Results for Announcement to the Market

James Hardie Industries plc

ARBN 097 829 895

Half Year Ended 30 September 2018				
Key Information	Half Year Ended 30 September			
	FY 2019 US$M	FY 2018 US$M	Movement	
Net Sales From Ordinary Activities	1,295.6	1,033.5	Up	25%
Profit From Ordinary Activities After Tax Attributable to Shareholders	160.1	123.8	Up	29%
Net Profit Attributable to Shareholders	160.1	123.8	Up	29%
Net Tangible (Liabilities) Assets per Ordinary Share	US$1.26	US$(0.48)	Up	347%

Dividend Information

- A FY2019 first half ordinary dividend ("**FY2019 first half dividend"**) of US10.0 cents per security is payable to CUFS holders on 22 February 2019.
- The record date to determine entitlements to the FY2019 first half dividend is 12 December 2018 (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 FY2019 first half dividend was, and future dividends will be unfranked for Australian taxation purposes.
- The company was required to deduct Irish DWT (currently 20% of the gross dividend amount) from this dividend and will be required to for future dividends, unless the beneficial owner has completed and returned a non-resident declaration form (DWT Form).
- The Australian currency equivalent amount of the FY2019 first half dividend paid to CUFS holders will be announced after the record date.
- No dividend reinvestment plan is currently in operation for the FY2019 first half dividend.
- The FY2018 second half ordinary dividend ("**FY2018 second half dividend"**) of US30.0 cents per security was paid to CUFS holders on 3 August 2018.

Movements in Controlled Entities during the half year ended 30 September 2018

The following entities were created or acquired:

XI (DL) Holdings GmbH (3 April 2018), Fermacell GmbH (3 April 2018), SNC Parc 3 (3 April 2018), Fermacell B.V (3 April 2018), Fermacell Spain S.L.U. (3 April 2018), Fermacell Schraplau GmbH (3 April 2018), FELS Recycling GmbH (3 April 2018), Fermacell SAS (3 April 2018)

Review

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

Results for the 2nd Quarter and Half Year Ended 30 September 2018

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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 2018 Annual Report which can be found on the company website at www.jameshardie.com.

James Hardie Announces Adjusted Net Operating Profit of US$80.9 million for Q2 Fiscal Year 2019 and US$160.8 million for the half year ended 30 September 2018

James Hardie announces a fiscal year 2019 first half dividend of US10.0 cents per security

James Hardie today announced results for the second quarter of fiscal year 2019 and the half year ended 30 September 2018:

- Group Adjusted net operating profit of US$80.9 million for the quarter and US$160.8 million for the half year, an increase of 7% and 17%, respectively, compared to the prior corresponding periods ("pcp");
- Group Adjusted EBIT of US$106.9 million for the quarter and US$214.0 million for the half year, an increase of 1% and 10%, respectively, compared to pcp;
- Group net sales of US$644.6 million for the quarter and US$1,295.6 million for the half year, an increase of 23% and 25%, respectively, compared to pcp;
- North America Fiber Cement Segment volume increased 5% for the quarter and half year, compared to pcp;
- North America Fiber Cement Segment EBIT margin excluding product line discontinuation expenses of 22.8% for the quarter and 23.8% for the half year;
- Asia Pacific Fiber Cement Segment EBIT margin of 23.4% for the quarter and 23.8% for the half year;
- Europe Building Products Segment Adjusted EBIT margin excluding costs associated with the acquisition of 9.7% for the quarter and 10.9% for the half year; and
- The Fermacell acquisition closed on 3 April 2018 and is included in the financial results for the first half of fiscal year 2019.

CEO Commentary

James Hardie CEO Louis Gries said, "Our North America Fiber Cement Segment delivered good top line growth of 9% for the quarter and 10% for the half year, respectively. Volume increased 5% for both the quarter and half year, with our exteriors business continuing to grow modestly above our addressable market. Additionally, EBIT margin excluding product line discontinuation expenses of 22.8% and 23.8% for the quarter and half year, respectively, remain within our target range, but continue to be pressured by the increasing market costs of raw materials and freight. We anticipate this inflationary pressure against our key input costs will continue through the rest of the year. Furthermore, while primary demand growth improved in the second quarter, our focus remains on continuing to build momentum and delivering a higher primary demand growth in fiscal year 2020."

He continued, "Within our Asia Pacific Fiber Cement Segment, our Australian and Philippines businesses achieved volume growth above their underlying market growth. Furthermore, our Australian business delivered a 10% and 13% increase in EBIT for the quarter and half year, respectively, in local currency. However, the segment results in US dollars for the quarter and half year were unfavorably impacted by the change in foreign exchange rates."

He added, "We closed our acquisition of Fermacell on 3 April 2018, and the new Europe Building Products Segment delivered strong net sales compared to the prior corresponding periods, and an Adjusted EBIT margin excluding costs associated with the acquisition of 9.7% for the quarter and 10.9% for the half year. We are encouraged by the early indicators from our European business."

Mr. Gries continued, "After a detailed review of our product portfolio and business segments, we have determined the appropriate path forward is to discontinue the Windows business and the Multiple Contour Trim product line, and to simplify our core ColorPlus product offering. These decisions will help focus us on our core business, drive higher return on capital and accelerate our focus on 35/90 in North America, €1 billion in 10 years in Europe and continued growth in Asia Pacific."

He concluded, “Our consolidated group results reflected overall steady financial performance in a difficult input cost and foreign exchange environment, and modest growth in our primary markets."

Outlook

We expect to see the modest growth in the US housing market to continue in fiscal year 2019. 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 2018. 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 the top half of our stated target range of 20% to 25% for fiscal year 2019. This expectation is based upon the Company continuing to achieve strong operating performance in its plants, exchange rates at current levels and a continuation of current inflationary trends for input costs.

Net sales from the Australian business are expected to trend above the average growth of the domestic repair and remodel and single family detached housing markets in the eastern states of Australia.

Full Year Earnings Guidance

Management notes the range of analysts’ forecasts for net operating profit excluding asbestos for the year ending 31 March 2019 is between US$313 million and US$335 million. Management expects full year Adjusted net operating profit to be between US$280 million and US$320 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 2018 was US$291.3 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 second quarter and half year ended 30 September 2018 for additional information regarding the Company's results, including information regarding income taxes, the asbestos liability and contingent liabilities.

As of 30 June 2018, the Company changed its reportable operating segments. Previously, the Company reported on four operating segments: (i) North America Fiber Cement, (ii) International Fiber Cement, (iii) Other Businesses, and (iv) Research and Development. As of 30 June 2018, the Company began reporting on five operating segments: (i) North America Fiber Cement, (ii) Asia Pacific Fiber Cement, (iii) Europe Building Products, (iv) Other Businesses, and (v) Research and Development. The significant changes to how certain businesses are reported in the new segment structure are as follows: (i) our European Fiber Cement business as well as the newly acquired Fermacell business are now reported as the Europe Building Products segment, and the remaining businesses that were historically reported in the International Fiber Cement segment are now reported in the Asia Pacific Fiber Cement segment. The Company has revised its historical segment information at 31 March 2018 and for the second quarter and half year ended 30 September 2017 to be consistent with the new reportable segment structure. The change in reportable segments had no effect on the Company's financial position, results of operations or cash flows for the periods presented. Readers are referred to Note 15 of our condensed consolidated financial statements for further information on our segments.

Use of Non-GAAP Financial Information; Australian Equivalent Terminology

This Media Release includes financial measures that are not considered a measure of financial performance under generally accepted accounting principles in the United States (GAAP), such as Adjusted net operating profit and Adjusted EBIT. These non-GAAP financial measures should not be considered to be more meaningful than the equivalent GAAP measure. Management has included such measures to provide investors with an alternative method for assessing its operating results in a manner that is focused on the performance of its ongoing operations and excludes the impact of certain legacy items, such as asbestos adjustments. Additionally, management uses such non-GAAP financial measures for the same purposes. However, these non-GAAP financial measures are not prepared in accordance with US GAAP, may not be reported by all of the Company's competitors and may not be directly comparable to similarly titled measures of the Company's competitors due to potential differences in the exact method of calculation. For additional information regarding the non-GAAP financial measures presented in this Media Release, including a reconciliation of each non-GAAP financial measure to the equivalent US GAAP measure, see the section titled "Non-US GAAP Financial Measures" included in the Company's Management's Analysis of Results for the second quarter and half year ended 30 September 2018.

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 second quarter and half year ended 30 September 2018.

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 2018; changes in general economic, political, governmental and business conditions globally and in the countries in which James Hardie does business; changes in interest rates, changes in inflation rates; changes in exchange rates; the level of construction generally; changes in cement demand and prices; changes in raw material and energy prices; changes in business strategy and various other factors. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein. James Hardie assumes no obligation to update or correct the information contained in this Media Release except as required by law.

END

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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 financial condition and operating results in a manner that is focused on the performance of its ongoing operations. These measures exclude the impact of certain legacy items, such as asbestos adjustments, or significant non-recurring items, such as debt restructuring and acquisition costs, asset impairments, as well as adjustments to tax expense. In addition, management provides an adjusted effective tax rate, which excludes the tax impact of the pre-tax special items (items listed above) and tax special items. Management believes that this non-GAAP tax measure provides an ongoing effective rate which investors may find useful for historical comparisons and for forecasting and is an alternative method of assessing the economic impact of taxes on the Company, as it more closely approximates payments to taxing authorities. Management uses such non-GAAP financial measures for the same purposes. These non-GAAP measures should not be considered as a substitute for, or superior to, measures of financial performance prepared in accordance with US GAAP. 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 condensed 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'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 8 November 2018, are available from the Investor Relations area of our website at http://www.ir.jameshardie.com.au

NOTE TO THE READER:

As of 30 June 2018, the Company changed its reportable operating segments. Previously, the Company reported on four operating segments: (i) North America Fiber Cement, (ii) International Fiber Cement, (iii) Other Businesses, and (iv) Research and Development. As of 30 June 2018, the Company began reporting on five operating segments: (i) North America Fiber Cement, (ii) Asia Pacific Fiber Cement, (iii) Europe Building Products, (iv) Other Businesses, and (v) Research and Development. The significant changes to how certain businesses are reported in the new segment structure are as follows: (i) our European Fiber Cement business, as well as the newly acquired Fermacell business, are now reported as the Europe Building Products segment, and the remaining businesses that were historically reported in the International Fiber Cement segment are now reported in the Asia Pacific Fiber Cement segment. The Company has revised its historical segment information for the second quarter and half year ended 30 September 2017 to be consistent with the new reportable segment structure. The change in reportable segments had no effect on the Company's financial position, results of operations or cash flows for the periods presented. Readers are referred to Note 15 of our condensed consolidated financial statements for further information on our segments.

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James Hardie Industries plc
Results for the 2nd Quarter and Half Year Ended 30 September

US$ Millions	Three Months and Half Year Ended 30 September					
	Q2 FY19	Q2 FY18	Change %	HY FY19	HY FY18	Change %
Net sales	**$ 644.6**	**$ 525.8**	**23**	**$ 1,295.6**	**$ 1,033.5**	**25**
Cost of goods sold	(437.5)	(338.6)	(29)	(867.4)	(677.3)	(28)
Gross profit	**207.1**	**187.2**	**11**	**428.2**	**356.2**	**20**
Selling, general and administrative expenses	(98.9)	(75.0)	(32)	(203.8)	(148.5)	(37)
Research and development expenses	(9.8)	(8.5)	(15)	(19.2)	(16.1)	(19)
Asset impairments	(13.1)	—		(13.1)	—	
Asbestos adjustments	14.2	(6.6)		39.3	(10.5)	
EBIT	**99.5**	**97.1**	**2**	**231.4**	**181.1**	**28**
Net interest expense	(12.5)	(6.8)	(84)	(23.1)	(13.3)	(74)
Other income (expense)	0.1	—		0.3	(0.4)	
Operating profit before income taxes	87.1	90.3	(4)	208.6	167.4	25
Income tax expense	(17.6)	(23.9)	26	(48.5)	(43.6)	(11)
Net operating profit	**$ 69.5**	**$ 66.4**	**5**	**$ 160.1**	**$ 123.8**	**29**
Earnings per share - basic (US cents)	16	15		36	28	
Earnings per share - diluted (US cents)	16	15		36	28	
Volume (mmsf)	928.1	701.0	32	1,866.7	1,391.2	34

Net sales for the quarter and half year increased 23% and 25%, respectively, from the prior corresponding periods to US$644.6 million and US$1,295.6 million, respectively. For both periods, net sales were favorably impacted by the acquisition of Fermacell in Europe and higher net sales in the North America Fiber Cement and Asia Pacific Fiber Cement segments. The increase in North America Fiber Cement net sales is due to higher sales volumes and higher average net sales price, and the increase in Asia Pacific Fiber Cement net sales is driven by higher sales volumes.

Gross profit of US$207.1 million for the quarter and US$428.2 million for the half year increased 11% and 20%, respectively, when compared to the prior corresponding periods. Gross profit margin of 32.1% for the quarter and 33.1% for the half year decreased 3.5 percentage points and 1.4 percentage points, respectively, when compared with the prior corresponding periods.

Selling, general and administrative (“SG&A”) expenses for the quarter and half year increased 32% and 37%, respectively, when compared to the prior corresponding periods. The increase is primarily driven by the SG&A costs of the European Building Products segment, which are significantly higher when compared to the prior corresponding period due to the acquisition of Fermacell on 3 April 2018, as well as, higher labor and discretionary costs in the North America Fiber Cement segment.

Asbestos adjustments primarily reflects the non-cash foreign exchange re-measurement impact on asbestos related balance sheet items, driven by the change in AUD/USD spot exchange rate.

Asset Impairments for the quarter and half year reflects a US$10.1 million and a US$3.0 million asset impairment charge, related to our decision to discontinue our Windows business and our Multiple Contour Trim ("MCT") product line, respectively.

Other income (expense) for the quarter and half year reflects the gains and losses on interest rate swaps.

Income tax expense for the quarter decreased compared to the prior corresponding period, primarily due to the decrease in the US corporate income tax rate.

Income tax for the half year increased compared to the prior corresponding period, primarily due to a change in the accounting treatment of intangible assets which did not apply in the prior corresponding period, partially offset by the decrease in US corporate income tax rate.

Net operating profit increased for the quarter, primarily driven by the favorable movement in asbestos adjustments and higher gross profit, partially offset by higher SG&A expenses and asset impairment charges. Net operating profit for the half year increased, primarily driven by the favorable underlying performance of the operating business units and the favorable movement in asbestos adjustments, partially offset by higher SG&A expenses and asset impairment charges.

North America Fiber Cement Segment

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

US$ Millions	Three Months and Half Year Ended 30 September					
	Q2 FY19	Q2 FY18	Change	HY FY19	HY FY18	Change
Volume (mmsf)	591.7	561.6	5%	1,182.7	1,123.1	5%
Average net sales price per unit (per msf)	US$728	US$702	4%	US$726	US$697	4%
Fiber cement net sales	435.6	398.1	9%	869.4	791.2	10%
Gross profit			5%			13%
Gross margin (%)			(1.5 pts)			1.1 pts
EBIT	94.1	97.4	(3%)	201.3	177.2	14%
EBIT margin (%)	21.6	24.5	(2.9 pts)	23.2	22.4	0.8 pts
EBIT excluding[1]	99.5	97.4	2%	206.7	177.2	17%
EBIT margin excluding[1](%)	22.8	24.5	(1.7 pts)	23.8	22.4	1.4 pts

[1] Excludes product line discontinuation expenses of US$5.4 million in the second quarter and half year FY19. These expenses include asset impairments of US$3.0 million, and a one time charge of US$2.4 million to cost of goods sold associated with our decision to discontinue our MCT product line, as well as certain excess and obsolete ColorPlus color palettes

Net sales for the quarter and half year were favorably impacted by higher sales volumes and a higher average net sales price compared to prior corresponding periods. The increase in volume includes growth in exteriors for the quarter and half year of 8% and 7%, respectively, compared to the prior corresponding periods, reflecting growth above its market index. This increase was partially offset by a decrease in interiors volume for the quarter and half year of 6% and 2%, respectively. The increase in average net sales price of 4% for the quarter and half year primarily reflects the annual change in our strategic pricing effective April 2018, as well as favorable product mix.

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 30 September 2018, only US Census Bureau data was available. According to the US Census Bureau, single family housing starts for the quarter were 235,600, or 2% above the prior corresponding period, and for the half year ended 30 September 2018, single family housing starts were 492,900, or 5% 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.

Results Including Product Line Discontinuation Expenses

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

For the Three Months Ended 30 September 2018:	
Higher average net sales price	2.5 pts
Higher start up costs	(0.4 pts)
Higher production costs	(3.6 pts)
Total percentage point change in gross margin	(1.5 pts)

For the Half Year Ended 30 September 2018:

Higher average net sales price	2.8 pts
Start up costs	— pts
Higher production costs	(1.7 pts)
Total percentage point change in gross margin	1.1 pts

We continue to experience significant inflationary pressure across our key input costs, including pulp, materials and labor. In addition, the freight market continues to be in very tight supply, and as a result, market rates for freight are exhibiting significant inflationary pressure. These costs will continue to compress North America Fiber Cement segment margins for the remainder of fiscal year 2019.

Gross margin for the quarter decreased 1.5 percentage points compared to the prior corresponding period, primarily driven by higher production costs and higher start up costs, partially offset by higher average net sales price. Higher production costs were primarily due to higher freight and raw material costs. In addition, gross margin decreased as a result of a one time charge of US$2.4 million resulting from our decision to discontinue the MCT product line and certain excess and obsolete ColorPlus color palettes.

Gross margin for the half year increased 1.1 percentage points compared to the prior corresponding period. This increase was primarily driven by higher average net sales price, partially offset by higher production costs. Higher production costs were primarily due to higher raw material and freight costs. In addition, gross margin decreased as a result of the one time charge of US$2.4 million as described above.

SG&A expenses for the quarter and half year was higher compared to the prior corresponding periods, driven primarily by higher labor related costs and higher discretionary spend. As a percentage of sales, SG&A expenses increased 0.7 percentage points for the quarter and was flat for the half year, when compared to the prior corresponding periods.

EBIT for the quarter decreased 3% compared to the prior corresponding period, primarily due to US$5.4 million in product line discontinuation expenses. EBIT for the half year increased 14% compared to the prior corresponding period, primarily driven by a 13% increase in gross profit, partially offset by product line discontinuation expenses.

EBIT margin for the quarter decreased 2.9 percentage points to 21.6% when compared to the prior corresponding period, driven primarily by the decrease in gross margin, higher SG&A expenses and product line discontinuation expenses as described above. EBIT margin for the half year increased 0.8 percentage points to 23.2% when compared to the prior corresponding period, driven primarily by the increase in gross margin, partially offset by product line discontinuation expenses as described above.

Results Excluding Product Line Discontinuation Expenses

Gross margin for the quarter excluding product line discontinuation expenses decreased compared to the prior corresponding period, primarily driven by higher production costs and higher start up costs, partially offset by higher average net sales price. Higher production costs were primarily due to higher freight and raw material costs.

Gross margin for the half year excluding product line discontinuation expenses increased compared to the prior corresponding period, primarily driven by higher average net sales price, partially offset by higher production costs. Higher production costs were primarily due to higher raw material and freight costs.

SG&A expenses for the quarter and half year was higher compared to the prior corresponding periods, driven primarily by higher labor related costs and higher discretionary spend. As a percentage of sales, SG&A expenses increased 0.7 percentage points for the quarter and was flat for the half year, when compared to the prior corresponding periods.

EBIT for the quarter and half year excluding product line discontinuation expenses increased by 2% and 17%, respectively, compared to the prior corresponding periods, driven by an increase in gross profit, partially offset by higher SG&A expenses.

EBIT margin for the quarter excluding product line discontinuation expenses decreased 1.7 percentage points to 22.8% when compared to the prior corresponding period, driven primarily by the decrease in gross margin and higher SG&A expenses. EBIT margin for the half year increased 1.4 percentage points to 23.8% when compared to the prior corresponding period, primarily driven by the increase in gross margin.

Asia Pacific Fiber Cement Segment

The Asia Pacific Fiber Cement segment is comprised of the following businesses: (i) Australia Fiber Cement, (ii) New Zealand Fiber Cement, and (iii) Philippines Fiber Cement.

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

US$ Millions	**Three Months and Half Year Ended 30 September**					
	Q2 FY19	**Q2 FY18**	**Change**	**HY FY19**	**HY FY18**	**Change**
Volume (mmsf)	142.1	130.0	9%	280.1	250.1	12%
Average net sales price per unit (per msf)	US$728	US$768	(5%)	US$740	US$761	(3%)
Fiber cement net sales	117.3	113.4	3%	234.4	215.0	9%
Gross profit			(8%)			—%
Gross margin (%)			(4.3 pts)			(3.2 pts)
EBIT	27.5	30.5	(10%)	55.8	56.9	(2%)
EBIT margin (%)	23.4	26.9	(3.5 pts)	23.8	26.5	(2.7 pts)

The Asia Pacific Fiber Cement segment results in US dollars were unfavorably impacted for the quarter and half year by a 7% and 3% change in the average AUD/USD foreign exchange rate, respectively, when compared the prior corresponding periods. The impact of the unfavorable foreign exchange rate movements are detailed in the table below:

	Q2FY19			**HY FY19**		
	Results in AUD	Results in USD	Impact of FX	Results in AUD	Results in USD	Impact of FX
Average net sales price per unit (per msf)	+2%	-5%	-7%	+1%	-3%	-4%
Net Sales	+12%	+3%	-9%	+13%	+9%	-4%
Gross Profit	-1%	-8%	-7%	+3%	FLAT	-3%
EBIT	-3%	-10%	-7%	+2%	-2%	-4%

Volume for the quarter and half year increased 9% and 12%, respectively, compared to the prior corresponding periods, driven primarily by our Australian and Philippines businesses with volume growth above their underlying market growth. In Australia, volume growth was driven by market penetration and category share gains. In the Philippines, volume growth was a result of strategic distributor programs implemented in the region.

Fiber cement net sales in US dollars for the quarter and half year increased 3% and 9%, respectively, compared to the prior corresponding periods, primarily driven by higher volume, partially offset by a lower average net sales price in US dollars. The lower average net sales price for the quarter and half year was driven by the unfavorable impact of foreign exchange rates on our US dollar reported sales, partially offset by an increase in price and favorable product mix. In Australian dollars, average net sales price for the quarter and half year increased 2% and 1%, respectively.

Gross profit in US dollars for the quarter decreased 8% compared to the prior corresponding periods. The decrease for the quarter was primarily driven by the impact of unfavorable foreign exchange rates, higher pulp and freight costs, as well as, a one time inventory adjustment in the Philippines.

Gross profit in US dollars for the half year was flat compared to the prior corresponding period. For the half year, gross profit was favorably impacted by higher net sales, offset by the impact of unfavorable foreign exchange rates, as well as, higher production costs driven by higher pulp and freight costs, unfavorable plant performance in New Zealand and a one time inventory adjustment in the Philippines. We continue to experience inflationary pressures on our key input and freight costs, which will continue to compress the segment's margins for the remainder of fiscal year 2019.

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

For the Three Months Ended 30 September 2018:	
Lower average net sales price	(3.0 pts)
Higher production costs	(1.3 pts)
Total percentage point change in gross margin	(4.3 pts)

For the Half Year Ended 30 September 2018:	
Lower average net sales price	(1.5 pts)
Higher production costs	(1.7 pts)
Total percentage point change in gross margin	(3.2) pts

EBIT for the quarter and half year decreased 10% and 2%, respectively, when compared to the prior corresponding periods to US$27.5 million and US$55.8 million. EBIT for the quarter decreased primarily due to the 8% decrease in gross profit described above. EBIT for the half year decreased primarily driven by the unfavorable impact of foreign exchange rates on gross profit. As a percentage of sales, SG&A expense decreased 1.0 percentage point for the quarter and 0.8 percentage point for the half year when compared to the prior corresponding period.

Country Analysis

Australia Fiber Cement

Net sales for the quarter and half year increased 6% and 12%, respectively, from the prior corresponding periods, primarily due to an increase in volume combined with the favorable impact of our price increase. The key driver of volume growth was market penetration, as we gained market share since the prior corresponding periods. The category share gains reflect the addition of several large customers, including one large customer in the first half of fiscal year 2018, and another large customer in the first quarter of fiscal year 2019. The volume growth during the quarter and half year was most prominent in the East Coast regions, and was realized in both the new construction and additions and alterations markets.

EBIT for the quarter and half year increased 1% and 9%, respectively, when compared to the prior corresponding periods. The increase in EBIT is primarily driven by higher net sales and favorable plant performance, partially offset by higher freight and pulp costs, as well as unfavorable foreign translation impact. Excluding the unfavorable foreign translation impact, EBIT increased 10% and 13% for the quarter and half year, respectively, in local currency.

According to Australian Bureau of Statistics data, approvals for detached houses, which are a key driver of the Australian business' sales volume, were 30,397 for the quarter, a decrease of 5%, when compared to the prior corresponding quarter. For the half year, approvals were 61,748, flat compared to the prior corresponding period. The other key driver of our sales volume is the alterations and additions market, which increased 5% when compared to the prior corresponding period. For the half year, the alterations and additions market increased 7% compared to the prior corresponding period.

New Zealand Fiber Cement

Net sales for the quarter and half year decreased 6% and increased 1%, respectively, from the prior corresponding periods. The decrease for the quarter was primarily driven by unfavorable foreign translation impact on our US dollar reported sales, partially offset by higher volume. For the half year, the increase in net sales was primarily driven by higher volume, partially offset by unfavorable foreign translation impact on our US dollar reported sales. Excluding the unfavorable foreign translation impact, net sales increased 3% and 6% for the quarter and half year, respectively, in local currency.

EBIT for the quarter and half year decreased compared to the prior corresponding periods, primarily driven by unfavorable plant performance and higher pulp costs.

Philippines Fiber Cement

Volume for the quarter and half year increased 11% and 12%, respectively, when compared to the prior corresponding periods, primarily as a result of market share gained during the current fiscal year. EBIT for the quarter and half year decreased compared to the prior corresponding periods, driven by a one time inventory adjustment of US$1.6 million, as well as, higher pulp costs and start-up costs associated with our capacity expansion.

Europe Building Products Segment

The Europe Building Products segment is comprised of: (i) Europe Fiber Cement; and (ii) Fiber Gypsum. Operating results for the Europe Building Products segment in US dollars were as follows:

US$ Millions	Three Months and Half Year Ended 30 September					
	Q2 FY19	Q2 FY18	Change	HY FY19	HY FY18	Change
Volume (mmsf)	194.3	9.4		403.9	18.0	
Average net sales price per unit (per msf)	US$354	US$1,000	(65%)	US$358	US$978	(63%)
Fiber cement net sales	9.6	10.5	(9%)	18.8	19.7	(5%)
Fiber gypsum net sales[1]	77.8	—		164.0	—	
Net sales	87.4	10.5		182.8	19.7	
Gross profit[2]						
Gross margin (%)[2]						
EBIT[3]	3.4	0.3		(1.2)	0.1	
EBIT margin (%)[3]	3.9	2.9	1.0 pts	(0.7)	0.5	(1.2 pts)

[1] Also includes cement bonded board net sales

[2] The change in gross profit and gross margin is not presented due to the impact from the acquisition of Fermacell during the first quarter of fiscal year 2019

[3] Includes Fermacell transaction and integration costs of US$5.1 million for the second quarter and US$13.8 for the half year, as well as, a US $7.3 million inventory fair value adjustment in the half year resulting from acquisition accounting adjustments in Q1FY19

Net sales for the quarter and half year increased compared to the prior corresponding period, driven by the increase in volume due to the Fermacell acquisition on 3 April 2018. Average net sales price in US dollars for the quarter and half year decreased compared to prior corresponding periods, primarily due to product mix, as most of the volume in the current period was from fiber gypsum products, which have lower average net sales price than fiber cement.

EBIT for the quarter increased US$3.1 million, compared to the prior corresponding period, primarily due to additional gross profit provided by Fermacell, partially offset by US$5.1 million of Fermacell integration related costs.

EBIT for the half year decreased US$1.3 million to a loss of US$1.2 million, compared to the prior corresponding period, primarily due to transaction and integration costs incurred by the Fermacell acquisition, as well as the one-time inventory fair value adjustment of US$7.3 million. As part of the acquisition of Fermacell, we incurred US$7.2 million of transaction costs and US$6.6 million of integration related costs for the half year.

Below, we have included a Non-US GAAP measure, "Europe Building Products segment EBIT excluding costs associated with the acquisition". Note that the below reconciling items have not been excluded from Adjusted EBIT and Adjusted net operating profit as presented on pages 13 and 15, respectively.

US$ Millions	**Three Months and Half Year Ended 30 September**	
	Q2 FY19	**HY FY19**
Europe Building Products segment EBIT	3.4	(1.2)
Inventory fair value adjustment [1]	—	7.3
Transaction costs[2]	—	7.2
Integration costs[3]	5.1	6.6
Europe Building Products segment Adjusted EBIT excluding costs associated with the acquisition	8.5	19.9
Europe Building Products segment Adjusted EBIT margin excluding costs associated with the acquisition	9.7%	10.9%

[1] Under US GAAP, we are required to value the inventory acquired at fair market value, resulting in a preliminary total inventory fair value adjustment of US$7.3 million. As this inventory was sold during the quarter, the entire adjustment was recognized into cost of goods sold

[2] Transaction costs include certain non-recurring fees incurred in conjunction with the acquisition of Fermacell

[3] Integration costs relate to professional, legal and other fees incurred in conjunction with the integration of Fermacell

Net sales in the Europe Building Products segment for the quarter and half year of US$87.4 million and US$182.8 million, respectively, increased 3% and 10%, respectively, from pro-forma net sales from the prior corresponding periods of US$84.6 million and US$166.1 million, respectively. In local currency, pro-forma net sales for the quarter and half year increased 4% and 6%, respectively, compared to the prior corresponding periods, primarily driven by higher average net sales price from strategic pricing.

Other Businesses Segment

US$ Millions	**Three Months and Half Year Ended 30 September**					
	Q2 FY19	**Q2 FY18**	**Change**	**HY FY19**	**HY FY18**	**Change**
Net sales	4.3	3.8	13%	9.0	7.6	18%
Gross profit			NM			NM
Gross profit margin (%)			NM			NM
EBIT	(17.6)	(2.1)		(19.1)	(3.9)	

EBIT loss for the quarter and half year increased to a loss of US$17.6 million and US$19.1 million, respectively, when compared to the prior corresponding periods. The increase in EBIT loss was primarily driven by our decision to exit the Windows business in the second quarter of fiscal year 2019, resulting in asset impairment charges totaling to US $10.1 million, and adjustments related to inventory existence, inventory valuation write-downs and other liability write-offs of US$5.7 million.

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 Half Year Ended 30 September					
	Q2 FY19	Q2 FY18	Change %	HY FY19	HY FY18	Change %
Segment R&D expenses	$ (6.8)	$ (6.6)	(3)	$ (13.7)	$ (12.2)	(12)
Segment R&D SG&A expenses	(0.3)	(0.6)	50	(0.8)	(1.1)	27
Total R&D EBIT	$ (7.1)	$ (7.2)	1	$ (14.5)	$ (13.3)	(9)

The change in segment R&D expenses for the half year was due to an increase in core research and development 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$3.0 million for the quarter and US$5.5 million for the half year, compared to US$1.9 million and US$3.9 million, respectively, for the prior corresponding periods.

General Corporate

Results for General Corporate were as follows:

US$ Millions	Three Months and Half Year Ended 30 September					
	Q2 FY19	Q2 FY18	Change %	HY FY19	HY FY18	Change %
General Corporate SG&A expenses	$ (14.6)	$ (13.1)	(11)	$ (29.5)	$ (22.9)	(29)
Fermacell acquisition costs[1]	—	(1.7)		—	(1.7)	
Asbestos:						
Asbestos adjustments	14.2	(6.6)		39.3	(10.5)	
AICF SG&A expenses[2]	(0.4)	(0.4)	—	(0.7)	(0.8)	13
General Corporate EBIT	$ (0.8)	$ (21.8)	96	$ 9.1	$ (35.9)	

[1]Relates to professional, legal and other fees incurred in FY2018 in conjunction with the acquisition of Fermacell

[2]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$1.5 million, compared to the prior corresponding period, primarily due to higher stock compensation expenses.

For the half year, General Corporate SG&A expenses increased US$6.6 million, compared to the prior corresponding period, primarily due to a non-recurring US$3.4 million gain in the prior year from the sale of a storage building located near our Fontana facility and higher stock compensation expenses, as well as the settlement of a US$1.6 million New Zealand weathertightness legal claim.

Asbestos adjustments for both periods primarily reflect 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:

Q2 FY19		Q2 FY18		HY FY19		HY FY18	
30 June 2018	0.7387	30 June 2017	0.7697	31 March 2018	0.7681	31 March 2017	0.7644
30 September 2018	0.7212	30 September 2017	0.7840	30 September 2018	0.7212	30 September 2017	0.7840
Change ($)	(0.0175)	Change ($)	0.0143	Change ($)	(0.0469)	Change ($)	0.0196
Change (%)	(2)	Change (%)	2	Change (%)	(6)	Change (%)	3

Readers are referred to Note 9 of our 30 September 2018 condensed consolidated financial statements for further information on asbestos adjustments.

JamesHardie

EBIT

The table below summarizes EBIT results as discussed above:

US$ Millions	Three Months and Half Year Ended 30 September					
	Q2 FY19	Q2 FY18	Change %	HY FY19	HY FY18	Change %
North America Fiber Cement[1]	$ 99.5	$ 97.4	2	$ 206.7	$ 177.2	17
Asia Pacific Fiber Cement	27.5	30.5	(10)	55.8	56.9	(2)
Europe Building Products	3.4	0.3		(1.2)	0.1	
Other Businesses[2]	(1.8)	(2.1)	14	(3.3)	(3.9)	15
Research and Development	(7.1)	(7.2)	1	(14.5)	(13.3)	(9)
General Corporate[3]	(14.6)	(13.1)	(11)	(29.5)	(22.9)	(29)
Adjusted EBIT	**106.9**	**105.8**	1	**214.0**	**194.1**	**10**
Asbestos:						
Asbestos adjustments	14.2	(6.6)		39.3	(10.5)	
AICF SG&A expenses	(0.4)	(0.4)	—	(0.7)	(0.8)	13
Fermacell acquisition costs[4]	—	(1.7)		—	(1.7)	
Product line discontinuation[5]	(21.2)	—		(21.2)	—	
EBIT	**$ 99.5**	**$ 97.1**	**2**	**$ 231.4**	**$ 181.1**	**28**

[1] Excludes product line discontinuation expenses of US$5.4 million for the second quarter and half year fiscal year 2019, as a result of our decision to discontinue our MCT product line, as well as, certain excess and obsolete ColorPlus color palettes

[2] Excludes product line discontinuation expenses of US$15.8 million for the second quarter and half year fiscal year 2019, as a result of our decision to discontinue our windows business

[3] Excludes Asbestos-related expenses and adjustments, and Fermacell acquisition costs

[4] Relates to professional, legal and other fees incurred in FY2018 in conjunction with the acquisition of Fermacell

[5] Product line discontinuation expenses include asset impairments and other charges as a result of our decision to discontinue product lines in both our North America Fiber Cement segment and our Other Businesses segment

Net Interest Expense

US$ Millions	Three Months and Half Year Ended 30 September					
	Q2 FY19	Q2 FY18	Change %	HY FY19	HY FY18	Change %
Gross interest expense	$ (14.1)	$ (8.6)	(64)	$ (27.3)	$ (16.2)	(69)
Capitalized interest	0.7	0.9	(22)	2.5	1.8	39
Interest income	0.4	0.3	33	0.9	0.4	
Net AICF interest income	0.5	0.6	(17)	0.8	0.7	14
Net interest expense	**$ (12.5)**	**$ (6.8)**	**(84)**	**$ (23.1)**	**$ (13.3)**	**(74)**

Gross interest expense for the quarter and half year increased US$5.5 million and US$11.1 million, respectively, when compared to the prior corresponding periods, primarily due to the higher outstanding balance of our senior unsecured notes, as well as, interest on our 364-day term loan facility.

Other Income (Expense)

During the quarter, other income increased from nil in the prior corresponding period to a US$0.1 million gain. For the half year, other income increased from US$0.4 million loss in the prior corresponding period to a US$0.3 million gain. The movement in other income is primarily driven by the valuation of our interest rate swaps.

Income Tax

	Three Months and Half Year Ended 30 September			
	Q2 FY19	Q2 FY18	HY FY19	HY FY18
Income tax expense (US$ Millions)	(17.6)	(23.9)	(48.5)	(43.6)
Effective tax rate (%)	20.2	26.5	23.3	26.0
Adjusted income tax expense[1] (US$ Millions)	(13.1)	(22.8)	(29.6)	(42.4)
Adjusted effective tax rate[1] (%)	13.9	23.2	15.5	23.6

[1] Includes tax adjustments related to Asbestos, the amortization benefit of certain US intangible assets and other tax adjustments

Total income tax expense for the quarter decreased US$6.3 million, when compared to the prior corresponding period. The decrease in income tax expense was primarily due to the decrease in the US corporate income tax rate.

Total income tax for the half year increased US$4.9 million, when compared to the prior corresponding period. The increase was primarily due to the change in the accounting treatment of the amortization of intangible assets which did not apply in the prior corresponding period, partially offset by the decrease in US corporate income tax rate.

Total Adjusted income tax expense for the quarter and half year decreased US$9.7 million and US$12.8 million compared to the prior corresponding periods. The decrease in Adjusted income tax expense was driven by adjustments from the ongoing accounting treatment of amortization of intangible assets, and a reduction in the US statutory corporate tax rate.

Readers are referred to Note 12 of our 30 September 2018 condensed consolidated financial statements for further information related to income tax.

Net Operating Profit

US$ Millions	Three Months and Half Year Ended 30 September					
	Q2 FY19	Q2 FY18	Change %	HY FY19	HY FY18	Change %
EBIT	**$ 99.5**	**$ 97.1**	2	**$ 231.4**	**$ 181.1**	28
Net interest expense	(12.5)	(6.8)	(84)	(23.1)	(13.3)	(74)
Other income (expense)	0.1	—		0.3	(0.4)	
Income tax expense	(17.6)	(23.9)	26	(48.5)	(43.6)	(11)
Net operating profit	**69.5**	**66.4**	**5**	**160.1**	**123.8**	**29**
Excluding:						
Asbestos:						
Asbestos adjustments	(14.2)	6.6		(39.3)	10.5	
AICF SG&A expenses	0.4	0.4	—	0.7	0.8	(13)
AICF interest income, net	(0.5)	(0.6)	17	(0.8)	(0.7)	(14)
Fermacell acquisition costs[1]	—	1.7		—	1.7	
Product line discontinuation[2]	21.2	—		21.2	—	
Tax adjustments[3]	4.5	1.1		18.9	1.2	
Adjusted net operating profit	**80.9**	**75.6**	**7**	**160.8**	**137.3**	**17**
Adjusted diluted earnings per share (US cents)	18	17		36	31	

[1] Relates to professional, legal and other fees incurred in FY2018 in conjunction with the acquisition of Fermacell

[2] Product line discontinuation expenses include asset impairments and other charges as a result of our decision to discontinue product lines in both our North America Fiber Cement segment and our Other Businesses segment

[3] Includes tax adjustments related to Asbestos, the amortization benefit of certain US intangible assets and other tax adjustments

Adjusted net operating profit of US$80.9 million for the quarter increased US$5.3 million, or 7%, compared to the prior corresponding period, primarily due to lower Adjusted income tax expense of US$9.7 million, partially offset by higher net interest expense of US$5.7 million.

Adjusted net operating profit of US$160.8 million for the half year increased US$23.5 million, or 17%, compared to the prior corresponding period, primarily due to lower Adjusted income tax expense of US$12.8 million and a US$19.9 million increase in Adjusted EBIT. The increase in Adjusted EBIT was primarily driven by the underlying performance of the operating business units, as reflected by the US$29.5 million increase in Adjusted EBIT in the North America Fiber Cement segment.

Cash Flow

Operating Activities

Cash provided by operating activities increased US$25.8 million to US$184.1 million. The increase in cash provided by operating activities was primarily driven by a US$30.3 million increase in net income adjusted for non-cash items and a favorable change in working capital of US$33.7 million, partially offset by unfavorable changes in other operating assets and liabilities of US$38.2 million. The favorable change in working capital was primarily due to rebuilding inventories in the North America Fiber Cement segment in the prior year, related to our then capacity constraint. The primary driver of the change in other operating assets and liabilities was an increase in payments of asbestos related claims of US$11.8 million and the remaining is attributable to normal variations of net assets in the course of our business.

Investing Activities

Cash used in investing activities increased US$596.0 million to US$751.9 million. The increase in cash used in investing activities was primarily due to the US$558.7 million acquisition of Fermacell, as well as an increase in purchases in property, plant and equipment of US$56.4 million. The increase in capital expenditures was primarily related to the greenfield expansion project in Tacoma, as well as current year expenditures at our greenfield expansion project in Prattville. This was partially offset by lower net purchases of AICF's short-term investments of US$27.7 million.

Financing Activities

Cash provided by financing activities increased US$451.9 million to US$383.9 million. The increase in cash provided by financing activities was driven by the proceeds from our 364-day term loan facility of US$492.4 million, and AICF's repayment of its NSW loan in the prior year of US$51.9 million, compared to nil in the current year. This increase was partially offset by lower net proceeds from credit facilities of US$95.0 million in the current year.

Capacity Expansion

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

In North America we:

- Continued the start-up of our Tacoma greenfield expansion project;
- Continued the construction of a greenfield expansion project in Prattville, Alabama, which is expected to be commissioned in the first half of fiscal year 2020 at a previously announced estimated total cost of US$240.0 million; and
- Today we announced an expansion project within our ColorPlus product line including equipment, land, and building at an estimated cost of US$20.6 million. This includes projects at our Peru and Pulaski facilities, and a greenfield project in the Northeast United States.

In Asia Pacific we:

- Continued the start-up of the additional capacity expansion in the Philippines; and
- Continued the planning and design of a brownfield expansion project at our existing Carole Park facility in Australia with an estimated total cost of A$28.5 million. The brownfield expansion project is expected to be commissioned by the first quarter of fiscal year 2021.

Liquidity and Capital Allocation

Our cash position decreased from US$281.6 million at 31 March 2018 to US$108.9 million at 30 September 2018 .

At 30 September 2018, 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 our total debt was 3.7% and 4.7% at 30 September 2018 and 31 March 2018, respectively. The weighted average term of all debt, including undrawn facilities, was 4.9 years and 6.9 years at 30 September 2018 and 31 March 2018, respectively. The reduction in the weighted average term of all debt was driven by the inclusion of the 364-day term loan facility.

At 30 September 2018, we had US$500.0 million available in an unsecured revolving credit facility. At 30 September 2018, a total of US$120.0 million was drawn from the unsecured revolving facility, compared to US$100.0 million at 31 March 2018. The unsecured revolving credit facility's expiration date is December 2022 and the size of the facility may be increased by up to US$250.0 million.

On 3 April 2018, we drew €400.0 million (US$492.4 million based on the exchange rate at 3 April 2018) from the 364-day term loan facility, and used these funds to complete the Fermacell acquisition.

Subsequent to quarter end, in October 2018, we completed the sale of €400.0 million aggregate principal amount of 3.625% senior unsecured notes due 2026. The proceeds from the offering were primarily used to fund the redemption of our 364-day term loan facility.

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 2019, 2018 and 2017:

US$ Millions	US Cents/ Security	US$ Total Amount	Announcement Date	Record Date	Payment Date
FY 2018 second half dividend	0.30	128.5	22 May 2018	7 June 2018	3 August 2018
FY 2018 first half dividend	0.10	46.2	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

Subsequent to 30 September 2018, the Company announced an ordinary dividend of US10.0 cents per security, with a record date of 12 December 2018 and a payment date of 22 February 2019.

We periodically 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 Half Year Ended 30 September					
	Q2 FY19	Q2 FY18	Change %	HY FY19	HY FY18	Change %
Claims received	156	156	—	281	302	7
Actuarial estimate for the period	144	144	—	288	288	—
Difference in claims received to actuarial estimate	(12)	(12)		7	(14)	
Average claim settlement[1] (A$)	268,000	305,000	12	273,000	264,000	(3)
Actuarial estimate for the period[2]	290,000	283,000	(2)	290,000	283,000	(2)
Difference in claims paid to actuarial estimate	22,000	(22,000)		17,000	19,000	

[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 period ended 30 September 2018, we noted the following related to asbestos-related claims:

- Claims received during the quarter were 8% above actuarial estimates and flat compared to the prior corresponding period;
- Claims received during the half year were 2% below actuarial estimates and 7% lower than the prior corresponding period;
- Mesothelioma claims reported for the half year were 3% below actuarial expectations and 9% lower than the prior corresponding period;
- The average claim settlement for the quarter and half year was 8% and 6% below actuarial expectations;
- Average claim settlement sizes for mesothelioma were slightly above actuarial expectations for most age groups, however, all other disease type were generally favorable compared to actuarial expectations for the half year; and
- The decrease in the average claim settlement for the half year versus actuarial estimates was largely attributable to lower average claim settlement for non-mesothelioma claims.

AICF Funding

On 2 July 2018, we made a payment of A$138.4 million (US$103.0 million) to AICF, representing 35% of our free cash flow for fiscal year 2018. Free cash flow, as defined in the AFFA, was equivalent to our fiscal year 2018 operating cash flow of US$295.0 million less an adjustment of US$0.8 million, resulting in free cash flow of US $294.2 million for fiscal year 2018, as defined by the AFFA.

From the time AICF was established in February 2007 through 2 July 2018, we have contributed approximately A$1,193.4 million to the fund.

Readers are referred to Note 9 of our 30 September 2018 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.

NON-US GAAP FINANCIAL TERMS

JamesHardie

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;
- Europe Building Products Segment Adjusted EBIT excluding costs associated with the acquisition;
- Adjusted EBIT margin;
- Europe Building Products Segment Adjusted EBIT margin excluding costs associated with the acquisition;
- 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

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

New South Wales loan facility ("NSW Loan") – AICF has access to a secured loan facility made available by the New South Wales Government, which can be used by AICF to fund the payment of asbestos claims and certain operating and legal costs.

Financial Measures - US GAAP equivalents

Adjusted EBIT

US$ Millions	Three Months and Half Year Ended 30 September			
	Q2 FY19	Q2 FY18	HY FY19	HY FY18
EBIT	**$ 99.5**	**$ 97.1**	**$ 231.4**	**$ 181.1**
Asbestos:				
Asbestos adjustments	(14.2)	6.6	(39.3)	10.5
AICF SG&A expenses	0.4	0.4	0.7	0.8
Fermacell acquisition costs	—	1.7	—	1.7
Product line discontinuation	21.2	—	21.2	—
Adjusted EBIT	**$ 106.9**	**$ 105.8**	**$ 214.0**	**$ 194.1**
Net sales	644.6	525.8	1,295.6	1,033.5
Adjusted EBIT margin	**16.6%**	**20.1%**	**16.5%**	**18.8%**

Europe Building Products Segment Adjusted EBIT excluding costs associated with the acquisition

US$ Millions	Three Months and Half Year Ended 30 September	
	Q2 FY19	HY FY19
Europe Building Products Segment EBIT	**$ 3.4**	**$ (1.2)**
Inventory fair value adjustment	—	7.3
Transaction costs	—	7.2
Integration costs	5.1	6.6
Europe Building Products Segment Adjusted EBIT excluding costs associated with the acquisition	**$ 8.5**	**$ 19.9**
European Building Products segment net sales	87.4	182.8
Europe Building Products Segment Adjusted EBIT margin excluding costs associated with the acquisition	**9.7%**	**10.9%**

Adjusted Net Operating Profit

US$ Millions	Three Months and Half Year Ended 30 September			
	Q2 FY19	Q2 FY18	HY FY19	HY FY18
Net operating profit	**$ 69.5**	**$ 66.4**	**$ 160.1**	**$ 123.8**
Asbestos:				
Asbestos adjustments	(14.2)	6.6	(39.3)	10.5
AICF SG&A expenses	0.4	0.4	0.7	0.8
AICF interest income, net	(0.5)	(0.6)	(0.8)	(0.7)
Fermacell acquisition costs	—	1.7	—	1.7
Product line discontinuation	21.2	—	21.2	—
Tax adjustments[1]	4.5	1.1	18.9	1.2
Adjusted net operating profit	**$ 80.9**	**$ 75.6**	**$ 160.8**	**$ 137.3**

[1] Includes tax adjustments related to Asbestos,amortization benefit of certain US intangible assets and other tax adjustments.

Adjusted diluted earnings per share

	Three Months and Half Year Ended 30 September			
	Q2 FY19	Q2 FY18	HY FY19	HY FY18
Adjusted net operating profit (US$ millions)	**$ 80.9**	**$ 75.6**	**$ 160.8**	**$ 137.3**
Weighted average common shares outstanding - Diluted (millions)	443.1	441.5	443.1	441.5
Adjusted diluted earnings per share (US cents)	**18**	**17**	**36**	**31**

Adjusted effective tax rate

US$ Millions	Three Months and Half Year Ended 30 September			
	Q2 FY19	Q2 FY18	HY FY19	HY FY18
Operating profit before income taxes	**$ 87.1**	**$ 90.3**	**$ 208.6**	**$ 167.4**
Asbestos:				
Asbestos adjustments	(14.2)	6.6	(39.3)	10.5
AICF SG&A expenses	0.4	0.4	0.7	0.8
AICF interest income, net	(0.5)	(0.6)	(0.8)	(0.7)
Fermacell acquisition costs	—	1.7	—	1.7
Product line discontinuation	21.2	—	21.2	—
Adjusted operating profit before income taxes	**$ 94.0**	**$ 98.4**	**$ 190.4**	**$ 179.7**
Income tax expense	(17.6)	(23.9)	(48.5)	(43.6)
Tax adjustments[1]	4.5	1.1	18.9	1.2
Adjusted income tax expense	**$ (13.1)**	**$ (22.8)**	**$ (29.6)**	**$ (42.4)**
Effective tax rate	20.2%	26.5%	23.3%	26.0%
Adjusted effective tax rate	**13.9%**	**23.2%**	**15.5%**	**23.6%**

[1] Includes tax adjustments related to Asbestos, the amortization benefit of certain US intangible assets and other tax adjustments

Adjusted EBITDA excluding Asbestos

US$ Millions	Three Months and Half Year Ended 30 September			
	Q2 FY19	Q2 FY18	HY FY19	HY FY18
EBIT	**$ 99.5**	**97.1**	**$ 231.4**	**$ 181.1**
Depreciation and amortization	30.8	23.4	58.9	45.2
Adjusted EBITDA	**$ 130.3**	**$ 120.5**	**$ 290.3**	**$ 226.3**
Asbestos:				
Asbestos adjustments	(14.2)	6.6	(39.3)	10.5
AICF SG&A expenses	0.4	0.4	0.7	0.8
Adjusted EBITDA excluding Asbestos	**$ 116.5**	**$ 127.5**	**$ 251.7**	**$ 237.6**

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

US$ Millions	Three Months and Half Year Ended 30 September			
	Q2 FY19	Q2 FY18	HY FY19	HY FY18
SG&A expenses	**$ 98.9**	**$ 75.0**	**$ 203.8**	**$ 148.5**
Excluding:				
AICF SG&A expenses	(0.4)	(0.4)	(0.7)	(0.8)
Fermacell acquisition costs	—	(1.7)	—	(1.7)
Adjusted SG&A expenses	**$ 98.5**	**$ 72.9**	**$ 203.1**	**$ 146.0**
Net sales	$ 644.6	$ 525.8	$ 1,295.6	$ 1,033.5
SG&A expenses as a percentage of net sales	15.3%	14.3%	15.7%	14.4%
Adjusted SG&A expenses as a percentage of net sales	**15.3%**	**13.9%**	**15.7%**	**14.1%**

As set forth in Note 9 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.

Further, the Company's annual payment to AICF is determined by reference to the free cash flow as defined in the AFFA, which was entered into on 21 November 2006. Free cash flow for these purposes is defined as the Company's operating cash flow, based on US GAAP at the time the AFFA was entered into. As there have been changes to US GAAP since the AFFA was entered into, the annual payment is no longer based upon the current US GAAP operating cash flow statement.

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, as well as estimating the annual payment due to AICF. The following non-GAAP tables should be read in conjunction with the condensed consolidated financial statements and related notes contained therein.

James Hardie Industries plc
Supplementary Financial Information
30 September 2018
(Unaudited)

US$ Millions	**Total Excluding Asbestos Compensation**	**Asbestos Compensation**	**As Reported (US GAAP)**
Restricted cash and cash equivalents – Asbestos	$ —	$ 19.7	**$ 19.7**
Restricted short term investments – Asbestos	—	86.5	**86.5**
Insurance receivable – Asbestos[1]	—	52.4	**52.4**
Workers compensation asset – Asbestos[1]	—	29.0	**29.0**
Deferred income taxes – Asbestos	—	346.6	**346.6**
Asbestos liability[1]	—	1,083.9	**1,083.9**
Workers compensation liability – Asbestos[1]	—	29.0	**29.0**
Income taxes payable[1]	49.9	(12.9)	**37.0**
Asbestos adjustments	—	39.3	**39.3**
Selling, general and administrative expenses	(203.1)	(0.7)	**(203.8)**
Net interest (expense) income	(23.9)	0.8	**(23.1)**
Income tax expense	(48.4)	(0.1)	**(48.5)**

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

James Hardie Industries plc
Supplementary Statements of Cash Flows
For the six months ended
30 September 2018
(Unaudited)

US$ Millions	US GAAP as of 21 November 2006	Reconciling Items to Current US GAAP	As Reported
Cash Flows From Operating Activities			
Net income	$ 160.1	$ —	$ 160.1
Adjustments to reconcile net income to net cash provided by operating activities			
Depreciation and amortization	58.9	—	58.9
Deferred income taxes	15.8	—	15.8
Stock-based compensation	6.2	—	6.2
Asbestos adjustments	(39.3)	—	(39.3)
Asset Impairments	13.1	—	13.1
Other, net	10.4	—	10.4
Changes in operating assets and liabilities:			
Restricted cash and cash equivalents - Asbestos	56.5	(56.5)	—
Payment to AICF	(103.0)	103.0	—
Accounts and other receivables	0.5	—	0.5
Inventories	2.7	—	2.7
Prepaid expenses and other assets	(0.6)	—	(0.6)
Insurance receivable - Asbestos	2.1	—	2.1
Accounts payable and accrued liabilities	18.8	—	18.8
Asbestos liability	(58.8)	58.8	—
Claims and handling costs paid - Asbestos	—	(58.8)	(58.8)
Income taxes payable	7.5	—	7.5
Other accrued liabilities	(13.3)	—	(13.3)
Net cash provided by operating activities	$ 137.6	$ 46.5	$ 184.1
Cash Flows From Investing Activities			
Purchases of property, plant and equipment	$ (140.0)	$ —	$ (140.0)
Capitalized interest	(2.5)	—	(2.5)
Acquisition of business, net of cash acquired	(558.7)	—	(558.7)
Purchase of restricted short-term investments - Asbestos	—	(89.1)	(89.1)
Proceeds from restricted short-term investments - Asbestos	—	38.4	38.4
Net cash used in investing activities	$ (701.2)	$ (50.7)	$ (751.9)
Cash Flows From Financing Activities			
Proceeds from credit facilities	$ 150.0	$ —	$ 150.0
Repayments of credit facilities	(130.0)	—	(130.0)
Proceeds from 364-day term loan facility	492.4	—	492.4
Dividends paid	(128.5)	—	(128.5)
Net cash provided by financing activities	$ 383.9	$ —	$ 383.9
Net decrease in cash and cash equivalents, restricted cash and restricted cash - Asbestos	$ (172.7)	$ (6.8)	$ (179.5)

FORWARD-LOOKING STATEMENTS

JamesHardie

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

Examples of forward-looking statements include:

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

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

Forward-looking statements are based on the Company's current expectations, estimates and assumptions and because forward-looking statements address future results, events and conditions, they, by their very nature, involve inherent risks and uncertainties, many of which are unforeseeable and beyond the Company's control. Such known and unknown risks, uncertainties and other factors may cause actual results, performance or other achievements to differ materially from the anticipated results, performance or achievements expressed, projected or implied by these forward-looking statements. These factors, some of which are discussed under "Risk Factors" in Section 3 of the Form 20-F filed with the Securities and Exchange Commission on 22 May 2018, 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 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.

Q2 FY19 MANAGEMENT PRESENTATION

08 November 2018

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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- 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;
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- 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 22 May 2018, 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 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.

NOTE TO THE READER

As of 30 June 2018, the Company changed its reportable operating segments. Previously, the Company reported on four operating segments: (i) North America Fiber Cement, (ii) International Fiber Cement, (iii) Other Businesses, and (iv) Research and Development. As of 30 June 2018, the Company began reporting on five operating segments: (i) North America Fiber Cement, (ii) Asia Pacific Fiber Cement, (iii) Europe Building Products, (iv) Other Businesses, and (v) Research and Development. The significant changes to how certain businesses are reported in the new segment structure are as follows: (i) our European Fiber Cement business, as well as the newly acquired Fermacell business, are now reported as the Europe Building Products segment, and the remaining businesses that were historically reported in the International Fiber Cement segment are now reported in the Asia Pacific Fiber Cement segment. The Company has revised its historical segment information for the second quarter and half year ended 30 September 2017 to be consistent with the new reportable segment structure. The change in reportable segments had no effect on the Company's financial position, results of operations or cash flows for the periods presented. Readers are referred to Note 15 of our condensed consolidated financial statements for further information on our segments.

USE OF NON-GAAP FINANCIAL INFORMATION; AUSTRALIAN EQUIVALENT TERMINOLOGY

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

- Adjusted EBIT;
- Europe Building Products Segment Adjusted EBIT excluding costs associated with the acquisition;
- Adjusted EBIT margin;
- Europe Building Products Segment Adjusted EBIT margin excluding costs associated with the acquisition;
- 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

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

OVERVIEW AND OPERATING REVIEW

Louis Gries, CEO

GROUP OVERVIEW

Adjusted Net Operating Profit[1]			
2nd Qtr		Half Year	
US$80.9M	↑ **7%**	**US$160.8**M	↑ **17%**

Adjusted Diluted EPS[1]			
2nd Qtr		Half Year	
US18 cents	↑ **6%**	**US36** cents	↑ **16%**

Adjusted EBIT[2]			
2nd Qtr		Half Year	
US$106.9M	↑ **1%**	**US$214.0**M	↑ **10%**

Net Operating Cash Flow	
Half Year	
US$184.1M	↑ **16%**

Adjusted EBIT Margin %[2]			
2nd Qtr		Half Year	
16.6%	↓ **3.5 pts**	**16.5%**	↓ **2.3 pts**

- North America Fiber Cement exteriors growing modestly above market index, further momentum required
- Strong volume growth in Asia Pacific Fiber Cement
- Europe Building Products growth and returns continue to meet expectations
- Focusing on key drivers of value creation, resulting in changes to our product portfolio:
  - Decision to exit our Windows business
  - Discontinuation of Multiple Contour Trim ("MCT") and excess and obsolete ColorPlus color palettes

1 *Excludes Asbestos related expenses and adjustments, tax adjustments, Fermacell acquisition costs and product line discontinuation expenses*
2 *Excludes Asbestos related expenses and adjustments, Fermacell acquisition costs and product line discontinuation expenses*

PRODUCT LINE DISCONTINUATION EXPENSES

- **Simplifying our Core ColorPlus product line**
  - Capacity expansion
  - Refinement of color offering

- **Exiting Windows Business**

- **Discontinuing MCT product line**

- **In total, US$21.2 million of discontinuation expenses in Q2**

NORTH AMERICA FIBER CEMENT SUMMARY

	Q2'19	1H'19
Net Sales	**US$435.6**M ↑ 9%	**US$869.4**M ↑ 10%
Sales Volume	**591.7** mmsf ↑ 5%	**1,182.7** mmsf ↑ 5%
Average Price	**US$728** per msf ↑ 4%	**US$726** per msf ↑ 4%
EBIT	**US$94.1**M ↓ 3%	**US$201.3**M ↑ 14%
EBIT Excluding[1]	**US$99.5**M ↑ 2%	**US$206.7**M ↑ 17%

[1] Excludes product line discontinuation expenses of US$5.4 million in Q2'19 and 1H'19

Volume

- Positive PDG in exteriors, further momentum required to deliver higher PDG growth
- Decline in interiors

Price

- Favorably impacted by annual change in our strategic pricing effective April 2018 and product mix

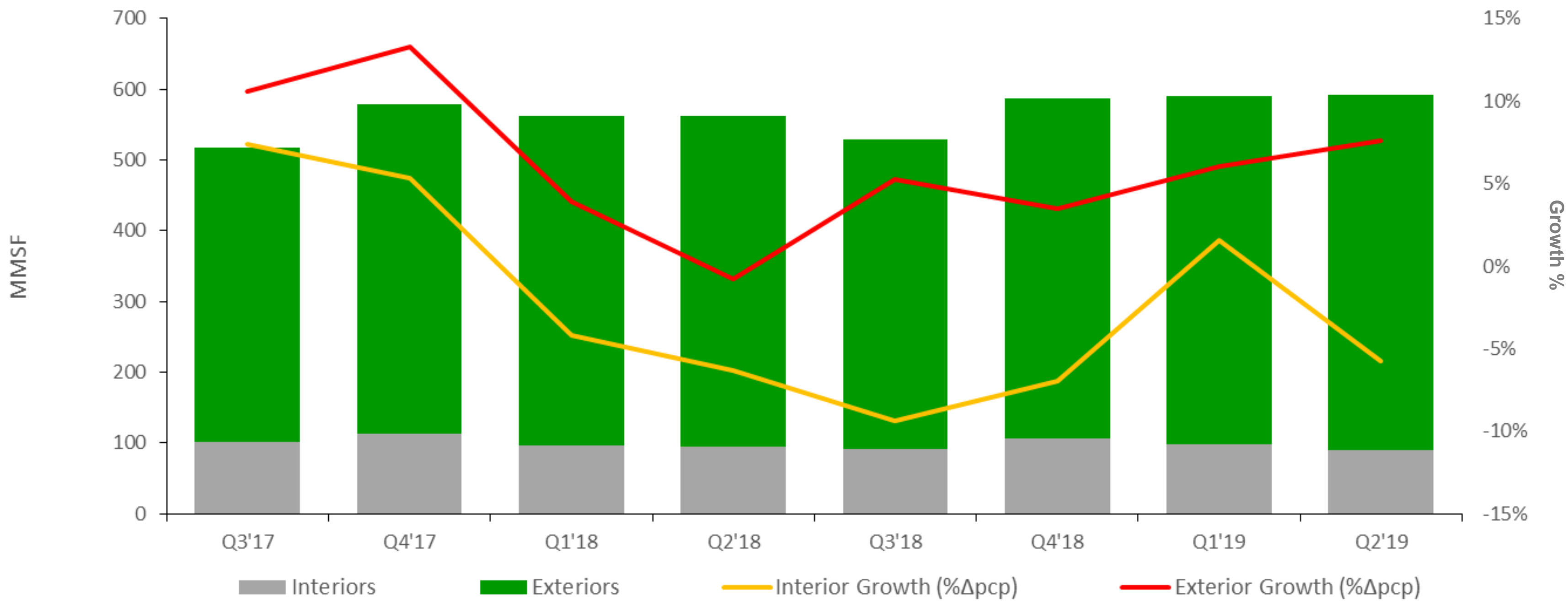
Product line discontinuation

- MCT
- Certain excess and obsolete ColorPlus color palettes

EBIT Excluding[1]

- Higher volume and average net sales price
- Partially offset by higher raw material and freight costs and higher SG&A expenses

NORTH AMERICA FIBER CEMENT VOLUME



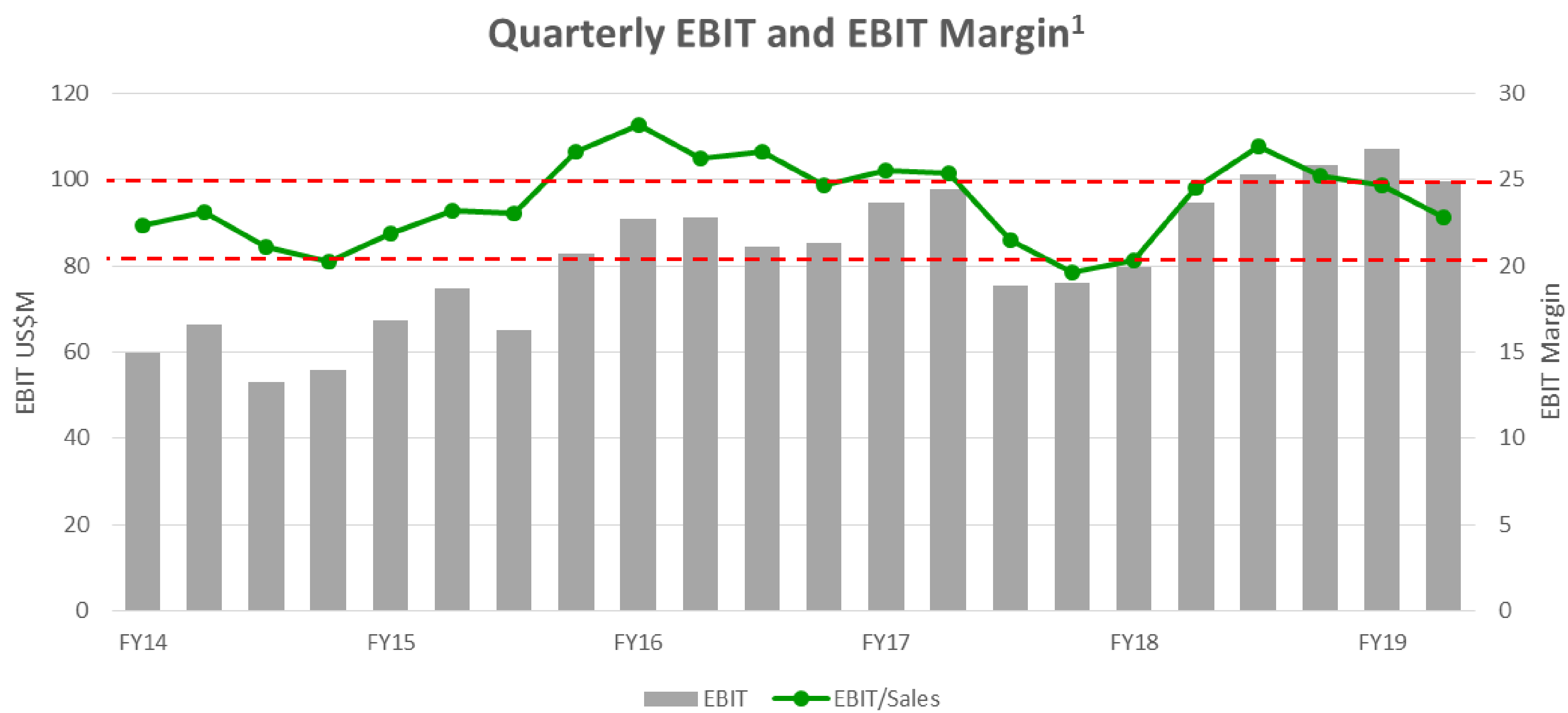
Exteriors

- Volume increased 8% and 7% for the quarter and half year, respectively, compared to pcp
- Focus remains on continuing to build momentum and delivering higher PDG

Interiors

- Volume decreased 6% and 2% for the quarter and half year, respectively, compared to pcp

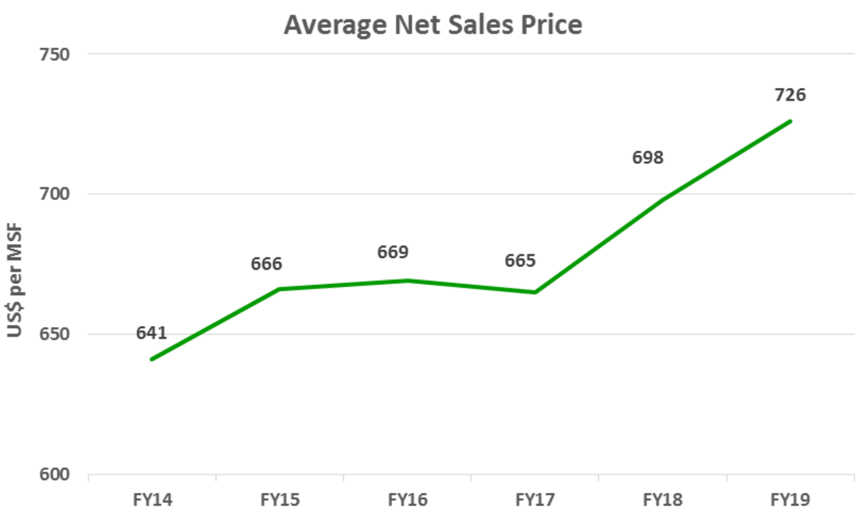
NORTH AMERICA FIBER CEMENT

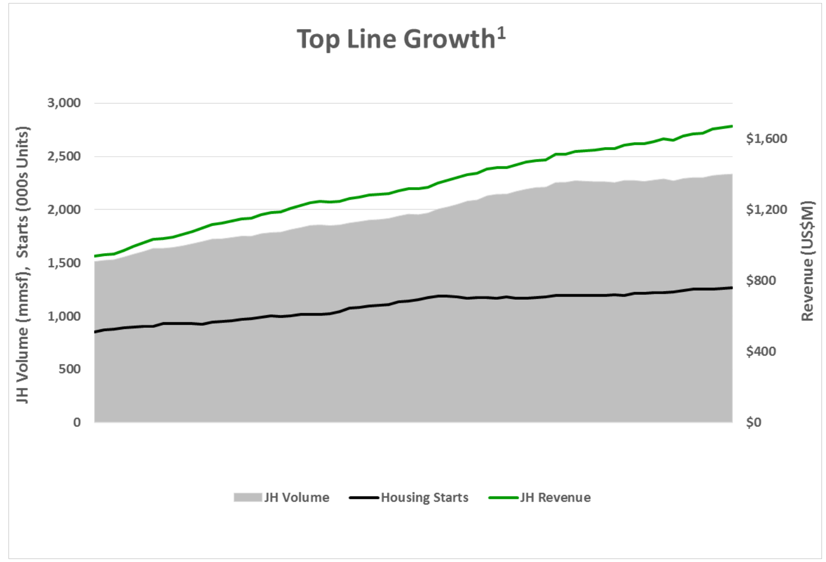


1H'19 EBIT Margin excluding[1] % up 140 bps to 23.8% compared to pcp and remains within our target range

[1] *Excludes product line discontinuation expenses of US$5.4 million in Q2 FY19*

NORTH AMERICA FIBER CEMENT





- FY19 strategic price increase effective April 2018
- Overall, satisfied with price positioning

- US housing conditions remain favorable
- Some signs of slightly softer market conditions

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

ASIA PACIFIC FIBER CEMENT SUMMARY

	Q2'19	1H'19
Net Sales	**A$160.4**M ↑ 12%	**A$315.2**M ↑ 13%
Sales Volume	**142.1** mmsf ↑ 9%	**280.1** mmsf ↑ 12%
Average Price	**A$996** per msf ↑ 2%	**A$995** per msf ↑ 1%
US$ EBIT	**US$27.5**M ↓ 10%	**US$55.8**M ↓ 2%
A$ EBIT	**A$37.5**M ↓ 3%	**A$75.0**M ↑ 2%

Volume

- Strong performance in Australian and Philippines businesses
- Gains in category share and further market penetration

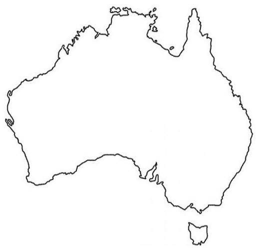
Foreign Exchange

- Segment results in US dollars impacted by unfavorable foreign exchange rate movements

EBIT

- Higher net sales and strong volume performance
- Unfavorable FX impact, higher pulp and freight costs and one time inventory adjustment in the Philippines

ASIA PACIFIC FIBER CEMENT (LOCAL CURRENCY)



Q2'19			1H'19		
Australia			Australia		
Volume	Net Sales	EBIT	Volume	Net Sales	EBIT
↑	↑	↑	↑	↑	↑

Australia

- Market penetration and strong growth above the market index
- EBIT favorably impacted by higher net sales and favorable plant performance, partially offset by higher freight and pulp costs

Q2'19			1H'19		
New Zealand			New Zealand		
Volume	Net Sales	EBIT	Volume	Net Sales	EBIT
↑	↑	↓	↑	↑	↓

New Zealand

- Higher volume and net sales
- EBIT compressed by unfavorable plant performance and higher pulp costs

Q2'19			1H'19		
Philippines			Philippines		
Volume	Net Sales	EBIT	Volume	Net Sales	EBIT
↑	↑	↓	↑	↑	↓

Philippines

- Volume increase driven by market share gains
- EBIT unfavorably impacted by:
  - One time inventory adjustment
  - Higher pulp cost and start-up cost associated with our capacity expansion

EUROPE BUILDING PRODUCTS SUMMARY[1]

	Q2'19		1H'19	
Net Sales	**US$87.4M**	↑	**US$182.8M**	↑
Sales Volume	**194.3** mmsf	↑	**403.9** mmsf	↑
Average Price	**US$354** per msf	↓	**US$358** per msf	↓
EBIT	**US$3.4M**	↓	**US$(1.2)M**	↓
EBIT Excluding[2]	**US$8.5M**	↑	**US$19.9M**	↑
EBIT Margin Excluding[2]	**9.7%**	↑	**10.9%**	↑

Volume

- Increase driven by acquisition of Fermacell

Price

- Decrease due to product mix
- Fiber Gypsum has a lower average net sales price compared to Fiber Cement

Net Sales

- On a pro-forma basis, net sales increased 3% and 10% for quarter and half year, respectively

EBIT

- EBIT margin excluding[2] of 9.7% and 10.9% for the quarter and half year, respectively

- EBIT includes:
    - US$5.1 million and US$13.8 million of transaction and integration costs for the quarter and half year, respectively
    - US$7.3 million inventory fair value adjustment in the half year

[1] *Includes European Fiber Cement business, as well as the newly acquired Fermacell business*

[2] *Excludes transaction & integration costs and inventory fair value adjustment*

EUROPE BUILDING PRODUCTS PRO FORMA[1]

	Q2'19	1H'19
Net Sales	**US$87.4**M ↑ 3%	**US$182.8**M ↑ 10%
Operating profit before income taxes	**US$8.5**M ↑ 18%	**US$19.9**M ↑ 32%

Net sales increased 3% and 10% for the quarter and half year, respectively, on a pro-forma basis compared to pcp

1 *The unaudited pro forma information presents the results of operations of the Company as if the Fermacell Acquisition and related financing was completed on 1 April 2017. The unaudited pro forma excludes transaction and integration costs of US$5.1 million for the Q2'19 and US$13.8 for the 1H'19, and the US$7.3 million inventory fair value adjustment in 1H'19*

James Hardie

FINANCIAL REVIEW

Matt Marsh, EVP and CFO

RESULTS – 2nd QUARTER FY19

Three Months Ended 30 September			
US$ Millions	**Q2'19**	**Q2'18**	**% Change**
Net sales	644.6	525.8	23
Gross profit	207.1	187.2	11
EBIT	99.5	97.1	2
Net operating profit	69.5	66.4	5
Adjusted EBIT [1]	106.9	105.8	1
Adjusted net operating profit [2]	80.9	75.6	7

1 *Excludes Asbestos related expenses and adjustments, Fermacell acquisition costs, and product line discontinuation expenses*

2 *Excludes Asbestos related expenses and adjustments, tax adjustments, Fermacell acquisition costs, and product line discontinuation expenses*

Net sales increased 23%, US$118.8 million

- The acquired Fermacell business in Europe contributed net sales of US$77.8 million
- Higher average net sales price and volumes in the North America Fiber Cement segment
- Higher volumes in the Asia Pacific Fiber Cement segment

Gross profit increased 11%, gross margin % down 350 bps

Adjusted net operating profit increased 7%

RESULTS – HALF YEAR FY19

Half Year Ended 30 September			
US$ Millions	**1H'19**	**1H'18**	**% Change**
Net sales	1,295.6	1,033.5	25
Gross profit	428.2	356.2	20
EBIT	231.4	181.1	28
Net operating profit	160.1	123.8	29
Adjusted EBIT [1]	214.0	194.1	10
Adjusted net operating profit [2]	160.8	137.3	17

1 *Excludes Asbestos related expenses and adjustments, Fermacell acquisition costs, and product line discontinuation expenses*

2 *Excludes Asbestos related expenses and adjustments, tax adjustments, Fermacell acquisition costs, and product line discontinuation expenses*

3 *Excludes product line discontinuation expenses*

Net sales increased 25%, US$262.1 million

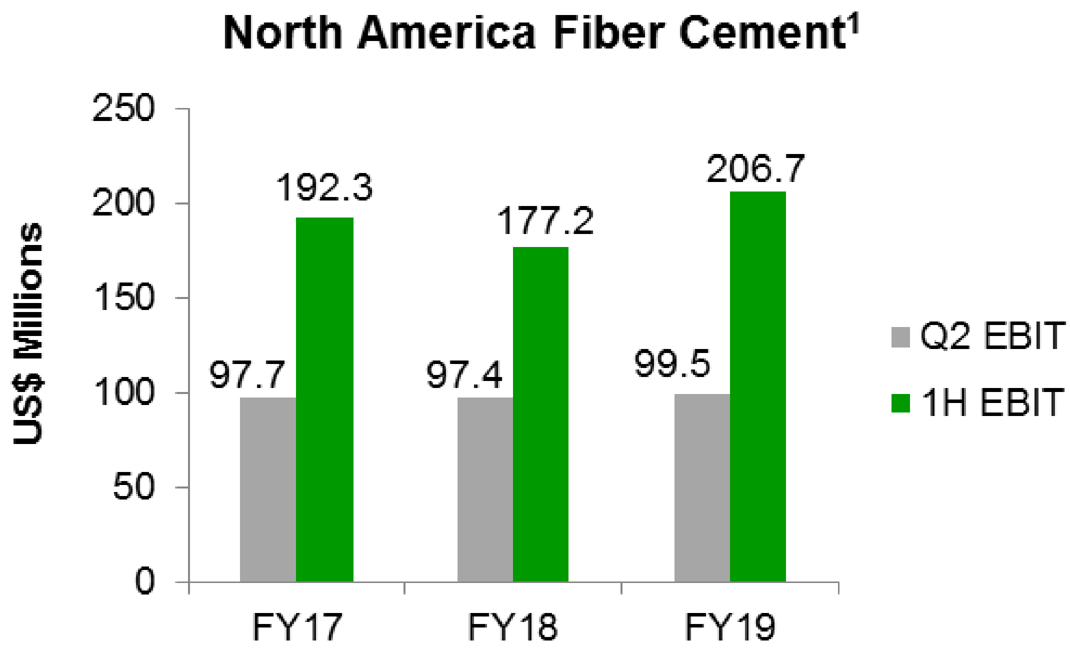
- The acquired Fermacell business in Europe contributed net sales of US$164.0 million
- Higher average net sales price and volumes in North America Fiber Cement segment
- Higher volumes in Asia Pacific Fiber Cement segment

Gross profit increased 20%, gross margin % down 140 bps

Adjusted net operating profit increased 17%

- North America Fiber Cement EBIT excluding[3] increased 17% versus pcp

SEGMENT EBIT – 2nd QUARTER FY19



North America Fiber Cement EBIT[1] summary

- Q2 EBIT[1] and 1H EBIT[1] increased 2% and 17%, respectively, compared to pcp
- North America margins continue to be compressed by elevated freight and raw material costs

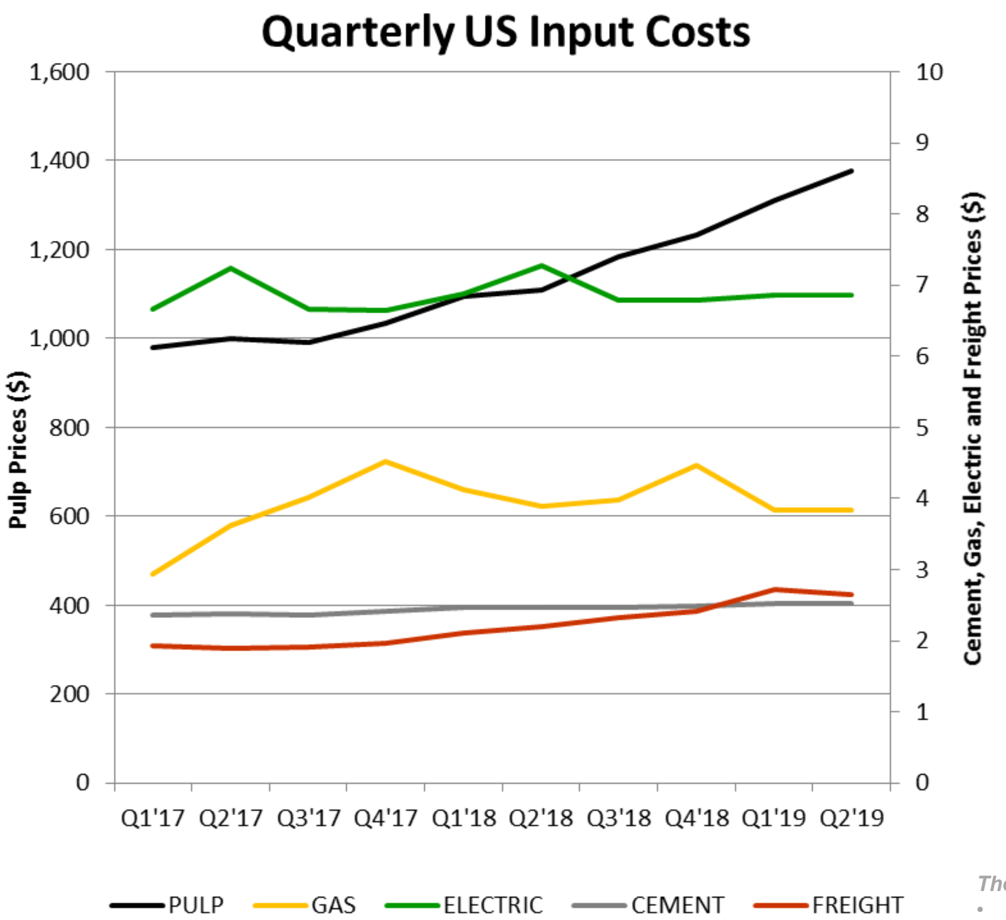
[1] *Excludes product line discontinuation expenses*

PRODUCT LINE DISCONTINUATION EXPENSES

US$ Millions	Three Months and Half Year Ended 30 September	
	Q2'19	1H'19
North America Fiber Cement segment:		
Discontinuation of MCT [1]	$ 3.6	$ 3.6
Discontinuation of certain ColorPlus color palettes[2]	1.8	1.8
Other Businesses segment:		
Discontinuation of Windows Business[3]	15.8	15.8
Total product line discontinuation expenses	**$ 21.2**	**$ 21.2**

1 *Includes asset impairment charges of US$3.0 million and a US$0.6 million charge to cost of goods sold*
2 *Includes US$1.8 million charge to cost of goods sold*
3 *Includes US$10.1 million asset impairment charges and a US$5.7 million charge related to inventory existence, inventory valuation write-down and other liability write-offs*

NORTH AMERICA INPUT COSTS

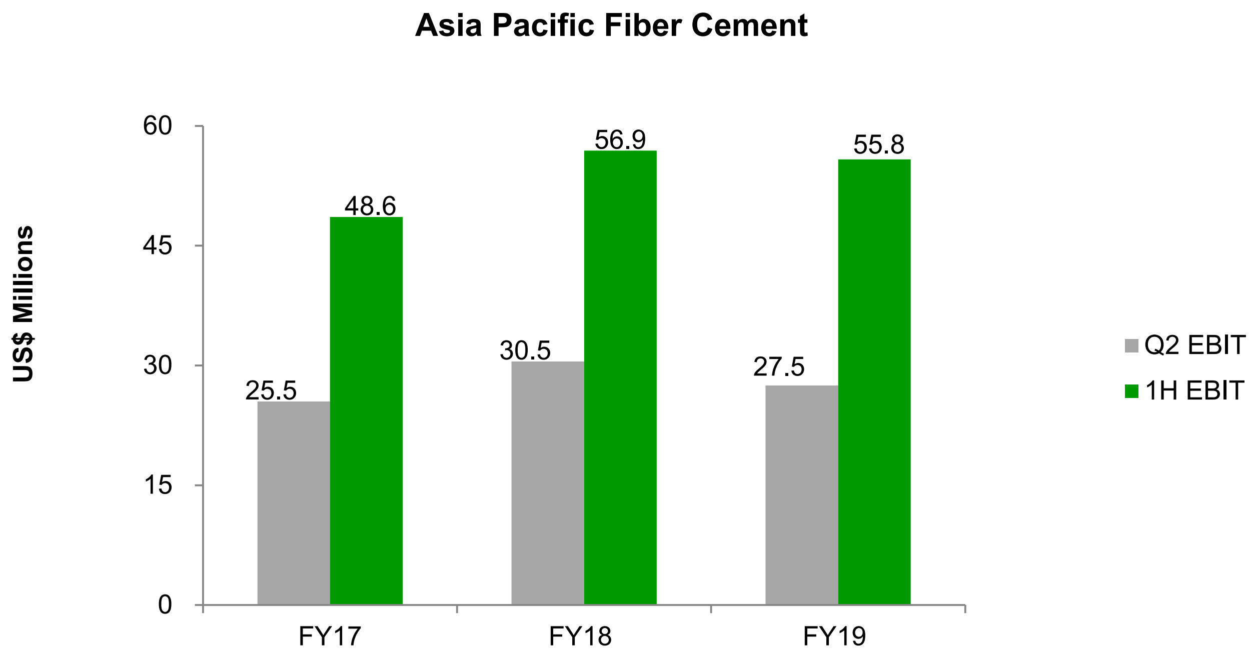


- The price of NBSK pulp ***up*** 24% compared to pcp
- Freight market prices ***up*** 20% compared to pcp
- Cement prices ***up*** 2% compared to pcp
- Gas prices ***down*** 2% compared to pcp
- Electric prices are ***down*** 6% compared to pcp

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 current quarter are based on prior quarter actuals*

SEGMENT EBIT – 2nd QUARTER FY19



Asia Pacific Fiber Cement EBIT summary

- Q2 and 1H EBIT decreased 10% and 2%, respectively, compared to pcp
- Strong volume growth in Australia and the Philippines
- Unfavorably impacted by foreign translation, input costs and one-time inventory adjustment in the Philippines
- Additionally, 1H was impacted by unfavorable plant performance in New Zealand

TRANSLATION IMPACT ON CONSOLIDATED RESULTS

	As Reported		Excluding Translation Impact [1]		Translation Impact [2]	
% Change	Q2'19	1H'19	Q2'19	1H'19	Q2'19	1H'19
Net Sales	▲ 23%	▲ 25%	▲ 25%	▲ 26%	▼ 2%	▼ 1%
Gross Profit	▲ 11%	▲ 20%	▲ 12%	▲ 20%	▼ 1%	-
Adjusted EBIT	▲ 1%	▲ 10%	▲ 2%	▲ 11%	▼ 1%	▼ 1%
Adjusted net operating profit	▲ 7%	▲ 17%	▲ 8%	▲ 18%	▼ 1%	▼ 1%

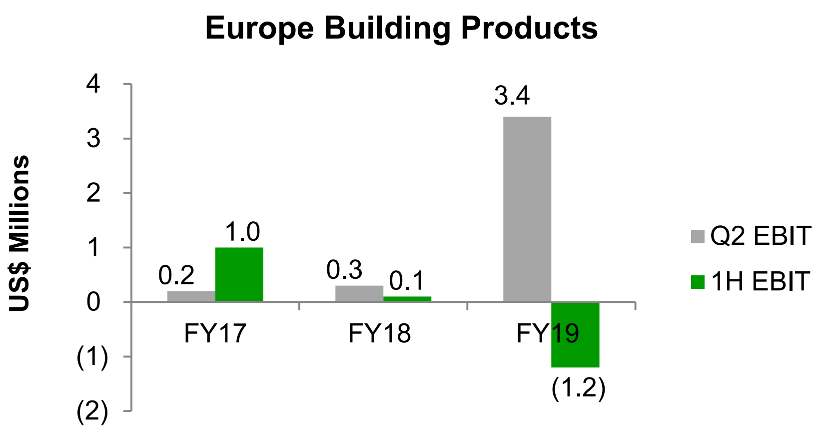
[1] *As Reported Q2'19 and 1H'19 figures converted using Q2'18 and 1H'18 average exchange rates, respectively*

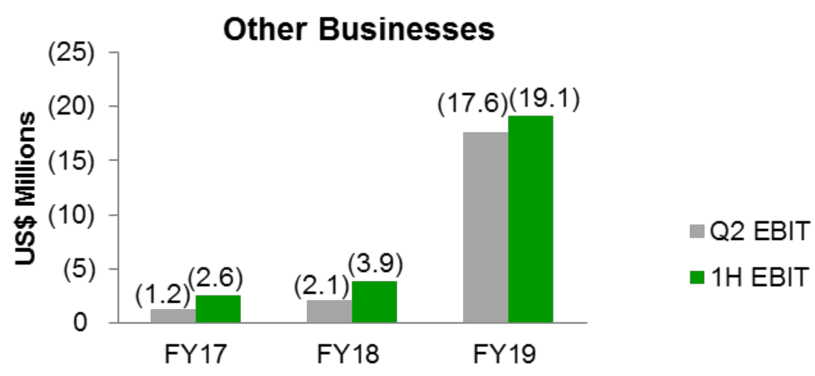
[2] *Reflects the difference between Q2'19 As Reported and Q2 '19 using Q2 FY18 average exchange rates, as well as difference between 1H'19 As Reported and 1H'19 using 1H'18 average exchange rates*

ASIA PACIFIC FIBER CEMENT RESULTS AUD vs USD

Three months and Half Year Ended 30 September						
	Q2'19			1H'19		
	Results in AUD	Results in USD	Impact of FX	Results in AUD	Results in USD	Impact of FX
Average net sales price per unit (per msf)	+2%	-5%	**-7%**	+1%	-3%	**-4%**
Net sales	+12%	+3%	**-9%**	+13%	+9%	**-4%**
Gross Profit	-1%	-8%	**-7%**	+3%	FLAT	**-3%**
EBIT	-3%	-10%	**-7%**	+2%	-2%	**-4%**

SEGMENT EBIT – 2nd QUARTER FY19





Europe Building Products EBIT summary

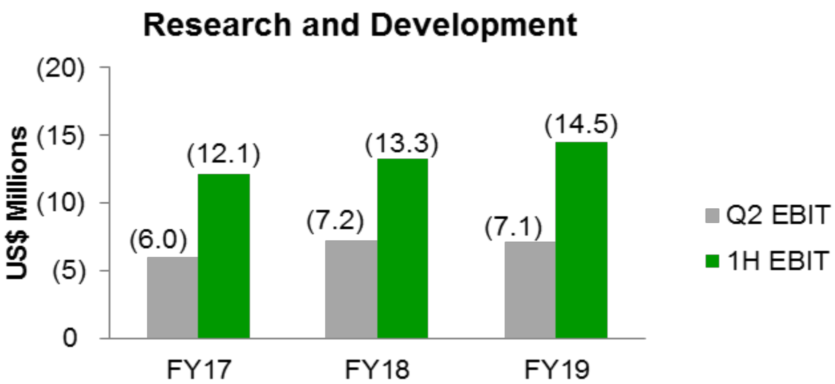
- EBIT impacted by costs associated with acquisition:
  - US$5.1 million and US$13.8 of transaction and integration costs for the quarter and half year, respectively; and
  - US$7.3 million inventory fair value adjustment during the half year related to purchase price accounting
  - Integration costs for the remainder of FY19 are expected to be approximately US$10 million
- EBIT margin excluding[1] of 9.7% and 10.9% for the quarter and half year, respectively

Other Businesses

- Decision made to exit the Window business
- Resulting asset impairment charges of US$10.1 million and adjustments related to inventory existence, inventory valuation write-downs and other liability write-offs of US$5.7 million

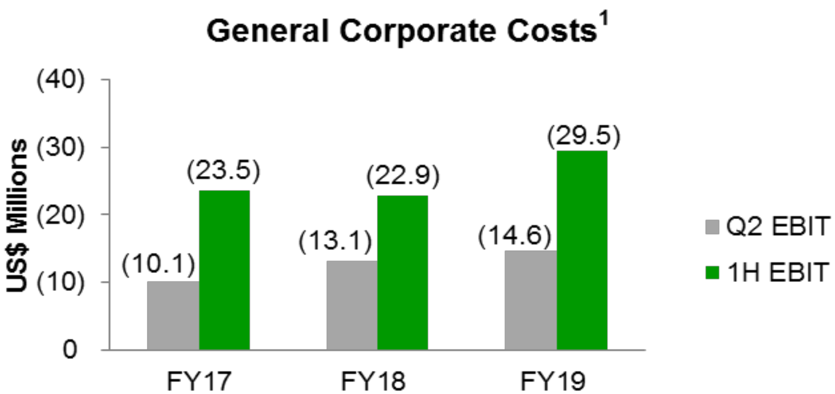
[1] *Excluding transaction and integration costs and inventory fair value adjustment*

SEGMENT EBIT – 2nd QUARTER FY19



R&D

- On strategy to invest ~2-3% of net sales
- Increased spend from overall increase in number of projects



General Corporate Costs

- Increase driven by higher stock compensation expenses
- 1H was additionally impacted by:
  - Non-recurring gain of US$3.4 million in the prior year from the sale of a storage building near our Fontana facility
  - A US$1.6 million New Zealand weathertightness legal claim settlement

[1] *Excludes Asbestos related expenses and adjustments, and Fermacell acquisition costs*

INCOME TAX

Three Months and Half Year Ended 30 September				
US$ Millions	**Q2'19**	**Q2'18**	**1H'19**	**1H'18**
Operating profit before taxes	87.1	90.3	208.6	167.4
Asbestos adjustments[1]	(14.3)	6.4	(39.4)	10.6
Fermacell acquisition costs	-	1.7	-	1.7
Product line discontinuation	21.2	-	21.2	-
Adjusted operating profit before income taxes	**94.0**	**98.4**	**190.4**	**179.7**
Adjusted income tax expense[2]	(13.1)	(22.8)	(29.6)	(42.4)
Adjusted effective tax rate	**13.9%**	**23.2%**	**15.5%**	**23.6%**
Income tax expense	(17.6)	(23.9)	(48.5)	(43.6)
Income taxes paid			13.1	21.2
Income taxes payable[3]			37.0	4.0

15.5% estimated adjusted effective tax rate for the year

- Adjusted income tax expense decreased driven by adjustments related to the ongoing accounting treatment of amortization of intangible assets, and a reduction in the US statutory corporate tax rate
- Income taxes are not currently paid or payable in 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*
[2] *Includes tax adjustments related to Asbestos, the amortization benefit of certain US intangible assets and other tax adjustments*
[3] *Includes non-current US income taxes payable of US$25.9 million at Q2 FY19 related to the deemed repatriation promulgated by the US Tax Cuts and Jobs Act and will be paid in annual installments through FY25*

CASHFLOWS[1]

US$ Millions	1H'19	1H'18	Change (%)
Net Income	**160.1**	**123.8**	**29**
Adjustment for non-cash items	65.1	71.1	(8)
Annual AICF contribution	(103.0)	(102.2)	(1)
Operating working capital[2]	22.0	(11.7)	
Other net operating activities	(6.4)	19.3	
AICF cash flow,net	(0.2)	(2.3)	91
Cash Flow from Operations	**137.6**	**98.0**	**40**
Purchases of property, plant and equipment[3]	(142.5)	(85.4)	(67)
Proceeds from sale of property, plant and equipment	-	7.9	
Acqusition of business, net of cash acquired	(558.7)	-	
Free Cash Flow[4]	**(563.6)**	**20.5**	
Dividends paid	(128.5)	(131.3)	2
Net proceeds of credit facilities	20.0	115.0	(83)
Proceeds from 364-day term loan facility	492.4	-	
Share related activities	-	0.2	
Free Cash Flow after Financing Activities	**(179.7)**	**4.4**	

Increase in net operating cash flow

- Increase in net income adjusted for non-cash items
- Favorable movements in inventory driven by rebuilding inventories in the North America Fiber Cement segment in the prior year
- Partially offset by an unfavorable change in other net operating activities in the normal course of business

Higher investing activities

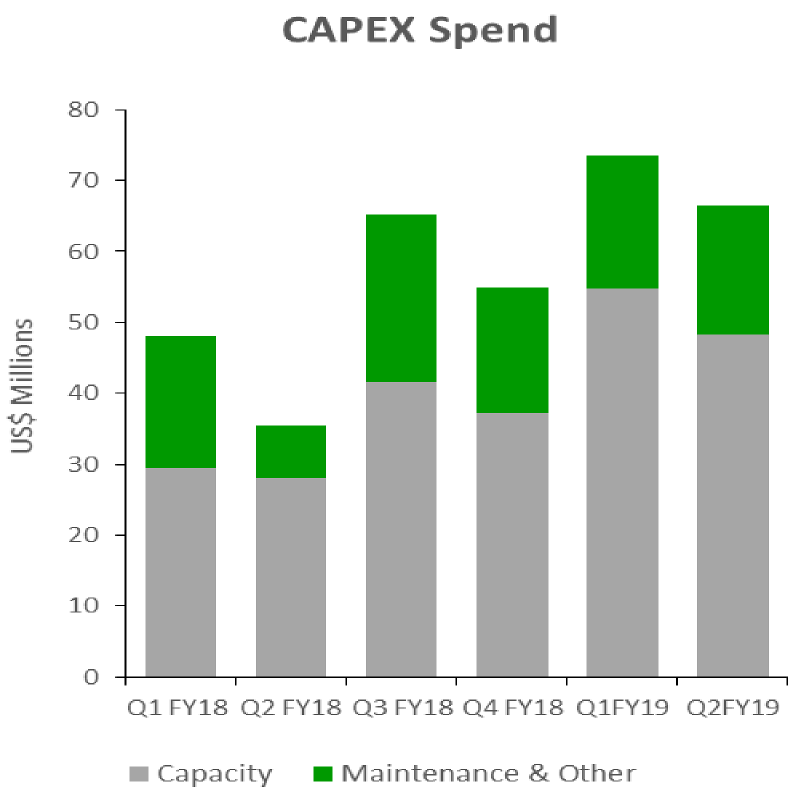
- Acquisition of Fermacell in Europe
- Increase in capacity related capital expenditures

Cash provided by financing activities

- Driven by proceeds from our 364-day term loan facility
- Partially offset by lower net proceeds from credit facilities

1 *Derived from supplementary statement of cash flow*
2 *Excludes AP related to capital expenditures*
3 *Includes capitalized interest*
4 *Distinct from the term defined by the AFFA for purposes of calculating our annual contribution to AICF*

CAPITAL EXPENDITURES



Half year CAPEX spend of US$140.0 million increased US$56.4 million compared to pcp

- North America capacity projects:
  - Continued the start-up of our greenfield expansion in Tacoma
  - Continued the construction of our Prattville facility, expected to be commissioned in 1H FY20
  - Announced expansion project within our ColorPlus product line
    - Investing ~US$20.6 million
    - Peru and Pulaski facilities, and a greenfield project in the Northeast of the U.S.
- Asia Pacific capacity projects:
  - Continued the start-up of the additional capacity expansion in the Philippines
  - Continued the 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	S&P	Fitch
Ba1 affirmed Sept'18 outlook stable	**BB** affirmed Sept'18 outlook stable	**BBB-** affirmed Sept'18 outlook stable

Disciplined Capital Allocation

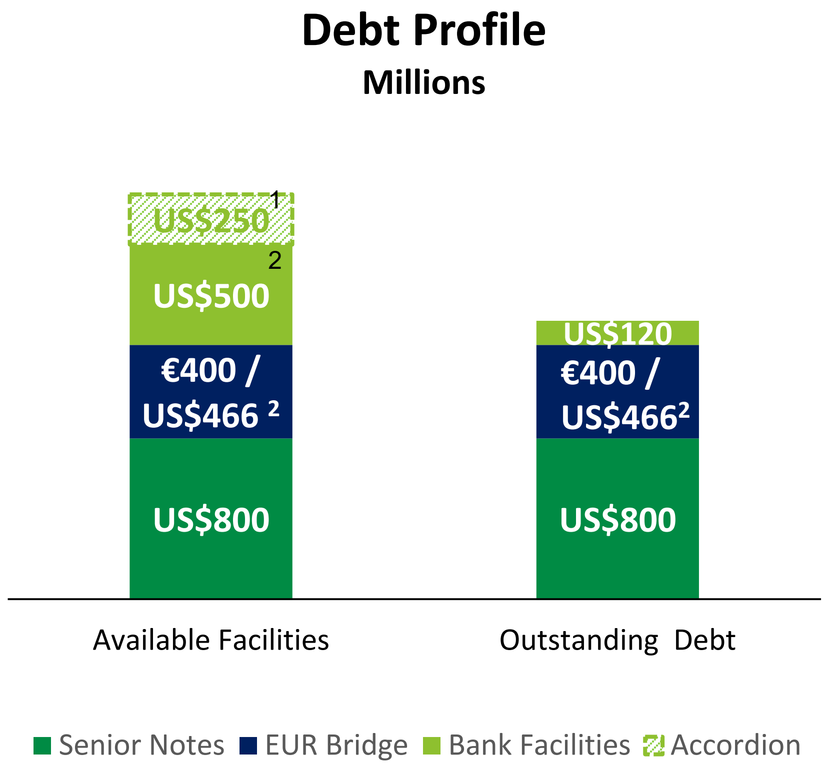
- Invest in R&D and capacity expansion to support organic growth
- Maintain ordinary dividends within the defined payout ratio
- Flexibility for:
  - Cyclical market volatility
  - Accretive and strategic inorganic opportunities
  - Further shareholder returns when appropriate

Liquidity and Funding

- Conservative leveraging of balance sheet at a target within 1-2 times Adjusted EBITDA excluding asbestos.
  - US$500 million unsecured revolving credit facility;
  - US$800 million senior unsecured notes at Q2 FY19;
  - €400 million bridge facility, refinanced with €400 million senior unsecured notes in October 2018
  - At Q2 FY19, total debt had a weighted average maturity of 4.9 years and weighted average rate of 3.7%

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

LIQUIDITY PROFILE AT 30 SEPTEMBER 2018



[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 3 April 2018, €400m was drawn on the 364-day bridging term loan to facilitate the Fermacell acquisition. The single-draw facility amount of €400 million equates to US$465.8 million at the exchange rate on 30 Sept 2018.

[3] Includes debt issuance costs (US$15.5 million)

Strong balance sheet

- US$108.9 million cash
- US$1,261.4 million net debt [3]
- US$370.5 million available on revolving credit facility

Corporate debt structure

- **US$400 million** 4.75% senior unsecured notes **maturing 2025**
- **US$400 million** 5.00% senior unsecured notes **maturing 2028**
- €400 (US$465.8)[2] million bridge finance outstanding at 30 September which was replaced with **€400 million** 3.625% senior unsecured notes in October 2018, **maturing 2026**
- **US$500 million** unsecured revolving credit facility, **maturing 2022**

Leverage strategy

- ~2.2x net debt to Adjusted EBITDA excluding asbestos; temporarily outside of the 1-2x leverage target range

FY2019 GUIDANCE

- Management notes the range of analysts' forecasts for net operating profit excluding asbestos for the year ending 31 March 2019 is between US$313 million and US$335 million

- Management expects full year Adjusted net operating profit to be between **US$280 million** and **US$320 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, an average USD/AUD exchange rate that is at or near current levels for the remainder of the year and a continuation of current inflationary trends for input costs

- Management cautions that although US housing activity has been improving, market conditions remain somewhat uncertain and 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

James Hardie

QUESTIONS

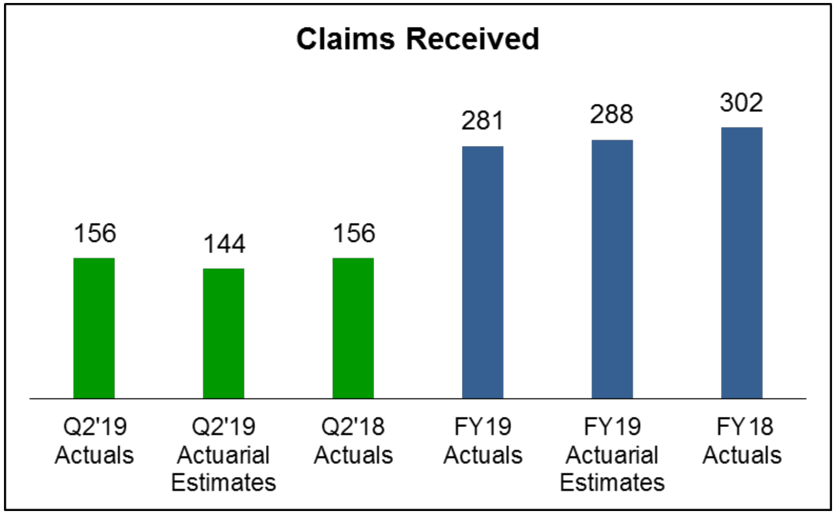
APPENDIX

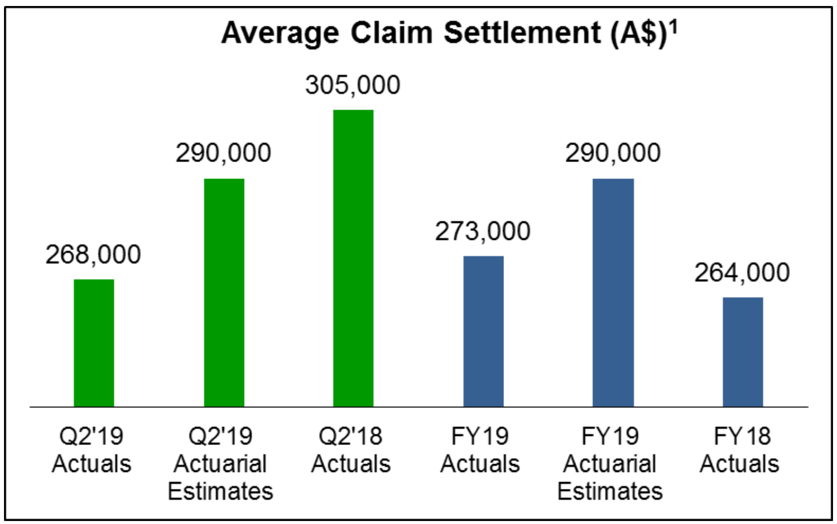
FINANCIAL SUMMARY

	Three Months and Half Year Ended 30 September					
US$ Millions	**Q2'19**	**Q2'18**	**% Change**	**1H'19**	**1H'18**	**% Change**
Net Sales						
North America Fiber Cement	$ 435.6	$ 398.1	9	$ 869.4	$ 791.2	10
Asia Pacific Fiber Cement	117.3	113.4	3	234.4	215.0	9
Europe Building Products	87.4	10.5		182.8	19.7	
Other Businesses	4.3	3.8	13	9.0	7.6	18
Total Net Sales	**$ 644.6**	**$ 525.8**	**23**	**$ 1,295.6**	**$ 1,033.5**	**25**
EBIT						
North America Fiber Cement[1]	$ 99.5	$ 97.4	2	$ 206.7	$ 177.2	17
Asia Pacific Fiber Cement	27.5	30.5	(10)	55.8	56.9	(2)
Europe Building Products[2]	3.4	0.3		(1.2)	0.1	
Other Businesses[1]	(1.8)	(2.1)	14	(3.3)	(3.9)	15
Research & Development	(7.1)	(7.2)	1	(14.5)	(13.3)	(9)
General Corporate[3]	(14.6)	(13.1)	(11)	(29.5)	(22.9)	(29)
Adjusted EBIT	**$ 106.9**	**$ 105.8**	**1**	**$ 214.0**	**$ 194.1**	**10**
Net interest expense[4]	(13.0)	(7.4)	(76)	(23.9)	(14.0)	(71)
Other income (expense)	0.1	-		0.3	(0.4)	
Adjusted income tax expense	(13.1)	(22.8)	43	(29.6)	(42.4)	30
Adjusted net operating profit	**$ 80.9**	**$ 75.6**	**7**	**$ 160.8**	**$ 137.3**	**17**

[1] Excludes product line discontinuation expenses
[2] Includes Europe transaction and integration costs and inventory fair value adjustment
[3] Excludes Asbestos related expenses and adjustments, and Fermacell acquisition costs
[4] Excludes AICF interest income

ASBESTOS CLAIMS DATA





- Quarter and half year claims received were 8% above and 2% below actuarial estimates, respectively
- Quarter and half year claims received were flat and 7% lower, respectively, compared to pcp
- Claims reporting during the half year for mesothelioma:
  - 3% below actuarial estimates
  - 9% lower than pcp
- Average claim settlement for the half year was 6% below actuarial estimates:
  - Average claim settlement sizes for mesothelioma were slightly above actuarial expectations for most age groups
  - Generally favorable average claim settlement sizes across all other disease types

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

DEPRECIATION AND AMORTIZATION

US$ Millions	Three Months and Half Year Ended 30 September							
	Q2'19		Q2'18		1H'19		1H'18	
Depreciation and amortization								
North America Fiber Cement	$	19.5	$	18.2	$	37.6	$	35.3
Asia Pacific Fiber Cement		3.3		3.3		6.4		6.4
Europe Building Products		5.7		-		10.4		-
Other Businesses		0.6		0.6		1.2		1.1
Research and Development		0.3		0.4		0.6		0.8
General Corporate		1.4		0.9		2.7		1.6
Total depreciation and amortization	**$**	**30.8**	**$**	**23.4**	**$**	**58.9**	**$**	**45.2**

Income Taxes

- **How ETR is calculated under US GAAP changed in 1H FY19**
  - Recorded a net deferred tax asset of US$1,028.5 million arising from all previous intragroup transfers, including an internal restructuring which took place in Q4 FY18 to align certain intangible assets with our US business
  - Effective 1 April 2018, amortization of these intangible assets will reduce the deferred tax asset instead of reducing income tax expense

- **Economic (cash taxes paid) impact of tax expected to remain constant or improve**
  - Future Adjusted ETR may be more volatile because of:
    - New US GAAP standards
    - Ongoing impacts of US Tax Reform

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 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

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

New South Wales loan facility ("NSW Loan") – AICF has access to a secured loan facility made available by the New South Wales Government, which can be used by AICF to fund the payment of asbestos claims and certain operating and legal costs

NON-US GAAP FINANCIAL MEASURES

Financial Measures – US GAAP equivalents

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

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

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

NON-US GAAP FINANCIAL MEASURES

Financial Measures – US GAAP equivalents

Adjusted EBIT

US$ Millions	Three Months and Half Year Ended 30 September			
	Q2'19	Q2'18	1H'19	1H'18
EBIT	**$ 99.5**	**$ 97.1**	**$ 231.4**	**$ 181.1**
Asbestos:				
Asbestos adjustments	(14.2)	6.6	(39.3)	10.5
AICF SG&A expenses	0.4	0.4	0.7	0.8
Fermacell acquisition costs	-	1.7	-	1.7
Product line discontinuation	21.2	-	21.2	-
Adjusted EBIT	**$ 106.9**	**$ 105.8**	**$ 214.0**	**$ 194.1**
Net sales	$ 644.6	$ 525.8	$ 1,295.6	$ 1,033.5
Adjusted EBIT margin	**16.6%**	**20.1%**	**16.5%**	**18.8%**

Adjusted net operating profit

US$ Millions	Three Months and Half Year Ended 30 September			
	Q2'19	Q2'18	1H'19	1H'18
Net operating profit	**$ 69.5**	**$ 66.4**	**$ 160.1**	**$ 123.8**
Asbestos:				
Asbestos adjustments	(14.2)	6.6	(39.3)	10.5
AICF SG&A expenses	0.4	0.4	0.7	0.8
AICF interest income, net	(0.5)	(0.6)	(0.8)	(0.7)
Fermacell acquisition costs	-	1.7	-	1.7
Product line discontinuation	21.2	-	21.2	-
Tax adjustments[1]	4.5	1.1	18.9	1.2
Adjusted net operating profit	**$ 80.9**	**$ 75.6**	**$ 160.8**	**$ 137.3**

[1] *Includes tax adjustments related to Asbestos, the amortization benefit of certain US intangible assets and other tax adjustments*

NON-US GAAP FINANCIAL MEASURES

Europe Building Products Segment Adjusted EBIT excluding costs associated with the acquisition

US$ Millions	Three Months and Half Year Ended 30 September	
	Q2'19	1H'19
EBIT	**$ 3.4**	**$ (1.2)**
Inventory fair value adjustment	-	7.3
Transaction costs	-	7.2
Integration costs	5.1	6.6
Europe Building Products Segment Adjusted EBIT excluding costs associated with the acquisition	**$ 8.5**	**$ 19.9**
Europe Building Products Segment net sales	$ 87.4	$ 182.8
Europe Building Products Segment Adjusted EBIT margin excluding costs associated with the acquisition	**9.7%**	**10.9%**

NON-US GAAP FINANCIAL MEASURES

Adjusted diluted earnings per share

	Three Months and Half Year Ended 30 September			
	Q2'19	Q2'18	1H'19	1H'18
Adjusted net operating profit (US$ Millions)	**$ 80.9**	**$ 75.6**	**$ 160.8**	**$ 137.3**
Weighted average common shares outstanding - Diluted (millions)	443.1	441.5	443.1	441.5
Adjusted diluted earnings per share (US cents)	**18**	**17**	**36**	**31**

Adjusted effective tax rate

US$ Millions	Three Months and Half Year Ended 30 September			
	Q2'19	Q2'18	1H'19	1H'18
Operating profit before income taxes	**$ 87.1**	**$ 90.3**	**$ 208.6**	**$ 167.4**
Asbestos:				
Asbestos adjustments	(14.2)	6.6	(39.3)	10.5
AICF SG&A expenses	0.4	0.4	0.7	0.8
AICF interest income, net	(0.5)	(0.6)	(0.8)	(0.7)
Fermacell acquisition costs	-	1.7	-	1.7
Product line discontinuation	21.2	-	21.2	-
Adjusted operating profit before income taxes	**$ 94.0**	**$ 98.4**	**$ 190.4**	**$ 179.7**
Income tax expense	$ (17.6)	$ (23.9)	$ (48.5)	$ (43.6)
Tax adjustments[1]	4.5	1.1	18.9	1.2
Adjusted income tax expense	**$ (13.1)**	**$ (22.8)**	**$ (29.6)**	**$ (42.4)**
Effective tax rate	20.2%	26.5%	23.3%	26.0%
Adjusted effective tax rate	**13.9%**	**23.2%**	**15.5%**	**23.6%**

1 *Includes tax adjustments related to Asbestos, the amortization benefit of certain US intangible assets and other tax adjustments*

NON-US GAAP FINANCIAL MEASURES

Adjusted EBITDA excluding Asbestos

US$ Millions	Three Months and Half Year Ended 30 September							
		Q2'19		Q2'18		1H'19		1H'18
EBIT	**$**	**99.5**	**$**	**97.1**	**$**	**231.4**	**$**	**181.1**
Depreciation and amortization		30.8		23.4		58.9		45.2
Adjusted EBITDA	**$**	**130.3**	**$**	**120.5**	**$**	**290.3**	**$**	**226.3**
Asbestos:								
Asbestos adjustments		(14.2)		6.6		(39.3)		10.5
AICF SG&A expenses		0.4		0.4		0.7		0.8
Adjusted EBITDA excluding Asbestos	**$**	**116.5**	**$**	**127.5**	**$**	**251.7**	**$**	**237.6**

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

US$ Millions	Three Months and Half Year Ended 30 September							
		Q2'19		Q2'18		1H'19		1H'18
SG&A expenses	**$**	**98.9**	**$**	**75.0**	**$**	**203.8**	**$**	**148.5**
Excluding:								
AICF SG&A expenses		(0.4)		(0.4)		(0.7)		(0.8)
Fermacell acquisition costs		-		(1.7)		-		(1.7)
Adjusted SG&A expenses	**$**	**98.5**	**$**	**72.9**	**$**	**203.1**	**$**	**146.0**
Net sales	$	644.6	$	525.8	$	1,295.6	$	1,033.5
SG&A expenses as a percentage of net sales		15.3%		14.3%		15.7%		14.4%
Adjusted SG&A expenses as a percentage of net sales		**15.3%**		**13.9%**		**15.7%**		**14.1%**

Q2 FY19 MANAGEMENT PRESENTATION

08 November 2018

James Hardie Industries plc

Condensed Consolidated Financial Statements as of and for the Period Ended 30 September 2018

James Hardie Industries plc
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Review Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of
James Hardie Industries plc

Results of Review of Interim Financial Statements

We have reviewed the accompanying condensed consolidated balance sheet of James Hardie Industries plc ("the Company") as of 30 September 2018, the related condensed consolidated statements of operations and comprehensive income for the three and six-month periods ended 30 September 2018 and 2017, and the condensed consolidated statements of cash flows for the six-month periods ended 30 September 2018 and 2017, and the related notes (collectively referred to as the "condensed consolidated interim financial statements"). Based on our reviews, we are not aware of any material modifications that should be made to the condensed consolidated interim financial statements for them to be in conformity with U.S. generally accepted accounting principles.

We have previously audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of 31 March 2018, the related consolidated statements of comprehensive income, shareholders' deficit and cash flows for the year then ended, and the related notes (not presented herein) and in our report dated 22 May 2018, we expressed an unqualified audit opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of 31 March 2018, is fairly stated, in all material respects, in relation to the consolidated balance sheet from which it has been derived.

Basis for Review Results

These financial statements are the responsibility of the Company's management. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the SEC and PCAOB. We conducted our review in accordance with the standards of the PCAOB. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the PCAOB, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

/s/ Ernst & Young LLP

Irvine, California
8 November 2018

James Hardie Industries plc
Condensed Consolidated Balance Sheets

(Millions of US dollars)	(Unaudited) 30 September 2018	31 March 2018
Assets		
Current assets:		
Cash and cash equivalents	**$ 108.9**	$ 281.6
Restricted cash	**5.1**	5.0
Restricted cash - Asbestos	**19.7**	26.6
Restricted short-term investments - Asbestos	**86.5**	38.4
Accounts and other receivables, net of provision for doubtful trade debts of US$0.9 million and US $1.3 million as of 30 September 2018 and 31 March 2018	**238.0**	202.7
Inventories	**287.8**	255.7
Prepaid expenses and other current assets	**26.2**	25.4
Insurance receivable - Asbestos	**4.8**	5.1
Workers' compensation - Asbestos	**2.0**	2.1
Total current assets	**779.0**	842.6
Property, plant and equipment, net	**1,292.6**	992.1
Goodwill	**206.9**	4.9
Intangible assets, net	**183.3**	12.3
Insurance receivable - Asbestos	**47.6**	52.8
Workers' compensation - Asbestos	**27.0**	28.8
Deferred income taxes	**1,111.5**	29.9
Deferred income taxes - Asbestos	**346.6**	382.9
Other assets	**2.8**	4.7
Total assets	**$ 3,997.3**	$ 2,351.0
Liabilities and Shareholders' Equity (Deficit)		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 274.5**	$ 193.3
Accrued payroll and employee benefits	**59.4**	61.8
Accrued product warranties	**6.2**	7.3
Income taxes payable	**11.1**	3.2
Asbestos liability	**107.2**	114.1
Workers' compensation - Asbestos	**2.0**	2.1
Other liabilities	**13.0**	12.8
Total current liabilities	**473.4**	394.6
Long-term debt	**1,370.3**	884.4
Deferred income taxes	**83.0**	66.4
Accrued product warranties	**43.0**	45.5
Income taxes payable	**25.9**	25.9
Asbestos liability	**976.7**	1,101.0
Workers' compensation - Asbestos	**27.0**	28.8
Other liabilities	**49.1**	25.9
Total liabilities	**3,048.4**	2,572.5
Commitments and contingencies (Note 11)		
Shareholders' equity (deficit):		
Common stock, Euro 0.59 par value, 2.0 billion shares authorized; 442,026,941 shares issued and outstanding at 30 September 2018 and 441,524,118 shares issued and outstanding at 31 March 2018	**229.8**	229.5
Additional paid-in capital	**191.5**	185.6
Accumulated shareholders' equity (deficit)	**552.6**	(635.3)
Accumulated other comprehensive loss	**(25.0)**	(1.3)
Total shareholders' equity (deficit)	**948.9**	(221.5)
Total liabilities and shareholders' equity (deficit)	**$ 3,997.3**	$ 2,351.0

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)

	Three Months Ended 30 September		Six Months Ended 30 September	
(Millions of US dollars, except per share data)	**2018**	2017	**2018**	2017
Net sales	**$ 644.6**	$ 525.8	**$ 1,295.6**	$ 1,033.5
Cost of goods sold	**(437.5)**	(338.6)	**(867.4)**	(677.3)
Gross profit	**207.1**	187.2	**428.2**	356.2
Selling, general and administrative expenses	**(98.9)**	(75.0)	**(203.8)**	(148.5)
Research and development expenses	**(9.8)**	(8.5)	**(19.2)**	(16.1)
Asset Impairments	**(13.1)**	—	**(13.1)**	—
Asbestos adjustments	**14.2**	(6.6)	**39.3**	(10.5)
Operating income	**99.5**	97.1	**231.4**	181.1
Interest expense, net of capitalized interest	**(13.3)**	(7.7)	**(24.7)**	(14.4)
Interest income	**0.8**	0.9	**1.6**	1.1
Other income (expense)	**0.1**	—	**0.3**	(0.4)
Income before income taxes	**87.1**	90.3	**208.6**	167.4
Income tax expense	**(17.6)**	(23.9)	**(48.5)**	(43.6)
Net income	**$ 69.5**	$ 66.4	**$ 160.1**	$ 123.8
Income per share:				
Basic	**$ 0.16**	$ 0.15	**$ 0.36**	$ 0.28
Diluted	**$ 0.16**	$ 0.15	**$ 0.36**	$ 0.28
Weighted average common shares outstanding (Millions):				
Basic	**441.6**	440.9	**441.6**	440.9
Diluted	**443.1**	441.5	**443.1**	441.5
Comprehensive income, net of tax:				
Net income	**$ 69.5**	$ 66.4	**$ 160.1**	$ 123.8
Cash flow hedges	**—**	—	**(0.1)**	—
Currency translation adjustments	**(5.6)**	4.0	**(23.6)**	6.7
Comprehensive income	**$ 63.9**	$ 70.4	**$ 136.4**	$ 130.5

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)	Six Months Ended 30 September 2018	2017
Cash Flows From Operating Activities		
Net income	**$ 160.1**	$ 123.8
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	**58.9**	45.2
Deferred income taxes	**15.8**	6.3
Stock-based compensation	**6.2**	4.3
Asbestos adjustments	**(39.3)**	10.5
Excess tax benefits from share-based awards	**—**	(0.5)
Asset Impairments	**13.1**	—
Other, net	**10.4**	5.3
Changes in operating assets and liabilities:		
Accounts and other receivables	**0.5**	10.0
Inventories	**2.7**	(26.9)
Prepaid expenses and other assets	**(0.6)**	4.5
Insurance receivable - Asbestos	**2.1**	2.8
Accounts payable and accrued liabilities	**18.8**	5.2
Claims and handling costs paid - Asbestos	**(58.8)**	(47.0)
Income taxes payable	**7.5**	2.3
Other accrued liabilities	**(13.3)**	12.5
Net cash provided by operating activities	**$ 184.1**	$ 158.3
Cash Flows From Investing Activities		
Purchases of property, plant and equipment	**$ (140.0)**	$ (83.6)
Proceeds from sale of property, plant and equipment	**—**	7.9
Capitalized interest	**(2.5)**	(1.8)
Acquisition of business, net of cash acquired	**(558.7)**	—
Purchase of restricted short-term investments - Asbestos	**(89.1)**	(78.4)
Proceeds from restricted short-term investments - Asbestos	**38.4**	—
Net cash used in investing activities	**$ (751.9)**	$ (155.9)
Cash Flows From Financing Activities		
Proceeds from credit facilities	**$ 150.0**	$ 280.0
Repayments of credit facilities	**(130.0)**	(165.0)
Proceeds from 364-day term loan facility	**492.4**	—
Proceeds from issuance of shares	**—**	0.2
Dividends paid	**(128.5)**	(131.3)
Repayments of NSW Loan - Asbestos	**—**	(51.9)
Net cash provided by (used in) financing activities	**$ 383.9**	$ (68.0)
Effects of exchange rate changes on cash and cash equivalents, restricted cash and restricted cash - Asbestos	**$ 4.4**	$ (1.7)
Net decrease in cash and cash equivalents, restricted cash and restricted cash - Asbestos	**(179.5)**	(67.3)
Cash and cash equivalents, restricted cash and restricted cash - Asbestos at beginning of period	**313.2**	192.8
Cash and cash equivalents, restricted cash and restricted cash - Asbestos at end of period	**$ 133.7**	$ 125.5
Supplemental Disclosure of Cash Flows Activities		
Cash paid to AICF	**$ 103.0**	$ 102.2

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

1. Background and Basis of Presentation

Nature of Operations

James Hardie Industries plc manufactures and sells fiber cement, fiber gypsum and cement-bonded building products for interior and exterior building construction applications, primarily in the United States, Australia, Canada, New Zealand, the Philippines and Europe. On 3 April 2018, James Hardie Industries plc completed the acquisition of German-based XI (DL) Holdings GmbH and its subsidiaries (including, but not limited to, Fermacell GmbH) (collectively, "Fermacell"). Fermacell manufactures and sells fiber gypsum and cement-bonded building products primarily in continental 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 variable interest entity. Except as otherwise indicated, James Hardie Industries plc is referred to as "JHI plc." JHI plc, together with its direct and indirect 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 2018, which was filed with the United States Securities and Exchange Commission ("SEC") on 22 May 2018.

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 30 September 2018, the condensed consolidated statements of operations and comprehensive income for the three and six months ended 30 September 2018 and 2017 and the condensed consolidated statements cash flows for the six months ended 30 September 2018 and 2017.

The Company has recorded on its balance sheet certain foreign 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 foreign currencies and subject to translation (foreign entities) or remeasurement (Asbestos Injuries Compensation Fund ("AICF") entity and Euro denominated debt) into US dollars at each reporting date. Unless otherwise noted, the Company converts foreign currency 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. Gains or losses resulting from transactions denominated in foreign currencies are included in selling, general and administrative expenses in the condensed consolidated statements of operations and comprehensive income, and may be offset by other transactions. The Company recorded a foreign exchange gain relating to its Euro denominated term loan which was economically offset by a foreign exchange loss on loans between subsidiaries resulting in a net translation gain of US$0.1 million and US$1.9 million for the three and six months ended 30 September 2018, respectively, which was recorded in *Selling, general and administrative expenses* in the condensed consolidated statements of operations and comprehensive income.

The results of operations for the three and six months ended 30 September 2018 are not necessarily indicative of the results to be expected for the full year. The balance sheet at 31 March 2018 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.

Business combinations

The Company accounts for acquired businesses using the acquisition method of accounting. This method requires that the purchase price be allocated to the identifiable assets acquired and liabilities assumed at their estimated fair values. The excess of the purchase price over the identifiable assets acquired and liabilities assumed is recorded as goodwill.

The fair values are determined by management, taking into consideration information supplied by management of the acquired entities, and other relevant information. Such information typically includes valuations obtained from independent appraisal experts, which management reviews and considers in its estimates of fair values. The valuations are generally based upon future cash flow projections for the acquired assets, discounted to present value. The determination of fair values requires significant judgment by management, particularly with respect to the value of identifiable intangible assets. This judgment could result in either a higher or lower value assigned to amortizable or depreciable assets. The impact could result in either higher or lower amortization and/or depreciation expense. Management's estimates of fair value are based upon assumptions believed to be reasonable, but due to the inherent uncertainty during the measurement period, which may be up to one year from the acquisition date, the Company records adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. The purchase price allocation for the Fermacell acquisition is based upon a preliminary valuation and the estimates and assumptions are subject to change within the measurement period as additional information is obtained.

Goodwill and Other Intangible Assets

Goodwill is the excess of purchase price over the fair value of tangible and identifiable intangible net assets acquired in various business combinations. Goodwill is not amortized but is tested at the reporting unit level for impairment annually, or more often if indicators of impairment exist. A goodwill impairment charge is recorded for the amount by which the carrying value of the reporting unit exceeds the fair value of the reporting unit. During the quarter ended 30 September 2018, the Company recorded a US$4.6 million Goodwill impairment charge in the Other Businesses segment due to the Company's decision to exit the Windows business in the second quarter of fiscal year 2019. The Company did not record any goodwill impairment charges for the three and six months ended 30 September 2017.

Intangible assets from acquired businesses are recognized at their estimated fair values at the date of acquisition and consist of trademarks, customer relationships and other intangible assets. Finite-lived intangibles are amortized to expense over the applicable useful lives, ranging from 2 to 13 years, based on the nature of the asset and the underlying pattern of economic benefit as reflected by future net cash inflows. The Company performs an impairment test of intangibles annually, or whenever events or changes in circumstances indicate their carrying value may be impaired. During the quarter ended 30 September 2018, the Company recorded an intangible asset impairment charge in the Other Businesses segment of US$2.2 million due to the Company's decision to exit the Windows business in the second quarter of fiscal year 2019. Further, during the quarter ended 30 September 2018, the Company made the decision to exit its Multiple Contour Trim ("MCT") product line, and as a result, the Company recorded an impairment charge in the North America Fiber Cement segment of US$0.4 million on the intangible assets associated with this product line. The Company did not record any intangible asset impairment charges for the three and six months ended 30 September 2017.

Impairment of Long-Lived Assets

Long-lived assets, such as property, plant and equipment, are evaluated each quarter for events or changes in circumstances that indicate that an asset might be impaired because the carrying amount of the asset may not be recoverable. During the quarter ended 30 September 2018, the Company recorded total impairment charges on property, plant and equipment of US$5.9 million. An impairment charge of US$3.3 million and US$2.6 million was recorded in the Other Businesses segment and in the North America Fiber Cement segment, respectively.

Reclassifications

Within the operating activities section of the condensed consolidated statements of cash flows for the six months ended 30 September 2017, the Company reclassified the change in the *Income Taxes Payable* balance of US$2.3 million which was previously included within a change in *Other Accrued Liabilities*, and separated these costs in the change in *Income Taxes Payable* line item, to conform to current year presentation.

The Company adopted Accounting Standards Update ("ASU") No. 2016-18 starting with the fiscal year beginning 1 April 2018, which required *Restricted Cash* and *Restricted Cash - Asbestos* to be included in the starting and ending cash balances on the condensed consolidated statements of cash flows. See Note 2 for further details on this accounting standard update, including all reclassifications made to the condensed consolidated statements of cash flows for the six months ended 30 September 2017.

Within the *Total Assets* section of the condensed consolidated balance sheet as of 31 March 2018, the Company reclassified the *Intangible Assets, Net* and *Goodwill* balance of US$12.3 million and US$4.9 million, respectively, which was previously included in *Other Assets* to conform to current year presentation.

Reporting Segments

During the first quarter of fiscal year 2019, the Company changed its reportable operating segments in conjunction with how information is evaluated by the Chief Operating Decision Maker (CODM) for the purpose of assessing segment performance and allocation of resources. The Company has revised its historical segment information at 31 March

2018 and for the three and six months ended 30 September 2017 to be consistent with the current reportable segment structure. The change in reportable segments had no effect on the Company's financial position, results of operations or cash flows for the periods presented. See Note 15 for further details on segment reporting.

2. Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued 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 was 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 adopted 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. As a result of adopting ASU No. 2014-09, the Company recorded no adjustment to the opening retained earnings as of 1 April 2018. The impact to revenues and related deferred revenue balances as a result of applying ASU No. 2014-09 was not material as of and for the three and six months ended 30 September 2018. See Note 4 for further details.

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 shall be applied on a modified retrospective basis, and are effective for fiscal years and interim periods within those years, beginning after 15 December 2018, with early adoption permitted. In July 2018, the FASB issued ASU No. 2018-11, which provided a second accepted transition method, which would allow companies to adopt the new lease standard as a cumulative-effect adjustment to the opening balance of retained earnings as of the beginning of the period of adoption, rather than at the beginning of the earliest period presented. 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, using the second modified retrospective transition method outlined in ASU No. 2018-11, and is currently evaluating the impact of the guidance on its consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-16, which requires entities to recognize the income tax consequences of intra-entity transfers of assets other than inventory when the transfer occurs. The amendments in ASU No. 2016-16 are effective for fiscal years and interim periods within those years, beginning after 15 December 2017, with early adoption permitted. The amendments in ASU No. 2016-16 shall be applied on a modified retrospective basis, wherein the beginning retained earnings in the period in which the guidance is adopted should include a cumulative-effect adjustment to reflect the effects of applying the new guidance. The Company adopted ASU No. 2016-16 starting with the fiscal year beginning 1 April 2018, and recorded an increase in gross deferred income tax assets of US$1,313.0 million, a valuation allowance of US$148.2 million, a decrease in other assets of US$4.5 million and a corresponding cumulative retained earnings adjustment of US$1,160.3 million, resulting from all internal restructuring transactions undertaken in prior years, including the internal restructuring transaction implemented during the year ended 31 March 2018 relating to the alignment of certain intangible assets with its US business.

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 were effective for fiscal years and interim periods within those years, beginning after 15 December 2017, with early adoption permitted. The Company adopted ASU No. 2016-18 starting with the fiscal year beginning 1 April 2018 and the amendments in ASU No. 2016-18 were applied on a retrospective basis for each period presented. In accordance with disclosure requirements of this new accounting standard, the impact of adoption on the condensed consolidated statements of cash flows was as follows:

	31 March 2018		
(Millions of US dollars)	As reported	ASU 2016-18 Adjustment	As adjusted
Cash and cash equivalents	$ 281.6	$ 31.6	$ 313.2

	Six months ended 30 September 2017		
(Millions of US dollars)	As reported	ASU 2016-18 Adjustment	As adjusted
Cash and cash equivalents at the beginning of the period	$ 78.9	$ 113.9	$ 192.8
Cash and cash equivalents at the end of the period	78.8	46.7	125.5
Restricted cash - Asbestos	41.9	(41.9)	—
Payment to AICF	(102.2)	102.2	—
Asbestos liability	(47.0)	47.0	—
Asbestos claims paid	—	(47.0)	(47.0)
Net cash provided by operating activities	98.0	60.3	158.3
Purchase of investments - Asbestos	—	(78.4)	(78.4)
Net cash used in investing activities	(77.5)	(78.4)	(155.9)
Repayments of NSW Loan - Asbestos	—	(51.9)	(51.9)
Net cash used in financing activities	(16.1)	(51.9)	(68.0)
Effects of exchange rate changes on cash	(4.5)	2.8	(1.7)

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 adoption 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 adopted ASU No. 2017-01 starting with the fiscal year beginning 1 April 2018 and the adoption of this standard did not have a material impact on the consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, which removes step 2 from the goodwill impairment test. Under the new guidance, if a reporting unit's carrying amount exceeds it fair value, an entity will record an impairment charge based on that difference. The impairment charge will be limited to the amount of goodwill allocated to that reporting unit. The amendments in ASU No. 2017-04 are effective for fiscal years and interim periods within those years, beginning after 15 December 2019, with early adoption permitted. The Company adopted ASU No. 2017-04 prospectively on 1 April 2018, and the adoption of this standard did not have a material impact on the consolidated financial statements.

In March 2018, the FASB issued ASU No. 2018-05, which provides the SEC Staff's guidance when preparing the initial accounting for the income tax effects of the US Tax Cuts and Jobs Act ("TCJ Act"), which was enacted on 22 December 2017. The staff guidance addresses the specific situation in which the initial accounting for certain income tax effects of the TCJ Act will not be complete at the time that financial statements are issued. ASU No. 2018-05 is effective for financial statements that include the reporting period in which the TCJ Act was enacted. Therefore, the Company implemented the guidance in ASU No. 2018-05 in its financial statements for the fiscal year ending 31 March 2018.

The Company completed or provisionally estimated all of the effects of the TCJ Act during the fiscal year ended 31 March 2018. The final impact of the TCJ Act may differ from these provisionally estimated tax effects, including the effects of, among other things, the estimate of available foreign tax credits and additional guidance or regulations that may be issued including state tax conformity impacts.

In July 2018, the FASB issued ASU No. 2018-09, which clarifies, corrects errors in, and makes minor improvements to a wide variety of topics in the Accounting Standards Codification ("ASC"). The transition and effective date of this guidance is based on the facts and circumstances of each amendment. Some of the amendments in ASU No. 2018-09 do not require transition guidance and were effective upon issuance of ASU No. 2018-09. The Company adopted these specific amendments during the three months ended 30 June 2018 and noted no material impact on its consolidated financial statements. However, many of the amendments do have transition guidance with effective dates for annual periods beginning after 15 December 2018. For these specific amendments, the Company will follow the specific transition guidance for each relevant amendment, and does not expect the adoption of these amendments to have a material impact on its consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-15, which clarifies the accounting treatment for implementation costs incurred in a cloud computing arrangement that is a service contract. ASU No. 2018-15 aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). The guidance provides criteria for determining which implementation costs to capitalize as an asset related to the service contract and which costs to expense. The amendments in ASU No. 2018-15 should be applied either retrospectively or prospectively to all implementation costs incurred after the date of adoption, and are effective for fiscal years and interim periods within those years, beginning after 15 December 2019, with early adoption permitted. The Company adopted ASU No. 2018-15 during the quarter ended 30 September 2018 based on the prospective transition method, and does not expect the adoption of this amendments to have a material impact on its consolidated financial statements.

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 Method that would have been outstanding if the dilutive potential common shares, such as stock options and restricted stock units ("RSUs"), had been issued.

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

	Three Months Ended 30 September		Six Months Ended 30 September	
(Millions of shares)	**2018**	2017	**2018**	2017
Basic common shares outstanding	**441.6**	440.9	**441.6**	440.9
Dilutive effect of stock awards	**1.5**	0.6	**1.5**	0.6
Diluted common shares outstanding	**443.1**	441.5	**443.1**	441.5
(US dollars)			**2018**	2017
Net income per share - basic	**$ 0.16**	**$ 0.15**	**$ 0.36**	$ 0.28
Net income per share - diluted	**$ 0.16**	**$ 0.15**	**$ 0.36**	$ 0.28

There were no potential common shares which would be considered anti-dilutive for the three and six months ended 30 September 2018 and 2017.

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

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

Potential common shares of 2.1 million and 1.9 million for the three and six months ended 30 September 2018, respectively, and 2.7 million and 2.5 million for the three and six months ended 30 September 2017, respectively, have been excluded from the calculation of diluted common shares outstanding as they are considered contingent shares which are not expected to vest.

4. Revenues

The following represents the Company's disaggregated revenues for the three months ended 30 September 2018 and 2017:

	Three Months Ended 30 September 2018				
(Millions of US dollars)	North America Fiber Cement	Asia Pacific Fiber Cement	Europe Building Products	Other Businesses	Consolidated
Fiber cement revenues	$ 435.6	$ 117.3	$ 9.6	$ —	$ 562.5
Fiber gypsum revenues	—	—	77.8	—	77.8
Other revenues	—	—	—	4.3	4.3
Total revenues	$ 435.6	$ 117.3	$ 87.4	$ 4.3	$ 644.6

	Three Months Ended 30 September 2017				
(Millions of US dollars)	North America Fiber Cement	Asia Pacific Fiber Cement	Europe Building Products	Other Businesses	Consolidated
Fiber cement revenues	$ 398.1	$ 113.4	$ 10.5	$ —	$ 522.0
Fiber gypsum revenues	—	—	—	—	—
Other revenues	—	—	—	3.8	3.8
Total revenues	$ 398.1	$ 113.4	$ 10.5	$ 3.8	$ 525.8

The following represents the Company's disaggregated revenues for the six months ended 30 September 2018 and 2017:

	Six Months Ended 30 September 2018				
(Millions of US dollars)	North America Fiber Cement	Asia Pacific Fiber Cement	Europe Building Products	Other Businesses	Consolidated
Fiber cement revenues	$ 869.4	$ 234.4	$ 18.8	$ —	$ 1,122.6
Fiber gypsum revenues	—	—	164.0	—	164.0
Other revenues	—	—	—	9.0	9.0
Total revenues	$ 869.4	$ 234.4	$ 182.8	$ 9.0	$ 1,295.6

	Six Months Ended 30 September 2017				
(Millions of US dollars)	North America Fiber Cement	Asia Pacific Fiber Cement	Europe Building Products	Other Businesses	Consolidated
Fiber cement revenues	$ 791.2	$ 215.0	$ 19.7	$ —	$ 1,025.9
Fiber gypsum revenues	—	—	—	—	—
Other revenues	—	—	—	7.6	7.6
Total revenues	$ 791.2	$ 215.0	$ 19.7	$ 7.6	$ 1,033.5

The process by which the Company recognizes revenues is similar across each of the Company's reportable segments and is described in further detail below. Fiber cement and fiber gypsum revenues are primarily generated from the sale of siding and various boards used in internal and external applications, as well as accessories. Fiber gypsum revenues also includes the sale of cement-bonded boards in the Europe Building Products segment. Other revenues in the Other Businesses segment are generated from the sale of fiberglass products and windows in North America.

The Company recognizes revenues when the requisite performance obligation has been met, that is, when the Company transfers control of its products to customers, which depending on the terms of the underlying contract, is generally upon delivery. The Company considers shipping and handling activities that it performs as activities to fulfill the sales of its products, with amounts billed for such costs included in net sales and the associated costs incurred for such services recorded in cost of sales, in accordance with the practical expedient provided by ASC 606.

Certain of the Company's customers receive discounts and rebates as sales incentives, amounts which are recorded as a reduction to revenue at the time the revenue is recognized. These amounts are an estimate recorded by the Company based on historical experience and contractual obligations, the underlying assumptions of which are periodically reviewed and adjusted by the Company as necessary.

The Company’s contracts are generally short-term in nature, generally not exceeding twelve months, with payment terms varying by the type and location of products or services offered; however, the period of time between invoicing and when payment is due is not significant.

5. Cash and Cash Equivalents, Restricted Cash and Restricted Cash - Asbestos

The following table provides a reconciliation of *Cash and cash equivalents, Restricted cash and Restricted cash - Asbestos* reported within the condensed consolidated balance sheets that sum to the total of the same such amounts shown in the condensed consolidated statements of cash flows:

(Millions of US dollars)	**30 September 2018**	31 March 2018
Cash and cash equivalents	**$ 108.9**	$ 281.6
Restricted cash	**5.1**	5.0
Restricted cash - Asbestos	**19.7**	26.6
Total cash and cash equivalents, restricted cash and restricted cash - Asbestos	**$ 133.7**	$ 313.2

Included in *Restricted cash* is US$5.1 million and US$5.0 million related to an insurance policy at 30 September 2018 and 31 March 2018, respectively, which restricts the cash from general corporate purposes.

Included in *Restricted cash - Asbestos* is US$19.7 million and US$26.6 million at 30 September 2018 and 31 March 2018, respectively. The use of these assets is restricted to the settlement of asbestos claims and for the payment of the operating costs of AICF.

6. Inventories

Inventories consist of the following components:

(Millions of US dollars)	**30 September 2018**	31 March 2018
Finished goods	**$ 208.5**	$ 190.3
Work-in-process	**9.2**	8.1
Raw materials and supplies	**81.1**	65.3
Provision for excess and obsolete finished goods and raw materials	**(11.0)**	(8.0)
Total inventories	**$ 287.8**	$ 255.7

As of 30 September 2018 and 31 March 2018, US$29.9 million and US$30.2 million, respectively, of the Company's finished goods inventory balance was held at vendor managed inventory locations.

7. Goodwill and Other Intangible Assets

Intangible assets from acquired businesses are recognized at their estimated fair values at the date of acquisition and consist of trademarks, customer relationships and other intangible assets. Finite-lived intangibles are amortized to expense over the applicable useful lives, ranging from 2 to 13 years, based on the nature of the asset and the underlying pattern of economic benefit as reflected by future net cash inflows. The Company performs an impairment test of intangibles annually, or whenever events or changes in circumstances indicate their carrying value may be impaired.

Indefinite-Lived Intangible Assets

The following are the changes in the carrying value of indefinite-lived intangible assets for the six months ended 30 September 2018:

(Millions of US dollars)	Goodwill[1]	Trade names[2]	Other[3]
Balance - 31 March 2018	$ 4.9	$ —	$ 7.4
Acquired during the period	218.4	126.8	—
Impairment	(4.6)	—	—
Foreign exchange impact	(11.8)	(6.8)	—
Balance - 30 September 2018	$ 206.9	$ 120.0	$ 7.4

1 At 30 September 2018, Goodwill of US$206.6 million and US$0.3 million was included in the Europe Building Products segment and Asia Pacific Fiber Cement segment, respectively. At 31 March 2018, Goodwill of US$4.6 million and US $0.3 million was included in the Other Businesses segment and the Asia Pacific Fiber Cement segment, respectively. During the quarter ended 30 September 2018, the Company recorded a US$4.6 million Goodwill impairment charge in the Other Businesses segment due to the Company's decision to exit the Windows business.

2 Trade names are included in the Europe Building Products segment at 30 September 2018.

3 Other indefinite-lived intangible assets are included in the North America Fiber Cement segment at 30 September 2018 and 31 March 2018.

Amortizable Intangible Assets

The following are the changes in the carrying value of amortizable intangible assets primarily held in the Europe Building Products segment for the six months ended 30 September 2018:

(Millions of US dollars)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships:			
Balance - 31 March 2018	$ —	$ —	$ —
Acquired during the period	57.8	—	57.8
Amortization	—	(2.4)	(2.4)
Foreign exchange impact	(3.3)	0.1	(3.2)
Balance - 30 September 2018	$ 54.5	$ (2.3)	$ 52.2

(Millions of US dollars)	Gross Carrying Amount	Accumulated Amortization and Impairment	Net Carrying Amount
Other intangibles:			
Balance - 31 March 2018	$ 9.7	$ (4.8)	$ 4.9
Acquired during the period	2.4	—	2.4
Amortization	—	(0.8)	(0.8)
Impairment	—	(2.6)	(2.6)
Foreign exchange impact	(0.2)	—	(0.2)
Balance - 30 September 2018	$ 11.9	$ (8.2)	$ 3.7

The amortization of intangible assets was US$1.7 million and US$0.3 million for the three months ended 30 September 2018 and 2017, respectively. The amortization of intangible assets was US$3.2 million and US$0.5 million for the six months ended 30 September 2018 and 2017, respectively.

During the quarter ended 30 September 2018, the Company recorded total impairment charges on amortizable intangible assets of US$2.6 million. An impairment charge of US$2.2 million was recorded to the intangible assets associated with the Other Businesses segment due to the Company's decision to exit the Windows business in the second quarter of fiscal year 2019. Also, the Company made the decision that it would discontinue its MCT product line, and as such, recorded an impairment charge of US$0.4 million on intangible assets associated with this product line.

At 30 September 2018 and 31 March 2018, the weighted-average remaining useful life of the Company's amortizable intangible assets is as follows:

(In Years)	30 September 2018	31 March 2018
Customer Relationships	**12.5**	—
Other Intangibles	**7.4**	6.1
Total	**12.2**	6.1

At 30 September 2018, the estimated future amortization of intangible assets is as follows:

Years ended 31 March (Millions of US dollars):		
2019	$	3.0
2020		3.3
2021		2.9
2022		3.7
2023		4.5

8. Long-Term Debt

At 30 September 2018 and 31 March 2018, the Company had three forms of debt: an unsecured revolving credit facility; a 364-day term loan facility (the "Term Loan Facility"); and senior notes due 2025 and 2028. The effective weighted average interest rate on the Company's total debt was 3.7% and 4.7% at 30 September 2018 and 31 March 2018, respectively. The weighted average term of all debt, including undrawn facilities, was 4.9 years and 6.9 years at 30 September 2018 and 31 March 2018, 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 30 September 2018 and 31 March 2018, the Company's total debt issuance costs have an unamortized balance of US$2.9 million and US$3.3 million, respectively.

The amount drawn under the Revolving Credit Facility was US$120.0 million and US$100.0 million at 30 September 2018 and 31 March 2018, respectively.

The effective weighted average interest rate on the Company's total outstanding Revolving Credit Facility was 3.8% and 3.2% at 30 September 2018 and 31 March 2018, respectively.

Borrowings under the Revolving Credit Facility bear interest at per annum rates equal to, at the 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 the Company's consolidated net leverage ratio.

The Revolving Credit Facility is guaranteed by each of James Hardie International Group Limited's ("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 ratio of net debt to earnings before interest, tax, depreciation and amortization, excluding all asbestos-related liabilities, assets, income, gains, losses and charges other than AICF payments, all AICF selling, general and administrative ("SG&A") expenses, all Australian Securities and Investment Commission ("ASIC")-related expenses, all recoveries and asset impairments, and all New Zealand product liability expenses and (ii) must meet or exceed a minimum ratio of earnings before interest, tax, depreciation and amortization to interest charges, excluding all income, expense and other income 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 30 September 2018, the Company was in compliance with all covenants contained in the Revolving Credit Facility agreement.

Term Loan Facility

In December 2017, JHIF and JHBP entered into a 364-day term loan facility (the "Term Loan Facility") with certain commercial banks and HSBC Bank USA, National Association, as administrative agent. On 3 April 2018, the Company drew €400.0 million (US$492.4 million based on the exchange rate on 3 April 2018) on this Term Loan Facility, and used these funds to complete the Fermacell acquisition. Pursuant to its terms, the Term Loan Facility provided for a single drawing, and any undrawn amounts are no longer available. Further, amounts drawn under the Term Loan Facility may not be re-borrowed once repaid or prepaid. Subsequent to 30 September 2018, JHIF repaid all €400.0 million aggregate principal amount and accrued interest of its Term Loan Facility following the completion of the sale of €400.0 million aggregate principal amount of 3.625% senior unsecured notes due 2026. Consequently, the Company has classified the Term Loan Facility as *Long-term debt* on the condensed consolidated balance sheet at 30 September 2018.

Debt issuance costs in connection with the Term Loan 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 one year. At 30 September 2018 and 31 March 2018, the Company's total debt issuance costs have an unamortized balance of US$1.0 million and nil, respectively.

Borrowings under the Term Loan Facility will bear interest at per annum rates equal to, at borrower's option, either: (i) the 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 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 income 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 30 September 2018, the Company was in compliance with all covenants contained in the Term Loan Facility agreement.

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").

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 sheets.

Debt issuance costs in connection with the 2025 Notes have an unamortized balance of US$5.7 million and US$6.1 million at 30 September 2018 and 31 March 2018, respectively. 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 on 15 July 2018.

Debt issuance costs in connection with the 2028 Notes have an unamortized balance of US$5.9 million and US$6.2 million at 30 September 2018 and 31 March 2018, respectively. 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 on 15 July 2018.

The 2025 and 2028 Notes are guaranteed by 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 30 September 2018, the Company was in compliance with all of its requirements under the indenture related to the 2025 and 2028 Notes.

The Company's 2025 and 2028 Notes have an estimated fair value of US$760.0 million and US$787.5 million at 30 September 2018 and 31 March 2018, respectively, based on the trading price observed in the market at or near the balance sheet date and are categorized as Level 1 within the fair value hierarchy.

2026 Senior Notes

In October 2018, JHIF completed the sale of €400.0 million aggregate principal amount of 3.625% senior unsecured notes due 1 October 2026 (the "2026 Notes"). The 2026 Notes were issued at par and the proceeds from the offering were used to repay the outstanding borrowings under the Term Loan Facility, and to pay related transaction fees and expenses.

Interest is payable semi-annually in arrears on 1 October and 1 April of each year at a rate of 3.625% with first payment due on 1 April 2019.

The 2026 Notes are guaranteed by JHIGL, JHBP and JHTL, each of which are wholly-owned subsidiaries of JHI plc.

The indenture governing the 2026 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.

Off Balance Sheet Arrangements

As of 30 September 2018, the Company had a total borrowing base capacity under the Revolving Credit Facility of US $500.0 million with outstanding borrowings of US$120.0 million, and US$9.5 million of drawn letters of credit and bank guarantees. These letters of credit and bank guarantees relate to various operational matters including insurance, performance bonds and other items, leaving the Company with US$370.5 million of available borrowing capacity under the Revolving Credit Facilities.

9. Asbestos

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

Adjustments in insurance receivables are due to changes in the Company's assessment of recoverability and are reflected as *Asbestos adjustments* on 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 six months ended 30 September 2018 and 2017:

	Three Months Ended 30 September		Six Months Ended 30 September	
(Millions of US dollars)	**2018**	2017	**2018**	2017
Effect of foreign exchange on other Asbestos net liabilities	**$ 14.1**	$ (10.6)	**$ 40.4**	$ (15.3)
Adjustments in insurance receivables	**(0.3)**	4.5	**(0.3)**	4.5
Gain (Loss) on foreign currency forward contracts	**0.4**	(0.3)	**(0.8)**	1.4
Asbestos research education fund	**—**	(0.2)	**—**	(1.1)
Asbestos adjustments	**$ 14.2**	$ (6.6)	**$ 39.3**	$ (10.5)

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:

	Six Months Ended 30 September 2018	For the Years Ended 31 March 2018	2017	2016	2015	2014
Number of open claims at beginning of period	**336**	352	426	494	466	462
Number of new claims	**281**	562	557	577	665	608
Number of closed claims	**315**	578	631	645	637	604
Number of open claims at end of period	**302**	336	352	426	494	466
Average settlement amount per settled claim	**A$272,636**	A$253,431	A$223,535	A$248,138	A$254,209	A$253,185
Average settlement amount per case closed	**A$238,016**	A$217,038	A$167,563	A$218,900	A$217,495	A$212,944
Average settlement amount per settled claim	**US$202,930**	US$196,093	US$168,300	US$182,763	US$222,619	US$236,268
Average settlement amount per case closed	**US$177,161**	US$167,934	US$126,158	US$161,229	US$190,468	US$198,716

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. 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.

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)	**30 September 2018**	31 March 2018
Asbestos liability – current	**$ (107.2)**	$ (114.1)
Asbestos liability – non-current	**(976.7)**	(1,101.0)
Asbestos liability – Total	**(1,083.9)**	(1,215.1)
Insurance receivable – current	**4.8**	5.1
Insurance receivable – non-current	**47.6**	52.8
Insurance receivable – Total	**52.4**	57.9
Workers' compensation asset – current	**2.0**	2.1
Workers' compensation asset – non-current	**27.0**	28.8
Workers' compensation liability – current	**(2.0)**	(2.1)
Workers' compensation liability – non-current	**(27.0)**	(28.8)
Workers' compensation – Total	**—**	—
Other net liabilities	**(2.6)**	(2.2)
Restricted cash - Asbestos	**19.7**	26.6
Restricted short-term investments - Asbestos	**86.5**	38.4
Net Unfunded AFFA liability	**$ (927.9)**	$ (1,094.4)
Deferred income taxes – non-current	**346.6**	382.9
Income tax payable	**12.9**	21.1
Net Unfunded AFFA liability, net of tax	**$ (568.4)**	$ (690.4)

The following is a detailed rollforward of the Net Unfunded AFFA liability, net of tax, for the year ended 30 September 2018:

(Millions of US dollars)	Asbestos Liability	Insurance Receivables	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
Balance - 31 March 2018	$ (1,215.1)	$ 57.9	$ 65.0	$ (2.2)	$ (1,094.4)	$ 382.9	$ 21.1	$ (690.4)
Asbestos claims paid[1]	58.3	—	(58.3)	—	—	—	—	—
Payment received in accordance with AFFA	—	—	103.0	—	103.0	—	—	103.0
AICF claims-handling costs incurred (paid)	0.5	—	(0.5)	—	—	—	—	—
AICF operating costs paid - non claims-handling	—	—	(0.7)	—	(0.7)	—	—	(0.7)
Insurance recoveries	—	(2.1)	2.1	—	—	—	—	—
Movement in income tax payable	—	—	—	—	—	(13.2)	(7.5)	(20.7)
Other movements	—	—	0.9	(0.5)	0.4	(0.1)	(0.3)	—
Effect of foreign exchange	72.4	(3.4)	(5.3)	0.1	63.8	(23.0)	(0.4)	40.4
Balance - 30 September 2018	**$ (1,083.9)**	**$ 52.4**	**$ 106.2**	**$ (2.6)**	**$ (927.9)**	**$ 346.6**	**$ 12.9**	**$ (568.4)**

1 Claims paid of US$58.3 million reflects A$78.3 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 2 July 2018, the Company made a payment of A$138.4 million (US$103.0 million translated at the exchange rate set five days before the day of payment) to AICF. This amount represents 35% of its free cash flow for fiscal year 2018 which is equivalent to the operating cash flows of US$295.0 million less an adjustment of US$0.8 million, resulting in free cash flow of US$294.2 million for fiscal year 2018, as defined by the AFFA. For the three and six months ended 30 September 2018, the Company did not provide financial or other support to AICF that it was not previously contractually required to provide.

Free cash flow as defined in the AFFA, for purposes of the 35% funding, for the six months ended 30 September 2018 is US$137.6 million.

Restricted Short-Term Investments

In July 2017, AICF invested A$100.0 million of its excess cash in time deposits. In fiscal year 2018, A$50.0 million of these time deposits matured, with the remaining A$50.0 million outstanding as of 31 March 2018. During the six months ended 30 September 2018, the remaining A$50.0 million of time deposits matured and were reclassified to *Restricted cash - Asbestos* on the condensed consolidated balance sheets.

In July 2018, AICF invested A$120.0 million (US$86.5 million, based on the exchange rate at 30 September 2018) of its excess cash in time deposits. These time deposits are reflected within *Restricted short-term investments - Asbestos* on the condensed consolidated balance sheet as of 30 September 2018 and have been classified as available-for-sale. At 30 September 2018, AICF's short-term investments were revalued resulting in a mark-to-market fair value adjustment of nil.

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

Maturity Date	Interest Rate	A$ Millions Total Amount
31 October 2018	2.60%	15.0
30 November 2018	2.60%	15.0
31 December 2018	2.60%	15.0
31 January 2019	2.61%	15.0
31 May 2019	2.50%	60.0

AICF – New South Wales Government Secured Loan Facility

AICF may borrow, subject to certain conditions, up to an aggregate amount of A$320.0 million (US$230.8 million, based on the exchange rate at 30 September 2018). 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 30 September 2018 and 31 March 2018, AICF had an outstanding balance under the AICF Loan Facility of nil.

10. Derivative Instruments

The Company uses derivatives for risk management purposes and does not engage in speculative activity. A 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 an evaluation of 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 (expense).*

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$0.7 million and US$0.4 million receivable at 30 September 2018 and at 31 March 2018, respectively, which are included in *Accounts and other receivables.*

At 30 September 2018, the weighted average fixed interest rate of these contracts is 2.2% and the weighted average remaining life is 1.3 years.

For the three months ended 30 September 2018, the Company included in *Other income (expense)* an unrealized gain of nil and a realized gain of US$0.1 million on interest rate swap contracts. For the six months ended 30 September 2018, the Company included in *Other income (expense)* an unrealized gain of US$0.3 million and a realized gain of nil on interest rate swap contracts.

For the three months ended 30 September 2017, the Company included in *Other income (expense)* an unrealized gain of US$0.2 million and a realized loss US$0.2 million on interest rate swap contracts. For the six months ended 30 September 2017, the Company included in *Other income (expense)* an unrealized gain of nil and a realized loss US$0.4 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 (expense)* at each measurement date. As discussed above, these derivatives are typically entered into as economic hedges of changes in currency exchange rates.

At 30 September 2018 and 2017, the Company did not have any forward currency contracts.

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 30 September 2018		Fair Value as of 31 March 2018	
	30 September 2018	31 March 2018	Assets	Liabilities	Assets	Liabilities
Derivatives not accounted for as hedges						
Interest rate swap contracts	$ 75.0	$ 100.0	$ 0.7	$ —	$ 0.4	$ —
Foreign currency forward contracts	—	0.8	—	—	—	—
Total	**$ 75.0**	**$ 100.8**	**$ 0.7**	**$ —**	**$ 0.4**	**$ —**

11. 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 condensed 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.

12. 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 six months ended 30 September 2018, the Company paid tax, net of any refunds received, of US$13.1 million.

Income tax expense differs from the statutory rate primarily due to the Company's mix of pre-tax income by jurisdiction, foreign taxes on domestic income, and foreign exchange on asbestos.

Deferred tax balances consist of the following components:

(Millions of US dollars)	**30 September 2018**	31 March 2018
Deferred tax assets:		
Intangible assets	**$ 1,255.2**	$ —
Asbestos liability	**346.6**	382.9
Other provisions and accruals	**36.0**	37.7
Net operating loss carryforwards	**55.0**	25.5
Foreign tax credit carryforwards	**119.1**	126.1
Total deferred tax assets	**1,811.9**	572.2
Valuation allowance	**(270.9)**	(129.6)
Total deferred tax assets net of valuation allowance	**1,541.0**	442.6
Deferred tax liabilities:		
Depreciable and amortizable assets	**(122.2)**	(81.6)
Other	**(43.7)**	(14.6)
Total deferred tax liabilities	**(165.9)**	(96.2)
Total deferred taxes, net	**$ 1,375.1**	$ 346.4

The Company adopted ASU No. 2016-16 starting with the fiscal year beginning 1 April 2018, and recorded an increase in gross deferred income tax assets of US$1,313.0 million, a valuation allowance of US$148.2 million and a decrease in other assets of US$4.5 million. The deferred income tax asset is a result of all internal restructuring transactions involving intangible assets undertaken in prior years, including the internal restructuring transaction implemented during the year ended 31 March 2018 relating to the alignment of certain intangible assets with its US business. Intangible assets have an amortizable life of 15 years for US federal tax purposes.

Deferred income taxes include European, Australian and US net operating loss carry-forwards. At 30 September 2018, the Company had European tax loss carry-forwards of approximately US$9.1 million, Australian tax loss carry-forwards of approximately US$20.0 million and US tax loss carry-forwards of approximately US$25.9 million that are available to offset future taxable income in the respective jurisdiction.

At 30 September 2018, 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 30 September 2018, the Company recognized a tax deduction of US$44.3 million (A$59.5 million) for the current year relating to total contributions to AICF of US$472.1 million (A$595.3 million) incurred in fiscal years 2015 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.

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

Unrecognized Tax Benefits

At 30 September 2018 and 31 March 2018, the total amount of unrecognized tax benefits accrued by the Company related to unrecognized tax benefits that, if recognized, would affect the tax expense is US$0.7 million.

The Company recognizes penalties and interest accrued related to unrecognized tax benefits in *Income tax expense*. During the three and six months ended 30 September 2018, the total amount of interest and penalties recognized in *Income tax expense* was US$0.1 million. The liabilities associated with uncertain tax benefits are included in *Other liabilities* on the Company's condensed consolidated balance sheets.

13. Stock-Based Compensation

Total stock-based compensation expense consists of the following:

	Three Months Ended 30 September		Six Months Ended 30 September	
(Millions of US dollars)	**2018**	2017	**2018**	2017
Liability Awards Expense	**$ 1.3**	$ 0.6	**$ 0.4**	$ 0.4
Equity Awards Expense	**2.4**	1.4	**6.2**	4.3
Total stock-based compensation expense	**$ 3.7**	$ 2.0	**$ 6.6**	$ 4.7

As of 30 September 2018, the unrecorded future stock-based compensation expense related to outstanding equity awards was US$20.7 million and will be recognized over an estimated weighted average amortization period of 2.3 years.

14. Capital Management and Dividends

The following table summarizes the dividends declared or paid during the fiscal years 2019, 2018 and 2017:

(Millions of US dollars)	US Cents/Security	US$ Millions Total Amount	Announcement Date	Record Date	Payment Date
FY 2018 second half dividend	0.30	128.5	22 May 2018	7 June 2018	3 August 2018
FY 2018 first half dividend	0.10	46.2	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

Subsequent to 30 September 2018, the Company announced an ordinary dividend of US10.0 cents per security, with a record date of 12 December 2018 and a payment date of 22 February 2019.

15. Operating Segment Information and Concentrations of Risk

During the first quarter of fiscal year 2019, the Company changed its reportable operating segments. Previously, the Company maintained four operating segments: (i) North America Fiber Cement; (ii) International Fiber Cement; (iii) Other Businesses; and (iv) Research and Development. Beginning in the first quarter of fiscal year 2019, the Company replaced the International Fiber Cement segment with two new segments: (i) Asia Pacific Fiber Cement; and (ii) Europe Building Products. There were no changes to the North America Fiber Cement; Other Businesses; and Research and Development segments. The Company has revised its historical segment information at 31 March 2018 and for the three and six months ended 30 September 2017 to be consistent with the current reportable segment structure. The change in reportable segments had no effect on the Company's financial position, results of operations or cash flows for the periods presented.

The 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 Asia Pacific 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 and various Pacific Islands. The Europe Building Products segment includes the newly acquired Fermacell business and fiber cement product manufactured in the United States that is sold in Europe. The Other Businesses segment includes certain non-fiber cement manufacturing and sales activities in North America, including fiberglass windows. The Research and Development segment represents the cost incurred by the research and development centers. General Corporate costs primarily consist of *Asbestos adjustments*, officer and employee compensation and related benefits, professional and legal fees, administrative costs and rental expense, net of rental income, on the Company's corporate offices.

Operating Segments

The following is the Company's operating segment information:

	Net Sales to Customers Three Months Ended 30 September		Net Sales to Customers Six Months Ended 30 September	
(Millions of US dollars)	**2018**	2017	**2018**	2017
North America Fiber Cement	**$ 435.6**	$ 398.1	**$ 869.4**	$ 791.2
Asia Pacific Fiber Cement	**117.3**	113.4	**234.4**	215.0
Europe Building Products	**87.4**	10.5	**182.8**	19.7
Other Businesses	**4.3**	3.8	**9.0**	7.6
Worldwide total	**$ 644.6**	$ 525.8	**$ 1,295.6**	$ 1,033.5

	Income Before Income Taxes Three Months Ended 30 September		Income Before Income Taxes Six Months Ended 30 September	
(Millions of US dollars)	**2018**	2017	**2018**	2017
North America Fiber Cement[1,9]	**$ 94.1**	$ 97.4	**$ 201.3**	$ 177.2
Asia Pacific Fiber Cement[1]	**27.5**	30.5	**55.8**	56.9
Europe Building Products[1,7]	**3.4**	0.3	**(1.2)**	0.1
Other Businesses[9]	**(17.6)**	(2.1)	**(19.1)**	(3.9)
Research and Development[1]	**(7.1)**	(7.2)	**(14.5)**	(13.3)
Segments total	**100.3**	118.9	**222.3**	217.0
General Corporate[2,6]	**(0.8)**	(21.8)	**9.1**	(35.9)
Total operating income	**99.5**	97.1	**231.4**	181.1
Net interest expense[3]	**(12.5)**	(6.8)	**(23.1)**	(13.3)
Other income (expense)	**0.1**	—	**0.3**	(0.4)
Worldwide total	**$ 87.1**	$ 90.3	**$ 208.6**	$ 167.4

(Millions of US dollars)	Total Identifiable Assets 30 September 2018	31 March 2018
North America Fiber Cement	**$ 1,165.5**	$ 1,070.7
Asia Pacific Fiber Cement	**310.7**	328.8
Europe Building Products	**716.7**	22.8
Other Businesses	**19.1**	30.1
Research and Development	**7.9**	7.5
Segments total	**2,219.9**	1,459.9
General Corporate [4,5]	**1,777.4**	891.1
Worldwide total	**$ 3,997.3**	$ 2,351.0

The following is the Company's geographical information:

(Millions of US dollars)	Net Sales to Customers Three Months Ended 30 September 2018	2017	Net Sales to Customers Six Months Ended 30 September 2018	2017
North America	**$ 439.8**	$ 402.0	**$ 878.3**	$ 798.9
Australia	**84.5**	80.1	**168.4**	151.1
Germany	**33.3**	0.7	**68.3**	1.3
New Zealand	**19.9**	21.1	**40.5**	40.1
Other Countries[8]	**67.1**	21.9	**140.1**	42.1
Worldwide total	**$ 644.6**	$ 525.8	**$ 1,295.6**	$ 1,033.5

(Millions of US dollars)	Total Identifiable Assets 30 September 2018	31 March 2018
North America	**$ 1,188.1**	$ 1,103.6
Australia	**228.3**	242.6
Germany	**513.7**	0.5
New Zealand	**34.2**	34.8
Other Countries	**255.6**	78.4
Segments total	**2,219.9**	1,459.9
General Corporate[4,5]	**1,777.4**	891.1
Worldwide total	**$ 3,997.3**	$ 2,351.0

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

(Millions of US dollars)	Three Months Ended 30 September **2018**	2017	Six Months Ended 30 September **2018**	2017
North America Fiber Cement	**$ 1.6**	$ 1.5	**$ 3.1**	$ 3.1
Asia Pacific Fiber Cement	**0.6**	0.4	**1.1**	0.8
Europe Building Products	**0.8**	—	**1.3**	—
Research and Development[a]	**6.8**	6.6	**13.7**	12.2
	$ 9.8	$ 8.5	**$ 19.2**	$ 16.1

[a] For the three months ended 30 September 2018 and 2017, the Research and Development segment also included *Selling, general and administrative expenses* of US$0.3 million and US$0.6 million, respectively. For the six months ended 30 September 2018 and 2017, the Research and Development segment also included *Selling, general and administrative expenses* of US$0.8 million and US$1.1 million, respectively.

2 Included in General Corporate costs are the following:

(Millions of US dollars)	Three Months Ended 30 September **2018**	2017	Six Months Ended 30 September **2018**	2017
Asbestos adjustments	**$ 14.2**	$ (6.6)	**$ 39.3**	$ (10.5)
AICF SG&A expenses	**(0.4)**	(0.4)	**(0.7)**	(0.8)
Gain on sale of Fontana building	**—**	—	**—**	3.4
Fermacell acquisition costs	**—**	(1.7)	**—**	(1.7)

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$0.5 million and US$0.6 million for the three months ended 30 September 2018 and 2017, respectively. Included in net interest expense is AICF net interest income of US$0.8 million and US$0.7 million for the six months ended 30 September 2018 and 2017, respectively. See note 9 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 30 September 2018 and 31 March 2018 are US$535.1 million and US$537.7 million, respectively, and are included in General Corporate costs.

6 Included in General Corporate costs is the settlement of New Zealand weathertightness legal claim of US$1.6 million for the six months ended 30 September 2018.

7 Included in the Europe Building Products segment are Fermacell transaction and integration costs of US$5.1 million and US$13.8 million for the three and six months ended 30 September 2018, respectively. Also, included in the Europe Building Products segment is the amortization of the inventory fair value adjustment of nil and US$7.3 million for the three and six months ended 30 September 2018, respectively. As this inventory was sold during the first quarter of fiscal year 2019, the entire adjustment was recognized into cost of goods sold during the same period.

8 Included are all other countries that account for less than 5% of net sales individually.

9 The following table summarizes asset impairment costs by segment:

	Three Months Ended 30 September		Six Months Ended 30 September	
(Millions of US dollars)	**2018**	2017	**2018**	2017
North America Fiber Cement[a]	**$ 3.0**	$ —	**$ 3.0**	$ —
Other Businesses[b]	**10.1**	—	**10.1**	—
	$ 13.1	$ —	**$ 13.1**	$ —

[a] For the three and six months ended 30 September 2018, the Company recorded impairment charges of US$2.6 million and US$0.4 million to *Property, plant and equipment, net* and *Intangible assets, net,* respectively, related to the discontinuance of its MCT product line.

[b] For the three and six months ended 30 September 2018, the Company recorded impairment charges of US$4.6 million, US$3.3 million and US$2.2 million to the *Goodwill, Property, Plant and equipment, net* and *Intangible assets, net*, respectively, due to the Company's decision to exit the Windows business in the second quarter of fiscal year 2019.

16. Accumulated Other Comprehensive Loss

During the six months ended 30 September 2018 there were the following reclassifications out of *Accumulated other comprehensive loss:*

(Millions of US dollars)	Cash Flow Hedges	Foreign Currency Translation Adjustments	Total
Balance at 31 March 2018	$ 0.3	$ (1.6)	$ (1.3)
Other comprehensive loss	(0.1)	(23.6)	(23.7)
Balance at 30 September 2018	**$ 0.2**	**$ (25.2)**	**$ (25.0)**

17. Business Combinations

Fermacell Acquisition

On 3 April 2018, the Company completed its acquisition of the Fermacell business with Xella International S.A. for a purchase price of €516.4 million (US$635.6 based on the exchange rate at 3 April 2018). The acquisition was pursuant to the Sales and Purchase Agreement dated 7 November 2017, and was structured as a stock purchase, resulting in 100% ownership of Fermacell. The Company financed the acquisition through a combination of cash on hand and borrowings of €400.0 million (US$492.4 million based on the exchange rate at 3 April 2018) from the Term Loan Facility. See note 8 for more information.

Headquartered in Duisburg, Germany, Fermacell operates six manufacturing plants across Germany, the Netherlands and Spain, with a sales force in 12 countries and revenues generated primarily from countries in Western Europe. Fermacell is a provider of innovative building solutions, producing and distributing high quality fiber gypsum boards and cement-bonded boards, which are two complementary products in the high performance board space. Management believes this acquisition will generate significant value by providing the Company with a significant European presence and a differentiated platform to position the Company for meaningful long-term growth in Europe.

In connection with this acquisition, the Company incurred related transaction and integration costs of approximately US$5.1 million and US$13.8 million for the three and six months ended 30 September 2018, which have been recorded in the condensed consolidated statements of operations and comprehensive income in *Selling, general and administrative expenses*.

The following is the purchase price allocation for Fermacell:

(Millions of US dollars)		
Cash and cash equivalents	$	76.9
Accounts and other receivable, net		43.7
Inventories		39.7
Other assets		4.1
Property, plant and equipment		231.5
Intangible assets		187.0
Accounts payable		(40.5)
Other liabilities		(40.0)
Deferred tax liabilities		(85.2)
Net assets acquired	$	417.2
Goodwill		218.4
Total consideration	$	635.6

The purchase price allocation set forth above reflects preliminary fair value estimates based on preliminary work and analyses performed and is subject to change as additional information to assist in determining the fair value of the net assets acquired at the closing date is obtained during the post-closing measurement period of up to one year.

The following table summarizes the estimated fair value of acquired identifiable intangible assets:

(Millions of US dollars)	Estimated remaining useful life (years)		Fair Value
Trade name	Indefinite	$	126.8
Customer relationships	13		57.8
Other intangible assets	2 - 13		2.4
Total		$	187.0

Intangible assets will be evaluated for impairment annually or more frequently if an event occurs or circumstances change that indicate it may be impaired, by comparing its fair value to its carrying amount to determine if a write-down to fair value is required.

Goodwill is attributable primarily to the benefits from the increased scale of the Company as a result of the Fermacell acquisition. Goodwill arising from the Fermacell acquisition is not deductible for income tax purposes.

Supplemental Pro Forma Results of Operations

The following unaudited supplemental pro forma information presents the results of operations of the Company, after giving effect to the Fermacell acquisition, as if the Company had completed the Fermacell acquisition and related financing (as described in Note 8) on 1 April 2017, but using the preliminary estimates of the fair values of the assets acquired and liabilities assumed as of the closing dates of the acquisition. These unaudited pro forma results are presented for informational purposes only and are not necessarily indicative of what the actual results of operations of the Company would have been if the Fermacell acquisition and related financing had occurred on the date assumed, nor are they indicative of future results of operations.

James Hardie Industries Consolidated Pro Forma

	Three Months Ended 30 September		Six Months Ended 30 September	
	2018	2017	**2018**	2017
(Millions of US dollars)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Net sales	**$ 644.6**	$ 600.2	**$ 1,295.6**	$ 1,180.2
Income before income taxes	**92.2**	94.8	**229.7**	177.8

Europe Building Products Pro Forma

	Three Months Ended 30 September		Six Months Ended 30 September	
	2018	2017	**2018**	2017
(Millions of US dollars)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Net sales	**$ 87.4**	$ 84.6	**$ 182.8**	$ 166.1
Income before income taxes	**8.5**	7.2	**19.9**	15.1

The unaudited pro forma results include the depreciation and amortization of the fair value of the acquired property, plant and equipment, customer relationships and other intangible assets and interest expense on the 364-day term loan used to acquire Fermacell. The unaudited pro forma results exclude the impact of the transaction and integration costs of US$5.1 million and US$13.8 million for three and six months ended 30 September 2018, respectively. The unaudited pro forma results also excludes the impact of the inventory fair value adjustment of US$7.3 million for the six months ended 30 September 2018.

James Hardie Industries plc (Company)

Directors' Report

for the half year ended 30 September 2018

Directors

As of the date of this report the members of the Board are: MN Hammes (Chairman), BP Anderson, R Chenu, A Gisle Joosen, D Harrison, P Lisboa, A Littley, A Lloyd, RMJ van der Meer and L Gries (CEO).

There have been two changes to the composition of the Board between 1 April 2018 and the date of this report. A Lloyd was appointed as a director on 4 November 2018 and S Simms resigned as a director on 23 August 2018.

Review of Operations

Please see Management's Analysis of Results relating to the period ended 30 September 2018.

Auditor's Independence

The Directors obtained an annual independence declaration from the Company's auditors, Ernst & Young LLP.

This report is made in accordance with a resolution of the Board.

/s/	/s/
MN Hammes Chairman	L Gries Chief Executive Officer

Dublin, Ireland, 8 November 2018

James Hardie Industries plc

Board of Directors' Declaration
for the half year ended 30 September 2018

The Board declares that with regard to the attached financial statements and notes:

a) the financial statements and notes comply with the accounting standards in accordance with which they were prepared;

b) the information contained in the financial statements and notes fairly presents, in all material respects, the financial condition and results of operations of the Company; and

c) in the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board.

/s/	/s/
MN Hammes Chairman	L Gries Chief Executive Officer

Dublin, Ireland, 8 November 2018