

# INVESTOR PRESENTATION

JULY 2015

# DISCLAIMER

## **FORWARD-LOOKING STATEMENTS**

This Investor 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.

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 21 May 2015, 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 regulatory agencies and exchanges (as appropriate). The company cautions you that the foregoing list of factors is not exhaustive and that other risks and uncertainties may cause actual results to differ materially from those referenced in the company’s forward-looking statements. Forward-looking statements speak only as of the date they are made and are statements of the company’s current expectations concerning future results, events and conditions. The company assumes no obligation to update any forward-looking statements or information except as required by law.

# AGENDA

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

*In this Investor Presentation, the company may present financial measures, sales volume terms, financial ratios, and Non-US GAAP financial measures included in the Definitions and other terms 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 fourth quarter and full year of the current fiscal year versus the fourth quarter and full year 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\$1.66b
- Total assets US\$2.0b
- Strong cash generation
- Operations in North America, Asia Pacific and Europe
- 3,178 employees
- Market cap US\$6.3b (approx)
- S&P/ASX 100 company
- NYSE ADR listing

*Market capitalization as at 24 June 2015. Total assets and employees as at 31 March 2015. Annual net sales for full year ended 31 March 2015. Total assets exclude asbestos compensation*



# GROUP OVERVIEW

## Three Months and Full Year Ended 31 March

	Q4'15	Q4'14	Change	FY15	FY14	Change
Adjusted EBIT (US\$ millions)	80.8	57.4	41%	304.0	252.8	20%
Adjusted EBIT Margin %	19.6	15.3	4.3 pts	18.3	16.9	1.4 pts
Adjusted Net Operating Profit (US\$ millions)	57.3	45.3	26%	221.4	197.2	12%
Net operating cash flow (US\$ million)				179.5	322.8	(44)%
Adjusted Diluted EPS (US cents)	13	10		50	44	



# FY15 AND Q4 RESULTS - KEY THEMES

- **Group net sales** increased 9% and 11% for the quarter and full year, respectively, compared to pcp<sup>1</sup>
- **Group adjusted net operating profit** increased US\$12.0 million to US\$57.3 million for the quarter and US\$24.2 million to US\$221.4 million for the full year, when compared to pcp<sup>1</sup>
- **Announced dividends** of a second half ordinary for US27.0 cents per security and a fiscal year 2015 special dividend of US22.0 cents per security
- **Higher volumes and average net sales price** across our USA and Europe and Asia Pacific Fiber Cement segments
- Results driven by strong primary demand growth and the continued focus across our plants on operational management and cost management across the Company
- Our full year USA and Europe Fiber Cement segment **EBIT margin** came in at 22.4% compared to 21.0% in the pcp, within our target range of 20% to 25%
- Continuing to invest in high-return organic growth by:
  - Investing in capacity expansion across our US and Australian businesses
  - Investing in primary demand growth programs and organizational capability

<sup>1</sup> Prior corresponding period(s)

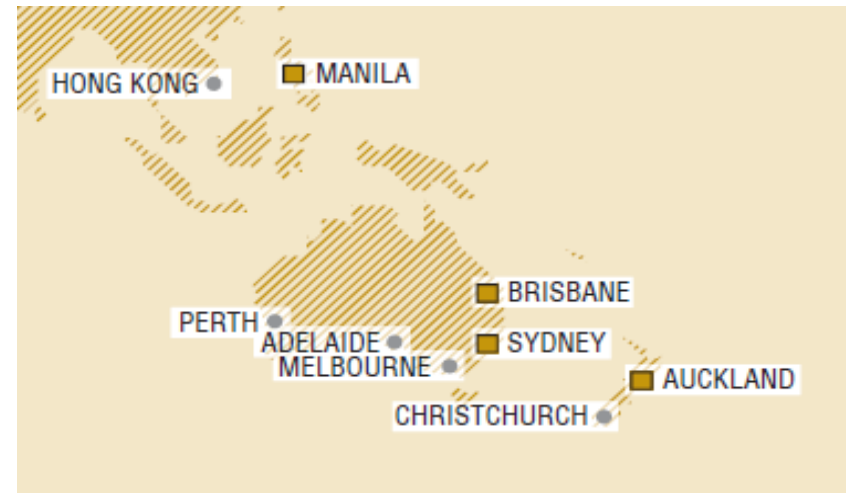


# WORLD LEADER IN FIBER CEMENT

## USA & Europe

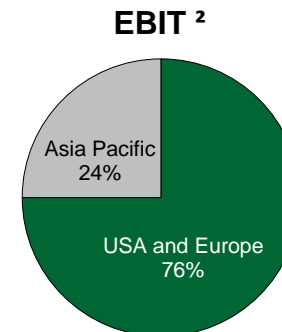
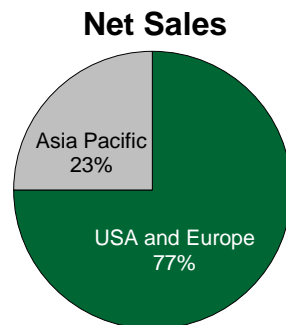


## Asia Pacific



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

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



<sup>1</sup> All percentages are for the full year ended 31 March 2015

<sup>2</sup> EBIT – excludes research and development, asbestos-related items, New Zealand weathertightness claims and non-recurring stamp duty

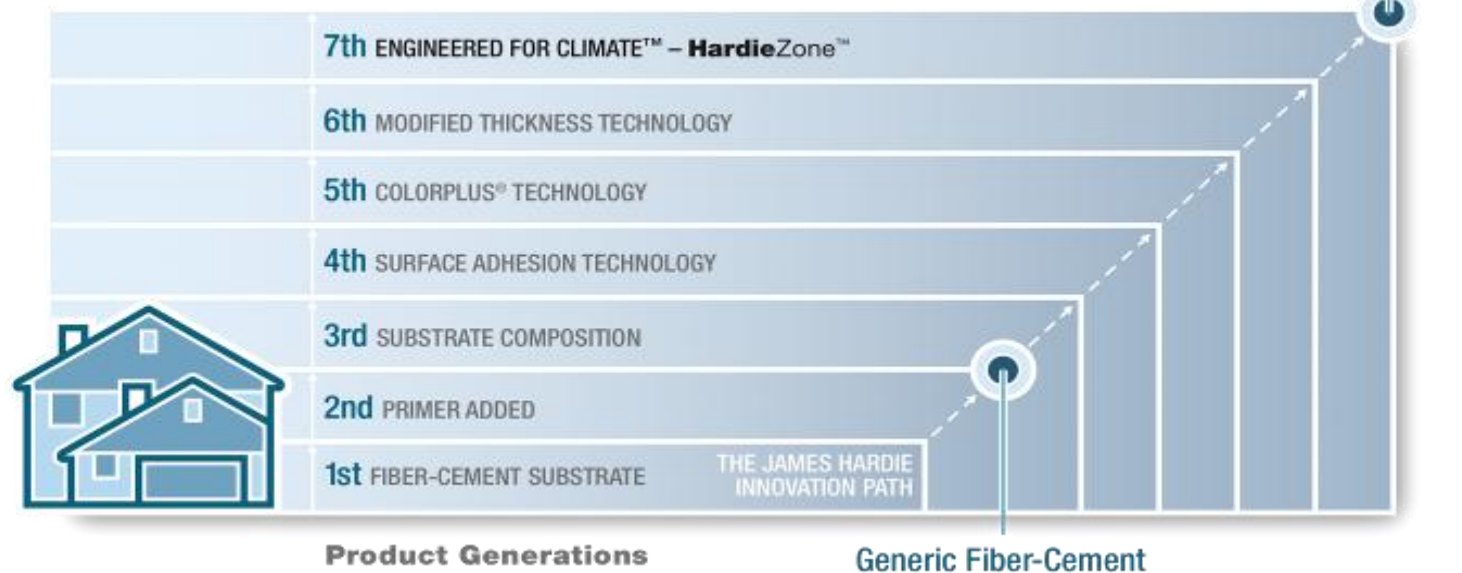
# CREATING A SUSTAINABLE AND DIFFERENTIATED ADVANTAGE

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

- US\$31.7m spent on Research & Development in FY15
- US\$394.8m spent on Research & Development since 2000



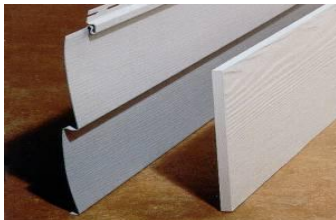
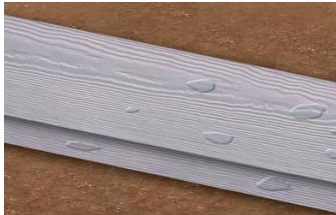
## History of Fiber Cement Substrate Development



# 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



?  
?  
?  
?  
?  
?  
?  
?

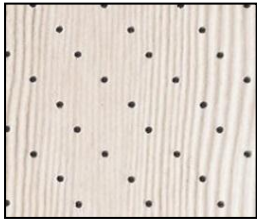
## Engineered Wood



# BUILDING A PORTFOLIO OF PRODUCTS AND BRANDS

## Primary Products

Soffit



Trim /  
Fascia



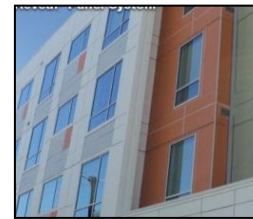
Backerboard



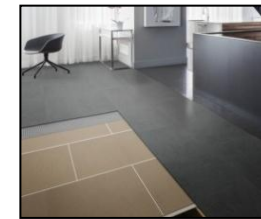
Siding



Commercial  
Exteriors



Flooring



Interior Walls /  
Ceilings



*U.S. & Europe*

*Asia Pacific*

## Brand Portfolio



**Hardie**Backer®

**PREVAIL**  
MULTIFAMILY SIDING PRODUCTS

*artisan*  
**JamesHardie**

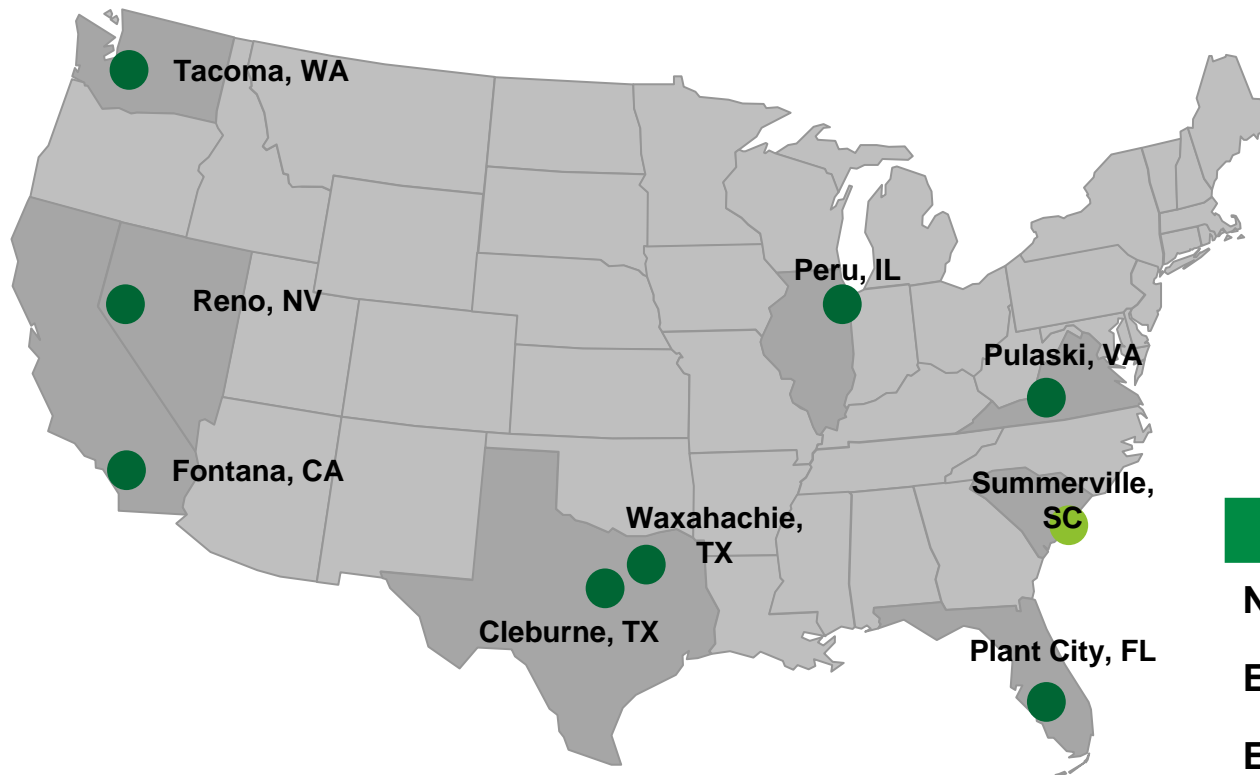


**James Hardie®**  
**Siding Products**



# USA AND EUROPE FIBER CEMENT SEGMENT

## USA Plant Locations



- Largest fiber cement producer in North America
- 2,267 employees
- 9 manufacturing plants<sup>1</sup>
- 2 research and development facilities

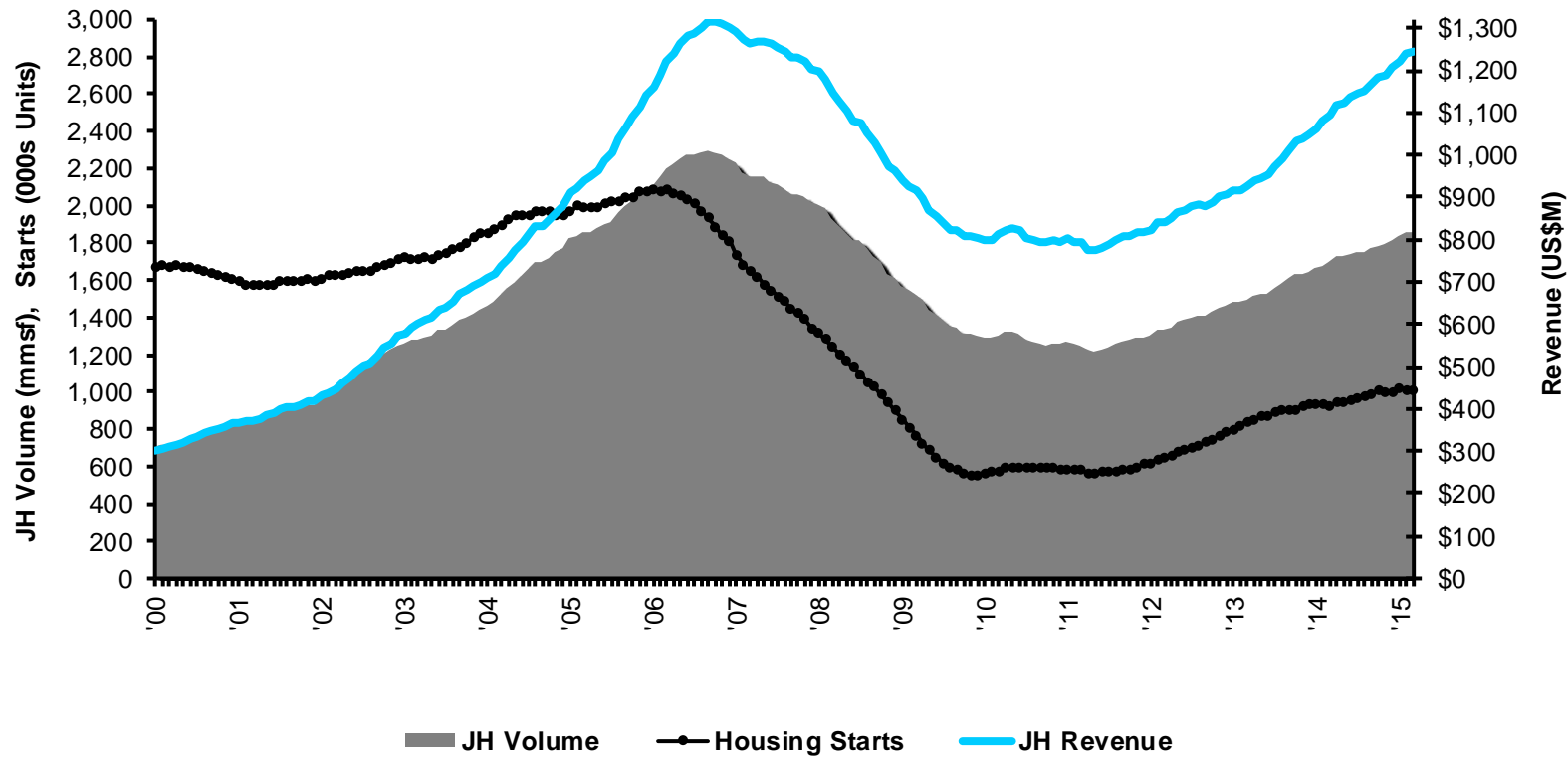
	FY15	FY14
Net Sales	US\$1,277m	US\$1,128m
EBIT	US\$286m	US\$237m
EBIT Margin (US\$)	22.4%	21.0%

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



# AGGRESSIVELY GROWING DEMAND FOR OUR PRODUCTS

## USA Fiber Cement Top Line Growth



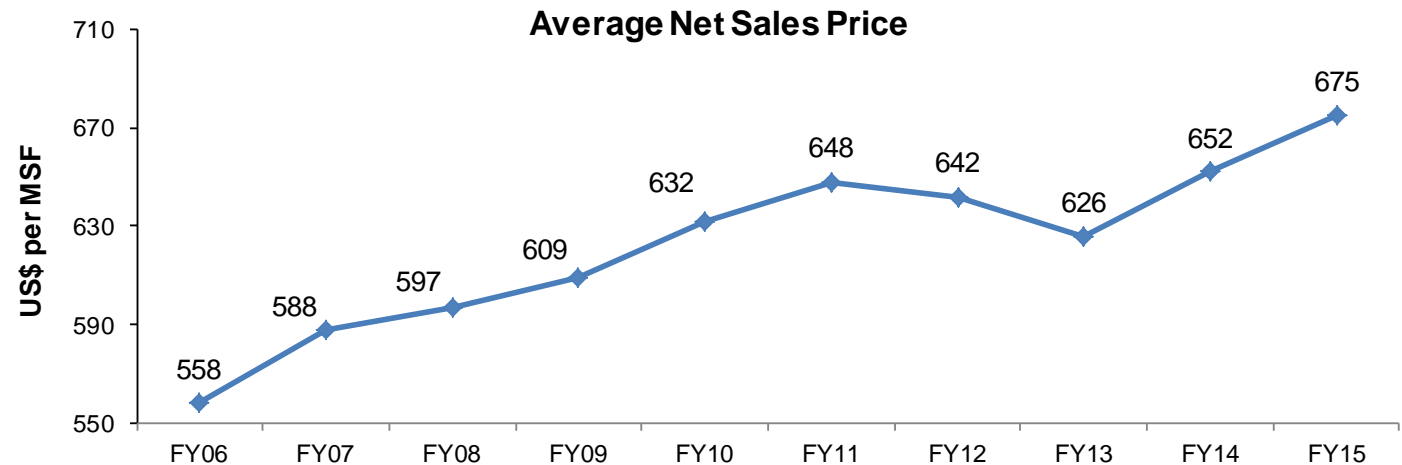
Rolling 12 month average of seasonally adjusted estimate of housing starts by US Census Bureau



# ACHIEVING THE RIGHT VALUE FOR OUR PRODUCTS

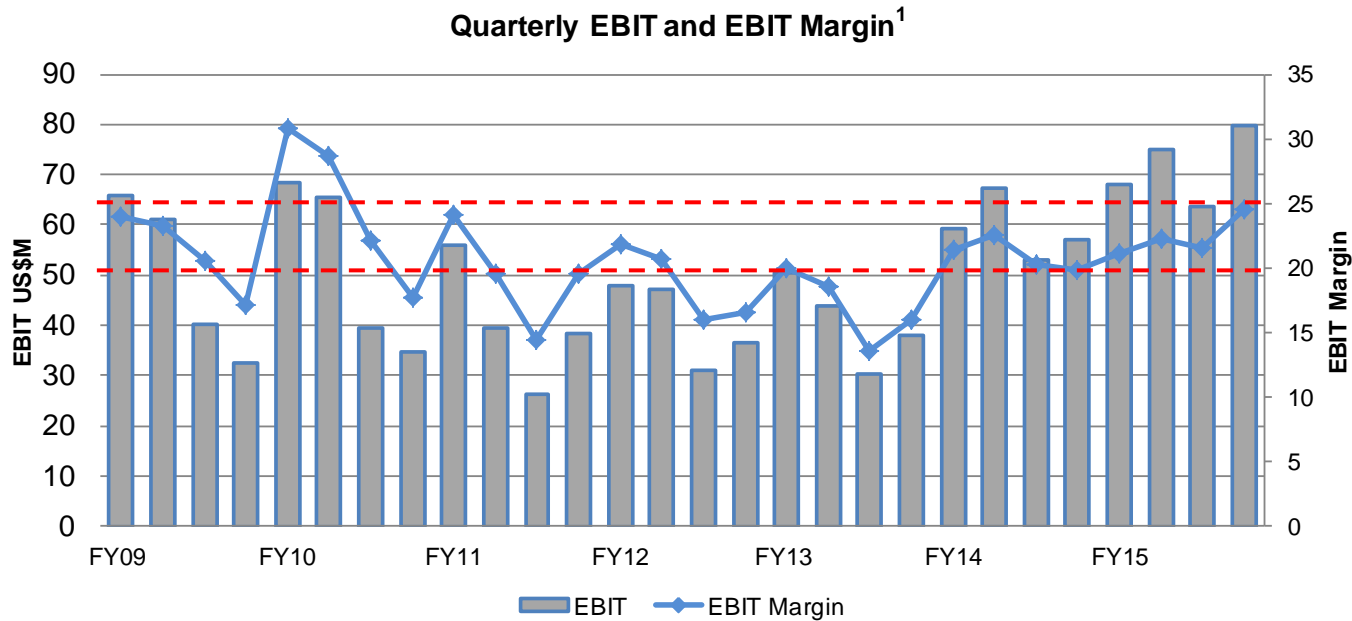


## USA and Europe Fiber Cement



Executing on pricing strategy ... ~4% increase realized in FY15

# USA AND EUROPE: DELIVERING STRONG RETURNS



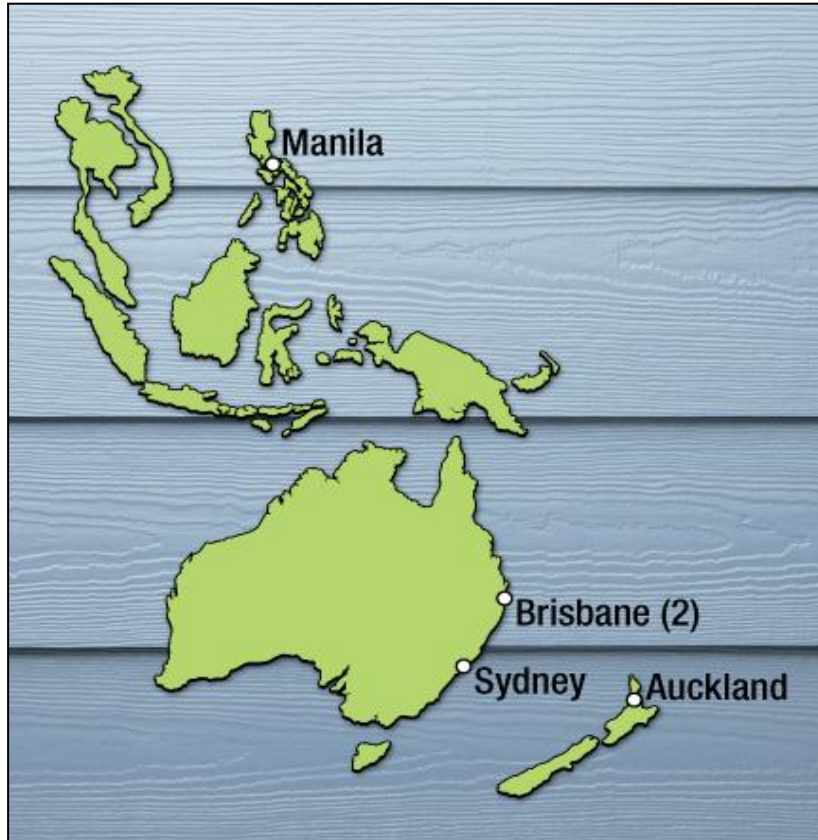
EBIT Margins remain within our 20% to 25% target range



<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



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

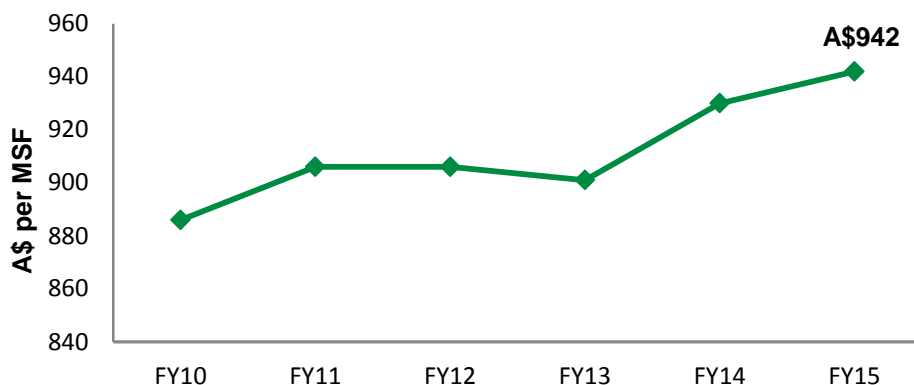
	FY15	FY14
<b>Net Sales</b>	A\$435m	A\$392m
<b>EBIT</b>	A\$103m	A\$89m
<b>EBIT Margin (A\$)</b>	23.6%	22.6%

*EBIT and EBIT margin excludes New Zealand weathertightness claims*

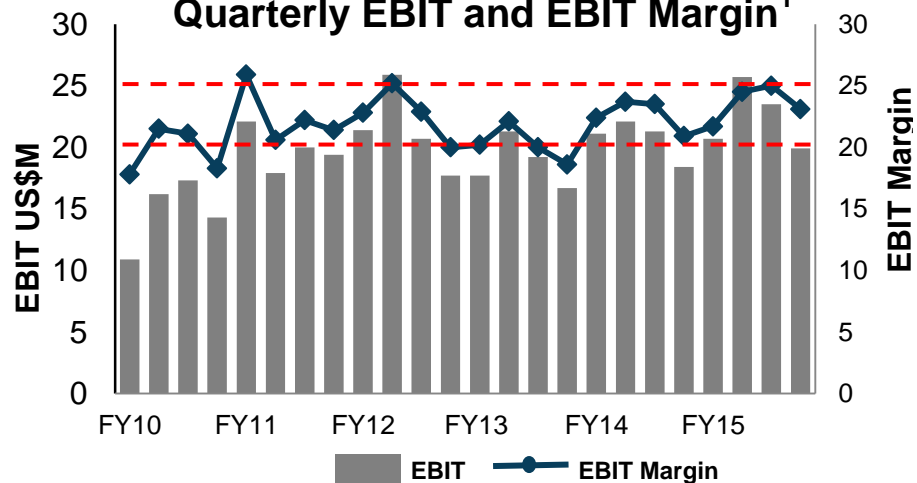
# ASIA PACIFIC: DELIVERING STRONG RETURNS

## Asia Pacific Fiber Cement Segment

### Average Net Sales Price



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

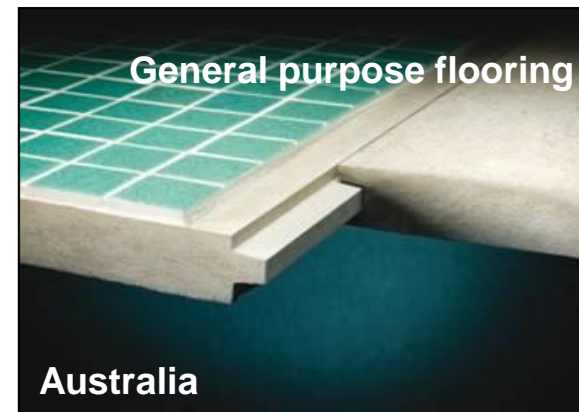


<sup>1</sup> EBIT and EBIT margin excludes New Zealand weathertightness claims



# TARGETTING THE RIGHT PRODUCT INTO THE RIGHT MARKET

## Asia Pacific Core Markets



# 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, 64% liquidity as of Q4'15
- 2.4 year weighted average maturity of bank facilities
- 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.



# FY16 KEY PLANNING ASSUMPTIONS

## US & Europe Fiber Cement

- Fiscal year 2016 addressable markets broadly in line with fiscal year 2015 growth rates, with some improvement in the US new construction compared to fiscal year 2015 <sup>1</sup>
- McGraw Hill Construction US Residential Starts forecasted to be between 1.1 million and 1.2 million <sup>2</sup>
- Repair and Remodel Market continues to grow between 3% and 4% compared to prior corresponding period
- Input costs expected to be broadly flat in fiscal year 2016, though commodity prices remain highly variable
- Average sales price expected to rise between 2% and 3%, subject to changes in product mix
- Segment EBIT margins within target range of 20% to 25%

## Asia Pacific Fiber Cement

- Asia Pacific businesses will continue to deliver improved results in line with growth in the local housing and alterations and additions markets of the regions in which we operate

## Balance Sheet

- Conservative leveraging of balance sheet. Gearing to be within 1-2 times adjusted EBITDA, with corresponding interest expense

<sup>1</sup> Addressable starts reflect multi-family low and single family homes. It excludes multi-family high.

<sup>2</sup> FY15 new construction starts were 1.0 million.

# APPENDIX

# KEY RATIOS

Full Year Ended 31 March			
	2015	2014	2013
EPS (Diluted) <sup>1</sup> (US Cents)	50c	44c	32c
Dividend Paid per share	88c	45c	43c
Return on Shareholders' Funds <sup>1</sup>	14.6%	48.1%	34.9%
Return on Capital Employed <sup>2</sup>	28.6%	23.8%	17.2%
EBIT/ Sales (Adjusted EBIT margin) <sup>2</sup>	18.3%	16.9%	13.7%
Gearing Ratio <sup>1</sup>	20.5%	(19.4%)	(12.9%)
Net Interest Expense Cover <sup>2</sup>	34.2x	63.2x	39.3x
Net Interest Paid Cover <sup>2</sup>	66.1x	-	-
Net Debt Payback	1.0x	-	-

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

<sup>2</sup> Excludes asbestos adjustments, AICF SG&A expenses, New Zealand weathertightness claims and non-recurring stamp duty

# USA AND EUROPE FIBER CEMENT – 5 YEAR RESULTS OVERVIEW

	FY11	FY12	FY13	FY14	FY15
Net Sales US\$m	814	862	951	1,128	1,277
Sales Volume mmsf	1,248	1,332	1,489	1,697	1,850
Average Price US\$ per msf <sup>2</sup>	648	642	626	652	675
EBIT US\$m <sup>1</sup>	160	163	163	237	286
EBIT Margin % <sup>1</sup>	20	19	17	21	22

<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 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 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

	FY11	FY12	FY13	FY14	FY15
Net Sales US\$m	353	376	370	366	380
Sales Volume mmsf	408	392	394	417	456
Average Price A\$ per msf <sup>1</sup>	906	906	901	930	942
EBIT US\$m <sup>2</sup>	79	86	75	83	90
EBIT Margin % <sup>2</sup>	23	23	20	23	24

<sup>1</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 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.

<sup>2</sup>Excludes New Zealand weathertightness claims of US\$5.4 million , US\$13.2 million , US\$1.8 million and US\$4.3 million in FY12, FY13, FY14 and FY15, respectively

# RESULTS FOR THE 4<sup>th</sup> QUARTER

## Three Months Ended 31 March

US\$ Millions	Q4 '15	Q4 '14	% Change
<b>Net sales</b>	<b>411.3</b>	<b>376.4</b>	<b>9</b>
<b>Gross profit</b>	<b>152.5</b>	<b>125.5</b>	<b>22</b>
SG&A expenses	(68.8)	(61.9)	(11)
Research & development expenses	(7.6)	(8.0)	5
Asbestos adjustments	(63.5)	(322.0)	80
<b>EBIT</b>	<b>12.6</b>	<b>(266.4)</b>	
Net interest expense	(4.0)	(0.4)	
Other (expense) income	(1.0)	1.2	
Income tax benefit	20.1	78.8	
<b>Net operating profit</b>	<b>27.7</b>	<b>(186.8)</b>	

## Summary

Net sales increased 9%, favorably impacted by:

- Higher sales volumes
- Higher average net sales prices in local currencies in both the USA and Europe and Asia Pacific Fiber Cement segments

Gross profit margin increased 380 bps impacted by:

- Economies of scale through increased volume
- Improved plant performance
- Higher average net sales price in the USA and Europe
- Partially offset by higher input costs

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 related to our debt position
- Income tax benefit decreased primarily driven by a reduction in the unfavorable asbestos adjustments compared to the prior corresponding quarter



# RESULTS FOR THE 4<sup>th</sup> QUARTER (continued)

## Three Months Ended 31 March

US\$ Millions	Q4 '15	Q4 '14	% Change
<b>Net operating profit (loss)</b>	<b>27.7</b>	<b>(186.8)</b>	
Asbestos:			
Asbestos adjustments	63.5	322.0	80
Other asbestos <sup>1</sup>	0.2	0.2	-
New Zealand weathertightness claims	(0.1)	1.1	
Non-recurring stamp duty	4.2	-	
Asbestos and other tax adjustments	(38.2)	(91.2)	
<b>Adjusted net operating profit</b>	<b>57.3</b>	<b>45.3</b>	<b>26</b>

## Summary

Asbestos adjustments reflects:

- A US\$111.3 million unfavorable movement in the underlying actuarial valuation
- Offset by a US\$47.8 million favorable exchange rate difference as the AUD/USD exchange rate decreased 7% compared to a 3% increase in the pcg

The New Zealand weathertightness benefit reflects:

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

Adjusted net operating profit increased 26%, largely due to:

- 41% increase in operating segment adjusted EBIT
- An increase in adjusted income tax expense of US\$5.7 million
- Other expense of US\$2.2 million and gross interest expense of US\$4.0 million

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

# RESULTS – FULL YEAR

## Full Year Ended 31 March

US\$ Millions	FY15	FY14	% Change
<b>Net sales</b>	<b>1,656.9</b>	<b>1,493.8</b>	<b>11</b>
<b>Gross profit</b>	<b>578.8</b>	<b>506.4</b>	<b>14</b>
SG&A expenses	(245.5)	(224.4)	(9)
Research & development expenses	(31.7)	(33.1)	4
Asbestos adjustments	33.4	(195.8)	
<b>EBIT</b>	<b>335.0</b>	<b>53.1</b>	
Net interest expense	(7.5)	(1.1)	
Other (expense) income	(4.9)	2.6	
Income tax (expense) benefit	(31.3)	44.9	
<b>Net operating profit</b>	<b>291.3</b>	<b>99.5</b>	

## Summary

Net sales increased 11%, favorably impacted by:

- Higher sales volumes; and
- Higher average net sales prices in the USA and Europe and Asia Pacific Fiber Cement segments

Gross profit margin increased 100 bps impacted by:

- Higher volumes and average net sales prices
- Partially offset by higher input costs

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 reflect the impact of unrealized foreign exchange and interest rate swap losses
- Income tax expense increased primarily due to a reduction in the unfavorable asbestos adjustments and a non-recurring favorable tax adjustment in the prior period.

# RESULTS – FULL YEAR (continued)

## Full Year Ended 31 March

US\$ Millions	FY15	FY14	% Change
<b>Net operating profit</b>	<b>291.3</b>	<b>99.5</b>	
Asbestos:			
Asbestos adjustments	(33.4)	195.8	
Other asbestos <sup>1</sup>	1.1	(0.8)	
New Zealand weathertightness claims	(4.3)	1.8	
Non-recurring stamp duty	4.2	-	
Asbestos and other tax adjustments	(37.5)	(99.1)	62
<b>Adjusted net operating profit</b>	<b>221.4</b>	<b>197.2</b>	<b>12</b>

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

## Summary

Asbestos adjustments reflect:

- A US\$144.7 million favorable exchange rate difference as the AUD/USD exchange rate decreased 17% compared to a 12% decrease in the pcg.
- A US\$111.3 million unfavorable movement in the underlying actuarial valuation

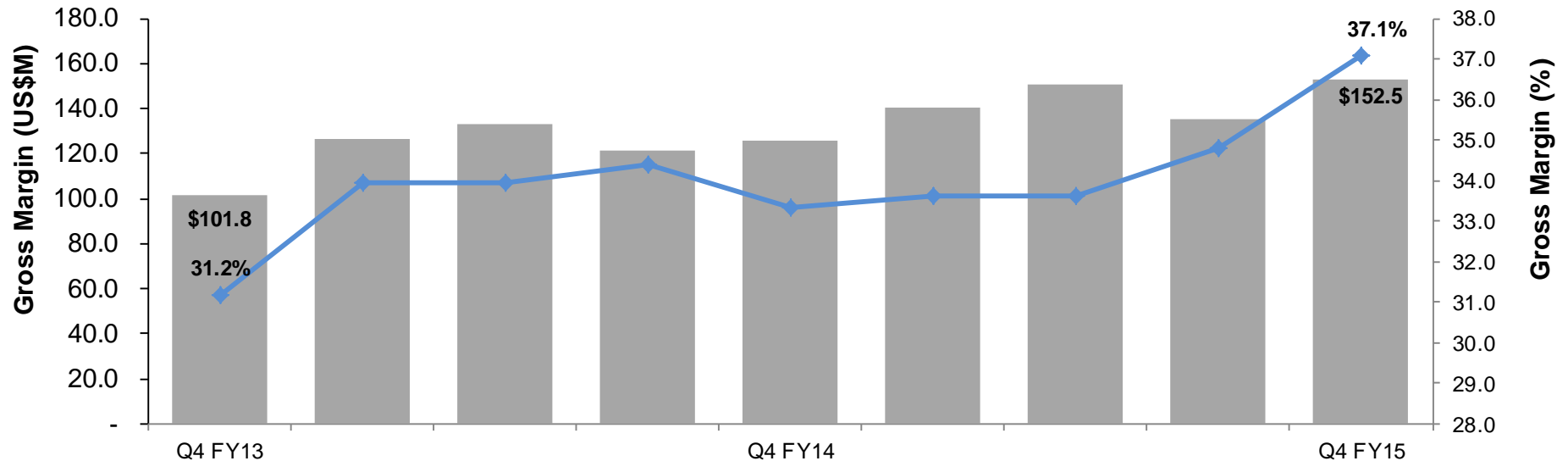
New Zealand weathertightness moved from an expense to a benefit due to:

- 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 12%, largely due to:

- 20% increase in operating segment adjusted EBIT
- US\$14.6 million increase in adjusted tax expense
- Other expense of US\$7.5 million and gross interest expense of US\$5.8 million

# GROSS PROFIT - GROUP



- Gross profit margins remain strong, expanding above primary demand growth rates
- Price improvements continue as we 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, however, as we continue to focus on cost management and operational excellence, plant performance remains on a positive trend line

# INCOME TAX

## Three Months and Full Year Ended 31 March

	Q4'15	Q4'14	FY15	FY14
Operating profit (loss) before taxes	7.6	(265.6)	322.6	54.6
Asbestos:				
Asbestos adjustments <sup>1</sup>	63.7	322.2	(32.3)	195.0
NZ weathertightness claims	(0.1)	1.1	(4.3)	1.8
Non-recurring stamp duty	4.2	-	4.2	-
<b>Adjusted net operating profit before taxes</b>	<b>75.4</b>	<b>57.7</b>	<b>290.2</b>	<b>251.4</b>
Adjusted income tax expense <sup>2</sup>	(18.1)	(12.4)	(68.8)	(54.2)
<b>Adjusted effective tax rate</b>	<b>24.0%</b>	<b>21.5%</b>	<b>23.7%</b>	<b>21.6%</b>
Income tax benefit (expense)	20.1	78.8	(31.3)	44.9
Income taxes paid			35.6	11.6
Income taxes payable			1.8	5.4

- 23.7% adjusted effective tax rate (ETR) for the year
- Adjusted income tax expense and adjusted ETR increased due to a higher proportion of taxable earnings in jurisdiction with higher tax rates
- The difference between adjusted income tax expense and income tax expense decreased primarily due to lower asbestos and other tax adjustments
- Income taxes are paid and payable in Ireland, the US, Canada, New Zealand and the Philippines
- Income taxes are not currently paid or payable in Europe (excluding Ireland) or Australia due to tax losses. Australian tax losses primarily result from deductions relating to contributions to AICF

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

<sup>2</sup> Excludes tax effects of Asbestos and other tax adjustments

# CASHFLOW

(US\$ Millions)	FY 2015	FY 2014	Change (%)
<b>Net Income</b>	<b>291.3</b>	<b>99.5</b>	
Asbestos related <sup>1</sup>	(33.0)	194.1	
Annual AICF contribution	(113.0)	-	
Depreciation & Amortization	70.9	61.4	15
Working Capital	(12.8)	31.3	
Other non-cash items	(23.9)	(63.5)	(62)
<b>Cash Flow from Operations</b>	<b>179.5</b>	<b>322.8</b>	<b>(44)</b>
Capital Expenditures <sup>2</sup>	(277.9)	(114.7)	
Acquisition of a business	-	(4.1)	
<b>Free Cash Flow</b>	<b>(98.4)</b>	<b>204.0</b>	
Dividends Paid	(390.1)	(199.1)	(96)
Net proceeds from long-term debt	389.1	-	
Share related activities	(3.6)	12.8	
<b>Free Cash Flow after Financing Activities</b>	<b>(103.0)</b>	<b>17.7</b>	

- Net income increased US\$191.8 million compared to prior year
- Cash flow from operations includes US\$113.0 million contribution to AICF paid in Q2'15
- Higher use of working capital primarily driven by accounts payable and inventory:
  - Interest payable on senior unsecured notes
  - Inventory as the result of:
    - FY15 Fontana plant commissioning
    - Inventory build for the anticipated demand in FY16
- Capital expenditures include plant capacity expansions and land and building purchases at Tacoma and Rosehill facilities
- US\$397.5 million gross debt position as of Q4'15

<sup>1</sup> Includes Asbestos Adjustments and changes in asbestos-related assets and liabilities

<sup>2</sup> Includes capitalized interest and proceeds from sale of property, plant and equipment

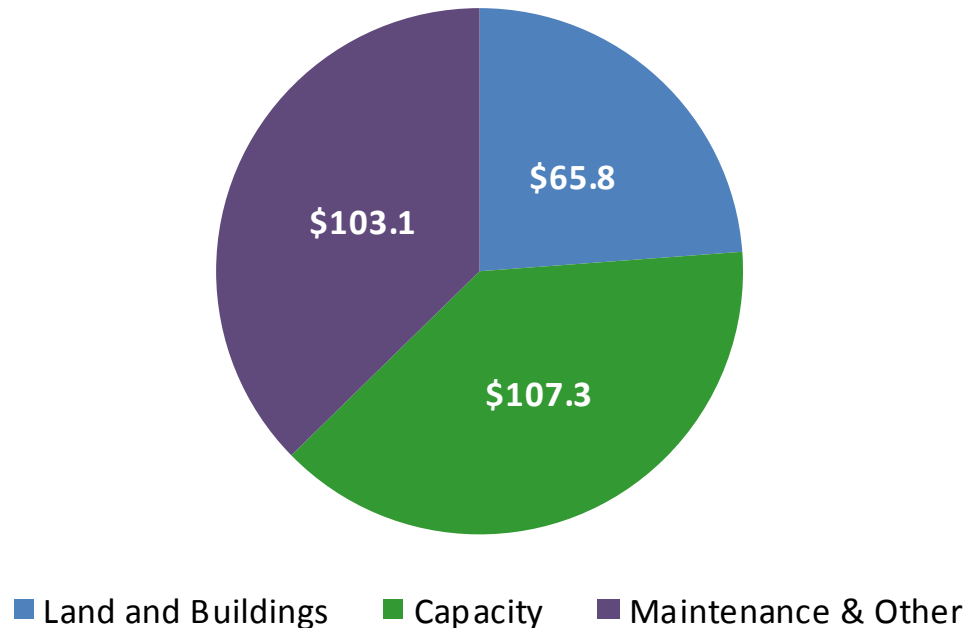


# FY15 KEY GLOBAL CAPEX PROJECTS

Project Description	Full Year FY15
Plant City, Florida - 4 <sup>th</sup> sheet machine and ancillary facilities	US\$46.4 million
Cleburne, Texas - 3 <sup>rd</sup> sheet machine and ancillary facilities	US\$24.7 million
Carole Park, Queensland - Capacity expansion project	US\$36.2 million
Tacoma, Washington - Land and buildings	US\$28.3 million
Rosehill, New South Wales - Land and buildings	US\$37.5 million
Total capacity expansion spend	US\$173.1 million



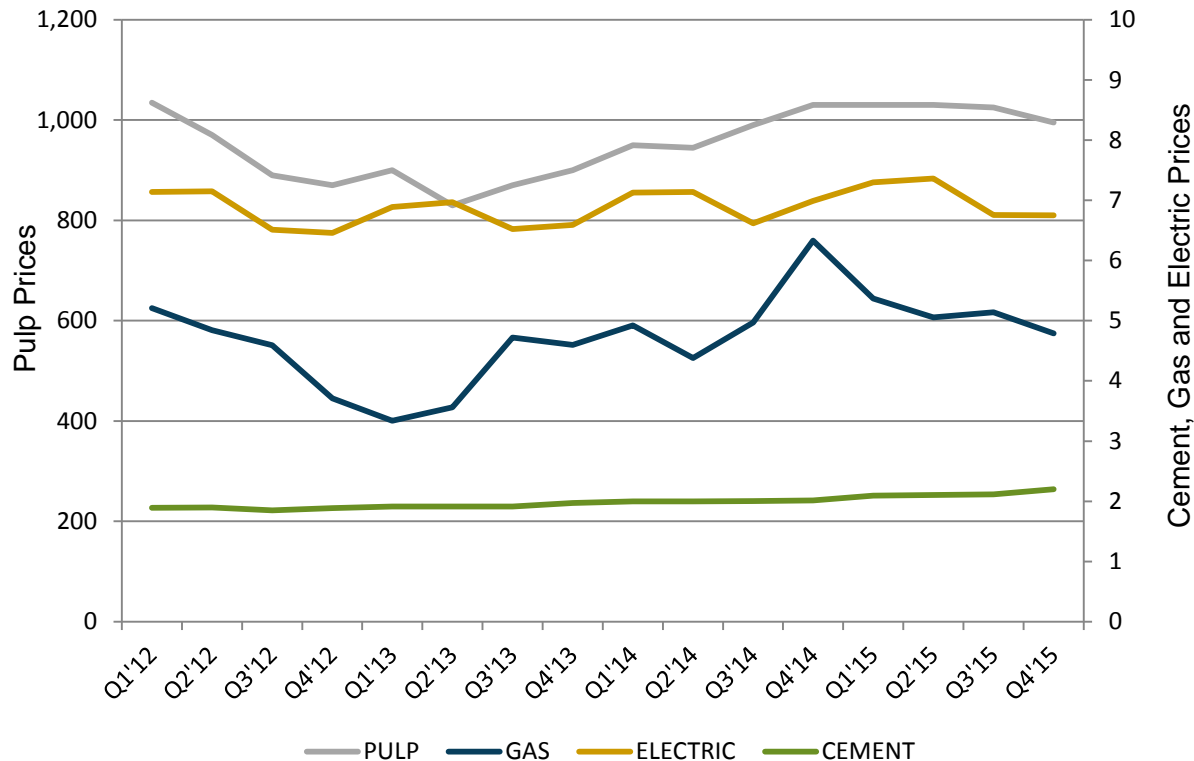
## CAPEX Spend - Full Year FY15



- Continuing to invest in capacity expansion in the US 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

# US INPUT COSTS

## Quarterly US Input Costs



### Discussion:

- Input costs have generally trended higher than the prior year
- The price of NBSK pulp reached its peak during the year, but has trended down slightly during the fourth quarter
- The cost of gas and electric for industrial users increased above their historical four year average in the current year
- 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

# ASBESTOS COMPENSATION

## SUMMARY

- Updated actuarial report completed as at 31 March 2015
- Undiscounted and uninflated central estimate increased to US\$1.566 billion from US\$1.547 billion
- Total contributions of US\$113.0 million were made to AICF during FY2015 from our FY2014 free cash flow
- From the time AICF was established in February 2007, we have contributed A\$718.1 million to the fund\*

\*As at 31 March 2015

# ASBESTOS FUND – PRO FORMA

## Claims Data

For the quarter and full year ended 31 March 2015, we note the following related to asbestos claims:

	Full Year Ended 31 March		
	FY15	FY14	% Change
Claims received	665	608	(9)
Actuarial estimate for the period	610	540	(13)
Difference in claims received to actuarial estimate	(55)	(68)	19
Average claim settlement <sup>1</sup> (A\$)	254,000	253,000	
Actuarial estimate for the period <sup>2</sup> (A\$)	289,000	262,000	(10)
Difference in claims paid to actuarial estimate	35,000	9,000	

- Claims received during the full year were 9% above actuarial estimates and the prior period corresponding period
- The higher reported mesothelioma claims experience noted during FY'14 has continued for the current full year
- Average claim settlement is flat for the full year, compared to the prior corresponding period
- Actual dollars paid in compensation was 4% above the full year actuarial estimate

<sup>1</sup> Average claim settlement is derived as the total amount paid divided by the number of non-nil claim

<sup>2</sup> 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.

## ASBESTOS CASH MOVEMENTS FOR FULL YEAR ENDED 31 MARCH

### A\$ millions

AICF cash and investments - 31 March 2014	65.5
Contribution to AFFA by James Hardie	119.9
Insurance recoveries	33.2
Loan Drawdowns	17.7
Loan Repayments	(51.0)
Interest income, net	1.6
Claims paid	(154.3)
Operating costs	(4.7)
Other	1.0
<b>AICF cash and investments - 31 March 2015</b>	<b>28.9</b>

On 1 July 2015, James Hardie contributed A\$81.1m to AICF in accordance with the AFFA.



# DEFINITIONS AND OTHER TERMS

## Definitions

### Non-financial Terms

**AFFA** – Amended and Restated Final Funding Agreement

**AICF** – Asbestos Injuries Compensation Fund Ltd

**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 Consolidated Financial Statements under US GAAP, the following table cross-references each non-US GAAP line item description, to the equivalent US GAAP financial statement line item description used in the company's Condensed Consolidated Financial Statements:

Management's Discussion and 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

**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 Months and Full Year Ended 31 March			
	Q4 FY15	Q4 FY14	FY15	FY14
<b>EBIT</b>	\$ 12.6	\$ (266.4)	\$ 335.0	\$ 53.1
Asbestos:				
Asbestos adjustments	63.5	322.0	(33.4)	195.8
AICF SG&A expenses	0.6	0.7	2.5	2.1
New Zealand weathertightness claims	(0.1)	1.1	(4.3)	1.8
Non-recurring stamp duty	4.2	-	4.2	-
<b>Adjusted EBIT</b>	<b>80.8</b>	<b>57.4</b>	<b>304.0</b>	<b>252.8</b>
Net sales	\$ 411.3	\$ 376.4	\$ 1,656.9	\$ 1,493.8
<b>Adjusted EBIT margin</b>	<b>19.6%</b>	<b>15.3%</b>	<b>18.3%</b>	<b>16.9%</b>

# 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 Months and Full Year Ended 31 March			
		Q4 FY15	Q4 FY14	FY15	FY14
<b>Net operating profit</b>	\$	<b>27.7</b>	<b>(186.8)</b>	<b>\$ 291.3</b>	<b>\$ 99.5</b>
Asbestos:					
Asbestos adjustments		63.5	322.0	(33.4)	195.8
AICF SG&A expenses		0.6	0.7	2.5	2.1
AICF interest income, net		(0.4)	(0.5)	(1.4)	(2.9)
New Zealand weathertightness claims		(0.1)	1.1	(4.3)	1.8
Non-recurring stamp duty		4.2	-	4.2	-
Asbestos and other tax adjustments		(38.2)	(91.2)	(37.5)	(99.1)
<b>Adjusted net operating profit</b>	\$	<b>57.3</b>	<b>45.3</b>	<b>\$ 221.4</b>	<b>\$ 197.2</b>

# 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 Months and Full Year Ended 31 March				
	Q4 FY15	Q4 FY14	FY15	FY14
<b>Adjusted net operating profit (US\$ millions)</b>	<b>\$ 57.3</b>	<b>\$ 45.3</b>	<b>\$ 221.4</b>	<b>\$ 197.2</b>
Weighted average common shares outstanding - Diluted (millions)	446.4	445.8	446.4	444.6
<b>Adjusted diluted earnings per share (US cents)</b>	<b>13</b>	<b>10</b>	<b>50</b>	<b>44</b>



# 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 Months and Full Year Ended March			
	Q4 FY15	Q4 FY14	FY15	FY14
<b>Operating profit before income taxes</b>	\$ 7.6	\$ (265.6)	\$ 322.6	\$ 54.6
Asbestos:				
Asbestos adjustments	63.5	322.0	(33.4)	195.8
AICF SG&A expenses	0.6	0.7	2.5	2.1
AICF interest expense, net	(0.4)	(0.5)	(1.4)	(2.9)
New Zealand weathertightness claims	(0.1)	1.1	(4.3)	1.8
Non-recurring stamp duty	4.2	-	4.2	-
<b>Adjusted operating profit before income taxes</b>	\$ 75.4	\$ 57.7	\$ 290.2	\$ 251.4
Income tax benefit (expense)	\$ 20.1	\$ 78.8	\$ (31.3)	\$ 44.9
Asbestos-related and other tax adjustments	(38.2)	(91.2)	(37.5)	(99.1)
<b>Adjusted income tax (expense)</b>	\$ (18.1)	\$ (12.4)	\$ (68.8)	\$ (54.2)
Effective tax rate	(264.5%)	29.7%	9.7%	(82.2%)
<b>Adjusted effective tax rate</b>	<b>24.0%</b>	<b>21.5%</b>	<b>23.7%</b>	<b>21.6%</b>

# 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 Months and Full Year Ended 31 March			
	Q4 FY15	Q4 FY14	FY15	FY14
<b>EBIT</b>	\$ 12.6	\$ (266.4)	\$ 335.0	\$ 53.1
Depreciation and amortization	18.9	15.2	70.9	61.4
<b>Adjusted EBITDA</b>	\$ 31.5	\$ (251.2)	\$ 405.9	\$ 114.5

# 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 Months and Full Year Ended 31 March			
	Q4 FY15	Q4 FY14	FY15	FY14
<b>Selling, general and administrative expenses</b>	<b>\$ 68.8</b>	<b>\$ 61.9</b>	<b>\$ 245.5</b>	<b>\$ 224.4</b>
Excluding:				
New Zealand weathertightness claims benefit (expense)	0.1	(1.1)	4.3	(1.8)
AICF SG&A expenses	(0.6)	(0.7)	(2.5)	(2.1)
Non-recurring stamp duty	(4.2)	-	(4.2)	-
<b>Adjusted selling, general and administrative expenses</b>	<b>\$ 64.1</b>	<b>\$ 60.1</b>	<b>\$ 243.1</b>	<b>\$ 220.5</b>
Net Sales	\$ 411.3	\$ 376.4	\$ 1,656.9	\$ 1,493.8
Selling, general and administrative expenses as a percentage of net sales	16.7%	16.4%	14.8%	15.0%
<b>Adjusted selling, general and administrative expenses as a percentage of net sales</b>	<b>15.6%</b>	<b>16.0%</b>	<b>14.7%</b>	<b>14.8%</b>

# INVESTOR PRESENTATION

JULY 2015