

# INVESTOR PRESENTATION

OCTOBER 2014

# 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:

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

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 James Hardie 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 favourable 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.

# AGENDA

- Global Strategy and Business Overview
- USA & Europe Fiber Cement
- Asia Pacific Fiber Cement
- Capital Management Framework
- Group Outlook and Guidance
- Appendix

*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 first quarter of the current fiscal year versus the first quarter of the prior fiscal year.*

## Industry Leadership and Profitable Growth

- Introduce differentiated products to deliver a sustainable competitive advantage
- Aggressively grow demand for our products in targeted market segments



# A GROWTH FOCUSED COMPANY



- Annual net sales US\$1.6+b
- Total assets US\$2.0b
- Strong cash generation
- Operations in North America, Asia Pacific and Europe
- 3,100 employees
- Market cap US\$6b
- S&P/ASX 100 company
- NYSE ADR listing

*Market capitalization as at 20 August 2014. Total assets and net cash as at 30 June 2014. Annual net sales equal 1QFY15 net sales annualised. Total assets exclude asbestos compensation*

# Q1 FY15 GROUP NET OPERATING PROFIT<sup>1</sup>

US\$ Millions	Q1 FY 2015	Q1 FY 2014	% Change
<b>Adjusted net operating profit <sup>2</sup></b>	<b>50.1</b>	<b>52.0</b>	<b>(4)</b>
Adjusted diluted earnings per share (US cents)	11	12	

## Net operating profit reflects:

- Higher sales volumes and average net sales prices in both the USA and Europe Fiber Cement and Asia Pacific Fiber Cement Segments
- USA and Europe Fiber Cement EBIT margin of 21.2%
- Asia Pacific Fiber Cement Segment EBIT margin of 21.7%<sup>3</sup>
- Increase in adjusted effective tax rate, changes in the fair value of interest rate swaps, and foreign currency losses

<sup>1</sup> Comparisons are of the 1<sup>st</sup> quarter of the current fiscal year versus the 1<sup>st</sup> quarter of the prior fiscal year

<sup>2</sup> Adjusted net operating profit excludes asbestos adjustments, New Zealand weathertightness claims and tax adjustments

<sup>3</sup> Asia Pacific EBIT margin excludes New Zealand weathertightness claims

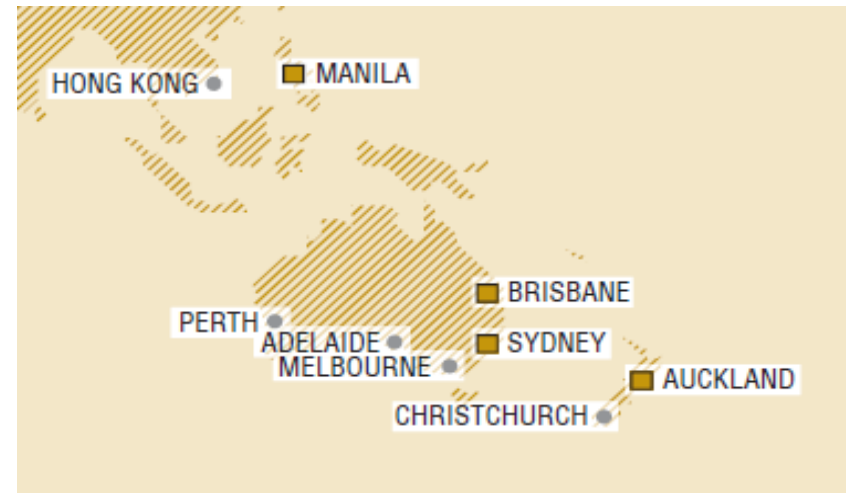


# WORLD LEADER IN FIBER CEMENT

## USA & Europe

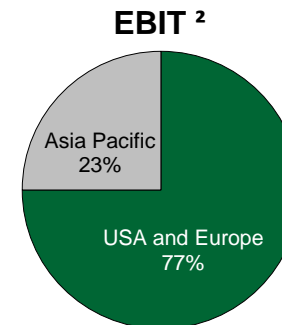
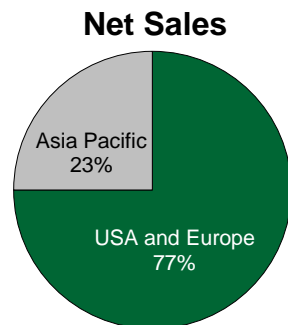


## Asia Pacific



■ JHX Manufacturing Operations 
 ■ JHX Manufacturing Operations – Production Suspended 
 ● JHX Sales Office

## Geographic Mix<sup>1</sup>



<sup>1</sup> All percentages are for the 1<sup>ST</sup> quarter ended 30 June 2014

<sup>2</sup> EBIT – excludes research and development, asset impairments, asbestos-related items, New Zealand weathertightness claims and general corporate costs



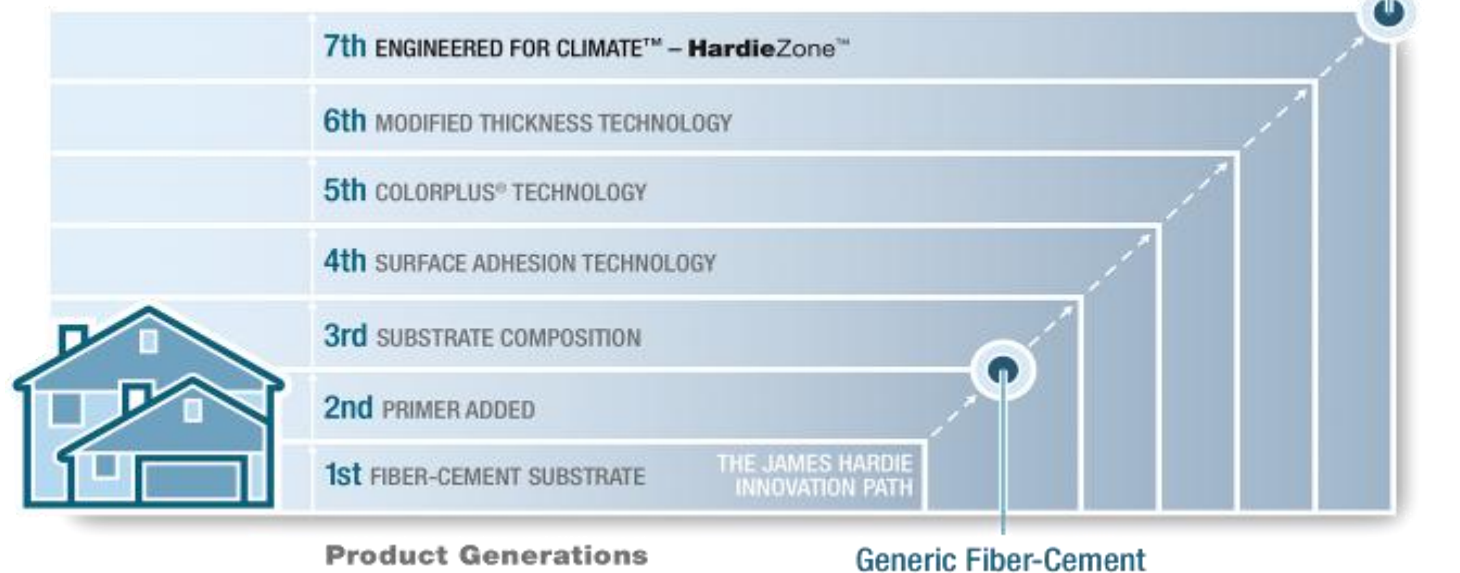
# CREATING A SUSTAINABLE AND DIFFERENTIATED ADVANTAGE

**Research & Development:** Significant and consistent investment

- US\$33.1m spent on Research & Development in FY14
- US\$363.1m spent on Research & Development since 2000



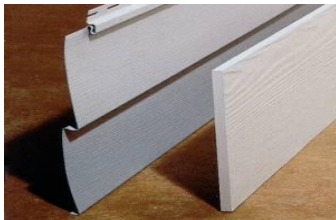
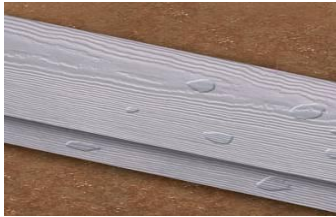
## History of Fiber Cement Substrate Development



# DELIVERING SUPERIOR PRODUCT PERFORMANCE

Fiber cement is more durable than wood and engineered wood, looks and performs better than vinyl, and is more cost effective and quicker to build with than brick

## Fiber Cement



- ✓ Fire resistant ?
- ✓ Hail resistant ?
- ✓ Resists warping ?
- ✓ Resists buckling ?
- ✓ Lasting color ?
- ✓ Dimensional stability ?
- ✓ Can be repainted ?

## Vinyl



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?  
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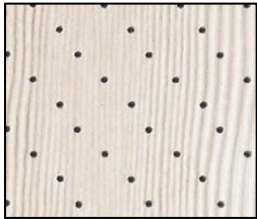
## Engineered Wood



# BUILDING A PORTFOLIO OF PRODUCTS AND BRANDS

## Primary Products

Soffit



Trim /  
Fascia



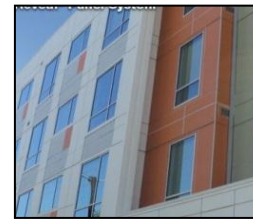
Backerboard



Siding



Commercial  
Exteriors



Flooring



Interior Walls /  
Ceilings



*U.S. & Europe*

*Asia Pacific*

## Brand Portfolio



**Hardie**Backer®

**PREVAIL**  
MULTIFAMILY SIDING PRODUCTS

*artisan*  
**JamesHardie**

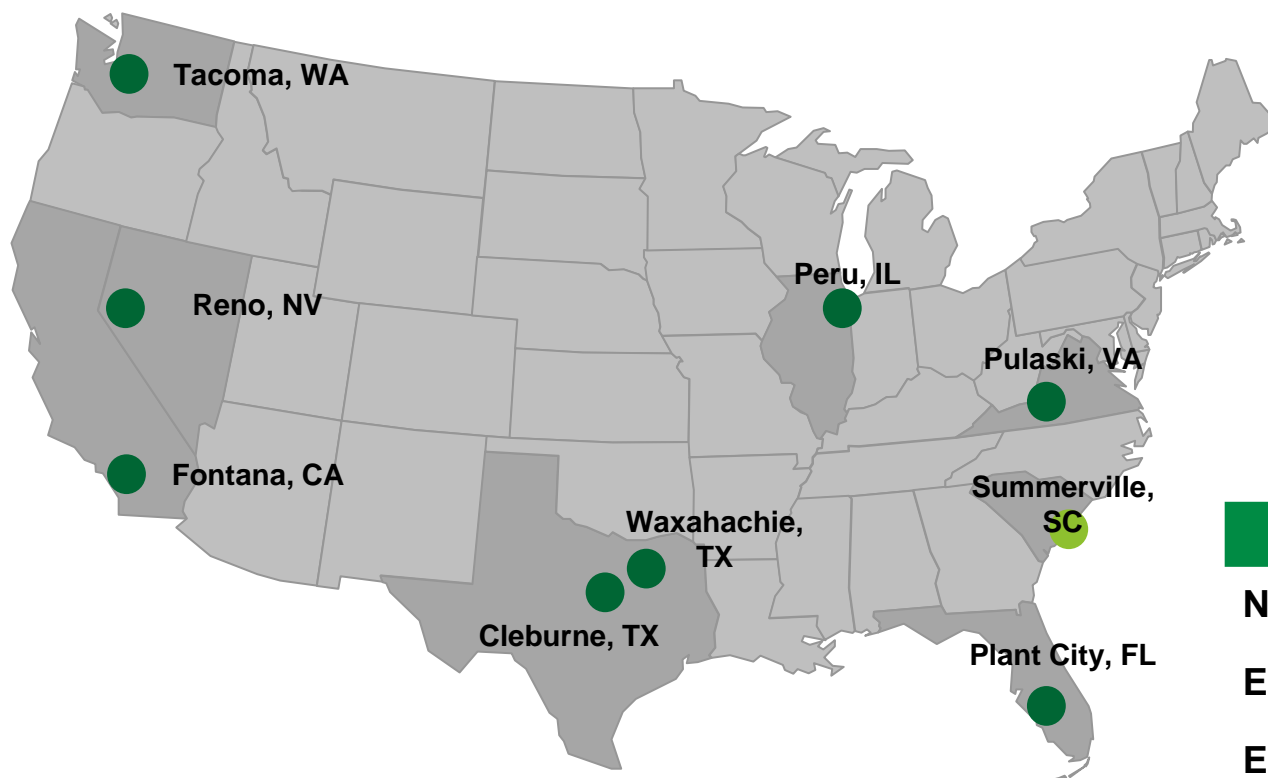


**James Hardie®**  
**Siding Products**



# USA AND EUROPE FIBER CEMENT SEGMENT

## USA Plant Locations



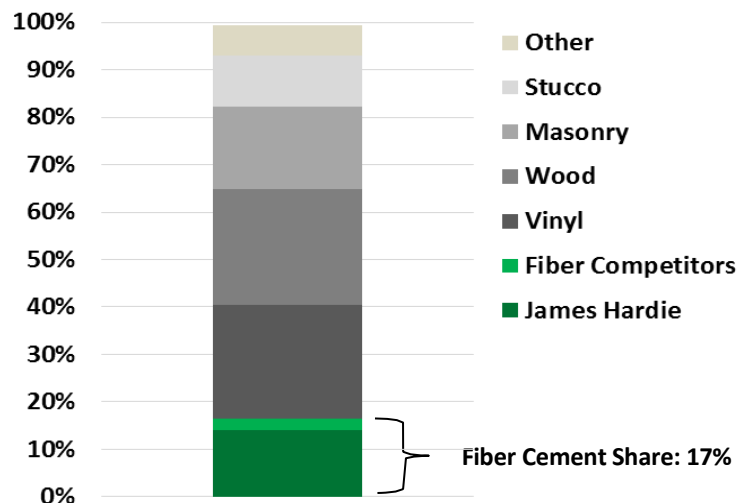
- Largest fiber cement producer in North America
- 2,100 employees
- 9 manufacturing plants<sup>1</sup>
- 2 research and development facilities

	1Q FY15	1Q FY14
<b>Net Sales</b>	US\$321.5m	US\$278.1m
<b>EBIT</b>	US\$68.0m	US\$59.4m
<b>EBIT Margin</b>	21.2%	21.4%

<sup>1</sup> Production was suspended at the Summerville plant in November 2008

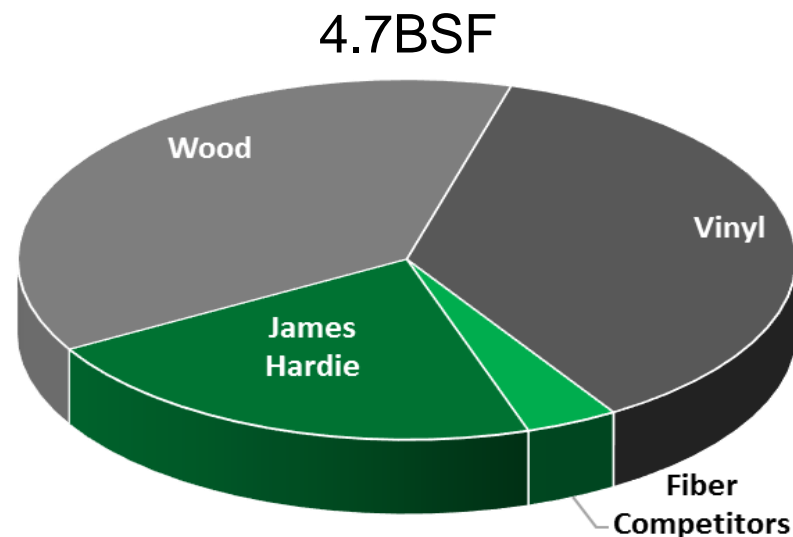
# DRIVING CATEGORY AND MARKET SHARE GAINS

## North America External Cladding Market Share



Source: Internal estimates based on NAHB product usage data adjusted for regional market intelligence

## North America Wood-Look Market Size



Source: Internal estimates based on NAHB product usage data adjusted for regional market intelligence

## 35/90 Plan

- Grow fiber cement share to 35% of the exterior cladding market against other wood-looking siding alternatives
- Maintain JHX's category share at 90%

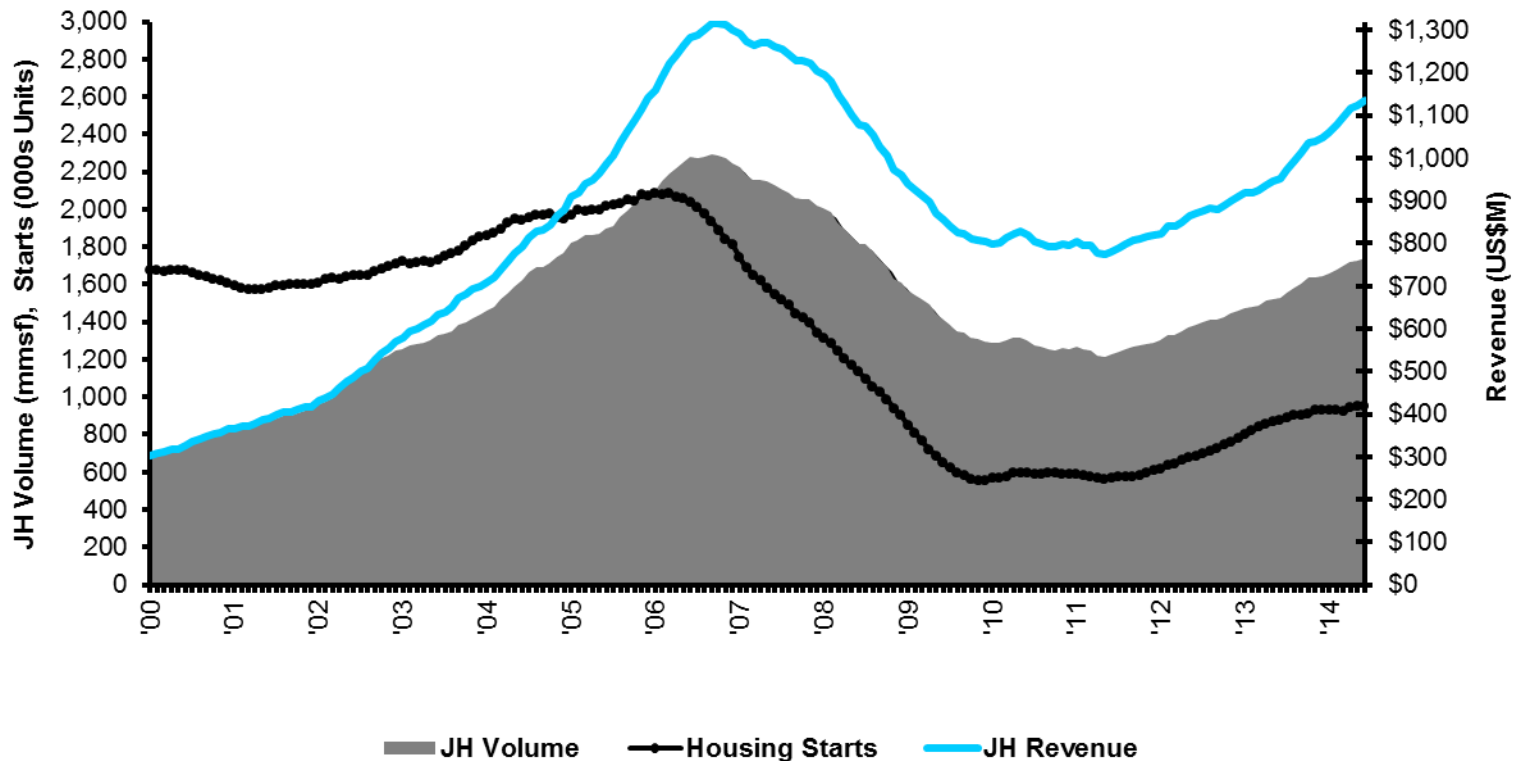
## Currently:

- JHX wins ~90% of the fiber cement category, while fiber cement used in ~17% of the total market
- Current estimate is wood-look siding (Wood, Vinyl and Fiber Cement) is 60-65% of total market.



# AGGRESSIVELY GROWING DEMAND FOR OUR PRODUCTS

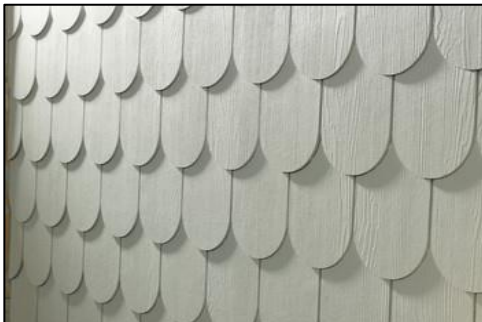
## USA Fiber Cement Top Line Growth



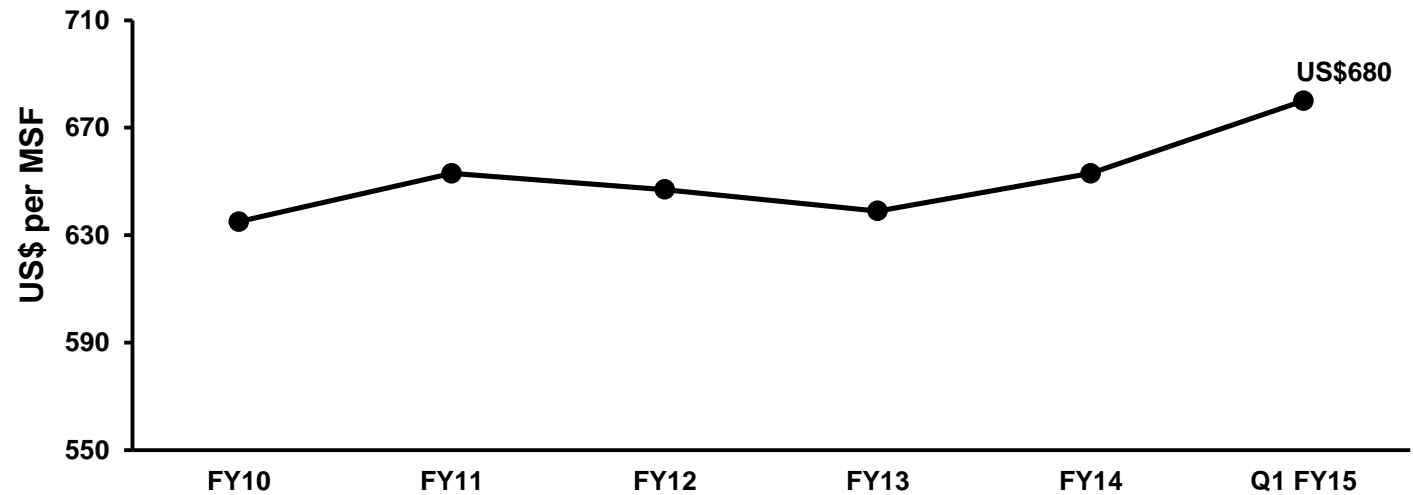
*Rolling 12 month average of seasonally adjusted estimate of housing starts by US Census Bureau*



# ACHIEVING THE RIGHT VALUE FOR OUR PRODUCTS

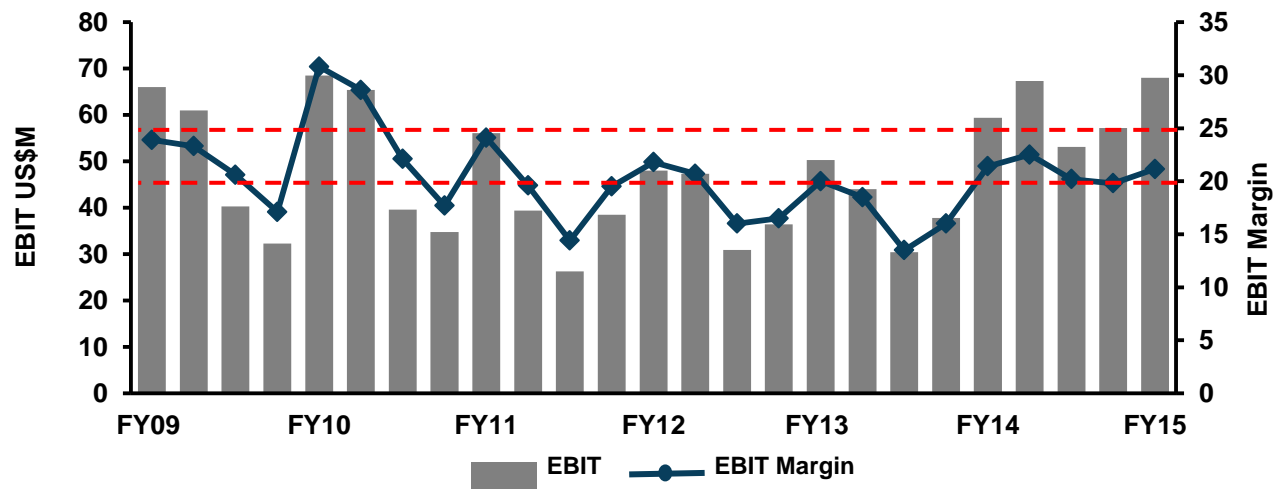


**USA and Europe Fiber Cement  
Average Net Sales Price**



# USA AND EUROPE: DELIVERING STRONG RETURNS

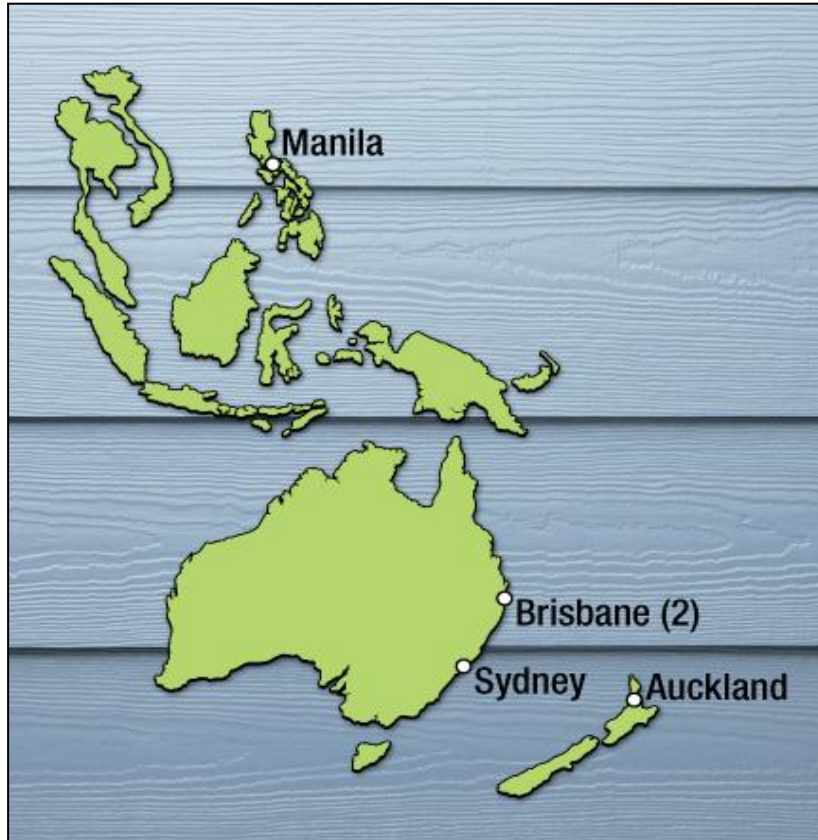
## USA and Europe Fiber Cement Quarterly EBIT and EBIT Margin<sup>1</sup>



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

# ASIA PACIFIC FIBER CEMENT SEGMENT

## Asia Pacific Plant Locations



- 985 employees
- 5 manufacturing plants across Australia, New Zealand and the Philippines
- 1 research and development facility

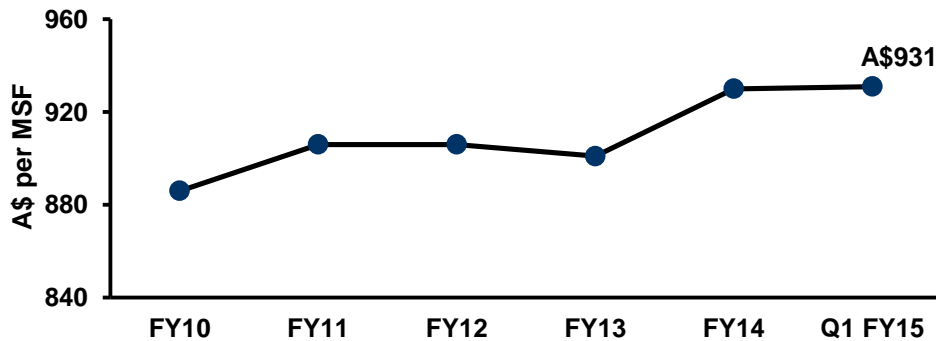
	1Q FY15	1Q FY14
<b>Net Sales</b>	US\$95.3m	US\$94.1m
<b>EBIT</b>	US\$20.7m	US\$21.1m
<b>EBIT Margin</b>	21.7%	22.4%

*EBIT and EBIT margin excludes New Zealand weathertightness claims*

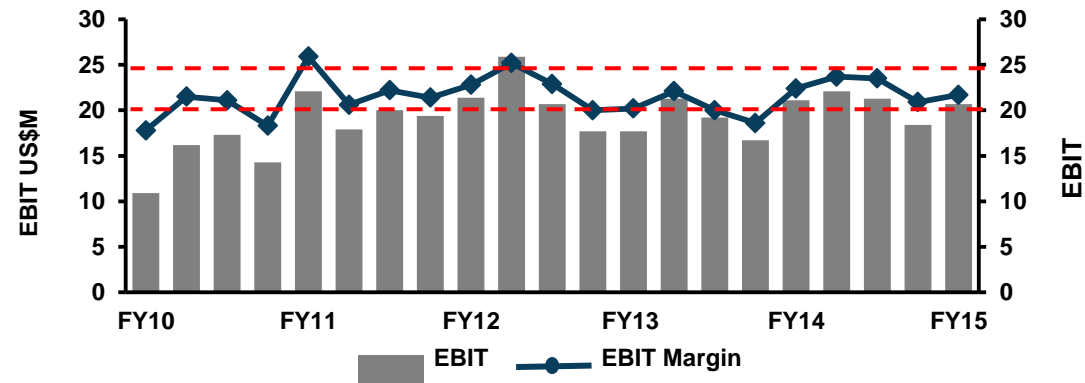
# ASIA PACIFIC: DELIVERING STRONG RETURNS

## Asia Pacific Fiber Cement Segment

Average Net Sales Price



Quarterly EBIT and EBIT Margin<sup>1</sup>

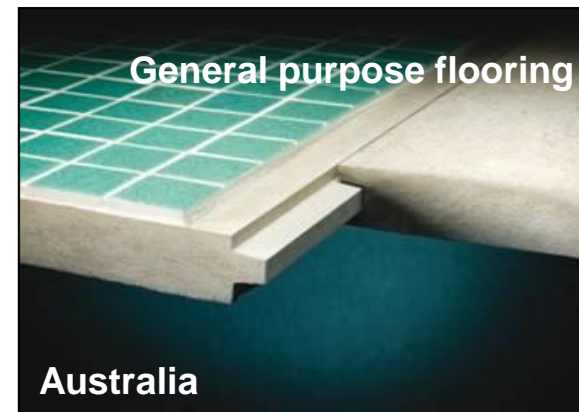


<sup>1</sup> EBIT and EBIT margin excludes New Zealand weathertightness claims



# TARGETTING THE RIGHT PRODUCT INTO THE RIGHT MARKET

## Asia Pacific Core Markets



# JHX APPROACH TO CAPITAL MANAGEMENT

## Objectives

- To optimize our capital structure with a view towards a target net debt position in the range of 1-2 times EBITDA excluding asbestos

## Strategy

- While reinvesting in R&D and capacity expansion required for growth;
- Provide consistent dividend payments within the payout ratio of 50-70% of Adjusted Net Operating Profit; and
- A continued commitment to share buy back program together with possible use of special dividends.

## Framework

- Manage capital efficiency within a prudent and rigorous financial policy
  - Ensure sufficient liquidity to support financial obligations and execute strategy
  - Minimize cost of capital while taking into consideration current and future industry, market and economic risks and conditions
  - Fund CAPEX and reinvestment in our capacity and capability
  - Maintain flexibility to capitalize on market and strategic opportunities
- Strong cash flow generation expected to continue and grow



# JHX FY15 LIQUIDITY AND CAPITAL ALLOCATION

## Liquidity

- In May 2014, we added US\$150.0 million of credit facilities intended to replace and augment an existing US\$50.0 million credit facility which expired on 14 February 2014
- With the addition of this facility, we have US\$505.0 million of combined credit facilities available to us with a combined average tenor of 3.0 years

## Buybacks

- In May 2014, we announced a new share buyback program to acquire up to 5% of our issued capital during the following 12 months
- During the quarter, we repurchased and cancelled 715,000 shares of our common stock under the May 2013 program, at a total cost A\$9.8 million (US\$9.1 million) and an average market price of A\$13.69 (US\$12.73)

## Dividends

- An ordinary dividend of US32.0 cents per security and a special dividend of US20.0 cents per security, totaling US\$230.3 million, was paid on 08 August 2014 from FY14 earnings

# JHX FY15 GROUP OUTLOOK

## USA and Europe Fiber Cement

- The US operating environment continues to recover, but at a more modest pace than expected earlier this year
- The recent flattening in housing activity has created some uncertainty about the pace of the recovery in the short-term
- Our medium-term view on the recovery is unchanged. To capitalize on the growing market demand and anticipated market penetration, we continue to invest in additional manufacturing capacity across the US
- EBIT to revenue margin is expected to remain within our target range of 20% - 25% for fiscal 2015, absent any major external factors

## Asia Pacific Fiber Cement

- In Australia, 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 stronger local housing market, particularly in Auckland and Christchurch, although at a more moderate rate of growth than prior year
- The Philippines business is expected to grow, driven by increased penetration in to a relatively flat repair and remodel market, together with increased penetration into the growing residential high rise market

# JHX FY15 GUIDANCE

- Management expects full year Adjusted net operating profit to be between US\$205 million and US\$235 million assuming, among other things, housing industry conditions in the United States continue to improve at a more moderate level than originally assumed at the beginning of the year, and that an exchange rate at or near current levels is applicable for the remainder of the fiscal year
- Management cautions that although the US market is recovering, uncertainties about the pace of the recovery in the short term remain. Further the market price for input costs remain volatile and continue to impact earnings
- 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

# APPENDIX

# JHX KEY RATIOS

	3 Months FY2015	3 Months FY2014	3 Months FY2013
EPS (Diluted) <sup>1</sup> (US Cents)	11c	12c	10c
EBIT/ Sales (EBIT margin) <sup>2</sup>	17.1%	18.1%	17.0%
Gearing Ratio <sup>1</sup>	(3.3)%	(16.5)%	(32.1)%
Net Interest Expense Cover <sup>2</sup>	79.1x	84.4x	57.7x
Net Interest Paid Cover <sup>2</sup>	89.0x	67.5x	115.4x

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

<sup>2</sup> Excludes asbestos adjustments, AICF SG&A expenses, and New Zealand weathertightness claims

# USA AND EUROPE FIBER CEMENT – 5 YEAR RESULTS OVERVIEW

	FY10	FY11	FY12	FY13	FY14
Net Sales US\$m	828	814	862	951	1,128
Sales Volume mmsf	1,304	1,248	1,332	1,489	1,697
Average Price US\$ per msf <sup>2</sup>	632	648	642	626	652
EBIT US\$m <sup>1</sup>	209	160	163	163	237
EBIT Margin % <sup>1</sup>	25	20	19	17	21

<sup>1</sup>Excludes asset impairment charges of US\$14.3 million and US\$16.9 million in FY12 and FY13, respectively

<sup>2</sup>During the second quarter of FY14, the company refined its methodology for calculating average net sales price in both the USA and Europe and Asia Pacific Fiber Cement segments to exclude ancillary products that have no impact on fiber cement sales volume, which is measured and reported in million square feet ("mmsf"). As the revenue contribution of these ancillary products been increasing, the company believes the refined methodology provides an improved disclosure of average net sales price, in line with the company's primary fibre cement business, which is a key segment performance indicator. The company has restated average net sales price in the prior periods to conform with the current calculation of average net sales price.



# ASIA PACIFIC FIBER CEMENT – 5 YEAR RESULTS OVERVIEW

	FY10	FY11	FY12	FY13	FY14
Net Sales US\$m	297	353	376	370	366
Sales Volume mmsf	390	408	392	394	417
Average Price A\$ per msf <sup>2</sup>	886	906	906	901	930
EBIT US\$m <sup>1</sup>	59	79	86	75	83
EBIT Margin % <sup>1</sup>	20	23	23	20	23

<sup>1</sup>Excludes New Zealand product liability expenses of US\$5.4 million , US\$13.2 million and US\$1.8 million in FY12, FY13 and FY14, respectively

<sup>2</sup>During the second quarter of FY14, the company refined its methodology for calculating average net sales price in both the USA and Europe and Asia Pacific Fiber Cement segments to exclude ancillary products that have no impact on fiber cement sales volume, which is measured and reported in million square feet ("mmsf"). As the revenue contribution of these ancillary products has been increasing, the company believes the refined methodology provides an improved disclosure of average net sales price, in line with the company's primary fiber cement business, which is a key segment performance indicator. The company has restated average net sales price in the prior periods to conform with the current calculation of average net sales price.

# JHX 1<sup>ST</sup> QUARTER FY15 GROUP RESULTS

- Earnings impacted by:
  - Higher sales volumes and average sales prices across all business units;
  - Higher production costs, primarily due to higher market prices for input costs and plant inefficiencies; and
  - Higher organizational spend, primarily due to an increase in stock compensation expense and an increase in discretionary spend
- Continued capital expenditure on key production capacity projects across our business units
- Decrease in cash generated by trading activities to US\$83.6 million for the current three month period compared to US\$87.9 million in the prior corresponding period
- During the quarter we repurchased and cancelled 715,000 shares of our common stock, at a total cost A\$9.8 million (US\$9.1 million) and an average market price of A\$13.69 (US\$12.73)
- An ordinary dividend of US32.0 cents per security and a special dividend of US20.0 cents per security, totaling US\$230.3 million, was paid on 08 August 2014 from FY14 earnings

# JHX 1<sup>ST</sup> QUARTER FY15 RESULTS

## Highlights

US\$ Millions	Q1 '15	Q1 '14	% Change
<b>Net sales</b>	<b>416.8</b>	<b>372.2</b>	<b>12</b>
<b>Gross profit</b>	<b>140.2</b>	<b>126.3</b>	<b>11</b>
SG&A expenses	(59.9)	(54.9)	(9)
R&D expense	(8.4)	(9.0)	7
Asbestos adjustments	(21.5)	94.5	
<b>EBIT</b>	<b>50.4</b>	<b>156.9</b>	<b>(68)</b>
Net interest (expense) income	(1.1)	0.1	
Other (expense) income	(3.7)	0.1	
Income tax expense	(16.7)	(14.9)	(12)
<b>Net operating profit</b>	<b>28.9</b>	<b>142.2</b>	<b>(80)</b>

- Net sales increased 12% favorably impacted by:
  - Higher sales volumes; and
  - Higher average net sales prices in local currencies
- Gross profit margin decreased 30 bps impacted by:
  - Higher production costs; primarily higher market prices of input costs and plant inefficiencies
- SG&A expenses increased:
  - Higher stock compensation expenses caused by a 47% appreciation in our stock price versus prior year
  - Higher discretionary spend related to product and market development activities
- Between EBIT and net operating profit:
  - Interest expense increased due to changes in the net debt position of AICF
  - Other expense increased largely as a result of realized and unrealized foreign exchange losses
  - Income tax expense increased 12% due to a higher effective tax rate

# JHX 1<sup>ST</sup> QUARTER FY15 RESULTS (continued)

US\$ Millions	Q1 '15	Q1 '14	% Change
Net operating profit	28.9	142.2	(80)
Asbestos:			
Asbestos adjustments	21.5	(94.5)	
Other asbestos <sup>1</sup>	0.8	(0.6)	
New Zealand weathertightness claims (benefit) expense	(1.3)	4.6	
Asbestos and other tax adjustments	0.2	0.3	(33)
<b>Adjusted net operating profit</b>	<b>50.1</b>	<b>52.0</b>	<b>(4)</b>

## Summary

- Asbestos adjustments were favorable due to a 2% favorable change in the Australian dollar spot exchange rate against the US dollar from the beginning balance sheet date to the ending balance sheet date for the period. In the prior corresponding quarter the change in spot rates was 11% unfavorable.
- The New Zealand weathertightness liability decreased as a result of higher rate of claim resolution, fewer open claims at the end of the quarter and continued reduction in the number of new claims received
- Adjusted net operating profit decreased 4% due to:
  - 5% increases in operating segment EBIT
  - Higher general corporate costs, net interest and other income, and tax expenses

<sup>1</sup> Includes AICF SG&A expenses and AICF interest expense, net

# JHX 1<sup>ST</sup> QUARTER FY15 - SEGMENT EBIT

US\$ Millions	Q1 '15	Q1 '14	% Change
USA and Europe Fiber Cement	68.0	59.4	14
Asia Pacific Fiber Cement <sup>1</sup>	20.7	21.1	(2)
Research & Development <sup>2</sup>	(6.8)	(6.1)	(11)
General corporate costs excluding asbestos	(10.7)	(6.9)	(55)
<b>Adjusted EBIT</b>	<b>71.2</b>	<b>67.5</b>	<b>5</b>
Asbestos adjustments	(21.5)	94.5	
AICF SG&A expenses	(0.6)	(0.5)	(20)
New Zealand weathertightness claims benefit (expense)	1.3	(4.6)	
<b>Total EBIT</b>	<b>50.4</b>	<b>156.9</b>	<b>(68)</b>
Net interest (expense) income	(1.1)	0.1	
Other (expense) income	(3.7)	0.1	
Income tax expense	(16.7)	(14.9)	(12)
<b>Net operating profit</b>	<b>28.9</b>	<b>142.2</b>	<b>(80)</b>

## Summary

- US and Europe FC EBIT +14% driven by volume and price, partially offset by higher input costs and SG&A
- APAC Fiber Cement EBIT in local currency up 4% versus the prior year
- General corporate costs excluding asbestos higher primarily due to:
  - An increase in stock compensation expenses due to a 40% appreciation in our stock price versus the prior year
  - An increase in discretionary spend related to product and market development activities

<sup>1</sup> Asia Pacific Fiber Cement EBIT excludes New Zealand weathertightness claims of US\$1.3 million benefit and US\$4.6 million expense in Q1'FY15 and Q1'FY14, respectively

<sup>2</sup> Research and development expenses include costs associated with core research projects that are designed to benefit all business units. These costs are recorded in the Research and Development segment rather than attributed to individual business units

# JHX 1<sup>ST</sup> QUARTER FY15 - INCOME TAX EXPENSE

US\$ Millions	Q1 '15	Q1 '14
Operating profit before income taxes	45.6	157.1
Asbestos:		
Asbestos adjustments	21.5	(94.5)
Other asbestos <sup>1</sup>	0.8	(0.6)
NZ weathertightness claims (benefit) expense	(1.3)	4.6
Adjusted operating profit before income taxes	66.6	66.6
Income tax expense	(16.7)	(14.9)
Asbestos and other tax adjustments	0.2	0.3
Income tax expense excluding tax adjustments	(16.5)	(14.6)
Adjusted effective tax rate	24.8%	21.9%

## Summary

- Adjusted effective tax rate increased compared to the prior corresponding quarter due to a shift in the geographic mix of earnings.
- Income tax expense excluding tax adjustments increased compared to the prior corresponding quarter due to the higher adjusted effective tax rate applied to flat adjusted operating profit before income taxes

<sup>1</sup> Includes AICF SG&A expenses and AICF interest expense, net



# JHX 1<sup>ST</sup> QUARTER FY15 - CASHFLOW

US\$ Millions	Q1 '15	Q1 '14
<b>EBIT</b>	<b>50.4</b>	<b>156.9</b>
Non-cash items:		
Asbestos adjustments	21.5	(94.5)
Other non-cash items	18.4	16.0
Net working capital movements	(6.7)	9.5
<b>Cash Generated By Trading Activities</b>	<b>83.6</b>	<b>87.9</b>
Tax payments, net	(1.9)	(1.7)
Change in other non-trading assets and liabilities	(39.5)	(16.7)
Change in asbestos-related assets & liabilities	(0.5)	(0.9)
Interest paid	0.8	(1.0)
<b>Net Operating Cash Flow</b>	<b>42.5</b>	<b>67.6</b>
Purchases of property, plant & equipment	(48.6)	(26.1)
Proceeds from sale of property, plant & equipment	-	0.4
Common stock repurchased and retired	(9.1)	-
Dividends paid	(124.6)	-
Proceeds from issuance of shares	2.2	2.5
Tax benefit from stock options exercised	0.3	0.2
Effect of exchange rate on cash	1.9	(0.2)
<b>Movement In Net Cash</b>	<b>(135.4)</b>	<b>44.4</b>
Beginning Net Cash	167.5	153.7
<b>Ending Net Cash</b>	<b>32.1</b>	<b>198.1</b>

# JHX 1<sup>ST</sup> QUARTER FY15 - CAPITAL EXPENDITURE

US\$ Millions

	<b>Q1 '15</b>	<b>Q1 '14</b>	<b>% Change</b>
USA and Europe Fiber Cement (including Research and Development)	38.5	11.6	
Asia Pacific Fiber Cement	10.1	14.5	(30)
<b>Total</b>	<b>48.6</b>	<b>26.1</b>	<b>86</b>

- We continued to spend on previously announced capital expansion projects at our Plant City, Florida, Cleburne, Texas and Carole Park, Queensland facilities
- We continue to assess greenfield and brownfield projects across the US
- In Q1 FY14, we completed the purchase of the previously-leased land and buildings at Carole Park, Brisbane plant and commenced investments to increase the plant's production capacity
- We are tracking in line with our plans to invest approximately US\$200 million per year in capital expenditure over the next three years

# JHX MANUFACTURING CAPACITY EXPANSION

The following major capacity expansion projects in the USA and Europe and Asia Pacific Fiber Cement businesses are in progress:

Project Description	Approximate Investment	Estimated Commission Date
Plant City, Florida – 4 <sup>th</sup> sheet machine and ancillary facilities	US\$65.0 million	First half of fiscal 2016
Cleburne, Texas – 3 <sup>rd</sup> sheet machine and ancillary facilities	US\$37.0 million	First half of fiscal 2016
Carole Park, Queensland – capacity expansion project	A\$89.0 million	First half of fiscal 2016

# JHX NET DEBT/CASH

**At 30 June 2014:**

<u>US\$ Millions</u>		
Total facilities		505.0
Gross debt	-	
Cash	32.1	
Net cash		32.1
<b>Unutilised facilities and cash</b>		<b>537.1</b>

- Weighted average remaining term of debt facilities was 3.0 years at 30 June 2014, up from 2.4 years at 31 March 2014
- We remain well within our financial debt covenants
- Net cash of US\$32.1 million compared to net cash of US\$167.5 million at 31 March 2014
- Net cash position at 30 June 2014 was reduced to the extent of the May 2014 dividend payment of US\$124.6 million
- Subsequent to 30 June 2014, we moved into a net debt position, drawing US\$320.0 million from our debt facilities to fund capital expenditures, dividend payments and the AICF contribution payment

# ASBESTOS FUND – PROFORMA (unaudited)

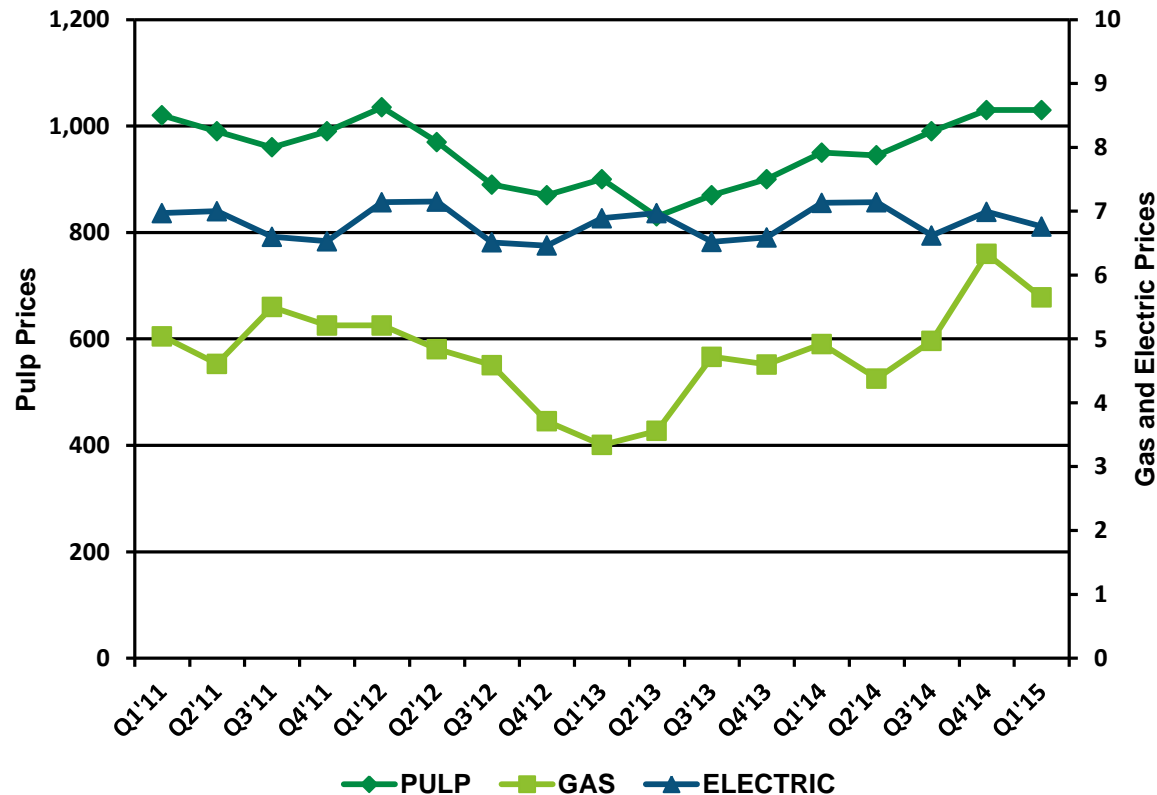
A\$ millions

AICF cash and investments - 31 March 2014	65.5
Insurance recoveries	18.8
Interest expense, net	(0.2)
Claims paid	(32.7)
Operating costs	(1.1)
Other	1.6
	<hr/>
AICF cash and investments - 30 June 2014	<u>51.9</u>

- Year to date claims experience of liable entities were 2% above the 31 March 2014 actuarial forecast for FY2015 and 3% lower than the prior corresponding period
- Readers are referred to Note 7 of our 30 June 2014 Condensed Consolidated Financial Statements for further information on asbestos claims experience

# USA AND EUROPE INPUT COSTS

## Quarterly US Input Costs



## Discussion

- Input costs are significantly up over the prior year, primarily driven by pulp, silica and cement
- Many of our input costs fluctuate in-line with commodity prices tracked by external indices; the chart to the left trends some of these external sources
- The price of NBSK pulp is at a three-year peak
- The cost of gas for industrial users has nearly doubled over the last 2 years
- 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 (May 2014 monthly data)
- Electric – Cost per hundred kilowatt hour for industrial users – from US Energy Information Administration (May 2014 monthly data)

# USA AND EUROPE FIBER CEMENT – PLANT CAPACITY

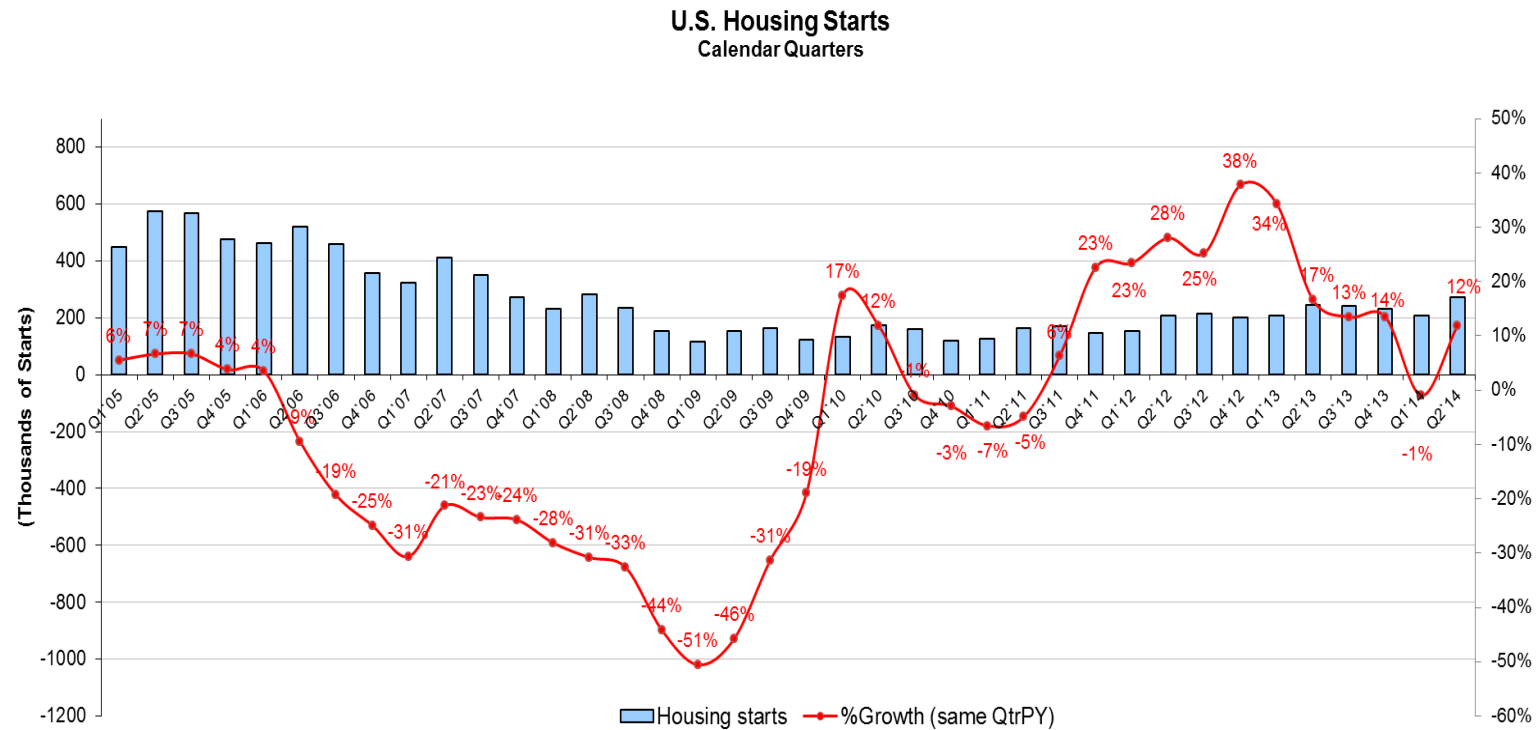
## Plant Capacity

Flat Sheet Plant	Capacity (mmsf)
<b>Plants operating</b>	
Cleburne, Texas	466
<i>Additional capacity by mid calendar year 2015</i>	<i>200</i>
Peru, Illinois	560
Plant City, Florida	300
<i>Additional capacity by mid calendar year 2015</i>	<i>300</i>
Pulaski, Virginia	600
Reno, Nevada	300
Tacoma, Washington	200
Waxahachie, Texas	360
Fontana, California <sup>1</sup>	250
<b>Plant suspended</b>	
Summerville, South Carolina <sup>1</sup>	190
<b>Flat Sheet Total</b>	<b>3,726</b>

<sup>1</sup> Production was suspended at the Summerville plant in November 2008, it is anticipated the plant will be re-commissioned during the current cycle. It is not anticipated that the Blandon site (not shown) will be re-commissioned



# TOTAL US HOUSING STARTS



# 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-U.S. 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

**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

# INVESTOR PRESENTATION

OCTOBER 2014