

Results for Announcement to the Market

James Hardie Industries plc

ARBN 097 829 895

Nine Months Ended 31 December 2014				
Key Information	Nine Months Ended 31 December			
	2014 US\$M	2013 US\$M	Movement	
Net Sales From Ordinary Activities	1,245.6	1,117.4	Up	12%
Profit From Ordinary Activities After Tax Attributable to Shareholders	263.6	286.3	Down	8%
Net Profit Attributable to Shareholders	263.6	286.3	Down	8%
Net Tangible (Liabilities) Assets per Ordinary Share	US\$(0.50)	US\$0.24	Down	-

Dividend Information

- An FY2015 first half ordinary dividend (**FY2015 first half dividend**) of US8.0 cents per security is payable to CUFS holders on 27 February 2015.
- The record date to determine entitlements to the FY2015 first half dividend is 23 December 2014 (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 FY2015 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 FY2015 first half dividend to be paid to CUFS holders will be announced after the record date. The amount payable to shareholders who have elected to receive their dividend in NZ dollars or British pounds will also be announced on the same date.
- No dividend reinvestment plan is in operation for this FY2015 first half dividend.
- The FY2014 second half ordinary dividend ("FY2014 second half dividend") of US32.0 cents per security and a special dividend ("FY2014 special dividend") of US20.0 cents per security were paid to share/CUFS holders on 08 August 2014.

Movements in Controlled Entities during the nine months ended 31 December 2014

There were no movements in controlled entities during nine months ended 31 December 2014

Review

The results and financial information included within this half year 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 2014

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James Hardie Industries plc is incorporated under the laws of Ireland with its corporate seat in Dublin, Ireland. The liability of members is limited. The information contained in the above documents should be read in conjunction with the James Hardie 2014 Annual Report which can be found on the company website at www.jameshardie.com.

James Hardie announces Adjusted Net Operating Profit¹ of US\$48.6 million for Q3 Fiscal 2015 and US\$164.1 million for the nine months ended 31 December 2014

James Hardie today announced its results for the third quarter of fiscal 2015 and the nine months ended 31 December 2014:

- Group adjusted net operating profit¹ of US\$48.6 million for the quarter and US\$164.1 million for the nine months, increases of 11% for the quarter and 8% for the nine months, respectively, compared to the prior corresponding periods("pcp");
- Group adjusted EBIT¹ of US\$66.9 million for the quarter and US\$223.2 million for the nine months, increases of 21% and 14%, respectively, compared to pcp;
- Group net sales of US\$388.4 million for the quarter and US\$1,245.6 million for the nine months, increases of 10% and 11%, respectively, compared to pcp;
- USA and Europe Fiber Cement Segment net sales of US\$294.5 million for the quarter and US\$951.4 million for the nine months, increases of 12% and 13%, respectively, compared to pcp;
- USA and Europe Fiber Cement Segment EBIT margin of 21.6% for the quarter and 21.7% for the nine months;
- Asia Pacific Fiber Cement Segment EBIT margin excluding New Zealand weathertightness claims of 25.0% for the quarter and 23.8% for the nine months; and
- Capital expenditures of US\$81.5 million for the quarter and US\$241.0 million for the nine months.

CEO Commentary

"Our third quarter and nine months results continue to reflect increased volumes across our USA, European and Asia Pacific businesses, driving group net sales up 10% and 11% for the quarter and nine months, respectively. While our operating environment in the US has improved marginally compared to the prior corresponding quarter, we are yet to see the previously anticipated accelerated growth in the US residential market." said James Hardie CEO, Louis Gries.

"Plant performance across our US network has continued to improve as the year has progressed, particularly compared to the first quarter, contributing to gross profit outpacing top line revenue growth for the group for the second consecutive quarter," added Mr. Gries.

¹ The Company may present financial measures that are not considered a measure of financial performance under US GAAP and 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. 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 2014.

“Our USA and Europe Fiber Cement segment EBIT margin for both the quarter and year to date has exceeded the prior corresponding periods, largely as a result of higher volumes and average net sales prices. For fiscal 2015, we continue to expect our full year USA and Europe Fiber Cement segment EBIT margin to remain within our target range of 20% to 25%,” said Mr. Gries.

Mr. Gries concluded, “When we look at the US housing market, and the broader US economy as a whole, we see continued uncertainty in the short term. However, our more positive view on the medium and longer-term outlook remains unchanged. We continue to invest in additional manufacturing capacity across our Asia Pacific and US networks, including capacity expansion projects at our Plant City, Cleburne and Carole Park locations. Further, we spent a combined US\$65.4 million on the strategic purchases of our previously leased Rosehill site, and a parcel of land near our Tacoma plant, securing our manufacturing footprints in both locations for the long term.

Outlook

The Company expects our performance in the fourth quarter of fiscal 2015 to be consistent with our results for the first nine months of fiscal 2015. However, there is uncertainty due to the continued variability in the short term economic outlook, housing activity and changes in the prices of our raw material inputs. EBIT margins in our USA and Europe Fiber Cement Segment are expected to remain within our target range of 20% to 25% for fiscal 2015, absent any major external factors.

Net sales from the Australian business are expected to improve, tracking in line with expected growth in the detached housing market and an expected positive movement in the repair and remodel market.

The New Zealand business is expected to deliver improved results supported by a strong local housing market, particularly in Auckland and Christchurch, although at a more moderate rate of growth than the prior year.

The Philippines business is expected to grow, driven by increased penetration into the growing residential high rise market together with increased penetration into the strengthening commercial market.

Full Year Earnings Guidance

Management notes the range of analysts’ forecasts for net operating profit excluding asbestos for the year ending 31 March 2015 is between US\$210 million and US\$222 million. Management expects full year Adjusted net operating profit to be between US\$210 million and US\$222 million assuming, among other things, housing industry conditions in the United States continuing to improve and that an average exchange rates at or near current levels are applicable for the remainder of the fiscal year.

The comparable adjusted net operating profit for fiscal 2014 was US\$197.2 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 quarter ended 31 December 2014 for additional information regarding the company's results, including information regarding income taxes, the asbestos liability and contingent liabilities.

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 2014; 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.

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Fiscal 2015



Third Quarter and Nine Months Ended 31 December 2014

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."

These documents, along with an audio webcast of the Management Presentation on 20 February 2015, are available from the Investor Relations area of our website at <http://www.ir.jameshardie.com.au>

NOTE TO THE READER:

Starting with Q1 of fiscal 2015, we revised the order of analysis within our Management's Analysis of Results. Historically we presented the analysis in order of Statement of Operations line item; we now present an overall analysis of group results, an analysis of our operating results by segment, an analysis of additional non-segment related operating results with any supplementary financial or operating information following.

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In this Management's Analysis of Results, James Hardie may present financial measures, sales volume terms, financial ratios, and Non-US GAAP financial measures included in the "Definitions and Other Terms", and "Non-GAAP Financial Measures" sections of this document. We present financial measures that we believe are customarily used by our Australian investors. Specifically, these financial measures, which are equivalent to or derived from certain US GAAP measures as explained in the definitions section, include "EBIT", "EBIT margin", "Operating profit before income taxes" and "Net operating profit". We may also present other terms for measuring our sales volume ("million square feet" or "mmsf" and "thousand square feet" or "msf"); financial ratios ("Gearing ratio", "Net interest expense cover", "Net interest paid cover", "Net debt payback", "Net debt (cash)"); and Non-US GAAP financial measures ("Adjusted EBIT", "Adjusted EBIT margin", "Adjusted net operating profit", "Adjusted diluted earnings per share", "Adjusted operating profit before income taxes", "Adjusted effective tax rate on earnings", "Adjusted EBITDA" and "Adjusted selling, general and administrative expenses"). Unless otherwise stated, results and comparisons are of the third quarter and nine months of the current fiscal year versus the third quarter and nine months of the prior fiscal year. For additional information regarding the financial measures presented in this Management's Analysis of Results, including a reconciliation of each non-GAAP financial measures to the equivalent US GAAP measure, see the sections titled "Definition and Other Terms" and "Non-US GAAP Financial Measures."

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

US\$ Millions	Three and Nine Months Ended 31 December					
	Q3 FY15	Q3 FY14	Change %	9 Months FY15	9 Months FY14	Change %
Net sales	\$ 388.4	\$ 353.2	10	\$ 1,245.6	\$ 1,117.4	11
Cost of goods sold	(253.2)	(231.7)	(9)	(819.3)	(736.5)	(11)
Gross profit	135.2	121.5	11	426.3	380.9	12
Selling, general and administrative expenses	(56.0)	(53.8)	(4)	(176.7)	(162.5)	(9)
Research and development expenses	(7.7)	(8.7)	11	(24.1)	(25.1)	4
Asbestos adjustments	54.9	35.8	53	96.9	126.2	(23)
EBIT	126.4	94.8	33	322.4	319.5	1
Net interest expense	(1.5)	(0.4)		(3.5)	(0.7)	
Other (expense) income	(0.2)	1.2		(3.9)	1.4	
Operating profit before income taxes	124.7	95.6	30	315.0	320.2	(2)
Income tax expense	(17.2)	(3.4)		(51.4)	(33.9)	(52)
Net operating profit	\$ 107.5	\$ 92.2	17	\$ 263.6	\$ 286.3	(8)
Earnings per share - basic (US cents)	24	21		59	65	
Earnings per share - diluted (US cents)	24	21		59	64	
Volume (mmsf)	543.7	489.5	11	1,717.8	1,573.8	9

Total net sales of US\$388.4 million for the quarter and US\$1,245.6 million for the nine months increased 10% and 11%, respectively, when compared to the prior corresponding periods. Net sales in local currencies were favorably impacted by higher sales volumes in both the USA and Europe Fiber Cement and the Asia Pacific Fiber Cement segments.

Gross profit of US\$135.2 million for the quarter and US\$426.3 million for the nine months increased 11% and 12%, respectively, when compared with the prior corresponding periods. Gross profit margins of 34.8% for the quarter and 34.2% for the nine months increased 0.4 percentage points and 0.1 percentage points, respectively, when compared with the prior corresponding periods.

Selling, general and administrative (“SG&A”) expenses of US\$56.0 million for the quarter and US\$176.7 million for the nine months increased 4% and 9%, respectively, when compared with the prior corresponding periods. The increase primarily reflects higher compensation expenses, an increase in discretionary expenses and higher realized losses on foreign currency transactions caused by the strengthening of the US dollar during the quarter and nine months. For the quarter and nine months, SG&A as a percentage of sales has decreased compared to the prior corresponding periods.

Research and development (“R&D”) expenses decreased 11% for the quarter and 4% for the nine months when

compared to the prior corresponding periods. The decrease in the quarter and nine months is related to the timing of spend associated with commercialization projects in our business units.

Asbestos adjustments reflect the non-cash foreign exchange translation impact on asbestos related balance sheet items, driven by the change in the AUD/USD spot exchange rate between the relevant balance sheet dates.

Other (expense) income for the quarter and nine months reflects unrealized foreign exchange gains and losses and unrealized gains and losses on interest rate swaps.

Net Operating Profit for the quarter increased, compared to the prior corresponding period, primarily due to the favorable impact of the underlying performance of the operating business units and favorable asbestos adjustments, partially offset by higher income tax expense, due to a favorable non-recurring tax adjustment in the prior corresponding period and a higher adjusted effective tax rate. The decrease for the nine months compared to the prior corresponding period, reflects higher operating earnings, more than offset by less favorable asbestos adjustments, higher SG&A expenses, higher interest and other expenses and higher income tax expense, due to a favorable non-recurring tax adjustment in the prior period and higher adjusted effective tax rate.

USA & Europe Fiber Cement Segment

Operating results for the USA & Europe Fiber Cement segment were as follows:

	Three and Nine Months Ended 31 December					
	Q3 FY15	Q3 FY14	Change %	9 Months FY15	9 Months FY14	Change %
Volume (mmcf)	426.9	389.2	10%	1,375.6	1,263.5	9%
Average net sales price per unit (per msf)	US\$675	US\$659	2%	US\$678	US\$651	4%
Net sales (US\$ Millions)	294.5	262.6	12%	951.4	839.4	13%
Gross profit			12%			13%
Gross margin (%)			0.1 pts			(0.1 pts)
EBIT (US\$ Millions)	63.5	53.1	20%	206.3	179.8	15%
EBIT margin (%)	21.6	20.2	1.4 pts	21.7	21.4	0.3 pts

Net sales for the quarter and nine months were favorably impacted by higher volumes and a higher 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 primarily driven by further market penetration and modest growth in the repair and remodel market segment.

For the quarter and nine months, the increase in our average net sales price reflects price increases implemented at the beginning of the fiscal year, the ongoing execution of our pricing strategies, product mix and also the reduction of pricing inefficiencies when compared to the prior corresponding periods.

We note that there are a number of indicators that measure US housing market growth, most of which have reported between low single digit growth and slight contraction in recent quarters when compared to prior corresponding periods. However, at the time of filing our results for the nine months ended 31 December 2014, only US Census Bureau data was available. According to the US Census Bureau, single family housing starts for the quarter were 143,900, 4% above the prior corresponding period and for the nine months ended 31 December 2014, single family housing starts were 491,200, 1% above the prior corresponding period.

While we have provided US Census Bureau data above, we note that it typically trends higher 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 2014:

Higher average net sales price	2.6
Higher production costs	(2.5)
Total percentage point change in gross margin	<u>0.1 pts</u>

For the nine months ended 31 December 2014:

Higher average net sales price	2.6
Higher production costs	(2.7)
Total percentage point change in gross margin	<u>(0.1 pts)</u>

Production costs for the quarter and nine months when compared to the prior corresponding periods, increased primarily due to higher input costs driven by the market prices for pulp, gas, silica and our continued efforts to optimize production at our recently recommissioned Fontana, California location. Plant performance in the quarter improved versus the first half of fiscal 2015, resulting in lower production costs in the quarter as compared to the first half of fiscal 2015.

EBIT of US\$63.5 million for the quarter and US\$206.3 million for the nine months increased by 20% and 15%, respectively, compared to the prior corresponding periods, reflecting the increased volumes and improved underlying performance of our US and European businesses. As a percentage of segment sales, SG&A expenses decreased by 0.9 percentage points for the quarter, but increased by 0.2 percentage points for the nine months. For both the quarter and nine months, EBIT was unfavorably impacted by higher SG&A, primarily reflecting higher compensation expenses due to increased headcount as we invest in our organizational capability.

Asia Pacific Fiber Cement Segment

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

	Three and Nine Months Ended 31 December					
	Q3 FY15	Q3 FY14	Change %	9 Months FY15	9 Months FY14	Change %
Volume (mmcf)	116.8	100.3	16%	342.2	310.3	10%
Net Sales (US\$ Millions)	93.9	90.6	4%	294.2	278.0	6%
US\$ Gross Profit			8%			8%
US\$ Gross Margin (%)			1.5 pts			0.7 pts
EBIT (US\$ Millions)	28.7	25.5	13%	74.1	63.8	16%
New Zealand weathertightness claims (US\$ millions)	5.2	4.2	24%	4.2	(0.7)	
EBIT excluding (US\$ millions) ¹	23.5	21.3	10%	69.9	64.5	8%
US\$ EBIT Margin excluding (%) ¹	25.0	23.5	1.5pts	23.8	23.2	0.6 pts

¹ Excludes New Zealand weathertightness claims

The Asia Pacific Fiber Cement Segment results in US dollars were unfavorably impacted for the quarter and for the nine months by the change in the period weighted average AUD/USD exchange rate relative to the prior corresponding periods. The impact of the exchange rate movements are detailed in the table below:

	Q3 FY15			Nine Months FY15		
	Results in AUD	Results in USD	Impact of foreign exchange	Results in AUD	Results in USD	Impact of foreign exchange
Net Sales	▲ 12%	▲ 4%	(8 pts)	▲ 11%	▲ 6%	(5 pts)
Gross Profit	▲ 17%	▲ 8%	(9 pts)	▲ 13%	▲ 8%	(5 pts)
EBIT	▲ 21%	▲ 13%	(8 pts)	▲ 22%	▲ 16%	(6 pts)
EBIT excluding ¹	▲ 20%	▲ 10%	(10 pts)	▲ 14%	▲ 8%	(6 pts)

¹ Excludes New Zealand weathertightness claims

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

	Three and Nine Months Ended 31 December					
	Q3 FY15	Q3 FY14	Change %	9 Months FY15	9 Months FY14	Change %
Volume (mmsf)	116.8	100.3	16%	342.2	310.3	10%
Average net sales price per unit (per msf)	A\$929	A\$963	(4%)	A\$940	A\$937	-
Net Sales (A\$ Millions)	109.7	97.6	12%	325.3	294.1	11%
A\$ Gross Profit			17%			13%
A\$ Gross Margin (%)			1.5 pts			0.7 pts
EBIT (A\$ Millions)	33.1	27.3	21%	82.0	67.4	22%
New Zealand weathertightness claims (A\$ millions)	5.7	4.4	30%	4.7	(0.7)	
EBIT excluding (A\$ millions) ¹	27.4	22.9	20%	77.3	68.1	14%
A\$ EBIT Margin excluding (%) ¹	25.0	23.5	1.5 pts	23.8	23.2	0.6 pts

¹ Excludes New Zealand weathertightness claims

Net sales in Australian dollars for the quarter and nine months increased, largely due to higher sales volumes; partially offset by lower price, when compared to prior corresponding periods. In our Australian business, the key drivers of net sales growth were favorable conditions in our addressable markets and a favorable product mix. In our New Zealand business, volume grew across all regions; however net sales growth was partially offset by a lower average selling price due to product mix. In our Philippines business, net sales were driven higher compared to the prior corresponding periods by growth in our addressable markets and continued market penetration.

According to Australian Bureau of Statistics data, approvals for detached houses, which are a key driver of the Asia Pacific business' sales volume, were 28,273 for the quarter, an increase of 7%, when compared to the prior corresponding period. For the nine months, approvals for detached houses were 87,442, an increase of 11%, compared to the prior corresponding period. The other key driver of our sales volume is the alterations and additions market, which increased 2% for the three months ended 30 September 2014 when compared to the prior corresponding period. For the nine months ended 30 September 2014, the alterations and additions market increased 3% compared to prior corresponding period.

According to Statistics New Zealand data, consents for dwellings excluding apartments, which are the primary driver of the New Zealand business' net sales, were 5,653 for the quarter, an increase of 11%, when compared to the prior corresponding period. For the nine months, consents for dwellings excluding apartments, were 16,391, an increase of 11%, compared to the prior corresponding period.

In Australian dollars, 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 2014:

Lower production costs	1.5
Total percentage point change in gross margin	<u>1.5 pts</u>

For the nine months ended 31 December 2014:

Higher average net sales price	1.0
Higher production costs	(0.3)
Total percentage point change in gross margin	<u>0.7 pts</u>

For the quarter, production costs decreased compared to the prior corresponding period, primarily due to the favorable impact on cost of goods sold of the purchase of our Rosehill site, as described further below, partially offset by higher market prices for input costs, driven by the impact of the depreciating Australian dollar on the price of pulp. Production costs for the nine months ended 31 December 2014, when compared to the prior corresponding period, increased primarily due to higher input costs driven by higher market prices of pulp, partially offset by the favorable impact on cost of goods sold of the purchase of our Rosehill site. Further, the reduced plant performance experienced during the first half of fiscal 2015 was partially mitigated during the current quarter, but still has an overall unfavorable impact on the nine month results.

During December 2014, we purchased the land and buildings previously leased at our Rosehill, New South Wales facility for A\$45.0 million. As a result of the purchase, we released remediation and straight line rent provisions required as a lessee, resulting in a favorable impact to cost of goods sold of US\$2.6 million.

For the quarter, New Zealand weathertightness claims benefit increased compared to the prior quarter due to favorable claims settlements. For the nine months, we recorded a benefit related to New Zealand weathertightness, compared to an expense in the prior corresponding period. The decrease in the provision is a result of a higher rate of claim resolution, fewer open claims at the end of the period and a continued reduction in the number of new claims received when compared to the prior corresponding nine months

In Australian dollars, EBIT excluding New Zealand weathertightness claims for the quarter and nine months increased by 20% and 14% respectively, compared to the prior corresponding periods, to A\$27.4 million and A\$77.3 million.

Research and Development Segment

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

US\$ Millions

US\$ Millions	Three and Nine Months Ended 31 December					
	Q3 FY15	Q3 FY14	%Change	9 Months FY15	9 Months FY14	Change %
Segment R&D expenses	\$ (5.6)	\$ (5.8)	3	\$ (18.3)	\$ (16.3)	(12)
Segment R&D SG&A expenses	(0.5)	(0.6)	17	(1.4)	(1.7)	18
Total R&D EBIT	\$ (6.1)	\$ (6.4)	5	\$ (19.7)	\$ (18.0)	(9)

The change in Segment R&D expenses compared to the prior corresponding period and nine months is a result of the number of core R&D projects being worked on by the R&D team. The expense will fluctuate quarter to quarter depending on the nature and number of core R&D projects being worked on during the quarter.

Other R&D expenses associated with commercialization projects in business units are recorded in the results of the respective business unit segment. In total, these costs were US\$2.1 million for the quarter and US\$5.8 million for the nine months, compared to US\$2.9 million and US\$8.8 million, respectively, for the prior corresponding periods.

General Corporate Segment

Results for the General Corporate Segment for the quarter and nine months ended 31 December 2014 are as follows:

US\$ Millions

US\$ Millions	Three and Nine Months Ended 31 December					
	Q3 FY15	Q3 FY14	%Change	9 Months FY15	9 Months FY14	Change %
General Corporate SG&A expenses	\$ (14.0)	\$ (12.8)	(9)	\$ (33.3)	\$ (30.9)	(8)
Asbestos:						
Asbestos Adjustments	54.9	35.8	(53)	96.9	126.2	(23)
AICF SG&A Expenses ¹	(0.6)	(0.4)	(50)	(1.9)	(1.4)	(36)
General Corporate EBIT	\$ 40.3	\$ 22.6	78	\$ 61.7	\$ 93.9	(34)

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 2014 Condensed Consolidated Financial Statements for further information on the Asbestos Adjustments

For the quarter, General Corporate SG&A Expenses increased by US\$1.2 million, compared to the prior corresponding period, primarily due to an increase of US\$1.1 million of recognized foreign exchange losses, US\$0.9 million in compensation related expenses and US\$0.8 million in discretionary expenses compared to the prior corresponding period. These unfavorable movements were partially offset by a US\$1.6 million decrease in stock compensation expenses as the 3% appreciation in our US\$ stock price during the current quarter was less than the 16% appreciation in the prior corresponding period.

For the nine months, General Corporate SG&A Expenses increased by US\$2.4 million, compared to the prior corresponding period, primarily due to an increase of US\$2.1 million in discretionary expenses, US\$1.1 million in compensation related expenses and US\$0.5 million of recognized foreign exchange losses compared to the prior

corresponding period. These unfavorable movements were partially offset by a US\$1.3 million decrease in stock compensation expenses, driven by an 18% depreciation in our US\$ stock price during the nine months ended 31 December 2014, compared to an 11% appreciation across the prior corresponding period.

Asbestos adjustments for both periods reflect the non-cash foreign exchange translation 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 FY15		Q3 FY14		9 Months FY15		9 Months FY14	
30 September 2014	0.8764	30 September 2013	0.9308	31 March 2014	0.9220	31 March 2013	1.0420
31 December 2014	0.8193	31 December 2013	0.8936	31 December 2014	0.8193	31 December 2013	0.8936
Change (\$)	(0.0571)	Change (\$)	(0.0372)	Change (\$)	(0.1027)	Change (\$)	(0.1484)
Change (%)	(7%)	Change (%)	(4%)	Change (%)	(11%)	Change (%)	(14%)

Readers are referred to Note 7 of our 31 December 2014 Condensed Consolidated Financial Statements for further information on the Asbestos adjustments.

EBIT

The table below summarizes the segment EBIT results as discussed above:

US\$ Millions	Three and Nine Months Ended 31 December					
	Q3 FY15	Q3 FY14	Change %	9 Months FY15	9 Months FY14	Change %
USA and Europe Fiber Cement	\$ 63.5	\$ 53.1	20	\$ 206.3	\$ 179.8	15
Asia Pacific Fiber Cement ¹	23.5	21.3	10	69.9	64.5	8
Research & Development	(6.1)	(6.4)	5	(19.7)	(18.0)	(9)
General Corporate excluding asbestos	(14.0)	(12.8)	(9)	(33.3)	(30.9)	(8)
Adjusted EBIT	66.9	55.2	21	223.2	195.4	14
Asbestos:						
Asbestos adjustments	54.9	35.8	53	96.9	126.2	(23)
AICF SG&A expenses	(0.6)	(0.4)	(50)	(1.9)	(1.4)	(36)
New Zealand weathertightness claims	5.2	4.2	24	4.2	(0.7)	
EBIT	126.4	94.8	33	322.4	319.5	1

¹ Excludes New Zealand weathertightness claims

Net Interest (expense) income

US\$ Millions	Three and Nine Months Ended 31 December					
	Q3 FY15	Q3 FY14	%Change	9 Months FY15	9 Months FY14	%Change
Gross interest expense	(2.1)	(1.0)		(4.8)	(3.0)	(60)
Capitalised Interest	0.4	-		0.6	-	
Interest income	0.1	0.2	(50)	0.4	0.4	-
Realised loss on interest rate swaps	(0.4)	(0.2)		(0.7)	(0.5)	(40)
Net AICF interest income	0.5	0.6	-	1.0	2.4	(58)
Net interest expense	(1.5)	(0.4)		(3.5)	(0.7)	

Gross interest expense for the quarter and nine months increased US\$1.1 million and US\$1.8 million, respectively, when compared to the prior corresponding periods primarily as a result of higher average balances of funds drawn on our debt facilities during the current quarter and nine months. Capitalized interest for the quarter and nine months totaled US\$0.4 million and US\$0.6 million, respectively, compared to nil for the prior corresponding periods.

For the nine months, AICF net interest income decreased US\$1.4 million compared to the prior corresponding period, primarily a result of the combined impact of higher interest expense incurred as a result of the drawdowns made on the AICF loan facility and a decrease in interest income as a result of lower investment balances held by AICF in fiscal 2015 compared to fiscal 2014.

Other (expense) income

For the quarter, other expense moved from a gain of US\$1.2 million in the prior corresponding period to a loss of US\$0.2 million. For the nine months, other expense moved from a gain of US\$1.4 million in the prior corresponding period to a loss of US\$3.9 million. The changes in other expense period over period are due to the timing of foreign exchange gains and losses and the unrealized gains and losses resulting from the changes in the fair value of our interest rate swaps at the balance sheet dates.

Income Tax

	Three and Nine Months Ended 31 December			
	Q3 FY15	Q3 FY14	9 Months FY15	9 Months FY14
Income tax expense (US\$ Millions)	(17.2)	(3.4)	(51.4)	(33.9)
Tax adjustments	1.1	(8.3)	0.7	(7.8)
Adjusted income tax expense (US\$ Millions)	(16.1)	(11.7)	(50.7)	(41.7)
Effective tax rate (%)	13.8	3.6	16.3	10.6
Adjusted effective tax rate (%)	24.9	21.1	23.6	21.5

Total income tax expense for the quarter increased by US\$13.8 million from the prior corresponding period. The change is primarily due to an unfavorable change in tax adjustments of US\$9.4 million and an increased adjusted effective tax rate, which increased from 21.1% in the prior corresponding period to 24.9% in the quarter.

Total income tax expense for the nine months increased by US\$17.5 million from the prior corresponding period. The change is primarily due to an unfavorable change in tax adjustments of US\$8.5 million and an increased adjusted effective tax rate, which increased from 21.5% in the prior corresponding period to 23.6% in the quarter.

The unfavorable change in tax adjustments noted in both the quarter and nine month periods above is primarily related to a non-recurring receipt of interest from the Australian Taxation Office in the third quarter of fiscal year 2014; resulting from finalization of RCI Pty Ltd's successful appeal against a disputed amended tax assessment.

The increase in the adjusted effective tax rate for both the quarter and nine months was primarily due to a higher proportion of taxable earnings in jurisdictions with higher tax rates

Readers are referred to Note 11 of our 31 December 2014 Condensed Consolidated Financial Statements for further information related to income tax.

Net Operating Profit

US\$ Millions	Three and Nine Months Ended 31 December					
	Q3 FY15	Q3 FY14	%Change	9 Months FY15	9 Months FY14	Change %
EBIT	\$ 126.4	\$ 94.8	33	\$ 322.4	\$ 319.5	1
Net interest expense	(1.5)	(0.4)		(3.5)	(0.7)	
Other (expense) income	(0.2)	1.2		(3.9)	1.4	
Income tax expense	(17.2)	(3.4)		(51.4)	(33.9)	(52)
Net operating profit	107.5	92.2	17	263.6	286.3	(8)
Excluding:						
Asbestos:						
Asbestos adjustments	(54.9)	(35.8)	(53)	(96.9)	(126.2)	(23)
AICF SG&A expenses	0.6	0.4	50	1.9	1.4	36
AICF interest income	(0.5)	(0.6)	17	(1.0)	(2.4)	58
New Zealand weathertightness claims	(5.2)	(4.2)	(24)	(4.2)	0.7	
Asbestos and other tax adjustments	1.1	(8.3)		0.7	(7.8)	
Adjusted net operating profit	\$ 48.6	\$ 43.7	11	\$ 164.1	\$ 152.0	8
Adjusted diluted earnings per share (US cents)	11	10		37	34	

Adjusted net operating profit of US\$48.6 million for the quarter increased US\$4.9 million, or 11%, compared to the prior corresponding period, primarily due to the underlying performance of the operating business units as reflected in the US\$11.7 million increase in adjusted EBIT, partially offset by an increase in adjusted income tax expense of US\$4.4 million, other expense of US\$1.4 million and gross interest expense of US\$1.1 million.

Adjusted net operating profit of US\$164.1 million for the nine months increased US\$12.1 million, or 8%, compared to the prior corresponding period, primarily due to the underlying performance of the operating business units as reflected in the US\$27.8 million increase in adjusted EBIT, partially offset by an increase in adjusted income tax expense of US\$9.0 million, other expense of US\$5.3 million and gross interest expense of US\$1.8 million.

Cash Flow

Operating Activities

Net operating cash flow decreased US\$150.6 million to US\$104.1 million. The movement compared to the prior corresponding nine months is largely driven by the contribution to AICF of US\$113.0 million in fiscal 2015. Additionally, cash used in working capital requirements was \$26.4 million, consisting primarily of increases in finished goods and raw material inventories, driven by increased production in anticipation for calendar 2015 US building season, the addition of the Fontana facility to the network and the expansion of our vendor managed inventory program. The remaining decrease in net operating cash flow can be attributed to movements in other non-cash items.

Investing Activities

Net cash used in investing activities increased from US\$72.0 million in the prior corresponding nine months to US\$241.0 million. The continued execution of our capacity expansion plans across our businesses accounts for US\$154.3 million of this increase, with the remaining US\$86.7 million increase related to other capital expenditures.

Financing Activities

Net cash of US\$28.5 million was provided by financing activities, compared to US\$152.5 million used in financing activities in the prior corresponding nine months. This movement was primarily related to a draw down on our debt facilities of US\$390.0 million, partially offset by a US\$192.3 million increase in cash used to pay dividends, largely a result of the one-time 125 year anniversary special dividend paid during the first quarter of fiscal 2015.

Capacity Expansion

We continue with our plans to increase the production capacity of the USA and Europe and Asia Pacific Fiber Cement businesses. The table below illustrates what we have spent on capacity expansion related projects for the nine months ended 31 December 2014:

Project Description	Nine Month FY15 Spend
Plant City, Florida - 4 th sheet machine and ancillary facilities	US\$38.5 million
Cleburne, Texas - 3 rd sheet machine and ancillary facilities	US\$19.9 million
Carole Park, Queensland - Capacity expansion project	US\$30.5 million
Tacoma, Washington - Land and buildings	US\$27.9 million
Rosehill, New South Wales - Land and buildings	US\$37.5 million
Total capacity expansion spend	US\$154.3 million

In December 2014, we completed the purchase of the land and buildings we previously leased at our Rosehill, New South Wales facility for A\$45.0 million. The purchase was a strategic decision to ensure our manufacturing footprint in Eastern Australia could be maintained longer term.

We continue to evaluate the demand in the US housing market, and continue to review the estimated commissioning dates of our capacity expansions. As such, we have deferred the sheet machine commissioning at our Plant City and Cleburne facilities into early fiscal 2017, subject to our continued monitoring of the US housing market recovery.

Liquidity and Capital Structure

At 31 December 2014, we have US\$590.0 million of combined credit facilities from our banks available to us with a combined average tenor of 2.7 years. At 31 December 2014, a total of US\$390.0 million is drawn from our debt facilities, compared to nil at 31 December 2013.

Our cash position decreased from US\$167.5 million at 31 March 2014 to US\$62.3 million at 31 December 2014.

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.

As previously discussed, we expect to continue to invest in capital expenditures, and plan to continue to do so over the next three years. 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.

On 10 February 2015, James Hardie International Finance Limited, 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. The notes are guaranteed by James Hardie International Group Limited, James Hardie Technology Limited and James Hardie Building Products Inc., each of which are wholly-owned subsidiaries of JHI plc. The net proceeds from this offering will be used for general corporate purposes, including the repayment of approximately \$316.7 million of outstanding borrowings under current bilateral credit facilities and the payment of related transaction fees and expenses.

Capital Allocation, Dividends, and Share Buyback

The following table summarizes the dividends declared or paid during fiscal years 2013, 2014, and 2015:

(Millions of US dollars)	US Cents/ Security	US\$ Total Amount	Announcement Date	Record Date	Payment Date
FY 2015 first half dividend	0.08	36.0	19 November 2014	23 December 2014	27 February 2015
FY 2014 special dividend	0.20	89.0	22 May 2014	12 June 2014	08 August 2014
FY 2014 second half dividend	0.32	142.3	22 May 2014	12 June 2014	08 August 2014
125 year anniversary special dividend	0.28	124.6	28 February 2014	21 March 2014	30 May 2014
FY 2014 first half dividend	0.08	35.5	14 November 2013	19 December 2013	28 March 2014
FY 2013 special dividend	0.24	106.1	23 May 2013	28 June 2013	26 July 2013
FY 2013 second half dividend	0.13	57.5	23 May 2013	28 June 2013	26 July 2013

Share Buyback

During fiscal 2014, the Company announced a share buyback program to acquire up to 5% of its issued capital in the twelve months through May 2014. Under this program, the Company repurchased and cancelled 715,000 shares of its common stock during the first quarter of the current fiscal year. The aggregate costs of the shares repurchased and cancelled was A\$9.8 million (US\$9.1 million), at an average market price of A\$13.69 (US\$12.73). Upon the expiration of the fiscal 2014 program, the Company announced a new share buyback program to acquire up to 5% of its issued capital. No shares have been repurchased or cancelled under the fiscal 2015 program for the three or nine months ended 31 December 2014.

In line with our capital allocation objectives we expect the following activities to continue in the near term:

- 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

	Three and Nine Months Ended 31 December					
	Q3 FY15	Q3 FY14	%Change	9 Months FY15	9 Months FY14	%Change
Claims received	170	155	(10)	507	476	(7)
Actuarial estimate for the period	153	135	(13)	458	405	(13)
Difference in claims received to actuarial estimate	(17)	(20)	15	(49)	(71)	31
Average claim settlement ¹ (A\$)	249,000	254,000	2	246,000	258,000	5
Actuarial estimate for the period ²	289,000	262,000	(10)	289,000	262,000	(10)
Difference in claims paid to actuarial estimate	40,000	8,000		43,000	4,000	

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

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

Claims Data

For the quarter and nine months ended 31 December 2014, we noted the following related to asbestos claims:

- Claims received during the current quarter and nine months were 11% above actuarial estimates;
- Claims received during the current quarter and nine months were 10% and 7% higher than the prior corresponding periods, respectively;
- The higher reported mesothelioma claims experience noted during fiscal 2014 has continued into the current quarter and nine months;
- The average claim settlement for the quarter and nine months is down 2% and 5%, respectively, compared to the prior corresponding periods;
- The average claim settlement for the quarter and nine months is down 14% and 15%, respectively, versus actuarial estimates;
- Average claim settlement sizes are generally lower across all disease types compared to actuarial expectations for fiscal 2015; and
- The decrease in average claim settlement for the quarter and nine months is largely attributable to a lower number of large mesothelioma claims being settled compared to the prior corresponding periods. We caution that there are a number of large pending claims which might materially increase the average settlement size.

AICF Funding

On 1 July 2014, the Company made a payment of A\$119.9 million (US\$113.0 million) to AICF, representing 35% of its free cash flow for fiscal year 2014. For the 1 July 2014 payment, free cash flow as defined in the AFFA is equivalent to the Company's fiscal year 2014 operating cash flows of US\$322.8 million. From the time AICF was established in February 2007 we have contributed A\$721.5 million to AICF.

Readers are referred to Note 7 of our 31 December 2014 Condensed Consolidated Financial Statements for further information on Asbestos.

Non-financial Terms

ABS – Australian Bureau of Statistics.

AFFA – Amended and Restated Final Funding Agreement.

AICF – Asbestos Injuries Compensation Fund Ltd.

ASIC – Australian Securities and Investments Commission.

NBSK – Northern Bleached Softwood Kraft; Our benchmark grade of pulp.

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

Financial Measures – US GAAP equivalents

This document contains financial statement line item descriptions that are considered to be non-US GAAP, but are consistent with those used by Australian companies. Because we prepare our 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 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.

Financial Ratios

Gearing ratio – Net debt (cash) divided by net debt (cash) plus shareholders' equity.

Net interest expense cover – EBIT divided by net interest expense (excluding loan establishment fees).

Net interest paid cover – EBIT divided by cash paid during the period for interest, net of amounts capitalised.

Net debt payback – Net debt (cash) divided by cash flow from operations.

Net debt (cash) – short-term and long-term debt less cash and cash equivalents.

Return on capital employed – EBIT divided by gross capital employed.

Adjusted EBIT and Adjusted EBIT margin – Adjusted EBIT and Adjusted EBIT margin are not measures of financial performance under US GAAP and should not be considered to be more meaningful than EBIT and EBIT margin. Management has included these financial 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 provides useful information regarding its financial condition and results of operations. Management uses these non-US GAAP measures for the same purposes.

US\$ Millions	Three and Nine Months Ended 31 December			
	Q3 FY15	Q3 FY14	9 Months FY15	9 Months FY14
EBIT	\$ 126.4	\$ 94.8	\$ 322.4	\$ 319.5
Asbestos:				
Asbestos adjustments	(54.9)	(35.8)	(96.9)	(126.2)
AICF SG&A expenses	0.6	0.4	1.9	1.4
New Zealand weathertightness claims	(5.2)	(4.2)	(4.2)	0.7
Adjusted EBIT	66.9	55.2	223.2	195.4
Net sales	\$ 388.4	\$ 353.2	\$ 1,245.6	\$ 1,117.4
Adjusted EBIT margin	17.2%	15.6%	17.9%	17.5%

Adjusted net operating profit – Adjusted net operating profit is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than net operating profit. Management has included this financial measure 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. Management uses this non-US GAAP measure for the same purposes.

US\$ Millions	Three and Nine Months Ended 31 December			
	Q3 FY15	Q3 FY14	9 Months FY15	9 Months FY14
Net operating profit	\$ 107.5	\$ 92.2	\$ 263.6	\$ 286.3
Asbestos:				
Asbestos adjustments	(54.9)	(35.8)	(96.9)	(126.2)
AICF SG&A expenses	0.6	0.4	1.9	1.4
AICF interest income, net	(0.5)	(0.6)	(1.0)	(2.4)
New Zealand weathertightness claims	(5.2)	(4.2)	(4.2)	0.7
Asbestos and other tax adjustments	1.1	(8.3)	0.7	(7.8)
Adjusted net operating profit	\$ 48.6	\$ 43.7	\$ 164.1	\$ 152.0

Adjusted diluted earnings per share – Adjusted diluted earnings per share is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than diluted earnings per share. Management has included this financial measure 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. Management uses this non-US GAAP measure for the same purposes.

	Three and Nine Months Ended 31 December			
	Q3 FY15	Q3 FY14	9 Months FY15	9 Months FY14
Adjusted net operating profit (US\$ millions)	\$ 48.6	\$ 43.7	\$ 164.1	\$ 152.0
Weighted average common shares outstanding - Diluted (millions)	445.9	445.2	445.9	444.2
Adjusted diluted earnings per share (US cents)	11	10	37	34

Adjusted effective tax rate on earnings – Adjusted effective tax rate on earnings is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than effective tax rate. Management has included this financial measure 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. Management uses this non-US GAAP measure for the same purposes.

US\$ Millions	Three and Nine Months Ended 31 December			
	Q3 FY15	Q3 FY14	9 Months FY15	9 Months FY14
Operating profit before income taxes	\$ 124.7	\$ 95.6	\$ 315.0	\$ 320.2
Asbestos:				
Asbestos adjustments	(54.9)	(35.8)	(96.9)	(126.2)
AICF SG&A expenses	0.6	0.4	1.9	1.4
AICF interest expense, net	(0.5)	(0.6)	(1.0)	(2.4)
New Zealand weathertightness claims	(5.2)	(4.2)	(4.2)	0.7
Adjusted operating profit before income taxes	\$ 64.7	\$ 55.4	\$ 214.8	\$ 193.7
Income tax expense	\$ (17.2)	\$ (3.4)	\$ (51.4)	\$ (33.9)
Asbestos-related and other tax adjustments	1.1	(8.3)	0.7	(7.8)
Adjusted Income tax expense	\$ (16.1)	\$ (11.7)	\$ (50.7)	\$ (41.7)
Effective tax rate	13.8%	3.6%	16.3%	10.6%
Adjusted effective tax rate	24.9%	21.1%	23.6%	21.5%

Adjusted EBITDA – is not a measure of financial performance under US GAAP and should not be considered an alternative to, or more meaningful than, income from operations, net income or cash flows as defined by US GAAP or as a measure of profitability or liquidity. Not all companies calculate Adjusted EBITDA in the same manner as James Hardie has and, accordingly, Adjusted EBITDA may not be comparable with other companies. Management has included information concerning Adjusted EBITDA because it believes that this data is commonly used by investors to evaluate the ability of a company's earnings from its core business operations to satisfy its debt, capital expenditure and working capital requirements.

US\$ Millions

	Three and Nine Months Ended 31 December			
	Q3 FY15	Q3 FY14	9 Months FY15	9 Months FY14
EBIT	\$ 126.4	\$ 94.8	\$ 322.4	\$ 319.5
Depreciation and amortization	17.9	15.6	52.0	46.2
Adjusted EBITDA	\$ 144.3	\$ 110.4	\$ 374.4	\$ 365.7

Adjusted selling, general and administrative expenses – Adjusted selling, general and administrative expenses is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than selling, general and administrative expenses. Management has included these financial 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 provides useful information regarding its financial condition and results of operations. Management uses these non-US GAAP measures for the same purposes.

US\$ Millions

	Three and Nine Months Ended 31 December			
	Q3 FY15	Q3 FY14	9 Months FY15	9 Months FY14
Selling, general and administrative expenses	\$ 56.0	\$ 53.8	\$ 176.7	\$ 162.5
Excluding:				
New Zealand weathertightness claims benefit (expense)	5.2	4.2	4.2	(0.7)
Adjusted selling, general and administrative expenses	\$ 61.2	\$ 58.0	\$ 180.9	\$ 161.8
Net Sales	\$ 388.4	\$ 353.2	\$ 1,245.6	\$ 1,117.4
Selling, general and administrative expenses as a percentage of net sales	14.4%	15.2%	14.2%	14.5%
Adjusted selling, general and administrative expenses as a percentage of net sales	15.8%	16.4%	14.5%	14.5%

As set forth in Note 7 of the 31 December 2014 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 JHI plc's Condensed Consolidated Financial Statements and related notes contained in our 31 December 2014 Condensed Consolidated Financial Statements.

James Hardie Industries plc
Supplementary Financial Information
31 December 2014
(Unaudited)

(US\$ Millions)	Total Fibre Cement – Excluding Asbestos Compensation	Asbestos Compensation	As Reported (US GAAP)
Restricted cash and cash equivalents – Asbestos	\$ -	\$ 39.9	\$ 39.9
Restricted short-term investments – Asbestos	-	-	-
Insurance receivable – Asbestos ¹	-	178.2	178.2
Workers compensation asset – Asbestos ¹	-	46.1	46.1
Deferred income taxes – Asbestos ¹	-	404.0	404.0
Asbestos liability ¹	\$ -	\$ 1,422.3	\$ 1,422.3
Workers compensation liability – Asbestos ¹	-	46.1	46.1
Income taxes payable	18.9	(15.6)	3.3
Asbestos adjustments	\$ -	\$ 96.9	\$ 96.9
Selling, general and administrative expenses	(174.7)	(2.0)	(176.7)
Net interest (expense) income	(4.5)	1.0	(3.5)
Income tax expense	(51.7)	0.3	(51.4)

¹ The amounts shown on these lines are a summation of both the current and non-current portion of the respective asset or liability as presented on our Condensed Consolidated Balance Sheets.

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 indemnification obligations;
- 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 26 June 2014, 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; the effect of the transfer of the company's corporate domicile from the Netherlands to Ireland, including changes in corporate governance and any potential tax benefits related thereto; 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 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.

Q3 FY15 MANAGEMENT PRESENTATION

20 February 2015

DISCLAIMER

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 indemnification obligations;
- 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.

DISCLAIMER (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.

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AGENDA

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



In this Management Presentation, James Hardie may present financial measures, sales volume terms, financial ratios, and Non-US GAAP financial measures included in the Definitions section of this document. The company presents financial measures that it believes are customarily used by its Australian investors. Specifically, these financial measures, which are equivalent to or derived from certain US GAAP measures as explained in the definitions, include “EBIT”, “EBIT margin”, “Operating profit before income taxes” and “Net operating profit”. The company may also present other terms for measuring its sales volume (“million square feet” or “mmsf” and “thousand square feet” or “msf”); financial ratios (“Gearing ratio”, “Net interest expense cover”, “Net interest paid cover”, “Net debt payback”, “Net debt (cash)”); and Non-US GAAP financial measures (“Adjusted EBIT”, “Adjusted EBIT margin”, “Adjusted net operating profit”, “Adjusted diluted earnings per share”, “Adjusted operating profit before income taxes”, “Adjusted effective tax rate on earnings”, “Adjusted EBITDA”, and “Adjusted selling, general and administrative expenses”. Unless otherwise stated, results and comparisons are of the third quarter and nine months of the current fiscal year versus the third quarter and nine months of the prior fiscal year.



OVERVIEW AND OPERATING REVIEW

Louis Gries, CEO

KEY THEMES

- **Group net sales** increased 10% and 11% for the quarter and nine months, respectively, compared to pc¹
- **Group adjusted net operating profit** increased 11% for the quarter and 8% for the nine months compared to pc¹
- **Higher volumes** across our USA and Europe and Asia Pacific Fiber Cement segments
- **Higher net sales price** across our USA Fiber Cement segment
- We are yet to see the anticipated accelerated growth in the US residential housing market
- Continuing to invest in high-return organic growth by:
 - Investing in capacity expansion across our US and Australian businesses
 - Investing in organizational capability
- We continue to expect our full year USA and Europe Fiber Cement segment **EBIT margin** to remain within our target range of 20% to 25%

¹ Prior corresponding period(s)

GROUP OVERVIEW

Three and Nine Months Ended 31 December

	Q3'15	Q3'14	Change	9 Months FY15	9 Months FY14	Change
Adjusted EBIT (US\$ millions)	66.9	55.2	21%	223.2	195.4	14%
Adjusted EBIT Margin %	17.2	15.6	1.6 pts	17.9	17.5	0.4 pts
Adjusted Net Operating Profit	48.6	43.7	11%	164.1	152.0	8%
Net operating cash flow				104.1	254.7	(59)%
Adjusted Diluted EPS (US cents)	11	10		37	34	
Ordinary dividends per share ¹ (US cents)				8	8	

¹ Dividends declared per share



USA AND EUROPE FIBER CEMENT 3rd QUARTER SUMMARY

3rd Quarter Results

Net Sales	Up	12% to US\$294.5 million
Sales Volume	Up	10% to 426.9 mmsf
Average Price	Up	2% to US\$675 per msf
EBIT	Up	20% to US\$63.5 million
EBIT Margin	Up	140 bps to 21.6%

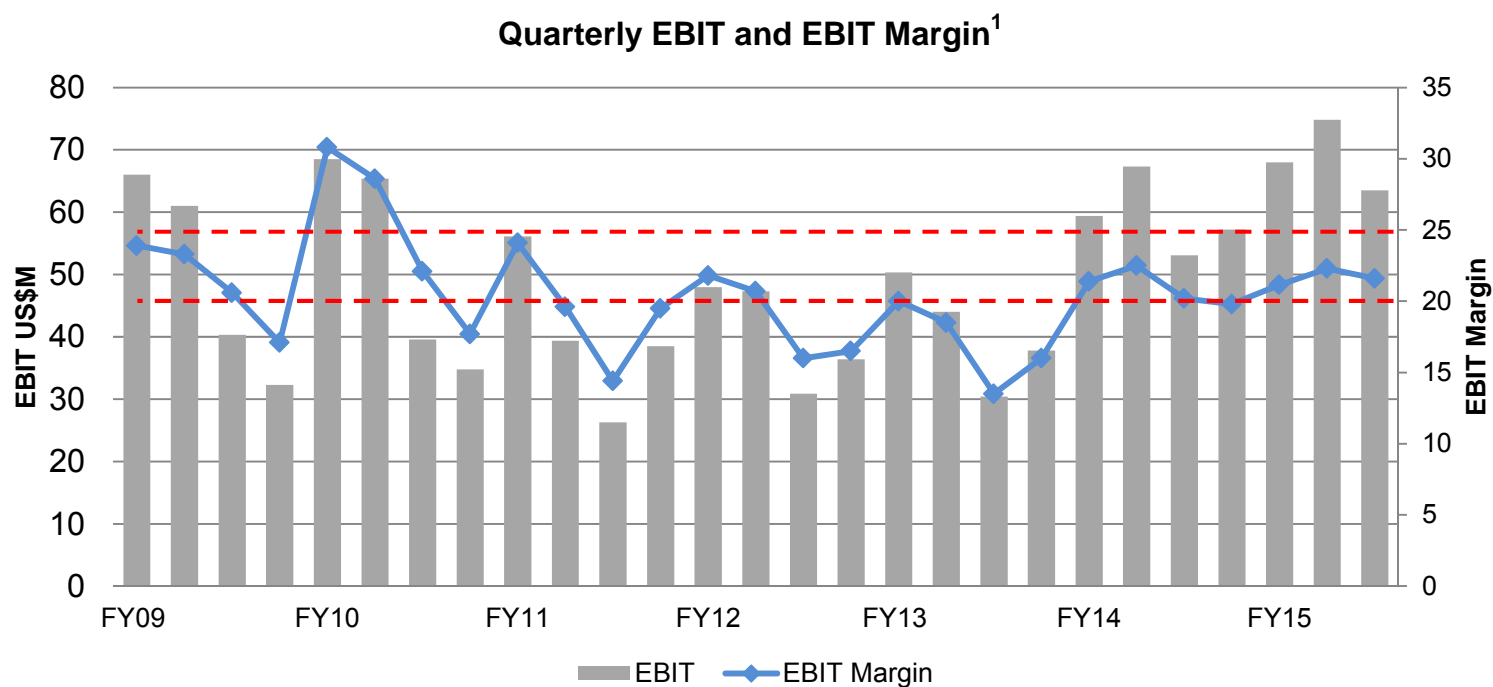
- Higher volume driven by market penetration and modest repair and remodel growth
- Slight US housing market growth
- Higher production costs primarily due to higher input costs. Plants continuing to run well and on a positive trend compared to 1H'15
- Continuing to invest in organizational capability

Nine Months Result

Net Sales	Up	13% to US\$951.4 million
Sales Volume	Up	9% to 1,375.6 mmsf
Average Price	Up	4% to US\$678 per msf
EBIT	Up	15% to US\$206.3 million
EBIT Margin	Up	30 bps to 21.7%

- Higher volume driven by market penetration and modest repair and remodel growth
- Modest / flat growth in U.S. residential construction
- Higher production costs due to higher input costs driven by market prices, and 1H'15 plant inefficiencies
- Continuing to invest in organizational capability

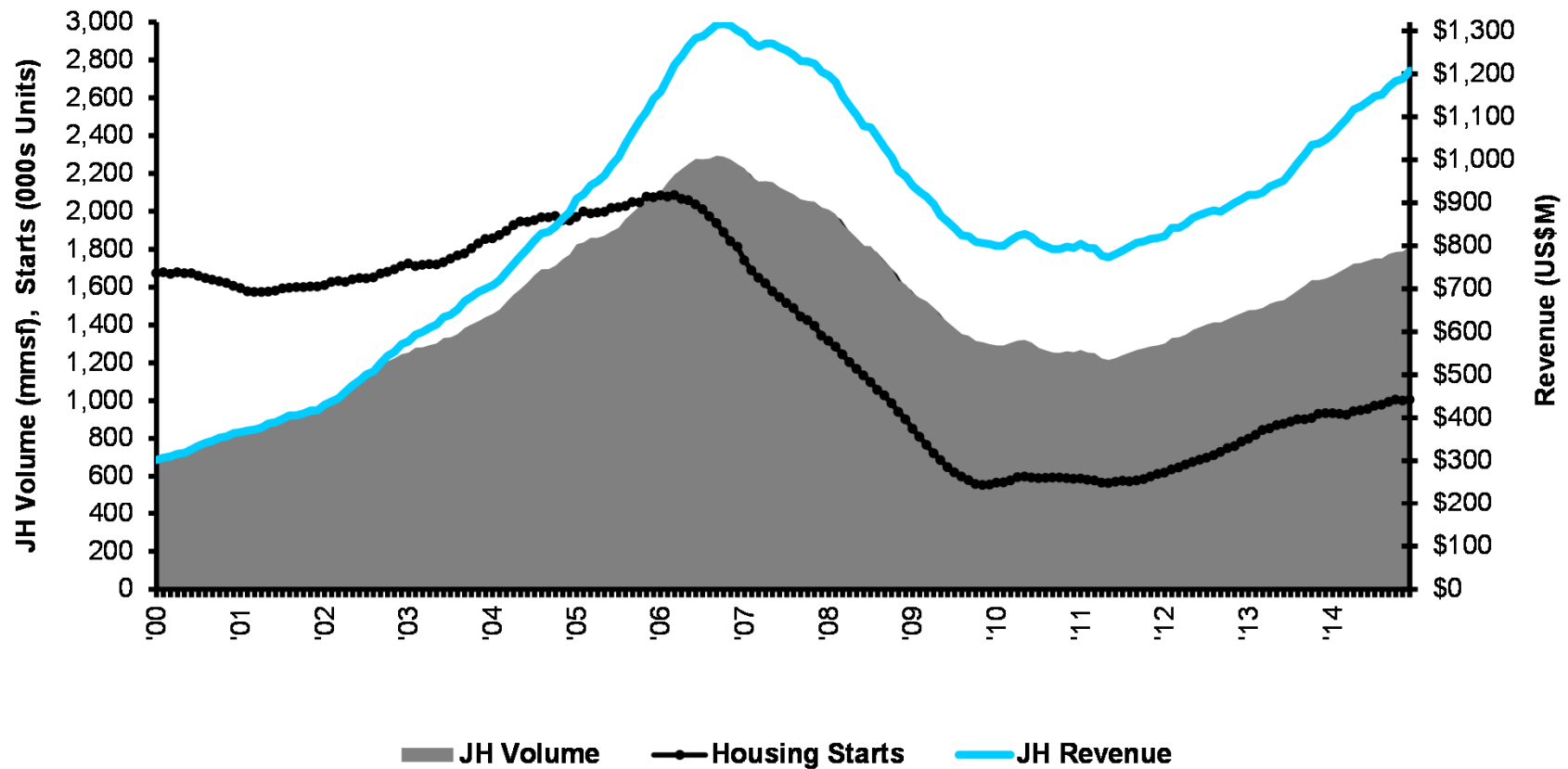
USA AND EUROPE FIBER CEMENT



¹ Excludes asset impairment charges of US\$14.3 million in 4th quarter FY12, US\$5.8 million in 3rd quarter FY13 and US\$11.1 million in 4th quarter FY13

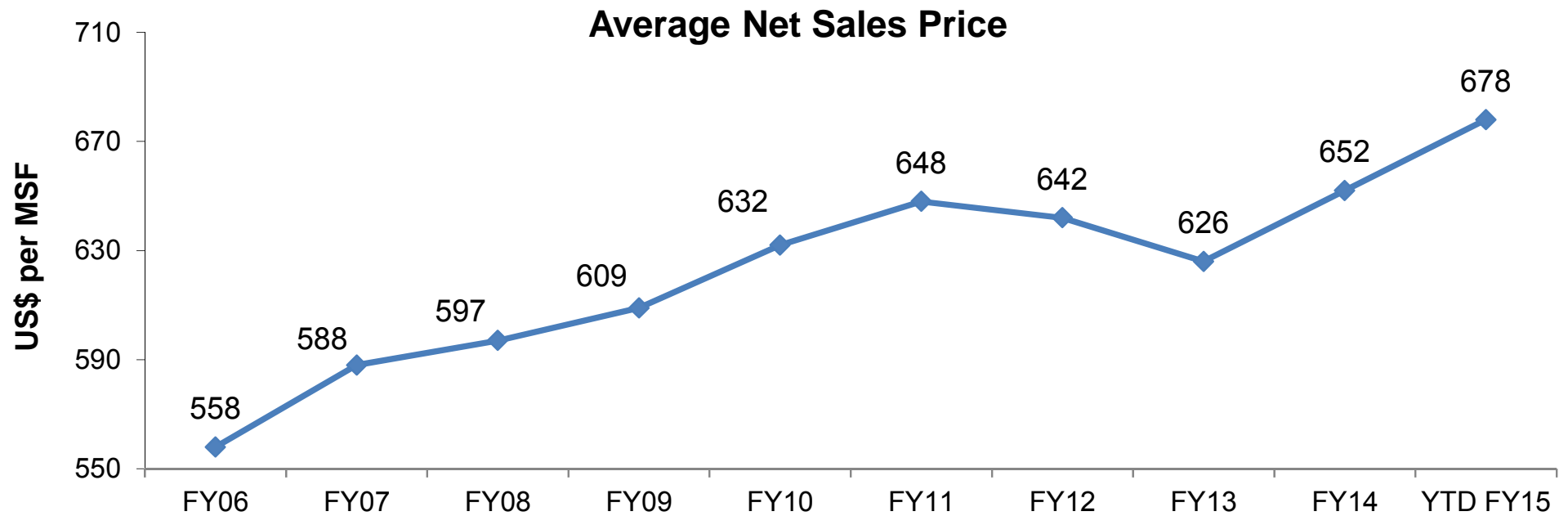
USA FIBER CEMENT

Top Line Growth



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

USA AND EUROPE FIBER CEMENT



ASIA PACIFIC FIBER CEMENT 3rd QUARTER SUMMARY

3rd Quarter Results

Net Sales	Up	4% to US\$93.9 million
Sales Volume	Up	16% to 116.8 mmsf
Average Price	Down	4% to A\$929 per msf
EBIT ¹	Up	10% to US\$23.5 million
A\$ EBIT ¹	Up	20% to A\$27.4 million
EBIT Margin ¹	Up	150 bps to 25.0%

- Favorable conditions in addressable markets
- Higher volume and sales in AUS, NZ, and Philippines
- Higher production costs: primarily due to higher input costs, driven by the depreciating A\$ on the price of pulp.
- EBIT in local currency grew 20% compare to pcg
 - EBIT in local currency grew 6% excluding land related purchases
 - 3Q15 includes A\$3.1 million benefit related to Rosehill land purchase

Nine Months Result

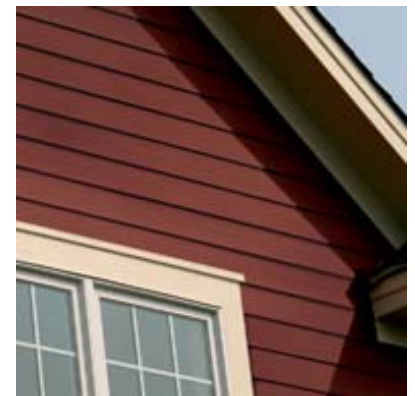
Net Sales	Up	6% to US\$294.2 million
Sales Volume	Up	10% to 342.2 mmsf
Average Price	FLAT	At A\$940 per msf
EBIT ¹	Up	8% to US\$69.9 million
A\$ EBIT ¹	Up	14% to A\$77.3 million
EBIT Margin ¹	Up	60 bps to 23.8%

- Favorable conditions in addressable markets
- Higher volume and sales in AUS, NZ, and Philippines
- EBIT in local currency grew 14% compared to pcg
 - EBIT in local currency grew 13% excluding land related purchase benefits at Rosehill (3Q15) and Carole Park (1Q14)
- Higher production costs due to higher input costs and plant inefficiencies that were largely recorded in 1H'15

¹ Excluding New Zealand Weathertightness claims

FY15 GLOBAL CAPEX SPEND AND KEY PROJECTS

Project Description	Nine Months FY15 Spend
Plant City, Florida - 4 th sheet machine and ancillary facilities	US\$38.5 million
Cleburne, Texas - 3 rd sheet machine and ancillary facilities	US\$19.9 million
Carole Park, Queensland - Capacity expansion project	US\$30.5 million
Tacoma, Washington - Land and buildings	US\$27.9 million
Rosehill, New South Wales - Land and buildings	US\$37.5 million
Total capacity expansion spend	US\$154.3 million



FY2015 OUTLOOK AND GUIDANCE

USA and Europe Fiber Cement Outlook

- The Company expects our performance in the fourth quarter of fiscal 2015 to be consistent with our results for the first nine months of fiscal 2015
- However, there is uncertainty due to the continued variability in the short term economic outlook, housing activity and changes in the prices of our raw material inputs

Asia Pacific Fiber Cement Outlook

- Our expectation is that net sales across our Asia Pacific businesses will continue to deliver improved results in line with growth in the local housing markets of the regions in which we operate

FY2015 Guidance

- Management expects full year Adjusted net operating profit to be between **US\$210 million and US\$222 million** assuming, among other things, housing industry conditions in the United States continuing to improve and that an exchange rate at or near current levels is applicable for the remainder of the fiscal year

¹ 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



FINANCIAL REVIEW

Matt Marsh, CFO

GROUP RESULTS

- **Earnings impacted by:**
 - **Higher sales volumes** across all business units
 - **Higher average sales prices** across the USA and Europe Fiber Cement segment
 - **Higher input costs** for both the quarter and nine months
 - **Higher production costs** for the nine months across our network, partially mitigated during the current quarter
 - **Higher organizational spend**, primarily due to higher compensation expenses, an increase in discretionary expenses and higher realized losses on foreign currency transactions caused by the strengthening of the US dollar during the quarter and nine months
- **Decrease in net operating cash flow** to US\$104.1 million for the nine months compared to US\$254.7 million in the prior corresponding period
- **Continued capital expenditure** on key production capacity projects across our business units

RESULTS FOR THE 3rd QUARTER

Three Months Ended 31 December

US\$ Millions	Q3 '15	Q3 '14	% Change
Net sales	388.4	353.2	10
Gross profit	135.2	121.5	11
SG&A expenses	(56.0)	(53.8)	(4)
Research & development expenses	(7.7)	(8.7)	11
Asbestos adjustments	54.9	35.8	53
EBIT	126.4	94.8	33
Net interest expense	(1.5)	(0.4)	
Other income	(0.2)	1.2	
Income tax expense	(17.2)	(3.4)	
Net operating profit	107.5	92.2	17

Summary

Net sales increased 10%, favorably impacted by:

- Higher sales volumes; and
- Higher average net sales price in the USA and Europe Fiber Cement segment

Gross profit margin increased 40 bps impacted by:

- Higher average net sales price in the USA and Europe Fiber Cement segment
- Partially offset primarily by higher market prices for raw materials

SG&A expenses increased primarily due to:

- Higher compensation and discretionary expenses
- Higher realized losses on foreign currency transactions caused by the strengthening of the US dollar

Between EBIT and net operating profit:

- Interest expense increased related to our debt position
- Income tax expense increased on account of higher earnings and a non-recurring favorable tax adjustment of US\$10.7 million in the prior period relating to a final receipt from the ATO

RESULTS FOR THE 3rd QUARTER (continued)

Three Months Ended 31 December

US\$ Millions	Q3 '15	Q3 '14	% Change
Net operating profit	107.5	92.2	17
Asbestos:			
Asbestos adjustments	(54.9)	(35.8)	(53)
Other asbestos ¹	0.1	(0.2)	
New Zealand weathertightness claims	(5.2)	(4.2)	(24)
Tax adjustments	1.1	(8.3)	
Adjusted net operating profit	48.6	43.7	11

Summary

Asbestos adjustments were due to:

- 7% change in the AUD / USD exchange rate from beginning to ending balance sheet date for the period compared to a 4% change in spot rates in the prior corresponding period

The New Zealand weathertightness benefit increased:

- Due to favorable claims settlements
- Higher rate of claim resolution, fewer open claims and a continued reduction in the number of new claims received
- Adjusted net operating profit increased 11%, largely due to a 21% increase in operating segment adjusted EBIT, partially offset by an increase in adjusted income tax expense of US\$4.4 million, other expense of US\$1.4 million and gross interest expense of US\$1.1 million.

¹ Includes AICF SG&A expenses and AICF interest income, net

RESULTS – NINE MONTHS

Nine Months Ended 31 December

US\$ Millions	9 Months FY15	9 Months FY14	% Change
Net sales	1,245.6	1,117.4	11
Gross profit	426.3	380.9	12
SG&A expenses	(176.7)	(162.5)	(9)
Research & development expenses	(24.1)	(25.1)	4
Asbestos adjustments	96.9	126.2	(23)
EBIT	322.4	319.5	1
Net interest expense	(3.5)	(0.7)	
Other (expense) income	(3.9)	1.4	
Income tax expense	(51.4)	(33.9)	(52)
Net operating profit	263.6	286.3	(8)

Summary

Net sales increased 11%, favorably impacted by:

- Higher sales volumes; and
- Higher average net sales prices in local currencies

Gross profit margin increased 10 bps impacted by:

- Higher average net sales prices
- Partially offset by higher market prices of raw materials, and production inefficiencies largely experienced during 1H'15

SG&A expenses increased primarily due to:

- Higher compensation and discretionary expenses
- Higher realized losses on foreign currency transactions caused by the strengthening of the US dollar

Non-operating expenses:

- Interest expense increased due to the use of our debt facilities
- Other expenses reflects the impact of unrealized foreign exchange and interest rate swap losses, largely in Q1'15
- Income tax expense increased due to higher pre-tax earnings and a non-recurring favorable tax adjustment in the prior period.

RESULTS – NINE MONTHS (continued)

Nine Months Ended 31 December

US\$ Millions	9 Months FY15	9 Months FY14	% Change
Net operating profit	263.6	286.3	(8)
Asbestos:			
Asbestos adjustments	(96.9)	(126.2)	(23)
Other asbestos ¹	0.9	(1.0)	
New Zealand weathertightness claims	(4.2)	0.7	
Asbestos and other tax adjustments	0.7	(7.8)	
Adjusted net operating profit	164.1	152.0	8

Summary

Asbestos adjustments were due to:

- 11% change in the AUD / USD exchange rate from the beginning to the ending balance sheet date compared to a 14% change in spot rates in the prior corresponding period

The New Zealand weathertightness moved from an expense to a benefit due to:

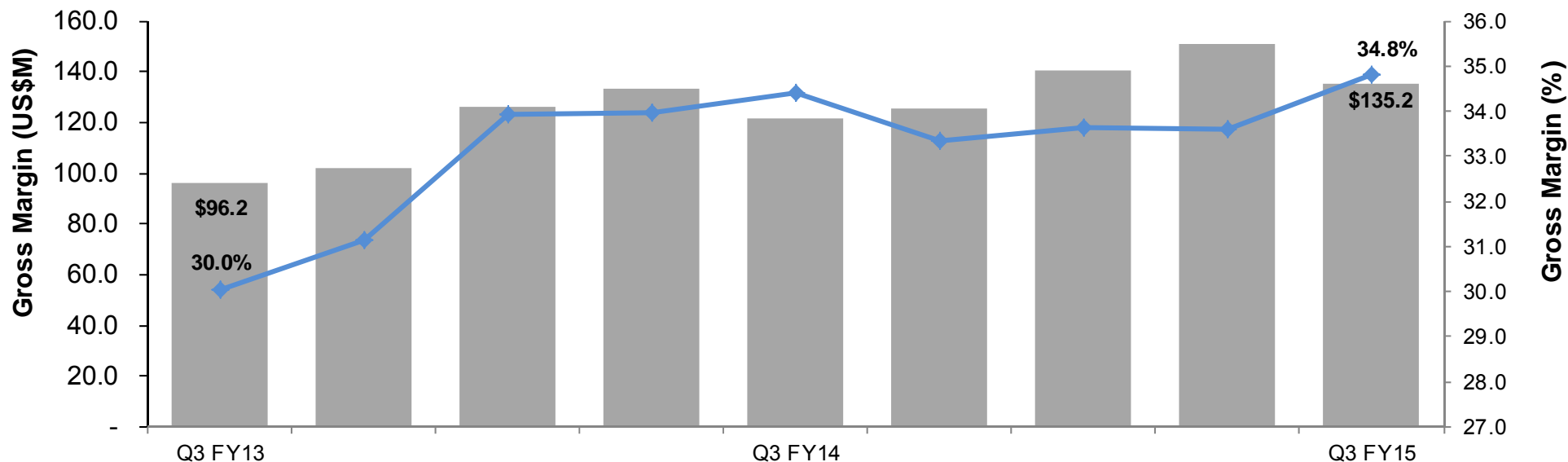
- Favorable claims settlements
- Higher rate of claim resolution, fewer open claims and a continued reduction in the number of new claims received

Adjusted net operating profit increased 8%, largely due to:

- 14% increase in operating segment adjusted EBIT
- Partially offset by higher net interest expense, higher other expense and a higher adjusted income tax expense

¹ Includes AICF SG&A expenses and AICF interest income, net

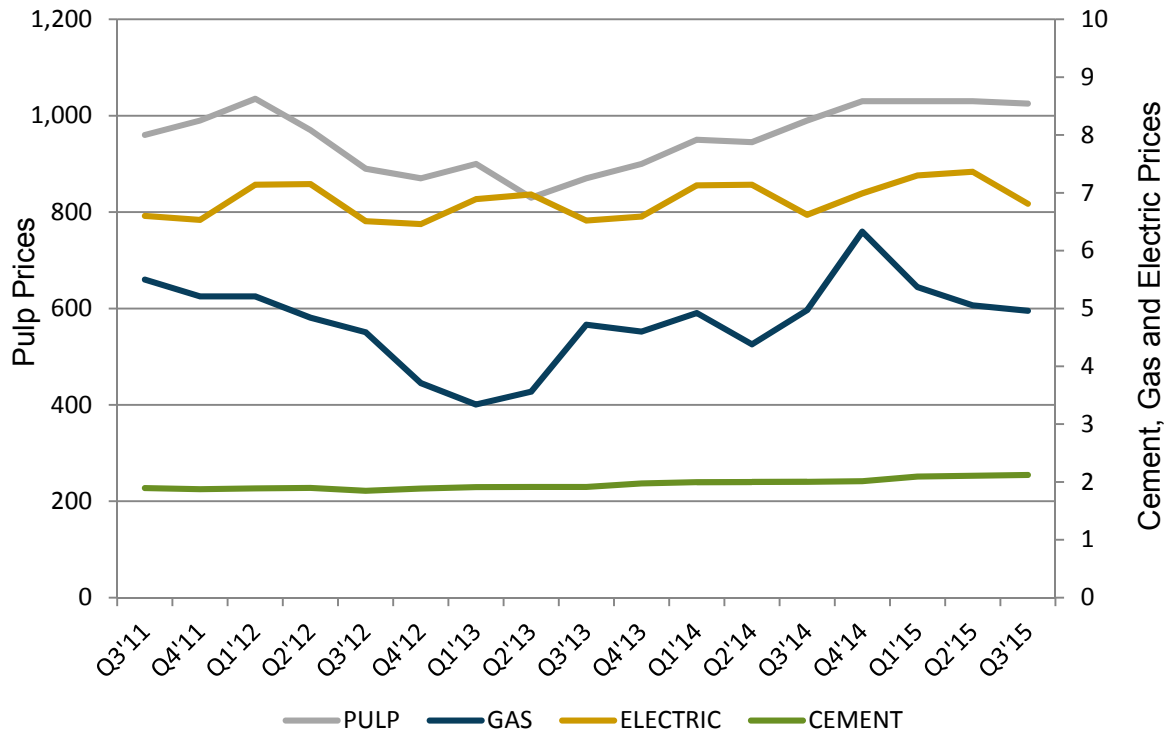
GROSS PROFIT - GROUP



- Gross profit continues to remain strong, and consistent with the prior three year trend
- Price has improved as we continue to execute on pricing strategies and reduce pricing inefficiencies
- Production costs are higher as a result of the higher market prices for pulp, gas and silica raw materials
- Plant performance remains on a positive trend line

US INPUT COSTS

Quarterly US Input Costs



Discussion:

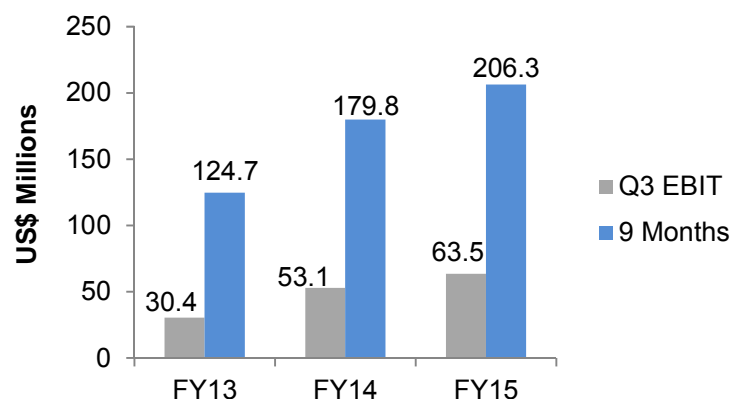
- Input costs are up significantly over the prior year, and beginning to flatten out or decrease
- The price of NBSK pulp remains near a three-year peak
- The cost of gas and electric for industrial users decreased to slightly above its historical four year average
- We are engaged in effective sourcing strategies to reduce the impact of increasing market prices

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

SEGMENT EBIT – 3rd QUARTER and NINE MONTHS

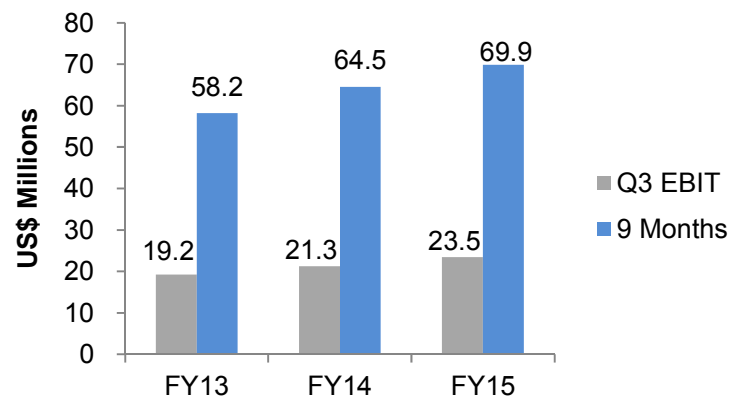
US & Europe Fiber Cement



US and Europe Fiber Cement EBIT summary:

- Quarter and nine month EBIT increased by 20% and 15%, respectively, when compared to pcp
- The increase was driven by volume and price, partially offset by higher production costs and SG&A

Asia Pacific Fiber Cement¹



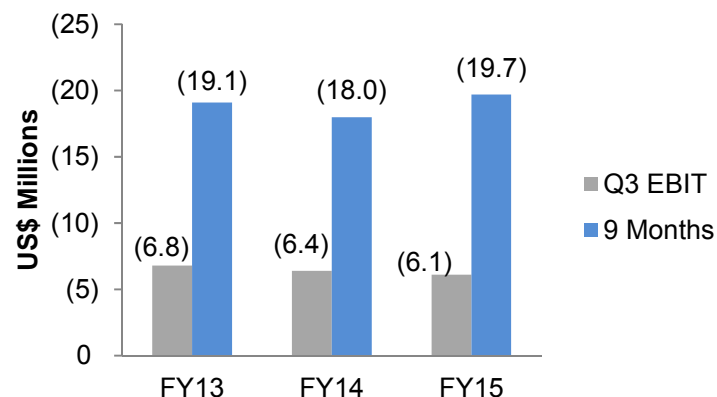
Asia Pacific Fiber Cement EBIT summary:

- Quarter and nine months EBIT increased 10% and 8%, respectively compared to pcp
- EBIT in local currency for the quarter and nine months increased 20% and 14%, respectively, compared to pcp

¹ Asia Pacific Fiber Cement EBIT excludes New Zealand weathertightness claims

SEGMENT EBIT – 3rd QUARTER and NINE MONTHS

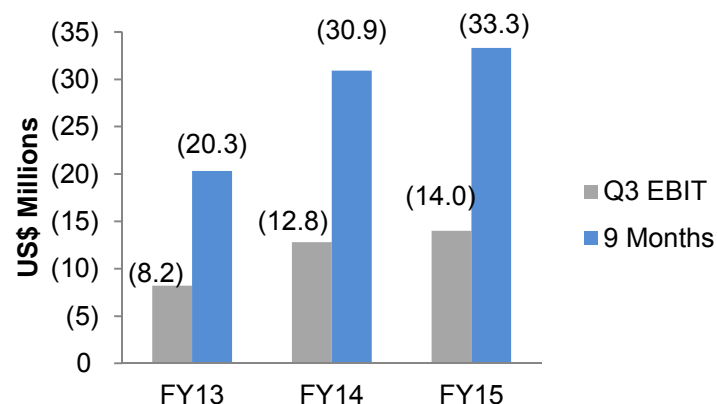
Research and Development



R&D summary:

- Continued broadly inline with historic trend
- Fluctuations reflect normal variation and timing in number of R&D projects in process at any given period

General Corporate Costs¹



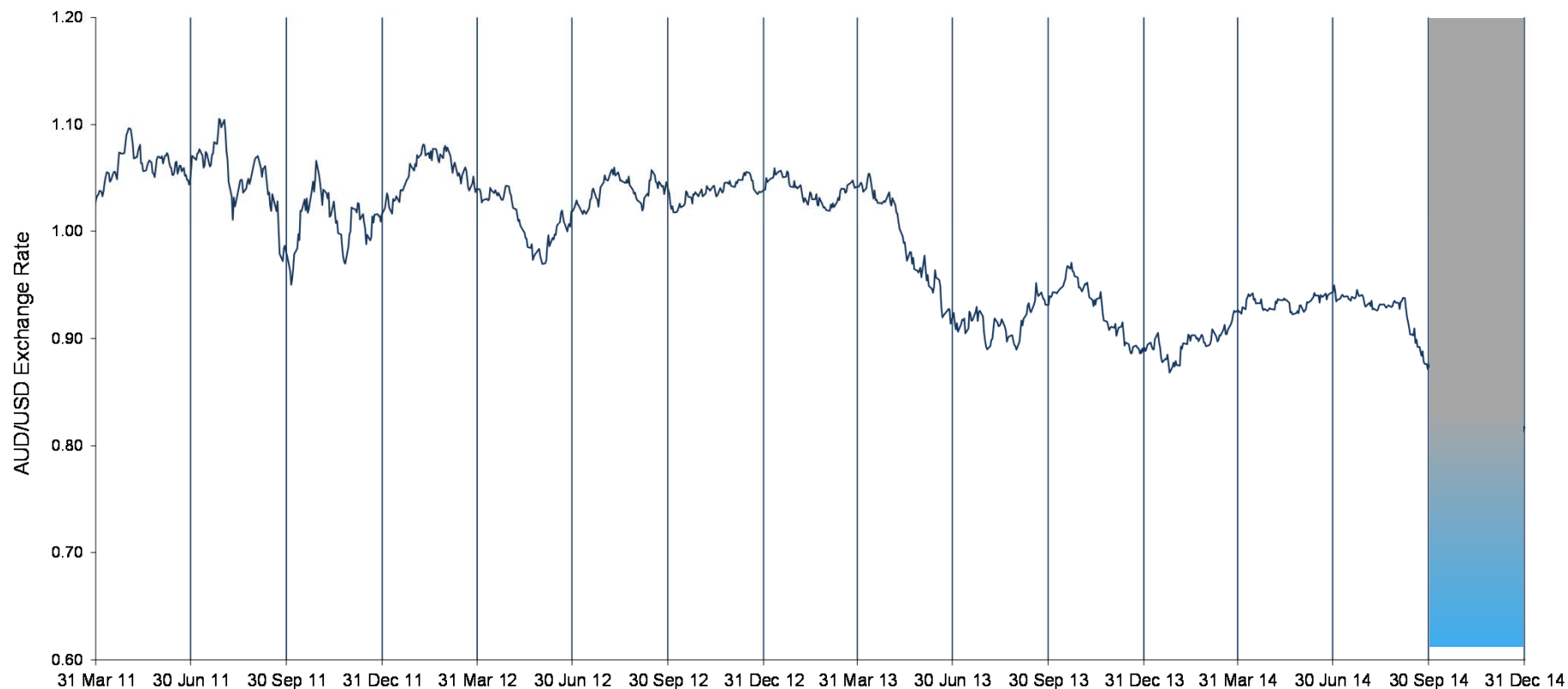
General corporate cost, excluding asbestos:

- Results for the both the quarter and nine months results increased due to higher :
 - Discretionary expenses
 - Foreign exchange losses, partially offset by;
 - A decrease in stock compensation expenses driven by changes in our share price²

¹ Excludes Asbestos

² The stock price appreciated 3.1% in Q3'15 compared to 16.3% in Q3'14. For the nine months ending 31 December 2014 the stock price depreciated 18.1% when compared to an appreciation of 10.9% in the nine months ending 31 December 2013

CHANGES IN AUD vs. USD



- Unfavorable impact from translation of Asia Pacific results
- Favorable impact on corporate costs incurred in Australian dollars
- Favorable impact from translation of asbestos liability balance

<u>Earnings</u>	<u>Balance Sheet</u>
√	N/A
√	N/A
√	√

INCOME TAX

Three and Nine Months ended 31 December

	Q3'15	Q3'14	9 Months FY15	9 Months FY14
Operating profit before taxes	124.7	95.6	315.0	320.2
Asbestos:				
Asbestos adjustment ¹	(54.8)	(36.0)	(96.0)	(127.2)
NZ weathertightness claims	(5.2)	(4.2)	(4.2)	0.7
Adjusted net operating profit before taxes	64.7	55.4	214.8	193.7
Adjusted income tax expense ²	(16.1)	(11.7)	(50.7)	(41.7)
Adjusted effective tax rate	24.9%	21.1%	23.6%	21.5%
Income tax expense	(17.2)	(3.4)	(51.4)	(33.9)
Income taxes paid			24.2	16.0
Income taxes payable			3.3	4.7

- 23.6% estimated adjusted effective tax rate (ETR) for the year
- Adjusted income tax expense and adjusted ETR increased due to changes in geographical mix of earnings
- The difference between adjusted income tax expense and income tax expense decreased primarily due to a non-recurring receipt from the ATO, relating to finalization of a disputed amended assessment, in the previous period
- Income taxes are paid and payable in Ireland, the U.S., 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 AICF interest expense, net

² Excludes tax effects of Asbestos related adjustments New Zealand weathertightness and other tax adjustments

CASHFLOW

(US\$ Millions)	9 Months FY 2015	9 Months FY 2014	Change (%)
EBIT	263.6	286.3	(8)
Asbestos related ¹	(94.8)	(129.5)	(27)
Annual AICF contribution	(113.0)	-	
Depreciation & Amortization	52.0	46.2	13
Working Capital	4.7	31.1	(85)
Other non-cash items	(8.4)	20.6	
Cash Flow from Operations	104.1	254.7	(59)
Capital Expenditures	(241.0)	(67.9)	
Acquisition of a business	-	(4.1)	
Free Cash Flow	(136.9)	182.7	
Dividends Paid	(355.9)	(163.6)	
Net proceeds from long-term debt	390.0	-	
Share related activities	(5.6)	11.1	
Free Cash Flow after Financing Activities	(108.4)	30.2	

Adjusted EBIT increased US\$27.8 million compared to pcip

Cash flow from operations includes US\$113.0 million contribution to AICF paid in 2Q15

Higher use of working capital primarily driven by inventory:

- Raw materials
- Inventory at the Fontana plant commissioned during nine month FY15
- Traditional seasonality

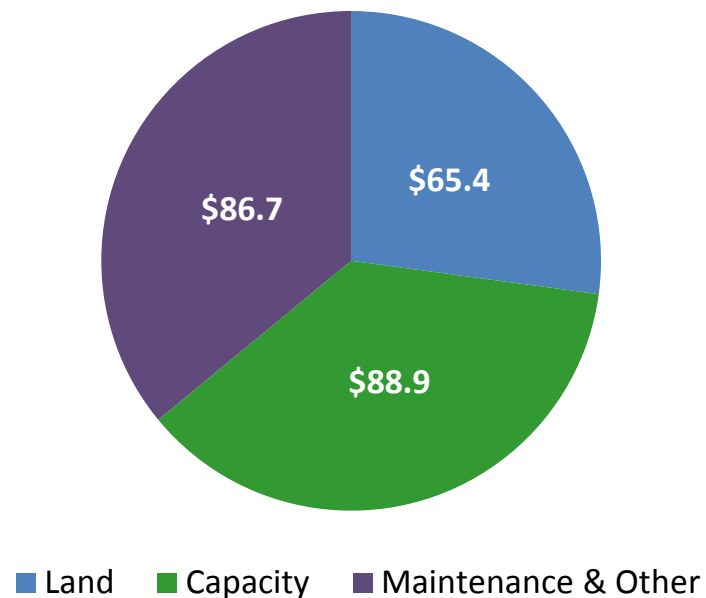
Capital expenditure includes plant capacity expansions and land purchases at Tacoma and Rosehill facilities

US\$390 million gross debt position as of Q3'15

¹ Includes Asbestos Adjustments and changes in asbestos-related assets and liabilities

CAPEX

CAPEX Spend - 9 Months FY15



- Continuing to invest in capacity expansion in the U.S. and Australia
- Construction on brownfield capacity projects nearing completion:
 - Plant City, FL
 - Cleburne, TX
 - Carole Park, Australia
- Opportunistic land purchases completed at Tacoma (US) and Rosehill (Australia) sites.
- Maintenance and other CAPEX consistent with historical trend

FINANCIAL MANAGEMENT SUPPORTING GROWTH

1

Strong Financial Management

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

2

Disciplined Capital Allocation

- Investing 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
 - Withstand market cycles
 - Consider further shareholder returns when appropriate

3

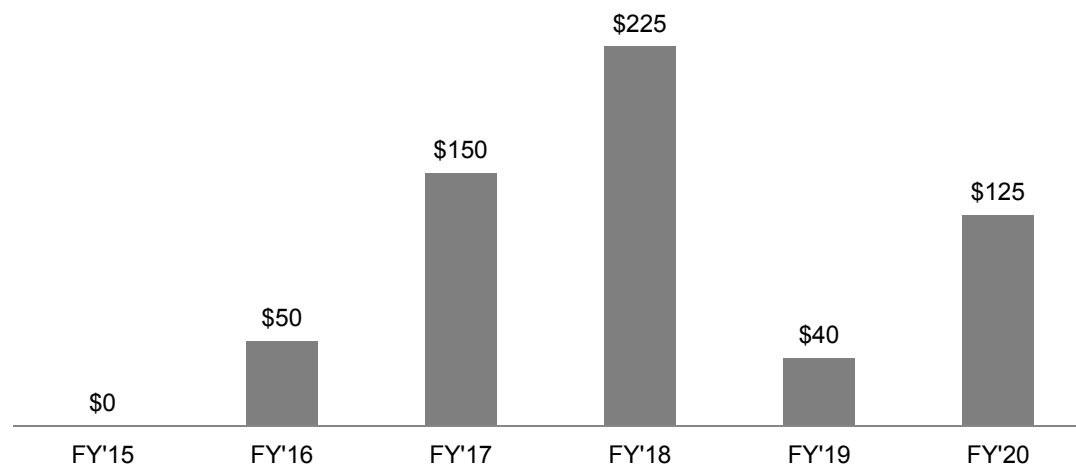
Liquidity and Funding

- ~\$590 million of bank facilities, 44% liquidity as of Q3'15
- 2.7 year weighted average debt maturity
- Completed the sale of US\$325 million 8 year 5.875% senior unsecured notes
- Conservative leveraging of balance sheet within 1-2 times adjusted EBITDA target

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

Liquidity Profile

Debt Maturity Profile¹



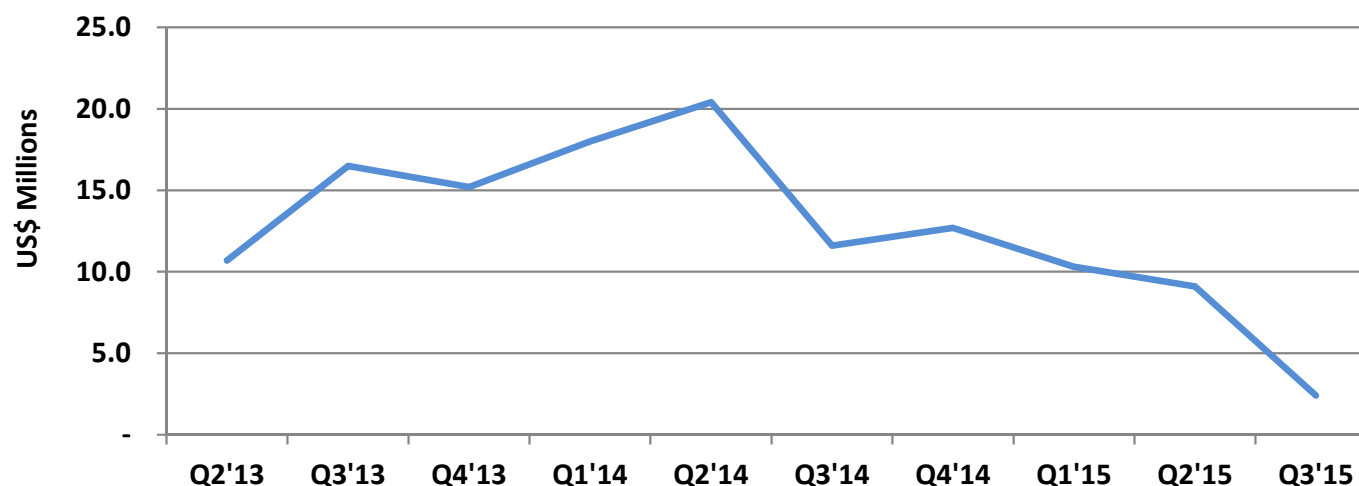
Liquidity Profile	Nine Months FY15
Cash	US\$62.3 million
Total Combined Bank Facilities	US\$590.0 million
Drawn Bank Facilities	US\$390.0 million
Undrawn Bank Facilities	US\$200.0 million
Weighted Average Interest Rate of Drawn Facilities	1.5%
Fixed / Floating Interest Ratio	32% fixed
Weighted Average Term	2.7 years

- Strong balance sheet position:
 - \$62.3 million of cash
 - \$590 million of bank debt facilities
 - 44% liquidity as of Q3'15
- As of Q3'15, we had net debt of US\$327.7 million compared to net cash of US\$167.5 million at Q4'14
- Subsequent to 3Q'15, completed the sale of US\$325 million senior unsecured notes in the U.S. high yield market
 - 8 year maturity, interest at 5.875% p.a.
- Net Debt within target range of 1-2 times EBITDA excluding asbestos
- We remain in compliance with all debt covenants

¹ Debt maturities as at 3Q'15 were as follows: US\$50 million in Q4'16, US\$150 million in Q1'17, US\$100 million in Q1'18, US\$125 million Q3'18, US\$40 million in Q4'19 and US\$125 million in Q1'20.

NEW ZEALAND WEATHERTIGHTNESS CLAIMS

NZ Weathertightness Provision



- For the nine months, New Zealand weathertightness moved from an expense of US\$0.7 million to a benefit of US\$4.2 million. The benefit was largely due to:
 - Favorable claims settlements
 - Fewer open claims at the end of the period and a continued reduction in the number of new claims
 - Higher rate of claim resolution
 - A continued reduction in the number of new claims received
- At 31 December 2014 and 31 March 2014, the provision for NZ weathertightness, net of anticipated third-party recoveries was US\$2.4 million and US\$12.7 million, respectively

ASBESTOS FUND – PROFORMA (unaudited)

Claims Data

- For the quarter and nine months ended 31 December 2014, we note the following related to asbestos claims:
 - Claims received during both Q3'15 and nine months were 11% above actuarial estimates
 - Claims received during Q3'15 and nine months were 10% and 7% higher than the pcg, respectively
 - The higher reported mesothelioma claims experience noted during FY'14 has continued for the nine months ending 31 December 2014
 - Average claim settlement for the nine months is down 5% versus the pcg and down 15% versus actuarial estimates. Average claim settlement sizes are generally lower across all disease types compared to actuarial expectations for fiscal 2015
 - Actual dollars paid in compensation was 1% above the pro-rated nine month actuarial estimate

A\$ millions

AICF cash and investments - 31 March 2014	65.5
Contribution to AFFA by James Hardie	119.9
Insurance recoveries	27.8
Loan Repayments	(51.0)
Interest income, net	1.2
Claims paid	(112.9)
Operating costs	(3.4)
Other	1.7
AICF cash and investments - 31 December 2014	48.8

SUMMARY

- **Group net sales** increased 10% and 11% for the quarter and nine months respectively, when compared to the prior corresponding periods
- **Group adjusted net operating profit** increased 11% for the quarter and 8% for the nine months when compared to the prior corresponding periods
- **Higher volumes** and **net sales** for the nine months across our USA and Europe and Asia Pacific Fiber Cement segments
- We are yet to see the anticipated accelerated growth in the US residential market
- Continuing to invest in high return organic growth:
 - Investing in organizational capability
 - Continuing to invest in capacity expansion across our US and Australian businesses
- We continue to expect our full year USA and Europe Fiber Cement segment **EBIT margin** to remain within our target range of 20% to 25%



QUESTIONS

APPENDIX

FINANCIAL SUMMARY

Three and Nine Months ended 31 December						
US\$ Millions	Q3 '15	Q3 '14	% Change	9 Months FY15	9 Months FY14	% Change
Net Sales						
USA and Europe Fiber Cement	\$ 294.5	\$ 262.6	12	\$ 951.4	\$ 839.4	13
Asia Pacific Fiber Cement	93.9	90.6	4	294.2	278.0	6
Total Net Sales	\$ 388.4	\$ 353.2	10	\$ 1,245.6	\$ 1,117.4	11
EBIT - US\$ Millions						
USA and Europe Fiber Cement	\$ 63.5	\$ 53.1	20	\$ 206.3	\$ 179.8	15
Asia Pacific Fiber Cement ¹	23.5	21.3	10	69.9	64.5	8
Research & Development	(6.1)	(6.4)	5	(19.7)	(18.0)	(9)
General corporate costs excluding asbestos	(14.0)	(12.8)	(9)	(33.3)	(30.9)	(8)
Adjusted EBIT	\$ 66.9	\$ 55.2	21	\$ 223.2	\$ 195.4	14
Net interest expense excluding AICF interest income	(2.0)	(1.0)	-	(4.5)	(3.1)	(45)
Other (expense) income	(0.2)	1.2		(3.9)	1.4	
Adjusted income tax expense	(16.1)	(11.7)	(38)	(50.7)	(41.7)	(22)
Adjusted net operating profit	\$ 48.6	\$ 43.7	11	\$ 164.1	\$ 152.0	8

¹ Asia Pacific Fiber Cement EBIT excludes New Zealand weathertightness claims benefit of US\$5.2 million and US\$4.2 million in Q3 '15 and Q3'14, respectively and US\$4.2 million benefit and US\$0.7 million in expense, in the nine months of the current fiscal year and nine months of the prior fiscal year, respectively

KEY RATIOS

9 Months Ended 31 December			
	9 Months FY15	9 Months FY14	9 Months FY13
EPS (Diluted) ¹ (US Cents)	37c	34c	25c
EBIT/ Sales (EBIT margin) ²	17.9%	17.5%	14.5%
Gearing Ratio ¹	20.3%	(13.4)%	(13.9)%
Net Interest Expense Cover ²	49.6x	63.0x	43.6x
Net Interest Paid Cover ²	106.3x	65.1x	110.8x
Net Debt Payback	0.8yrs	-	-

¹ Excludes asbestos adjustments, AICF SG&A expenses, AICF interest income, New Zealand weathertightness claims and tax adjustments

² Excludes asbestos adjustments, AICF SG&A expenses, and New Zealand weathertightness claims

EBITDA – 3rd QUARTER

Three Months ended 31 December			
US\$ Millions	Q3'15	Q3'14	% Change
EBIT			
USA and Europe Fiber Cement	\$ 63.5	\$ 53.1	20
Asia Pacific Fiber Cement ¹	23.5	21.3	10
Research & Development	(6.1)	(6.4)	5
General corporate excluding asbestos and ASIC expenses	(14.0)	(12.8)	(9)
Depreciation and Amortisation			
USA and Europe Fiber Cement	15.6	13.5	16
Asia Pacific Fiber Cement	2.3	2.1	10
EBITDA²	84.8	70.8	20
Asbestos adjustments	54.9	35.8	53
AICF SG&A expenses	(0.6)	(0.4)	(50)
New Zealand weathertightness claims	5.2	4.2	24
Total EBITDA	\$ 144.3	\$ 110.4	31

¹ Asia Pacific Fibre Cement EBIT excludes New Zealand weathertightness benefit of US\$5.2 million and US\$4.2 million in Q3'15 and Q3'14, respectively

² EBITDA excluding Asbestos Adjustments and New Zealand weathertightness

EBITDA – NINE MONTHS

Nine Months ended 31 December			
US\$ Millions	9 Months FY15	9 Months FY14	% Change
EBIT			
USA and Europe Fiber Cement	\$ 206.3	\$ 179.8	15
Asia Pacific Fiber Cement ¹	69.9	64.5	8
Research & Development	(19.7)	(18.0)	(9)
General corporate excluding asbestos and ASIC expenses	(33.3)	(30.9)	(8)
Depreciation and Amortisation			
USA and Europe Fiber Cement	45.2	40.1	13
Asia Pacific Fiber Cement	6.8	6.1	11
EBITDA²	275.2	241.6	14
Asbestos adjustments	96.9	126.2	(23)
AICF SG&A expenses	(1.9)	(1.4)	(36)
New Zealand weathertightness claims	4.2	(0.7)	
Total EBITDA	\$ 374.4	\$ 365.7	2

¹ Asia Pacific Fibre Cement EBIT excludes New Zealand weathertightness benefit of US\$4.2 million and expense of US\$0.7 million in the nine months of the current fiscal year and the nine months of the prior fiscal year, respectively

² EBITDA excluding Asbestos Adjustments and New Zealand weathertightness

NET INTEREST (EXPENSE) INCOME

Three and Nine Months Ended 31 December				
US\$ Millions	Q3 FY15	Q3 FY14	9 Months FY15	9 Months FY14
Gross interest expense	\$ (2.1)	\$ (1.0)	\$ (4.8)	\$ (3.0)
Capitalised interest	0.4		0.6	
Interest income	0.1	0.2	0.4	0.4
Realised loss on interest rate swaps	(0.4)	(0.2)	(0.7)	(0.5)
Net interest expense excluding AICF interest income	(2.0)	(1.0)	(4.5)	(3.1)
AICF net interest income	0.5	0.6	1.0	2.4
Net interest (expense) income	\$ (1.5)	\$ (0.4)	\$ (3.5)	\$ (0.7)

DEFINITIONS AND OTHER TERMS

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

Definitions

Non-financial Terms

ABS – Australian Bureau of Statistics

AFFA – Amended and Restated Final Funding Agreement

AICF – Asbestos Injuries Compensation Fund Ltd

ASIC – Australian Securities and Investments Commission

ATO – Australian Taxation Office

NBSK – Northern Bleached Soft Kraft; the company's benchmark grade of pulp

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

DEFINITIONS AND OTHER TERMS

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.	

DEFINITIONS AND OTHER TERMS

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

Financial Ratios

Gearing Ratio – Net debt (cash) divided by net debt (cash) plus shareholders’ equity adjusted for asbestos and AICF related items

Net interest expense cover – EBIT divided by net interest expense (excluding loan establishment fees)

Net interest paid cover – EBIT divided by cash paid during the period for interest, net of amounts capitalised

Net debt payback – Net debt (cash) divided by cash flow from operations

Net debt (cash) – Short-term and long-term debt less cash and cash equivalents

Return on capital employed – EBIT divided by gross capital employed

NON-US GAAP FINANCIAL MEASURES

Adjusted EBIT and Adjusted EBIT margin – Adjusted EBIT and Adjusted EBIT margin are not measures of financial performance under US GAAP and should not be considered to be more meaningful than EBIT and EBIT margin. Management has included these financial 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 provides useful information regarding its financial condition and results of operations. Management uses these non-US GAAP measures for the same purposes.

US\$ Millions	Three and Nine Months Ended 31 December			
	Q3 FY15	Q3 FY14	9 Months FY15	9 Months FY14
EBIT	\$ 126.4	\$ 94.8	\$ 322.4	\$ 319.5
Asbestos:				
Asbestos adjustments	(54.9)	(35.8)	(96.9)	(126.2)
AICF SG&A expenses	0.6	0.4	1.9	1.4
New Zealand weathertightness claims	(5.2)	(4.2)	(4.2)	0.7
Adjusted EBIT	66.9	55.2	223.2	195.4
Net sales	\$ 388.4	\$ 353.2	\$ 1,245.6	\$ 1,117.4
Adjusted EBIT margin	17.2%	15.6%	17.9%	17.5%

NON-US GAAP FINANCIAL MEASURES

Adjusted Net operating profit – Adjusted net operating profit is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than net operating profit. Management has included this financial measure 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. Management uses this non-US GAAP measure for the same purposes.

US\$ Millions	Three and Nine Months Ended 31 December			
	Q3 FY15	Q3 FY14	9 Months FY15	9 Months FY14
Net operating profit	\$ 107.5	\$ 92.2	\$ 263.6	\$ 286.3
Asbestos:				
Asbestos adjustments	(54.9)	(35.8)	(96.9)	(126.2)
AICF SG&A expenses	0.6	0.4	1.9	1.4
AICF interest income, net	(0.5)	(0.6)	(1.0)	(2.4)
New Zealand weathertightness claims	(5.2)	(4.2)	(4.2)	0.7
Asbestos and other tax adjustments	1.1	(8.3)	0.7	(7.8)
Adjusted net operating profit	\$ 48.6	\$ 43.7	\$ 164.1	\$ 152.0

NON-US GAAP FINANCIAL MEASURES

Adjusted Diluted earnings per share – Adjusted diluted earnings per share is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than diluted earnings per share. Management has included this financial measure 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. Management uses this non-US GAAP measure for the same purposes.

Three and Nine Months Ended 31 December				
	Q3 FY15	Q3 FY14	9 Months FY15	9 Months FY14
Adjusted net operating profit (US\$ millions)	\$ 48.6	\$ 43.7	\$ 164.1	\$ 152.0
Weighted average common shares outstanding - Diluted (millions)	445.9	445.2	445.9	444.2
Adjusted diluted earnings per share (US cents)	11	10	37	34

NON-US GAAP FINANCIAL MEASURES

Adjusted effective tax rate on earnings – Adjusted effective tax rate on earnings is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than effective tax rate. Management has included this financial measure 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. Management uses this non-US GAAP measure for the same purposes.

US\$ Millions	Three and Nine Months Ended 31 December			
	Q3 FY15	Q3 FY14	9 Months FY15	9 Months FY14
Operating profit before income taxes	\$ 124.7	\$ 95.6	\$ 315.0	\$ 320.2
Asbestos:				
Asbestos adjustments	(54.9)	(35.8)	(96.9)	(126.2)
AICF SG&A expenses	0.6	0.4	1.9	1.4
AICF interest expense, net	(0.5)	(0.6)	(1.0)	(2.4)
New Zealand weathertightness claims	(5.2)	(4.2)	(4.2)	0.7
Adjusted operating profit before income taxes	\$ 64.7	\$ 55.4	\$ 214.8	\$ 193.7
Income tax expense	\$ (17.2)	\$ (3.4)	\$ (51.4)	\$ (33.9)
Asbestos-related and other tax adjustments	1.1	(8.3)	0.7	(7.8)
Adjusted Income tax expense	\$ (16.1)	\$ (11.7)	\$ (50.7)	\$ (41.7)
Effective tax rate	13.8%	3.6%	16.3%	10.6%
Adjusted effective tax rate	24.9%	21.1%	23.6%	21.5%

NON-US GAAP FINANCIAL MEASURES

Adjusted EBITDA – is not a measure of financial performance under US GAAP and should not be considered an alternative to, or more meaningful than, income from operations, net income or cash flows as defined by US GAAP or as a measure of profitability or liquidity. Not all companies calculate Adjusted EBITDA in the same manner as James Hardie has and, accordingly, Adjusted EBITDA may not be comparable with other companies. Management has included information concerning Adjusted EBITDA because it believes that this data is commonly used by investors to evaluate the ability of a company's earnings from its core business operations to satisfy its debt, capital expenditure and working capital requirements

US\$ Millions	Three and Nine Months Ended 31 December			
	Q3 FY15	Q3 FY14	9 Months FY15	9 Months FY14
EBIT	\$ 126.4	\$ 94.8	\$ 322.4	\$ 319.5
Depreciation and amortization	17.9	15.6	52.0	46.2
Adjusted EBITDA	\$ 144.3	\$ 110.4	\$ 374.4	\$ 365.7

NON-US GAAP FINANCIAL MEASURES

Adjusted selling, general and administrative expenses – Adjusted selling, general and administrative expenses is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than selling, general and administrative expenses. Management has included these financial 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 provides useful information regarding its financial condition and results of operations. Management uses these non-US GAAP measures for the same purposes.

US\$ Millions		Three and Nine Months Ended 31 December			
		Q3 FY15	Q3 FY14	9 Months FY15	9 Months FY14
Selling, general and administrative expenses	\$	56.0	\$ 53.8	\$ 176.7	\$ 162.5
Excluding:					
New Zealand weathertightness claims benefit (expense)		5.2	4.2	4.2	(0.7)
Adjusted selling, general and administrative expenses	\$	61.2	\$ 58.0	\$ 180.9	\$ 161.8
Net Sales	\$	388.4	\$ 353.2	\$ 1,245.6	\$ 1,117.4
Selling, general and administrative expenses as a percentage of net sales		14.4%	15.2%	14.2%	14.5%
Adjusted selling, general and administrative expenses as a percentage of net sales		15.8%	16.4%	14.5%	14.5%

Q3 FY15 MANAGEMENT PRESENTATION

20 February 2015

James Hardie Industries plc

**Condensed Consolidated Financial Statements
as of and for the Period Ended 31 December 2014**

James Hardie Industries plc

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James Hardie Industries plc

Condensed Consolidated Balance Sheets

(Unaudited)

(Millions of US dollars)

	31 December 2014	31 March 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 62.3	\$ 167.5
Restricted cash and cash equivalents	2.5	3.2
Restricted cash and cash equivalents - Asbestos	39.9	60.2
Restricted short-term investments - Asbestos	-	0.1
Accounts and other receivables, net of allowance for doubtful accounts of US\$0.8 million and US\$1.0 million as of 31 December 2014 and 31 March 2014, respectively	109.8	139.2
Inventories	217.5	190.7
Prepaid expenses and other current assets	27.5	21.9
Insurance receivable - Asbestos	14.9	28.0
Workers' compensation - Asbestos	3.8	4.3
Deferred income taxes	16.7	21.6
Deferred income taxes - Asbestos	17.9	16.5
Total current assets	512.8	653.2
Restricted cash and cash equivalents	-	1.8
Property, plant and equipment, net	875.1	711.2
Insurance receivable - Asbestos	163.3	198.1
Workers' compensation - Asbestos	42.3	47.6
Deferred income taxes	10.9	11.7
Deferred income taxes - Asbestos	386.1	455.2
Other assets	24.7	27.7
Total assets	\$ 2,015.2	\$ 2,106.5
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 136.0	\$ 142.0
Current portion of long-term debt - Asbestos	-	47.0
Dividends payable	36.0	124.6
Accrued payroll and employee benefits	49.7	56.7
Accrued product warranties	9.6	7.7
Income taxes payable	3.3	5.4
Asbestos liability	119.5	134.5
Workers' compensation - Asbestos	3.8	4.3
Other liabilities	4.8	15.0
Total current liabilities	362.7	537.2
Long-term debt	390.0	-
Deferred income taxes	91.3	93.0
Accrued product warranties	26.0	23.7
Asbestos liability	1,302.8	1,571.7
Workers' compensation - Asbestos	42.3	47.6
Other liabilities	24.5	32.3
Total liabilities	2,239.6	2,305.5
Commitments and contingencies (Note 10)		
Shareholders' equity:		
Common stock, Euro 0.59 par value, 2.0 billion shares authorised; 445,229,454 shares issued at 31 December 2014 and 445,033,502 shares issued at 31 March 2014	230.9	230.6
Additional paid-in capital	147.3	139.7
Accumulated deficit	(614.6)	(602.4)
Accumulated other comprehensive income	12.0	33.1
Total shareholders' deficit	(224.4)	(199.0)
Total liabilities and shareholders' deficit	\$ 2,015.2	\$ 2,106.5

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

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

(Millions of US dollars, except per share data)	Three Months Ended 31 December		Nine Months Ended 31 December	
	2014	2013	2014	2013
Net sales	\$ 388.4	\$ 353.2	\$ 1,245.6	\$ 1,117.4
Cost of goods sold	(253.2)	(231.7)	(819.3)	(736.5)
Gross profit	135.2	121.5	426.3	380.9
Selling, general and administrative expenses	(56.0)	(53.8)	(176.7)	(162.5)
Research and development expenses	(7.7)	(8.7)	(24.1)	(25.1)
Asbestos adjustments	54.9	35.8	96.9	126.2
Operating income	126.4	94.8	322.4	319.5
Interest expense, net of capitalized interest	(2.1)	(1.1)	(5.5)	(3.4)
Interest income	0.6	0.7	2.0	2.7
Other (expense) income	(0.2)	1.2	(3.9)	1.4
Income before income taxes	124.7	95.6	315.0	320.2
Income tax expense	(17.2)	(3.4)	(51.4)	(33.9)
Net income	\$ 107.5	\$ 92.2	\$ 263.6	\$ 286.3
Income per share - basic:				
Basic	\$ 0.24	\$ 0.21	\$ 0.59	\$ 0.65
Diluted	\$ 0.24	\$ 0.21	\$ 0.59	\$ 0.64
Weighted average common shares outstanding (Millions):				
Basic	445.0	442.9	444.9	442.3
Diluted	445.9	445.2	445.9	444.2
Comprehensive income, net of tax:				
Net income	\$ 107.5	\$ 92.2	\$ 263.6	\$ 286.3
Cash flow hedges	-	0.7	(0.6)	0.7
Currency translation adjustments	(11.5)	(5.7)	(20.5)	(17.6)
Comprehensive income:	\$ 96.0	\$ 87.2	\$ 242.5	\$ 269.4

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	
	2014	2013
Cash Flows From Operating Activities		
Net income	\$ 263.6	\$ 286.3
Adjustments to reconcile net income to net cash		
Depreciation and amortization	52.0	46.2
Deferred income taxes	4.3	19.0
Stock-based compensation	5.0	6.1
Asbestos adjustments	(96.9)	(126.2)
Tax benefit from stock options exercised	(0.6)	(1.1)
Changes in operating assets and liabilities:		
Restricted cash and cash equivalents	80.0	73.1
Restricted short-term investments - Asbestos	0.2	6.3
Payment to AICF	(113.0)	-
Accounts and other receivables	22.8	27.8
Inventories	(32.0)	(17.7)
Prepaid expenses and other assets	(0.6)	2.2
Insurance receivable - Asbestos	25.1	17.8
Accounts payable and accrued liabilities	13.9	21.0
Asbestos liability	(103.2)	(100.5)
Other accrued liabilities	(16.5)	(5.6)
Net cash provided by operating activities	\$ 104.1	\$ 254.7
Cash Flows From Investing Activities		
Purchases of property, plant and equipment	\$ (240.4)	\$ (68.5)
Proceeds from sale of property, plant and equipment	-	0.6
Capitalized interest	(0.6)	-
Acquisition of business	-	(4.1)
Net cash used in investing activities	\$ (241.0)	\$ (72.0)
Cash Flows From Financing Activities		
Proceeds from long-term borrowings	\$ 580.0	\$ -
Repayments of long-term borrowings	(190.0)	-
Proceeds from issuance of shares	2.9	15.1
Tax benefit from stock options exercised	0.6	1.1
Common stock repurchased and retired	(9.1)	(5.1)
Dividends paid	(355.9)	(163.6)
Net cash provided by (used in) financing activities	\$ 28.5	\$ (152.5)
Effects of exchange rate changes on cash	\$ 3.2	\$ 1.3
Net increase (decrease) in cash and cash equivalents	(105.2)	31.5
Cash and cash equivalents at beginning of period	167.5	153.7
Cash and cash equivalents at end of period	\$ 62.3	\$ 185.2
Components of Cash and Cash Equivalents		
Cash at bank and on hand	\$ 57.1	\$ 72.0
Short-term deposits	5.2	113.2
Cash and cash equivalents at end of period	\$ 62.3	\$ 185.2

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

James Hardie Industries plc

Notes to Condensed Consolidated Financial Statements

1. Background and Basis of Presentation

Nature of Operations

James Hardie Industries plc manufactures and sells fiber cement building products for interior and exterior building construction applications, primarily in the United States, Australia, 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 2014, which was filed with the United States Securities and Exchange Commission ("SEC") on 26 June 2014.

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 2014 and 31 March 2014, the Condensed Consolidated Results of Operations and Comprehensive Income for the three and nine months ended 31 December 2014 and 2013 and Condensed Consolidated Cash Flows for the nine months ended 31 December 2014 and 2013.

The Company has recorded on its balance sheet certain 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 into US dollars at each reporting date. Unless otherwise noted, the exchange rates used to convert Australian dollar denominated amounts into US dollars in the condensed consolidated financial statements are as follows:

(US\$1 = A\$)	31 March 2014	31 December 2014	2013
Assets and liabilities	1.0845	1.2206	1.1190
Statements of operations	n/a	1.1057	1.0580
Cash flows - beginning cash	n/a	1.0845	0.9597
Cash flows - ending cash	n/a	1.2206	1.1190
Cash flows - current period movements	n/a	1.1057	1.0580

The results of operations for the three and nine months ended 31 December 2014 are not necessarily indicative of the results to be expected for the full year. The balance sheet at 31 March 2014 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.

James Hardie Industries plc

Notes to Condensed Consolidated Financial Statements (Continued)

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 fulfil a contract. ASU No. 2014-09 is effective for annual reporting periods beginning after December 15, 2016, and interim periods within those years, and early adoption is not permitted. Companies may use either a full retrospective or a modified retrospective approach to adopt ASU No. 2014-09. The Company is still evaluating the new standard and has not yet determined the potential effects on its consolidated financial statements.

In June 2014, the FASB issued ASU No. 2014-12, which provides explicit guidance on whether to treat a performance target that could be achieved after the requisite service period as a performance condition that affects vesting, or as a nonvesting condition that affects the grant-date fair value of an award. The amendments in ASU No. 2014-12 are effective for fiscal years and interim periods within those years, beginning after 15 December 2015. The Company will adopt ASU 2014-12 prospectively, starting with the fiscal year beginning April 1, 2015. The Company does not expect this new standard to materially impact its consolidated financial statements.

3. Earnings Per Share

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

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

(Millions of shares)	Three Months Ended 31 December		Nine Months Ended 31 December	
	2014	2013	2014	2013
Basic common shares outstanding	445.0	442.9	444.9	442.3
Dilutive effect of stock awards	0.9	2.3	1.0	1.9
Diluted common shares outstanding	<u>445.9</u>	<u>445.2</u>	<u>445.9</u>	<u>444.2</u>
(US dollars)	2014	2013	2014	2013
Net income per share - basic	\$ 0.24	\$ 0.21	\$ 0.59	\$ 0.65
Net income per share - diluted	\$ 0.24	\$ 0.21	\$ 0.59	\$ 0.64

James Hardie Industries plc

Notes to Condensed Consolidated Financial Statements (Continued)

Potential common shares of 2.6 million and 2.2 million for the three and nine months ended 31 December 2014, respectively, and 2.5 million and 2.3 million for the three and nine months ended 31 December 2013, 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 and are included in the calculation of diluted EPS using the Treasury 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\$2.5 million and US\$5.0 million related to an insurance policy at 31 December 2014 and 31 March 2014, respectively, which restricts the cash from use for general corporate purposes.

5. Inventories

Inventories consist of the following components:

(Millions of US dollars)	31 December 2014	31 March 2014
Finished goods	\$ 149.7	\$ 135.5
Work-in-process	6.1	6.6
Raw materials and supplies	69.2	56.5
Provision for obsolete finished goods and raw materials	(7.5)	(7.9)
Total inventories	<u>\$ 217.5</u>	<u>\$ 190.7</u>

As of 31 December 2014 and 31 March 2014, US\$29.9 million and US\$26.0 million, respectively, of the Company's finished goods inventory was held at third-party locations.

James Hardie Industries plc

Notes to Condensed Consolidated Financial Statements (Continued)

6. Long-Term Debt

At 31 December 2014, the Company's credit facilities consisted of:

Description	Effective Interest Rate	Total Facility	Principal Drawn
(US\$ millions)			
Term facilities, can be drawn in US\$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until March 2016	-	\$ 50.0	-
Term facilities, can be drawn in US\$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until April 2016	1.5%	150.0	150.0
Term facilities, can be drawn in US\$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until April 2017	1.7%	100.0	25.0
Term facilities, can be drawn in US\$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until November 2017	1.4%	125.0	125.0
Term facilities, can be drawn in US\$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until March 2019	1.6%	40.0	20.0
Term facilities, can be drawn in US\$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until April 2019	-	50.0	-
Term facilities, can be drawn in US\$, variable interest rates based on LIBOR plus margin, can be repaid and redrawn until May 2019	1.4%	75.0	70.0
Total		\$ 590.0	\$ 390.0

The amount drawn under the combined facilities was US\$390.0 million and nil at 31 December 2014 and 31 March 2014, respectively. During the three months ended 31 December 2014, the Company repaid and terminated a US\$40.0 million term facility maturing in April 2016 and replaced it with a new US\$125.0 million term facility maturing in November 2017, of which the Company drew down US\$125.0 million during the quarter.

At 31 December 2014, the weighted average interest rate on the Company's total outstanding debt was 1.5%, and the weighted average term of all debt facilities is 2.7 years. The weighted average fixed interest rate on the Company's interest rate swap contracts is set forth in Note 8.

For all facilities, the interest rate is calculated two business days prior to the commencement of each draw-down period based on the US Dollar London Interbank Offered Rate ("LIBOR") plus the margins of individual lenders and is payable at the end of each draw-down period.

James Hardie Industries plc

Notes to Condensed Consolidated Financial Statements (Continued)

At 31 December 2014, the Company was in compliance with all restrictive debt covenants contained in its credit facility agreements. Under the most restrictive of these covenants, the Company (i) must not exceed a maximum of net debt to earnings before interest, tax, depreciation and amortization, excluding all income, expense and other profit and loss statement impacts of Asbestos injuries Compensation Fund ("AICF"), Amaba, Amaca, ABN 60 and Marlew Mining Pty Limited (collectively, the "Former James Hardie Companies") and excluding assets, liabilities and other balance sheet items of the AICF and the Former James Hardie Companies, (ii) must meet or exceed a minimum ratio of earnings before interest and taxes to net interest charges, excluding all income, expense and other profit and loss statement impacts of AICF and the Former James Hardie Companies, and (iii) must ensure that no more than 35% of Free Cash Flow (as defined in the AFFA), in any given financial year ("Annual Cash Flow Cap") is contributed to AICF on the payment dates under the AFFA in the next following financial year. The Annual Cash Flow Cap does not apply to payments of interest, if any, to AICF and is consistent with contractual obligations of James Hardie 117 Pty Ltd (the "Performing Subsidiary") and the Company under the AFFA.

7. Asbestos

In February 2007, the Company's shareholders approved a proposal pursuant to which the Company provides long-term funding to AICF. The Company owns 100% of the Performing Subsidiary that funds the AICF subject to the provisions of the AFFA. The Company appoints three of the AICF directors and the New South Wales Government appoints two of the AICF directors.

Under the terms of the AFFA, the Performing Subsidiary has an obligation to make payments to AICF on an annual basis. The amount of these annual payments is dependent on several factors, including the Company's Free Cash Flow (as defined in the AFFA), actuarial estimations, actual claims paid, operating expenses of AICF and the Annual Cash Flow Cap. JHI plc guarantees the Performing Subsidiary's obligation. As a result, the Company considers itself to be the primary beneficiary of AICF as defined under US GAAP.

The Company's interest in AICF is considered variable because the potential impact on the Company will vary based upon the annual actuarial assessments obtained by AICF with respect to asbestos-related personal injury claims against the Former James Hardie Companies.

Although the Company has no legal ownership in AICF, for financial reporting purposes, the Company consolidates AICF due to its pecuniary and contractual interests in AICF, as a result of the funding arrangements outlined in the AFFA. The Company's consolidation of AICF results in a separate recognition of the asbestos liability and certain other asbestos-related assets and liabilities on its consolidated balance sheet. Among other items, the Company records a deferred tax asset for the anticipated future tax benefit the Company believes is available to it that arise from amounts contributed to AICF by the Performing Subsidiary. Since fiscal year 2007, movements in the asbestos liability arising from changes in foreign currency or actuarial adjustments are classified as asbestos adjustments and the income tax benefit arising from contributions to AICF is included within income tax expense on the Condensed Consolidated Statements of Operations and Comprehensive Income when realized.

For the three and nine months ended 31 December 2014, the Company did not provide financial or other support to AICF that it was not previously contractually required to provide. On 1 July 2014, the Company made a payment of A\$119.9 million (US\$113.0 million) to AICF, representing 35% of the Company's Free Cash Flow for fiscal year 2014 as defined by the AFFA. Future funding of AICF by the Company under the

James Hardie Industries plc

Notes to Condensed Consolidated Financial Statements (Continued)

terms of the AFFA depends on the Company's long-term financial success, specifically the Company's ability to generate net operating cash flow.

AICF has operating costs that are claims related and non-claims related. Claims related costs incurred by AICF are treated as reductions in the accrued asbestos liability balances previously reflected in the condensed consolidated balance sheets. Non-claims related operating costs incurred by AICF are expensed as incurred in the line item *Selling, general and administrative expenses* in the Condensed Consolidated Statements of Operations and Comprehensive Income. AICF earns interest on its cash and cash equivalents and on its short-term investments; these amounts are included in the line item *Interest income* in the Condensed Consolidated Statements of Operations and Comprehensive Income.

Asbestos Adjustments

The following table sets forth the asbestos adjustments included in the Condensed Consolidated Statements of Operations and Comprehensive Income for the three and nine months ended 31 December 2014 and 2013:

(Millions of US dollars)	Three Months Ended 31 December		Nine Months Ended 31 December	
	2014	2013	2014	2013
Effect of foreign exchange rate movements	\$ 54.9	\$ 30.8	\$ 96.9	\$ 120.5
Recovery of insurance receivables	-	5.0	-	5.7
Asbestos Adjustments	\$ 54.9	\$ 35.8	\$ 96.9	\$ 126.2

Adjustments in insurance receivables due to changes in AICF's assessment of recoverability are reflected as asbestos adjustments on the Condensed Consolidated Statements of Operations and Comprehensive Income during the period in which the adjustments occur.

James Hardie Industries plc

Notes to Condensed Consolidated Financial Statements (Continued)

Asbestos-Related Assets and Liabilities

The Company has included on its 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."

	31 December	31 March
(Millions of US dollars)	2014	2014
Asbestos liability – current	\$ (119.5)	\$ (134.5)
Asbestos liability – non-current	(1,302.8)	(1,571.7)
Asbestos liability - Total	(1,422.3)	(1,706.2)
Insurance receivable – current	14.9	28.0
Insurance receivable – non-current	163.3	198.1
Insurance receivable – Total	178.2	226.1
Workers' compensation asset – current	3.8	4.3
Workers' compensation asset – non-current	42.3	47.6
Workers' compensation liability – current	(3.8)	(4.3)
Workers' compensation liability – non-current	(42.3)	(47.6)
Workers' compensation – Total	-	-
Loan facility	-	(47.0)
Other net liabilities	(2.1)	(0.8)
Restricted cash and cash equivalents and restricted short-term investment assets of the AICF	39.9	60.3
Net AFFA liability	\$ (1,206.3)	\$ (1,467.6)
Deferred income taxes – current	17.9	16.5
Deferred income taxes – non-current	386.1	455.2
Deferred income taxes – Total	404.0	471.7
Income tax payable	15.6	16.7
Net Unfunded AFFA liability, net of tax	\$ (786.7)	\$ (979.2)

James Hardie Industries plc

Notes to Condensed Consolidated Financial Statements (Continued)

Asbestos Liability

The amount of the asbestos liability reflects the terms of the AFFA, which has been recognized by reference to (but is not exclusively based upon) the most recent actuarial estimate of projected future cash flows calculated by KPMG Actuarial ("KPMGA"). Based on their assumptions, KPMGA arrived at a range of possible total future cash flows and calculated a central estimate, which is intended to reflect a probability-weighted expected outcome of those actuarially estimated future cash flows. The Company views the central estimate as the basis for recognizing the asbestos liability in the Company's financial statements.

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

Adjustments in the asbestos liability due to changes in the actuarial estimate of projected future cash flows and changes in the estimate of future operating costs of AICF are reflected in the consolidated statements of operations and comprehensive income during the period in which they occur. Claims paid by AICF and claims-handling costs incurred by AICF are treated as reductions in the accrued balances previously reflected in the consolidated balance sheets. The Company receives an updated actuarial estimate as of 31 March each year. The most recent actuarial assessment was performed as of 31 March 2014.

The changes in the asbestos liability for the nine months ended 31 December 2014 are detailed in the table below:

	A\$ Millions	A\$ to US\$ rate	US\$ Millions
Asbestos liability – 31 March 2014	A\$ (1,850.4)	1.0845	\$ (1,706.2)
Asbestos claims paid ¹	112.9	1.1057	102.1
AICF claims-handling costs incurred ¹	1.2	1.1057	1.1
Favorable impact of foreign currency movements			180.7
Asbestos liability – 31 December 2014	<u>A\$ (1,736.3)</u>	1.2206	<u>\$ (1,422.3)</u>

¹ The average exchange rate for the period is used to convert the Australian dollar amount to US dollars based on the assumption that these transactions occurred evenly throughout the period.

James Hardie Industries plc

Notes to Condensed Consolidated Financial Statements (Continued)

Insurance Receivable – Asbestos

The changes in the insurance receivable for the nine months ended 31 December 2014 are detailed in the table below:

	A\$ Millions	A\$ to US\$ rate	US\$ Millions
Insurance receivable – 31 March 2014	A\$ 245.3	1.0845	226.1
Insurance and cross-claim recoveries ¹	(27.8)	1.1057	(25.1)
Unfavorable impact of foreign currency movements			(22.8)
Insurance receivable – 31 December 2014	A\$ 217.5	1.2206	\$ 178.2

¹ The average exchange rate for the period is used to convert the Australian dollar amount to US dollars based on the assumption that these transactions occurred evenly throughout the period.

Deferred Income Taxes – Asbestos

Deferred income taxes – asbestos is the anticipated tax benefit over the life of the AFFA resulting from the Performing Subsidiary being able to claim a tax deduction for its contributions to AICF over a five-year period commencing in the year the contribution is incurred. The changes in the deferred income taxes - asbestos for the nine months ended 31 December 2014 are detailed in the table below:

	A\$ Millions	A\$ to US\$ rate	US\$ Millions
Deferred tax assets – 31 March 2014	A\$ 511.4	1.0845	\$ 471.7
Amounts offset against income tax payable ¹	(18.9)	1.1057	(17.1)
AICF earnings ¹	0.3	1.1057	0.3
Unfavorable impact of foreign currency movements			(50.9)
Deferred tax assets – 31 December 2014	A\$ 492.8	1.2206	\$ 404.0

¹ The average exchange rate for the period is used to convert the Australian dollar amount to US dollars based on the assumption that these transactions occurred evenly throughout the period.

Income Taxes Payable

A portion of the deferred income tax asset is applied against the Company's income tax payable. At 31 December 2014 and 31 March 2014, this amount was US\$17.1 million and US\$16.8 million, respectively. During the nine months ended 31 December 2014, there was a US\$1.3 million favorable effect of foreign currency exchange.

James Hardie Industries plc

Notes to Condensed Consolidated Financial Statements (Continued)

Other Net Liabilities

Included in other net liabilities are the other assets and liabilities of AICF including asbestos-related education and medical research contributions, trade receivables, prepayments, fixed assets, trade payables and accruals. These other assets and liabilities of AICF were a net liability of US\$2.1 million and US\$0.8 million at 31 December 2014 and 31 March 2014, respectively. During the nine months ended 31 December 2014, there was a US\$0.2 million favorable effect of foreign currency exchange on these other assets and liabilities.

Restricted Cash and Short-term Investments of AICF

Cash and cash equivalents and short-term investments of AICF are reflected as restricted assets as these assets are restricted for use in the settlement of asbestos claims and payment of the operating costs of AICF.

The changes in restricted cash and short-term investments of AICF for the nine months ended 31 December 2014 are set forth in the table below:

	A\$ Millions	A\$ to US\$ rate	US\$ Millions
Restricted cash and cash equivalents and restricted short-term investments – 31 March 2014	A\$ 65.5	1.0845	\$ 60.3
Asbestos claims paid ¹	(112.9)	1.1057	(102.1)
Payments received in accordance with AFFA ²	119.9	1.0621	113.0
AICF operating costs paid - claims-handling ¹	(1.2)	1.1057	(1.1)
AICF operating costs paid - non claims-handling ¹	(2.2)	1.1057	(2.0)
Insurance and cross-claim recoveries ¹	27.8	1.1057	25.1
Interest Expense ²	(0.6)	1.0573	(0.6)
Interest income ¹	1.8	1.1057	1.6
NSW loan - repayments ²	(51.0)	1.0573	(48.2)
Other ¹	1.7	1.1057	1.5
Unfavorable impact of foreign currency movements			(7.6)
Restricted cash and cash equivalents and restricted short-term investments – 31 December 2014	A\$ 48.8	1.2206	\$ 39.9

¹ The average exchange rate for the period is used to convert the Australian dollar amount to US dollars based on the assumption that these transactions occurred evenly throughout the period.

² The spot exchange rate on the date of the transaction is used to convert the Australian dollar amount to US dollars.

James Hardie Industries plc

Notes to Condensed Consolidated Financial Statements (Continued)

Claims Data

AICF provides compensation payments for Australian asbestos-related personal injury claims against the Former James Hardie Companies. The claims data in this section are reflective of these Australian asbestos-related personal injury claims against the Former James Hardie Companies.

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

	Nine Months Ended 31 December 2014	2014	For the Years Ended 31 March			
			2013	2012	2011	2010
Number of open claims at beginning of period	466	462	592	564	529	534
Number of new claims	507	608	542	456	494	535
Number of closed claims ¹	461	604	672	428	459	540
Number of open claims at end of period	512	466	462	592	564	529
Average settlement amount per settled claim	A\$ 245,987	A\$ 253,185	A\$ 231,313	A\$ 218,610	A\$ 204,366	A\$ 190,627
Average settlement amount per case closed	A\$ 215,572	A\$ 212,944	A\$ 200,561	A\$ 198,179	A\$ 173,199	A\$ 171,917
Average settlement amount per settled claim	US\$ 222,472	US\$ 236,268	US\$ 238,615	US\$ 228,361	US\$ 193,090	US\$ 162,250
Average settlement amount per case closed	US\$ 194,964	US\$ 198,716	US\$ 206,892	US\$ 207,019	US\$ 163,642	US\$ 146,325

¹ Included in the number of closed claims of 672 for the year ended 31 March 2013 are 153 claims primarily settled at nil settlement amounts that had been closed in prior years but not reflected as such in the year in which they were closed. Accordingly these 153 claims have been included in claims activity during the year ended 31 March 2013 to appropriately reflect the actual number of open claims at 31 March 2013. These 153 additional claims that were closed in prior years have been excluded for the purposes of determining the average settlement amount in both US and Australian dollars, as reflected in the table above, for the year ended 31 March 2013. As these 153 claims were closed in prior years, the actual number of closed claims during the year ended 31 March 2013 was 519 claims.

Under the terms of the AFFA, the Company has rights of access to actuarial information produced for AICF by the actuary appointed by AICF (the "Approved Actuary"). The Company's disclosures with respect to claims statistics are subject to it obtaining such information from the Approved Actuary. 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.

AICF – NSW Government Secured Loan Facility

On 9 December 2010, AICF, Amaca, Amaba and ABN 60 (together, the "Obligors") entered into a long term credit facility ("Facility") with The State of New South Wales, Australia whereby AICF may borrow, subject to certain conditions, up to an aggregate amount of A\$320.0 million (US\$262.2 million, based on the exchange rate at 31 December 2014). The amount available to be drawn depends on the value of the insurance policies benefiting the Obligors and may be adjusted upward or downward, subject to a ceiling

James Hardie Industries plc

Notes to Condensed Consolidated Financial Statements (Continued)

of A\$320.0 million. The discounted value of insurance policies is calculated annually, and was A\$214.3 million at 31 March 2014.

AICF may draw funds under the Facility to fund the payment of asbestos claims and certain operating and legal costs of the Obligors. The Facility is available to be drawn up to 9 December 2020 (being the tenth anniversary of signing) and must be repaid on or by 1 November 2030. Interest accrues daily on amounts outstanding and is calculated based on a 365-day year and is payable monthly. The borrowings under the Facility are classified as current as AICF intends to repay the debt within one year. Interest paid amounts are included in the line item *Interest expense* in the Condensed Consolidated Statements of Operations and Comprehensive Income. On 2 July 2014, AICF repaid principal and interest amounts outstanding under the Facility in the amount of US\$48.8 million.

AICF proposed Approved Payment Scheme

On 15 September 2014, the Company and the NSW Government were advised by AICF that its Board had determined that it is reasonably foreseeable that a shortfall in the funding of claims will arise in calendar 2017 and that consequently, AICF would like to enter into discussions with the Company and the NSW Government concerning an approved payment scheme ("APS"). The determination was contained in a notice issued by AICF to the Company and the NSW Government under the AFFA. AICF announced that it would seek NSW Supreme Court approval to establish an APS for the payment of claims from 1 July 2015.

This announcement of a potential APS has no impact on the Company's consolidated financial statements as of 31 December 2014.

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*.

The Company uses foreign currency forward contracts and enters into hedging relationships from time to time in order to mitigate exposure to foreign currency fluctuations. When achievable, these instruments are designated as hedges and treated as a cash flow hedging arrangement for accounting purposes. In the prior fiscal year, the Company entered into foreign currency forward contracts designated as hedges in order to mitigate exposure associated with the anticipated purchases of production assets denominated in a foreign currency in a future period. In the prior quarter ending 30 September 2014, the Company elected to de-designate all of its foreign currency forward contracts that had been previously designated

James Hardie Industries plc

Notes to Condensed Consolidated Financial Statements (Continued)

as cash flow hedges, and elected to discontinue hedge accounting. The gains will be reclassified into earnings in correspondence to the depreciation schedule of the underlying equipment purchases which were hedged.

Interest Rate Swaps

For interest rate swap contracts, the Company has agreed to pay fixed interest rates while receiving a floating interest rate. At 31 December 2014, the weighted average fixed interest rate of these contracts is 2.0% and the weighted average remaining life is 3.8 years. For the three and nine months ended 31 December 2014, the Company included in *Other (expense) income* an unrealized loss of US\$1.0 million and US\$1.8 million, respectively, on interest rate swap contracts. Included in *Interest expense* is a realized loss on settlements of interest rate swap contracts of US\$0.4 million and US\$0.7 million for the three and nine months ended 31 December 2014, respectively.

For the three and nine months ended 31 December 2013, the Company included in *Other income* an unrealized gain of US\$1.0 million and US\$1.2 million, respectively, on interest rate swap contracts. Included in *Interest expense* is a realized loss on settlements of interest rate swap contracts of US\$0.2 million and US\$0.5 million for the three and nine months ended 31 December 2013, 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. Gains or losses related to the derivative are recorded in income, based on the Company's accounting policy. In general, the earnings effects of the item that represent the economic risk exposure are recorded in the same caption as the derivative. The forward contracts not designated as a cash flow hedging arrangement had an unrealized loss of US\$0.1 million and an unrealized gain of US \$0.8 million in the three and nine months ended 31 December 2014, respectively.

The foreign currency forward contracts which were previously designated as hedges and de-designated in the prior quarter had an unrealized gain classified in other comprehensive income of US\$0.3 million at 31 December 2014. The gains will be reclassified into earnings in correspondence to the depreciation schedule of the underlying equipment purchases which were hedged.

The notional amount of interest rate swap contracts and foreign currency forward contracts represents the basis upon which payments are calculated and are reported on a net basis when a legal and enforceable right of set-off exists. The following table sets forth the total outstanding notional amount and the fair value of the Company's derivative instruments held at 31 December 2014.

James Hardie Industries plc

Notes to Condensed Consolidated Financial Statements (Continued)

(Millions of US dollars)	Notional Amount		Fair Value as of			
			31 December 2014		31 March 2014	
	31 December 2014	31 March 2014	Assets	Liabilities	Assets	Liabilities
Derivatives accounted for as hedges						
Foreign currency forward contracts	\$ -	\$ 9.7	\$ -	\$ -	\$ 0.5	\$ -
Derivatives not accounted for as hedges						
Foreign currency forward contracts	37.4	124.0	-	0.2	1.8	-
Interest rate swap contracts	125.0	125.0	-	2.3	-	0.5
Total	\$ 162.4	\$ 258.7	\$ -	\$ 2.5	\$ 2.3	\$ 0.5

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;
- 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 2014, the Company's financial instruments consist primarily of cash and cash equivalents, restricted cash and cash equivalents, trade receivables, trade payables, dividends payable, debt, interest rate swaps and foreign currency forward contracts.

Cash and cash equivalents, Restricted cash and cash equivalents, Trade receivables, Trade payables and Dividend payables – These items are recorded in the financial statements at historical cost. The historical cost basis for these amounts is estimated to approximate their respective fair values due to the short maturity of these instruments.

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

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Notes to Condensed Consolidated Financial Statements (Continued)

Foreign Currency Forward Contracts - The Company's foreign currency forward contracts are valued using models that maximize the use of market observable inputs including interest rate curves and both forward and spot prices for currencies and are categorized as Level 2 within the fair value hierarchy.

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 2014 according to the valuation techniques the Company used to determine their fair values.

(Millions of US dollars)	Fair Value at 31 December 2014	Fair Value Measurements Using Inputs Considered as		
		Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	\$ 62.3	\$ 62.3	\$ -	\$ -
Restricted cash and cash equivalents	42.4	42.4	-	-
Total Assets	\$ 104.7	\$ 104.7	\$ -	\$ -
Interest rate swap contracts included in Accounts Payable	2.3	\$ -	\$ 2.3	\$ -
Forward contracts included in Other Liabilities	0.2	-	0.2	
Total Liabilities	\$ 2.5	\$ -	\$ 2.5	\$ -

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 and New Zealand weathertightness claims as described in these financial statements.

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Notes to Condensed Consolidated Financial Statements (Continued)

New Zealand Weathertightness Claims

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

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

Historically, the Company's New Zealand subsidiaries have been joined to these claims as one of several co-defendants, including local government entities responsible for enforcing building codes and practices, resulting in the Company's New Zealand subsidiaries becoming liable for only a portion of each claim. In addition, the Company's New Zealand subsidiaries have had access to third-party recoveries to defray a portion of the costs incurred in resolving such claims.

The Company has established a provision for asserted and unasserted New Zealand weathertightness claims within the current portion of *Other liabilities*, with a corresponding estimated receivable for third-party recoveries being recognized within *Accounts and other receivables*. At 31 December 2014 and 31 March 2014, the amount of the provision for New Zealand weathertightness claims, net of estimated third-party recoveries, was US\$2.4 million and US\$12.7 million, respectively.

The estimated loss for these matters, net of estimated third-party recoveries, incorporates assumptions that are subject to the foregoing uncertainties and are principally derived from, but not exclusively based on, historical claims experience together with facts and circumstances unique to each claim. If the nature and extent of the resolution of claims in future periods differ from the historical claims experience, then the actual amount of loss may be materially higher or lower than estimated losses accrued at 31 December 2014. Accordingly, due to the inherent uncertainties associated with estimating the amount of loss incurred for these matters, as discussed above, and based on information presently available, the Company believes it is possible that the ultimate resolution of these matters collectively could result in an additional loss of up to approximately US\$0.5 million in excess of the amount already accrued, net of estimated third-party recoveries, at 31 December 2014.

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Notes to Condensed Consolidated Financial Statements (Continued)

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 2014, the Company paid total income tax net of any refunds received of US\$24.2 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 2014 the Company had European tax loss carry-forwards of approximately US\$6.1 million and Australian tax loss carry-forwards of approximately US\$9.9 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 2014, the Company had a 100% valuation allowance against the European tax loss carry-forwards.

The Australian tax loss carry-forwards primarily result from current and prior year tax deductions for contributions to AICF. The Performing Subsidiary is able to claim a tax deduction for its contributions to AICF over a five-year period commencing in the year the contribution is incurred. At 31 December 2014, the Company recognized a tax deduction of US\$56.9 million (A\$62.9 million) for the current year relating to total contributions to AICF of US\$412.3 million (A\$419.1 million) incurred in tax years 2011 through 2015.

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

The Company or its subsidiaries files income tax returns in various jurisdictions including Ireland, the United States, Australia, New Zealand, the Philippines and The Netherlands. The Company is no longer subject to US federal examinations by US Internal Revenue Service ("IRS") for tax years prior to tax year 2012 and Australian federal examinations by the Australian Taxation Office ("ATO") for tax years prior to tax year 2011. The Company is no longer subject to examinations by The Netherlands tax authority, for tax years prior to tax year 2010.

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Notes to Condensed Consolidated Financial Statements (Continued)

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

Unrecognized Tax Benefits

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

(Millions of US Dollars)	Unrecognized tax benefits	Interest and Penalties
Balance at 31 March 2014	\$ 0.5	\$ -
Additions for tax positions of the current year	\$ 3.3	\$ -
Additions for tax positions of prior year	0.1	0.2
Balance at 31 December 2014	\$ 3.9	\$ 0.2

As of 31 December 2014, 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 affect the effective tax rate is US\$0.8 million and US\$0.2 million, respectively. The remaining US\$3.1 million of unrecognized tax benefits would not affect the effective tax rate if recognized.

The Company recognizes penalties and interest accrued related to unrecognized tax benefits in income tax expense. During the nine months ended 31 December 2014, the total amount of interest and penalties recognized in tax expense was US\$0.2 million. The liabilities associated with uncertain tax benefits are included in *Other Non-Current Liabilities* on the Company's Condensed Consolidated Balance Sheet. These liabilities are offset by deferred tax assets included in *Current Assets* on the Company's Condensed Consolidated Balance Sheet. The Company recognizes deferred tax assets and liabilities for temporary differences between the financial reporting basis and the tax basis of its assets and liabilities along with net operating loss and tax credit carryovers. Management believes it is more likely than not that the full deferred tax asset will be realized.

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Notes to Condensed Consolidated Financial Statements (Continued)

12. Stock-Based Compensation

Total stock-based compensation expense consists of the following:

(Millions of US dollars)	Three Months Ended 31 December		Nine Months Ended 31 December	
	2014	2013	2014	2013
Liability Awards Expense	\$ 0.9	\$ 1.9	\$ 2.0	\$ 2.5
Equity Awards Expense	2.0	2.7	5.0	5.8
Total stock-based compensation expense	\$ 2.9	\$ 4.6	\$ 7.0	\$ 8.3

As of 31 December 2014, the unrecorded future stock-based compensation expense related to outstanding equity awards was US\$14.1 million after estimated forfeitures and will be recognized over an estimated weighted average amortization period of 2.0 years.

Restricted Stock – service vesting

On 9 December 2014, 329,192 restricted stock units (service vesting) were granted to employees under the 2001 Equity Incentive Plan. The fair value of each restricted stock unit (service vesting) is equal to the market value of the Company's common stock on the date of the grant, adjusted for the fair value of estimated dividends as the restricted stock holder is not entitled to dividends over the vesting period.

On 9 December 2014, 220,984 restricted stock units (service vesting) that were previously granted as part of the 2001 Equity Incentive Plan became fully vested and the underlying common stock was issued.

Restricted Stock – performance vesting

The Company granted 403,716 and 461,019 restricted stock units with a performance vesting condition under the 2006 Long Term Incentive Plan ("LTIP") to senior executives and managers of the Company on 16 September 2014 and 16 September 2013, respectively. The vesting of the restricted stock units is deferred for three years and is subject to a Return on Capital Employed ("ROCE") performance hurdle being met. The vesting of the restricted stock units is also subject to limited discretion by the Board. The Board's discretion will reflect the Board's judgment of the quality of the returns balanced against management's delivery of market share growth and a scorecard of key qualitative and quantitative performance objectives.

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

On 7 June 2014, 237,239 restricted stock units (performance vesting) that were granted on 7 June 2012 as part of the FY2012 long-term incentive award became fully vested and the underlying common stock was issued.

James Hardie Industries plc

Notes to Condensed Consolidated Financial Statements (Continued)

On 7 June 2013, 61,363 restricted stock units (performance vesting) that were granted on 7 June 2011 as part of the FY2011 long-term incentive award became fully vested and the underlying common stock was issued.

Restricted Stock – market condition

Under the terms of the LTIP, the Company granted 459,317 and 489,888 restricted stock units (market condition) to senior executives and managers of the Company on 16 September 2014 and 16 September 2013, respectively. The vesting of these restricted stock units is subject to a market condition as outlined in the LTIP.

The fair value of each of these restricted stock units (market condition) granted under the LTIP is estimated using a binomial lattice model that incorporates a Monte Carlo simulation. The following table includes the assumptions used for restricted stock grants (market condition):

Date of grant	16 Sep 2014	16 Sep 2013
Dividend yield (per annum)	4.5%	3.0%
Expected volatility	37.4%	43.3%
Risk free interest rate	1.6%	1.4%
JHX stock price at grant date (A\$)	12.42	10.17
Number of restricted stock units	459,317	489,888

During the three and nine months ended 31 December 2014, nil and 275,422 restricted stock units (market condition) that were previously granted became fully vested and the underlying common stock was issued, respectively.

Scorecard LTI – Cash Settled Units

Under the terms of the LTIP, the Company granted awards equivalent to 454,179 and 518,647 Scorecard LTI units on 16 September 2014 and 16 September 2013, respectively. These awards provide recipients a cash incentive based on JHI plc's common stock price on the vesting date and each executive's scorecard rating. The vesting of awards is measured on individual performance conditions based on certain performance measures. Compensation expense recognized for awards are based on the fair market value of JHI plc's common stock on the date of grant and recorded as a liability. The expense is recognized ratably over the vesting period and the liability is adjusted for subsequent changes in JHI plc's common stock price at each balance sheet date

On 7 June 2014, 445,141 of the 716,536 Scorecard LTI units that were previously granted on 7 June 2011 as part of the FY2012 long-term incentive award became fully vested and the balance was paid. The cash amount paid to award recipients was based on JHI plc's common stock price on the vesting date.

On 29 June 2013, 324,027 of the 821,459 Scorecard LTI units that were previously granted on 29 June 2010 as part of the FY2011 long-term incentive award became fully vested and the balance lapsed as a result of the Board's exercise of negative discretion.

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Notes to Condensed Consolidated Financial Statements (Continued)

13. Capital Management and Dividends

The following table summarizes the dividends declared or paid during fiscal years 2013, 2014, and 2015:

(Millions of US dollars)	US Cents/Security	US\$ Total Amount	Announcement Date	Record Date	Payment Date
FY 2015 first half dividend	0.08	36.0	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
FY 2014 first half dividend	0.08	35.5	14 November 2013	19 December 2013	28 March 2014
FY 2013 special dividend	0.24	106.1	23 May 2013	28 June 2013	26 July 2013
FY 2013 second half dividend	0.13	57.5	23 May 2013	28 June 2013	26 July 2013

During fiscal 2014, the Company announced a share buyback program to acquire up to 5% of its issued capital in the twelve months through May 2014. Under this program, the Company repurchased and cancelled 715,000 shares of its common stock during the first quarter of the current fiscal year. The aggregate costs of the shares repurchased and cancelled was A\$9.8 million (US\$9.1 million), at an average market price of \$A13.69 (US\$12.73). Upon the expiration of the fiscal 2014 program, the Company announced a new share buyback program (the “fiscal 2015 program”) to acquire up to 5% of its issued capital. No shares have been repurchased or cancelled under the fiscal 2015 program for the three or nine months ended 31 December 2014.

14. Operating Segment Information and Concentrations of Risk

The Company has reported its operating segment information in the format that the operating segment information is available to and evaluated by senior management. USA and Europe Fiber Cement manufactures fiber cement interior linings, exterior siding products and related accessories in the United States; these products are sold in the United States, Canada and Europe. Asia Pacific Fiber Cement includes all fiber cement 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. Research and Development represents the cost incurred by the research and development centers. General Corporate primarily consists 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.

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Notes to Condensed Consolidated Financial Statements (Continued)

Operating Segments

The following are the Company's operating segments and geographical information:

(Millions of US dollars)	Net Sales to Customers ¹ Three Months Ended 31 December		Net Sales to Customers ¹ Nine Months Ended 31 December	
	2014	2013	2014	2013
USA & Europe Fiber Cement	\$ 294.5	\$ 262.6	\$ 951.4	\$ 839.4
Asia Pacific Fiber Cement	93.9	90.6	294.2	278.0
Worldwide total	<u>\$ 388.4</u>	<u>\$ 353.2</u>	<u>\$ 1,245.6</u>	<u>\$ 1,117.4</u>

(Millions of US dollars)	Income Before Income Taxes Three Months Ended 31 December		Income Before Income Taxes Nine Months Ended 31 December	
	2014	2013	2014	2013
USA & Europe Fiber Cement ²	\$ 63.5	\$ 53.1	\$ 206.3	\$ 179.8
Asia Pacific Fiber Cement ^{2, 7}	28.7	25.5	74.1	63.8
Research and Development ²	(6.1)	(6.4)	(19.7)	(18.0)
Segments total	<u>86.1</u>	<u>72.2</u>	<u>260.7</u>	<u>225.6</u>
General Corporate ³	40.3	22.6	61.7	93.9
Total operating income	<u>126.4</u>	<u>94.8</u>	<u>322.4</u>	<u>319.5</u>
Net interest expense (income) ⁴	(1.5)	(0.4)	(3.5)	(0.7)
Other income	(0.2)	1.2	(3.9)	1.4
Worldwide total	<u>\$ 124.7</u>	<u>\$ 95.6</u>	<u>\$ 315.0</u>	<u>\$ 320.2</u>

(Millions of US dollars)	Total Identifiable Assets	
	31 December 2014	31 March 2014
USA & Europe Fiber Cement	\$ 920.4	\$ 782.6
Asia Pacific Fiber Cement	282.2	237.6
Research and Development	22.0	19.7
Segments total	<u>1,224.6</u>	<u>1,039.9</u>
General Corporate ^{5, 6}	790.6	1,066.6
Worldwide total	<u>\$ 2,015.2</u>	<u>\$ 2,106.5</u>

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Notes to Condensed Consolidated Financial Statements (Continued)

(Millions of US dollars)	Net Sales to Customers ¹ Three Months Ended 31 December		Net Sales to Customers ¹ Nine Months Ended 31 December	
	2014	2013	2014	2013
USA	\$ 286.3	\$ 254.1	\$ 922.7	\$ 814.3
Australia	65.9	65.0	209.7	199.4
New Zealand	16.0	16.1	50.2	47.6
Other Countries	20.2	18.0	63.0	56.1
Worldwide total	<u>\$ 388.4</u>	<u>\$ 353.2</u>	<u>\$ 1,245.6</u>	<u>\$ 1,117.4</u>

(Millions of US dollars)	Total Identifiable Assets 31 December		31 March
	2014	2014	
USA	\$ 920.3	\$ 785.8	
Australia	229.3	176.3	
New Zealand	25.9	29.4	
Other Countries	49.1	48.4	
Segments total	<u>1,224.6</u>	<u>1,039.9</u>	
General Corporate ^{5, 6}	<u>790.6</u>	<u>1,066.6</u>	
Worldwide total	<u>\$ 2,015.2</u>	<u>\$ 2,106.5</u>	

¹ Export sales and inter-segmental sales are not significant.

² The following table summarizes research and development costs by segment:

(Millions of US dollars)	Three Months Ended 31 December		Nine Months Ended 31 December	
	2014	2013	2014	2013
USA & Europe Fiber Cement	\$ 1.6	\$ 2.5	\$ 4.6	\$ 7.8
Asia Pacific Fiber Cement	0.5	0.4	1.2	1.0
Research and Development ^a	5.6	5.8	18.3	16.3
	<u>\$ 7.7</u>	<u>\$ 8.7</u>	<u>\$ 24.1</u>	<u>\$ 25.1</u>

^a For the three months ended 31 December 2014 and 2013, the R&D segment also included SG&A expenses of \$0.5 million and \$0.5 million, respectively. For the nine months ended 31 December 2014 and 2013, the R&D segment also included SG&A expenses of \$1.4 million and \$1.6 million, respectively.

³ Included in the General Corporate segment are the following:

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Notes to Condensed Consolidated Financial Statements (Continued)

(Millions of US dollars)	Three Months Ended 31 December		Nine Months Ended 31 December	
	2014	2013	2014	2013
Asbestos Adjustments	\$ 54.9	\$ 35.8	\$ 96.9	\$ 126.2
AICF SG&A expenses	0.6	0.4	1.9	1.4

⁴ The Company does not report net interest income for each operating segment as operating segments are not held directly accountable for interest expense. Included in net interest income is net AICF interest income of US\$0.5 million and US\$0.6 million for the three months ended 31 December 2014 and 2013, respectively. Included in net interest income is net AICF interest income of US\$1.0 million and US\$2.4 million for the nine months ended 31 December 2014 and 2013, respectively. See Note 7 for more information.

⁵ 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 the General Corporate segment.

⁶ Asbestos-related assets at 31 December 2014 and 31 March 2014 are US\$670.1 million and US\$812.4 million, respectively, and are included in the General Corporate segment.

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

(Millions of US dollars)	Three Months Ended 31 December		Nine Months Ended 31 December	
	2014	2013	2014	2013
New Zealand weathertightness claims favorable / (unfavorable)	\$ 5.2	\$ 4.2	\$ 4.2	\$ (0.7)

15. Reclassifications Out of Accumulated Other Comprehensive Income

During the three and nine months ended 31 December 2014 there were no reclassifications out of *Accumulated Other Comprehensive Income*:

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Notes to Condensed Consolidated Financial Statements (Continued)

(Millions of US dollars)	Pension and Post-Retirement Benefit Adjustment	Cash Flow Hedges	Foreign Currency Translation Adjustments	Total
Balance at 31 March 2014	\$ (0.3)	\$ 0.9	\$ 32.5	\$ 33.1
Other comprehensive loss before reclassifications	-		(20.5)	\$ (20.5)
Cash flow hedges, net of tax	-	(0.6)	-	(0.6)
Net current-period other comprehensive loss	-	(0.6)	(20.5)	(21.1)
Balance at 31 December 2014	\$ (0.3)	\$ 0.3	\$ 12.0	\$ 12.0

16. Subsequent Event

On 10 February 2015, James Hardie International Finance Limited, 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. The notes are guaranteed by James Hardie International Group Limited, James Hardie Technology Limited and James Hardie Building Products Inc., each of which are wholly-owned subsidiaries of JHI plc. The net proceeds from this offering will be used for general corporate purposes, including the repayment of approximately \$316.7 million of outstanding borrowings under current bilateral credit facilities and the payment of related transaction fees and expenses.