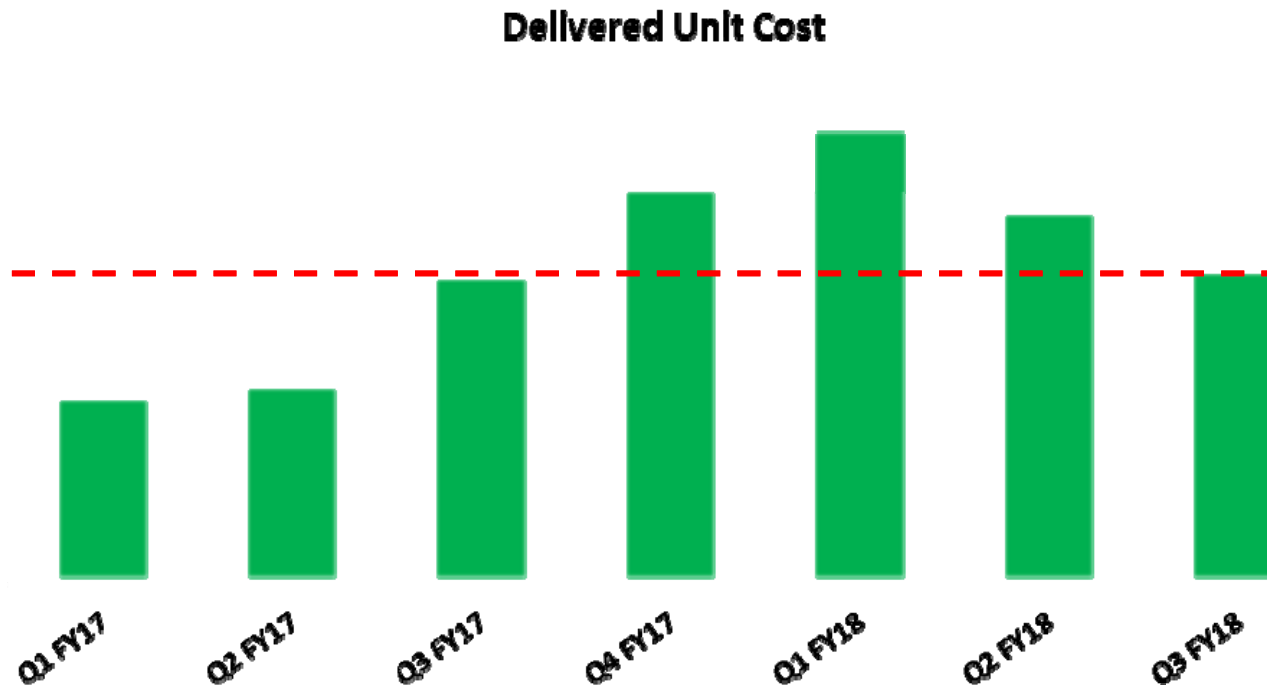
Price

- Favorably impacted by annual change in our strategic pricing effective April 2017; and tactical pricing strategies

EBIT

- EBIT for the quarter increased compared to pcq:
 - Higher average net sales price and improved plant performance
 - Partially offset by higher input and freight costs
- EBIT for the nine months increased compared to pcq:
 - Higher average net sales price, partially offset by higher production costs

NORTH AMERICA DELIVERED UNIT COST

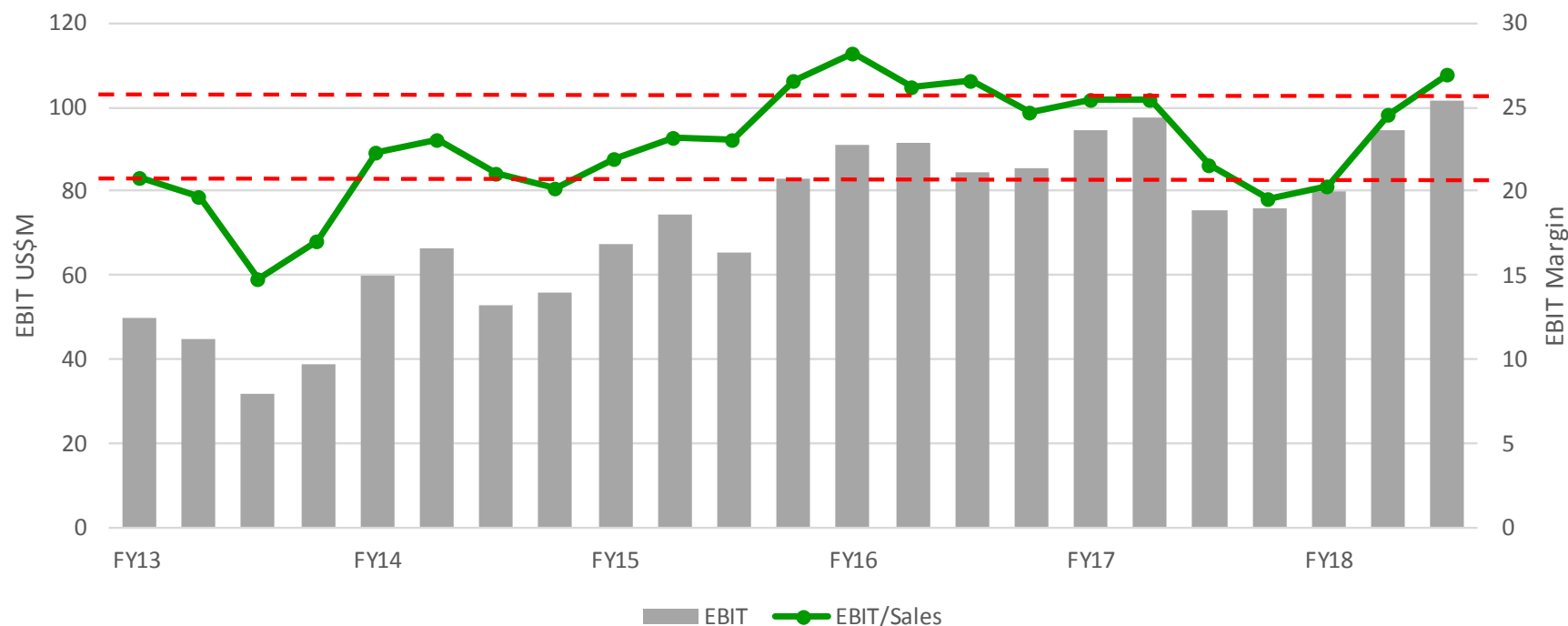


Delivered unit cost improved quarter to quarter throughout FY18

- Improvements in manufacturing inefficiencies and production cost
- Experiencing higher input costs

NORTH AMERICA FIBER CEMENT

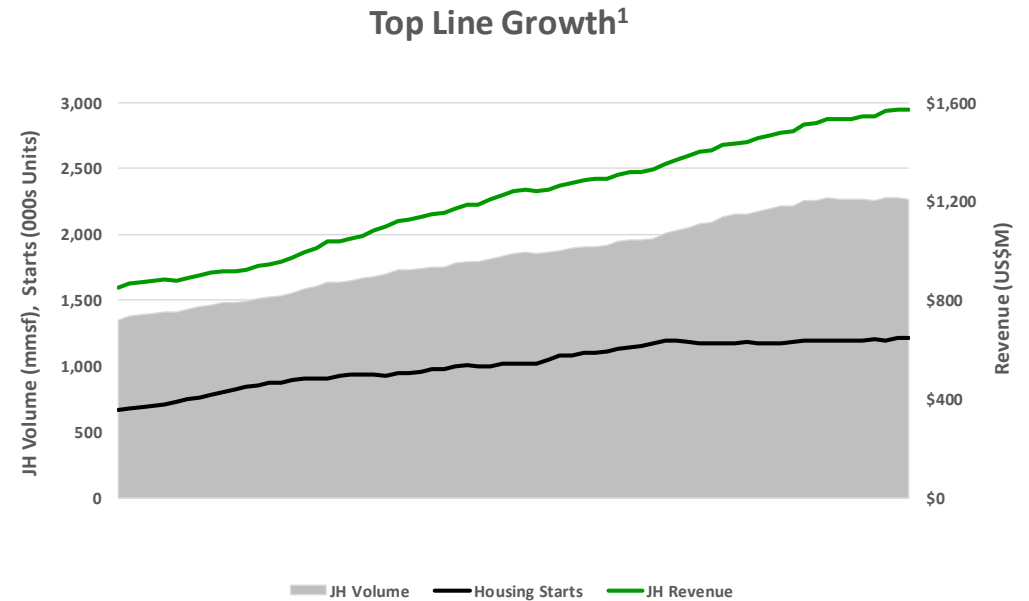
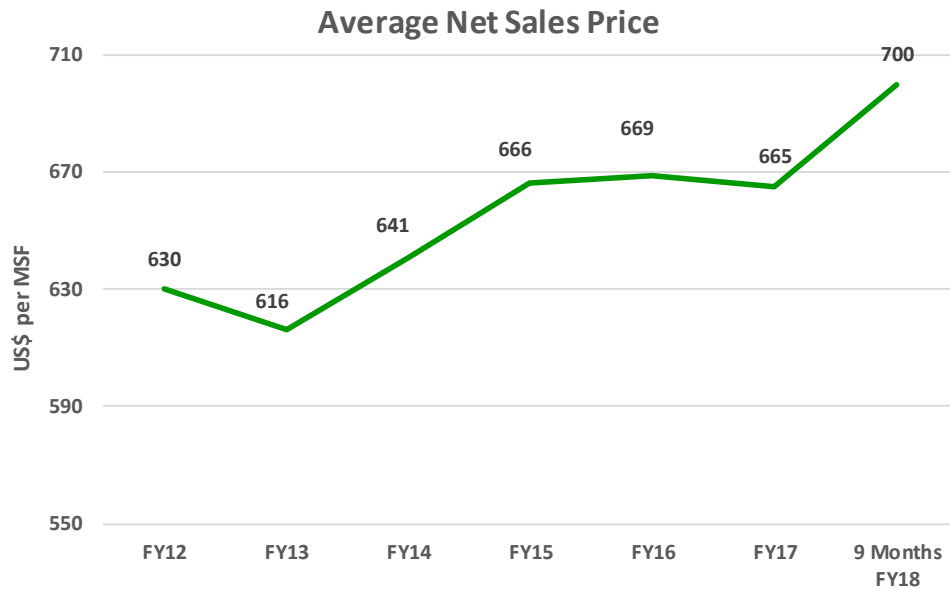
Quarterly EBIT and EBIT Margin¹



YTD EBIT Margin % in target range, but down 40 bps to 23.8% compared to pcp

¹ Excludes asset impairment charges of US\$5.8 million in Q3 FY13 and US\$11.1 million in Q4 FY13

NORTH AMERICA FIBER CEMENT











- Strategic price increase effective April 2017
- Satisfied with tactical pricing and price positioning

- US housing conditions remain favorable
- New construction starts continue modest single-digit growth

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

INTERNATIONAL FIBER CEMENT SUMMARY

	Q3'18	9 Months FY18
Net Sales	US\$114.5M  15%	US\$349.2M  13%
Sales Volume	131.7 mmsf  14%	399.8 mmsf  11%
Average Price	US\$773 per msf  2%	US\$775 per msf  1%
EBIT	US\$25.4M  16%	US\$82.4M  15%

Volume

- Growth primarily in our Australian and Philippines businesses

Lower average selling price compared to pcg

- Favorably impacted by modest annual changes in strategic pricing in Australia
- Adversely impacted by tactical pricing strategies and volume growth in the Philippines

EBIT

- Strong result in our Australian business. Higher market penetration and improved manufacturing performance

INTERNATIONAL FIBER CEMENT (USD)



Q3'18			9 Months FY18		
Australia			Australia		
Volume	Net Sales	EBIT	Volume	Net Sales	EBIT
↑	↑	↑	↑	↑	↑

Australia

- Strong market and PDG performance
- EBIT favorably impacted by volume, price and manufacturing performance



Q3'18			9 Months FY18		
New Zealand			New Zealand		
Volume	Net Sales	EBIT	Volume	Net Sales	EBIT
↑	↑	↓	↑	↑	FLAT

New Zealand

- Higher net sales driven by higher volume
- Q3 EBIT unfavorably impacted by plant performance



Q3'18			9 Months FY18		
Philippines			Philippines		
Volume	Net Sales	EBIT	Volume	Net Sales	EBIT
↑	↑	↑	↑	↑	↓

Philippines

- Tactical pricing and foreign translation unfavorably impacted EBIT
- Nine months EBIT higher in local currency



Q3'18			9 Months FY18		
Europe			Europe		
Volume	Net Sales	EBIT	Volume	Net Sales	EBIT
↓	↑	↑	↓	↓	↑

Europe

- Lower volume in certain regions
- EBIT favorably impacted by lower SG&A expenses

FINANCIAL REVIEW

Matt Marsh, EVP and CFO

RESULTS – 3rd QUARTER FY18

Three Months Ended 31 December

US\$ Millions	Q3'18	Q3'17	% Change
Net sales	495.1	453.8	9
Gross profit	182.9	155.0	18
SG&A expenses	(77.7)	(74.6)	(4)
EBIT	143.9	108.7	32
Net operating profit	79.9	87.9	(9)
Adjusted EBIT ¹	97.4	73.5	33
Adjusted net operating profit ²	69.9	52.6	33

¹ Excludes Asbestos related expenses and adjustments

² Excludes Asbestos related expenses and adjustments, loss on early debt extinguishment and other tax adjustments

Net sales increased 9%

- Higher average net sales price and volume in the North America Fiber Cement segment
- Strong volume growth in International Fiber Cement

Gross profit increased 18%, gross margin % up 270 bps

SG&A expenses increased 4%

- SG&A expenses as a percentage of sales decreased 70 bps

Adjusted net operating profit increased 33%

- North America Fiber Cement segment EBIT increased 34% versus pcg
- International Fiber Cement segment EBIT increased 16% versus pcg

RESULTS – NINE MONTHS FY18

Nine Months Ended 31 December

US\$ Millions	9 Months FY18	9 Months FY17	% Change
Net sales	1,528.6	1,427.3	7
Gross profit	539.1	513.9	5
SG&A expenses	(226.2)	(215.7)	(5)
EBIT	325.0	315.0	3
Net operating profit	203.7	232.0	(12)
Adjusted EBIT ¹	289.8	277.2	5
Adjusted net operating profit ²	205.5	194.0	6

¹ Excludes Asbestos related expenses and adjustments

² Excludes Asbestos related expenses and adjustments, loss on early debt extinguishment and other tax adjustments

Net sales increased 7%

- Higher average net sales price in the North America Fiber Cement segment
- Strong volume growth in the International Fiber Cement

Gross profit increased 5%, gross margin % down 70 bps

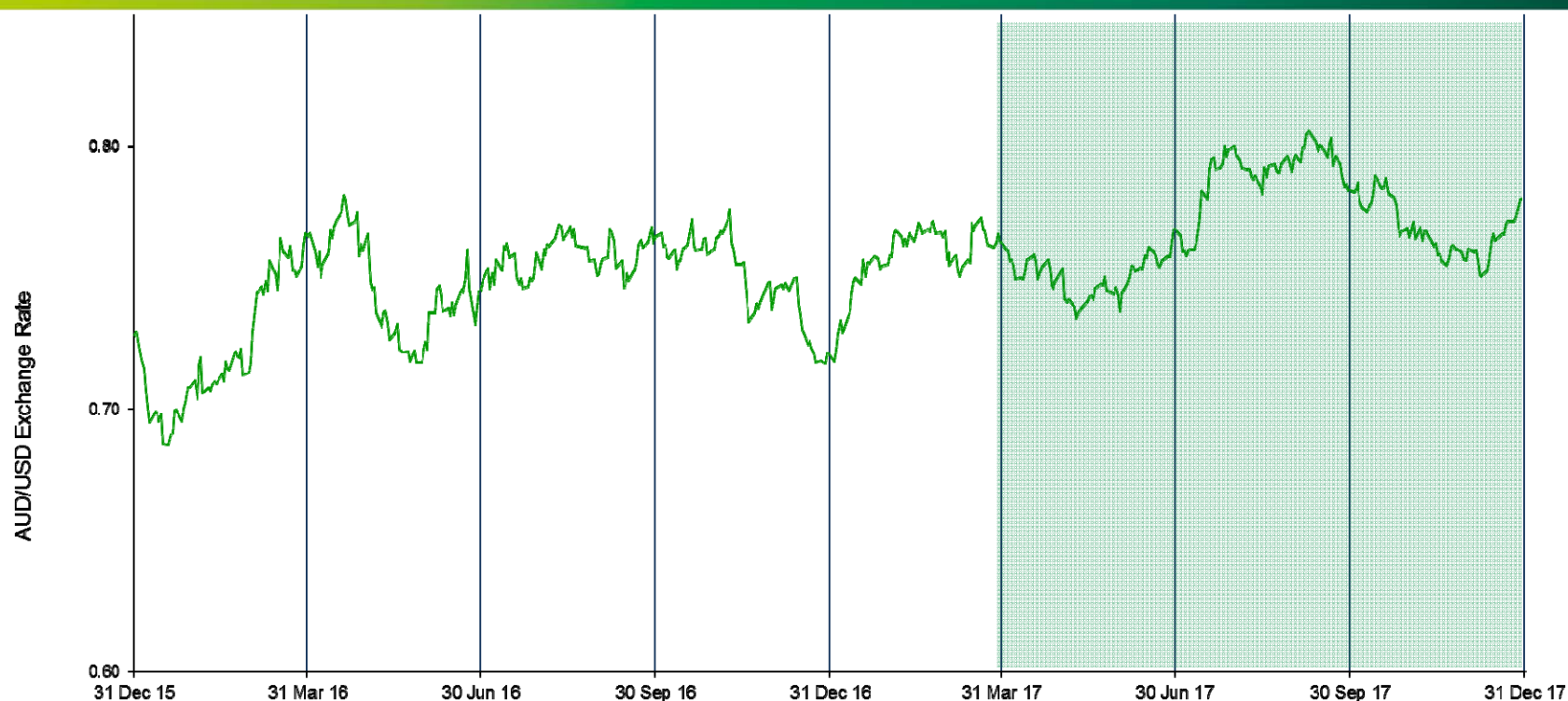
SG&A expenses increased 5%

- SG&A expenses as a percentage of sales decreased 30 bps

Adjusted net operating profit increased 6%

- North America Fiber Cement segment EBIT increased 4% versus pcp
- International Fiber Cement Segment EBIT increased 15% versus pcp

CHANGES IN AUD vs. USD



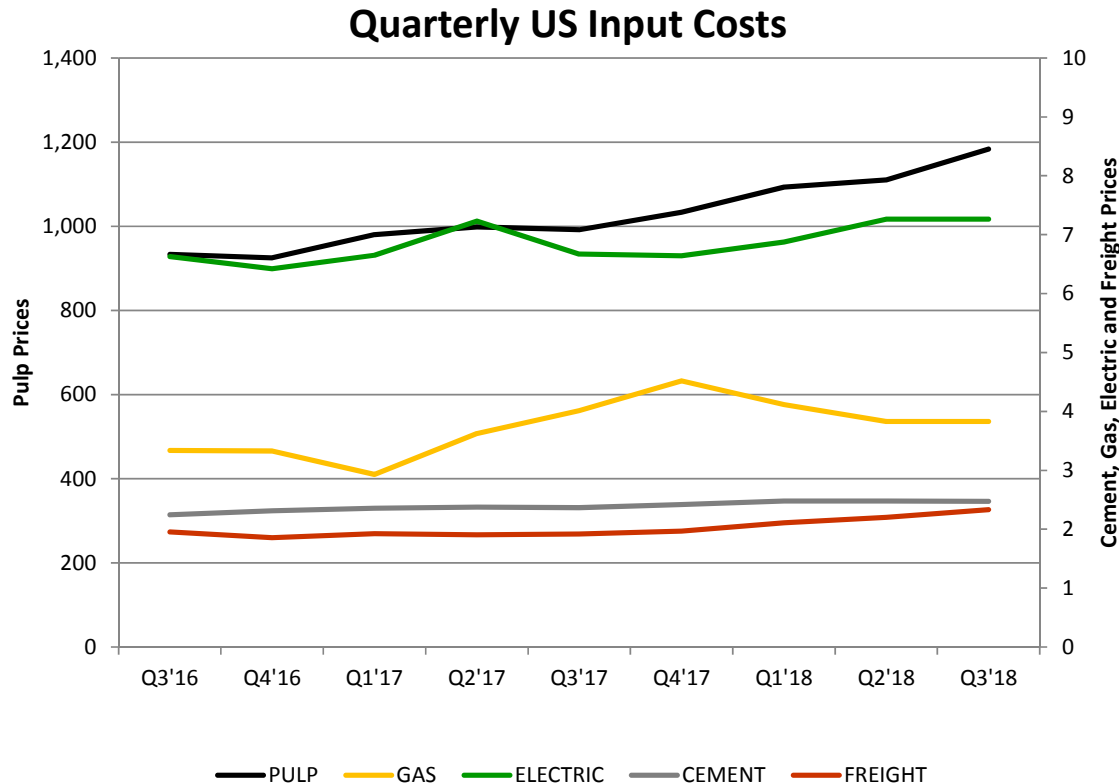
US\$ Millions	As Reported			Excluding Translation Impact ¹	
	9 Months FY18	9 Months FY17	% Change	9 Months FY18	% Change
Net sales	\$ 1,528.6	1,427.3	▲ 7%	\$ 1,525.2	▲ 7%
Gross profit	539.1	513.9	▲ 5%	537.6	▲ 5%
Adjusted EBIT	289.8	277.2	▲ 5%	288.7	▲ 4%
Adjusted net operating profit	\$ 205.5	194.0	▲ 6%	\$ 207.8	▲ 7%

Translation Impact ²	
\$ Favorable (Unfavorable)	%
3.4	-
1.5	-
1.1	▲ 1%
(2.3)	▼ 1%

¹ As Reported 9 Months FY18 figures converted using 9 Months FY17 weighted average exchange rates

² Reflects the difference between 9 Months FY18 As Reported and 9 Months FY18 using 9 Months FY17 weighted average exchange rates

NORTH AMERICA INPUT COSTS



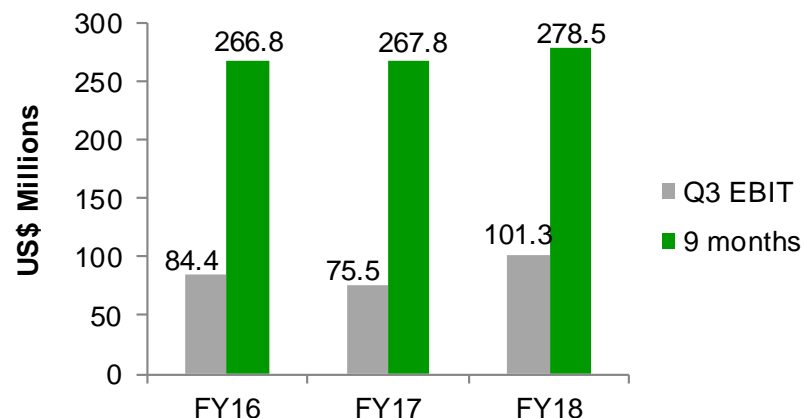
- Freight market prices **increased** 21% compared to pcp
- The price of NBSK pulp **increased** 19% compared to pcp
- Electricity prices are **up** 9% compared to pcp
- Cement prices continue to rise, **up** 5% compared to pcp
- Gas prices are down 5% compared to pcp

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 Q3'18 are based on Q2'18 actuals

SEGMENT EBIT – 3rd QUARTER and NINE MONTHS FY18

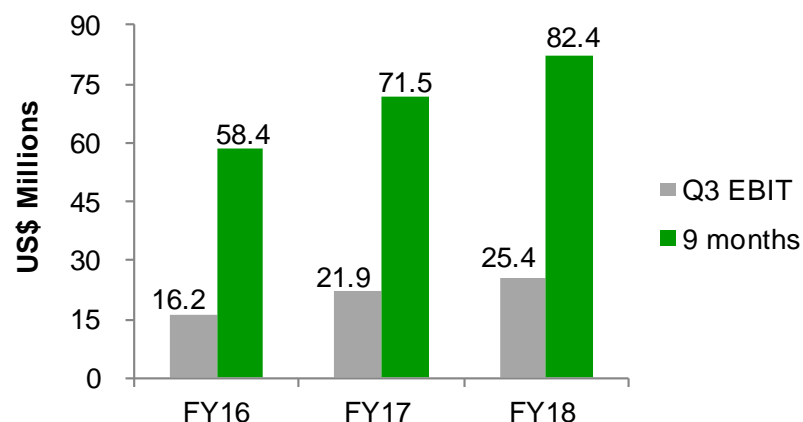
North America Fiber Cement



North America Fiber Cement EBIT summary

- Q3 EBIT increased 34% and nine months EBIT increased 4% compared to pcp
- Quarter increase primarily driven by higher net sales and lower production costs
- Nine months increase primarily driven by higher net sales price, partially offset by higher production cost

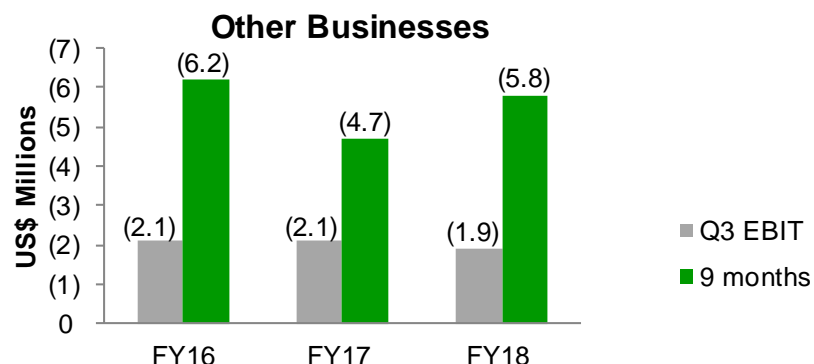
International Fiber Cement



International Fiber Cement EBIT summary

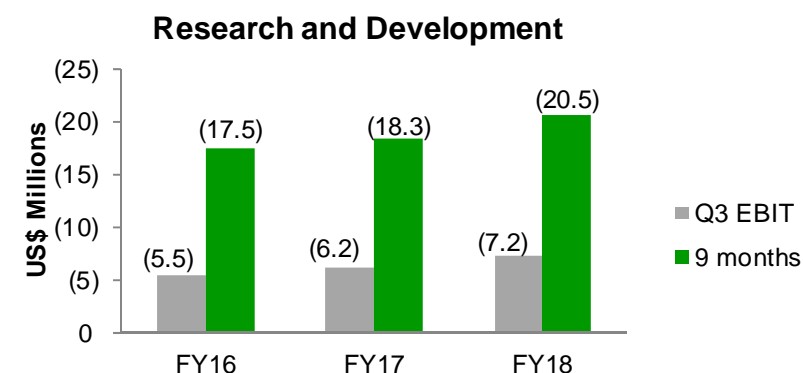
- Q3 EBIT increased 16% and nine months EBIT increased 15% compared to pcp
- Strong volume growth in Australia and the Philippines
- Favorable conditions in our addressable markets and increased market penetration in Australia during the year

SEGMENT EBIT – 3rd QUARTER and NINE MONTHS FY18



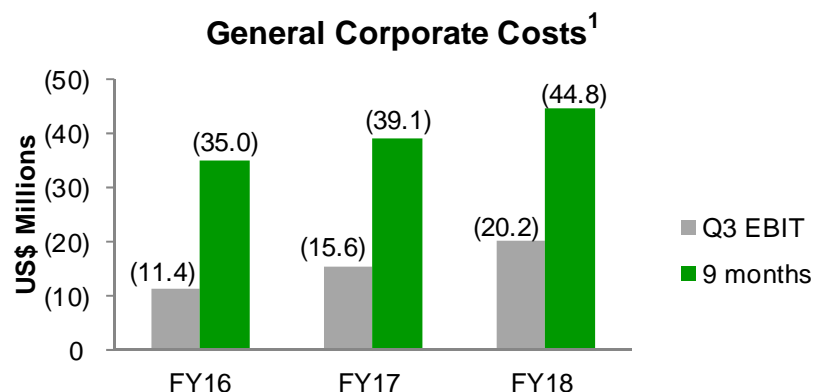
Other Businesses

- Additional investments in product and manufacturing capabilities



R&D

- On strategy to invest 2-3% of net sales
- Increased spend for Other Businesses segment, and overall increase in number of projects



General Corporate Costs

- Higher discretionary spend and increase in foreign exchange losses during the nine months, partially offset by the gain on the sale of a storage building near our Fontana facility in Q1 FY18

¹ Excludes Asbestos related expenses and adjustments

INCOME TAX

Three Months and Nine Months Ended 31 December

US\$ Millions	Q3'18	Q3'17	9 Months FY18	9 Months FY17
Operating profit before taxes	110.1	102.9	277.5	295.9
Asbestos adjustments ¹	(46.8)	(35.0)	(36.2)	(37.0)
Loss on early debt extinguishment	26.1	-	26.1	-
Adjusted operating profit before income taxes	89.4	67.9	267.4	258.9
Adjusted income tax expense ²	(19.5)	(15.3)	(61.9)	(64.9)
Adjusted effective tax rate	21.8%	22.5%	23.1%	25.1%
Income tax expense	(30.2)	(15.0)	(73.8)	(63.9)
Income taxes paid			33.7	42.4
Income taxes payable			31.0	5.7

23.1% estimated adjusted effective tax rate for the year

- YTD Adjusted income tax expense decrease driven by a reduction of the US tax rate
- 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 (income) expense

² Excludes tax effects of Asbestos, loss on early debt extinguishment and other tax adjustments



US INCOME TAX REFORM

Impact from US Tax Reform


Income tax expense

3rd Qtr			Nine Months		
US\$2.5M		9%	US\$2.5M		4%

Adjusted Net Operating Profit¹

3rd Qtr			Nine Months		
US\$2.5M		3%	US\$2.5M		1%

Net Operating Cash Flow

			Nine Months		
			US\$2.5M		1%

US Tax Cuts and Jobs Act enacted 22 December 2017

- Provisional charge to income tax expense of US\$2.5 million comprising:
 - Estimated US\$32.5 million on deemed repatriated earnings
 - Partially offset by an estimated US\$30.0 million revaluation of our US-based net deferred tax liabilities, as a result of the lowered US federal income tax rate
- Impact of US Tax Reform on future earnings is currently uncertain

¹ Excludes Asbestos related expenses and adjustments, loss on early debt extinguishment and tax adjustments

CASHFLOW

US\$ Millions	9 Months FY18	9 Months FY17	Change (%)
Net Income	203.7	232.0	(12)
Adjustment for non-cash items	62.1	50.5	23
Annual AICF contribution	(102.2)	(91.1)	(12)
Operating working capital ¹	10.0	75.3	(87)
Other net operating activities	65.8	(0.9)	
Cash Flow from Operations	239.4	265.8	(10)
Purchases of property, plant and equipment ²	(151.9)	(60.1)	
Proceeds from sale of property, plant and equipment	7.9	-	
Free Cash Flow³	95.4	205.7	(54)
Dividends paid	(131.3)	(130.2)	(1)
Net repayments of credit facilities	(175.0)	(80.0)	
Net proceeds from senior unsecured notes ⁴	386.1	75.6	
Call redemption premium paid to note holders	(19.5)	-	
Share related activities	0.2	(96.6)	
Free Cash Flow after Financing Activities	155.9	(25.5)	

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

Decrease in net operating cash flow

- Building inventory levels
- Increase in the payment to AICF

Higher investing activities

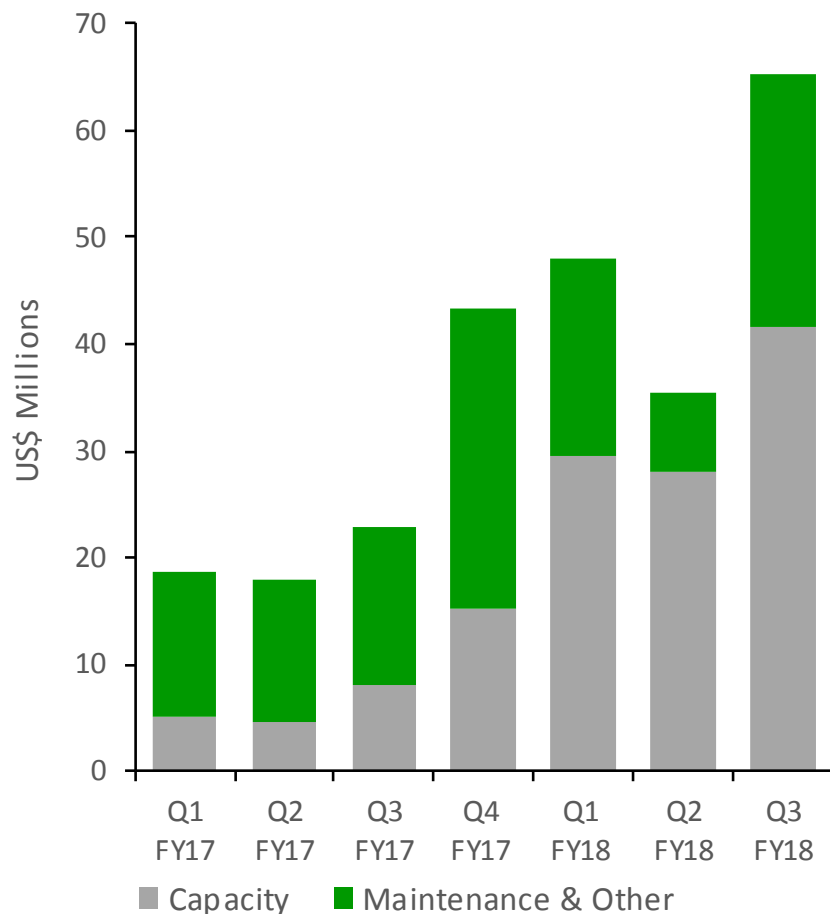
- Increase in capacity expansion related capital expenditures
- Includes proceeds from the sale of a storage building near our Fontana facility

Cash provided by financing activities

- Driven by net proceeds of our senior unsecured notes
- Partially offset by associated call redemption premium, debt issuance and lower share buyback activity

CAPITAL EXPENDITURES

CAPEX Spend



- YTD CAPEX spend of US\$148.8 million increased US\$90.3 million compared to pcp
- North America capacity projects during Q3 FY18:
 - Continued the start-up at our Summerville facility
 - Continued construction of a greenfield expansion in Tacoma, expected commissioning Q1 FY19
 - Continued planning our Prattville, Alabama facility. Expected commissioning 1H FY20
- Continued to expand capacity at our Philippines facility, expected to be completed in Q4 FY18
- Announced A\$28.5 million brownfield expansion project at our Carole Park facility in Australia, expected to be commissioned by Q1 FY21

FINANCIAL MANAGEMENT SUPPORTING GROWTH

Strong Financial Management

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

Moody's

Ba1

affirmed Nov'17
outlook stable

S&P

BB

affirmed Nov'17
outlook stable

Fitch

BBB-

affirmed Nov'17
outlook stable

Disciplined Capital Allocation

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

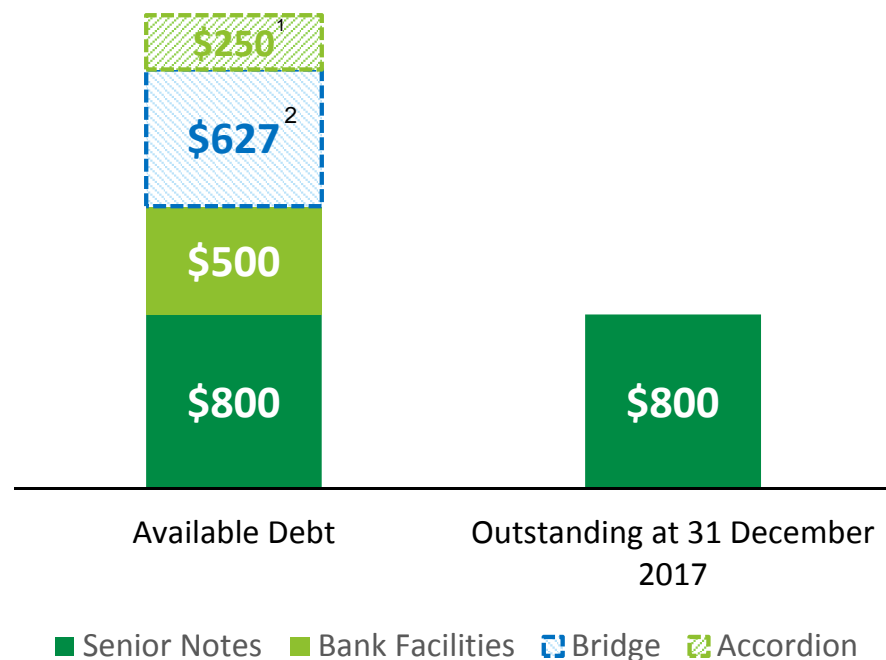
Liquidity and Funding

- Conservative leveraging of balance sheet at a target within 1-2 times Adjusted EBITDA excluding asbestos.
 - US\$500 million of unsecured revolving credit facility; US\$800 million senior unsecured notes at Q3 FY18
 - Weighted average maturity of 5.0 years on bank debt; 7.2 years on total debt at Q3 FY18
 - €525m / US\$627.4m bridge finance available to fund Fermacell acquisition

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

LIQUIDITY PROFILE

Debt Profile US\$ Millions



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 On 13 December 2017, a 364-day term loan bridge facility was executed to facilitate the Fermacell acquisition. The facility limit is €525 million, or \$627.4 million equivalent at 31 December 2017. The facility was undrawn at 31 December 2017

³ Includes debt issuance costs (\$16.2 million)

Strong balance sheet

- US\$231.3 million cash
- US\$552.6 million net debt³ at 31 December 2017
- 100% liquidity on bank debt at 31 December 2017

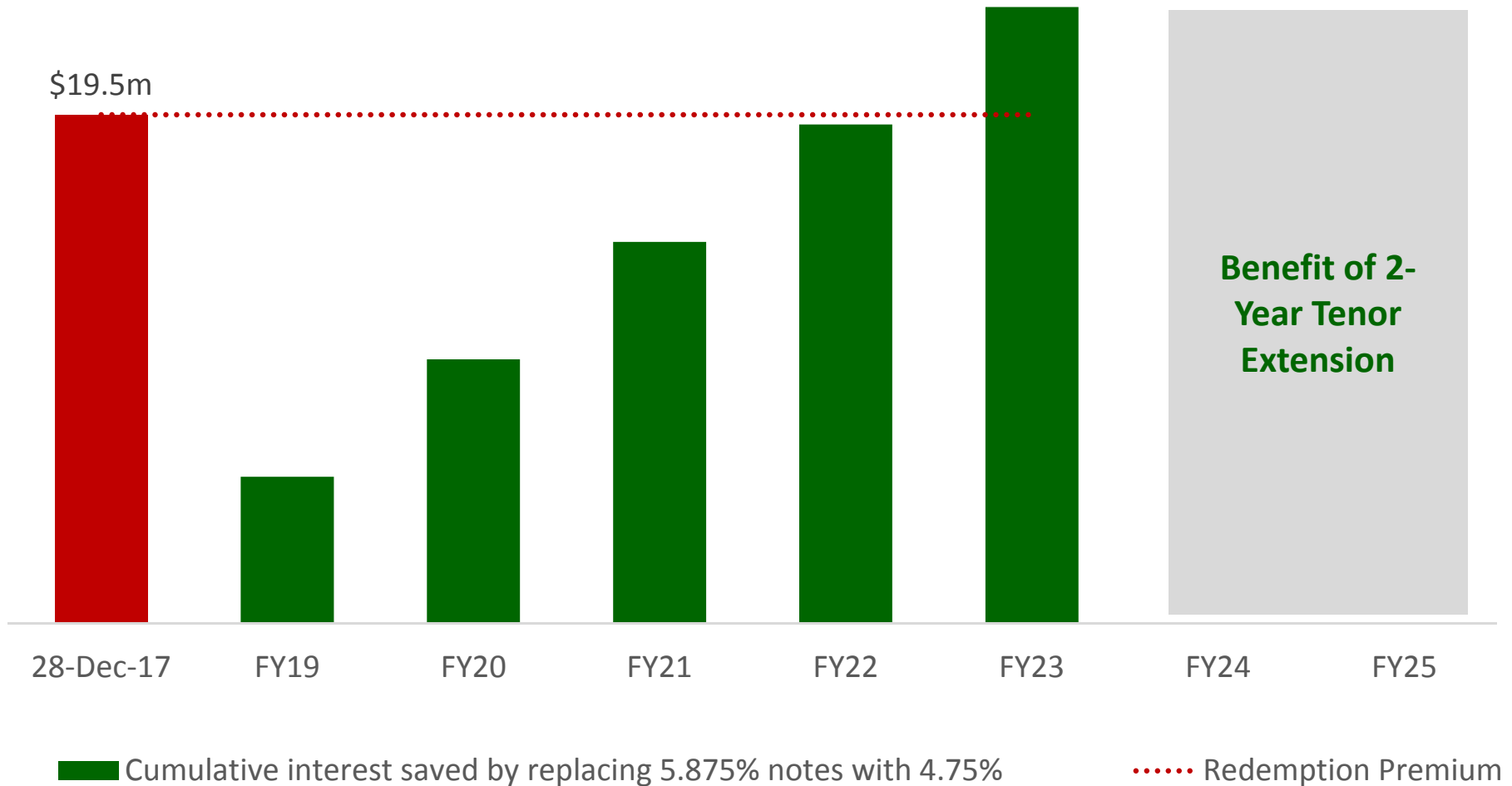
Corporate debt structure

- US\$400 million 4.75% senior unsecured notes maturing January 2025
- US\$400 million 5.00% senior unsecured notes maturing January 2028
- US\$500 million unsecured revolving credit facility, with a December 2022 maturity
- €525m (US\$627.4m) bridge finance available²

Leverage strategy

- 1.22x net debt to Adjusted EBITDA excluding asbestos; within the 1-2x leverage target range

REDEMPTION OF 2023 SENIOR UNSECURED NOTES



FY2018 GUIDANCE

- Management notes the range of analysts' forecasts for net operating profit excluding asbestos for the year ending 31 March 2018 is between US\$267 million and US\$278 million
- Management expects full year Adjusted net operating profit to be between **US\$260 million** and **US\$275 million** assuming, among other things, housing conditions in the United States continue to improve in line with our assumed forecast of new construction starts between approximately 1.2 and 1.3 million, input prices remain consistent and an average USD/AUD exchange rate that is at or near current levels for the remainder of the year
- Management cautions that although US housing activity has been improving, market conditions remain somewhat uncertain and some input costs remain volatile. Management is unable to forecast the comparable US GAAP financial measure due to uncertainty regarding the impact of actuarial estimates on asbestos-related assets and liabilities in future periods

QUESTIONS

APPENDIX

FINANCIAL SUMMARY

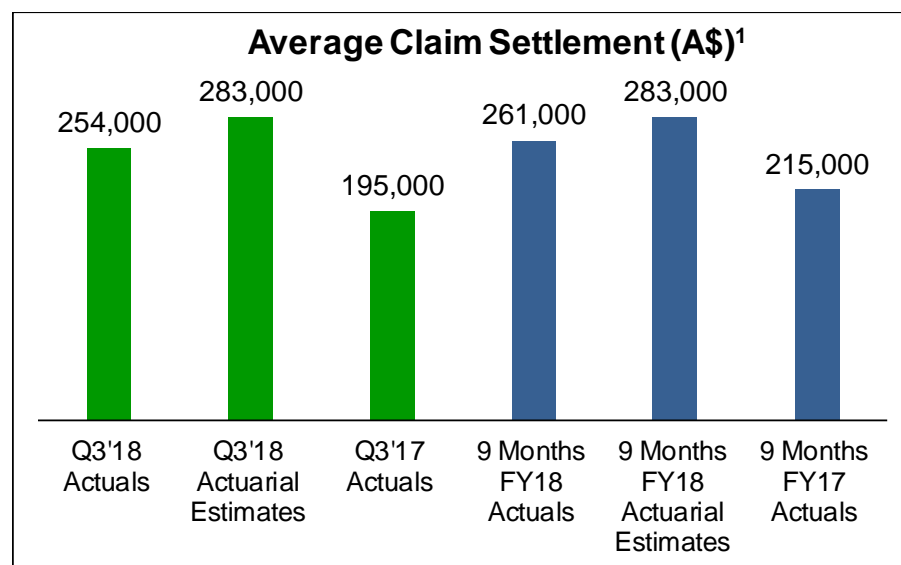
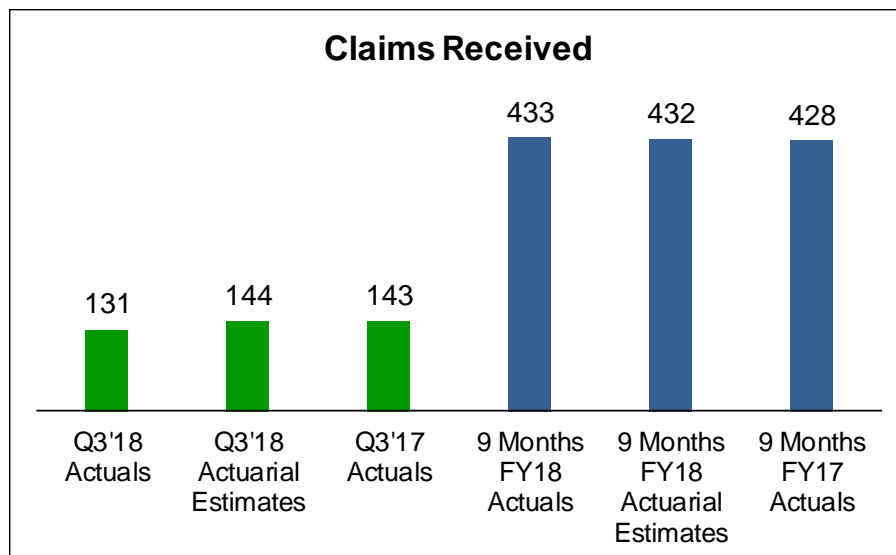
Three Months and Nine Months Ended 31 December

US\$ Millions	Q3'18	Q3'17	% Change	9 Months FY18	9 Months FY17	% Change
Net Sales						
North America Fiber Cement	\$ 376.8	\$ 350.9	7	\$ 1,168.0	\$ 1,105.7	6
International Fiber Cement	114.5	99.5	15	349.2	309.0	13
Other Businesses	3.8	3.4	12	11.4	12.6	(10)
Total Net Sales	\$ 495.1	\$ 453.8	9	\$ 1,528.6	\$ 1,427.3	7
EBIT						
North America Fiber Cement	\$ 101.3	\$ 75.5	34	\$ 278.5	\$ 267.8	4
International Fiber Cement	25.4	21.9	16	82.4	71.5	15
Other Businesses	(1.9)	(2.1)	10	(5.8)	(4.7)	(23)
Research & Development	(7.2)	(6.2)	(16)	(20.5)	(18.3)	(12)
General Corporate ¹	(20.2)	(15.6)	(29)	(44.8)	(39.1)	(15)
Adjusted EBIT	\$ 97.4	\$ 73.5	33	\$ 289.8	\$ 277.2	5
Net interest expense ²	(8.6)	(7.0)	(23)	(22.6)	(19.5)	(16)
Other income	0.6	1.4	(57)	0.2	1.2	(83)
Adjusted income tax expense	(19.5)	(15.3)	(27)	(61.9)	(64.9)	5
Adjusted net operating profit	\$ 69.9	\$ 52.6	33	\$ 205.5	\$ 194.0	6

¹ Excludes Asbestos related expenses and adjustments

² Excludes AICF interest income/expense

ASBESTOS CLAIMS DATA



- Quarter and nine months claims received were 9% below and in line with actuarial estimates, respectively
- Quarter and nine months claims received decreased 8% and increased 1%, respectively, compared to pcg
- Mesothelioma claims reported during the nine months:
 - 8% above actuarial estimates
 - 7% higher than pcg
- Average claim settlement for the nine months was 8% below actuarial estimates:
 - Lower average claim settlement sizes across most disease types
 - Lower average claim size for non-large mesothelioma claims
 - Favorable large claims experience

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

DEPRECIATION AND AMORTIZATION

US\$ Millions	Three Months and Nine Months Ended 31 December				
	Q3'18	Q3'17	9 Months FY18	9 Months FY17	
Depreciation and amortization					
North America Fiber Cement	\$ 18.8	\$ 17.8	\$ 54.1	\$ 48.0	
International Fiber Cement	3.1	3.0	9.5	8.9	
Other Businesses	0.5	0.6	1.6	1.7	
Research and Development	0.3	0.5	1.1	1.4	
General Corporate	0.7	0.7	2.3	2.5	
Total depreciation and amortization	\$ 23.4	\$ 22.6	\$ 68.6	\$ 62.5	

NON-US GAAP FINANCIAL MEASURES AND 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 Condensed Consolidated Financial Statements

Definitions

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-financial Terms

AFFA – Amended and Restated Final Funding Agreement

AICF – Asbestos Injuries Compensation Fund Ltd

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 Condensed 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 Condensed 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

Financial Measures – US GAAP equivalents

Adjusted EBIT

US\$ Millions	Three Months and Nine Months Ended 31 December			
	Q3'18	Q3'17	9 Months FY18	9 Months FY17
EBIT	\$ 143.9	\$ 108.7	\$ 325.0	\$ 315.0
Asbestos:				
Asbestos adjustments	(47.0)	(35.6)	(36.5)	(39.0)
AICF SG&A expenses	0.5	0.4	1.3	1.2
Adjusted EBIT	\$ 97.4	\$ 73.5	\$ 289.8	\$ 277.2
Net sales	\$ 495.1	\$ 453.8	\$ 1,528.6	\$ 1,427.3
Adjusted EBIT margin	19.7%	16.2%	19.0%	19.4%

Adjusted net operating profit

US\$ Millions	Three Months and Nine Months Ended 31 December			
	Q3'18	Q3'17	9 Months FY18	9 Months FY17
Net operating profit	\$ 79.9	\$ 87.9	\$ 203.7	\$ 232.0
Asbestos:				
Asbestos adjustments	(47.0)	(35.6)	(36.5)	(39.0)
AICF SG&A expenses	0.5	0.4	1.3	1.2
AICF interest (income) expense, net	(0.3)	0.2	(1.0)	0.8
Loss on early debt extinguishment	26.1	-	26.1	-
Asbestos, loss on early debt extinguishment and other tax adjustments	10.7	(0.3)	11.9	(1.0)
Adjusted net operating profit	\$ 69.9	\$ 52.6	\$ 205.5	\$ 194.0

NON-US GAAP FINANCIAL MEASURES

Adjusted diluted earnings per share

Three Months and Nine Months Ended 31 December				
	Q3'18	Q3'17	9 Months FY18	9 Months FY17
Adjusted net operating profit (US\$ Millions)	\$ 69.9	\$ 52.6	\$ 205.5	\$ 194.0
Weighted average common shares outstanding - Diluted (millions)	442.0	441.6	441.7	444.8
Adjusted diluted earnings per share (US cents)	16	12	47	44

Adjusted effective tax rate

US\$ Millions	Three Months and Nine Months Ended 31 December			
	Q3'18	Q3'17	9 Months FY18	9 Months FY17
Operating profit before income taxes	\$ 110.1	\$ 102.9	\$ 277.5	\$ 295.9
Asbestos:				
Asbestos adjustments	(47.0)	(35.6)	(36.5)	(39.0)
AICF SG&A expenses	0.5	0.4	1.3	1.2
AICF interest (income) expense, net	(0.3)	0.2	(1.0)	0.8
Loss on early debt extinguishment	26.1	-	26.1	-
Adjusted operating profit before income taxes	\$ 89.4	\$ 67.9	\$ 267.4	\$ 258.9
Income tax expense	\$ (30.2)	\$ (15.0)	\$ (73.8)	\$ (63.9)
Asbestos, loss on early debt extinguishment and other tax adjustments	10.7	(0.3)	11.9	(1.0)
Adjusted income tax expense	\$ (19.5)	\$ (15.3)	\$ (61.9)	\$ (64.9)
Effective tax rate	27.4%	14.6%	26.6%	21.6%
Adjusted effective tax rate	21.8%	22.5%	23.1%	25.1%

NON-US GAAP FINANCIAL MEASURES

Adjusted EBITDA excluding Asbestos

US\$ Millions	Three Months and Nine Months Ended 31 December			
	Q3'18	Q3'17	9 Months FY18	9 Months FY17
EBIT	\$ 143.9	\$ 108.7	\$ 325.0	\$ 315.0
Depreciation and amortization	23.4	22.6	68.6	62.5
Adjusted EBITDA	\$ 167.3	\$ 131.3	\$ 393.6	\$ 377.5
Asbestos:				
Asbestos adjustments	(47.0)	(35.6)	(36.5)	(39.0)
AICF SG&A expenses	0.5	0.4	1.3	1.2
Adjusted EBITDA excluding Asbestos	\$ 120.8	\$ 96.1	\$ 358.4	\$ 339.7

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

US\$ Millions	Three Months and Nine Months Ended 31 December			
	Q3'18	Q3'17	9 Months FY18	9 Months FY17
SG&A expenses	\$ 77.7	\$ 74.6	\$ 226.2	\$ 215.7
Excluding:				
AICF SG&A expenses	(0.5)	(0.4)	(1.3)	(1.2)
Adjusted SG&A expenses	\$ 77.2	\$ 74.2	\$ 224.9	\$ 214.5
Net sales	\$ 495.1	\$ 453.8	\$ 1,528.6	\$ 1,427.3
SG&A expenses as a percentage of net sales	15.7%	16.4%	14.8%	15.1%
Adjusted SG&A expenses as a percentage of net sales	15.6%	16.4%	14.7%	15.0%

Q3 FY18 MANAGEMENT PRESENTATION

02 February 2018

James Hardie Industries plc

Condensed Consolidated Financial Statements
as of and for the Period Ended 31 December 2017

James Hardie Industries plc

Index

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<u>Condensed Consolidated Statements of Operations and Comprehensive Income for the Three and Nine Months Ended 31 December 2017 and 2016</u>	F-4
<u>Condensed Consolidated Statements of Cash Flows for the Nine Months Ended 31 December 2017 and 2016</u>	F-5
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James Hardie Industries plc

Condensed Consolidated Balance Sheets

(Millions of US dollars)	(Unaudited) 31 December 2017	31 March 2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 231.3	\$ 78.9
Restricted cash and cash equivalents	5.0	5.0
Restricted cash and cash equivalents - Asbestos	13.0	108.9
Restricted short-term investments - Asbestos	78.0	—
Accounts and other receivables, net of provision for doubtful trade debts of US\$1.3 million and US\$0.9 million as of 31 December 2017 and 31 March 2017	157.3	199.5
Inventories	252.1	202.9
Prepaid expenses and other current assets	18.4	28.3
Insurance receivable - Asbestos	5.1	5.7
Workers' compensation - Asbestos	3.0	2.9
Total current assets	763.2	632.1
Property, plant and equipment, net	960.2	879.0
Insurance receivable - Asbestos	58.4	58.1
Workers' compensation - Asbestos	41.3	40.4
Deferred income taxes	29.3	26.9
Deferred income taxes - Asbestos	333.5	356.6
Other assets	22.7	19.6
Total assets	\$ 2,208.6	\$ 2,012.7
Liabilities and Shareholders' Deficit		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 189.4	\$ 173.5
Short-term debt - Asbestos	—	52.4
Dividends payable	45.5	—
Accrued payroll and employee benefits	60.4	60.5
Accrued product warranties	8.1	9.4
Income taxes payable	2.0	1.9
Asbestos liability	115.1	116.4
Workers' compensation - Asbestos	3.0	2.9
Other liabilities	11.0	11.8
Total current liabilities	434.5	428.8
Long-term debt	783.9	564.5
Deferred income taxes	69.2	94.8
Accrued product warranties	45.1	37.2
Income taxes payable	29.0	—
Asbestos liability	944.8	1,043.3
Workers' compensation - Asbestos	41.3	40.4
Other liabilities	21.8	15.9
Total liabilities	2,369.6	2,224.9
Commitments and contingencies (Note 9)		
Shareholders' deficit:		
Common stock, Euro 0.59 par value, 2.0 billion shares authorized; 441,524,118 shares issued and outstanding at 31 December 2017 and 440,843,275 shares issued and outstanding at 31 March 2017	229.5	229.1
Additional paid-in capital	182.5	173.8
Accumulated deficit	(577.7)	(612.9)
Accumulated other comprehensive income (loss)	4.7	(2.2)
Total shareholders' deficit	(161.0)	(212.2)
Total liabilities and shareholders' deficit	\$ 2,208.6	\$ 2,012.7

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

James Hardie Industries plc
Condensed Consolidated Statements of Operations and Comprehensive Income
(Unaudited)

(Millions of US dollars, except per share data)	Three Months Ended 31 December		Nine Months Ended 31 December	
	2017	2016	2017	2016
Net sales	\$ 495.1	\$ 453.8	\$ 1,528.6	\$ 1,427.3
Cost of goods sold	(312.2)	(298.8)	(989.5)	(913.4)
Gross profit	182.9	155.0	539.1	513.9
Selling, general and administrative expenses	(77.7)	(74.6)	(226.2)	(215.7)
Research and development expenses	(8.3)	(7.3)	(24.4)	(22.2)
Asbestos adjustments	47.0	35.6	36.5	39.0
Operating income	143.9	108.7	325.0	315.0
Interest expense, net of capitalized interest	(9.0)	(7.4)	(23.4)	(21.0)
Interest income	0.7	0.2	1.8	0.7
Loss on early debt extinguishment	(26.1)	—	(26.1)	—
Other income	0.6	1.4	0.2	1.2
Income before income taxes	110.1	102.9	277.5	295.9
Income tax expense	(30.2)	(15.0)	(73.8)	(63.9)
Net income	\$ 79.9	\$ 87.9	\$ 203.7	\$ 232.0
Income per share:				
Basic	\$ 0.18	\$ 0.20	\$ 0.46	\$ 0.52
Diluted	\$ 0.18	\$ 0.20	\$ 0.46	\$ 0.52
Weighted average common shares outstanding (Millions):				
Basic	441.3	440.7	441.0	443.3
Diluted	442.0	441.6	441.7	444.8
Comprehensive income, net of tax:				
Net income	\$ 79.9	\$ 87.9	\$ 203.7	\$ 232.0
Currency translation adjustments	0.2	(12.4)	6.9	(13.5)
Comprehensive income	\$ 80.1	\$ 75.5	\$ 210.6	\$ 218.5

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

James Hardie Industries plc
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(Millions of US dollars)	Nine Months Ended 31 December	
	2017	2016
Cash Flows From Operating Activities		
Net income	\$ 203.7	\$ 232.0
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	68.6	62.5
Deferred income taxes	(11.8)	12.7
Stock-based compensation	8.0	6.9
Asbestos adjustments	(36.5)	(39.0)
Excess tax benefits from share-based awards	(0.8)	(2.9)
Loss on early debt extinguishment	26.1	—
Other, net	8.5	10.3
Changes in operating assets and liabilities:		
Restricted cash and cash equivalents - Asbestos	70.0	57.9
Payment to AICF	(102.2)	(91.1)
Accounts and other receivables	44.3	28.2
Inventories	(47.7)	(0.4)
Prepaid expenses and other assets	1.8	(5.2)
Insurance receivable - Asbestos	6.2	11.9
Accounts payable and accrued liabilities	13.4	47.5
Asbestos liability	(78.7)	(69.8)
Income taxes payable	29.2	0.7
Other accrued liabilities	37.3	3.6
Net cash provided by operating activities	\$ 239.4	\$ 265.8
Cash Flows From Investing Activities		
Purchases of property, plant and equipment	\$ (148.8)	\$ (58.5)
Proceeds from sale of property, plant and equipment	7.9	—
Capitalized interest	(3.1)	(1.6)
Net cash used in investing activities	\$ (144.0)	\$ (60.1)
Cash Flows From Financing Activities		
Proceeds from credit facilities	\$ 280.0	\$ 305.0
Repayments of credit facilities	(455.0)	(385.0)
Proceeds from senior unsecured notes	800.0	77.3
Debt issuance costs	(13.9)	(1.7)
Repayment of senior unsecured notes	(400.0)	—
Call redemption premium paid to note holders	(19.5)	—
Proceeds from issuance of shares	0.2	0.3
Excess tax benefits from share-based awards	—	2.9
Common stock repurchased and retired	—	(99.8)
Dividends paid	(131.3)	(130.2)
Net cash provided by (used in) financing activities	\$ 60.5	\$ (231.2)
Effects of exchange rate changes on cash	\$ (3.5)	\$ 6.5
Net increase (decrease) in cash and cash equivalents	152.4	(19.0)
Cash and cash equivalents at beginning of period	78.9	107.1
Cash and cash equivalents at end of period	\$ 231.3	\$ 88.1
Components of Cash and Cash Equivalents		
Cash at bank	\$ 227.7	\$ 78.8
Short-term deposits	3.6	9.3
Cash and cash equivalents at end of period	\$ 231.3	\$ 88.1

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

James Hardie Industries plc

Notes to Condensed Consolidated Financial Statements

1. Background and Basis of Presentation

Nature of Operations

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

Basis of Presentation

The condensed consolidated financial statements represent the financial position, results of operations and cash flows of James Hardie Industries plc and its wholly-owned subsidiaries and a special purpose entity. Except as otherwise indicated, 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” or the “Company.” These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto, included in the Company’s Annual Report on Form 20-F for the fiscal year ended 31 March 2017, which was filed with the United States Securities and Exchange Commission (“SEC”) on 18 May 2017.

The condensed consolidated financial statements included herein are unaudited; however, they contain all adjustments (all of which are normal and recurring) which, in the opinion of the Company’s management, are necessary to state fairly the condensed consolidated balance sheet of the Company at 31 December 2017, the condensed consolidated results of operations and comprehensive income for the three and nine months ended 31 December 2017 and 2016 and the condensed consolidated cash flows for the nine months ended 31 December 2017 and 2016.

The Company has recorded on its balance sheet certain Australian assets and liabilities, including asbestos-related assets and liabilities under the terms of the Amended and Restated Final Funding Agreement (“AFFA”), that are denominated in Australian dollars and subject to translation (Australian entities) or remeasurement (Asbestos Injuries Compensation Fund (“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.

The results of operations for the three and nine months ended 31 December 2017 are not necessarily indicative of the results to be expected for the full year. The balance sheet at 31 March 2017 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States of America (“US GAAP”) for complete financial statements in this interim financial report.

Reclassifications

Within the operating activities section of the Condensed Consolidated Statement of Cash Flows for the nine months ended 31 December 2016, the Company reclassified the change in the *Income Tax Payable* balance of US\$0.7 million which was previously included within a change in *Other Accrued Liabilities*, and separated these costs in the change in *Income Tax Payable* line item, to conform to current year presentation.

2. 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 No. 2014-09 (and related clarifying guidance issued by the FASB) starting with the fiscal year beginning 1 April 2018 using a modified retrospective approach. 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 overall impact the adoption will have on its financial statements.

James Hardie Industries plc

Notes to Condensed Consolidated Financial Statements (continued)

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 No. 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 has begun its process for implementing this guidance, including performing a preliminary review of all active leases. The Company will adopt ASU No. 2016-02 starting with the fiscal year beginning 1 April 2019 and 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. 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 adopted ASU No. 2016-09 starting with the fiscal year beginning 1 April 2017. Upon adoption, the Company began recognizing forfeitures as they occur and applied the change in classification of cash flows resulting from excess tax benefits or deficiencies on a prospective basis. The adoption of this standard did not have a material impact on its financial statements, and prior periods have not been adjusted as a result of this standard.

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 will adopt ASU 2016-16 starting with the fiscal year beginning 1 April 2018 and is currently evaluating the impact of the new guidance on its 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 will adopt ASU 2016-18 starting with the fiscal year beginning 1 April 2018 and 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 will adopt ASU 2017-01 starting with the fiscal year beginning 1 April 2018 and is currently evaluating the impact of the new guidance on its financial statements.

James Hardie Industries plc

Notes to Condensed Consolidated Financial Statements (continued)

3. 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 Stock Method that would have been outstanding if the dilutive stock options and restricted stock units ("RSUs"), had been issued.

Accordingly, basic and diluted common shares outstanding used in determining net income per share are as follows:

	Three Months Ended 31 December		Nine Months Ended 31 December	
(Millions of shares)	2017	2016	2017	2016
Basic common shares outstanding	441.3	440.7	441.0	443.3
Dilutive effect of stock awards	0.7	0.9	0.7	1.5
Diluted common shares outstanding	442.0	441.6	441.7	444.8

(US dollars)	2017	2016	2017	2016
Net income per share - basic	\$ 0.18	\$ 0.20	\$ 0.46	\$ 0.52
Net income per share - diluted	\$ 0.18	\$ 0.20	\$ 0.46	\$ 0.52

Potential common shares of 2.5 million and 2.3 million for the three and nine months ended 31 December 2017, respectively, and 1.3 million and 1.0 million for the three and nine months ended 31 December 2016, 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, RSUs which vest solely based on continued employment are considered to be outstanding as of their issuance date for purposes of computing diluted EPS using the Treasury Stock Method. Once these RSUs vest, they are included in the basic EPS calculation on a weighted-average basis.

RSUs 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, as the number of shares that would be issuable under the terms of the RSUs arrangement, if the end of the reporting period were the end of the contingency period. Once these RSUs vest, they are included in the basic EPS calculation on a weighted-average basis.

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 December 2017 and 31 March 2017, which restricts the cash from use for general corporate purposes.

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Notes to Condensed Consolidated Financial Statements (continued)

5. Inventories

Inventories consist of the following components:

(Millions of US dollars)	31 December 2017	31 March 2017
Finished goods	\$ 182.0	\$ 146.7
Work-in-process	8.3	6.5
Raw materials and supplies	69.8	57.5
Provision for obsolete finished goods and raw materials	(8.0)	(7.8)
Total inventories	<u>\$ 252.1</u>	<u>\$ 202.9</u>

As of 31 December 2017 and 31 March 2017, US\$33.5 million and US\$29.8 million, respectively, of the Company's finished goods inventory was held at vendor managed inventory locations.

6. Long-Term Debt

At 31 December 2017, the Company held three forms of debt: an unsecured revolving credit facility; a 364-day term loan facility; and senior notes due 2025 and 2028. At 31 March 2017, the Company held two forms of debt: an unsecured revolving credit facility; and senior unsecured notes due 2023. The effective weighted average interest rate on the Company's total debt was 4.9% and 4.8% at 31 December 2017 and 31 March 2017, respectively. The weighted average term of the unsecured revolving credit facility and senior notes, including undrawn facilities, was 7.2 years and 4.7 years at 31 December 2017 and 31 March 2017, respectively.

Unsecured 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 US\$500.0 million unsecured revolving credit facility (the "Revolving Credit Facility") with certain commercial banks and HSBC Bank USA, National Association, as administrative agent. The Revolving Credit Facility's original expiration date was December 2020 and the size of the facility may be increased by up to US\$250.0 million.

In December 2017, JHIF amended the Revolving Credit Facility to among other things, extend the maturity date to December 2022.

Debt issuance costs in connection with the Revolving Credit Facility are recorded as an offset to *Long-Term Debt* in the Company's condensed consolidated balance sheets and are being amortized as interest expense using the effective interest method over the stated term of 5 years. At 31 December 2017 and 31 March 2017, the Company's total debt issuance costs have an unamortized balance of US\$3.5 million and US\$3.1 million, respectively.

At 31 December 2017, the amount drawn under the Revolving Credit Facility was nil. At 31 March 2017, the amount drawn under the Revolving Credit Facility was US\$175.0 million and the effective weighted average interest rate was 2.5%.

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%. The Company also pays 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 our consolidated net leverage ratio.

James Hardie Industries plc

Notes to Condensed Consolidated Financial Statements (continued)

The Revolving Credit Facility is guaranteed by each of James Hardie International Group Limited ("JHIGL") and James Hardie Technology Limited ("JHTL"), 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 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 December 2017, the Company was in compliance with all covenants contained in the Revolving Credit Facility agreement.

364-Day Term Loan Facility

In December 2017, JHIF and JHBP entered into a Euro 525.0 million (US\$627.4 million based on the exchange rate at 31 December 2017) 364-day term loan facility (the "Term Loan Facility") with certain commercial banks and HSBC Bank USA, National Association, as administrative agent.

At 31 December 2017, the amount drawn under the Term Loan Facility was nil. The Company anticipates drawing on this Term Loan Facility in the fourth quarter of fiscal year 2018, and will use these funds to complete the Fermacell acquisition. Refer to Note 15 for further details on the Fermacell acquisition.

The Term Loan Facility may be drawn in either Euro or, at the election of JHIF, US Dollars, such equivalent amount to be based on the spot exchange rate, subject to an exchange rate cap of 1.20 US Dollars for 1.00 Euro. Borrowings under the Term Loan Facility will bear interest at per annum rates equal to, at borrower's option, either: (i) the Euro Interbank Offered Rate ("EURIBOR")/LIBOR plus an applicable margin for EURIBOR/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) EURIBOR/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 EURIBOR/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%. The Company also pays a ticking fee of between 0.20% and 0.35% on the actual daily amount of the unutilized revolving loans. The applicable ticking fee percentage is based on a pricing grid linked to our consolidated net leverage ratio.

The Term Loan Facility is guaranteed by each of JHIGL and JHTL, each of which are wholly-owned subsidiaries of JHI plc.

The Term Loan 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 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 SG&A expenses, all 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 December 2017, the Company was in compliance with all covenants contained in the Term Loan Facility agreement.

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Notes to Condensed Consolidated Financial Statements (continued)

2023 Senior Notes

In February 2015, JHIF completed the sale of US\$325.0 million aggregate principal amount of its 5.875% senior unsecured notes due 15 February 2023.

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. Following the completion of this re-offering, the aggregate principal amount of senior notes due 2023 was US\$400.0 million.

In December 2017, JHIF redeemed all US\$400.0 million aggregate principal amount of its 5.875% senior notes due 2023. In connection with this redemption, the Company recorded a loss on early debt extinguishment of US\$26.1 million, which included US\$19.5 million of call redemption premiums and US\$6.6 million of unamortized financing costs associated with these notes.

The US\$325.0 million 5.875% senior notes due 2023 were sold at an offering price of 99.213% of par value, and incurred debt issuance costs in connection with the offering, which are recorded as an offset to *Long-Term Debt* on the Company's consolidated balance sheet. The discount and debt issuance costs had an unamortized balance of US\$1.9 million and US\$6.0 million at 31 March 2017, respectively.

The US\$75.0 million re-offering of the 5.875% senior notes due 2023 were sold at an offering price of 103.0% of par value, and incurred debt issuance costs in connection with the re-offering, which are recorded as an offset to *Long-Term Debt* on the Company's consolidated balance sheet. The premium and debt issuance costs had an unamortized balance of US\$2.0 million and US\$1.5 million at 31 March 2017, respectively.

2025 and 2028 Senior Notes

In December 2017, JHIF completed the sale of US\$800.0 million aggregate principal amount of senior unsecured notes. The sale of the senior notes were issued at par with US\$400.0 million due 15 January 2025 (the "2025 Notes") and the remaining US\$400.0 million due 15 January 2028 (the "2028 Notes").

The proceeds from the offering were used for general corporate purposes, including funding the redemption of all US\$400.0 million aggregate principal amount of its 2023 senior unsecured notes and the payment of related transaction fees and expenses, the repayment of outstanding borrowings under the Revolving Credit Facility and capital expenditures. The Company will also use net proceeds from this offering to finance a portion of the Fermacell acquisition. Refer to Note 15 for further details on the Fermacell acquisition.

Debt issuance costs in connection with the 2025 and 2028 Notes are recorded as an offset to *Long-Term Debt* on the Company's condensed consolidated balance sheet.

Debt issuance costs in connection with the 2025 Notes have an unamortized balance of US\$6.3 million at 31 December 2017. The debt issuance costs are being amortized as interest expense using the effective interest method over the stated term of 7 years. Interest is payable semi-annually in arrears on 15 January and 15 July of each year at a rate of 4.75% with first payment due on 15 July 2018.

Debt issuance costs in connection with the 2028 Notes have an unamortized balance of US\$6.4 million at 31 December 2017. The debt issuance costs are being amortized as interest expense using the effective interest method over the stated term of 10 years. Interest is payable semi-annually in arrears on 15 January and 15 July of each year at a rate of 5.00% with first payment due on 15 July 2018.

The 2025 and 2028 Notes are guaranteed by each of JHIGL, JHBP and JHTL, each of which are wholly-owned subsidiaries of JHI plc.

The indenture governing the 2025 and 2028 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 December 2017, the Company was in compliance with all of its requirements under the indenture related to the 2025 and 2028 Notes.

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Notes to Condensed Consolidated Financial Statements (continued)

The Company's 2025 and 2028 notes have an estimated fair value of US\$807.5 million at 31 December 2017, 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.

7. Asbestos

In February 2007, the Company's shareholders approved the AFFA, an agreement pursuant to which the Company provides long-term funding to AICF.

Asbestos Adjustments

Asbestos-related assets and liabilities are denominated in Australian dollars. The reported values of these asbestos-related assets and liabilities in the Company's condensed 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 included in *Asbestos adjustments* in the condensed consolidated statements of operations and comprehensive income.

In December 2017, the Company, AICF and the New South Wales Government executed an AFFA Amending Deed which in effect excludes the recovery of caregiver damages (colloquially referred to as *Sullivan v Gordon* damages) that arose following the promulgation of the *Wrongs (Part VB) (Dust and Tobacco-Related Claims) Regulation 2016* by the State of Victoria. As a result of the amendment, AICF reduced the Asbestos liability by A\$56.8 million (US\$44.3 million based upon the exchange rate at 31 December 2017) in the third quarter of fiscal year 2018. This adjustment is reflected in *Asbestos adjustments* in the condensed consolidated statements of operations and comprehensive income.

Adjustments in insurance receivables are due to changes in the Company's assessment of recoverability and are reflected as *Asbestos adjustments* in the condensed consolidated statements of operations and comprehensive income during the period in which the adjustments occur.

The following table sets forth the *Asbestos adjustments* included in the condensed consolidated statements of operations and comprehensive income for the three and nine months ended 31 December 2017 and 2016:

(Millions of US dollars)	Three Months Ended 31 December		Nine Months Ended 31 December	
	2017	2016	2017	2016
Effect of foreign exchange	\$ 2.7	\$ 35.5	\$ (12.6)	\$ 39.9
Change in asbestos liability	44.3	—	44.3	—
Adjustments in insurance receivables	—	—	4.5	—
Gain (loss) on foreign currency forward contracts	—	0.1	1.4	(0.9)
Asbestos research and education contribution	—	—	(1.1)	—
Asbestos adjustments	<u>\$ 47.0</u>	<u>\$ 35.6</u>	<u>\$ 36.5</u>	<u>\$ 39.0</u>

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Notes to Condensed Consolidated Financial Statements (continued)

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:

	Nine Months		For the Years Ended 31 March					
	Ended							
	31 December 2017	2017	2016	2015	2014	2013		
Number of open claims at beginning of period	352	426	494	466	462	592		
Number of new claims	433	557	577	665	608	542		
Number of closed claims	423	631	645	637	604	672		
Number of open claims at end of period	362	352	426	494	466	462		
Average settlement amount per settled claim	A\$ 260,547	A\$ 223,535	A\$ 248,138	A\$ 254,209	A\$ 253,185	A\$ 231,313		
Average settlement amount per case closed	A\$ 231,598	A\$ 167,563	A\$ 218,900	A\$ 217,495	A\$ 212,944	A\$ 200,561		
Average settlement amount per settled claim	US\$ 200,513	US\$ 168,300	US\$ 182,763	US\$ 222,619	US\$ 236,268	US\$ 238,615		
Average settlement amount per case closed	US\$ 178,235	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 KPMG Actuarial Pty Ltd. 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 AICF to the approved actuary and the resulting information and analysis of the approved actuary when making disclosures with respect to claims statistics.

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Notes to Condensed Consolidated Financial Statements (continued)

Asbestos-Related Assets and Liabilities

The Company has included on its condensed 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.”

(Millions of US dollars)	31 December 2017	31 March 2017
Asbestos liability – current	\$ (115.1)	\$ (116.4)
Asbestos liability – non-current	(944.8)	(1,043.3)
Asbestos liability - Total	(1,059.9)	(1,159.7)
Insurance receivable – current	5.1	5.7
Insurance receivable – non-current	58.4	58.1
Insurance receivable – Total	63.5	63.8
Workers' compensation asset – current	3.0	2.9
Workers' compensation asset – non-current	41.3	40.4
Workers' compensation liability – current	(3.0)	(2.9)
Workers' compensation liability – non-current	(41.3)	(40.4)
Workers' compensation – Total	—	—
Loan facility	—	(52.4)
Other net liabilities	(3.5)	(1.6)
Restricted cash and cash equivalents of AICF	13.0	108.9
Restricted short-term investment assets of AICF	78.0	—
Net Unfunded AFFA liability	\$ (908.9)	\$ (1,041.0)
Deferred income taxes – non-current	333.5	356.6
Income tax payable	16.0	16.8
Net Unfunded AFFA liability, net of tax	\$ (559.4)	\$ (667.6)

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Notes to Condensed Consolidated Financial Statements (continued)

The following is a detailed rollforward of the Net Unfunded AFFA liability, net of tax, at 31 December 2017:

(Millions of US dollars)	Asbestos Liability	Insurance Receivables	Other Loan Facilities	Restricted Cash and Investments	Other Assets and Liabilities	Net Unfunded AFFA Liability	Deferred Tax Assets	Income Tax Payable	Net Unfunded AFFA Liability, net of tax
Opening Balance - 31 March 2017	\$ (1,159.7)	\$ 63.8	\$ (52.4)	\$ 108.9	\$ (1.6)	\$ (1,041.0)	\$ 356.6	\$ 16.8	\$ (667.6)
Asbestos claims paid ¹	77.9	—	—	(77.9)	—	—	—	—	—
Payment received in accordance with AFFA	—	—	—	102.2	—	102.2	—	—	102.2
AICF claims-handling costs incurred (paid)	0.8	—	—	(0.8)	—	—	—	—	—
AICF operating costs paid - non claims-handling	—	—	—	(1.3)	—	(1.3)	—	—	(1.3)
Change in asbestos liability	44.3	—	—	—	—	44.3	—	—	44.3
Impact on deferred income tax due to change in asbestos liability	—	—	—	—	—	—	(14.5)	—	(14.5)
Insurance recoveries	—	(1.6)	—	6.1	—	4.5	—	—	4.5
Movement in income tax payable	—	—	—	—	—	—	(15.9)	(0.6)	(16.5)
Funds repaid to NSW under loan agreement	—	—	51.9	(51.9)	—	—	—	—	—
Other movements	—	—	—	3.9	(1.7)	2.2	0.1	(0.2)	2.1
Effect of foreign exchange	(23.2)	1.3	0.5	1.8	(0.2)	(19.8)	7.2	—	(12.6)
Closing Balance - 31 December 2017	\$ (1,059.9)	\$ 63.5	\$ —	\$ 91.0	\$ (3.5)	\$ (908.9)	\$ 333.5	\$ 16.0	\$ (559.4)

¹ Claims paid of US\$77.9 million reflects A\$101.2 million converted at the average exchange rate for the period based on the assumption that these transactions occurred evenly throughout the period.

AICF Funding

On 3 July 2017, the Company made a payment of A\$135.1 million (US\$102.2 million) to AICF, representing 35% of its free cash flow for fiscal year 2017. For the 3 July 2017 payment, free cash flow, as defined in the AFFA, was equivalent to the Company's fiscal year 2017 operating cash flows of US\$292.1 million. For the three and nine months ended 31 December 2017, the Company did not provide financial or other support to AICF that it was not previously contractually required to provide.

Restricted Short-Term Investments

Short-term investments consist of highly liquid investments held in the custody of major financial institutions. All short-term investments are classified as available for sale and are recorded at market value using the specific identification method. Unrealized gains and losses on the market value of these investments are included as a separate component of *Accumulated other comprehensive income (loss)*. Realized gains and losses on short-term investments are recognized in *Other income* on the consolidated statements of operations and comprehensive income.

In July 2017, AICF invested A\$100.0 million (US\$78.0 million, based on the exchange rate at 31 December 2017) of its excess cash in time deposits. These time deposits are reflected within restricted short-term investments on the Company's condensed consolidated balance sheet as of 31 December 2017 and have been classified as available-for-sale. At 31 December 2017, the Company revalued AICF's short-term investments available-for-sale resulting in a mark-to-market fair value adjustment of nil.

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Notes to Condensed Consolidated Financial Statements (continued)

These time deposits bear a fixed interest rate and have a maturity as follows:

Maturity Date	Interest Rate	A\$ Millions
		Total Amount
31 January 2018	2.48%	15.0
28 February 2018	2.48%	15.0
28 March 2018	2.48%	20.0
29 June 2018	2.32%	50.0

AICF - NSW Government Secured Loan Facility

AICF may borrow, subject to certain conditions, up to an aggregate amount of A\$320.0 million (US\$249.7 million, based on the exchange rate at 31 December 2017) from the New South Wales ("NSW") Government. 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.

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.

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

8. Derivative Instruments

The Company uses derivatives for risk management purposes and does not engage in speculative activity. A key risk management objective for the Company is to mitigate interest rate risk associated with the Company's external credit facilities and foreign currency risk primarily with respect to forecasted transactions denominated in foreign currencies. The determination of whether the Company enters into a derivative transaction to achieve these risk management objectives depends on a number of factors, including market related factors that impact the extent to which derivative instruments will achieve such risk management objectives of the Company.

The Company may from time to time enter into interest rate swap contracts to protect against upward movements in US Dollar LIBOR and the associated interest the Company pays on its external credit facilities. Interest rate swaps are recorded in the financial statements at fair value. Changes in fair value are recorded in the condensed consolidated statements of operations and comprehensive income in *Other income*.

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. These contracts have a fair value of US\$0.3 million and US\$1.1 million at 31 December 2017 and 31 March 2017, respectively, which is included in *Accounts payable and accrued liabilities*.

At 31 December 2017, the weighted average fixed interest rate of these contracts is 2.1% and the weighted average remaining life is 1.6 years. For the three months ended 31 December 2017, the Company included in *Other income* an unrealized gain of US\$0.8 million and realized loss US\$0.2 million on interest rate swap contracts. For the nine

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Notes to Condensed Consolidated Financial Statements (continued)

months ended 31 December 2017, the Company included in *Other income* an unrealized gain of US\$0.8 million and a realized loss US\$0.6 million on interest rate swap contracts.

For the three months ended 31 December 2016, the Company included in *Other income* an unrealized gain of US\$1.8 million and a realized loss of US\$0.4 million on interest rate swap contracts. For the nine months ended 31 December 2016, the Company included in *Other income* an unrealized gain of US\$2.3 million and a realized loss of US\$1.1 million on interest rate swap contracts.

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.

Changes in the fair value of forward contracts that are not designated as hedges are recorded in earnings within *Other income* at each measurement date. As discussed above, these derivatives are typically entered into as economic hedges of changes in currency exchange rates.

The forward contracts had an unrealized gain of nil in the three and nine months ended 31 December 2017 and 2016.

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 off-set exists.

The following table sets forth the total outstanding notional amount and the fair value of the Company's derivative instruments:

(Millions of US dollars)	Notional Amount		Fair Value as of			
			31 December 2017		31 March 2017	
	31 December 2017	31 March 2017	Assets	Liabilities	Assets	Liabilities
Derivatives not accounted for as hedges						
Interest rate swap contracts	\$ 100.0	\$ 100.0	\$ —	\$ 0.3	\$ —	\$ 1.1
Foreign currency forward contracts	1.2	—	—	—	—	—
Total	\$ 101.2	\$ 100.0	\$ —	\$ 0.3	\$ —	\$ 1.1

9. 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 as described in these condensed consolidated financial statements.

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.

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Notes to Condensed Consolidated Financial Statements (continued)

10. Income Taxes

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. During the nine months ended 31 December 2017, the Company paid tax net of any refunds received of US\$33.7 million in Ireland, the United States, Canada, New Zealand and the Philippines.

Deferred income taxes include European and Australian net operating loss carry-forwards. At 31 December 2017, the Company had European tax loss carry-forwards of approximately US\$3.1 million and Australian tax loss carry-forwards of approximately US\$19.2 million that are available to offset future taxable income in the respective jurisdiction.

The European tax loss carry-forwards relate to losses incurred in prior years during the establishment of the European business. At 31 December 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.

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 December 2017, the Company recognized a tax deduction of US\$52.7 million (A\$68.5 million) for the current year relating to total contributions to AICF of US\$369.1 million (A\$456.8 million) incurred in fiscal years 2014 through 2018.

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 file 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 and Australian federal examinations by the Australian Taxation Office for fiscal years prior to fiscal year 2014.

Taxing authorities from various jurisdictions in which the Company operates are in the process of reviewing 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

At 31 December 2017 and 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 three and nine months ended 31 December 2017, the total amount of interest and penalties recognized in *Income tax expense* was nil. The liabilities associated with uncertain tax benefits are included in *Other liabilities* on the Company's condensed consolidated balance sheets.

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US Tax Cuts and Jobs Act

On 22 December 2017, the Tax Cuts and Jobs Act ("TCJ Act") was enacted in the US. The TCJ Act significantly revises the US corporate income tax by, among other things, lowering the US federal corporate income tax rate from 35% to 21%, and implementing a territorial tax system that imposed a tax on unrepatriated earnings of certain subsidiaries of our US subsidiaries.

The Company recorded provisional estimates in respect of the impact of the TCJ Act, as provided by Staff Accounting Bulletin No. 118. During the three months ended 31 December 2017, the Company recorded a charge to income tax expense of an estimated US\$2.5 million in respect of income taxes of an estimated US\$32.5 million imposed on deemed repatriated earnings of certain subsidiaries of our US subsidiaries, partially offset by an estimated reduction in the value of US-based net deferred tax liability of US\$30.0 million. Income taxes due from the deemed repatriation will be paid over an 8 year period. As such, the Company recorded current and non-current income taxes payable in its 31 December 2017 condensed consolidated balance sheet.

This impact of the tax legislation on the Company's future earnings is uncertain. The impact is subject to the potential effect of certain complex provisions in the TCJ Act, and the issuance of regulatory guidance or clarifications that may be issued in the future in respect of these provisions, including the base erosion and anti-abuse tax, global intangible low-taxed income, foreign derived intangible income and others, which the Company is currently reviewing. These provisions will be in effect for the Company beginning in its fiscal year 2019 and it is possible that any impact of these provisions could materially reduce the benefit of the reduction in the US federal corporate income tax rate. Due to the uncertain practical and technical application of many of these provisions, it is currently not possible to reliably estimate whether these provisions will apply and if so, how it would impact the Company.

11. Stock-Based Compensation

Total stock-based compensation expense consists of the following:

(Millions of US dollars)	Three Months Ended 31 December		Nine Months Ended 31 December	
	2017	2016	2017	2016
Liability Awards Expense	\$ 3.4	\$ 1.3	\$ 3.8	\$ 4.3
Equity Awards Expense	3.7	2.5	8.0	6.9
Total stock-based compensation expense	\$ 7.1	\$ 3.8	\$ 11.8	\$ 11.2

As of 31 December 2017, the unrecorded future stock-based compensation expense related to outstanding equity awards was US\$22.7 million and will be recognized over an estimated weighted average amortization period of 2.4 years.

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Notes to Condensed Consolidated Financial Statements (continued)

12. Capital Management and Dividends

The following table summarizes the dividends declared or paid during the fiscal years 2018, 2017 and 2016:

(Millions of US dollars)	US Cents/Security	US\$ Millions Total Amount	Announcement Date	Record Date	Payment Date
FY 2018 first half dividend ¹	0.10	44.2	9 November 2017	13 December 2017	23 February 2018
FY 2017 second half dividend	0.28	131.3	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

- ¹ The FY2018 first half dividend total amount of US\$44.2 million represents the value of the dividend declared. Any difference between the amount declared and the amount payable per the Company's condensed consolidated balance sheets is due to unrealized exchange gains or losses associated with the change in the dividend liability between the record date and the balance sheet date.

13. Operating Segment Information and Concentrations of Risk

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:

(Millions of US dollars)	Net Sales to Customers Three Months Ended 31 December		Net Sales to Customers Nine Months Ended 31 December	
	2017	2016	2017	2016
North America Fiber Cement	\$ 376.8	\$ 350.9	\$ 1,168.0	\$ 1,105.7
International Fiber Cement	114.5	99.5	349.2	309.0
Other Businesses	3.8	3.4	11.4	12.6
Worldwide total	<u>\$ 495.1</u>	<u>\$ 453.8</u>	<u>\$ 1,528.6</u>	<u>\$ 1,427.3</u>

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Notes to Condensed Consolidated Financial Statements (continued)

(Millions of US dollars)	Income Before Income Taxes Three Months Ended 31 December		Income Before Income Taxes Nine Months Ended 31 December	
	2017	2016	2017	2016
North America Fiber Cement ¹	\$ 101.3	\$ 75.5	\$ 278.5	\$ 267.8
International Fiber Cement ¹	25.4	21.9	82.4	71.5
Other Businesses	(1.9)	(2.1)	(5.8)	(4.7)
Research and Development ¹	(7.2)	(6.2)	(20.5)	(18.3)
Segments total	117.6	89.1	334.6	316.3
General Corporate ²	26.3	19.6	(9.6)	(1.3)
Total operating income	143.9	108.7	325.0	315.0
Net interest expense ³	(8.3)	(7.2)	(21.6)	(20.3)
Loss on early debt extinguishment	(26.1)	—	(26.1)	—
Other income	0.6	1.4	0.2	1.2
Worldwide total	\$ 110.1	\$ 102.9	\$ 277.5	\$ 295.9

(Millions of US dollars)	Total Identifiable Assets	
	31 December 2017	31 March 2017
North America Fiber Cement	\$ 1,012.3	\$ 917.4
International Fiber Cement	346.5	335.7
Other Businesses	29.7	28.4
Research and Development	7.4	12.3
Segments total	1,395.9	1,293.8
General Corporate ^{4,5}	812.7	718.9
Worldwide total	\$ 2,208.6	\$ 2,012.7

The following is the Company's geographical information:

(Millions of US dollars)	Net Sales to Customers Three Months Ended 31 December		Net Sales to Customers Nine Months Ended 31 December	
	2017	2016	2017	2016
North America	\$ 380.5	\$ 354.3	\$ 1,179.4	\$ 1,118.3
Australia	75.3	62.9	226.4	191.8
New Zealand	18.9	17.7	59.0	54.8
Other Countries	20.4	18.9	63.8	62.4
Worldwide total	\$ 495.1	\$ 453.8	\$ 1,528.6	\$ 1,427.3

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Notes to Condensed Consolidated Financial Statements (continued)

(Millions of US dollars)	Total Identifiable Assets	
	31 December	31 March
	2017	2017
North America	\$ 1,044.6	\$ 953.1
Australia	240.1	237.0
New Zealand	29.9	31.8
Other Countries	81.3	71.9
Segments total	1,395.9	1,293.8
General Corporate ^{4,5}	812.7	718.9
Worldwide total	<u>\$ 2,208.6</u>	<u>\$ 2,012.7</u>

1 The following table summarizes research and development costs by segment:

(Millions of US dollars)	Three Months Ended 31 December		Nine Months Ended 31 December	
	2017	2016	2017	2016
North America Fiber Cement	\$ 1.4	\$ 1.4	\$ 4.5	\$ 4.6
International Fiber Cement	0.5	0.5	1.3	1.1
Research and Development ^a	6.4	5.4	18.6	16.5
	<u>\$ 8.3</u>	<u>\$ 7.3</u>	<u>\$ 24.4</u>	<u>\$ 22.2</u>

a For the three months ended 31 December 2017 and 2016, the R&D segment also included SG&A expenses of US\$0.8 million. For the nine months ended 31 December 2017 and 2016, the R&D segment also included SG&A expenses of US\$1.9 million and US\$1.8 million, respectively.

2 Included in the General Corporate costs are the following:

(Millions of US dollars)	Three Months Ended 31 December		Nine Months Ended 31 December	
	2017	2016	2017	2016
Asbestos adjustments	\$ 47.0	\$ 35.6	\$ 36.5	\$ 39.0
AICF SG&A expenses	(0.5)	(0.4)	(1.3)	(1.2)

3 The Company does not report net interest expense for each operating segment as operating segments are not held directly accountable for interest expense. All net interest expense is included in General Corporate costs. Included in net interest expense is AICF net interest income of US\$0.3 million and AICF net interest expense of US\$0.1 million for the three months ended 31 December 2017 and 2016, respectively. Included in net interest expense is AICF net interest expense of US\$1.0 million and AICF net interest expense of US\$0.8 million for the nine months ended 31 December 2017 and 2016, respectively. See Note 7 for more information.

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 December 2017 and 31 March 2017 are US\$533.3 million and US\$573.8 million, respectively, and are included in the General Corporate costs.

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Notes to Condensed Consolidated Financial Statements (continued)

14. Accumulated Other Comprehensive Income (Loss)

During the three and nine months ended 31 December 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 2017	\$ 0.3	\$ (2.5)	\$ (2.2)
Other comprehensive income	—	6.9	6.9
Balance at 31 December 2017	\$ 0.3	\$ 4.4	\$ 4.7

15. Acquisition

On 7 November 2017, the Company entered into a Sale and Purchase Agreement with Xella International S.A, whereby the Company agreed to purchase the stock of German-based Fermacell GmbH for Euro 473.0 million. Fermacell manufactures and sells gypsum fiber and cement-bonded board in continental Europe. The transaction is expected to close in the fourth quarter of fiscal year 2018 and is subject to customary closing conditions.

In December 2017, the Company entered into the Term Loan Facility to finance the transaction and related expenses, and anticipates drawing upon the facility to fund the acquisition. Refer to Note 6 for further details on the Term Loan Facility.