



Q2 FY16 MANAGEMENT PRESENTATION

19 November 2015

DISCLAIMER

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

Examples of forward-looking statements include:

- statements about the company’s future performance;
- projections of the company’s results of operations or financial condition;
- statements regarding the company’s plans, objectives or goals, including those relating to strategies, initiatives, competition, acquisitions, dispositions and/or its products;
- expectations concerning the costs associated with the suspension or closure of operations at any of the company’s plants and future plans with respect to any such plants;
- expectations concerning the costs associated with the significant capital expenditure projects at any of the company’s plants and future plans with respect to any such projects;
- expectations regarding the extension or renewal of the company’s credit facilities including changes to terms, covenants or ratios;
- expectations concerning dividend payments and share buy-backs;
- statements concerning the company’s corporate and tax domiciles and structures and potential changes to them, including potential tax charges;
- statements regarding tax liabilities and related audits, reviews and proceedings;
- expectations about the timing and amount of contributions to Asbestos Injuries Compensation Fund (AICF), a special purpose fund for the compensation of proven Australian asbestos-related personal injury and death claims;
- expectations concerning indemnification obligations;
- expectations concerning the adequacy of the company’s warranty provisions and estimates for future warranty-related costs;
- statements regarding the company’s ability to manage legal and regulatory matters (including but not limited to product liability, environmental, intellectual property and competition law matters) and to resolve any such pending legal and regulatory matters within current estimates and in anticipation of certain third-party recoveries; and
- statements about economic conditions, such as changes in the US economic or housing recovery or changes in the market conditions in the Asia Pacific region, the levels of new home construction and home renovations, unemployment levels, changes in consumer income, changes or stability in housing values, the availability of mortgages and other financing, mortgage and other interest rates, housing affordability and supply, the levels of foreclosures and home resales, currency exchange rates, and builder and consumer confidence.

DISCLAIMER (continued)

Words such as “believe,” “anticipate,” “plan,” “expect,” “intend,” “target,” “estimate,” “project,” “predict,” “forecast,” “guideline,” “aim,” “will,” “should,” “likely,” “continue,” “may,” “objective,” “outlook” and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. Readers are cautioned not to place undue reliance on these forward-looking statements and all such forward-looking statements are qualified in their entirety by reference to the following cautionary statements.

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

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



In this Management Presentation, James Hardie may present financial measures, sales volume terms, financial ratios, and Non-US GAAP financial measures included in the Definitions 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 second quarter and half year of the current fiscal year versus the second quarter and half year of the prior fiscal year.




OVERVIEW AND OPERATING REVIEW


Louis Gries, CEO

GROUP OVERVIEW



Adjusted Net Operating Profit

2nd Qtr		Half Year		
US\$65.3M	Flat	US\$128.8M		12%

Adjusted Diluted EPS

2nd Qtr		Half Year		
US15cents	Flat	US29cents		12%



Adjusted EBIT

2nd Qtr		Half Year		
US\$95.3M		US\$185.0M		18%

Net Operating Cash Flow

Half Year		
US\$85.5M		151%

Adjusted EBIT Margin %

2nd Qtr		Half Year		
21.2%		21.1%		2.9 pts

- **Higher volumes** in all businesses, but PDG in our US business again tracked below our target level
- **Higher average net sales prices** in local currencies
- Continued focus on operational management as our plants continue to sustain an improved performance trend
- Half year USA and Europe Fiber Cement segment **EBIT margin** of 25.6% above our target range of 20% to 25%
- **First half ordinary dividend** of US9.0 cents per security announced today

¹ Dividends declared per share

² Excludes Australian Pipes business which was sold in Q1 FY16

USA AND EUROPE FIBER CEMENT SUMMARY

	Q2'16	1H'16
Net Sales	US\$361.9M ↑ 8%	US\$698.9M ↑ 6%
Sales Volume (mmsf)	517.8 ↑ 7%	997.8 ↑ 5%
Average Price	US\$685 per msf ↑ 1%	US\$685 per msf ↑ 1%
EBIT	US\$89.4M ↑ 20%	US\$178.9M ↑ 25%

Volume

- Modest R&R and new construction market growth
- PDG tracked below our targeted level

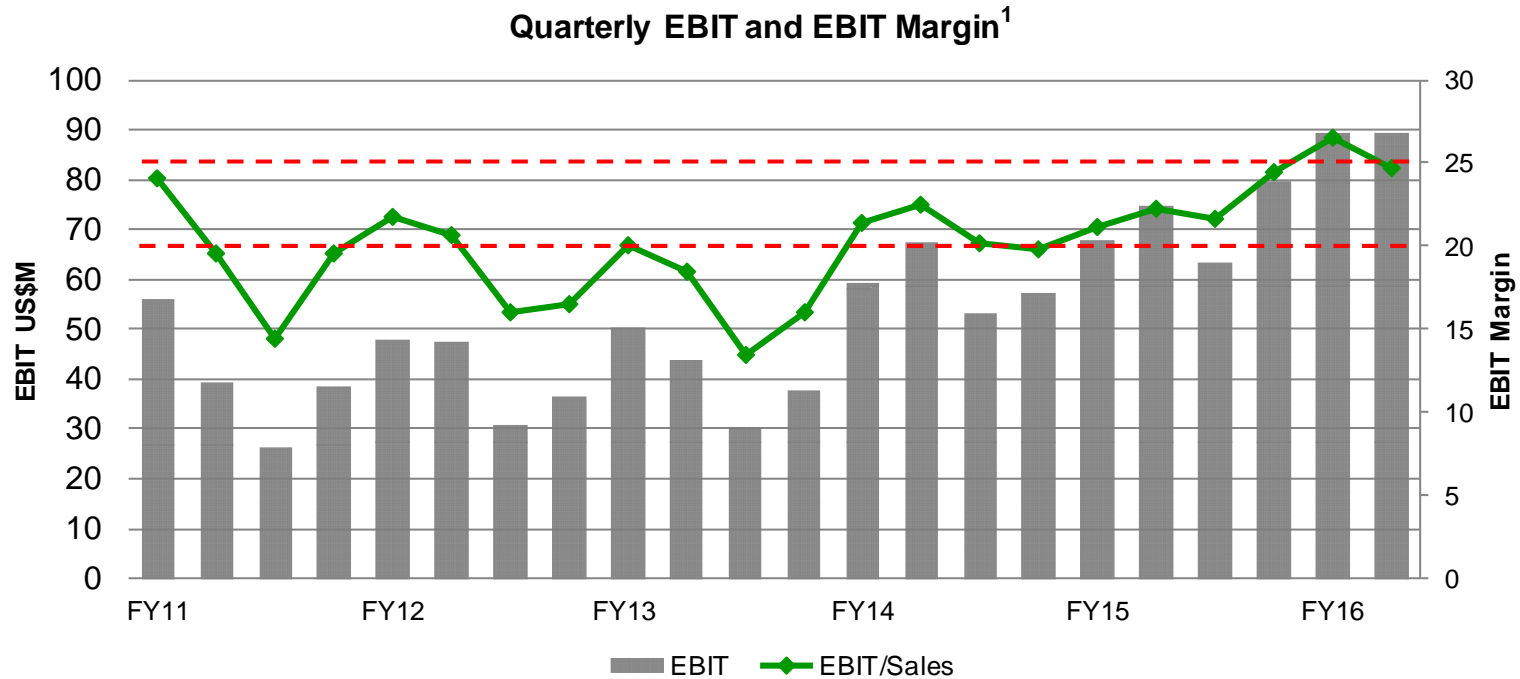
Price

- Favorably impacted by 2-3% annual price increase
- Adversely impacted by stronger US dollar on Canadian and European sales

EBIT

- Lower production costs driven by a sustained positive performance improvement trend in our manufacturing plant network
- Lower freight and input costs relative to pcp

USA AND EUROPE FIBER CEMENT

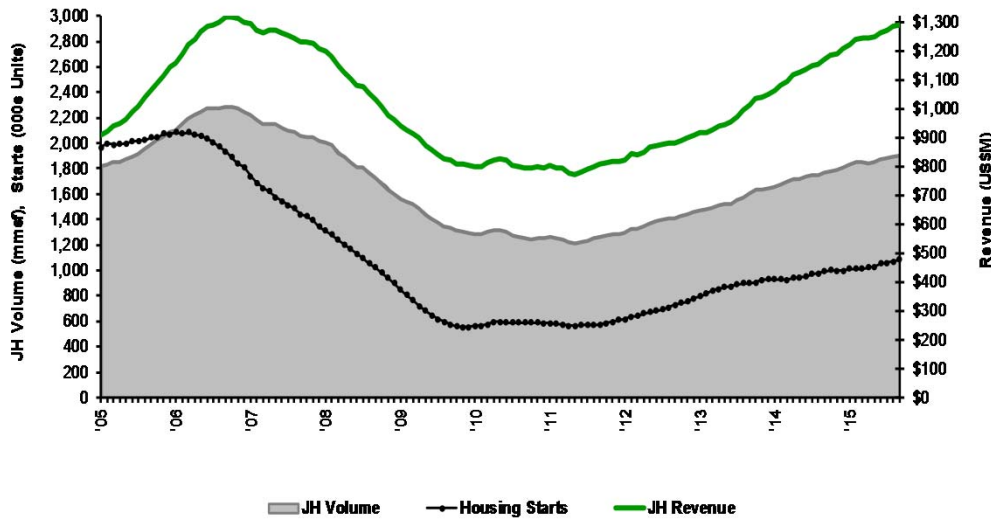


Half Year EBIT Margin up 390 bps to 25.6%

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

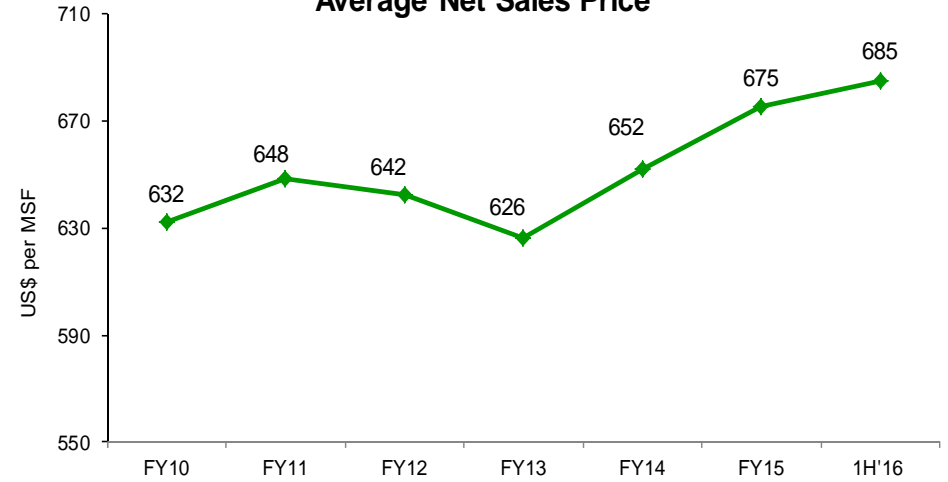
USA AND EUROPE FIBER CEMENT

Top Line Growth¹



Revenue up 8% in the quarter on 7% volume growth

Average Net Sales Price



Impact of price increases offset by US currency appreciation

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

ASIA PACIFIC FIBER CEMENT SUMMARY

	Q2'16	1H'16
Net Sales	A\$121.6M ↑ 7%	A\$239.0M ↑ 11%
Sales Volume	115.6 mmsf ↓ 1%	234.7 mmsf ↑ 4%
Sales Volume Excluding ¹	115.6 mmsf ↑ 8%	224.9 mmsf ↑ 9%
Average Price	A\$1,039 per msf ↑ 8%	A\$1,006 per msf ↑ 6%
US\$ EBIT ²	US\$22.0M ↓ 14%	US\$41.7M ↓ 10%
A\$ EBIT ²	A\$30.0M ↑ 8%	A\$55.4M ↑ 11%

¹ Excludes Australian Pipes business which was sold in Q1 FY16

² Excludes New Zealand weathertightness claims

Volume

- Favorable conditions in addressable markets
- Excluding the Australian Pipes business, volume increased for both the quarter and half year

Price

- Favorably impacted by annual price increase
- Favorable regional and product mix

EBIT

- Stronger USD adversely impacting US dollar price of pulp, combined with Carole Park startup costs
- EBIT results in USD unfavorably impacted by the strengthening of the US Dollar



FINANCIAL REVIEW

Matt Marsh, CFO and Executive VP – Corporate

RESULTS – 2nd QUARTER FY16

Three Months Ended 30 September

US\$ Millions	Q2'16	Q2'15	% Change
Net sales	450.2	440.4	2
Gross profit	165.0	150.9	9
SG&A expenses	(62.6)	(60.8)	(3)
EBIT	161.1	145.6	11
Net operating profit	130.2	127.2	2
Adjusted EBIT ¹	95.3	85.1	12
Adjusted net operating profit ²	65.3	65.4	-

¹ Excludes Asbestos related expenses and adjustments and NZWT claims

² Excludes Asbestos related expenses and adjustments, NZWT claims, and tax adjustments

³ Excludes Australian Pipes business which was sold in Q1 FY16

Net sales increased

- Higher volume in both USA and Europe and Asia Pacific³ Fiber Cement segments
- Higher average net sales prices in local currencies

Gross profit margin increased 240 bps

- Improved performance across our US plants
- Lower input costs

SG&A expenses increased

- Higher recognized FX losses
- Higher stock compensation expenses
- Continuing to invest in the business

Adjusted net operating profit remained flat

- EBIT increased 11% compared to pcp
- Increase in Adjusted income tax expense of US\$4.8 million
- Higher gross interest expense of US\$5.1 million

RESULTS – HALF YEAR FY16

Half Year Ended 30 September

US\$ Millions	1H'16	1H'15	% Change
Net sales	878.5	857.2	2
Gross profit	322.6	291.1	11
SG&A expenses	(124.1)	(120.7)	(3)
EBIT	245.6	196.0	25
Net operating profit	190.2	156.1	22
Adjusted EBIT ¹	185.0	156.3	18
Adjusted net operating profit ²	128.8	115.5	12

¹ Excludes Asbestos related expenses and adjustments and NZWT claims

² Excludes Asbestos related expenses and adjustments, NZWT claims, and tax adjustments

Net sales increased

- Higher volume in both segments
- Higher average net sales prices in local currencies

Gross profit margin increased 270 bps

- Improved performance across our US plants
- Lower input costs

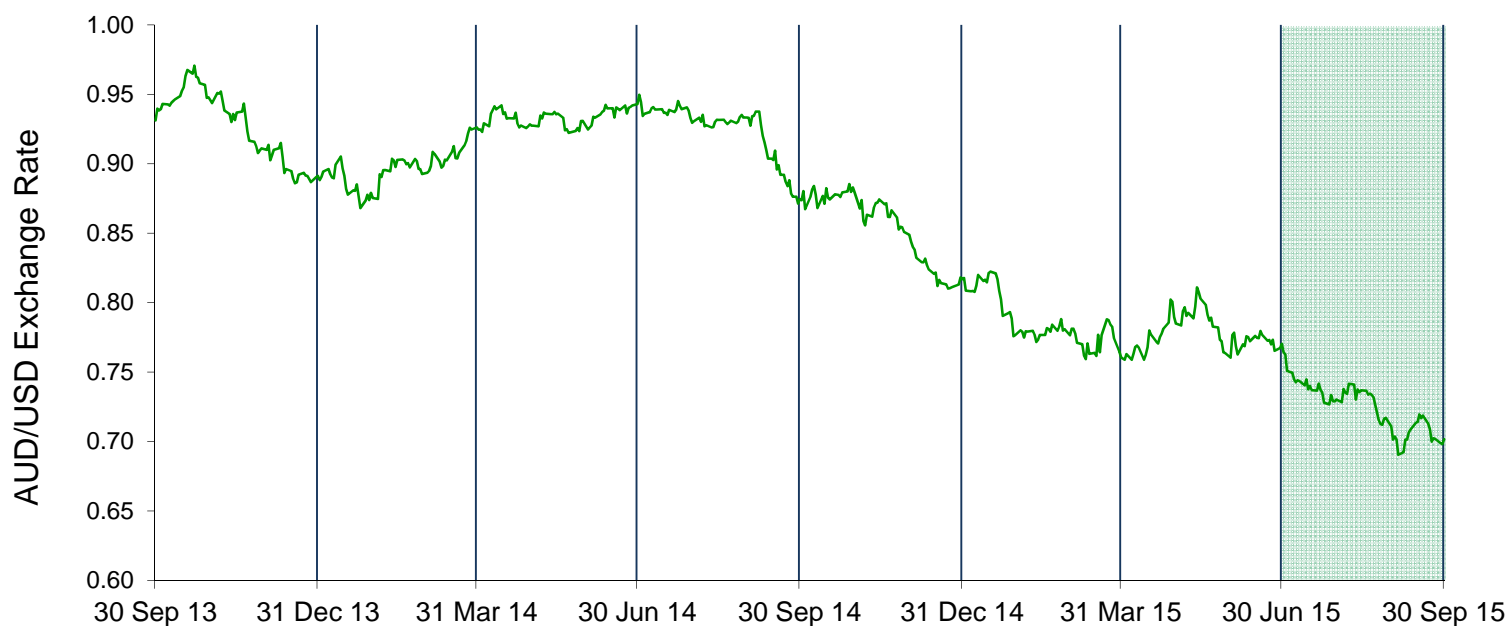
SG&A expenses increased

- Higher recognized FX losses
- Higher stock compensation expenses
- Investing in both segments, partially offset by FX

Adjusted net operating profit remained flat

- 25% EBIT growth
- Increase in Adjusted income tax expense of US\$11.2 million
- Higher gross interest expense of US\$10.8 million
- US\$5.8 million favorable movement in other income

CHANGES IN AUD vs. USD



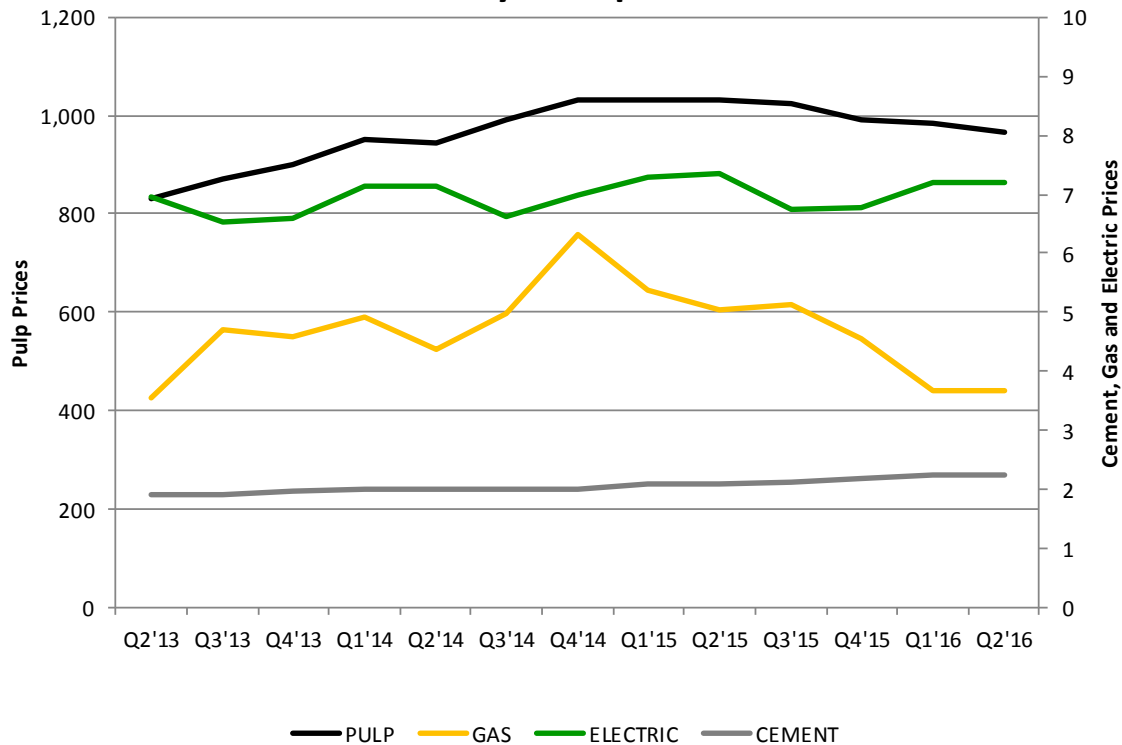
US\$ Millions	As Reported			Excluding Translation Impact ¹		Translation Impact ²	
	1H'16	1H'15	%Change	1H'16	%Change	1H'16	%Change
Net Sales	878.5	857.2	2	919.7	7	(41.2)	(5)
Gross Profit	322.6	291.1	11	336.8	16	(14.2)	(5)
Adjusted EBIT	185.0	156.3	18	193.6	24	(8.6)	(6)
Adjusted net operating profit	128.8	115.5	12	133.8	16	(5.0)	(4)

¹ As Reported 1H'16 figures using 1H'15 weighted average exchange rate of 1.0763

² Reflects the difference between 1H'16 As Reported and 1H'16 using 1H'15 weighted exchange rate

US INPUT COSTS

Quarterly US Input Costs



- The price of NBSK pulp decreased by ~2% compared to pcp¹
- Cement prices are up 7-8% compared to pcp¹
- Gas prices down 20+% compared to pcp¹
- Electricity prices down slightly compared to pcp¹

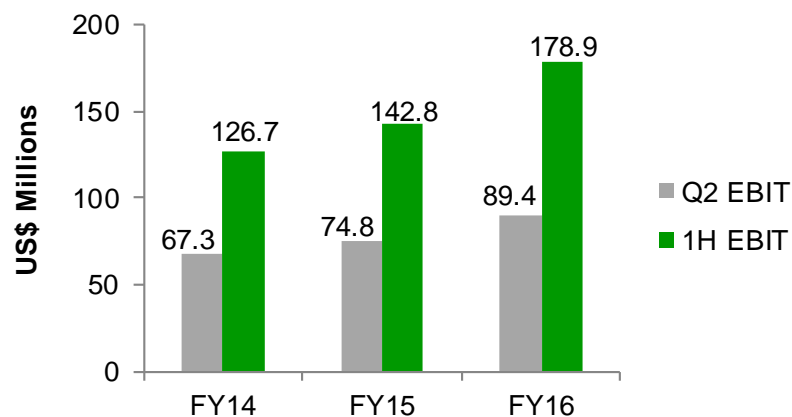
The information underlying the table above is sourced as follows:

- Pulp – Cost per ton – from RISI
- Cement – Relative index from the Bureau of Labor Statistics
- 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

¹ Prior corresponding period

SEGMENT EBIT – 2nd QUARTER and HALF YEAR FY16

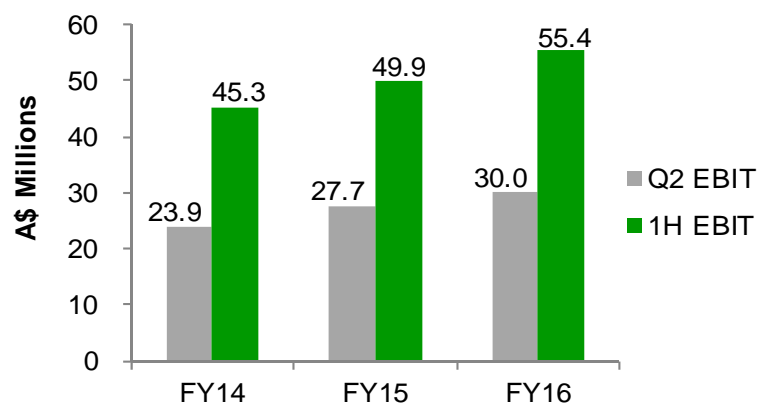
USA and Europe Fiber Cement



USA and Europe Fiber Cement EBIT summary

- Quarter and 1H EBIT increased by 20% and 25%, respectively when compared to pcp
- Primarily driven by plant performance and lower input costs

Asia Pacific Fiber Cement¹



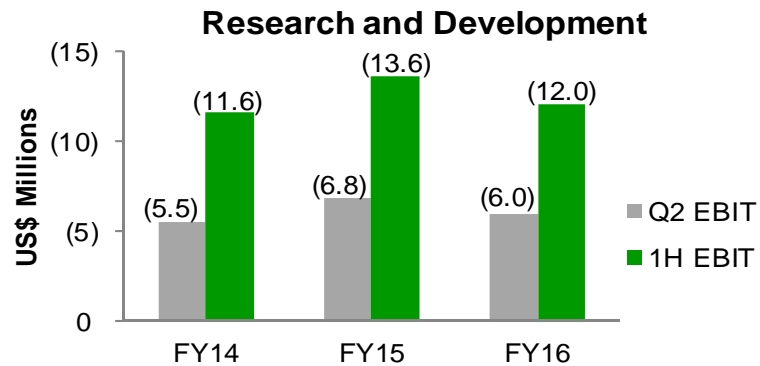
Asia Pacific Fiber Cement EBIT¹ summary

- EBIT in local currency for the quarter and 1H increased 8% and 11%, respectively when compared to pcp
- Increase reflects higher volume² and price, partially offset by production costs

¹ Excludes New Zealand weathertightness claims

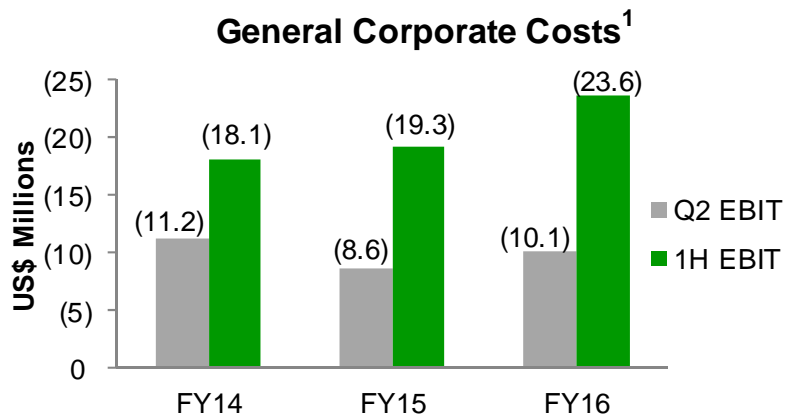
² Excludes Australian Pipes business which was sold in Q1 FY16

SEGMENT EBIT – 2nd QUARTER and HALF YEAR FY16



R&D summary

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



General corporate costs

- Results for the quarter and 1H reflect higher:
 - Stock compensation expenses
 - Realized foreign exchange losses

¹ Excludes Asbestos related expenses and adjustments and ASIC expenses

INCOME TAX

Three Months and Half Year Ended 30 September

Millions of US dollars	Q2'16	Q2'15	1H'16	1H'15
Operating profit before taxes	153.9	144.7	235.2	190.3
Asbestos:				
Asbestos adjustments ¹	(65.6)	(63.5)	(60.7)	(41.2)
NZ weathertightness claims	(0.1)	2.3	0.1	1.0
Adjusted net operating profit before taxes	88.2	83.5	174.6	150.1
Adjusted income tax expense ²	(22.9)	(18.1)	(45.8)	(34.6)
Adjusted effective tax rate	26.0%	21.7%	26.2%	23.1%
Income tax expense	(23.7)	(17.5)	(45.0)	(34.2)
Income taxes paid			35.1	16.0
Income taxes payable			4.3	5.5

26.2% estimated adjusted effective tax rate (ETR) for the year

- Adjusted income tax expense and adjusted ETR increased due to changes in geographical mix of earnings
- Income taxes are paid and payable in Ireland, the US, Canada, New Zealand and the Philippines
- Income taxes are not currently paid or payable in Europe (excluding Ireland) or Australia due to tax losses. Australian tax losses primarily result from deductions relating to contributions to AICF

¹ Includes Asbestos adjustments, AICF SG&A expenses and AICF interest expense, net

² Excludes tax effects of Asbestos and other tax adjustments

CASHFLOW

US\$ Millions	1H'16	1H'15 ¹	Change (%)
Net Income	190.2	156.1	
Adjustment for non-cash items	(20.0)	(4.4)	
Annual AICF contribution	(62.8)	(113.0)	44
Operating working capital ²	7.0	8.6	(19)
Other net operating activities	(28.9)	(13.2)	
Cash Flow from Operations	85.5	34.1	
Capital expenditures ³	(33.8)	(159.7)	79
Acquisition of assets	(0.5)	-	
Free Cash Flow	51.2	(125.6)	
Dividends paid	(206.8)	(355.9)	42
Net proceeds from long-term debt	193.0	380.0	(49)
Share related activities	(18.5)	(6.3)	
Free Cash Flow after Financing Activities	18.9	(107.8)	

- Net income increased US\$34.1 million compared to prior corresponding period
- Increase in net operating cash flow
 - Lower contribution to AICF
 - Unfavorable change in working capital due to unfavorable movements in AR⁴ and AP⁴, partially offset by a favorable movement in inventory
- Lower capital expenditures
 - Completion of our Australian capital expansion project, and near completion of our US capital expansion projects
- Lower financing activities
 - Decrease in proceeds drawn from our debt facilities
 - Decrease in dividends paid
 - Increase in share buyback activity

¹ Certain prior year balances have been reclassified to conform to the current year presentation

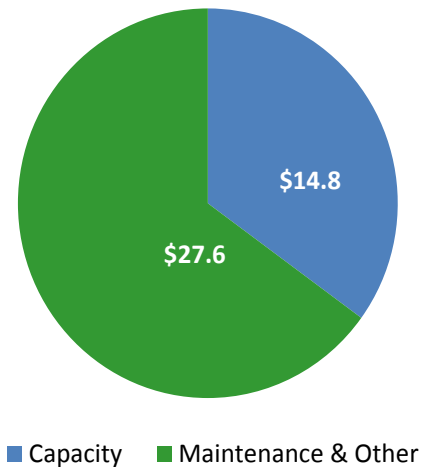
² Excludes AP related to capital expenditures

³ Includes capitalized interest and proceeds from sale of property, plant and equipment

⁴ Accounts receivable ("AR") and Accounts payable ("AP")

CAPEX

CAPEX Spend - Half Year FY16



- 1H FY16 CAPEX spend of US\$42.4 million decreased US\$117.1 million compared to pcp
- US capacity projects substantially complete
- Carole Park capacity expansion project complete and commissioned during 1H FY16
- Maintenance and other CAPEX consistent with historical trend

FINANCIAL MANAGEMENT SUPPORTING GROWTH

1 Strong Financial Management

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

2 Disciplined Capital Allocation

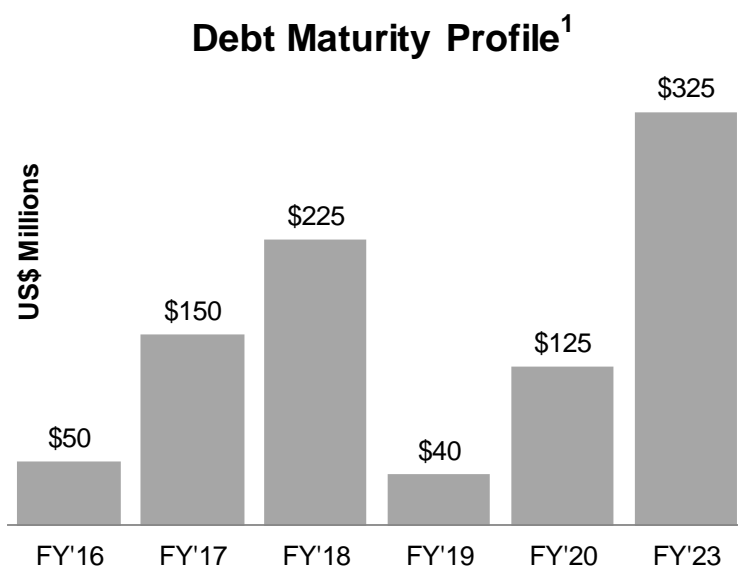
- Investing in R&D and capacity expansion to support organic growth
- Maintain ordinary dividends within the defined payout ratio
- Flexibility for:
 - Accretive and strategic inorganic opportunities
 - Withstand market cycles
 - Consider further shareholder returns when appropriate

3 Liquidity and Funding

- ~\$590 million of bank facilities, 44% liquidity as of Q2'16
- 1.9 year weighted average maturity of bank facilities
- Conservative leveraging of balance sheet within 1-2 times adjusted EBITDA target

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

LIQUIDITY PROFILE



- Strong balance sheet:
 - US\$83.6 million of cash
 - US\$590 million of bank facilities
 - US\$325 million 8 year senior unsecured notes^{2,3}
 - 44% liquidity as of Q2'16
- US\$507.0 million net debt as of 1H FY16
- **Net Debt within target range of 1-2 times EBITDA excluding asbestos**
- We remain in compliance with all debt covenants

¹ Debt maturities as at Q2'16 were as follows: US\$50 million in Q4'16, US\$150 million in Q1'17, US\$100 million in Q1'18, US\$125 million Q3'18, US\$40 million in Q4'19, US\$125 million in Q1'20 and US\$325 million in Q4'23

² Callable from February 2018

³ Original issue discount (OID) US\$2.4 million at 30 September 2015

FY2016 GUIDANCE

- Management notes the range of analysts' forecasts for net operating profit excluding asbestos for the year ending 31 March 2016 is between **US\$252 million** and **US\$270 million**
- Management expects full year Adjusted net operating profit to be between **US\$230 million** and **US\$250 million** assuming, among other things, housing conditions in the United States continue to improve in line with our assumed forecast of new construction starts between 1.1 and 1.2 million, input prices remaining stable and an average USD/AUD exchange rate that is at or near current levels for the remainder of the year
- Management cautions that although US housing activity has been improving, market conditions remain somewhat uncertain and some input costs remain volatile. Management is unable to forecast the comparable US GAAP financial measure due to uncertainty regarding the impact of actuarial estimates on asbestos-related assets and liabilities in future periods



QUESTIONS



APPENDIX

FINANCIAL SUMMARY

Three Months and Half Year Ended 30 September						
US\$ Millions	Q2'16	Q2'15	% Change	1H'16	1H'15	% Change
Net Sales						
USA and Europe Fiber Cement	\$ 361.9	\$ 335.4	8	\$ 698.9	\$ 656.9	6
Asia Pacific Fiber Cement	88.3	105.0	(16)	179.6	200.3	(10)
Total Net Sales	\$ 450.2	\$ 440.4	2	\$ 878.5	\$ 857.2	2
EBIT - US\$ Millions						
USA and Europe Fiber Cement	\$ 89.4	\$ 74.8	20	\$ 178.9	\$ 142.8	25
Asia Pacific Fiber Cement ¹	22.0	25.7	(14)	41.7	46.4	(10)
Research & Development	(6.0)	(6.8)	12	(12.0)	(13.6)	12
General Corporate ²	(10.1)	(8.6)	(17)	(23.6)	(19.3)	(22)
Adjusted EBIT	\$ 95.3	\$ 85.1	12	\$ 185.0	\$ 156.3	18
Net interest expense excluding AICF interest income	(6.5)	(1.6)		(12.5)	(2.5)	
Other (expense) income	(0.6)	-		2.1	(3.7)	
Adjusted income tax expense	(22.9)	(18.1)	(27)	(45.8)	(34.6)	(32)
Adjusted net operating profit	\$ 65.3	\$ 65.4	-	\$ 128.8	\$ 115.5	12

¹ Asia Pacific Fiber Cement EBIT excludes New Zealand weathertightness claims

² Excludes Asbestos related expenses and adjustments

KEY RATIOS

Half Year Ended 30 September

	1H'16	1H'15	1H'14
EPS (Diluted) ¹ (US Cents)	29c	26c	24c
EBIT/ Sales (EBIT margin) ²	21.1%	18.2%	18.3%
Gearing Ratio ¹	33.1%	21.5%	(9.5)%
Net Interest Expense Cover ²	14.8x	96.3x	66.8x
Net Interest Paid Cover ²	15.5x	200.7x	77.9x
Net Debt Payback ³	1.7yrs	1.1yrs	-

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

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

³ Excludes asbestos adjustments and changes in asbestos-related assets and liabilities

ASBESTOS CLAIMS DATA

	Three Months and Half Year Ended 30 September					
	Q2'16	Q2'15	Change %	1H'16	1H'15	Change %
Claims received	157	181	13	296	337	12
Actuarial estimate for the period	165	152	(9)	329	305	(8)
Difference in claims received to actuarial estimate	8	(29)		33	(32)	
Average claim settlement ¹ (A\$)	213,000	270,000	21	223,000	244,000	9
Actuarial estimate for the period ²	302,000	289,000	(4)	302,000	289,000	(4)
Difference in claims paid to actuarial estimate	89,000	19,000		79,000	45,000	(76)

- Claims received during the quarter and half year were 5% and 10% below actuarial estimates, respectively
- Mesothelioma claims reported for the half year are 5% above non-seasonally adjusted expectations and are 3% below pcpc
- Average claim settlement for quarter and half year is lower by 29% and 26%, respectively, versus actuarial estimates
- Average claim settlement sizes are generally lower across all disease types compared to actuarial estimates for FY16
- Decrease in average claim settlement for the quarter and half year is due to lower number of large claims settled as compared to pcpc

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

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

DEFINITIONS AND OTHER TERMS

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

Definitions

Non-financial Terms

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, as used in Management's Analysis of Results and Media Release, to the equivalent US GAAP financial statement line item description used in the company's Condensed Consolidated Financial Statements:

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

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

DEFINITIONS AND OTHER TERMS

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

Sales Volumes

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

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

Financial Ratios

Gearing Ratio – Net debt (cash) divided by net debt (cash) plus shareholders’ equity

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 capitalized

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 Half Year Ended 30 September			
	Q2'16	Q2'15	1H'16	1H'15
EBIT	\$ 161.1	\$ 145.6	\$ 245.6	\$ 196.0
Asbestos:				
Asbestos adjustments	(66.0)	(63.5)	(61.5)	(42.0)
AICF SG&A expenses	0.3	0.7	0.8	1.3
New Zealand weathertightness claims	(0.1)	2.3	0.1	1.0
Adjusted EBIT	95.3	85.1	185.0	156.3
Net sales	\$ 450.2	\$ 440.4	\$ 878.5	\$ 857.2
Adjusted EBIT margin	21.2%	19.3%	21.1%	18.2%

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 Half Year Ended 30 September			
	Q2'16	Q2'15	1H'16	1H'15
Net operating profit	\$ 130.2	\$ 127.2	\$ 190.2	\$ 156.1
Asbestos:				
Asbestos adjustments	(66.0)	(63.5)	(61.5)	(42.0)
AICF SG&A expenses	0.3	0.7	0.8	1.3
AICF interest expense (income), net	0.1	(0.7)	-	(0.5)
New Zealand weathertightness claims	(0.1)	2.3	0.1	1.0
Asbestos and other tax adjustments	0.8	(0.6)	(0.8)	(0.4)
Adjusted net operating profit	\$ 65.3	\$ 65.4	\$ 128.8	\$ 115.5

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 Half Year Ended 30 September				
	Q2'16	Q2'15	1H'16	1H'15
Adjusted net operating profit (US\$ millions)	\$ 65.3	\$ 65.4	\$ 128.8	\$ 115.5
Weighted average common shares outstanding - Diluted (millions)	446.7	445.8	447.3	445.7
Adjusted diluted earnings per share (US cents)	15	15	29	26

NON-US GAAP FINANCIAL MEASURES

Adjusted income tax expense and Adjusted effective tax rate – Adjusted income tax expenses and Adjusted effective tax rate is not a measure of financial performance under US GAAP and should not be considered to be more meaningful than income tax expense and effective tax rate, respectively. 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. Management uses these non-US GAAP measures for the same purposes.

US\$ Millions	Three Months and Half Year Ended 30 September			
	Q2'16	Q2'15	1H'16	1H'15
Operating profit before income taxes	\$ 153.9	\$ 144.7	\$ 235.2	\$ 190.3
Asbestos:				
Asbestos adjustments	(66.0)	(63.5)	(61.5)	(42.0)
AICF SG&A expenses	0.3	0.7	0.8	1.3
AICF interest expense (income), net	0.1	(0.7)	-	(0.5)
New Zealand weathertightness claims	(0.1)	2.3	0.1	1.0
Adjusted operating profit before income taxes	\$ 88.2	\$ 83.5	\$ 174.6	\$ 150.1
Income tax expense	\$ (23.7)	\$ (17.5)	\$ (45.0)	\$ (34.2)
Asbestos and other tax adjustments	0.8	(0.6)	(0.8)	(0.4)
Adjusted income tax expense	\$ (22.9)	\$ (18.1)	\$ (45.8)	\$ (34.6)
Effective tax rate	15.4%	12.1%	19.1%	18.0%
Adjusted effective tax rate	26.0%	21.7%	26.2%	23.1%

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 Half Year Ended 30 September			
	Q2'16	Q2'15	1H'16	1H'15
EBIT	\$ 161.1	\$ 145.6	\$ 245.6	\$ 196.0
Depreciation and amortization	17.6	17.5	35.8	34.1
Adjusted EBITDA	\$ 178.7	\$ 163.1	\$ 281.4	\$ 230.1

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 Half Year Ended 30 September			
	Q2'16	Q2'15	1H'16	1H'15
Selling, general and administrative expen	\$ 62.6	\$ 60.8	\$ 124.1	\$ 120.7
Excluding:				
New Zealand weathertightness claims	0.1	(2.3)	(0.1)	(1.0)
AICF SG&A expenses	(0.3)	(0.7)	(0.8)	(1.3)
Adjusted selling, general and administrative expenses	\$ 62.4	\$ 57.8	\$ 123.2	\$ 118.4
Net sales	\$ 450.2	\$ 440.4	\$ 878.5	\$ 857.2
Selling, general and administrative expenses as a percentage of net sales	13.9%	13.8%	14.1%	14.1%
Adjusted selling, general and administrative expenses as a percentage of net sales	13.9%	13.1%	14.0%	13.8%



Q2 FY16 MANAGEMENT PRESENTATION

19 November 2015