Results for Announcement to the Market

James Hardie Industries plc

ARBN 097 829 895

Nine Months Ended 31 December 2016				
Key Information	Nine Months Ended 31 December 2016			
	FY2017 US$M	FY2016 US$M	Movement	
Net Sales From Ordinary Activities	1,427.3	1,292.4	Up	10%
Profit From Ordinary Activities After Tax Attributable to Shareholders	232.0	215.6	Up	8%
Net Profit Attributable to Shareholders	232.0	215.6	Up	8%
Net Tangible (Liabilities) Assets per Ordinary Share	US$(0.61)	US($0.60)	Down	2%

Dividend Information

- An FY2017 first half ordinary dividend (“**FY2017 first half dividend”**) of US10.0 cents per security is payable to CUFS holders on 24 February 2017.
- The record date to determine entitlements to the FY2017 first half dividend was 21 December 2016 (on the basis of proper instruments of transfer received by the Company’s registrar, Computershare Investor Services Pty Ltd, Level 4, 60 Carrington Street, Sydney NSW 2000, Australia, by 5:00pm if securities are not CHESS approved, or security holding balances established by 5:00pm or such later time permitted by ASTC Operating Rules if securities are CHESS approved).
- The FY2017 first half dividend and future dividends will be unfranked for Australian taxation purposes.
- The company will be required to deduct Irish DWT (currently 20% of the gross dividend amount) from this dividend and future dividends, unless the beneficial owner has completed and returned a non-resident declaration form (DWT Form).
- The Australian currency equivalent amount of the FY2017 first half dividend to be paid to CUFS holders is 13.7840 Australian cents. The amount payable to shareholders who have elected to receive their dividend in NZ dollars or British pounds will be paid in those currencies.
- No dividend reinvestment plan is in operation for the FY2017 first half dividend.
- The FY2016 second half ordinary dividend (“**FY2016 second half dividend**”) of US29.0 cents per security was paid to share/CUFS holders on 05 August 2016.

Movements in Controlled Entities during the Nine Months Ended 31 December 2016

There were no movements in controlled entities during nine months ended 31 December 2016.

Review

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

Results for the 3rd Quarter and Nine Months Ended 31 December 2016

Contents

James Hardie Industries plc is incorporated under the laws of Ireland with its corporate seat in Dublin, Ireland. The liability of members is limited. The information contained in the above documents should be read in conjunction with the James Hardie 2016 Annual Report which can be found on the company website at www.jameshardie.com.

James Hardie Announces Adjusted Net Operating Profit of US$52.6 million for Q3 Fiscal Year 2017 and US$194.0 million for the nine months ended 31 December 2016

James Hardie today announced results for the third quarter of fiscal year 2017 and the nine months ended 31 December 2016:

- Group Adjusted net operating profit of US$52.6 million for the quarter and US$194.0 million for the nine months, a decrease of 6% for the quarter and an increase of 5% for the nine months, compared to the prior corresponding periods (“pcp”);
- Group Adjusted EBIT of US$73.5 million for the quarter and US$277.2 million for the nine months, a decrease of 10% for the quarter and an increase of 4% for the nine months, compared to pcp;
- Group net sales of US$453.8 million for the quarter and US$1,427.3 million for the nine months, an increase of 10% for both the quarter and nine months, compared to pcp;
- North America Fiber Cement Segment volume for the quarter and nine months increased 10% and 13%, respectively, compared to pcp;
- North America Fiber Cement Segment net sales of US$350.9 million for the quarter and US$1,105.7 million for the nine months, an increase of 10% and 12%, respectively, compared to pcp;
- North America Fiber Cement Segment EBIT margin of 21.5% for the quarter and 24.2% for the nine months; and
- International Fiber Cement Segment EBIT margin of 22.0% for the quarter and 23.1% for the nine months;

CEO Commentary

James Hardie CEO Louis Gries said, “Our North America Fiber Cement segment for the quarter and nine month period, delivered an increase in net sales of 10% and 12%, respectively, driven by higher volumes. The volume performance was offset by manufacturing inefficiencies and start-up costs associated with increasing our network capacity. Additionally, we continued to invest in organization costs and market development programs to better position us for future growth. The combination of below target manufacturing performance and continuing our commitment to investing in the organization resulted in EBIT for the quarter decreasing 11% and EBIT for the nine month period being flat.”

He added, “Within our International Fiber Cement business, net sales increased 7% for the third quarter and 6% for the nine month period. Furthermore, for the quarter, EBIT increased 35%, while EBIT margin increased 4.6 points, driven primarily by the non-recurrence of Carole Park related start-up costs for our Australian business, reported in the prior corresponding period.”

Mr. Gries concluded, “Our group results for the nine months reflected strong top line growth and strong cash generation, yet weaker than anticipated bottom line growth when compared to the prior corresponding period.”

Outlook

The Company expects to see steady growth in the US housing market in fiscal year 2017, assuming new construction starts between approximately 1.2 and 1.3 million. We expect net volume growth for the North America Fiber Cement segment to likely outpace overall market growth by mid-to-high single digits.

We expect our North America Fiber Cement segment EBIT margin to be in our stated target range of 20% to 25% for fiscal year 2017. This expectation is based upon the Company continuing to deliver operating performance in its plants consistent with recent quarters, and stable exchange rates and input cost trends.

Net sales from the Australian business are expected to trend in line with the average growth of the domestic repair and remodel and single detached housing markets in the eastern states of Australia. Similarly, the New Zealand business is expected to deliver improved results supported by a growth in residential markets in the North Island.

Full Year Earnings Guidance

Management notes the range of analysts' forecasts for net operating profit excluding asbestos for the year ending 31 March 2017 is between US$252 million and US$269 million. Management expects full year Adjusted net operating profit to be between US$245 million and US$255 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 2016 was US$242.9 million. The Company is unable to forecast the comparable US GAAP financial measure due to uncertainty regarding the impact of actuarial estimates on asbestos-related assets and liabilities in future periods.

Further Information

Readers are referred to the Company's Condensed Consolidated Financial Statements and Management's Analysis of Results for the third quarter and nine months ended 31 December 2016 for additional information regarding the Company's results, including information regarding income taxes, the asbestos liability and contingent liabilities.

As of 30 June 2016, the Company changed its reportable operating segments. Previously, the Company reported on three operating segments: (i) North America and Europe Fiber Cement, (ii) Asia Pacific Fiber Cement, and (iii) Research and Development. As of 30 June 2016, the Company began reporting on four operating segments: (i) North America Fiber Cement; (ii) International Fiber Cement; (iii) Other Businesses; and (iv) Research and Development. The significant changes to how certain businesses are reported in the new segment structure are as follows: (i) our European business is now reported in the International Fiber Cement segment, along with the other businesses that were historically reported in the Asia Pacific Fiber Cement segment; and (ii) business development, including some non-fiber cement operations, such as our Windows business in North America, are now reported in the Other Businesses segment as opposed to previously being reported in the North America and Europe Fiber Cement segment. The Company has revised its historical segment information at 31 March 2016 and for the third quarter and nine months ended 31 December 2015 to be consistent with the new reportable segment structure. The change in reportable segments had no effect on the Company's financial position, results of operations or cash flows for the periods presented. Readers are referred to Note 14 of our condensed consolidated financial statements for further information on our segments.

Use of Non-GAAP Financial Information; Australian Equivalent Terminology

This Media Release includes financial measures that are not considered a measure of financial performance under generally accepted accounting principles in the United States (GAAP), such as Adjusted net operating profit and Adjusted EBIT. These non-GAAP financial measures should not be considered to be more meaningful than the equivalent GAAP measure. Management has included such measures to provide investors with an alternative method for assessing its operating results in a manner that is focused on the performance of its ongoing operations and excludes the impact of certain legacy items, such as asbestos adjustments. Additionally, management uses such non-GAAP financial measures for the same purposes. However, these non-GAAP financial measures are not prepared in accordance with US GAAP, may not be reported by all of the Company's competitors and may not be directly comparable to similarly titled measures of the Company's competitors due to potential differences in the exact method of calculation. For additional information regarding the non-GAAP financial measures presented in this Media Release, including a reconciliation of each non-GAAP financial measure to the equivalent US GAAP measure, see the sections titled "Definition and Other Terms" and "Non-US GAAP Financial Measures" included in the Company's Management's Analysis of Results for the third quarter and nine months ended 31 December 2016.

In addition, this Media Release includes financial measures and descriptions that are considered to not be in accordance with US GAAP, but which are consistent with financial measures reported by Australian companies, such as operating profit, EBIT and EBIT margin. Since the Company prepares its Consolidated Financial Statements in accordance with US GAAP, the Company provides investors with a table and definitions presenting cross-references between each US GAAP financial measure used in the Company's Consolidated Financial Statements to the equivalent non-US GAAP financial measure used in this press release. See the sections titled "Definition and Other Terms" included in the Company's Management's Analysis of Results for third quarter and nine months ended 31 December 2016.

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 2016; 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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Q3 FY17 MANAGEMENT PRESENTATION

03 February 2017

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

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

Examples of forward-looking statements include:

- statements about the company's future performance;
- projections of the company's results of operations or financial condition;
- statements regarding the company's plans, objectives or goals, including those relating to strategies, initiatives, competition, acquisitions, dispositions and/or its products;
- expectations concerning the costs associated with the suspension or closure of operations at any of the company's plants and future plans with respect to any such plants;
- expectations concerning the costs associated with the significant capital expenditure projects at any of the company's plants and future plans with respect to any such projects;
- expectations regarding the extension or renewal of the company's credit facilities including changes to terms, covenants or ratios;
- expectations concerning dividend payments and share buy-backs;
- statements concerning the company's corporate and tax domiciles and structures and potential changes to them, including potential tax charges;
- statements regarding tax liabilities and related audits, reviews and proceedings;
- 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 19 May 2016, include, but are not limited to: all matters relating to or arising out of the prior manufacture of products that contained asbestos by current and former company subsidiaries; required contributions to AICF, any shortfall in AICF and the effect of currency exchange rate movements on the amount recorded in the company’s financial statements as an asbestos liability; governmental loan facility to AICF; compliance with and changes in tax laws and treatments; competition and product pricing in the markets in which the company operates; the consequences of product failures or defects; exposure to environmental, asbestos, putative consumer class action or other legal proceedings; general economic and market conditions; the supply and cost of raw materials; possible increases in competition and the potential that competitors could copy the company’s products; reliance on a small number of customers; a customer’s inability to pay; compliance with and changes in environmental and health and safety laws; risks of conducting business internationally; compliance with and changes in laws and regulations; currency exchange risks; dependence on customer preference and the concentration of the company’s customer base on large format retail customers, distributors and dealers; dependence on residential and commercial construction markets; the effect of adverse changes in climate or weather patterns; possible inability to renew credit facilities on terms favorable to the company, or at all; acquisition or sale of businesses and business segments; changes in the company’s key management personnel; inherent limitations on internal controls; use of accounting estimates; and all other risks identified in the company’s reports filed with Australian, Irish and US securities regulatory agencies and exchanges (as appropriate). The company cautions you that the foregoing list of factors is not exhaustive and that other risks and uncertainties may cause actual results to differ materially from those referenced in the company’s forward-looking statements. Forward-looking statements speak only as of the date they are made and are statements of the company’s current expectations concerning future results, events and conditions. The company assumes no obligation to update any forward-looking statements or information except as required by law.

NOTE TO THE READER

As of 30 June 2016, the Company changed its reportable operating segments. Previously, the Company reported on three operating segments: (i) North America and Europe Fiber Cement, (ii) Asia Pacific Fiber Cement, and (iii) Research and Development. As of 30 June 2016, the Company began reporting on four operating segments: (i) North America Fiber Cement, (ii) International Fiber Cement, (iii) Other Businesses, and (iv) Research and Development. The significant changes to how certain businesses are reported in the new segment structure are as follows: (i) our European business is now reported in the International Fiber Cement segment, along with the other businesses that were historically reported in the Asia Pacific Fiber Cement segment, and (ii) business development, including some non-fiber cement operations, such as our Windows business in North America, are now reported in the Other Businesses segment as opposed to previously being reported in the North America and Europe Fiber Cement segment. The Company has provided its historical segment information at 31 March 2016 and for the third quarter and nine months ended 31 December 2015 to be consistent with the new reportable segment structure. The change in reportable segments had no effect on the Company's financial position, results of operations or cash flows for the periods presented. Readers are referred to Note 14 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 measure for the same purposes. These financial measures include:

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

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

In addition, this Management Presentation includes financial measures and descriptions that are considered to not be in accordance with US GAAP, but which are consistent with financial measures reported by Australian companies, such as operating profit, EBIT and EBIT margin. Since the Company prepares its Consolidated Financial Statements in accordance with US GAAP, the Company provides investors with a table and definitions presenting cross-references between each US GAAP financial measure used in the Company’s 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]					
3rd Qtr			Nine Months		
US$52.6M	↓	6%	US$194.0M	↑	5%

Adjusted Diluted EPS[1]					
3rd Qtr			Nine Months		
US12 cents		Flat	US44 cents	↑	7%

Adjusted EBIT [2]					
3rd Qtr			Nine Months		
US$73.5M	↓	10%	US$277.2M	↑	4%

Net Operating Cash Flow		
Nine Months		
US$265.8M	↑	33%

Adjusted EBIT Margin % [2]					
3rd Qtr			Nine Months		
16.2%	↓	3.5 pts	19.4%	↓	1.2 pts

- Higher volume in North America Fiber Cement segment
- Higher average net sales price in International Fiber Cement segment
- Weaker than anticipated bottom line growth due to high production costs in North America Fiber Cement segment
- YTD North America Fiber Cement EBIT margin of 24.2%
- Net operating cash flow increased US$65.3 million during nine months compared to pcp

1 *Excludes Asbestos related expenses and adjustments and tax adjustments*
2 *Excludes Asbestos related expenses and adjustments*

NORTH AMERICA FIBER CEMENT SUMMARY

	Q3'17	9 Months FY17
Net Sales	**US$350.9**M ⬆ 10%	**US$1,105.7**M ⬆ 12%
Sales Volume	**516.7** mmsf ⬆ 10%	**1,636.8** mmsf ⬆ 13%
Average Price	**US$670** per msf Flat	**US$666** per msf ⬇ 1%
EBIT	**US$75.5**M ⬇ 11%	**US$267.8**M Flat

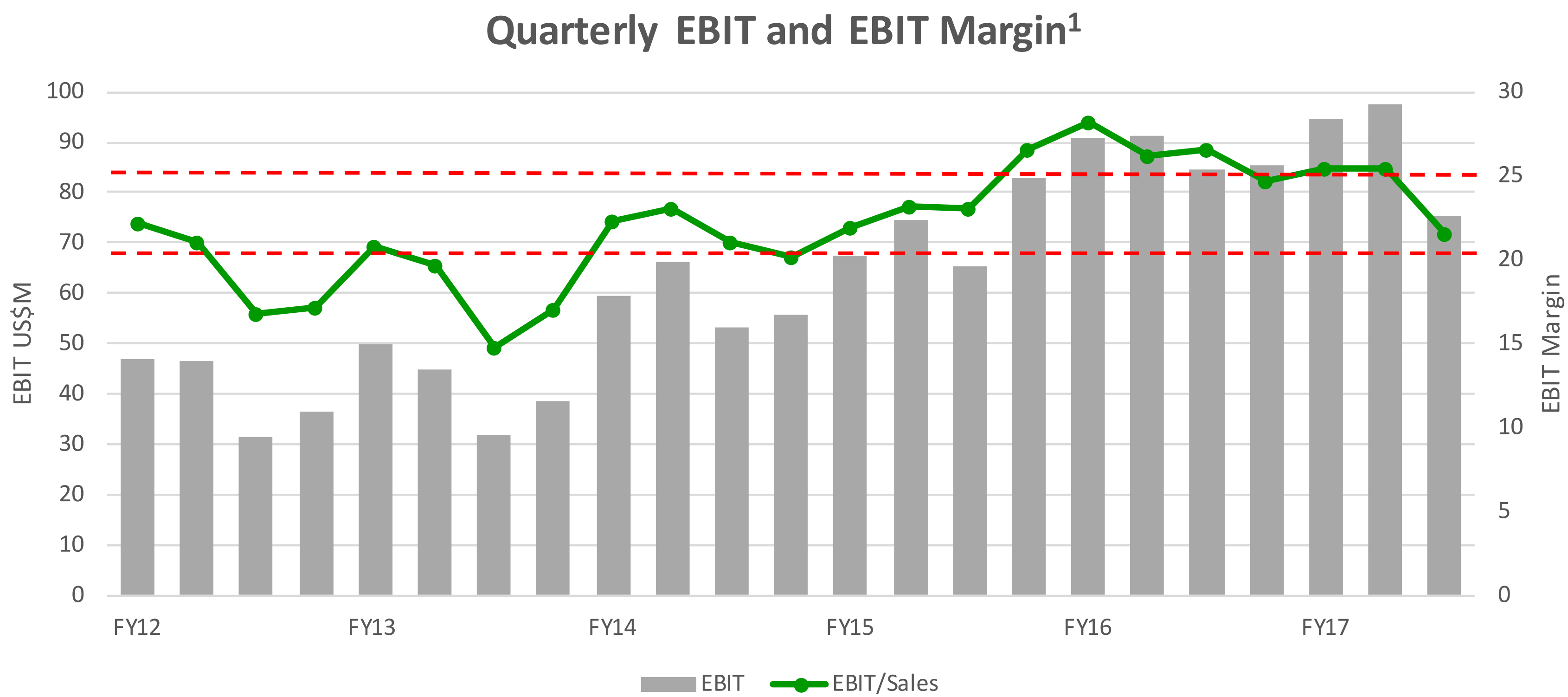
Volume

- Steady growth in R&R and new construction markets
- Market penetration momentum continues to improve
- Volume growth constrained by manufacturing capacity

EBIT

- EBIT for the quarter decreased compared to pcp due to:
  - Unfavorable plant performance
  - Accelerated and higher than planned start-up costs
  - Higher freight costs
  - Increased depreciation due to newly commissioned lines and assets
  - Investment in sales and marketing, and organization capability, to drive PDG

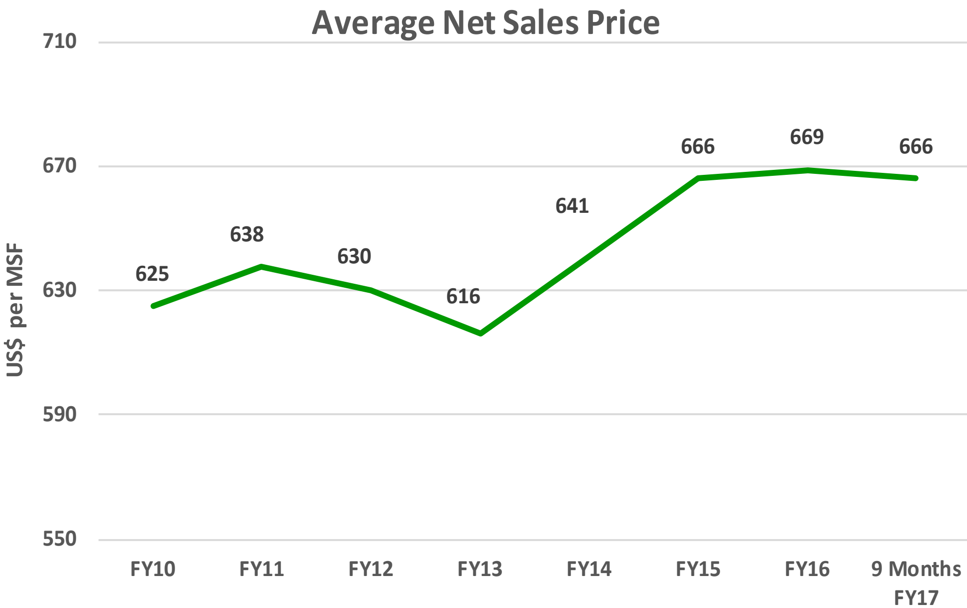
NORTH AMERICA FIBER CEMENT

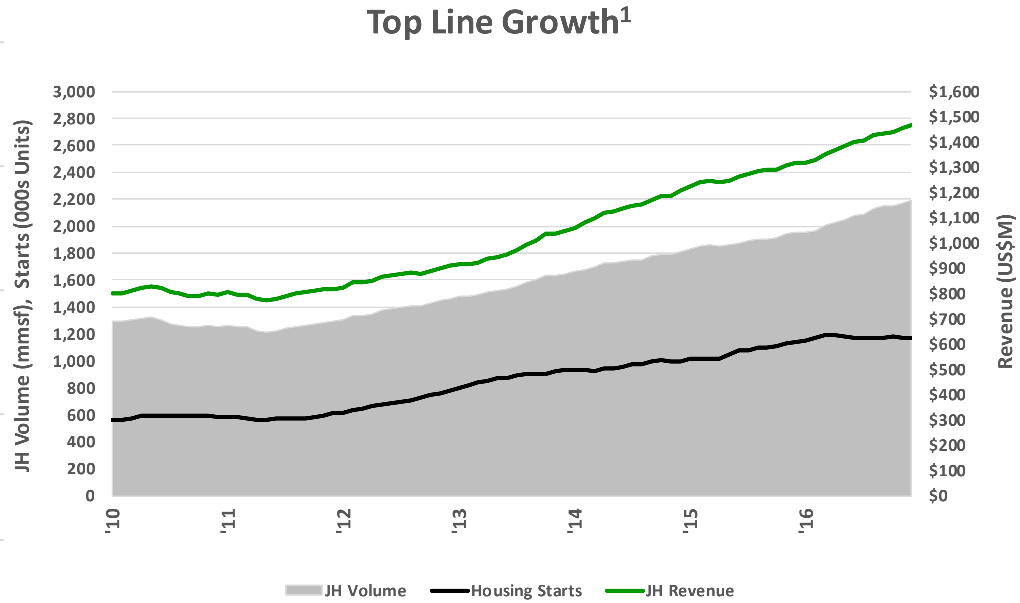


YTD EBIT Margin % in target range, but down 280 bps to 24.2% compared to pcp

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

NORTH AMERICA FIBER CEMENT





- Slight decrease ~1% due to maintaining current strategic pricing levels
- Overall, satisfied with tactical pricing and price positioning

- Q3 FY17 revenue up 10% on 10% volume growth
- YTD revenue up 12% on 13% volume growth
- Continuing to outpace U.S. housing starts

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

INTERNATIONAL FIBER CEMENT SUMMARY

	Q3'17	9 Months FY17
Net Sales	**US$99.5**M ↑ 7%	**US$309.0**M ↑ 6%
Sales Volume	**115.4** mmsf ↓ 1%	**361.3** mmsf ↓ 2%
Sales Volume Excluding [1]	**115.4** mmsf ↓ 1%	**361.3** mmsf ↑ 1%
Average Price	**US$790** per msf ↑ 8%	**US$786** per msf ↑ 6%
EBIT	**US$21.9**M ↑ 35%	**US$71.5**M ↑ 22%

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

Volume

- YTD volume increased 1%, excluding the Pipes business
  - Volume growth in Australia, New Zealand and Europe
  - Volume declined in Philippines

Price

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

EBIT

- Strong results in Australia and New Zealand driven by price and lower production costs due to prior year Carole Park start-up costs
- Partially offset by Philippines business and higher SG&A expenses across the segment relative to pcp

INTERNATIONAL FIBER CEMENT (USD)

Q3'17			9 Months FY17		
Australia			Australia [1]		
Volume	Net Sales	EBIT	Volume	Net Sales	EBIT
↑	↑	↑	↑	↑	↑

Australia

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

Q3'17			9 Months FY17		
New Zealand			New Zealand		
Volume	Net Sales	EBIT	Volume	Net Sales	EBIT
↑	↑	↑	↑	↑	Flat

New Zealand

- Higher average net sales price and volume

Q3'17			9 Months FY17		
Philippines			Philippines		
Volume	Net Sales	EBIT	Volume	Net Sales	EBIT
↓	↓	↓	↓	↓	↓

Philippines

- Volume, net sales and EBIT lower
- Entrance of competitor imports during the nine month period

Q3'17			9 Months FY17		
Europe			Europe		
Volume	Net Sales	EBIT	Volume	Net Sales	EBIT
↑	↓	↑	↑	↑	↑

Europe

- YTD volume, sales and EBIT growth compared to pcp

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

FINANCIAL REVIEW

Matt Marsh, EVP and CFO

RESULTS – 3rd QUARTER FY17

Three Months Ended 31 December			
US$ Millions	**Q3'17**	**Q3'16**	**% Change**
Net sales	453.8	413.9	10
Gross profit	155.0	149.5	4
SG&A expenses	(74.6)	(61.4)	(21)
EBIT	108.7	52.1	
Net operating profit	87.9	25.4	
Adjusted EBIT [1]	73.5	81.6	(10)
Adjusted net operating profit [2]	52.6	55.8	(6)

1 Excludes Asbestos related expenses and adjustments
2 Excludes Asbestos related expenses and adjustments and tax adjustments

Net sales increased 10%

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

Gross profit increased 4%, gross margin % down 190 bps

SG&A expenses increased 21%

- Continued investment in all segments
- Includes foreign exchange losses

Adjusted net operating profit decreased 6%

- Adjusted EBIT decreased 10% compared to pcp
- North America Fiber Cement segment EBIT decreased 11% versus pcp

RESULTS – NINE MONTHS FY17

Nine Months Ended 31 December			
US$ Millions	**9 Months FY17**	**9 Months FY16**	**% Change**
Net sales	1,427.3	1,292.4	10
Gross profit	513.9	472.1	9
SG&A expenses	(215.7)	(185.5)	(16)
EBIT	315.0	297.7	6
Net operating profit	232.0	215.6	8
Adjusted EBIT [1]	277.2	266.5	4
Adjusted net operating profit [2]	194.0	184.5	5

1 Excludes Asbestos related expenses and adjustments
2 Excludes Asbestos related expenses and adjustments and tax adjustments

Net sales increased 10%

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

Gross profit increased 9%, gross margin % down 50 bps

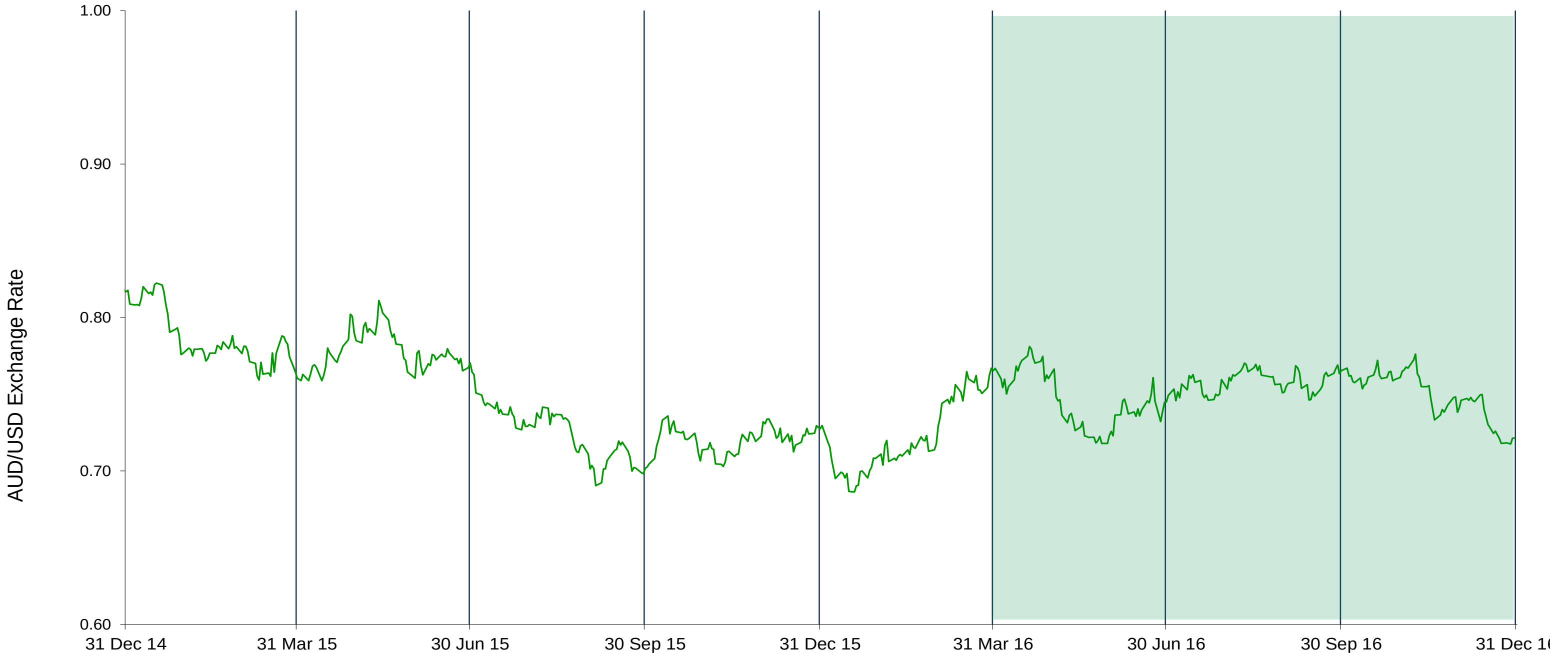
SG&A expenses increased 16%

- Continued investment in all segments
- Includes foreign exchange losses

Adjusted net operating profit increased 5%

- Adjusted EBIT increased 4% compared to pcp

CHANGES IN AUD vs. USD



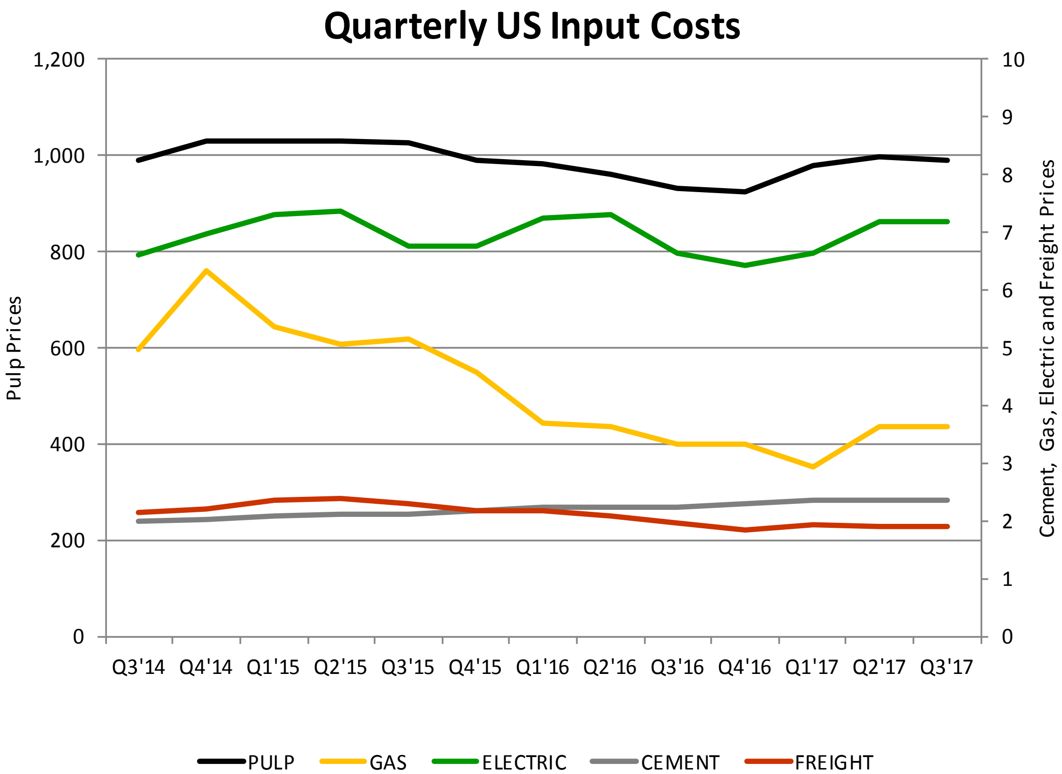
	As Reported			Excluding Translation Impact [1]	
US$ Millions	9 Months FY17	9 Months FY16	% Change	9 Months FY17	% Change
Net Sales	$ 1,427.3	1,292.4	▲ 10%	$ 1,426.0	▲ 10%
Gross Profit	513.9	472.1	▲ 9%	513.0	▲ 9%
Adjusted EBIT	277.2	266.5	▲ 4%	276.4	▲ 4%
Adjusted net operating profit	$ 194.0	184.5	▲ 5%	$ 194.6	▲ 5%

Translation Impact [2]	
$ (Unfav)/Fav	%
1.3	-
0.9	-
0.8	-
(0.6)	-

[1] *As Reported 9 Months FY17 figures converted using 9 Months FY16 weighted average exchange rates*

[2] *Reflects the difference between 9 Months FY17 As Reported and 9 Months FY17 using 9 Months FY16 weighted average exchange rates*

NORTH AMERICA INPUT COSTS

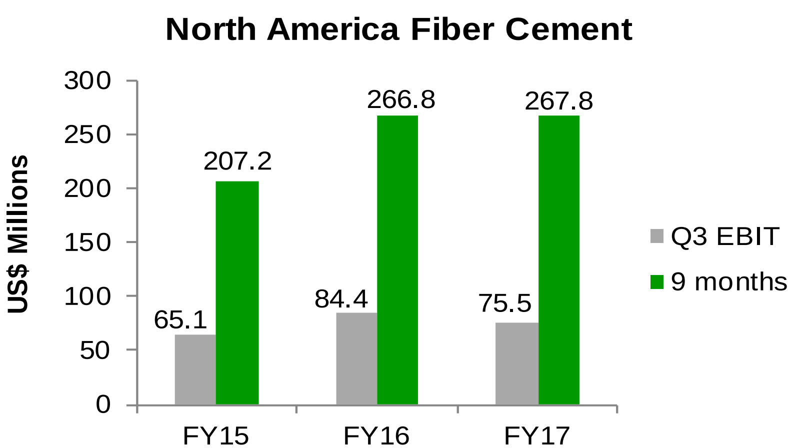


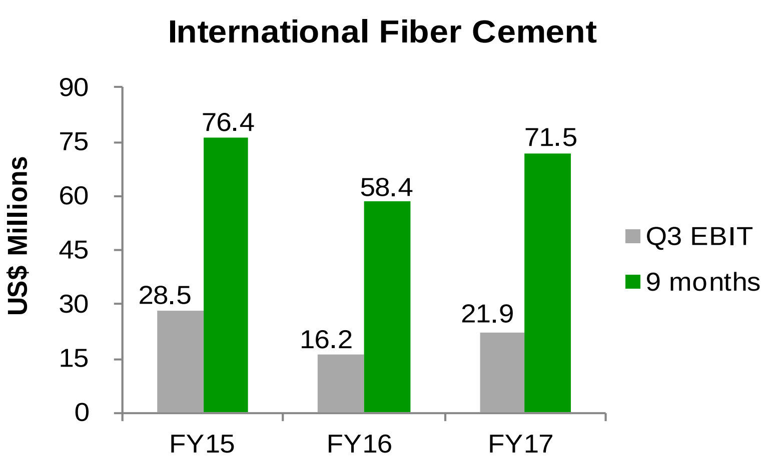
The information underlying the table above is sourced as follows:

- *Pulp – Cost per ton – from RISI*
- *Gas – Cost per thousand cubic feet for industrial users – from US Energy Information Administration*
- *Electric – Cost per thousand kilowatt hour for industrial users – from US Energy Information Administration*
- *Cement – Relative index from the Bureau of Labor Statistics*
- *Freight – Cost per mile – from Dial-a-Truck Solutions*
- *Gas and Electric prices for Q3'17 are based on Q2'17 actuals*

- The price of NBSK **pulp** increased 6% compared to pcp
- **Cement** prices continue to rise, up 5% compared to pcp
- **Gas** prices are up 9% compared to pcp
- **Freight** market prices are **down** 2% compared to pcp
- **Electricity** prices are up 9% compared to pcp

SEGMENT EBIT – 3rd QUARTER and NINE MONTHS FY17





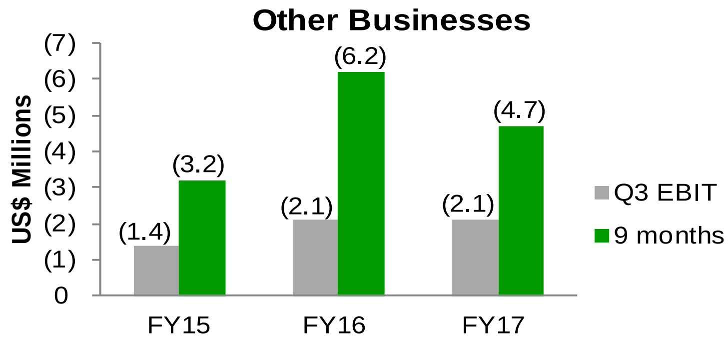
North America Fiber Cement EBIT summary

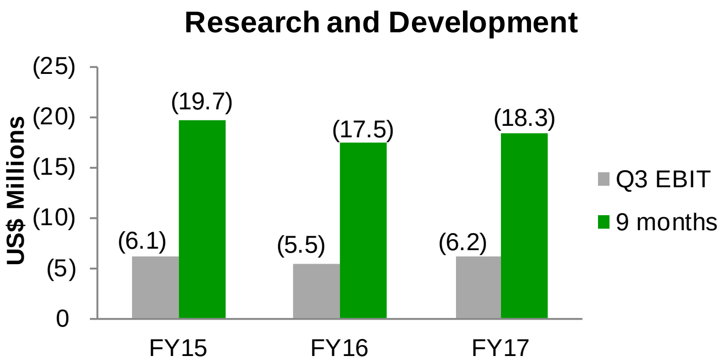
- Q3 FY17 EBIT decreased 11% and YTD EBIT remained flat compared to pcp
- Driven by unfavorable plant performance, increased start-up costs, increased depreciation and continued investment in SG&A expense

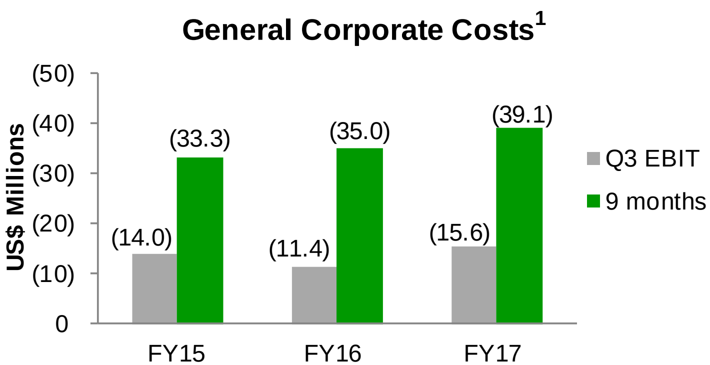
International Fiber Cement EBIT summary

- Q3 FY17 and YTD EBIT increased by 35% and 22%, respectively, compared to pcp
- Higher average net sales price and higher volumes in Australia, New Zealand and Europe
- Volume decrease in Philippines driven by entrance of competitor imports during the nine month period
- Lower production costs largely due to non-recurring prior year Carole Park start up

SEGMENT EBIT – 3rd QUARTER and NINE MONTHS FY17







Other Businesses

- Q3 FY17 EBIT remained flat and YTD EBIT loss improved by 24% compared to pcp
- Driven by improving performance of Windows business

R&D

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

General Corporate Costs

- Continued investment in organization capability to support current and future growth initiatives
- Increase in foreign exchange losses for the quarter and decrease in foreign exchange losses for YTD

[1] *Excludes Asbestos related expenses and adjustments*

INCOME TAX

Three Months and Nine Months Ended 31 December				
US$ Millions	**Q3'17**	**Q3'16**	**9 Months FY17**	**9 Months FY16**
Operating profit before taxes	102.9	47.3	295.9	282.5
Asbestos adjustments[1]	(35.0)	29.6	(37.0)	(31.1)
Adjusted operating profit before income taxes	**67.9**	**76.9**	**258.9**	**251.4**
Adjusted income tax expense[2]	(15.3)	(21.1)	(64.9)	(66.9)
Adjusted effective tax rate	**22.5%**	**27.4%**	**25.1%**	**26.6%**
Income tax expense	(15.0)	(21.9)	(63.9)	(66.9)
Income taxes paid			42.4	46.1
Income taxes payable			5.7	7.3

25.1% estimated adjusted effective tax rate for the year

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

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

CASHFLOW

US$ Millions	9 Months FY17	9 Months FY16	Change (%)
Net Income	**232.0**	**215.6**	**8**
Adjustment for non-cash items	50.5	36.8	37
Annual AICF contribution	(91.1)	(62.8)	(45)
Operating working capital[1]	75.3	15.0	
Other net operating activities	(0.9)	(4.1)	
Cash Flow from Operations	**265.8**	**200.5**	**33**
Purchases of property, plant and equipment[2]	(60.1)	(54.6)	(10)
Proceeds from sale of property, plant and equipment	-	10.4	
Acquisition of assets	-	(0.5)	
Free Cash Flow	**205.7**	**155.8**	**32**
Dividends paid	(130.2)	(206.8)	37
Net proceeds from borrowings and notes[3]	(4.4)	97.1	
Share related activities	(96.6)	(18.1)	
Free Cash Flow after Financing Activities	**(25.5)**	**28.0**	

1 *Excludes AP related to capital expenditures*
2 *Includes capitalized interest*
3 *Includes debt issuance costs*

Increase in net operating cash flow

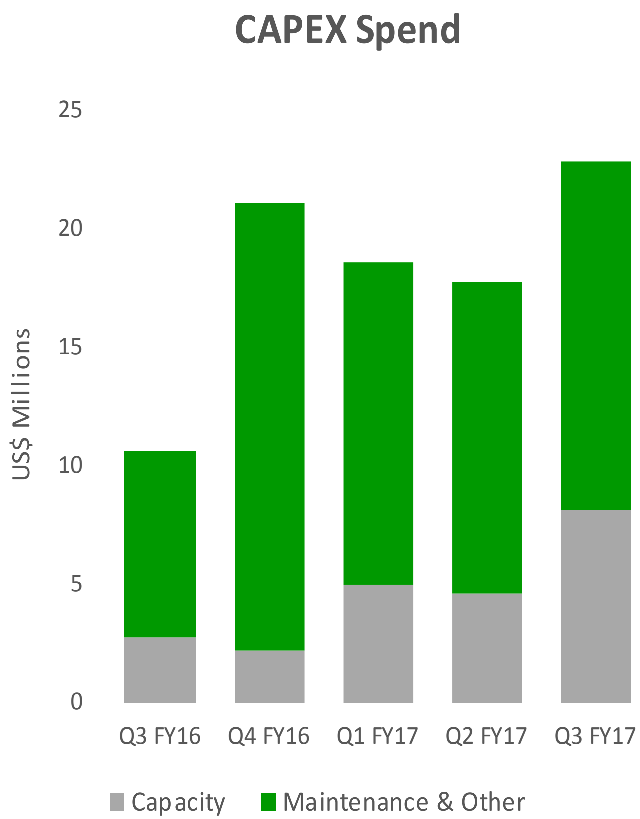
- Increase in net income adjusted for non-cash items
- Favorable changes in working capital
- Partially offset by increase in the annual AICF contribution

Higher capital expenditures

Higher financing activities

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

CAPITAL EXPENDITURES



- YTD CAPEX of US$58.5 million up by 12% compared to pcp
- **North America capacity projects:**
  - Commissioned 3rd sheet machine at Cleburne;
  - Continued start-up of the 3rd sheet machine and began recommissioning a 4th sheet machine at Plant City facility;
  - Work underway to restart our Summerville facility, which is on track to be commissioned in early fiscal year 2018;
  - And continuing start-up of both sheet machines at Fontana facility
- **Additionally, announced US$121.5 million greenfield capacity project in Tacoma, WA, expected commissioning in second half of FY19**
- Continue to expand capacity at our Philippines facility, expected to be competed in first half of FY18

FINANCIAL MANAGEMENT SUPPORTING GROWTH

Strong Financial Management

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

Moody's	S&P	Fitch
Ba1 (upgraded Jun'16)	**BB** (upgraded Feb'16)	**BBB-** (affirmed Jan'16)

Disciplined Capital Allocation

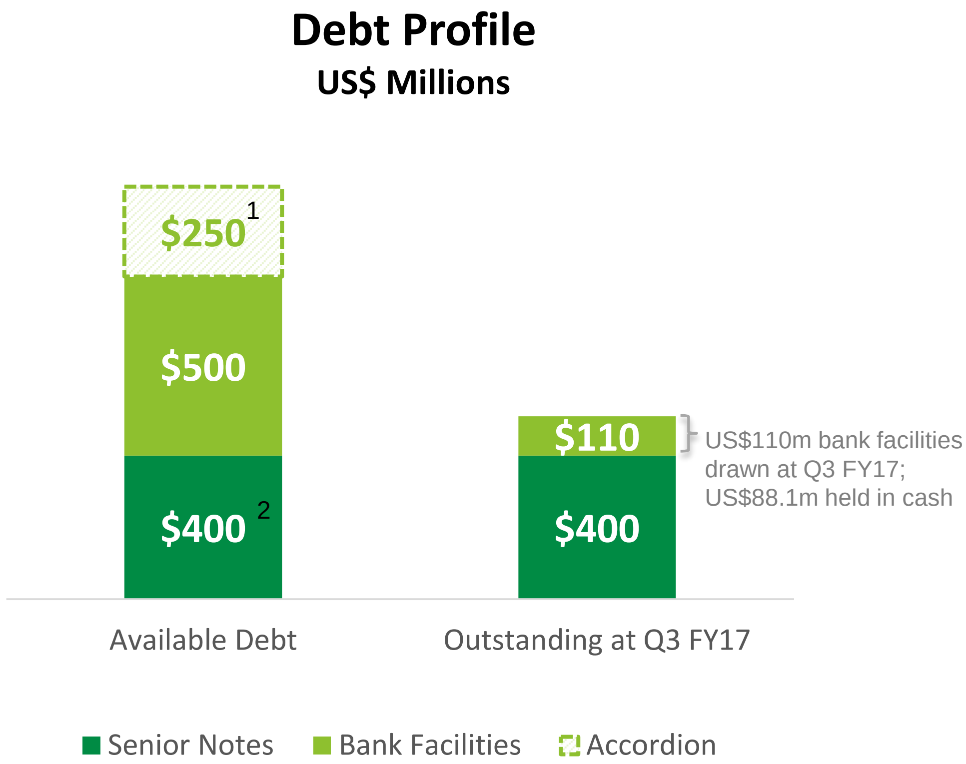
- Invest in R&D and capacity expansion to support organic growth
- Maintain ordinary dividends within the defined payout ratio
- Flexibility for:
  - Accretive and strategic inorganic opportunities
  - Cyclical market volatility
  - Further shareholder returns when appropriate

Liquidity and Funding

- Conservative leveraging of balance sheet within 1-2 times adjusted EBITDA target
  - US$500 million of unsecured revolving credit facility; US$400 million senior unsecured notes at Q3 FY17
  - Weighted average maturity of 3.9 years on bank facilities; 4.9 years on total debt at Q3 FY17
  - 78% liquidity on bank debt at Q3 FY17

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

LIQUIDITY PROFILE



Strong balance sheet

- US$88.1 million cash
- US$410.9 million net debt[3] at Q3 FY17
- 78% liquidity on bank debt at Q3 FY17

Corporate debt structure

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

Leverage strategy

- 0.92x net debt to EBITDA excluding asbestos; slightly below the 1-2x leverage target range

1 *Incremental liquidity of up to US$250 million may be accessed via an accordion feature, which is provided for under the terms of the syndicated revolving credit facility agreement, but not credit approved*
2 *Callable from 15 February 2018; callable at par from 15 February 2021*
3 *Excludes Short-term debt – Asbestos; includes unamortized OID ($2.0 million); bond premium ($2.1 million) and debt issuance costs ($11.2 million)*

FY2017 GUIDANCE

- Management notes the range of analysts' forecasts for net operating profit excluding asbestos for the year ending 31 March 2017 is between US$252 million and US$269 million

- Management expects full year Adjusted net operating profit to be between **US$245 million** and **US$255 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 of approximately 1.2 and 1.3 million, and input prices and an average USD/AUD exchange rate that is at or near current levels for the remainder of the year

- Management cautions that although US housing activity has been improving, market conditions remain somewhat uncertain and some input costs remain volatile. Management is unable to forecast the comparable US GAAP financial measure due to uncertainty regarding the impact of actuarial estimates on asbestos-related assets and liabilities in future periods

QUESTIONS

James Hardie

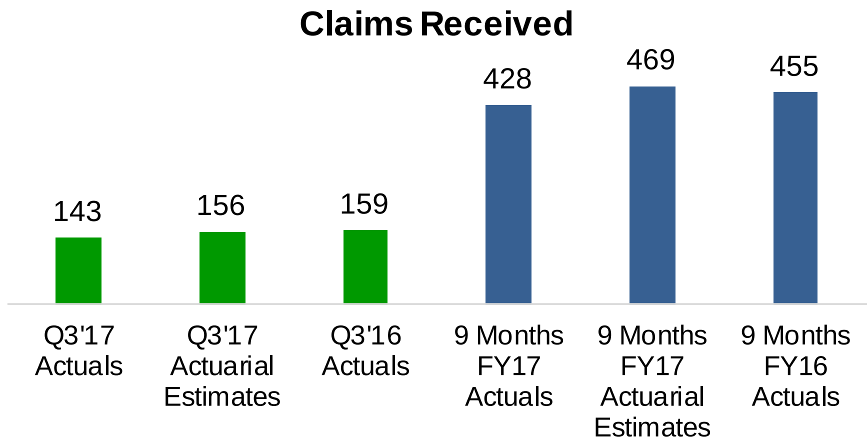
APPENDIX

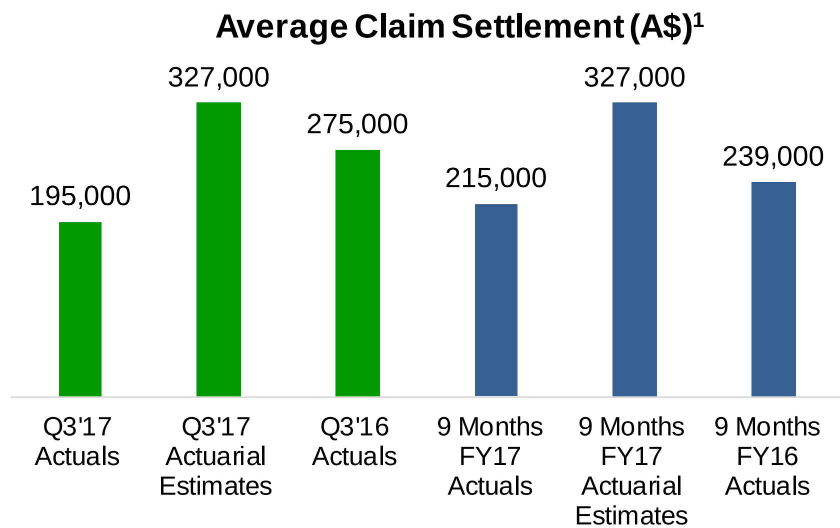
FINANCIAL SUMMARY

US$ Millions	Q3'17	Q3'16	% Change	9 Months FY17	9 Months FY16	% Change
	Three Months and Nine Months Ended 31 December					
Net Sales						
North America Fiber Cement	$ 350.9	$ 317.9	10	$ 1,105.7	$ 989.2	12
International Fiber Cement	99.5	92.9	7	309.0	292.5	6
Other Businesses	3.4	3.1	10	12.6	10.7	18
Total Net Sales	**$ 453.8**	**$ 413.9**	**10**	**$ 1,427.3**	**$ 1,292.4**	**10**
EBIT						
North America Fiber Cement	$ 75.5	$ 84.4	(11)	$ 267.8	$ 266.8	-
International Fiber Cement	21.9	16.2	35	71.5	58.4	22
Other Businesses	(2.1)	(2.1)	-	(4.7)	(6.2)	24
Research & Development	(6.2)	(5.5)	(13)	(18.3)	(17.5)	(5)
General Corporate[1]	(15.6)	(11.4)	(37)	(39.1)	(35.0)	(12)
Adjusted EBIT	**$ 73.5**	**$ 81.6**	**(10)**	**$ 277.2**	**$ 266.5**	**4**
Net interest expense excluding AICF interest income	(7.0)	(6.6)	(6)	(19.5)	(19.1)	(2)
Other income	1.4	1.9	(26)	1.2	4.0	(70)
Adjusted income tax expense	(15.3)	(21.1)	27	(64.9)	(66.9)	3
Adjusted net operating profit	**$ 52.6**	**$ 55.8**	**(6)**	**$ 194.0**	**$ 184.5**	**5**

[1] *Excludes Asbestos related expenses and adjustments*

ASBESTOS CLAIMS DATA





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

- Quarter and nine months claims received decreased by 10% and 6%, respectively, compared to pcp
- Quarter and nine months claims received were 8% and 9%, below actuarial estimates, respectively
- Mesothelioma claims reported during the nine months:
  - 11% lower than pcp
  - 6% lower than actuarial estimates
- Average claim settlement for the quarter and nine months is 40% and 34% below actuarial estimates, respectively:
  - Lower average claim settlement sizes across most disease types
  - Large mesothelioma claims are lower in number compared to pcp
  - Lower average claim size for non-large mesothelioma claims

DEPRECIATION AND AMORTIZATION

US$ Millions	Three Months and Nine Months Ended 31 December							
	Q3'17		Q3'16		9 Months FY17		9 Months FY16	
Depreciation and amortization								
North America Fiber Cement	$	17.8	$	15.4	$	48.0	$	45.4
International Fiber Cement		3.0		2.8		8.9		6.4
Other Businesses		0.6		0.5		1.7		1.5
Research and Development		0.5		0.3		1.4		1.2
General Corporate		0.7		0.3		2.5		0.6
Total depreciation and amortization	**$**	**22.6**	**$**	**19.3**	**$**	**62.5**	**$**	**55.1**

DEFINITIONS AND OTHER TERMS

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

Definitions

Non-financial Terms

AFFA – Amended and Restated Final Funding Agreement

AICF – Asbestos Injuries Compensation Fund Ltd

NON-US GAAP FINANCIAL MEASURES

Financial Measures – US GAAP equivalents

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

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

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

NON-US GAAP FINANCIAL MEASURES

EBIT – Earnings before interest and taxes

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

Sales Volumes

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

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

NON-US GAAP FINANCIAL MEASURES

Financial Measures – US GAAP equivalents

Adjusted EBIT

US$ Millions	Three Months and Nine Months Ended 31 December			
	Q3'17	Q3'16	9 Months FY17	9 Months FY16
EBIT	**$ 108.7**	**$ 52.1**	**$ 315.0**	**$ 297.7**
Asbestos:				
Asbestos adjustments	(35.6)	29.0	(39.0)	(32.5)
AICF SG&A expenses	0.4	0.5	1.2	1.3
Adjusted EBIT	**$ 73.5**	**$ 81.6**	**$ 277.2**	**$ 266.5**
Net sales	$ 453.8	$ 413.9	$ 1,427.3	$ 1,292.4
Adjusted EBIT margin	**16.2%**	**19.7%**	**19.4%**	**20.6%**

Adjusted net operating profit

US$ Millions	Three Months and Nine Months Ended 31 December			
	Q3'17	Q3'16	9 Months FY17	9 Months FY16
Net operating profit	**$ 87.9**	**$ 25.4**	**$ 232.0**	**$ 215.6**
Asbestos:				
Asbestos adjustments	(35.6)	29.0	(39.0)	(32.5)
AICF SG&A expenses	0.4	0.5	1.2	1.3
AICF interest expense, net	0.2	0.1	0.8	0.1
Asbestos and other tax adjustments	(0.3)	0.8	(1.0)	-
Adjusted net operating profit	**$ 52.6**	**$ 55.8**	**$ 194.0**	**$ 184.5**

NON-US GAAP FINANCIAL MEASURES

Adjusted diluted earnings per share

	Three Months and Nine Months Ended 31 December			
	Q3'17	Q3'16	9 Months FY17	9 Months FY16
Adjusted net operating profit (US$ Millions)	**$ 52.6**	**$ 55.8**	**$ 194.0**	**$ 184.5**
Weighted average common shares outstanding - Diluted (millions)	441.6	447.1	444.8	447.3
Adjusted diluted earnings per share (US cents)	**12**	**12**	**44**	**41**

Adjusted effective tax rate

US$ Millions	Three Months and Nine Months Ended 31 December			
	Q3'17	Q3'16	9 Months FY17	9 Months FY16
Operating profit before income taxes	**$ 102.9**	**$ 47.3**	**$ 295.9**	**$ 282.5**
Asbestos:				
Asbestos adjustments	(35.6)	29.0	(39.0)	(32.5)
AICF SG&A expenses	0.4	0.5	1.2	1.3
AICF interest expense, net	0.2	0.1	0.8	0.1
Adjusted operating profit before income taxes	**$ 67.9**	**$ 76.9**	**$ 258.9**	**$ 251.4**
Income tax expense	$ (15.0)	$ (21.9)	$ (63.9)	$ (66.9)
Asbestos-related and other tax adjustments	(0.3)	0.8	(1.0)	-
Adjusted income tax expense	**$ (15.3)**	**$ (21.1)**	**$ (64.9)**	**$ (66.9)**
Effective tax rate	14.6%	46.3%	21.6%	23.7%
Adjusted effective tax rate	**22.5%**	**27.4%**	**25.1%**	**26.6%**

NON-US GAAP FINANCIAL MEASURES

Adjusted EBITDA

US$ Millions	Three Months and Nine Months Ended 31 December			
	Q3'17	Q3'16	9 Months FY17	9 Months FY16
EBIT	**$ 108.7**	**$ 52.1**	**$ 315.0**	**$ 297.7**
Depreciation and amortization	22.6	19.3	62.5	55.1
Adjusted EBITDA	**$ 131.3**	**$ 71.4**	**$ 377.5**	**$ 352.8**

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

US$ Millions	Three Months and Nine Months Ended 31 December			
	Q3'17	Q3'16	9 Months FY17	9 Months FY16
SG&A expenses	**$ 74.6**	**$ 61.4**	**$ 215.7**	**$ 185.5**
Excluding:				
AICF SG&A expenses	(0.4)	(0.5)	(1.2)	(1.3)
Adjusted SG&A expenses	**$ 74.2**	**$ 60.9**	**$ 214.5**	**$ 184.2**
Net Sales	$ 453.8	$ 413.9	$ 1,427.3	$ 1,292.4
SG&A expenses as a percentage of net sales	16.4%	14.8%	15.1%	14.4%
Adjusted SG&A expenses as a percentage of net sales	**16.4%**	**14.7%**	**15.0%**	**14.3%**

Q3 FY17 MANAGEMENT PRESENTATION

03 February 2017

Fiscal 2017
Third Quarter and Nine Months Ended 31 December 2016

James Hardie

Management's Analysis of Results

This Management's Analysis of Results forms part of a package of information about James Hardie Industries plc's results. It should be read in conjunction with the other parts of this package, including the Media Release, the Management Presentation and the 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 and Results can be found in the sections titled "Definitions and Other Terms" and "Non-GAAP Financial Measures."

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

These documents, along with an audio webcast of the Management Presentation on 03 February 2017, are available from the Investor Relations area of our website at *http://www.ir.jameshardie.com.au*

NOTE TO THE READER:

As of 30 June 2016, the Company changed its reportable operating segments. Previously, the Company reported on three operating segments: (i) North America and Europe Fiber Cement, (ii) Asia Pacific Fiber Cement, and (iii) Research and Development. As of 30 June 2016, the Company began reporting on four operating segments: (i) North America Fiber Cement, (ii) International Fiber Cement, (iii) Other Businesses, and (iv) Research and Development. The significant changes to how certain businesses are reported in the new segment structure are as follows: (i) our European business is now reported in the International Fiber Cement segment, along with the other businesses that were historically reported in the Asia Pacific Fiber Cement segment, and (ii) business development, including some non-fiber cement operations, such as our Windows business in North America, are now reported in the Other Businesses segment as opposed to previously being reported in the North America and Europe Fiber Cement segment. The Company has provided its historical segment information at 31 March 2016 and for the third quarter and nine months ended 31 December 2015 to be consistent with the new reportable segment structure. The change in reportable segments had no effect on the Company's financial position, results of operations or cash flows for the periods presented. Readers are referred to Note 14 of our condensed consolidated financial statements for further information on our segments.

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Laura Vize
Manager, Investor Relations & Corporate Communications

Telephone: +61 2 8845 3353

Email: media@jameshardie.com.au

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

US$ Millions	Three Months and Nine Months Ended 31 December					
	Q3 FY17	Q3 FY16	Change %	9 Months FY17	9 Months FY16	Change %
Net sales	**$ 453.8**	**$ 413.9**	**10**	**$ 1,427.3**	**$ 1,292.4**	**10**
Cost of goods sold	(298.8)	(264.4)	(13)	(913.4)	(820.3)	(11)
Gross profit	**155.0**	**149.5**	**4**	**513.9**	**472.1**	**9**
Selling, general and administrative expenses	(74.6)	(61.4)	(21)	(215.7)	(185.5)	(16)
Research and development expenses	(7.3)	(7.0)	(4)	(22.2)	(21.4)	(4)
Asbestos adjustments	35.6	(29.0)		39.0	32.5	20
EBIT	**108.7**	**52.1**		**315.0**	**297.7**	6
Net interest expense	(7.2)	(6.7)	(7)	(20.3)	(19.2)	(6)
Other income	1.4	1.9	(26)	1.2	4.0	(70)
Operating profit before income taxes	102.9	47.3		295.9	282.5	5
Income tax expense	(15.0)	(21.9)	32	(63.9)	(66.9)	4
Net operating profit	**$ 87.9**	**$ 25.4**		**$ 232.0**	**$ 215.6**	8
Earnings per share - basic (US cents)	20	6		52	48	
Earnings per share - diluted (US cents)	20	6		52	48	
Volume (mmsf)	632.1	586.7	8	1,998.1	1,819.2	10

Net sales for the quarter and the nine months increased 10% from the prior corresponding periods to US$453.8 million and US$1,427.3 million, respectively. For both periods net sales were favorably impacted by higher sales volumes in the North America Fiber Cement segment and higher average net sales price in the International Fiber Cement segment.

Gross profit of US$155.0 million for the quarter and US$513.9 million for the nine months increased 4% and 9%, respectively, when compared with the prior corresponding periods. Gross profit margin of 34.2% for the quarter and 36.0% for the nine months decreased 1.9 percentage points and 0.5 percentage points, respectively, when compared with the prior corresponding periods.

Selling, general and administrative ("SG&A") of US$74.6 million for the quarter and US$215.7 million for the nine months increased 21% and 16%, respectively, when compared with the prior corresponding periods. The increase primarily reflects higher SG&A costs driven by increased global investment in headcount and market development activities.

Research and development ("R&D") expenses for the quarter and nine months increased 4% from the prior corresponding periods to US$7.3 million and US$22.2 million, respectively, primarily due to an increase in the number of R&D projects being undertaken by the R&D team.

Asbestos adjustments 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.

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

Net operating profit for the quarter increased compared to the prior corresponding periods, primarily due to the favorable underlying performance of the operating business units, favorable movement of asbestos adjustments and a decrease in income tax expense. Net operating profit for the nine months increased compared to the prior corresponding periods, primarily due to the favorable underlying performance of the operating business units, the favorable movement of asbestos adjustments and a decrease income tax expense.

North America Fiber Cement Segment

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

US$ Millions	Three Months and Nine Months Ended 31 December					
	Q3 FY17	Q3 FY16	Change	9 Months FY17	9 Months FY16	Change
Volume (mmsf)	516.7	469.6	10%	1,636.8	1,451.2	13%
Average net sales price per unit (per msf)	US$670	US$669	-	US$666	US$673	(1%)
Net sales	350.9	317.9	10%	1,105.7	989.2	12%
Gross profit			(3%)			5%
Gross margin (%)			(4.6 pts)			(2.2 pts)
EBIT	75.5	84.4	(11%)	267.8	266.8	-
EBIT margin (%)	21.5	26.5	(5.0 pts)	24.2	27.0	(2.8 pts)

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

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

We note that there are a number of data sources that measure US housing market growth, most of which have reported mid to high single-digit growth in recent quarters when compared to prior corresponding periods. However, at the time of filing our results for the quarter ended 31 December 2016, only US Census Bureau data was available. According to the US Census Bureau, single family housing starts for the quarter were 186,300, or 12% above the prior corresponding period, and for the half year ended 31 December 2016, single family housing starts were 610,500, or 6% above the prior corresponding period.

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

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

For the Three Months Ended 31 December 2016:	
Higher average net sales price	0.1 pts
Higher production costs	(4.7 pts)
Total percentage point change in gross margin	(4.6 pts)

For the Nine Months Ended 31 December 2016:	
Lower average net sales price	(0.8 pts)
Higher production costs	(1.4 pts)
Total percentage point change in gross margin	(2.2 pts)

Gross margin for the quarter decreased 4.6 percentage points primarily a result of higher production costs. The higher production costs resulted from unfavorable plant performance, higher freight costs, increased startup costs and increased depreciation associated with newly capitalized lines.

Gross margin for the nine months decreased 2.2 percentage points primarily as a result of higher production costs. The higher production costs result from unfavorable plant performance, increased startup costs and increased depreciation associated with newly capitalized lines.

EBIT for the quarter decreased 11% driven by a 3% decrease in gross profit and an increase in SG&A. EBIT for the nine months was flat, driven by a 5% increase in gross profit, offset by an increase in SG&A.

The 16% and 18% increase in SG&A expense for the quarter and nine months, respectively, was driven by an increase in our headcount in an effort to build and align organizational capability with anticipated growth of the company, as well as increased spending on our market development activities. As a percentage of sales, SG&A increased by 0.6 percentage points and 0.5 percentage points for the quarter and nine months, respectively, when compared to prior periods.

EBIT margin for the quarter and nine months decreased 5.0 percentage points and 2.8 percentage points to 21.5% and 24.2%, respectively, when compared to the prior corresponding periods, driven primarily by the increases in production costs and SG&A spend, both described above.

International Fiber Cement Segment

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

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

US$ Millions	Three Months and Nine Months Ended 31 December					
	Q3 FY17	Q3 FY16	Change %	9 Months FY17	9 Months FY16	Change %
Volume (mmsf)	115.4	117.1	(1%)	361.3	368.0	(2%)
Volume (mmsf) excluding[1]	115.4	117.1	(1%)	361.3	358.2	1%
Average net sales price per unit (per msf)	US$790	US$733	8%	US$786	US$742	6%
Average net sales price per unit (per msf)[1]	US$790	US$733	8%	US$786	US$748	5%
Net Sales	99.5	92.9	7%	309.0	292.5	6%
Gross Profit			29%			20%
Gross Margin (%)			6.4 pts			4.4 pts
EBIT	21.9	16.2	35%	71.5	58.4	22%
EBIT Margin (%)	22.0	17.4	4.6 pts	23.1	20.0	3.1 pts

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

Volume for the quarter decreased 1%, primarily driven by lower volume in the Philippines business due to penetration of competitor imports within the Philippines market, partially offset by volume growth in our Australian, New Zealand and European businesses.

Net sales for the quarter increased 7% compared to the prior corresponding period primarily due to higher average net sales price, partially offset by lower volume. Average net sales price in US dollars was primarily driven by favorable product and geographic mix, and the effects of our annual price increase across the businesses.

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

Net sales for the nine months increased 6% compared to the prior corresponding period, and increased 8% excluding Australian Pipes. The increase in net sales excluding Australian Pipes was primarily driven by the Australian and New Zealand businesses which had higher volumes along with higher average net sales price. Average net sales price in US dollars was primarily driven by favorable product and geographic mix, and the effects of our annual price increase across the businesses.

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

For the Three Months Ended 31 December 2016:	
Higher average net sales price and mix	5.1 pts
Lower production costs	1.3 pts
Total percentage point change in gross margin	6.4 pts

For the Nine Months Ended 31 December 2016:	
Higher average net sales price and mix	4.0 pts
Lower production costs	0.4 pts
Total percentage point change in gross margin	4.4 pts

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

EBIT for the quarter and nine months increased by 35% and 22%, respectively, when compared to the prior corresponding period, to US$21.9 million and US$71.5 million, respectively, due to the increase in gross profit described above, partially offset by higher SG&A expenses. The increase in SG&A was driven by an increase in headcount in an effort to build and align organizational capability with anticipated demand growth, as well as increased spending on our market development activities.

Country Analysis

Australia

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

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

EBIT for the quarter and nine months increased by 35% and 33%, respectively, compared to the prior corresponding periods, driven by improved gross profit, partially offset by higher SG&A expenses related to marketing and employee costs.

While we have provided Australian Bureau of Statistics data in prior periods, we note that December 2016 data is not available at the filing date of this document. However we note the data for the eight months ended 30 November 2016, was consistent with prior period data trends.

New Zealand

Net sales for the quarter and nine months increased primarily due to higher sales volumes from addressable markets and a higher average net sales price due to our price increase.

Philippines

EBIT for both the quarter and nine months was lower compared to the prior corresponding periods due to lower volumes driven by the entrance of competitor imports during the nine month period. While recent periods suggest that the volume impact has steadied, this change in the overall competitive landscape is expected to persist within the Philippines market.

Europe

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

Other Businesses Segment

	Three Months and Nine Months Ended 31 December					
US$ Millions	**Q3 FY17**	**Q3 FY16**	**Change %**	**9 Months FY17**	**9 Months FY16**	**Change %**
Net sales	3.4	3.1	10%	12.6	10.7	18%
Gross profit			33%			74%
Gross profit margin (%)			15.2 pts			28.5 pts
EBIT	(2.1)	(2.1)	-	(4.7)	(6.2)	24%

We continue to invest in strategic future growth business development opportunities and continue to incur losses in our Other Businesses segment. EBIT loss for the quarter remained flat at US$2.1 million, when compared to the prior corresponding period. EBIT for the nine months improved 24% to a loss of US$4.7 million when compared to the prior corresponding period. This improvement was driven by increased volume and lower per unit production costs in the Windows business.

Research and Development Segment

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

US$ Millions	Three Months and Nine Months Ended 31 December					
	Q3 FY17	**Q3 FY16**	**Change %**	**9 Months FY17**	**9 Months FY16**	**Change %**
Segment R&D expenses	$ (5.4)	$ (5.2)	(4)	$ (16.5)	$ (15.9)	(4)
Segment R&D SG&A expenses	(0.8)	(0.3)	-	(1.8)	(1.6)	(13)
Total R&D EBIT	$ (6.2)	$ (5.5)	(13)	$ (18.3)	$ (17.5)	(5)

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

Other R&D expenses associated with commercialization projects in business units are recorded in the results of the respective business unit segment. Other R&D expenses associated with commercialization projects were US$1.9 million for the quarter and US$5.7 million for the nine months, compared to US$1.8 million and US$5.5 million for the prior corresponding periods.

General Corporate

Results for General Corporate for the quarter and nine months ended 31 December were as follows:

US$ Millions	Three Months and Nine Months Ended 31 December					
	Q3 FY17	Q3 FY16	Change %	9 Months FY17	9 Months FY16	Change %
General Corporate SG&A expenses	$ (15.6)	$ (11.4)	(37)	$ (39.1)	$ (35.0)	(12)
Asbestos:						
Asbestos Adjustments	35.6	(29.0)		39.0	32.5	20
AICF SG&A Expenses[1]	(0.4)	(0.5)	20	(1.2)	(1.3)	8
General Corporate EBIT	$ 19.6	$ (40.9)		$ (1.3)	$ (3.8)	66

[1] Relates to non-claims related operating costs incurred by AICF, which we consolidate into our financial results due to our pecuniary and contractual interests in AICF. Readers are referred to Note 7 of our 31 December 2016 Condensed Consolidated Financial Statements for further information on the Asbestos Adjustments

For the quarter, General Corporate SG&A expenses increased US$4.2 million primarily due to higher employee costs driven by an increase in headcount, higher discretionary spending primarily associated with consulting and legal fees and an increase in recognized foreign exchange losses. For the nine months, General Corporate SG&A expenses increased US$4.1 million primarily due to higher employee costs driven by an increase in headcount and higher discretionary spending primarily associated with consulting and legal fees, partially offset by a decrease in recognized foreign exchange losses.

Asbestos adjustments for both periods 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:

Q3 FY17		Q3 FY16		9 Months FY17		9 Months FY16	
30 September 2016	0.7628	30 September 2015	0.7017	31 March 2016	0.7657	31 March 2015	0.7636
31 December 2016	0.7236	31 December 2015	0.7305	31 December 2016	0.7236	31 December 2015	0.7305
Change ($)	(0.0392)	Change ($)	0.0288	Change ($)	(0.0421)	Change ($)	(0.0331)
Change (%)	(5%)	Change (%)	4%	Change (%)	(5%)	Change (%)	(4%)

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

EBIT

The table below summarizes EBIT results as discussed above:

US$ Millions	Three Months and Nine Months Ended 31 December					
	Q3 FY17	Q3 FY16	Change %	9 Months FY17	9 Months FY16	Change %
North America Fiber Cement	$ 75.5	$ 84.4	(11)	$ 267.8	$ 266.8	-
International Fiber Cement	21.9	16.2	35	71.5	58.4	22
Other	(2.1)	(2.1)	-	(4.7)	(6.2)	24
Research & Development	(6.2)	(5.5)	(13)	(18.3)	(17.5)	(5)
General Corporate[1]	(15.6)	(11.4)	(37)	(39.1)	(35.0)	(12)
Adjusted EBIT	**73.5**	**81.6**	**(10)**	**277.2**	**266.5**	**4**
Asbestos:						
Asbestos adjustments	35.6	(29.0)		39.0	32.5	20
AICF SG&A expenses	(0.4)	(0.5)	20	(1.2)	(1.3)	8
EBIT	**$ 108.7**	**$ 52.1**		**$ 315.0**	**$ 297.7**	**6**

[1] Excludes Asbestos-related expenses and adjustments

Net Interest Expense

US$ Millions	Three Months and Nine Months Ended 31 December					
	Q3 FY17	Q3 FY16	Change %	9 Months FY17	9 Months FY16	Change %
Gross interest expense	$ (7.5)	$ (7.0)	(7)	$ (21.4)	$ (20.5)	(4)
Capitalized Interest	0.5	0.7	(29)	1.6	2.5	(36)
Interest income	-	0.1		0.3	0.3	-
Realized loss on interest rate swaps	-	(0.4)		-	(1.4)	
Net AICF interest expense	(0.2)	(0.1)		(0.8)	(0.1)	
Net interest expense	**$ (7.2)**	**$ (6.7)**	**(7)**	**$ (20.3)**	**$ (19.2)**	**(6)**

Gross interest expense for the quarter and nine months increased US$0.5 million and US$0.9 million, respectively, when compared to the prior corresponding periods, primarily due to the higher outstanding balance of our senior unsecured notes, partially offset by a reduction in the total cost of funding charged under our unsecured revolving credit facility in the current period when compared to the percentage charged under the bilateral credit facilities in the prior corresponding periods. For the nine months, AICF interest expense increased by US$0.7 million when compared to the prior corresponding period, due to an increase in the balance of AICF's borrowing under its loan facility with the New South Wales Government.

Other Income

During the quarter, other income decreased from US$1.9 million in the prior corresponding period to US$1.4 million. The US$0.5 million unfavorable change in other income compared to prior period is driven by an unfavorable movement of US$0.3 million in our net foreign exchange forward contracts.

For the nine months, other income decreased from US$4.0 million in the prior corresponding period to US$1.2 million. The US$2.8 million unfavorable change in other income compared to prior corresponding period is primarily due to the non-recurring US$2.1 million gain on the sale of Australian Pipes business in the first quarter of fiscal 2016 and an unfavorable movement of US$1.2 million in our net foreign exchange forward contracts.

Income Tax

	Three Months and Nine Months Ended 31 December			
	Q3 FY17	Q3 FY16	9 Months FY17	9 Months FY16
Income tax expense (US$ Millions)	(15.0)	(21.9)	(63.9)	(66.9)
Effective tax rate (%)	14.6	46.3	21.6	23.7
Adjusted income tax expense[1] (US$ Millions)	(15.3)	(21.1)	(64.9)	(66.9)
Adjusted effective tax rate[1] (%)	22.5	27.4	25.1	26.6

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

Total income tax expense for the quarter and nine months decreased by US$6.9 million and US$3.0 million, respectively, driven primarily by a decrease in the effective tax rate. For the quarter, the decrease in the effective tax rate was primarily caused by a favorable movement in asbestos adjustments of US$35.6 million compared to an unfavorable movement of US$29.0 million in the prior quarter. For the nine months, the decrease in the effective tax rate was driven by a lower proportion of taxable earnings in jurisdictions with higher tax rates, in particular the USA.

Total Adjusted income tax expense for the quarter and nine months decreased by US$5.8 million and US$2.0 million, respectively, when compared to the prior corresponding period. The decrease was primarily due to a decrease in the adjusted effective tax rate due to a lower proportion of taxable earnings in jurisdictions with higher tax rates, in particular the USA.

Readers are referred to Note 11 of our 31 December 2016 condensed consolidated financial statements for further information related to income tax.

Net Operating Profit

US$ Millions	Three Months and Nine Months Ended 31 December					
	Q3 FY17	Q3 FY16	Change %	9 Months FY17	9 Months FY16	Change %
EBIT	**$ 108.7**	**$ 52.1**		**$ 315.0**	**$ 297.7**	6
Net interest expense	(7.2)	(6.7)	(7)	(20.3)	(19.2)	(6)
Other income	1.4	1.9	(26)	1.2	4.0	(70)
Income tax expense	(15.0)	(21.9)	32	(63.9)	(66.9)	4
Net operating profit	**87.9**	**25.4**		**232.0**	**215.6**	**8**
Excluding:						
Asbestos:						
Asbestos adjustments	(35.6)	29.0		(39.0)	(32.5)	(20)
AICF SG&A expenses	0.4	0.5	(20)	1.2	1.3	(8)
AICF interest expense, net	0.2	0.1		0.8	0.1	
Asbestos and other tax adjustments	(0.3)	0.8		(1.0)	-	
Adjusted net operating profit	**$ 52.6**	**$ 55.8**	**(6)**	**$ 194.0**	**$ 184.5**	**5**
Adjusted diluted earnings per share (US cents)	12	12		44	41	

Adjusted net operating profit of US$52.6 million for the quarter decreased US$3.2 million, or 6%, compared to the prior corresponding period, primarily due to the underlying performance of the operating business units, as reflected in the US$8.1 million decrease in Adjusted EBIT, partially offset by a decrease in Adjusted income tax expense of US$5.8 million.

Adjusted net operating profit of US$194.0 million for the nine months increased US$9.5 million, or 5%, compared to the prior corresponding period, primarily due to the underlying performance of the operating business units as reflected in the US$10.7 million increase in Adjusted EBIT and a decrease in Adjusted income tax expense of US$2.0 million.

Cash Flow

Operating Activities

Cash provided by operating activities increased US$65.3 million to US$265.8 million. The increase in cash provided by operating activities was primarily driven by a favorable change in working capital of US$60.3 million and a US$30.1 million increase in net income adjusted for non-cash items, partially offset by a higher payment to AICF of US$28.3 million. The favorable change in working capital was primarily due to normal variations in accounts receivable and accounts payable as the result of the timing of collections and payments between periods.

Investing Activities

Cash used in investing activities increased US$15.4 million to US$60.1 million. The change in net cash used in investing activities was primarily driven by the US$10.4 million in proceeds from the sale of the Blandon facility and the Australian Pipes business in the prior year, compared to nil in the current year. There was also an increase in the purchase of property, plant and equipment of US$6.4 million compared to the prior corresponding period.

Financing Activities

Cash used in financing activities increased US$103.4 million to US$231.2 million. The increase in cash used in financing activities was primarily driven by a US$102.7 million decrease in net proceeds from borrowings and notes, and a US$77.5 million increase in the repurchase of shares of common stock under the share buyback program. This was partially offset by a US$76.6 million decrease in dividends paid compared to the prior corresponding period.

Capacity Expansion

We continually evaluate the performance of the US housing market, and as a result, to ensure we meet demand and achieve our targeted service levels, we have accelerated the start-up and commissioning of several lines across our US network. During the third quarter we:

- Commissioned the 3rd sheet machine at our Cleburne facility which continues to start up as planned;
- Continued the start-up of the 3rd sheet machine at our Plant City facility and began recommissioning a 4th sheet machine at that facility;
- Continued work to restart our Summerville facility which is on track to be commissioned in early fiscal year 2018;
- and continued to start-up both sheet machines at our Fontana facility

Additionally, today we announced a US$121.5 million greenfield expansion project on land adjacent to our existing Tacoma facility, with planning and design to begin immediately, and commissioning of the new plant expected in the second half of fiscal year 2019.

In our International Fiber Cement segment, we are adding additional capacity in the Philippines with an estimated total cost of PHP550 million (equivalent to US$11.1 million utilizing the exchange rate on 31 December 2016) expected to be completed in the first half of fiscal year 2018.

Liquidity and Capital Allocation

Our cash position decreased from US$107.1 million at 31 March 2016 to US$88.1 million at 31 December 2016.

At 31 December 2016, the Company held two forms of debt; an unsecured revolving credit facility and senior unsecured notes. The effective weighted average interest rate on the Company's total debt was 5.1% and 4.5% at 31 December 2016 and 31 March 2016, respectively. The weighted average term of all debt, including undrawn facilities, was 4.9 years and 5.6 years at 31 December 2016 and 31 March 2016, respectively.

At 31 December 2016, the Company had US$500.0 million available in an unsecured revolving credit facility. At 31 December 2016, a total of US$110.0 million was drawn from the unsecured revolving facility, compared to US$190.0 million at 31 March 2016. The unsecured revolving facility expires in December 2020 and the size of the facility may be increased by up to US$250.0 million.

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

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

Capital Management and Dividends

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

US$ Millions	US Cents/ Security	US$ Total Amount	Announcement Date	Record Date	Payment Date
FY 2017 first half dividend[1]	0.10	44.1	17 November 2016	21 December 2016	24 February 2017
FY 2016 second half dividend	0.29	130.2	19 May 2016	9 June 2016	5 August 2016
FY 2016 first half dividend	0.09	39.7	19 November 2015	23 December 2015	26 February 2016
FY 2015 special dividend	0.22	92.8	21 May 2015	11 June 2015	7 August 2015
FY 2015 second half dividend	0.27	114.0	21 May 2015	11 June 2015	7 August 2015
FY 2015 first half dividend	0.08	34.2	19 November 2014	23 December 2014	27 February 2015
FY 2014 special dividend	0.20	89.0	22 May 2014	12 June 2014	8 August 2014
FY 2014 second half dividend	0.32	142.3	22 May 2014	12 June 2014	8 August 2014
125 year anniversary special dividend	0.28	124.6	28 February 2014	21 March 2014	30 May 2014

[1] The FY2017 first half dividend total amount of US$44.1 million represents the value of the dividend declared. Any difference between the amount declared and the amount payable per the Company's condensed consolidated balance sheets is due to unrealized foreign exchange gain or loss associated with the change in the dividend liability between the record date and the balance sheet date

Share Buyback

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

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

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

Other Asbestos Information

Claims Data

	Three Months and Nine Months Ended 31 December					
	Q3 FY17	Q3 FY16	Change %	9 Months FY17	9 Months FY16	Change %
Claims received	143	159	10	428	455	6
Actuarial estimate for the period	156	165	5	469	494	5
Difference in claims received to actuarial estimate	13	6		41	39	5
Average claim settlement[1] (A$)	195,000	275,000	29	215,000	239,000	10
Actuarial estimate for the period[2]	327,000	302,000	(8)	327,000	302,000	(8)
Difference in claims paid to actuarial estimate	132,000	27,000		112,000	63,000	78

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

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

For the quarter and nine months ended 31 December 2016, we noted the following related to asbestos-related claims:

- Claims received during the current quarter and nine months were 8% and 9% below actuarial estimates, respectively;
- Claims received during the current quarter and nine months were 10% and 6% lower than prior corresponding periods, respectively;
- Mesothelioma claims reported for the nine months are 6% below actuarial expectations and are 11% below the prior corresponding period;
- The average claim settlement for both the quarter and nine months is lower by 40% and 34%, respectively, versus actuarial estimates;
- Average claim settlement sizes are lower for most disease types, including for mesothelioma and asbestosis, compared to actuarial expectations for fiscal year 2017; and
- The decrease in average claim settlement for the nine months versus actuarial estimates is largely attributable to lower average claim sizes for non-large mesothelioma claims together with a lower number of large mesothelioma claims being settled compared to the prior corresponding period.

AICF Funding

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

From the time AICF was established in February 2007 through 1 July 2016, we have contributed approximately A$919.9 million to the fund.

Readers are referred to Note 7 of our 31 December 2016 condensed consolidated financial statements for further information on asbestos.

Non-financial Terms

AFFA – Amended and Restated Final Funding Agreement.

AICF – Asbestos Injuries Compensation Fund Ltd.

Financial Measures – US GAAP equivalents

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

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

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

EBIT – Earnings before interest and tax.

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

Sales Volume

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

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

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

- Adjusted EBIT;
- Adjusted EBIT margin;
- Adjusted net operating profit;
- Adjusted diluted earnings per share;
- Adjusted operating profit before income taxes;
- Adjusted income tax expense;
- Adjusted effective tax rate;
- Adjusted EBITDA; 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.

Financial Measures – US GAAP equivalents

Adjusted EBIT

US$ Millions	Three Months and Nine Months Ended 31 December			
	Q3 FY17	Q3 FY16	9 Months FY17	9 Months FY16
EBIT	**$ 108.7**	**$ 52.1**	**$ 315.0**	**$ 297.7**
Asbestos:				
Asbestos adjustments	(35.6)	29.0	(39.0)	(32.5)
AICF SG&A expenses	0.4	0.5	1.2	1.3
Adjusted EBIT	**$ 73.5**	**$ 81.6**	**$ 277.2**	**$ 266.5**
Net sales	453.8	413.9	1,427.3	1,292.4
Adjusted EBIT margin	**16.2%**	**19.7%**	**19.4%**	**20.6%**

Adjusted Net Operating Profit

US$ Millions	Three Months and Nine Months Ended 31 December			
	Q3 FY17	Q3 FY16	9 Months FY17	9 Months FY16
Net operating profit	**$ 87.9**	**$ 25.4**	**$ 232.0**	**$ 215.6**
Asbestos:				
Asbestos adjustments	(35.6)	29.0	(39.0)	(32.5)
AICF SG&A expenses	0.4	0.5	1.2	1.3
AICF interest expense, net	0.2	0.1	0.8	0.1
Asbestos and other tax adjustments	(0.3)	0.8	(1.0)	-
Adjusted net operating profit	**$ 52.6**	**$ 55.8**	**$ 194.0**	**$ 184.5**

Adjusted diluted earnings per share

	Three Months and Nine Months Ended 31 December			
	Q3 FY17	Q3 FY16	9 Months FY17	9 Months FY16
Adjusted net operating profit (US$ millions)	**$ 52.6**	**$ 55.8**	**$ 194.0**	**$ 184.5**
Weighted average common shares outstanding - Diluted (millions)	441.6	447.1	444.8	447.3
Adjusted diluted earnings per share (US cents)	**12**	**12**	**44**	**41**

Adjusted effective tax rate

US$ Millions	Three Months and Nine Months Ended 31 December			
	Q3 FY17	Q3 FY16	9 Months FY17	9 Months FY16
Operating profit before income taxes	**$ 102.9**	**$ 47.3**	**$ 295.9**	**$ 282.5**
Asbestos:				
Asbestos adjustments	(35.6)	29.0	(39.0)	(32.5)
AICF SG&A expenses	0.4	0.5	1.2	1.3
AICF interest expense, net	0.2	0.1	0.8	0.1
Adjusted operating profit before income taxes	**$ 67.9**	**$ 76.9**	**$ 258.9**	**$ 251.4**
Income tax expense	$ (15.0)	$ (21.9)	$ (63.9)	$ (66.9)
Asbestos and other tax adjustments	(0.3)	0.8	(1.0)	-
Adjusted income tax expense	**$ (15.3)**	**$ (21.1)**	**$ (64.9)**	**$ (66.9)**
Effective tax rate	14.6%	46.3%	21.6%	23.7%
Adjusted effective tax rate	**22.5%**	**27.4%**	**25.1%**	**26.6%**

Adjusted EBITDA

US$ Millions	Three Months and Nine Months Ended 31 December			
	Q3 FY17	Q3 FY16	9 Months FY17	9 Months FY16
EBIT	**$ 108.7**	**$ 52.1**	**$ 315.0**	**$ 297.7**
Depreciation and amortization	22.6	19.3	62.5	55.1
Adjusted EBITDA	**$ 131.3**	**$ 71.4**	**$ 377.5**	**$ 352.8**

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

US$ Millions	Three Months and Nine Months Ended 31 December			
	Q3 FY17	Q3 FY16	9 Months FY17	9 Months FY16
SG&A expenses	**$ 74.6**	**$ 61.4**	**$ 215.7**	**$ 185.5**
Excluding:				
AICF SG&A expenses	(0.4)	(0.5)	(1.2)	(1.3)
Adjusted SG&A expenses	**$ 74.2**	**$ 60.9**	**$ 214.5**	**$ 184.2**
Net Sales	$ 453.8	$ 413.9	$ 1,427.3	$ 1,292.4
SG&A expenses as a percentage of net sales	16.4%	14.8%	15.1%	14.4%
Adjusted SG&A expenses as a percentage of net sales	**16.4%**	**14.7%**	**15.0%**	**14.3%**

As set forth in Note 7 of the Condensed Consolidated Financial Statements, the net AFFA liability, while recurring, is based on periodic actuarial determinations, claims experience and currency fluctuations. The company's management measures its financial position, operating performance and year-over-year changes in operating results with and without the effect of the net AFFA liability. Accordingly, management believes that the following non-GAAP information is useful to it and investors in evaluating the company's financial position and ongoing operating financial performance. The following non-GAAP table should be read in conjunction with the Condensed Consolidated Financial Statements and related notes contained therein.

James Hardie Industries plc
Supplementary Financial Information
31 December 2016
(Unaudited)

US$ Millions	Total Fiber Cement – Excluding Asbestos Compensation	Asbestos Compensation	As Reported (US GAAP)
Restricted cash and cash equivalents – Asbestos	$ -	$ 24.3	**$ 24.3**
Insurance receivable – Asbestos[1]	-	145.2	**145.2**
Workers compensation asset – Asbestos[1]	-	48.2	**48.2**
Deferred income taxes – Asbestos[1]	-	352.3	**352.3**
Asbestos liability[1]	$ -	$ 1,163.3	**$ 1,163.3**
Workers compensation liability – Asbestos[1]	-	48.2	**48.2**
Income taxes payable	17.7	(12.0)	**5.7**
Asbestos adjustments	$ -	$ 39.0	**$ 39.0**
Selling, general and administrative expenses	(214.5)	(1.2)	**(215.7)**
Net interest expense	(19.5)	(0.8)	**(20.3)**
Income tax expense	(64.0)	0.1	**(63.9)**

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

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

Examples of forward-looking statements include:

- statements about the company's future performance;
- projections of the company's results of operations or financial condition;
- statements regarding the company's plans, objectives or goals, including those relating to strategies, initiatives, competition, acquisitions, dispositions and/or its products;
- expectations concerning the costs associated with the suspension or closure of operations at any of the company's plants and future plans with respect to any such plants;
- expectations concerning the costs associated with the significant capital expenditure projects at any of the company's plants and future plans with respect to any such projects;
- expectations regarding the extension or renewal of the company's credit facilities including changes to terms, covenants or ratios;
- expectations concerning dividend payments and share buy-backs;
- statements concerning the company's corporate and tax domiciles and structures and potential changes to them, including potential tax charges;
- statements regarding tax liabilities and related audits, reviews and proceedings;
- 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.

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 19 May 2016, include, but are not limited to: all matters relating to or arising out of the prior manufacture of products that contained asbestos by current and former company subsidiaries; required contributions to AICF, any shortfall in AICF and the effect of currency exchange rate movements on the amount recorded in the company's financial statements as an asbestos liability; governmental loan facility to AICF; compliance with and changes in tax laws and treatments; competition and product pricing in the markets in which the company operates; the consequences of product failures or defects; exposure to environmental, asbestos, putative consumer class action or other legal proceedings; general economic and market conditions; the supply and cost of raw materials; possible increases in competition and the potential that competitors could copy the company's products; reliance on a small number of customers; a customer's inability to pay; compliance with and changes in environmental and health and safety laws; risks of conducting business internationally; compliance with and changes in laws and regulations; currency exchange risks; dependence on customer preference and the concentration of the company's customer base on large format retail customers, distributors and dealers; dependence on residential and commercial construction markets; the effect of adverse changes in climate or weather patterns; possible inability to renew credit facilities on terms favorable to the company, or at all; acquisition or sale of businesses and business segments; changes in the company's key management personnel; inherent limitations on internal controls; use of accounting estimates; and all other risks identified in the company's reports filed with Australian, Irish and US securities regulatory agencies and exchanges (as appropriate). The company cautions you that the foregoing list of factors is not exhaustive and that other risks and uncertainties may cause actual results to differ materially from those referenced in the company's forward-looking statements. Forward-looking statements speak only as of the date they are made and are statements of the company's current expectations concerning future results, events and conditions. The company assumes no obligation to update any forward-looking statements or information except as required by law.

James Hardie Industries plc

Condensed Consolidated Financial Statements as of and for the Period Ended 31 December 2016

James Hardie Industries plc
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James Hardie Industries plc
Condensed Consolidated Balance Sheets

	(Millions of US dollars)	
	(Unaudited) 31 Dec 2016	31 March 2016
Assets		
Current assets:		
Cash and cash equivalents	**$ 88.1**	$ 107.1
Restricted cash and cash equivalents	**5.0**	5.0
Restricted cash and cash equivalents - Asbestos	**24.3**	17.0
Accounts and other receivables, net of allowance for doubtful accounts of US$0.8 million and US$1.1 million as of 31 December 2016 and 31 March 2016	**140.6**	173.3
Inventories	**191.4**	193.0
Prepaid expenses and other current assets	**30.5**	18.1
Insurance receivable - Asbestos	**15.8**	16.7
Workers' compensation - Asbestos	**3.9**	4.1
Total current assets	**499.6**	534.3
Property, plant and equipment, net	**839.9**	867.0
Insurance receivable - Asbestos	**129.4**	149.0
Workers' compensation - Asbestos	**44.3**	46.8
Deferred income taxes	**26.0**	25.9
Deferred income taxes - Asbestos	**352.3**	384.9
Other assets	**18.1**	21.5
Total assets	**$ 1,909.6**	$ 2,029.4
Liabilities and Shareholders' Deficit		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 169.9**	$ 127.2
Short-term debt - Asbestos	**24.8**	50.7
Dividends payable	**43.9**	-
Accrued payroll and employee benefits	**55.9**	63.0
Accrued product warranties	**9.7**	12.2
Income taxes payable	**5.7**	4.8
Asbestos liability	**119.0**	125.9
Workers' compensation - Asbestos	**3.9**	4.1
Other liabilities	**12.3**	11.9
Total current liabilities	**445.1**	399.8
Long-term debt	**499.0**	501.8
Deferred income taxes	**94.5**	82.1
Accrued product warranties	**37.2**	33.1
Asbestos liability	**1,044.3**	1,176.3
Workers' compensation - Asbestos	**44.3**	46.8
Other liabilities	**14.9**	14.7
Total liabilities	**2,179.3**	2,254.6
Commitments and contingencies (Note 10)		
Shareholders' deficit:		
Common stock, Euro 0.59 par value, 2.0 billion shares authorized; 440,841,479 shares issued and outstanding at 31 December 2016 and 445,579,351 shares issued and outstanding at 31 March 2016	**229.1**	231.4
Additional paid-in capital	**171.3**	164.4
Accumulated deficit	**(657.4)**	(621.8)
Accumulated other comprehensive income	**(12.7)**	0.8
Total shareholders' deficit	**(269.7)**	(225.2)
Total liabilities and shareholders' deficit	**$ 1,909.6**	$ 2,029.4

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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

(Millions of US dollars, except per share data)	Three Months Ended 31 December **2016**	Three Months Ended 31 December 2015	Nine Months Ended 31 December **2016**	Nine Months Ended 31 December 2015
Net sales	**$ 453.8**	$ 413.9	**$ 1,427.3**	$ 1,292.4
Cost of goods sold	**(298.8)**	(264.4)	**(913.4)**	(820.3)
Gross profit	**155.0**	149.5	**513.9**	472.1
Selling, general and administrative expenses	**(74.6)**	(61.4)	**(215.7)**	(185.5)
Research and development expenses	**(7.3)**	(7.0)	**(22.2)**	(21.4)
Asbestos adjustments	**35.6**	(29.0)	**39.0**	32.5
Operating income	**108.7**	52.1	**315.0**	297.7
Interest expense, net of capitalized interest	**(7.4)**	(6.9)	**(21.0)**	(19.9)
Interest income	**0.2**	0.2	**0.7**	0.7
Other income	**1.4**	1.9	**1.2**	4.0
Income before income taxes	**102.9**	47.3	**295.9**	282.5
Income tax expense	**(15.0)**	(21.9)	**(63.9)**	(66.9)
Net income	**$ 87.9**	$ 25.4	**$ 232.0**	$ 215.6
Income per share:				
Basic	**$ 0.20**	$ 0.06	**$ 0.52**	$ 0.48
Diluted	**$ 0.20**	$ 0.06	**$ 0.52**	$ 0.48
Weighted average common shares outstanding (Millions):				
Basic	**440.7**	445.3	**443.3**	445.2
Diluted	**441.6**	447.1	**444.8**	447.3
Comprehensive income, net of tax:				
Net income	**$ 87.9**	$ 25.4	**$ 232.0**	$ 215.6
Currency translation adjustments	**(12.4)**	10.2	**(13.5)**	(10.8)
Comprehensive income:	**$ 75.5**	$ 35.6	**$ 218.5**	$ 204.8

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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

(Millions of US dollars)	Nine Months Ended 31 December 2016	2015
Cash Flows From Operating Activities		
Net income	**$ 232.0**	$ 215.6
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization	**62.5**	55.1
Deferred income taxes	**12.7**	7.7
Stock-based compensation	**6.9**	7.1
Asbestos adjustments	**(39.0)**	(32.5)
Excess tax benefits from share-based awards	**(2.9)**	(2.8)
Loss on disposal of property, plant and equipment, net	**10.3**	2.2
Changes in operating assets and liabilities:		
Restricted cash and cash equivalents	**57.9**	75.6
Payment to AICF	**(91.1)**	(62.8)
Accounts and other receivables	**28.2**	7.9
Inventories	**(0.4)**	14.0
Prepaid expenses and other assets	**(5.2)**	(7.9)
Insurance receivable - Asbestos	**11.9**	12.7
Accounts payable and accrued liabilities	**47.5**	(6.9)
Asbestos liability	**(69.8)**	(87.6)
Other accrued liabilities	**4.3**	3.1
Net cash provided by operating activities	**$ 265.8**	$ 200.5
Cash Flows From Investing Activities		
Purchases of property, plant and equipment	**$ (58.5)**	$ (52.1)
Proceeds from sale of property, plant and equipment	**-**	10.4
Capitalized interest	**(1.6)**	(2.5)
Acquisition of assets	**-**	(0.5)
Net cash used in investing activities	**$ (60.1)**	$ (44.7)
Cash Flows From Financing Activities		
Proceeds from credit facilities	**$ 305.0**	$ 513.0
Repayments of credit facilities	**(385.0)**	(413.0)
Proceeds from senior unsecured notes	**77.3**	-
Debt issuance costs	**(1.7)**	(2.9)
Proceeds from issuance of shares	**0.3**	1.4
Excess tax benefits from share-based awards	**2.9**	2.8
Common stock repurchased and retired	**(99.8)**	(22.3)
Dividends paid	**(130.2)**	(206.8)
Net cash used in financing activities	**$ (231.2)**	$ (127.8)
Effects of exchange rate changes on cash	**$ 6.5**	$ (0.5)
Net (decrease) increase in cash and cash equivalents	**(19.0)**	27.5
Cash and cash equivalents at beginning of period	**107.1**	67.0
Cash and cash equivalents at end of period	**$ 88.1**	$ 94.5
Components of Cash and Cash Equivalents		
Cash at bank	**$ 78.8**	$ 84.0
Short-term deposits	**9.3**	10.5
Cash and cash equivalents at end of period	**$ 88.1**	$ 94.5

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 building products for interior and exterior building construction applications, primarily in the United States, Australia, Canada, New Zealand, the Philippines and Europe.

Basis of Presentation

The condensed consolidated financial statements represent the financial position, results of operations and cash flows of James Hardie Industries plc and its wholly-owned subsidiaries and a special purpose entity. Except as otherwise indicated, James Hardie Industries plc is referred to as "JHI plc." JHI plc, together with its direct and indirect wholly-owned subsidiaries, are collectively referred to as "James Hardie" or the "Company." These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and the notes thereto, included in the Company's Annual Report on Form 20-F for the fiscal year ended 31 March 2016, which was filed with the United States Securities and Exchange Commission ("SEC") on 19 May 2016.

The condensed consolidated financial statements included herein are unaudited; however, they contain all adjustments (all of which are normal and recurring) which, in the opinion of the Company's management, are necessary to state fairly the condensed consolidated balance sheet of the Company at 31 December 2016, the condensed consolidated results of operations and comprehensive income for the three and nine months ended 31 December 2016 and 2015 and the condensed consolidated cash flows for the nine months ended 31 December 2016 and 2015.

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

The results of operations for the three and nine months ended 31 December 2016 are not necessarily indicative of the results to be expected for the full year. The balance sheet at 31 March 2016 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.

Reporting Segments
During the first quarter of fiscal year 2017, the Company changed its reportable operating segments in conjunction with how information is evaluated by the Chief Operating Decision Maker ("CODM") for the purpose of assessing segment performance and allocation of resources. The Company has revised its historical segment information at 31 March 2016 and for the three and nine months ended 31 December 2015 to be consistent with the current reportable segment structure. The change in reportable segments had no effect on the Company's financial position, results of operations or cash flows for the periods presented. See Note 14 for further details on segment reporting.

2. Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, which provides guidance requiring companies to recognize revenue depicting the transfer of goods or services to customers in amounts that reflect the payment to which a company expects to be entitled in exchange for those goods or services. ASU No. 2014-09 also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. ASU No. 2014-09 is effective for annual reporting periods beginning after 15 December 2016, and interim periods within those years, and early adoption is not permitted. In August 2015, the FASB issued ASU No. 2015-14, which deferred the effective date of ASU No. 2014-09 to annual reporting periods beginning after 15 December 2017. Also, early adoption is 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. In April 2016, the FASB issued ASU No. 2016-10, which provides clarification on identifying performance obligations and the licensing implementation guidance, and has the same effective date and transition requirements for ASU No. 2014-09. In May 2016, the FASB issued ASU No. 2016-11, which rescinds certain SEC observer comments in the revenue recognition guidance. In May 2016, the FASB issued ASU No. 2016-12, which provides clarification on assessing collectability, presenting sales taxes, measuring noncash consideration, and certain transition matters, and has the same effective date and transition requirements for ASU No. 2014-09. In December 2016, the FASB issued ASU No. 2016-20, which provides technical corrections and improvements related to revenue from contracts with customers, and has the same effective date and transition requirements for ASU No. 2014-09. The Company is currently evaluating the impact of the new guidance on its financial statements and has not yet selected a transition approach to implement these new standards.

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

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

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

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

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

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

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

3. Earnings Per Share

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

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

(Millions of shares)	Three Months Ended 31 December **2016**	2015	Nine Months Ended 31 December **2016**	2015
Basic common shares outstanding	**440.7**	445.3	**443.3**	445.2
Dilutive effect of stock awards	**0.9**	1.8	**1.5**	2.1
Diluted common shares outstanding	**441.6**	447.1	**444.8**	447.3

(US dollars)	**2016**	2015	**2016**	2015
Net income per share - basic	**$ 0.20**	$ 0.06	**$ 0.52**	$ 0.48
Net income per share - diluted	**$ 0.20**	$ 0.06	**$ 0.52**	$ 0.48

Potential common shares of 1.3 million and 1.0 million for the three and nine months ended 31 December 2016, respectively, and 0.7 million and 0.8 million for the three and nine months ended 31 December 2015, respectively, have been excluded from the calculation of diluted common shares outstanding because the effect of their inclusion would be anti-dilutive.

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

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

4. Restricted Cash and Cash Equivalents

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

5. Inventories

Inventories consist of the following components:

(Millions of US dollars)	31 December **2016**	31 March 2016
Finished goods	**$ 135.7**	$ 144.4
Work-in-process	**6.3**	5.7
Raw materials and supplies	**57.4**	50.7
Provision for obsolete finished goods and raw materials	**(8.0)**	(7.8)
Total inventories	**$ 191.4**	$ 193.0

As of 31 December 2016 and 31 March 2016, US$26.3 million and US$32.1 million, respectively, of the Company's finished goods inventory was held at third-party locations.

6. Long-Term Debt

At 31 December 2016, the Company held two forms of debt; an unsecured revolving credit facility and senior unsecured notes. The effective weighted average interest rate on the Company's total debt was 5.1% and 4.5% at 31 December 2016 and 31 March 2016, respectively. The weighted average term of all debt, including undrawn facilities, was 4.9 years and 5.6 years at 31 December 2016 and 31 March 2016, respectively.

Revolving Credit Facility

In December 2015, James Hardie International Finance Designated Activity Company (fka James Hardie International Finance Limited) and James Hardie Building Products Inc., 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 expires in December 2020 and the size of the facility may be increased by up to US$250.0 million.

Debt issuance costs in connection with the Revolving Credit Facility are recorded as an offset to *Long-Term Debt* in the Company's condensed consolidated balance sheet and are being amortized as interest expense using the effective interest method over the stated term of 5 years. At 31 December 2016 and 31 March 2016, the Company's total debt issuance costs have an unamortized balance of US$3.3 million and US$3.9 million, respectively.

The amount drawn under the Revolving Credit Facility was US$110.0 million and US$190.0 million at 31 December 2016 and 31 March 2016, respectively.

The effective weighted average interest rate on the Company's total outstanding Revolving Credit Facility was 2.4% and 2.0% at 31 December 2016 and 31 March 2016, respectively.

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

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

The Revolving Credit Facility agreement contains certain covenants that, among other things, restrict James Hardie International Group Limited and its restricted subsidiaries' ability to incur indebtedness and grant liens other than certain types of permitted indebtedness and permitted liens, make certain restricted payments, and undertake certain types of mergers or consolidations actions. In addition, the Company: (i) must not exceed a maximum of net debt to earnings before interest, tax, depreciation and amortization, excluding all asbestos-related liabilities, assets, income, gains, losses and charges other than AICF payments, all AICF selling, general and administrative ("SG&A") expenses, all Australian Securities and Investment Commission ("ASIC")-related expenses, all recoveries and asset impairments, and all New Zealand product liability expenses and (ii) must meet or exceed a minimum ratio of earnings before interest, tax, depreciation and amortization to interest charges, excluding all income, expense and other profit and loss statement impacts of asbestos income, gains, losses and charges, all AICF SG&A expenses, all ASIC-related expenses, all recoveries and asset impairments, and all New Zealand product liability expenses. At 31 December 2016, the Company was in compliance with all covenants contained in the Revolving Credit Facility agreement.

Senior Unsecured Notes

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

The senior notes were sold at an offering price of 99.213% of par value, an original issue discount of US$2.6 million. Debt issuance costs in connection with the offering are recorded as an offset to *Long-Term Debt* on the Company's condensed consolidated balance sheet. Both the discount and the debt issuance costs are being amortized as interest expense using the effective interest method over the stated term of 8 years. The discount has an unamortized balance of US$2.0 million and US$2.2 million at 31 December 2016 and 31 March 2016, respectively. The debt issuance costs have an unamortized balance of US$6.3 million and US$7.1 million at 31 December 2016 and 31 March 2016, respectively.

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

The re-offering was sold at an offering price of 103.0% of par value, a premium of US$2.3 million. Debt issuance costs in connection with the re-offering are recorded as an offset to *Long-Term Debt* on the Company's condensed consolidated balance sheet. Both the premium and the debt issuance costs are being amortized as interest expense using the effective interest method over 6.6 years, the term of the US$75.0 million re-offering. The premium has an unamortized balance of US$2.1 million at 31 December 2016. The debt issuance costs have an unamortized balance of US$1.6 million at 31 December 2016.

The senior notes are guaranteed by each of James Hardie International Group Limited, James Hardie Building Products Inc. and James Hardie Technology Limited, each of which are wholly-owned subsidiaries of JHI plc.

The indenture governing the senior notes contains covenants that, among other things, limit the ability of James Hardie International Group Limited, James Hardie Building Products Inc., James Hardie Technology Limited and their restricted subsidiaries to incur liens on assets, make certain restricted payments, engage in certain sale and leaseback transactions and merge or consolidate with or into other companies. These covenants are subject to certain exceptions and qualifications as described in the indenture. At 31 December 2016, the Company was in compliance with all of its requirements under the indenture related to the senior notes.

7. 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. The asbestos adjustments for the three and nine months ended 31 December 2016 were income of US$35.6 million and US$39.0 million, respectively. The asbestos adjustments for the three and nine months ended 31 December 2015 were an expense of US$29.0 million and income of US$32.5 million, respectively.

Claims Data

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

	Nine Months Ended 31 December 2016	For the Years Ended 31 March 2016	2015	2014	2013	2012
Number of open claims at beginning of period	**426**	494	466	462	592	564
Number of new claims	**428**	577	665	608	542	456
Number of closed claims	**517**	645	637	604	672	428
Number of open claims at end of period	**337**	426	494	466	462	592
Average settlement amount per settled claim	**A$ 215,317**	A$ 248,138	A$ 254,209	A$ 253,185	A$ 231,313	A$ 218,610
Average settlement amount per case closed	**A$ 159,093**	A$ 218,900	A$ 217,495	A$ 212,944	A$ 200,561	A$ 198,179
Average settlement amount per settled claim	**US$ 161,771**	US$ 182,763	US$ 222,619	US$ 236,268	US$ 238,615	US$ 228,361
Average settlement amount per case closed	**US$ 119,529**	US$ 161,229	US$ 190,468	US$ 198,716	US$ 206,892	US$ 207,019

Under the terms of the AFFA, the Company has rights of access to actuarial information produced for AICF by the actuary appointed by AICF, which is currently KPMG Actuarial Pty Ltd. The Company's disclosures with respect to claims statistics are subject to it obtaining such information; however, the AFFA does not provide the Company an express right to audit or otherwise require independent verification of such information or the methodologies to be adopted by the approved actuary. As such, the Company relies on the accuracy and completeness of the information 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 certain asbestos-related assets and liabilities under the terms of the AFFA. These amounts are detailed in the table below, and the net total of these asbestos-related assets and liabilities is referred to by the Company as the "Net AFFA Liability."

(Millions of US dollars)	**31 December 2016**	31 March 2016
Asbestos liability – current	**$ (119.0)**	$ (125.9)
Asbestos liability – non-current	**(1,044.3)**	(1,176.3)
Asbestos liability - Total	**(1,163.3)**	(1,302.2)
Insurance receivable – current	**15.8**	16.7
Insurance receivable – non-current	**129.4**	149.0
Insurance receivable – Total	**145.2**	165.7
Workers' compensation asset – current	**3.9**	4.1
Workers' compensation asset – non-current	**44.3**	46.8
Workers' compensation liability – current	**(3.9)**	(4.1)
Workers' compensation liability – non-current	**(44.3)**	(46.8)
Workers' compensation – Total	**-**	-
Loan facility	**(24.8)**	(50.7)
Other net liabilities	**(2.8)**	(1.0)
Restricted cash and cash equivalents of the AICF	**24.3**	17.0
Net Unfunded AFFA liability	**$ (1,021.4)**	$ (1,171.2)
Deferred income taxes – non-current	**352.3**	384.9
Income tax payable	**12.0**	19.6
Net Unfunded AFFA liability, net of tax	**$ (657.1)**	$ (766.7)

The following is a detailed roll forward of the Net Unfunded AFFA liability, net of tax, at 31 December 2016:

(Millions of US dollars)	Asbestos Liability	Insurance Receivables	Deferred Tax Assets	Other Loan Facilities	Restricted Cash and Investments	Other Assets and Liabilities[1]	Net Unfunded AFFA Liability, net of tax
Opening Balance - 31 March 2016	$ (1,302.2)	$ 165.7	$ 384.9	$ (50.7)	$ 17.0	$ 18.6	$ (766.7)
Asbestos claims paid	69.0				(69.0)		-
Payment received in accordance with AFFA[2]					91.1		91.1
AICF claims-handling costs incurred (paid)	0.8				(0.8)		-
AICF operating costs paid - non claims-handling					(1.2)		(1.2)
Insurance recoveries		(11.9)			11.9		-
Movement in Income Tax Payable			(12.4)			(6.6)	(19.0)
Funds received from NSW under loan agreement				(50.9)	50.9		-
Funds repaid to NSW under loan agreement				74.3	(74.3)		-
Other movements	0.1		0.5		1.1	(2.9)	(1.2)
Effect of foreign exchange[3]	69.0	(8.6)	(20.7)	2.5	(2.4)	0.1	39.9
Closing Balance - 31 December 2016	**$ (1,163.3)**	**$ 145.2**	**$ 352.3**	**$ (24.8)**	**$ 24.3**	**$ 9.2**	**$ (657.1)**

1 Other assets and liabilities include an offset to income tax payable of US$12.0 million and US$19.6 million at 31 December 2016 and 31 March 2016, respectively. The remaining balance includes the other assets and liabilities of AICF, with a net liability of US$2.8 million and US$1.0 million at 31 December 2016 and 31 March 2016, respectively.

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

3 For the nine months ended 31 December 2016, the Asbestos adjustments of US$39.0 million on the Company's condensed consolidated statements of operations and comprehensive income include the effect of foreign exchange above of US$39.9 million, which is partially offset by the loss on the foreign currency forward contract associated with the AICF payment.

AICF Funding

On 1 July 2016, the Company made a payment of A$120.7 million (US$91.1 million) to AICF, representing 35% of its free cash flow for fiscal year 2016. For the 1 July 2016 payment, free cash flow, as defined in the AFFA, was equivalent to the Company's fiscal year 2016 operating cash flows of US$260.4 million. For the three and nine months ended 31 December 2016, the Company did not provide financial or other support to AICF that it was not previously contractually required to provide.

AICF – NSW Government Secured Loan Facility

AICF may borrow up to an aggregate amount of A$320.0 million (US$231.5 million, based on the exchange rate at 31 December 2016) from the New South Wales ("NSW") Government. The AICF Loan Facility is available to be drawn for the payment of claims through 1 November 2030, at which point, all outstanding borrowings must be repaid. Borrowings made under the AICF Loan Facility are classified as current, as AICF intends to repay the debt within one year.

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

At 31 December 2016 and 31 March 2016, AICF had an outstanding balance under the AICF Loan Facility of US$24.8 million and US$50.7 million, respectively.

8. Derivative Instruments

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

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

Interest Rate Swaps

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$1.4 million and US$3.7 million at 31 December 2016 and 31 March 2016, respectively, which is included in *Accounts payable and accrued liabilities.*

At 31 December 2016, the weighted average fixed interest rate of these contracts is 2.1% and the weighted average remaining life is 2.7 years. For the three months ended 31 December 2016, the Company included in *Other income* an unrealized gain of US$1.8 million and a realized loss of US$0.4 million on interest rate swap contracts, respectively. For the nine months ended 31 December 2016, the Company included in *Other income* an unrealized gain of US$2.3 million and a realized loss of US$1.1 million on interest rate swap contracts, respectively.

For the three and nine months ended 31 December 2015, the Company included in *Other income* an unrealized gain of US$1.5 million and US$0.9 million on interest rate swap contracts, respectively. Included in *Interest expense* was a realized loss on settlements of interest rate swap contracts of US$0.4 million and US$1.4 million for the three and nine months ended 31 December 2015, respectively.

Foreign Currency Forward Contracts

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

The forward contracts had an unrealized gain of nil in the three and nine months ended 31 December 2016. The forward contracts had an unrealized gain of US$0.3 million in the three and nine months ended 31 December 2015.

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

(Millions of US dollars)	Notional Amount		Fair Value as of 31 December 2016		Fair Value as of 31 March 2016	
	31 December 2016	31 March 2016	Assets	Liabilitites	Assets	Liabilities
Derivatives not accounted for as hedges						
Interest rate swap contracts	$ 100.0	$ 100.0	$ -	$ 1.4	$ -	$ 3.7
Foreign currency forward contracts	-	0.4	-	-	-	-
Total	**$ 100.0**	**$ 100.4**	**$ -**	**$ 1.4**	**$ -**	**$ 3.7**

9. Fair Value Measurements

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

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

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

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

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

At 31 December 2016, the Company's financial instruments consist primarily of Cash and cash equivalents, Restricted cash and cash equivalents, Trade receivables, Trade payables, Dividend payables, Revolving Credit Facility, Senior unsecured notes and Interest rate swaps.

Cash and cash equivalents, Restricted cash and cash equivalents, Trade receivables, Trade payables, Dividend payables and Revolving Credit Facility – The carrying amounts for these items approximates their respective fair values due to the short maturity of these instruments.

Senior unsecured notes - The Company's senior unsecured notes have an estimated fair value of US$416.0 million at 31 December 2016 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.

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.

The following table sets forth by level within the fair value hierarchy, the Company's financial assets and liabilities that were accounted for at fair value on a recurring basis at 31 December 2016 according to the valuation techniques the Company used to determine their fair values.

	Fair Value at	Fair Value Measurements Using Inputs Considered as		
(Millions of US dollars)	31 December 2016	Level 1	Level 2	Level 3
Interest rate swap contracts included in Accounts Payable	$ 1.4	$ -	$ 1.4	$ -
Total Liabilities	**$ 1.4**	**$ -**	**$ 1.4**	**$ -**

10. Commitments and Contingencies

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

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

11. Income Taxes

Income taxes payable represents taxes currently payable which are computed at statutory income tax rates applicable to taxable income derived in each jurisdiction in which the Company conducts business. During the nine months ended 31 December 2016, the Company paid tax net of any refunds received of US$42.4 million in Ireland, the United States, Canada, New Zealand and the Philippines.

Deferred income taxes include European and Australian net operating loss carry-forwards. At 31 December 2016, the Company had European tax loss carry-forwards of approximately US$6.7 million and Australian tax loss carry-forwards of approximately US$16.2 million that are available to offset future taxable income in the respective jurisdiction.

The European tax loss carry-forwards relate to losses incurred in prior years during the establishment of the European business. At 31 December 2016, the Company had a valuation allowance against a portion of the European tax loss carry-forwards in respect of which realization is not more likely than not.

The Australian tax loss carry-forwards primarily result from current and prior year tax deductions for contributions to AICF. James Hardie 117 Pty Limited, the performing subsidiary under the AFFA, is able to claim a tax deduction for its contributions to AICF over a five-year period commencing in the year the contribution is incurred. At 31 December 2016, the Company recognized a tax deduction of US$41.4 million (A$55.0 million) for the current year relating to total contributions to AICF of US$312.3 million (A$366.9 million) incurred in fiscal years 2013 through 2017.

Due to the size and nature of its business, the Company is subject to ongoing reviews by taxing jurisdictions on various tax matters. The Company accrues for tax contingencies based upon its best estimate of the taxes ultimately expected to be paid, which it updates over time as more information becomes available. Such amounts are included in taxes payable or other non-current liabilities, as appropriate. If the Company ultimately determines that payment of these amounts is unnecessary, the

Company reverses the liability and recognizes a tax benefit during the period in which the Company determines that the liability is no longer necessary. The Company records additional tax expense in the period in which it determines that the recorded tax liability is less than the ultimate assessment it expects.

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

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

Unrecognized Tax Benefits

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

(Millions of US Dollars)	Unrecognized tax benefits
Balance at 31 March 2016	**$ 0.7**
Additions for tax positions of the current year	0.1
Balance at 31 December 2016	**$ 0.8**

As of 31 December 2016, the total amount of unrecognized tax benefits and the total amount of interest and penalties accrued or prepaid by the Company related to unrecognized tax benefits that, if recognized, would impact the effective tax rate is US$0.8 million and nil, respectively.

The Company recognizes penalties and interest accrued related to unrecognized tax benefits in income tax expense. During the three and nine months ended 31 December 2016, the total amount of interest and penalties recognized in tax expense was nil. The liabilities associated with uncertain tax benefits are included in *Other liabilities* on the Company’s condensed consolidated balance sheets.

12. Stock-Based Compensation

Total stock-based compensation expense consists of the following:

(Millions of US dollars)	Three Months Ended 31 December 2016	Three Months Ended 31 December 2015	Nine Months Ended 31 December 2016	Nine Months Ended 31 December 2015
Liability Awards Expense	**$ 1.3**	$ 1.4	**$ 4.3**	$ 3.3
Equity Awards Expense	**2.5**	2.7	**6.9**	7.1
Total stock-based compensation expense	**$ 3.8**	$ 4.1	**$ 11.2**	$ 10.4

As of 31 December 2016, the unrecorded future stock-based compensation expense related to outstanding equity awards was US$16.7 million after estimated forfeitures and will be recognized over an estimated weighted average amortization period of 1.5 years.

13. Capital Management and Dividends

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

(Millions of US dollars)	US Cents/Security	US$ Millions Total Amount	Announcement Date	Record Date	Payment Date
FY 2017 first half dividend [1]	0.10	44.1	17 November 2016	21 December 2016	24 February 2017
FY 2016 second half dividend	0.29	130.2	19 May 2016	9 June 2016	5 August 2016
FY 2016 first half dividend	0.09	39.7	19 November 2015	23 December 2015	26 February 2016
FY 2015 special dividend	0.22	92.8	21 May 2015	11 June 2015	7 August 2015
FY 2015 second half dividend	0.27	114.0	21 May 2015	11 June 2015	7 August 2015
FY 2015 first half dividend	0.08	34.2	19 November 2014	23 December 2014	27 February 2015
FY 2014 special dividend	0.20	89.0	22 May 2014	12 June 2014	8 August 2014
FY 2014 second half dividend	0.32	142.3	22 May 2014	12 June 2014	8 August 2014
125 year anniversary special dividend	0.28	124.6	28 February 2014	21 March 2014	30 May 2014

1 The FY2017 first half dividend total amount of US$44.1 million represents the value of the dividend declared. Any difference between the amount declared and the amount payable per the Company's condensed consolidated balance sheets is due to unrealized foreign exchange gain or loss associated with the change in the dividend liability between the record date and the balance sheet date.

On 19 May 2016, the Company announced a new share buyback program (the "fiscal 2017 program") to acquire up to US$100.0 million of its issued capital in the twelve months through May 2017.

Under this program, the Company repurchased and cancelled 6,090,133 shares of its common stock during the second quarter of fiscal year 2017. The aggregate cost of the shares repurchased and cancelled was A$131.4 million (US$99.8 million), at an average market price of A$21.58 (US$16.40).

14. Operating Segment Information and Concentrations of Risk

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

The North America Fiber Cement segment manufactures fiber cement interior linings, exterior siding products and related accessories in the United States; these products are sold in the United States and Canada. The International Fiber Cement segment includes all fiber cement products manufactured in Australia, New Zealand and the Philippines, and sold in Australia, New Zealand, Asia, the Middle East (Israel, Kuwait, Qatar and United Arab Emirates) and various Pacific Islands. This segment also includes product manufactured in the United States that is sold in Europe. The Other Businesses segment includes certain non-fiber cement manufacturing and sales activities in North America, including fiberglass windows. The Research and Development segment represents the cost incurred by the research and development centers. General Corporate costs primarily consist of 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 31 December		Net Sales to Customers Nine Months Ended 31 December	
(Millions of US dollars)	**2016**	2015	**2016**	2015
North America Fiber Cement	**$ 350.9**	$ 317.9	**$ 1,105.7**	$ 989.2
International Fiber Cement	**99.5**	92.9	**309.0**	292.5
Other Businesses	**3.4**	3.1	**12.6**	10.7
Worldwide total	**$ 453.8**	$ 413.9	**$ 1,427.3**	$ 1,292.4

(Millions of US dollars)	Income Before Income Taxes Three Months Ended 31 December 2016	2015	Income Before Income Taxes Nine Months Ended 31 December 2016	2015
North America Fiber Cement [1]	**$ 75.5**	$ 84.4	**$ 267.8**	$ 266.8
International Fiber Cement [1,6]	**21.9**	16.2	**71.5**	58.4
Other Businesses	**(2.1)**	(2.1)	**(4.7)**	(6.2)
Research and Development [1]	**(6.2)**	(5.5)	**(18.3)**	(17.5)
Segments total	**89.1**	93.0	**316.3**	301.5
General Corporate [2]	**19.6**	(40.9)	**(1.3)**	(3.8)
Total operating income	**108.7**	52.1	**315.0**	297.7
Net interest expense [3]	**(7.2)**	(6.7)	**(20.3)**	(19.2)
Other income	**1.4**	1.9	**1.2**	4.0
Worldwide total	**$ 102.9**	$ 47.3	**$ 295.9**	$ 282.5

(Millions of US dollars)	Total Identifiable Assets 31 December 2016	31 March 2016
North America Fiber Cement	**$ 857.8**	$ 889.7
International Fiber Cement	**308.2**	324.0
Other Businesses	**28.3**	27.7
Research and Development	**12.5**	13.6
Segments total	**1,206.8**	1,255.0
General Corporate [4,5]	**702.8**	774.4
Worldwide total	**$ 1,909.6**	$ 2,029.4

The following is the Company's geographical information:

(Millions of US dollars)	Net Sales to Customers Three Months Ended 31 December 2016	2015	Net Sales to Customers Nine Months Ended 31 December 2016	2015
North America	**$ 354.3**	$ 320.9	**$ 1,118.3**	$ 999.9
Australia	**62.9**	55.1	**191.8**	177.0
New Zealand	**17.7**	15.9	**54.8**	47.1
Other Countries	**18.9**	22.0	**62.4**	68.4
Worldwide total	**$ 453.8**	$ 413.9	**$ 1,427.3**	$ 1,292.4

(Millions of US dollars)	Total Identifiable Assets 31 December 2016	31 March 2016
North America	**893.5**	925.1
Australia	**212.0**	232.4
New Zealand	**26.7**	26.5
Other Countries	**74.6**	71.0
Segments total	**1,206.8**	1,255.0
General Corporate [4,5]	**702.8**	774.4
Worldwide total	**1,909.6**	2,029.4

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

(Millions of US dollars)	Three Months Ended 31 December 2016	2015	Nine Months Ended 31 December 2016	2015
North America Fiber Cement	**$ 1.4**	$ 1.7	**$ 4.6**	$ 4.7
International Fiber Cement	**0.5**	0.1	**1.1**	0.8
Research and Development[a]	**5.4**	5.2	**16.5**	15.9
	$ 7.3	$ 7.0	**$ 22.2**	$ 21.4

a For the three months ended 31 December 2016 and 2015, the R&D segment also included SG&A expenses of US$0.8 million and US$0.3 million, respectively. For the nine months ended 31 December 2016 and 2015, the R&D segment also included SG&A expenses of US$1.8 million and US$1.6 million, respectively.

2 Included in the General Corporate costs are the following:

	Three Months Ended 31 December		Nine Months Ended 31 December	
(Millions of US dollars)	**2016**	**2015**	**2016**	2015
Asbestos Adjustments	**$ 35.6**	$ (29.0)	**$ 39.0**	$ 32.5
AICF SG&A expenses	**(0.4)**	(0.5)	(1.2)	(1.3)

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 expense of US$0.1 million for the three months ended 31 December 2016 and 2015. Included in net interest expense is AICF net interest expense of US$0.8 million and US$0.1 million for the nine months ended 31 December 2016 and 2015, respectively. See Note 7 for more information.

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

5 Asbestos-related assets at 31 December 2016 and 31 March 2016 are US$583.1 million and US$639.4 million, respectively, and are included in General Corporate.

6 Included in the International Fiber Cement segment for the nine months ended 31 December 2015 was a gain on the sale of the Australian Pipes business of US$1.7 million.

15. Accumulated Other Comprehensive Income (Loss)

During the three and nine months ended 31 December 2016 there were no reclassifications out of *Accumulated other comprehensive income (loss):*

(Millions of US dollars)	Cash Flow Hedges	Foreign Currency Translation Adjustments	Total
Balance at 31 March 2016	$ 0.3	$ 0.5	$ 0.8
Other comprehensive loss	-	(13.5)	$ (13.5)
Balance at 31 December 2016	**$ 0.3**	**$ (13.0)**	**$ (12.7)**