



Investor Presentation

James Hardie Australia

July 2014



James Hardie
A smarter way to build

Disclaimer:

This management presentation contains forward-looking statements. James Hardie may from time to time make forward-looking statements in its periodic reports filed with or furnished to the SEC, 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:

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- statements regarding the company's plans, objectives or goals, including those relating to strategies, initiatives, competition, acquisitions, dispositions and/or its products;
- expectations concerning the costs associated with the suspension or closure of operations at any of the company's plants and future plans with respect to any such plants;
- expectations concerning the costs associated with the significant capital expenditure projects at any of the company's plants and future plans with respect to any such projects;
- expectations regarding the extension or renewal of the company's credit facilities including changes to terms, covenants or ratios;
- expectations concerning dividend payments and share buy-backs;
- statements concerning the company's corporate and tax domiciles and structures and potential changes to them, including potential tax charges;
- statements regarding tax liabilities and related audits, reviews and proceedings;
- statements regarding the possible consequences and/or potential outcome of the legal proceedings brought against two of the company's subsidiaries by the New Zealand Ministry of Education and the potential product liabilities, if any, associated with such proceedings;
- expectations about the timing and amount of contributions to Asbestos Injuries Compensation Fund (AICF), a special purpose fund for the compensation of proven Australian asbestos-related personal injury and death claims;
- expectations concerning indemnification obligations;
- expectations concerning the adequacy of the company's warranty provisions and estimates for future warranty-related costs;
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- 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.

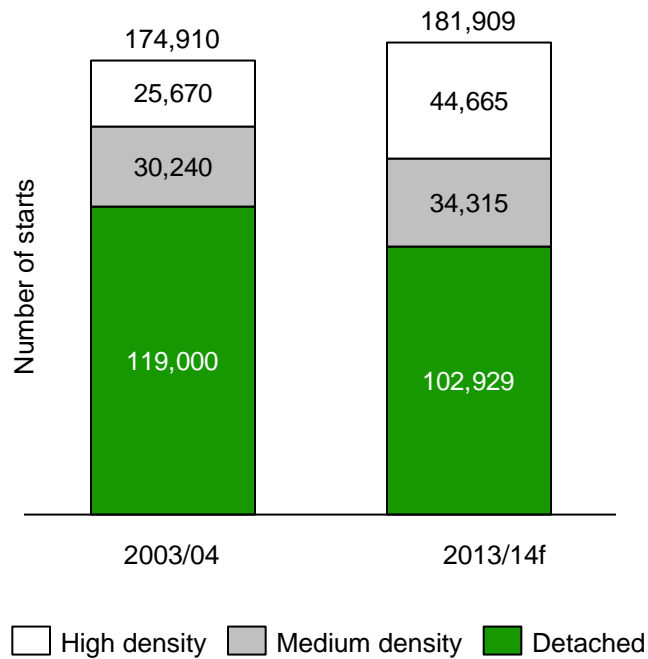
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Words such as “believe,” “anticipate,” “plan,” “expect,” “intend,” “target,” “estimate,” “project,” “predict,” “forecast,” “guideline,” “aim,” “will,” “should,” “likely,” “continue,” “may,” “objective,” “outlook” and similar expressions are intended 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.

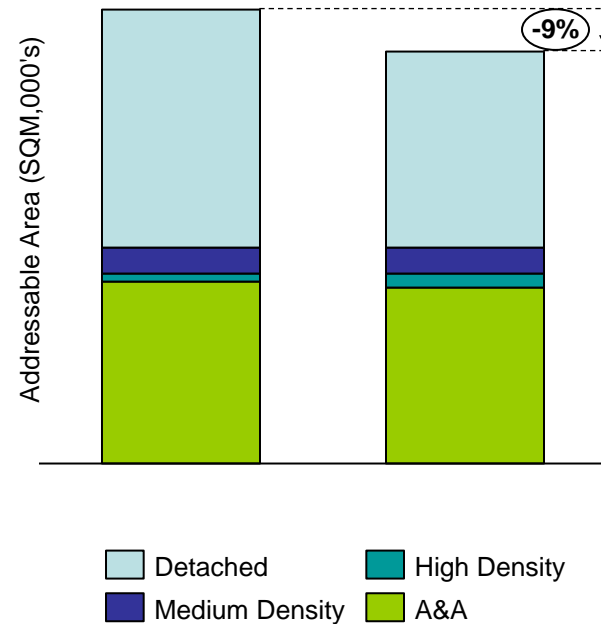
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Market continues to shift towards density

A change in construction starts...



Impacts addressable external wall area



Insights

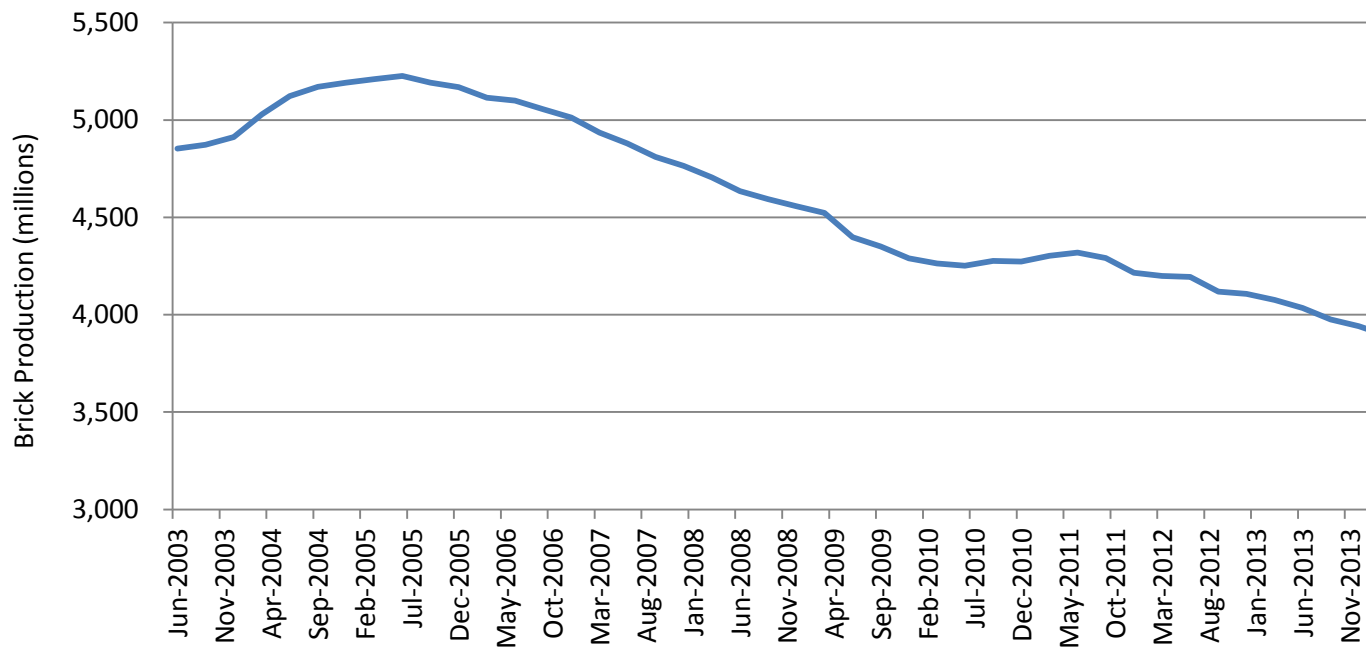
- Over the past 10 years, detached housing starts have decreased by ~ 15% whereas medium and high density have increased by ~ 40%
- This trend towards higher density building is impacting the external addressable wall area
- The external addressable wall area has decreased by ~9%

Source: ABS, HIA

Source: Abraham Akra – JH Market Analyst

Decline of brick

Brick production: 10 year trend



Insights

- Brick production is down approximately 25% over the past decade due to:
 - Shift away from detached dwellings to density
 - Converting builders from double brick to frame construction
 - Growth of monolithic and other looks

Source: ABS

Several elements are impacting market dynamics

Market demographics

- Population fragmenting
 - baby boomers downsizing
 - Non traditional families now the norm, different requirements
 - Land cost and availability mean developers looking to maximize yield

First time home buyers

- First time home buyers are at an all time low
- Relative cost of house and land increasing
- Credit still relatively tight for low income earners
- Low interest rates driving increased investor activity – local and overseas

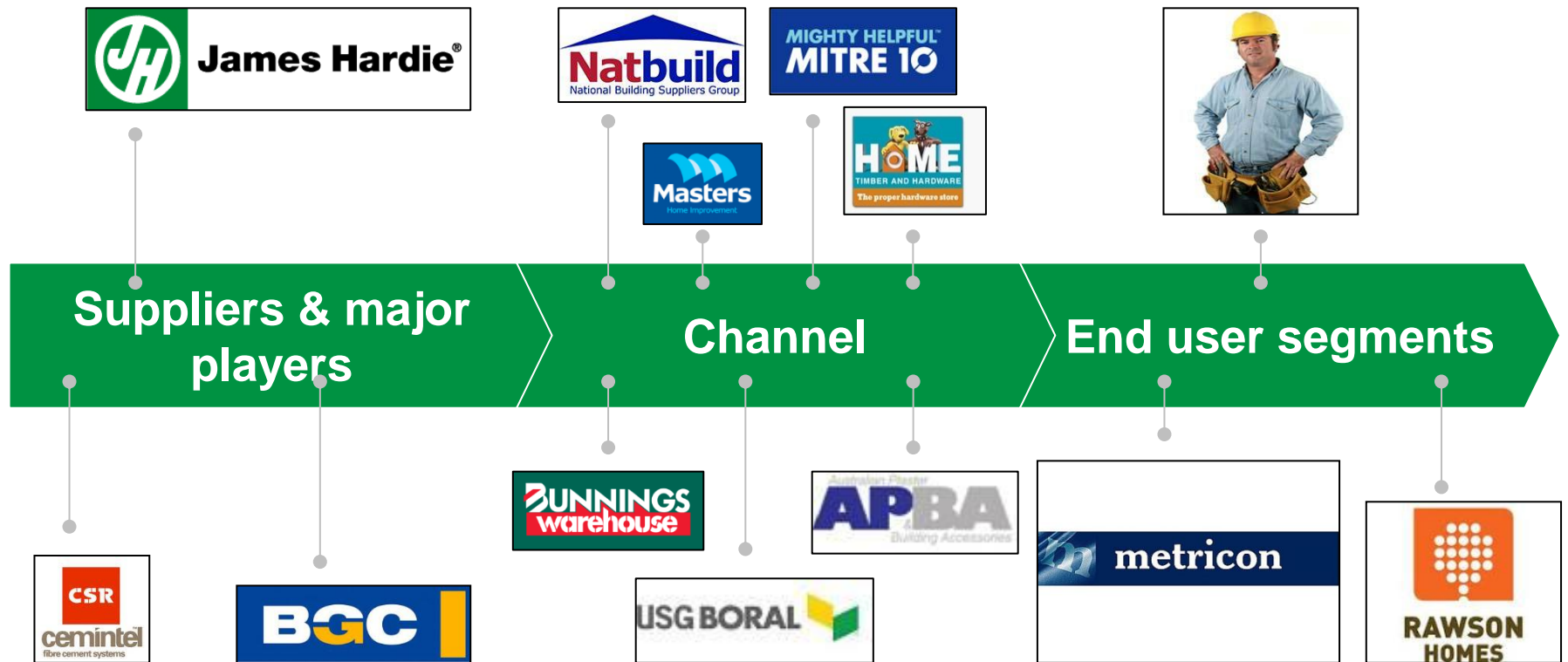
Density shift

- Shift away from single detached housing to medium & high density
- Medium to high density currently sitting at 43% of all starts
- Will increase to above 50% in the next few years in large metro centers
- Increase toward inner city living

Competitive intensity increasing
i.e. More players, less to go
after...

Key elements of the Australian fibre cement market

Australian Fibre Cement Market



Australian Fibre Cement Market – JH Channel

Key players of the JH Channel

JH Channel
FY14

Big Box



Building
Supplies



Independents



Internal linings



AILD

Commercial &
2 Stepper

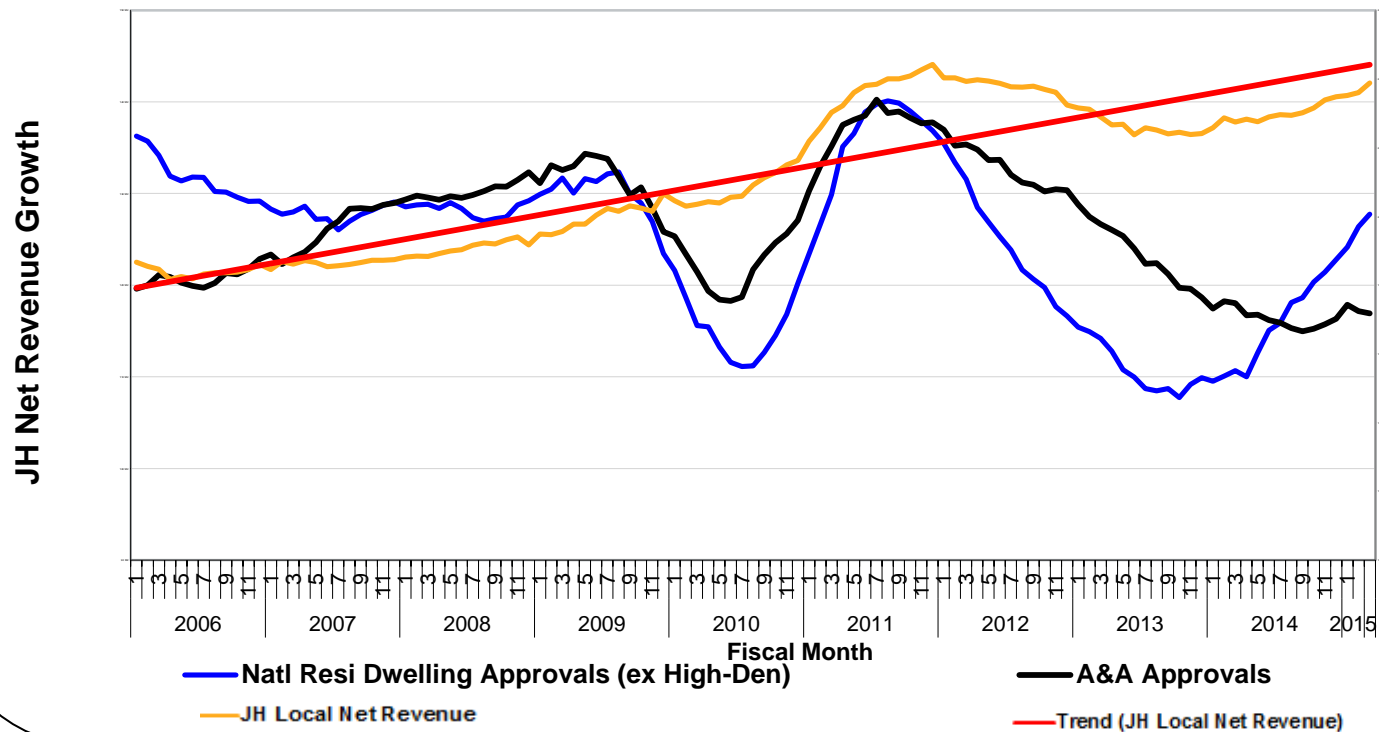
Commercial and
2 step players

Other

- EXPORT
- Frame & Truss
- Plumbing
- Manuf Housing
- Walling Systems
- Fencing Contract

JH Top Line Growth

Top line growth



Insights

- JH has enjoyed steady revenue growth over the last 8 years
- The upswing in new construction has driven JH sales in FY14 and FY15
- House price improvements along the east coast is expected to lift A&A activity and JH revenue in FY16 and FY17

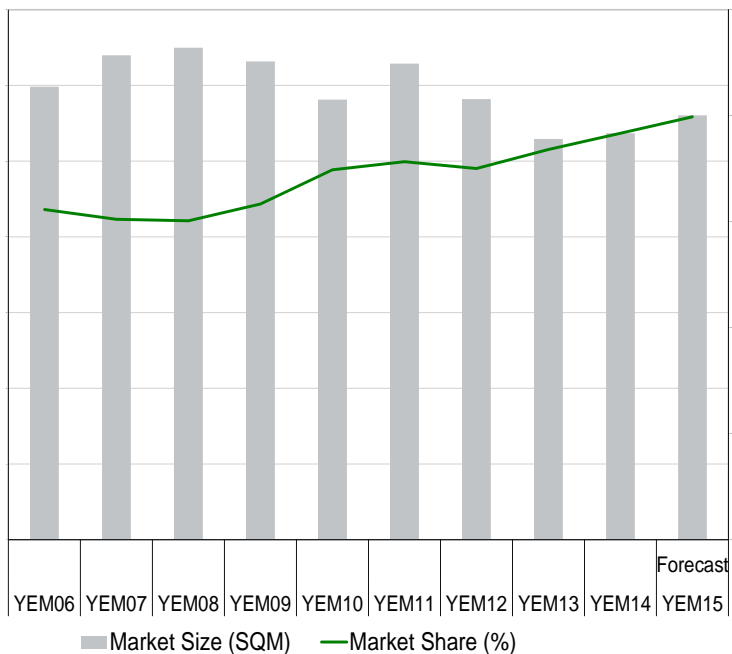
Source: ABS



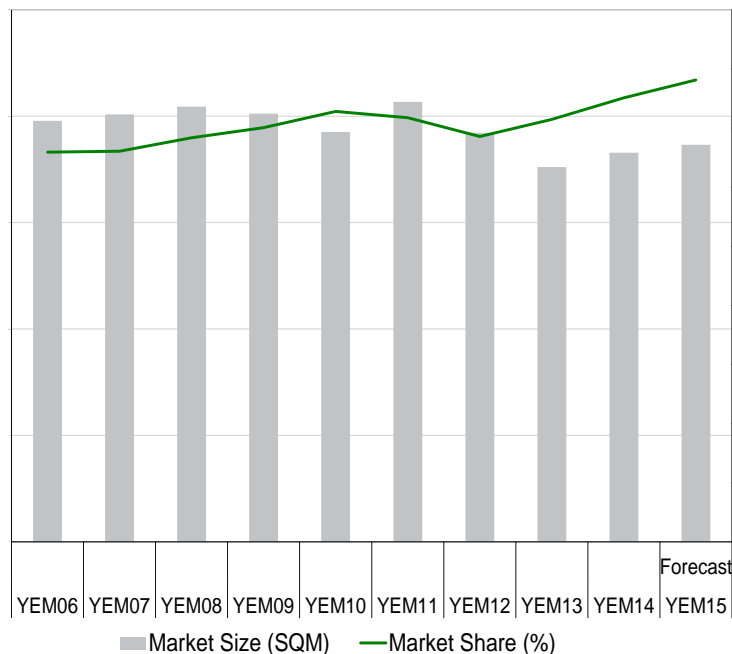
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Addressable JH Market Share

External cladding



Wet Area Internal Linings



Source: Abraham Akra – JH Market Analyst

Australian growth model

Australian growth model

- Our model for growth is unique and sustainable, but investment intensive
- Our model differs greatly from other manufacturers or importers
 - Large market opportunity
 - Superior value proposition
 - Proprietary and/or protected technology
 - Ongoing commitment to research and development
 - Significant organisational advantages
 - Focused strategy and organisational effort
 - Scale



Australian primary demand model

Australian primary demand model

- Increase fibre cement penetration by creating “Smarter Way to Build” solutions
- Accelerate uptake of lightweight / composite construction
- Engage with developers, designers, architects, builders and industry associations
- Leverage the unique JH Eco-System to accelerate industry change in design and construction and create new selling opportunities for our aligned partners



Driving Product Leadership

Recent products launched

Aust Product Launch recent History	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Linea										
Aquatec										
Scyon™										
Axon										
Stria										
Matrix										
Axent Trim										
Secura (Exterior)										
Secura (Interior)										
EasyLap										
express PVC Joiners										
Axon 400										
Stria Wide										
Hardiebreak										
Al Z Flashing										
ARCHitectural InVibe & Inraw										
Axon Grained										
Stria Splayed										
Secura 22mm & 18*9										
Hardiewrap										



Generating Demand

James Hardie go to market

Differentiated products and systems

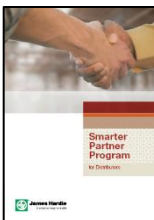
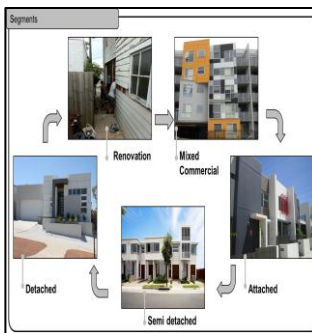
Targeting the right segments

Growth focused tools

Increased OTW¹ coverage

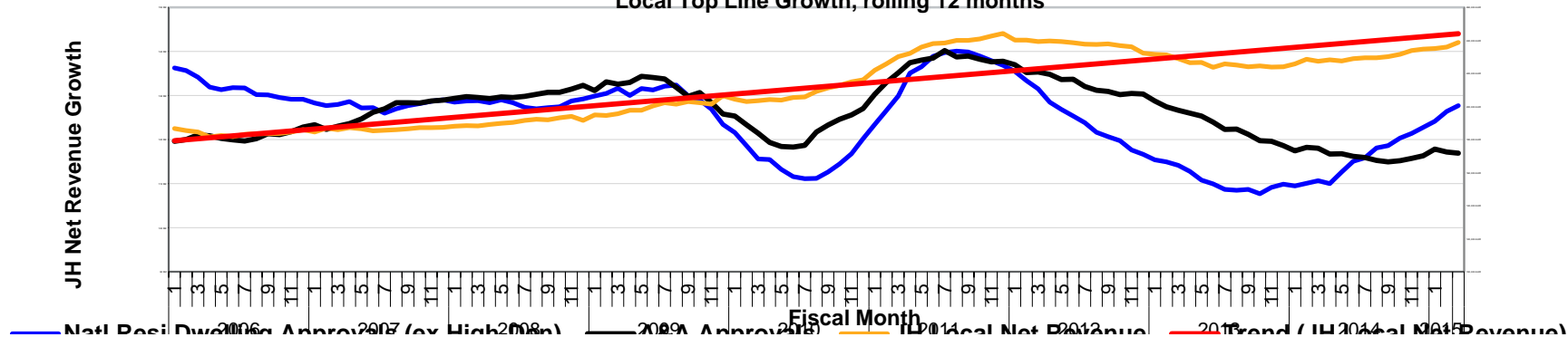
Sustainable growth

Demand Generation Cycle



The results

Local Top Line Growth, rolling 12 months



1. OTW – On The Wall

Targeted market segments

Segments



Renovation



**Mixed
Commercial**



Detached



Medium density



Attached

Detached homes



Compact detached and semi detached housing



Medium density



Mixed commercial



Renovation

